THE NAVAJO NATION LEGISLATIVE BRANCH INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: _0039-24__ SPONSOR: <u>Casey Allen Johnson</u>

TITLE: An Action Relating to the Resource and Development Committee; The Budget and Finance Committee, the Naabik'íyáti' Committee and the Navajo Nation Council; Approving \$4,842,845.00 From the Síhasin Fund for the Construction of a New Cameron Chapter House Building; and Approving the Related Expenditure Plan

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LEGISLATIVE SUMMARY SHEET

Tracking No. 0639-24

DATE: February 02, 2024

TITLE OF RESOLUTION: AN ACTION RELATING TO THE RESOURCES AND DEVELOPMENT COMMITTEE, THE BUDGET AND FINANCE COMMITTEE, THE NAABIK'ÍYÁTI' COMMITTEE AND THE NAVAJO NATION COUNCIL; APPROVING \$4,842,845.00 FROM THE SÍHASIN FUND FOR THE CONSTRUCTION OF A NEW CAMERON CHAPTER HOUSE BUILDING; AND APPROVING THE RELATED EXPENDITURE PLAN

PURPOSE: This legislation, if approved, will appropriate \$4,842,845.00 from the Sihasin Fund for the construction of a new Cameron Chapter House building.

FINAL AUTHORITY: Navajo Nation Council

VOTE REQUIRED: 2/3 Vote

This written summary does not address recommended amendments as may be provided by the standing committee. The Office of Legislative Counsel requests each Council Delegate to review the proposed resolution in detail.

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1	PROPOSED NAVAJO NATION COUNCIL RESOLUTION Naabik'íyáti' (
2	25th NAVAJO NATION COUNCIL — Second Year, 2024 Navajo Natio	Thence
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11	AN ACTION	
12	RELATING TO THE RESOURCES AND DEVELOPMENT COMMITTEE, THE	
13	BUDGET AND FINANCE COMMITTEE, THE NAABIK'ÍYÁTI' COMMITTEE	
14	AND THE NAVAJO NATION COUNCIL; APPROVING \$4,842,845.00 FROM	
15	THE SÍHASIN FUND FOR THE CONSTRUCTION OF A NEW CAMERON	
16	CHAPTER HOUSE BUILDING; AND APPROVING THE RELATED	
- 17	EXPENDITURE PLAN	
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20	BE IT ENACTED:	
21		
. 22	SECTION ONE. AUTHORITY	
23	A. The Resources and Development Committee is established as a standing committee	
24	of the Navajo Nation Council with oversight authority over all Navajo Nation	
25	Chapters and their Chapter activities. 2 N.N.C. §500(C).	
26	B. The Budget and Finance Committee is established as a standing committee of the	
. 27	Navajo Nation Council that is authorized to review and recommend to the Navajo	
28	Nation Council the budgeting, appropriation, investment and management of all funds.	
29	2 N.N.C. §301(B)(2).	
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- 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.
- E. 12 N.N.C. §2502, as amended by CJA-03-18, states the purpose of the Navajo Nation Síhasin Fund ("Síhasin Fund") as follows: §2502 Purpose
 - A. The purposes of this Fund are to provide financial support and/or financing for:
 - 1. The planning and development of economic development and regional infrastructure supporting economic development and community development, including such infrastructure as, but not limited to, housing, commercial and government buildings, waterline, solid waste management development, powerline Projects, and transportation and communication systems, within the Navajo Nation; and . . .
 - B. For the Purpose in §2502(A)(1), Fund expenditures for infrastructure shall not be limited by 12 N.N.C. §1310(F) or TCDCJY-77-99.
 - C. Leveraging the Fund by way of guaranteeing loans, match funding, direct funding in part, and other weighted uses of the Fund, including loan financing from the Fund, for the purposes in §2502(A)(1), shall be favored over direct funding in whole.
- F. The Síhasin Fund provides that "Fund Principal" shall consist of all deposits made to the Síhasin Fund and that "Fund Income" shall consist of all earnings (interest, dividends, etc.) generated and realized by the Fund Principal, and that Síhasin Fund Income shall be deposited in, and added to, the Fund Principal until such time as a Fund Expenditure Plan is duly approved. 12 N.N.C. §2504 and §2505(C).
- G. The Síhasin Fund also provides that "Fund Principal and Income shall not be expended except pursuant to a Fund Expenditure Plan consistent with the purposes set forth in

§2502 of this Chapter and adopted by a two-thirds (2/3) vote of all members of the Navajo Nation Council." 12 N.N.C. §2505(A).

SECTION TWO. FINDINGS

- A. The Navajo Nation Council Resolution Nos. CAP-35-18, as amended by CJA-03-21 and CMY-45-23, each included and incorporated herein by reference, equally appropriated \$4,166,666.67 to each Council Delegate District, which provided for a three-year Síhasin fund plan for Chapter projects across the Navajo Nation.
- B. The Budget and Finance Committee Resolution No. BFAP-09-22, included and incorporated herein by reference, approved a project change to CAP-35-18, Project Nos. D-117 and D-118, for the benefit of the Cameron Chapter and re-appropriated Síhasin funds in the amount of \$733,334.66 to the project titled, " *Plan, Design, Demolition & Construct New Chapter Building*" for Cameron Chapter.
- C. The Navajo Nation Division of Community Development's Capital Projects Management Department ("CPMD"), on behalf of the Cameron Chapter, expended \$240,000.00 of the Sihasin funds, appropriated through BFAP-09-22, on the *Cameron Chapter Demolition Project*, which demolished the *old* Cameron Chapter House building to remediate the site for the construction of a *new* Cameron Chapter House building. This demolition and site remediation project completed on August 10, 2023. **Exhibit A**.
- D. The completion of the *Cameron Chapter Demolition Project* adjusted the available Síhasin funds, appropriated under BFAP-09-22, to \$493,334.66, which is available to expend on the construction of a *new* Cameron Chapter House building. **Exhibit B**.
- E. The Cameron Chapter has provided a proposal for the construction of a new Cameron Chapter House building. The Chapter, in its proposal, requests additional Síhasin funds in the amount of \$4,842,844.34 for the construction of a *new* Cameron Chapter House building. **Exhibit C**.
- F. The CPMD, on behalf of the Cameron Chapter, prepared a Scope of Work (dated December 8, 2023) that summarizes in detail the project work, project plan, project budget, a conceptual floor plan, photos of the remediated site and proposed Navajo

Nation budget forms for the construction of a *new* Cameron Chapter House building. This Scope of Work also identifies a shortfall (under *Const. Request Need*) of \$4,842,845.00 for the construction of a *new* Cameron Chapter House building. **Exhibit D.**

- G. The Cameron Chapter, on behalf of itself and its community, provided Cameron Chapter Resolution No. CA-012-354#2 (certified on January 12, 2024) that requests Síhasin funds in the amount of \$4,842,844.34 for the construction of a *new* Cameron Chapter House building. **Exhibit E**.
- H. Allocation of the Síhasin funds as requested by the Cameron Chapter meets the criteria for Síhasin expenditures because the proposed expenditure involves community development and government buildings as described in 12 N.N.C. §2502(A)(1).

SECTION THREE. APPROVING \$4,842,845.00 FROM THE SÍHASIN FUND FOR THE CONSTRUCTION OF A NEW CAMERON CHAPTER HOUSE BUILDING; AND APPROVING THE RELATED EXPENDITURE PLAN

- A. Pursuant to 12 N.N.C. §2505(A), the Navajo Nation hereby approves \$4,842,845.00 from the Síhasin Fund for the construction of a new Cameron Chapter House building and also approves the Expenditure Plan for the project as set forth in the attached Exhibit D.
- B. The total amount of Síhasin funds approved in this Act may be further leveraged by bond or loan financing pursuant to the Navajo Nation Bond Financing Act (12 N.N.C. §1300 et seq., as amended), using Síhasin Fund earnings for repayment and financing costs, upon approval of the Budget and Finance Committee and upon a 2/3 approval vote of the full membership of the Navajo Nation Council.
- C. The Controller shall determine whether the source of the Síhasin funds approved in this Act will be Síhasin Fund Principal or Síhasin Fund Income, or a combination of both.
- D. The approved Síhasin funds shall be disbursed to the Navajo Nation Division of Community Development ("DCD") within thirty (30) calendar days after the effective date of this Act.
- E. At the option of the Cameron Chapter, the DCD shall either: (1) arrange for the Page 4 of 5 24-049-1

Chapter's use of the funds for the construction of a new Cameron Chapter House building, in accordance with DCD's usual procedures for the release of Síhasin funds to Chapters that are governance-certified under the Local Governance Act, at 26 N.N.C. §102; or (2) implement and administer the construction of a new Cameron Chapter House building through CPMD.

- F. Any Síhasin funds not spent or encumbered within thirty-six (36) months of the effective date of this Act shall revert to the Síhasin Fund Principal, unless otherwise approved prior to such reversion by both the Resources and Development Committee and the Naabik'íyáti' Committee.
- G. The Síhasin funds approved herein shall not comingle with funds from any other sources for the construction of a new Cameron Chapter House building or otherwise. Any and all savings or unused amounts of the approved Síhasin funds shall be returned to the Síhasin Fund Principal once the construction of a new Cameron Chapter House building for the Cameron Chapter is completed, or upon the reversion deadline in SECTION THREE (F) above.
- H. The Síhasin Fund may be reimbursed in the amount of the allocation approved herein, using funds available to the Navajo Nation from any and all state and federal sources, including Congressional appropriations under the American Rescue Plan Act of 2021 or other COVID-19-related relief, if the expenditure for the Cameron Chapter described herein is deemed eligible under the legal scheme governing such funding.

SECTION FOUR. EFFECTIVE DATE

This Act shall become effective pursuant to 12 N.N.C. §2505(A) and 2 N.N.C. §221(B).

SECTION FIVE. SAVING CLAUSE

If any provision of this legislation is determined invalid by the Navajo Nation Supreme Court, or by a Navajo Nation District Court without appeal to the Navajo Nation Supreme Court, those provisions of this legislation not determined invalid shall remain the law of the Navajo Nation.