

THE NAVAJO NATION
LEGISLATIVE BRANCH
INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: _0226-21_

SPONSOR: Wilson C. Stewart, Jr.

TITLE: An Action Relating to Resources and Development, Budget and Finance, Naabik'iyáti' Committees, and Navajo Nation Council; Allocating \$500,000 in Síhasin Funds to Capital Projects Management Department (CPMD) for the Planning and Construction of the CPMD Renovation Phase II

Date posted: November 01, 2021 at 6:42PM

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LEGISLATION SUMMARY SHEET

TRACKING NO. 0226-21

DATE: October 28, 2021

TITLE OF LEGISLATION: AN ACTION RELATING TO RESOURCES AND DEVELOPMENT, BUDGET AND FINANCE, NAABIK'ÍYÁTI' COMMITTEES, AND NAVAJO NATION COUNCIL; ALLOCATING \$500,000 IN SÍHASIN FUNDS TO CAPITAL PROJECTS MANAGEMENT DEPARTMENT (CPMD) FOR THE PLANNING AND CONSTRUCTION OF THE CPMD RENOVATION PHASE II

PURPOSE OF THIS LEGISLATION: to approve an allocation of \$500,000 in Síhasin funds to the Capital Projects Management Department for the planning and construction of the CPMD renovation project, phase II.

OLC No. 21-332-1

5-DAY BILL HOLD PERIOD: Ysrednarsl
Website Posting Time/Date:
Posting End Date: November 6, 2021
Eligible for Action: November 7, 2021

Resources & Development Committee
Thence
Budget & Finance Committee
Thence
Naabik'iyáti' Committee
Thence
Navajo Nation Council

PROPOSED NAVAJO NATION COUNCIL RESOLUTION
24th NAVAJO NATION COUNCIL – Third Year, 2021

INTRODUCED BY


(Prime Sponsor)

TRACKING NO. 0226-21

AN ACTION
RELATING TO RESOURCES AND DEVELOPMENT, BUDGET AND
FINANCE, NAABIK'ÍYÁTI' COMMITTEES, AND NAVAJO NATION
COUNCIL; ALLOCATING \$500,000 IN SÍHASIN FUNDS TO CAPITAL
PROJECTS MANAGEMENT DEPARTMENT (CPMD) FOR THE PLANNING
AND CONSTRUCTION OF THE CPMD RENOVATION PHASE II

BE IT ENACTED:

SECTION ONE. AUTHORITY

- A. The Resources and Development Committee is a standing committee of the Navajo Nation Council with oversight authority over chapters and community development. 2 N.N.C. § 500(C).
- B. The Budget and Finance Committee is empowered to “appropriate, allocate, cancel, re-appropriate and review the use of Navajo Nation funds received including but not limited to all grants, contracts, gifts and other funds from all sources.” 2 N.N.C. §301(B)(3).
- C. The Naabik'iyáti' Committee is a standing committee of the Navajo Nation Council with the responsibility to hear proposed resolutions that require final action by the Navajo Nation Council. 2 N.N.C. §164(A)(9).
- D. The Navajo Nation Council is the governing body of the Navajo Nation. 2 N.N.C. §102(A).
- E. The Navajo Nation Code provides the purpose of the Navajo Nation Síhasin Fund (“Síhasin

1 Fund”) is as follows:

2 §2502 Purpose

3 A. The purposes of this Fund are to provide financial support and/or financing for:

- 4 1. The planning and development of economic development and regional
5 infrastructure supporting economic development and community development,
6 including such infrastructure as, but not limited to, housing, commercial and
7 government buildings, waterline, solid waste management development, powerline
8 projects, and transportation and communication systems, within the Navajo Nation;
9 and

10 2. Education opportunities for members of the Navajo Nation.

11 B. For the Purpose in §2502(A)(1), Fund expenditures for infrastructure shall not be
12 limited by 12 NNC §1310(F) or TCDCJY-77-99.

13 C. Leveraging the Fund by way of guaranteeing loans, match funding, direct funding in
14 part, and other weighted uses of the Fund, including loan financing from the Fund, for
15 the purposes in §2502(A)(1), shall be favored over direct funding in whole.

16 12 N.N.C. §2502, as amended by CJA-03-18.

17 F. The Síhasin Fund provides that “Fund Principal” shall consist of all deposits made to the
18 Síhasin Fund and that “Fund Income” shall consist of all earnings (interest, dividends, etc.)
19 generated and realized by the Fund Principal, and that Fund Income shall be deposited in
20 and added to Fund Principal until such time as a Fund Expenditure Plan is duly adopted.
21 12 N.N.C. §§ 2504 and 2505(C).

22 G. The Síhasin Fund provides that “Fund Principal and Income shall not be expended except
23 pursuant to a Fund Expenditure Plan consistent with the purposes set forth in §2502 of this
24 Chapter and adopted by a two-thirds (2/3) vote of all members of the Navajo Nation
25 Council.” 12 N.N.C. §2505(A).

26
27 **SECTION TWO. FINDINGS**

28 A. The Sawmill Chapter through Resolution No. SAW-07-19-21-06 requested for \$500,000
29 to be appropriated to the CPMD to complete Phase II of the Sawmill Chapter Renovation
30 Project (Sawmill Project). Resolution is attached as **Exhibit A**.

- 1 B. In Sawmill Chapter's request for funding, it indicated the funding will be used to complete
2 the Sawmill Project as detailed in the Sawmill Project Estimate attached as **Exhibit B**.
- 3 C. The Sawmill Chapter further explains that Phase I of the Sawmill Project is estimated at
4 \$649,996 and Phase II was estimated at \$500,000. A revised Phase II Sawmill Project
5 Estimate is attached as **Exhibit B** (3 pages) and the Supplemental Funding Proposal
6 Summary is attached as **Exhibit C** (5 pages).
- 7 D. The allocation of the \$500,000 for the Sawmill Project meets the criteria for Síhasin
8 expenditures because this Project involves "infrastructure" such as "commercial and
9 government buildings" as mentioned in 12 N.N.C. §2502(A)(1).
- 10 E. The allocation of the \$500,000 for the Sawmill Project meets the preference for leveraging
11 Síhasin funds, as mentioned in 12 N.N.C. § 2502(C), because the Sawmill Project has
12 completed Phase I and is close to completing Phase II of its renovation. **Exhibit A**.

13
14 **SECTION THREE. APPROVAL AND ADOPTION OF SÍHASIN FUNDING AND**
15 **EXPENDITURE PLAN**

- 16 A. The Navajo Nation hereby approves and appropriates funding for the Sawmill Project in
17 the amount of \$500,000 from the Navajo Nation Síhasin Fund, in accordance with 12
18 N.N.C. §2505(A).
- 19 B. The Navajo Nation hereby approves and adopts the Sawmill Project Estimate and related
20 documents, attached as **Exhibit A** through **C**.
- 21 C. The Síhasin Funds allocated for the Sawmill Project may be further leveraged by bond or
22 loan financing pursuant to the Navajo Nation Bond Financing Act, 12 N.N.C. §1300 *et*
23 *seq.*, as amended, using Síhasin Fund earnings for repayment and financing costs upon the
24 recommendation of the Budget and Finance Committee and approval by a two-thirds (2/3)
25 vote of all members of the Navajo Nation Council.

26
27 **SECTION FOUR. APPROVAL AND ADOPTION OF EXPENDITURE PLAN**
28 **ADMINISTRATION**

29 The Navajo Nation Council hereby approves administration of the Sawmill Project
30 Expenditure Plan as follows:

1 A. The Navajo Nation Controller shall determine whether the source of the annual allocations
2 from the total allocation of \$500,000 will be Síhasin Fund Principal or Income or a
3 combination of both.

4 B. The \$500,000 in Síhasin funds shall be distributed to the CPMD within ten (10) days after
5 the effective date of this legislation. The CPMD shall be responsible for administering the
6 Sawmill Project, in accordance with the Sawmill Project Estimate and related documents,
7 attached as **Exhibit B**.

8 C. The \$500,000 in Síhasin funds shall be used solely for design, planning, construction, and
9 equipment purchases, and infrastructure facilities for the Sawmill Project as described in
10 **Exhibits A through C**. Any and all cost-savings shall be returned to the Síhasin Fund once
11 the Sawmill Project is completed.

12 D. The \$500,000 in Síhasin funds shall not lapse on an annual basis pursuant to 12 N.N.C.
13 §820(N), however, any funds not spent or encumbered within thirty-six (36) months of the
14 date funds are made available to the CPMD shall revert to the Síhasin Fund principal,
15 unless recommended otherwise by the Resources and Development Committee of the
16 Navajo Nation Council and approved by the Naabik'íyáti' Committee.

17 E. The Síhasin Fund shall be reimbursed, in the amount of the expenditure authorized in this
18 legislation, from prospective funds available to the Navajo Nation from any and all
19 appropriate state and federal sources, including Congressional appropriations under the
20 American Rescue Plan Act of 2021 or other COVID-19 related relief.

21 F. The Sawmill Project shall be operated and managed by the CPMD, and maintenance and
22 repairs for the Sawmill Project shall be the responsibility of the Sawmill Chapter.

23
24 **SECTION FIVE. DIRECTIVES**

25 The CPMD shall report the status of the Sawmill Project to the Resources and Development
26 Committee, and to the Naabik'íyáti' Committee, on a quarterly basis.

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28 **SECTION SIX. EFFECTIVE DATE**

29 This legislation and the Sawmill Project Estimate and related documents approved herein
30 shall become effective pursuant to 12 N.N.C. §2505.

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SECTION SEVEN. SAVINGS CLAUSE

If any provision of this Act is determined invalid by the Supreme Court of the Navajo Nation, or by a Navajo Nation District Court without appeal to the Navajo Nation Supreme Court, the provision(s) not determined invalid shall remain as Navajo Nation law.