

THE NAVAJO NATION
LEGISLATIVE BRANCH
INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: _0106-22_

SPONSOR: Elmer P. Begay

TITLE: An Act Relating to the Resources and Development, Budget and Finance, and Naabik'iyáti' Committees, and the Navajo Nation Council; Allocating \$1,500,000.00 from the Síhasin Fund to the Capital Projects Management Department ("CPMD") to Complete the Teesto Chapter Community Center Project; Reapproving the Related Expenditure Plan Pursuant to 12 N.N.C. § 2501 - § 2508

Date posted: June 24, 2022 at 7:04 PM

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SUMMARY OF PROPOSED LEGISLATION

Tracking No. 0106-22

Date: June 23, 2022

Re: AN ACT RELATING TO THE RESOURCES AND DEVELOPMENT, BUDGET AND FINANCE, AND NAABIK'ÍYÁTI' COMMITTEES, AND THE NAVAJO NATION COUNCIL; ALLOCATING \$1,500,000.00 FROM THE SÍHASIN FUND TO THE CAPITAL PROJECTS MANAGEMENT DEPARTMENT ("CPMD") TO COMPLETE THE TEESTO CHAPTER COMMUNITY CENTER PROJECT; REAPPROVING THE RELATED EXPENDITURE PLAN PURSUANT TO 12 N.N.C. §2501 – §2508

Purpose of this Legislation:

to allocate \$1,500,000 from the Síhasin Fund to CPMD to complete the Teesto Chapter Community Center Project; to reapprove the related Expenditure Plan for the Project.

OLC No. 22-125-1

5-DAY BILL HOLD PERIOD: Johnson

Website Posting Time/Date: _____

Posting End Date: 06/29/22

Eligible for Action: 06/30/22

Resources & Development Committee

Thence

Budget & Finance Committee

Thence

Naabik'íyáti' Committee

Thence

Navajo Nation Council

PROPOSED NAVAJO NATION COUNCIL RESOLUTION

24th NAVAJO NATION COUNCIL - Fourth Year, 2022

Introduced by:


(Prime Sponsor)

Tracking No. 0106-22

AN ACT

RELATING TO THE RESOURCES AND DEVELOPMENT, BUDGET AND FINANCE, AND NAABIK'ÍYÁTI' COMMITTEES, AND THE NAVAJO NATION COUNCIL; ALLOCATING \$1,500,000.00 FROM THE SÍHASIN FUND TO THE CAPITAL PROJECTS MANAGEMENT DEPARTMENT ("CPMD") TO COMPLETE THE TEESTO CHAPTER COMMUNITY CENTER PROJECT; REAPPROVING THE RELATED EXPENDITURE PLAN PURSUANT TO 12 N.N.C. §2501 – §2508

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 all 110 Navajo Nation Chapters, as well as community development matters. 2 N.N.C. §500(C) and 26 N.N.C. §102.

B. The Budget and Finance Committee is a standing committee of the Navajo Nation Council with the responsibility to "review and recommend to the Navajo Nation Council the budgeting, appropriation, investment and management of all funds." 2 N.N.C. §301(B)(2).

C. The Naabik'íyáti' Committee is a standing committee of the Navajo Nation Council that considers all proposed final actions 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).
As such, the Council may approve appropriations from the Navajo Nation's Síhasin Fund.

1 E. 12 N.N.C. §2502, as amended by CJA-03-18, states the purpose of the Navajo Nation Síhasin
2 Fund (“Síhasin Fund”) as follows:

3 §2502 Purpose

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

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

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

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

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 Síhasin Fund Income shall be
20 deposited in, and added to, the Fund Principal until such time as a Fund Expenditure Plan is
21 duly approved. 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 Teesto Chapter is requesting \$1,500,000 from the Síhasin Fund to cover a funding
29 shortfall for the Teesto Chapter Community Center Project (“Teesto Project”). The Teesto
30 Chapter explains that the original construction budget for the Teesto Project must be

- 1 expanded due to significantly increased material and construction costs. **EXHIBIT 1.**
- 2 C. The Division of Community Development and CPMD have provided documents related to
- 3 the Teesto Project, including a \$1,500,000 funding shortfall projection. **EXHIBIT 2.**
- 4 D. In Resolution No. CAP-35-18 the Navajo Nation Council approved a Síhasin Fund allocation
- 5 of \$500,000 for the Teesto Project. **EXHIBIT 3.** CAP-35-18 is incorporated herein by this
- 6 reference.
- 7 E. The Teesto Project has been partially completed, as shown in the photos attached as
- 8 **EXHIBIT 4.** However, at this time Phase II of the Project still needs to be finished.
- 9 F. Construction documents provided by CPMD's Contractor are attached as **EXHIBIT 5.**
- 10 G. Allocation of the \$1,500,000 as requested by CPMD meets the criteria for Síhasin
- 11 expenditures because the proposed expenditure involves community development and
- 12 government buildings, as described in 12 N.N.C. §2502(A)(1).

13

14 **SECTION THREE. ALLOCATING \$1,500,000 FROM THE SÍHASIN FUND TO CPMD**

15 **TO COVER THE FUNDING SHORTFALL FOR THE TEESTO**

16 **CHAPTER COMMUNITY CENTER PROJECT; REAPPROVING**

17 **THE RELATED EXPENDITURE PLAN**

- 18 A. In accordance with 12 N.N.C. §2505(A), the Navajo Nation hereby allocates \$1,500,000 out
- 19 of the Síhasin Fund to CPMD to cover the shortfall of funds for the completion of the Teesto
- 20 Chapter Community Center Project, as explained in **EXHIBIT 1** and **EXHIBIT 2.**
- 21 B. The Navajo Nation hereby reapproves the Expenditure Plan for the construction of the Teesto
- 22 Chapter Community Center Project, as originally approved in CAP-35-18 and as further
- 23 described in the attached **EXHIBIT 1, EXHIBIT 2,** and **EXHIBIT 5.**
- 24 C. The total amount of \$1,500,000 in Síhasin funds approved in this Act may be further
- 25 leveraged by bond or loan financing pursuant to the Navajo Nation Bond Financing Act (12
- 26 N.N.C. §1300 *et seq.*, as amended), using Síhasin Fund earnings for repayment and financing
- 27 costs, upon approval of the Budget and Finance Committee and upon further approval by a
- 28 two-thirds (2/3) vote of the full membership of the Navajo Nation Council.
- 29 D. The Controller shall determine whether the source of the \$1,500,000 approved herein will be
- 30 Síhasin Fund Principal or Síhasin Fund Income, or a combination of both.

1 E. The \$1,500,000 shall be disbursed to CPMD within ten (10) business days after the effective
2 date of this Act, for CPMD’s use in completing the Teesto Chapter Community Center
3 Project, as explained in **EXHIBIT 1, EXHIBIT 2, and EXHIBIT 5.**

4 F. Any and all savings or unused amounts of the Síhasin funds approved herein shall be
5 immediately returned to the Síhasin Fund Principal once the purchases described herein are
6 completed, or upon the reversion deadline in Section Three (G) below.

7 G. The \$1,500,000 shall not lapse on an annual basis, which would otherwise occur pursuant to
8 12 N.N.C. §820(N). However, any Síhasin funds not spent or encumbered within thirty-six
9 (36) months of the date CPMD receives the approved \$1,500,000 shall then immediately
10 revert to the Síhasin Fund Principal, unless otherwise approved by both the Resources and
11 Development Committee and the Naabik’íyáti’ Committee of the Navajo Nation Council.

12 H. The Síhasin Fund shall be reimbursed the \$1,500,000 amount approved herein, from
13 prospective funds available to the Navajo Nation from any and all state and federal sources,
14 including Congressional appropriations under the American Rescue Plan Act of 2021 or
15 other COVID-19-related relief, so long as the Teesto Project expenditures described herein
16 are deemed eligible under such COVID-19-related or other funding sources.

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18 **SECTION FOUR. EFFECTIVE DATE**

19 This Act shall become effective pursuant to 12 N.N.C. §2505.
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21 **SECTION FIVE. SAVING CLAUSE**

22 If any portion of this Act is invalidated by the Supreme Court of the Navajo Nation, or by any
23 Navajo Nation District Court without appeal to the Navajo Nation Supreme Court, the
24 remainder of this Act shall be the law of the Navajo Nation.
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