

Class "C" Resolution
No BIA Action Required.

RESOLUTION OF THE
NAVAJO TRIBAL COUNCIL

Establishing and Authorizing Four (4) Permanent Trust
Funds; and Approving the Appropriation of \$21,000,000, Utilizing
Undesignated Tribal Reserves Above the \$55,000,000 Required Minimum
Fund Balance as Initial Contribution to the Trust Funds

WHEREAS:

1. The Navajo Tribal Council is the governing body of the Navajo Nation; and

2. In accordance with Tribal Law, as stipulated in Navajo Tribal Council Resolution CS-45-84, "Resolved clause", paragraph 2, subparagraph (o):

"The 'Unappropriated Surplus Fund' shall be redesigned as the 'Tribal Reserve Fund' and this fund will be allowed to build back up to the level of \$55 Million and maintained at that level as the minimum fund balance.";

and

3. The "Unaudited" Year-End Financial Statements for Fiscal Year 1986, dated September 30, 1986, shows that the required "minimum fund balance" for Tribal Reserves is exceeded by \$43,900,000; therefore, resulting in sufficient "undesignated Tribal Reserve Funds" to support the proposed Supplemental Appropriation of \$21,000,000 as detailed in Exhibit "A", attached hereto and incorporated herein; and

4. Further, in accordance with Navajo Tribal Council Resolution CS-53-86, "Resolved clause", paragraph 3, subparagraph g:

"There shall be no budget resolutions (for budget transfer, supplemental and/or new appropriations), during the first quarter of Fiscal Year 1987..."

and this provision must be waived by the Navajo Tribal Council, in order for the "Supplemental Appropriation" to be considered by the Navajo Tribal Council.

NOW THEREFORE BE IT RESOLVED THAT:

1. The Navajo Tribal Council hereby "waives" the first quarter prohibition on budget Resolution (CS-53-86; Resolved clause, paragraph 3, subparagraph g) in order to consider the Supplemental Appropriation contained herein.

2. The Navajo Tribal Council further hereby appropriates \$21,000,000, utilizing "Undesignated Tribal Reserves" above the required "minimum fund balance" of \$55 Million for the purposes detailed in Exhibit "A", attached hereto and incorporated herein.

3. The Navajo Tribal Council hereby establishes and authorizes the Navajo Nation Trust Fund for Handicapped Services, as outlined in Exhibit "B", attached hereto and incorporated herein.

4. The Navajo Tribal Council hereby establishes and authorizes the Navajo Nation Trust Fund for Vocational Education, as outlined in Exhibit "C", attached hereto and incorporated herein.

5. The Navajo Tribal Council further hereby establishes and authorizes the Navajo Nation Trust Fund for Senior Citizens (Elderly) Services, as outlined in Exhibit "D", attached hereto and incorporated herein.

6. The Navajo Tribal Council further hereby establishes and authorizes the Navajo Nation Trust Fund for Navajo Academy Operations, as outlined in Exhibit "E", attached hereto and incorporated herein.

7. The Navajo Tribal Council further directs the Tribal Administration departments, programs and officials to continually seek additional State, Federal and private sources for matching funds to help supplement the programs.

CERTIFICATION

I hereby certify that the foregoing resolution was duly considered by the Navajo Tribal Council at a duly called meeting at Window Rock, Navajo Nation (Arizona), at which a quorum was present and that same was passed by a vote of 58 in favor, 5 opposed and 3 abstained, this 12th day of December, 1986.



Chairman
Navajo Tribal Council

EXHIBIT "A"

- 1. Handicapped Trust Fund..... 7,000,000

Because of the lack of sufficient services provided to the Navajo Nation's Handicapped citizens, a request is being made to establish a permanent type of trust fund for the purposes of providing grants to programs and organizations outside of the Tribal Government who provide services to the Handicapped. The initial investment of \$7,000,000 will be managed in accordance with the Plan of Operation contained in Exhibit "B". It is estimated \$400,000 will initially be made available on an Annual Basis for program/project grants for Handicapped Services.

- 2. Vocational Education Trust Fund..... 6,000,000

The Navajo Tribal Council on August 27, 1986, adopted Resolution CAU-50-86, providing for various supplemental appropriations during FY-86. Contained within these supplemental appropriations was an appropriation of \$500,000 for initiating a Vocational Education Scholarship Program. These funds were needed to provide Scholarship Grants to Navajo Students wishing to attend Vocational Education Institutions. In order to continue the Vocational Education Scholarship Grant program, there is a need to establish a permanent type of trust fund for the purposes of providing such Vocational Education Scholarship Grants on an annual basis. The initial investment of \$6,000,000 will be managed in accordance with the Plan of Operation contained in Exhibit "C". It is estimated \$342,000 will initially be made available on an annual basis for Vocational Education Scholarship Grants.

- 3. Elderly/Senior Citizens Trust Fund..... 7,000,000

Because of the lack of sufficient services provided to the Navajo Nation's Elderly citizens, a request is being made to establish a permanent type of trust fund for the purposes of providing grants to programs and organizations outside of the Tribal Government who provide services to the Elderly. The initial investment of \$7,000,000 will be managed in accordance with the Plan of Operation contained in Exhibit "D". It is estimated \$400,000 will initially be made available on an Annual Basis for program/project grants for Elderly/Senior Citizens Services.

- 4. Navajo Academy Trust Fund.....1,000,000

This appropriation will provide funding for the establishment of a Permanent Trust for the Navajo Academy which will be managed in accordance with the Plan of Operation contained in Exhibit "E". It is estimated \$57,000 will initially be made available on an Annual Basis for School Operations at Navajo Academy.

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TOTAL SUPPLEMENTAL APPROPRIATIONS \$21,000,000

Exhibit "B"



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Establishing and Authorizing the
Navajo Nation Trust Fund for Handicapped Services

SECTION 1. Establishment.

There is hereby established, the "Navajo Nation Trust Fund for Handicapped Services" [hereinafter called the "Fund"], with an initial appropriation of \$7,000,000 as approved by the Navajo Tribal Council. Additional appropriations may be made from time to time by the Navajo Tribal Council provided that additional sources of revenue and/or funds are available for appropriation. Any money deposited into the Fund, plus accrued interest, shall be used only as provided hereinafter.

SECTION 2. Investment of the Fund.

All amounts of money deposited in the Fund shall be invested as soon as practical in accordance with Investment Objectives and Investment Policies of the Navajo Nation as formally adopted by the Budget and Finance Committee of the Navajo Tribal Council.

SECTION 3. Definition of Principal and Income.

(a) Fund Principal shall consist of all Navajo Tribal Council appropriations made pursuant to the Tribal Appropriation Processes and Procedures; and any contributions made by any parties or entities.

(b) Fund Income shall consist of all earnings (interest, dividends, etc.) generated by the Principal of the Fund.

SECTION 4. Expenditure of Fund Principal.

Fund Principal shall not be expended except pursuant to a referendum adopted by a two-thirds vote of all registered Navajo Voters. The Navajo Tribal Council may place a Referendum to Expend Fund Principal on the ballot of any primary, general or special election by a two-thirds vote of the full membership of Navajo Tribal Council.

SECTION 5. Expenditure of Fund Income.

(a) Ninety-Five percent (95%) of the Fund Income shall be used as Tribal Grants to supplement non-Tribal Government programs and projects who provide services to the Navajo Handicapped Citizens. Five percent (5%) of the Fund Income shall be reinvested in the Fund to cover the rate of inflation.

(b) Tribal Grants to non-Tribal Government programs and projects shall be awarded in accordance with rules and regulations developed by the Office of the Chairman and Vice-Chairman in consultation with the Health and Human Services Committee of the Navajo Tribal Council and approved by the Advisory Committee of the Navajo Tribal Council.

SECTION 6. Annual Audited Report.

The Fund shall be audited annually by independent outside auditors. Within ninety (90) days of the end of each Fiscal Year, an audit report shall be distributed to the members of the Navajo Tribal Council and interested members of the Navajo Public. The report shall be written in easily understandable language. The report shall include financial statements, a statement of the amount of money received by the Navajo Nation Trust Fund for Handicapped Services from each investment during the period, a statement of investments of the Fund including an appraisal at market value, a description of Fund investment activity during the period covered by the report, a statement of the Fund performance and other information relevant to the management of the Fund.

SECTION 7. Amendments.

Any Section or sections herein may be amended by the majority vote of the full membership of the Navajo Tribal Council except that Section 4 may only be amended as provided for in Section 4.

SECTION 8. Expenses.

All expenses directly associated with the administration and management of the Fund shall be paid from the Fund Income as approved by the Budget and Finance Committee of the Navajo Tribal Council. Such expenses shall include investment advisory and management fees, audit costs and other related expenses, all pursuant to duly approved contracts for such services.

Exhibit "C"



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Establishing and Authorizing the
Navajo Nation Trust Fund for Vocational Education

SECTION 1. Establishment.

There is hereby established, the "Navajo Nation Trust Fund for Vocational Education " [hereinafter called the "Fund"], with an initial appropriation of \$6,000,000 as approved by the Navajo Tribal Council. Additional appropriations may be made from time to time by the Navajo Tribal Council provided that additional sources of revenue and/or funds are available for appropriation. Any money deposited into the Fund, plus accrued interest, shall be used only as provided hereinafter.

SECTION 2. Investment of the Fund.

All amounts of money deposited in the Fund shall be invested as soon as practical in accordance with Investment Objectives and Investment Policies of the Navajo Nation as formally adopted by the Budget and Finance Committee of the Navajo Tribal Council.

SECTION 3. Definition of Principal and Income.

(a) Fund Principal shall consist of all Navajo Tribal Council appropriations made pursuant to the Tribal Appropriation Processes and Procedures; and any contributions made by any parties or entities.

(b) Fund Income shall consist of all earnings (interest, dividends, etc.) generated by the Principal of the Fund.

SECTION 4. Expenditure of Fund Principal.

Fund Principal shall not be expended except pursuant to a referendum adopted by a two-thirds vote of all registered Navajo Voters. The Navajo Tribal Council may place a Referendum to Expend Fund Principal on the ballot of any primary, general or special election by a two-thirds vote of the full membership of the Navajo Tribal Council.

SECTION 5. Expenditure of Fund Income.

(a) Ninety-Five (95%) of the Fund Income shall be used as Vocational Education Scholarship Grants to Navajo Students wishing to attend Vocational Education Institutions. Five percent (5%) of the Fund Income shall be reinvested in the Fund to cover the rate of inflation and to provide for reasonable Fund Growth.

(b) Vocational Education Scholarship Grants to Navajo Students wishing to attend Vocational Education Institutions shall be awarded in accordance with rules and regulations developed by the Office of the Chairman and Vice-Chairman in consultation with the Education Committee of the Navajo Tribal Council and approved by the Advisory Committee of the Navajo Tribal Council.

SECTION 6. Annual Audited Report.

The Fund shall be audited annually by independent outside auditors. Within ninety (90) days of the end of each Fiscal Year, an audit report shall be distributed to the members of the Navajo Tribal Council and interested members of the Navajo Public. The report shall be written in easily understandable language. The report shall include financial statements, a statement of the amount of money received by the Navajo Nation Trust Fund for Handicapped Services from each investment during the period, a statement of investments of the Fund including an appraisal at market value, a description of Fund Investment activity during the period covered by the report, a statement of the Fund performance and other information relevant to the management of the Fund.

SECTION 7. Amendments.

Any Section or sections herein may be amended by the majority vote of the full membership of the Navajo Tribal Council except that Section 4 may only be amended as provided for in Section 4.

SECTION 8. Expenses.

All expenses directly associated with the administration and management of the Fund shall be paid from the Fund Income as approved by the Budget and Finance Committee of the Navajo Tribal Council. Such expenses shall include investment advisory and management fees, audit costs and other related expenses, all pursuant to duly approved contracts for such services.

Exhibit "D"

Establishing and Authorizing the
Navajo Nation Trust Fund for Senior Citizens Services

SECTION 1. Establishment.

There is hereby established, the "Navajo Nation Trust Fund for Senior Citizens Services" [hereinafter called the "Fund"], with an initial appropriation of \$7,000,000 as approved by the Navajo Tribal Council. Additional appropriations may be made from time to time by the Navajo Tribal Council provided that additional sources of revenue and/or funds are available for appropriation. Any money deposited into the Fund, plus accrued interest, shall be used only as provided hereinafter.

SECTION 2. Investment of the Fund.

All amounts of money deposited in the Fund shall be invested as soon as practical in accordance with Investment Objectives and Investment Policies of the Navajo Nation as formally adopted by the Budget and Finance Committee of the Navajo Tribal Council.

SECTION 3. Definition of Principal and Income.

(a) Fund Principal shall consist of all Navajo Tribal Council appropriations made pursuant to the Tribal Appropriation Processes and Procedures; and any contributions made by any parties or entities.

(b) Fund Income shall consist of all earnings (interest, dividends, etc.) generated by the Principal of the Fund.

SECTION 4. Expenditure of Fund Principal.

Fund Principal shall not be expended except pursuant to a referendum adopted by a two-thirds vote of all registered Navajo Voters. The Navajo Tribal Council may place a Referendum to Expend Fund Principal on the ballot of any primary, general or special election by a two-thirds vote of the full membership of the Navajo Tribal Council.

SECTION 5. Expenditure of Fund Income.

(a) Ninety-Five percent (95%) of the Fund Income shall be used as Tribal Grants to supplement non-Tribal Government programs and projects which provide services to the Navajo Senior (Elderly) Citizens. Five percent (5%) of the Fund Income shall be reinvested in the Fund to cover the rate of inflation and to provide for reasonable Fund Growth.

(b) Tribal Grants to non-Tribal Government programs and projects shall be awarded in accordance with rules and regulations developed by the Office of the Chairman and Vice-Chairman in consultation with the Health and Human Services Committee of the Navajo Tribal Council and approved by the Advisory Committee of the Navajo Tribal Council.

SECTION 6. Annual Audited Report.

The Fund shall be audited annually by independent outside auditors. Within ninety (90) days of the end of each Fiscal Year, an audit report shall be distributed to the members of the Navajo Tribal Council and interested members of the Navajo Public. The report shall be written in easily understandable language. The report shall include financial statements, a statement of the amount of money received by the Navajo Nation Trust Fund for Handicapped Services from each investment during the period, a statement of investments of the Fund including an appraisal at market value, a description of Fund investment activity during the period covered by the report, a statement of the Fund performance and other information relevant to the management of the Fund.

SECTION 7. Amendments.

Any Section or sections herein may be amended by the majority vote of the full membership of the Navajo Tribal Council except that Section 4 may only be amended as provided for in Section 4.

SECTION 8. Expenses.

All expenses directly associated with the administration and management of the Fund shall be paid from the Fund Income as approved by the Budget and Finance Committee of the Navajo Tribal Council. Such expenses shall include investment advisory and management fees, audit costs and other related expenses, all pursuant to duly approved contracts for such services.

Exhibit "E"

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Establishing and Authorizing the
Navajo Nation Trust Fund for Navajo Academy

SECTION 1. Establishment.

There is hereby established, the "Navajo Nation Trust Fund for Navajo Academy" [hereinafter called the "Fund"], with an initial appropriation of \$1,000,000 as approved by the Navajo Tribal Council. Additional appropriations may be made from time to time by the Navajo Tribal Council provided that additional sources of revenue and/or funds are available for appropriation. Any money deposited into the Fund, plus accrued interest, shall be used only as provided hereinafter.

SECTION 2. Investment of the Fund.

All amounts of money deposited in the Fund shall be invested as soon as practical in accordance with Investment Objectives and Investment Policies of the Navajo Nation as formally adopted by the Budget and Finance Committee of the Navajo Tribal Council.

SECTION 3. Definition of Principal and Income.

(a) Fund Principal shall consist of all Navajo Tribal Council appropriations made pursuant to the Tribal Appropriation Processes and Procedures; and any contributions made by any parties or entities.

(b) Fund Income shall consist of all earnings (interest, dividends, etc.) generated by the Principal of the Fund.

SECTION 4. Expenditure of Fund Principal.

Fund Principal shall not be expended except pursuant to a referendum adopted by a two-thirds vote of all registered Navajo Voters. The Navajo Tribal Council may place a Referendum to Expend Fund Principal on the ballot of any primary, general or special election by a two-thirds vote of the full membership of Navajo Tribal Council.

SECTION 5. Expenditure of Fund Income.

Ninety-Five percent (95%) of the Fund Income shall be used for annual operations of the Navajo Academy. Five percent (5%) of the Fund Income shall be reinvested in the Fund to cover the rate of inflation.

SECTION 6. Annual Audited Report.

The Fund shall be audited annually by independent outside auditors. Within ninety (90) days of the end of each Fiscal Year, an audit report shall be distributed to the members of the Navajo Tribal Council and interested members of the Navajo Public. The report shall be written in easily

understandable language. The report shall include financial statements, a statement of the amount of money received by the Navajo Nation Trust Fund for Handicapped Services from each investment during the period, a statement of investments of the Fund including an appraisal at market value, a description of Fund investment activity during the period covered by the report, a statement of the Fund performance and other information relevant to the management of the Fund.

SECTION 7. Amendments.

Any Section or sections herein may be amended by the majority vote of the full membership of the Navajo Tribal Council except that Section 4 may only be amended as provided for in Section 4.

SECTION 8. Expenses.

All expenses directly associated with the administration and management of the Fund shall be paid from the Fund Income as approved by the Budget and Finance Committee of the Navajo Tribal Council. Such expenses shall include investment advisory and management fees, audit costs and other related expenses, all pursuant to duly approved contracts for such services.