

RESOLUTION OF THE
BUDGET AND FINANCE COMMITTEE
OF THE NAVAJO NATION COUNCIL

23RD NAVAJO NATION COUNCIL - Fourth Year, 2018

AN ACTION

RELATING TO THE RESOURCES AND DEVELOPMENT AND BUDGET AND
FINANCE COMMITTEES; APPROVING A BUDGET MODIFICATION IN THE
AMOUNT OF \$430,429 TO NAVAJO TOURISM DEPARTMENT, BUSINESS UNIT
510003, FOR A BUDGET OF \$1,479,534

BE IT ENACTED:

SECTION ONE. AUTHORITY

- A. The Department of Tourism is within the Division of Economic Development. The Resources and Development Committee serves as the oversight committee for the Division of Economic Development. 2 N.N.C. § 501 (C) (1).
- B. The Navajo Nation Tourism Fund Management Plan indicates that, "[a]n annual budget and expenditure plan for the Navajo Nation Tourism Fund shall be prepared for review and recommended for approval by the Economic Development Committee [now Resources and Development Committee] and Budget and Finance Committee of the Navajo Nation Council through the annual budget process." Navajo Nation Tourism Fund Management Plan, Exhibit D, Section 6. Annual Budget/Expenditure Plan.
- C. A budget modification is an increase or decrease to an existing business unit budget in a previously approved budget. Budget modifications require oversight approval, unless it is a prior approval of carryover funds. This budget modification does not involve carryover funds so oversight approval is required. Navajo Nation Budget Instructions Manual, Fiscal Year 2018, Section XIII(C) (1) (c).
- D. The Tourism Fund Management Plan indicates the committees with legislative oversight of the Tourism Fund are the Resources and Development Committee and the Budget and Finance Committee. Navajo Nation Tourism Fund Management Plan, Section 9.

SECTION TWO. FINDINGS

- A. The Navajo Nation enacted the Hotel Occupancy Tax, 24 N.N.C. §§ 701 *et seq.*
- B. The Hotel Occupancy Tax (HOT) is retained in the Navajo Nation Tourism Fund. Consistent with Navajo laws utilizing the prudent person rule, the HOT shall be applied for the advancement of tourism promotion and to develop projects throughout the Navajo Nation, 24 N.N.C. § 741(A).
- C. The Navajo Nation Tourism Department has requested a budget increase to Business Unit #510003, in the amount of \$430,429. Budget forms supporting this request are attached as **Exhibit A**.
- D. The Navajo Nation Office of the Controller has determined funds are available in the Navajo Nation Tourism Fund. A Memorandum from Robert Willie, Office of the Controller, is contained in **Exhibit B**, along with the rest of the documents that are part of the Executive Branch 164 review.
- E. The Navajo Nation Tourism Fund Management Plan is attached as **Exhibit C**.

SECTION THREE. APPROVAL

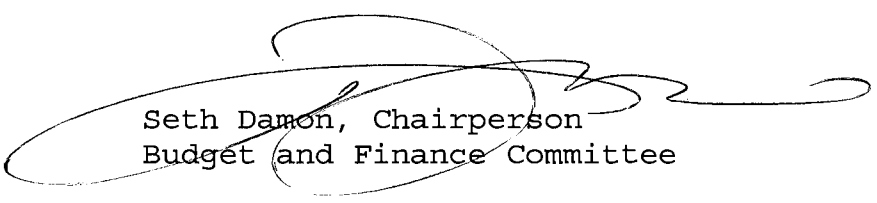
The Navajo Nation hereby approves the budget modification increasing Business Unit #510003, in the amount of \$430,429 for a total budget of \$1,479,534, in accordance with **Exhibit A**.

SECTION FOUR. DIRECTIVE TO THE OFFICE OF THE CONTROLLER

The Office of the Controller is directed to make the modifications to the Navajo Tourism Department Fund, Business Unit #510003 in accordance with the budget documents contained in **Exhibit A**.

CERTIFICATION

I hereby certify that the foregoing resolution was duly considered by the Budget and Finance Committee of the Navajo Nation Council at a duly called meeting held at Tse Bonito, Navajo Nation (New Mexico), at which a quorum was present and that the same was passed by a vote of 3 in favor and 2 opposed, this 16th day of January, 2018.



Seth Damon, Chairperson
Budget and Finance Committee

Motion: Honorable Lee Jack, Sr.
Second: Honorable Tom T. Chee

THE NAVAJO NATION PROGRAM BUDGET SUMMARY

BUDGET FORM 1



 EXHIBIT
A

PART I. Business Unit No.: 510003		Program Title: Tourism Department		Division/Branch: Economic Development/Executive	
Prepared By: Arvel T McCabe		Phone No.: 928-810-8501		Email Address: arveltmccabe@discovernavajo.com	

PART II. FUNDING SOURCE(S)	Fiscal Year Term	Amount	% of Total	PART III. BUDGET SUMMARY				
				Fund Type Code	(A) NNC Approved Original Budget	(B) Proposed Budget	(C) Difference (Column B - A)	
Hotel Occupancy Tax	10/1/2017-09/30/2018	1,479,534.00	100%					
				2001 Personnel Expenses	5	313,064	0	(313,064)
				3000 Travel Expenses	5	27,411	11,442	(15,969)
				3500 Meeting Expenses		0	0	0
				4000 Supplies	5	41,586	16,139	(25,447)
				5000 Lease and Rental	5	24,477	7,677	(16,800)
				5500 Communications and Utilities	5	4,558	2,959	(1,599)
				6000 Repairs and Maintenance	5	7,000	5,591	(1,409)
				6500 Contractual Services	5	176,661	904,938	728,277
				7000 Special Transactions	5	176,235	43,548	(132,687)
				8000 Public Assistance		0	0	0
				9000 Capital Outlay	5	278,113	487,240	209,127
				9500 Matching Funds		0	0	0
				9500 Indirect Cost		0	0	0
				TOTAL		\$1,049,105.00	1,479,534.00	430,429

PART IV. POSITIONS AND VEHICLES		
Total # of Positions Budgeted:	(D)	(E)
Total # of Permanently Assigned Vehicles:	5	0
	1	

PART V. I HEREBY ACKNOWLEDGE THAT THE INFORMATION CONTAINED IN THIS BUDGET PACKAGE IS COMPLETE AND ACCURATE.

SUBMITTED BY: Department Manager's Printed Name Arvel T McCabe SUBMITTED BY: Program Manager's Signature and Date 	APPROVED BY: Division Director/Branch Chief's Printed Name Crystal Deschinsky APPROVED BY: Division Director/Branch Chief's Signature and Date 
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THE NAVAJO NATION PROGRAM PERFORMANCE CRITERIA

PART I. PROGRAM INFORMATION:

Business Unit No.: 510003

Program Name/Title: Tourism Department

PART II. PLAN OF OPERATION REFERENCE/LEGISLATED PROGRAM PURPOSE:**PART III. PROGRAM PERFORMANCE CRITERIA:**

	1st QTR	2nd QTR	3rd QTR	4th QTR
Goal				
Actual				

1. Program Performance Area:

Develop tourism related projects, prerequisite planning and development activities.

Goal Statement:

Complete development tasks/requirements per project i.e., feasibility studies, surveys, EA archaeological clearances, lease

2. Program Performance Area:

Conduct community based tourism development planning.

Goal Statement:

Complete 5 tourism development presentations and workshops per quarter.

3. Program Performance Area:

Promote and market Navajo Nation in tourism industry, locally and worldwide.

Goal Statement:

Trade show presentations: (2) magazine advertisement (1) maintain website per quarter.

4. Program Performance Area:

Complete pre-development tasks and Professional Service Contracts (PSC)

Goal Statement:

Complete 5 Pre-Development tasks and PSCs

5. Program Performance Area:

Complete Professional Service Contract(s) Construction

Goal Statement:

Complete 1 Construction PSCs per Quarter

PART IV. I HEREBY ACKNOWLEDGE THAT THE ABOVE INFORMATION HAS BEEN THOROUGHLY REVIEWED.

Anval I. McCabe

Department Manager's Printed Name

Crystal Deschinsky

Division Director/Branch Chief's Printed Name

Department Manager's Signature and Date

Division Director/Branch Chief's Signature and Date

FY 2018

THE NAVAJO NATION DETAILED BUDGET AND JUSTIFICATION

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BUDGET FORM 4

PART I. PROGRAM INFORMATION:

Program Name/Title: _____

Tourism Department

Business Unit No.: _____

510003

PART II. DETAILED BUDGET:

(A)	(B)	(C)	(D)
Object Code (LOD 6)	Object Code Description and Justification	Total by DETAILED Object Code	Total by MAJOR Object Code
	3000 TRAVEL EXPENSES		11,442
	Monthly mileage and fleet rental. Meals, lodging and air fare directly related to program business and other miscellaneous travel expenses.		
3110	FLEET	2,249	
	.3111 - Monthly/Perm: (Group A, Class XIII Sedan) \$432/month x 0 months = \$0	5% Sales Tax	Total
	.3113 - Mileage: (Group A, Class XIII Sedan) 850 miles x 0.21 mi. x 12 months = \$2,142	\$107	\$2,249
3210	VEHICLE RENTAL (OFF RESERVATION)	400	
	3220 - Vehicle Rental (off reservation)		
3230	PERSONAL TRAVEL	5,223	
	.3240 \$71/Daily Per Diem x 10 days for 1 staff	\$710	
	.3250 \$83/Night Per Diem x 10 nights for 1 staff	\$830	
	.3250 \$133/Night Per Diem x 4 nights for 3 staff	\$1,596	
	.3260 POV @ 250 mi. x .54 x 12 mo	\$1,620	
	.3290 Other Incidental Travel Expense	\$467	
3310	AIR	3,570	
	.3320 - Commercial Air	\$1,500	
	.3330 - Charter/Internal	\$2,070	
TOTAL		11,442	11,442

FY 2018

THE NAVAJO NATION DETAILED BUDGET AND JUSTIFICATION

Page 4 of 9
BUDGET FORM 4

PART I. PROGRAM INFORMATION:

Program Name/Title: _____

Tourism Department

Business Unit No.: _____

510003

PART II. DETAILED BUDGET:

(A) Object Code (LOD 6)	(B) Object Code Description and Justification	(C) Total by DETAILED Object Code	(D) Total by MAJOR Object Code
4000 SUPPLIES Stationary, envelopes, binders, labels, folders, pens and pencils, staplers/staples, Computer/Xerox toner cartridges, photocopying, publication, subscription. Non-Capital items that have a value of less than \$5,000 and other supplies that are necessary for the day operation of the program.			16,139
4120	OFFICE SUPPLIES		
	.3165 General Operating Supplies		
4200	NON CAPITAL ASSETS		
	.4210 Non Cap Furniture and Equipment		
	.4230 Non Cap Computer Equipment		
4410	OPERATING SUPPLIES		
	.4420 General Operating Supplies		
	.4440 Non Cap Computer Software		
	.4450 Postage, Courier, Shipping		
	.4490 Custodial Supplies		
	.4500 Medical Supplies		
	.4520 Bulk Paper - Xerox paper		
	.4530 Printing/Binding/Photocopying		
	.4450 Media Supplies		
	TOTAL	16,139	16,139

THE NAVAJO NATION DETAILED BUDGET AND JUSTIFICATION

PART I. PROGRAM INFORMATION:			
Program Name/Title: _____		Tourism Department _____	
		Business Unit No.: 510003	
PART II. DETAILED BUDGET:			
(A)	(B)	(C)	(D)
Object Code (LOD 6)	Object Code Description and Justification	Total by DETAILED Object Code	Total by MAJOR Object Code
5000 LEASE AND RENTAL	Office space lease for 12 months. Rental of meeting room and media equipment for committee, work sessions and special meetings. Trade		7,677
5160 EQUIPMENT	.5170 Office Equipment	205	
5310 BUILDING SPACE	.5320 Meeting Space: Staff and RDC meetings at \$150/8 mos .5330 Storage Space: \$83.50 mo x 12 mo .5340 Booth/Trade Show Rental .5350 Other Space Rental	7,472	
5500 COMMUNICATIONS AND UTILITIES	Basic telephone services and line charges, install telephone hardware, installation and service charges for DSL line. Internet service/connectivity		2,959
5520 TELEPHONE	.5530 Basic Services: \$35/mo .5540 Long Distance Service: \$63/mo .5550 Optional Charges: \$26.67 x 12 mo .5560 Hardware Install	1,889	
5570 INTERNET	.5600 Internet Services: 5 staff x \$38.20 pp = \$191 x 12 mo	1,070	
TOTAL		10,536	10,536

THE NAVAJO NATION DETAILED BUDGET AND JUSTIFICATION

PART I. PROGRAM INFORMATION:

Program Name/Title: _____

Tourism Department _____

Business Unit No.: _____

510003

PART II. DETAILED BUDGET:

(A)	(B)	(C)	(D)
Object Code (LOD 6)	Object Code Description and Justification	Total by DETAILED Object Code	Total by MAJOR Object Code
	6500 CONTRACTUAL SERVICES Professional and consultant services of particular profession to determine project viability on commercial, industrial, tourism development projects; Non-capital archaeological and design services; Archaeological, assessments, legal surveys, appraisals, feasibility studies, testing, inspection, clearance of business sites or leases.		904,938
6520	CONSULTING .6530 Fees .6540 Expenses	335,007 \$235,007 \$100,000	
6810	ARCHITECTURE/DESIGN (NON CAP) .6813 Fees .6814 Expenses	\$200,000 \$100,000	300,000
6820	GEO TECH SERVICES (NON CAP) .6823 Fees .6824 Expenses	\$75,000 \$42,436	117,436
6830	OTHER TECHNICAL SERVICES .6840 Feasibility Studies .6845 Environmental Assessment/Survey	\$75,400 \$77,095	152,495
	TOTAL	904,938	904,938

THE NAVAJO NATION DETAILED BUDGET AND JUSTIFICATION

PART I. PROGRAM INFORMATION:

Program Name/Title: _____

Tourism Department

Business Unit No.: _____

510003

PART II. DETAILED BUDGET:

(A) Object Code (LOD 6)	(B) Object Code Description and Justification	(C) Total by DETAILED Object Code	(D) Total by MAJOR Object Code
7110	7000 SPECIAL TRANSACTIONS Program initiatives; staff development career enhancements; insurance premiums. Promotional items, appreciation gifts, contribution, catering, PROGRAMS	15,169	43,548
.7130	Promotional Items	\$4,745	
.7140	Gifts and Awards	\$1,000	
.7150	Charitable Contributions	\$7,000	
.7180	Catering	\$1,000	
.7190	Refreshments	\$1,424	
7410	MEDIA	23,534	
.7440	Print Advertising	\$10,000	
NTD partners with the Arizona Office of Tourism, Utah Tourism Department, & NM Tourism Department in			
.7450	Radio Advertising	\$13,534	
NTD utilized radio stations to publish tourist related events with KYAT from Gallup, NM, KNDN from Farmington,			
7510	TRAINING & PROFESSIONAL DUES	4,845	
.7520	Training and Registration Fees	\$2,000	
.7550	Mandatory Professional Dues	\$2,845	
TOTAL		43,548	43,548

**THE NAVAJO NATION
DETAILED BUDGET AND JUSTIFICATION**

PART I. PROGRAM INFORMATION:			
Program Name/Title: _____		Tourism Department	
		Business Unit No.: 510003	
PART II. DETAILED BUDGET:			
(A)	(B)	(C)	(D)
Object Code (LOD 6)	Object Code Description and Justification	Total by DETAILED Object Code	Total by MAJOR Object Code
	9000 CAPITAL OUTLAY		487,240
	Construction of infrastructure (water, sewer, power, gas, phone, data lines, roads) to serve commercial, industrial and other economic		
9020	INFRASTRUCTURE	326,317	
	.9036 Communications	\$75,000	
	.9038 Waterlines	\$150,000	
	.9040 Powerlines	\$101,317	
	.9042 Water/Wastewater		
9050	BUILDING		
	.9060 Construction in Progress	\$160,923	160,923
TOTAL		487,240	487,240



THE NAVAJO NATION

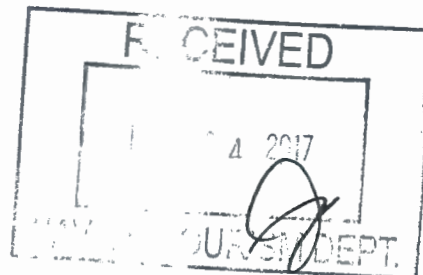
RUSSELL BEGAYE PRESIDENT
JONATHAN NEZ VICE-PRESIDENT

Memorandum:

Date: March 24, 2017

To: 2 NNC § 164 Reviewers
Delegates & 2 NNC '164 Reviewers
Navajo Nation Government

From: *Robert Willie*
Robert Willie, Accounting Manager
Office of the Controller



Subject: 164 Review-007651- 2nd HOT-NPRD -Request Increase Ann Allocation

The Office of the Controller has reviewed the above referenced document.

1. The Tourism Fund is requesting an increase to their budget allocation for FY 17 in the amount of \$2,973,204.27 for Parks and Recreation.
2. There are sufficient unallocated amounts within the Tourism Fund Balance to cover this request for funding.
3. This amount if approved will reduce the amount available for the Tourism Fund.
4. Document 164-007475 is also requesting access to unallocated Fund Balance. If both of these requests are approved there will be nothing left in the reserve account for the Tourism Department.

If you should have any questions you can contact me at tribal extension X6125.

ACTIVE PROJECTS					Cost		Secured Funding						
Office	Year	Task	Location	Title	Brief Description	Project Total	Funding Request	Owner's Equity (\$)	Amount (\$) Other Funding	Source	Phase	Rate of Return	
T	1	C	The Navajo Nation	Signages/	Construct Welcome Signs at NN boundary	700,000	700,000	700,000		HOT	I	0%	
T	1	C	Toko'i/ Cudei	Visitor Outlook	Establish landmark, visitor kiosk	25,000	25,000	25,000		Sales	I	2%	
T	1	C	Tsealnaaste'i	Visitor Outlook	Establish landmark, visitor kiosk	25,000	25000	25,000		Sales	I	0%	
T	1	C	WR Signages	N12	Planning, Design and Construct	30,000	30,000	30,000	30,000	HOT/ Chapter	I	0%	
T	1	I	NN Wide	Vendor Village	NN Wide Vendor Village	76,000	76000	76,000		Sales	I	0%	
T	2	I	Mexican Water	Micro Cabins	infrastructure	750,000	750,000	750,000	60,000	HOT	III	18%	
T	1	PR	Domestic	AOT	Partnership Promoads	32,000	32,000	32,000		HOT	I	0%	
T	1	PR	WR	FoxNoggins	Nav Visitors Guide	72,000	72,000	72,000		HOT	II	0%	
T	1	PR	WR	RTSolutions	Website	50,190	50,190	50,190		HOT	II	0%	
T	1	RN	Lukachukai	Picnic Areas (3)	Renovation	65,000	65,000	65,000		HOT	I	0%	
T	1	S	Cameron	Area Development	Feasibility Study, Design	400,000	400000	400,000		Sales	I	0%	
T	1	S	Tohatchi	Master Plan	Tourism /Chapter	40,000	40,000	30,000	10,000	HOT	I	0%	
T	1	O	Tuba City	Dino Tracks	Tourismw/Coalmine Chptr.	300,000	300,000	300,000		HOT	I	0%	
T	1		Shiprock	Pinnacle	Tourism area chapters	200,000	200,000	50,000	150,000	HOT	I	0%	
T	1		Toadlena	Historic Preservation	Renovation of Trading Post	40,000	40,000	30,000	10,000	HOT	I	0%	
T	1		NN Wide	Trails	Trails	100,000	100,000	100,000		HOT		0%	
T	1	O	Indian Wells	10 Acres	Tourism w/Indian Wells Chapter	602,030	602,030	427,716	174,314	HOT	II	0%	
T	1	O	Zoo	Visitor area	Tourism w/Zoo	172,000	172,000	142,000	30,000	HOT	II	3%	
T	1	O	Zoo	Visitor sidewalk	Tourism w/Zoo	945,000	945,000	195,000	750,000	HOT	II	3%	
				Total:		4,624,220	4,624,220	3,499,906	0	1,214,314	0	1	26%



THE NAVAJO NATION

RUSSELL BEGAYE
JONATHAN NEZ

EXHIBIT

B

November 02, 2017

MEMORANDUM:

TO : Robert Willie, Accounting manager
OFFICE OF THE CONTROLLER

FROM : Arval T. McCabe
Arval T. McCabe, Department Manager I
Tourism Department
DIVISION OF ECONOMIC DEVELOPMENT

SUBJECT : 164 Review-008926-Budget Drawdown Acct#510003/510006

REF : Memo Dated October 30, 2017



I have adjusted the drawdown for account #510003 to reflect the real numbers that we discussed earlier today. I have made the adjustment to this account from \$1,812,395.00 to \$1,479,534.00 to reflect the amount of both accounts #510003/510006 totals to the drawdown amount of \$4,754,750.00, which is reflexed as the real number in your memo.

Your assistance to reconsider this drawdown approval is greatly appreciated. If you have any questions, contact me at extension 8501.

ATTACHEMENTS

xc: File

510003 \$ 1,479,534
510006 \$ 3,275,216

Document No. 008926Date Issued: 10/06/2017**SECTION 164 REVIEW FORM**Title of Document: Budget Drawdown Acct#:510003/510006 Contact Name: MCCABE, ARVAL T.Program/Division: DIV. OF ECONOMIC DEVELOPMENTEmail: arvaltmccabe@discovernavajo.com Phone Number: (928) 810-8501Division Director Approval for 164A: 

Check document category: only submit to category reviewers. Each reviewer has a maximum 7 working days, except Business Regulatory Department which has 2 days, to review and determine whether the document(s) are sufficient or insufficient. If deemed insufficient, a memorandum explaining the insufficiency of the document(s) is required.

Section 164(A) Final approval rests with Legislative Standing Committee(s) or Council☐ **Statement of Policy or Positive Law:** Sufficient Insufficient1. OAG: _____ Date: _____ ☐ ☐☒ **IGA, Budget Resolutions, Budget Reallocations or amendments: (OMB and Controller sign ONLY if document expends or receives funds)**

1. OMB:	<u></u>	Date:	<u>10-24-17</u>	<input checked="" type="checkbox"/>	<u>11/8/17</u>	<input type="checkbox"/>
2. OOC:	<u></u>	Date:	<u>10-30-17</u>	<input checked="" type="checkbox"/>	<u>11/14/17</u>	<input checked="" type="checkbox"/>
3. OAG:	<u></u>	Date:	<u>11/3/17</u>	<input checked="" type="checkbox"/>	<u>11/14/17</u>	<input checked="" type="checkbox"/>

Section 164(B) Final approval rests with the President of the Navajo Nation☐ **Grant/Funding Agreement or amendment:**

1. Division:	_____	Date:	_____	<input type="checkbox"/>	<input type="checkbox"/>
2. OMB:	_____	Date:	_____	<input type="checkbox"/>	<input type="checkbox"/>
3. OOC:	_____	Date:	_____	<input type="checkbox"/>	<input type="checkbox"/>
4. OAG:	_____	Date:	_____	<input type="checkbox"/>	<input type="checkbox"/>

☐ **Subcontract/Contract expending or receiving funds or amendment:**

1. Division:	_____	Date:	_____	<input type="checkbox"/>	<input type="checkbox"/>
2. BRD:	_____	Date:	_____	<input type="checkbox"/>	<input type="checkbox"/>
3. OMB:	_____	Date:	_____	<input type="checkbox"/>	<input type="checkbox"/>
4. OOC:	_____	Date:	_____	<input type="checkbox"/>	<input type="checkbox"/>
5. OAG:	_____	Date:	_____	<input type="checkbox"/>	<input type="checkbox"/>

☐ **Letter of Assurance/M.O.A./M.O.U./Other agreement not expending funds or amendment:**

1. Division:	_____	Date:	_____	<input type="checkbox"/>	<input type="checkbox"/>
2. OAG:	_____	Date:	_____	<input type="checkbox"/>	<input type="checkbox"/>

☐ **M.O.A. or Letter of Assurance expending or receiving funds or amendment:**

1. Division:	_____	Date:	_____	<input type="checkbox"/>	<input type="checkbox"/>
2. OMB:	_____	Date:	_____	<input type="checkbox"/>	<input type="checkbox"/>
3. OOC:	_____	Date:	_____	<input type="checkbox"/>	<input type="checkbox"/>
4. OAG:	_____	Date:	_____	<input type="checkbox"/>	<input type="checkbox"/>



MEMORANDUM

TO : ALL CONCERNED

FROM : Crystal Deschinny
Crystal Deschinny, Division Director
Division of Economic Development

DATE : October 02, 2017

SUBJECT : **Standing Delegation**

The following department director will automatically assume the responsibility, during the times that I am on leave or on travel.

Anthony Perry, Department Manager, Project Development Department
Bertha Aguirre, Department Manager, Real Estate Department
Elaine Young, Department Manager, Small Business Development

This standing delegation gives authority to handle all routine operation of Division of Economic Development, except those needing attention of the Division Director.

I ask for your full cooperation to be given to the delegated, so that there is no interruption in services. Thank you for your cooperation and understanding.

ACKNOWLEDGEMENT:

Anthony Perry
Anthony Perry, Department Manager
Project Development Department

Elaine Young
Elaine Young, Department Manager
Small Business Development Dept.

Bertha Aguirre
Bertha Aguirre, Department Manager
Real Estate Department



THE NAVAJO NATION

RUSSELL BEGAYE PRESIDENT
JONATHAN NEZ VICE-PRESIDENT

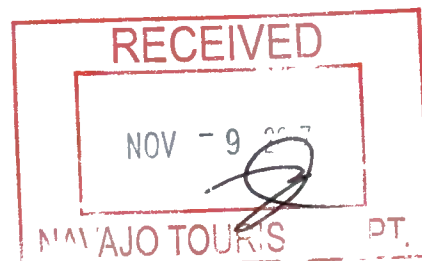
Memorandum:

To: 2 NNC § 164 Reviewers
Delegates & 2 NNC '164 Reviewers
Navajo Nation Government

From: *Robert Willie*
Robert Willie, Accounting Manager
Office of the Controller

Date: November 8, 2017

Subject: 164 Review-008926-Budget Drawdown Acct#51003/510006, Memo dated
Oct 30, 2017



The Office of the Controller has received updated referenced document.

1. There is sufficient amount to cover this request at this time, however all the reserves would be depleted. There will however be new revenue coming in during the fiscal year.

If you should have any questions you can contact me at tribal extension X6125.




THE NAVAJO NATION

RUSSELL BEGAYE PRESIDENT
JONATHAN NEZ VICE-PRESIDENT

Memorandum:

Date: October 30, 2017

To: 2 NNC § 164 Reviewers
Delegates & 2 NNC '164 Reviewers
Navajo Nation Government

From: 
Robert Willie, Accounting Manager
Office of the Controller

Subject: 164 Review-008926-Budget Drawdown Acct#510003/510006

The Office of the Controller has reviewed the above referenced document.

1. The Tourism Fund is requesting an increase to their budget allocation for FY 18 in the amount of Total amount of \$5,087,611 for the Tourism (BU 510003) \$1,812,395 and Tourism (BU 510006)(HOT Tax-NPRD) \$3,275,216.
2. The current fund balance of the Tourism Fund is \$4,754,750 which is insufficient to cover the \$5,087,611 requested.
3. If both of these requests are approved there will be nothing left in the reserve account for the Tourism Department.
4. Recommendation would be to wait for the fund balance to build up and then request the increase.

If you should have any questions you can contact me at tribal extension X6125.

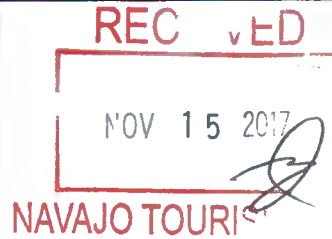


NAVAJO NATION DEPARTMENT OF JUSTICE
OFFICE OF THE ATTORNEY GENERAL

ETHEL B. BRANCH
ATTORNEY GENERAL

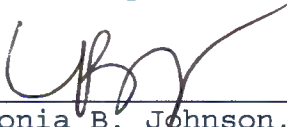
RODGERICK T. BEGAY
DEPUTY ATTORNEY GENERAL

M E M O R A N D U M




TO: Arval T. McCabe, Department Manager I
Tourism Department, Division of Economic Development

THROUGH:


LaTonia B. Johnson, Assistant Attorney General
Economic/Community Development Unit, Dept. of Justice

FROM:


Adjua O. Adjei-Danso, Attorney-Candidate
Economic/Community Development Unit, Dept. of Justice

DATE: November 14, 2017

SUBJECT: **Resubmitted Doc. No. 008926: Navajo Tourism Department
Drawdown Request From HOT Fund**

The Department of Justice ("DOJ") has reviewed the above-mentioned document, a resubmittal by the Tourism Department. As indicated in a DOJ memorandum dated November 3, 2017, the first submission was found insufficient because the drawdown request exceeded what was available in the Tourism Fund.¹ The review request resubmitted by the Tourism Department has been revised so that the new total drawdown amount being requested equals what is available in the Tourism Fund. DOJ finds these submitted documents legally sufficient, but again notes the following:

1. The Tourism Department's ("Department") request of a drawdown from the Hospitality Occupancy Tax ("HOT") is in fact a request to increase the Department's annual budget allocation by a total of four million, seven hundred and fifty four thousand, seven hundred and fifty dollars (\$4,754,750.00). Per the Budget Instructions Manual, this budget allocation increase request requires approval by

¹ Doc. No. 008926: Navajo Tourism Department Drawdown Request From HOT Fund memorandum from Adjua Adjei-Danso (November 3, 2017).

Memorandum to: Arval T. McCabe, Department Manager I
Re: Resubmitted Doc. No. 008926: Navajo Tourism Department
Drawdown Request From HOT Fund
November 14, 2017
Page 2

the Department's oversight committee.² As such, this request must properly be made to the Resources and Development Committee, which oversees the Division of Economic Development, of which this Department is a part.

2. Additionally, as noted in the previously referenced DOJ memorandum, part of the Department's request for a funding increase is for the Parks and Recreation Department ("PRD").³ In 2009, Navajo Nation Council amended the HOT Fund to allow taxes collected within any Navajo Tribal Park to be used exclusively by the PRD.⁴ The associated Fund Management Plan has not been amended to reflect the HOT amendment however, so any fund increase request for PRD still goes through the Tourism Department. This results in the Tourism Department maintaining responsibility to ensure that the PRD spends its funds consistent with the amended HOT, which is beyond the purview of the Department. To address this issue, DOJ has and again recommends that the Department and the PRD enter into an intragovernmental agreement outlining that the PRD will only spend their HOT allocated funds consistent with the amended HOT language, or amend the Fund Management Plan to allow the PRD to make direct HOT funding requests.⁵

Please do not hesitate to contact me at 928-871-6933 if you have any questions regarding this memorandum. Thank you.

AAD/gj/250

xc: 2 N.N.C. § 164 (A) Reviewers

² Budget Instructions Manual, § XIII (C) (1) (c)

³ Doc. No. 008926: Navajo Tourism Department Drawdown Request From HOT Fund memorandum from Adjua Adjei-Danso (November 3, 2017).

⁴ 24 N.N.C. § 741 (B)

⁵ DOJ has previously sent such proposed amendments to the Tourism Department for consideration, and this issue was also previously raised in two earlier memoranda to the Tourism Department (see 164 Document No. 007651: Request to Increase Annual Allocation memorandum from Elizabeth Coronado (April 5, 2017), and Doc. No. 008926: Navajo Tourism Department Drawdown Request From HOT Fund memorandum from Adjua Adjei-Danso (November 3, 2017)).



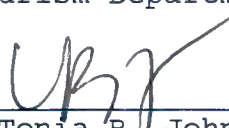
NAVAJO NATION DEPARTMENT OF JUSTICE
OFFICE OF THE ATTORNEY GENERAL

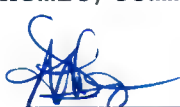
ETHEL B. BRANCH
ATTORNEY GENERAL

RODGERICK T. BEGAY
DEPUTY ATTORNEY GENERAL

M E M O R A N D U M

TO: Arval T. McCabe, Department Manager I
Tourism Department, Division of Economic Development

THROUGH: 
LaTonia B. Johnson, Assistant Attorney General
Economic/Community Development Unit, Dept. of Justice

FROM: 
Adjua O. Adjei-Danso, Attorney-Candidate
Economic/Community Development Unit, Dept. of Justice

DATE: November 3, 2017

SUBJECT: Doc. No. 008926: Navajo Tourism Department Drawdown
Request From HOT Fund

The Department of Justice ("DOJ") has reviewed the above-mentioned document, finding it legally insufficient, and noting the following concerns:

1. The Tourism Department's ("Department") request of a drawdown from the Hospitality Occupancy Tax ("HOT") is in fact a request to increase the Department's annual budget allocation by a total of five million, eighty-seven thousand six hundred and eleven dollars (\$5,087,611). Per the Budget Instructions Manual, this budget allocation increase request requires approval by the Department's oversight committee.¹ As such, this request must properly be made to the Resources and Development Committee, which oversees the Division of Economic Development, of which this Department is a part;
2. As explained in the 30 October, 2017 memorandum issued by Mr. Robert Willie of the Office of the Controller, the amount requested by the Department exceeds what is

¹ Budget Instructions Manual, § XIII (C) (1) (c)

Memorandum to: Arval T. McCabe, Department Manager I
RE: Doc. No. 008926: Navajo Tourism Department Drawdown Request From
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available in the HOT.² Per the advice provided by the Office of the Controller, the Department should consider an alternative to the requested increase;

3. Also as noted in Mr. Willie's memorandum, part of the Department's request for a funding increase is for the Parks and Recreation Department ("PRD").³ In 2009, Navajo Nation Council amended the HOT Fund to allow taxes collected within any Navajo Tribal Park to be used exclusively by the PRD.⁴ The associated Fund Management Plan has not been amended to reflect the HOT amendment however, so any fund increase request for PRD still goes through the Tourism Department. This results in the Tourism Department maintaining responsibility to ensure that the PRD spends its funds consistent with the amended HOT, which is beyond the purview of the Department. To address this issue, DOJ previously recommended that the Department and the PRD enter into an intragovernmental agreement outlining that the PRD will only spend their HOT allocated funds consistent with the amended HOT language, or amend the Fund Management Plan to allow the PRD to make direct HOT funding requests.⁵

Please do not hesitate to contact me at 928-871-6933 if you have any questions regarding this memorandum. Thank you.

AAD/gj/243

xc: 2 N.N.C. § 164 (A) reviewers

² Memorandum from Robert Willie, Accounting Manager, Office of the Controller, to 2 NNC § 164 reviewers, Delegates (Oct. 30, 2017) (on file with Tourism Department).

³ Id.

⁴ 24 N.N.C. § 741 (B)

⁵ DOJ has previously sent such proposed amendments to the Tourism Department for consideration, and this issue was also previously raised in an earlier memorandum to the Tourism Department (see 164 Document No. 007651: Request to Increase Annual Allocation memorandum from Elizabeth Coronado (April 5, 2017)).

EDCAU-72-93

RESOLUTION OF THE
ECONOMIC DEVELOPMENT COMMITTEE
OF THE NAVAJO NATION COUNCIL

Recommending to the Budget and Finance Committee,
the Approval Navajo Nation Tourism Fund Management Plan
To Be Administered By the Navajo Tourism Department,
Division of Economic Development

WHEREAS:

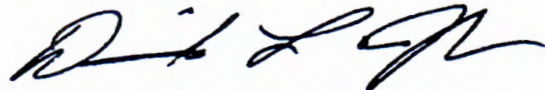
1. Pursuant to 2 N.T.C. Section 721, the Economic Development Committee of the Navajo Nation Council is established and continued as a standing committee of the Navajo Nation Council; and
2. Pursuant to 2 N.T.C. Section 724 (d) and (g), the Economic Development Committee of the Navajo Nation Council is the oversight authority for the Division of Economic Development with the authority to review and approve all proposed economic development projects which require the use of Navajo Nation funds; and to be the central point of contact for all economic development matters; and
3. Pursuant to 2 N.T.C. Section 724 (f), the Economic Development Committee of the Navajo Nation Council is authorized, in consultation with the Navajo Tax Commission, to make recommendations to the Navajo Nation Council regarding all taxation proposals affecting business or commercial activities, attached hereto as Exhibit "A"; and
4. On July 30, 1992, the President of the Navajo Nation signed into law the Navajo Nation Hotel Occupancy Tax, 24 N.T.C. Subsection 700 et. seq., (Exhibit "C") to become effective January 1, 1993; and
5. 24 N.T.C. Subsection 741 provides that the tax imposed shall be retained in a special fund entitled the "Navajo Nation Tourism Fund", which shall be administered by the Navajo Tourism Department and applied for the advancement of local tourism promotion and to develop projects throughout the Navajo Nation; and
6. The Navajo Tourism Department has developed a Navajo Nation Tourism Fund Management Plan (Exhibit "D"); and
7. The Economic Development Committee of the Navajo Nation Council has reviewed the Navajo Nation Tourism Fund Management Plan as reflecting the intent of the Hotel Occupancy Tax, 24 N.T.C. Subsection 700 et seq., attached hereto as Exhibit "B".

NOW THEREFORE BE IT RESOLVED THAT:

The Economic Development Committee of the Navajo Nation Council hereby recommends to the Budget and Finance Committee of the Navajo Nation Council, the approval of the Navajo Nation Tourism Fund Management Plan, attached hereto and incorporated herein as Exhibit "D".

CERTIFICATION

I hereby certify that the foregoing resolution was duly considered by the Economic Development Committee of the Navajo Nation 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 6 in favor, 0 opposed and 0 abstained, this 11th day of August 1993.



David L. John, Chairperson
Economic Development Committee

Motion: Emmett Bia
Second: Herbert Pioche

Navajo Nation Tourism Fund Management Plan

Section 1 - Authority

The President of the Navajo Nation signed into law the Hotel Occupancy Tax, 24 N.T.C. 700-Resolution CJY-27-92 et.seq., which became effective January 1, 1993.

These revenues will be retained in a special fund entitled "Navajo Nation Tourism Fund" which will be administered by the Navajo Tourism Department.

This tax shall be administered by the Navajo Tourism Department, and which shall, consistent with the laws of the Navajo Nation and utilizing the prudent person rule, be applied for the advancement of local promotion, and to develop projects throughout the Navajo Nation. The Division of Economic Development and the Navajo Tourism Department are hereby authorized to develop and recommend to the Budget and Finance Committee of the Navajo Nation Council the fund's management plan.

Section 2 - Purpose

The purpose of the Navajo Nation Tourism Fund is to provide funds for tourism promotion, tourism department operational funds; and for project development which includes the following, but is not limited to: the advertisement of Navajo people, scenery and facilities and for acquisition, construction, renovation and maintenance of tourism-related attractions and recreational facilities.

Section 3 - Objective

To promote a positive image and develop infrastructure that will make the Navajo Nation more accommodating. This will increase visitation on the Navajo Nation and maintain tourism dollars to create job opportunities for the Navajo people and escalate the Navajo Nation economy.

Section 4 - Program Administration

The Navajo Tourism Department shall propose, develop, and administer all tourism-related projects which require the use of this fund.

Section 5 - Use of Tax Proceeds

The tax proceeds will be utilized for local tourism promotion and project development, which will include, but not be limited to: multi-media advertising and for the development of tourism-related facilities and projects.

-copy

Section 6 - Annual Budget/Expenditure Plan

- A. An annual budget and expenditure plan for the Navajo Nation Tourism Fund shall be prepared for review and recommended for approval by the Economic Development Committee and Budget and Finance Committee of the Navajo Nation Council through the annual budget process.
- B. The plan shall include detailed projections of revenues for the coming fiscal year and detailed line item expenditures shall be processed as a budget justification and processed through normal tribal policy and procedures for review and approval.
- C. Carry-over funds shall remain in the Navajo Nation Tourism Fund Account to be used for the following year pursuant to an approved budget by the Navajo Nation Council. The revenues are credited against the expenditures and each year the balance in the account carries over into the following year without further action.

Section 7 - Accounting, Expenditure Control and Responsibility

- A. All funds received from the Navajo Nation Tourism Fund will be deposited through the Financial Services Department to the Cashiers Section within the Division of Finance.
- B. Expenditures within the Navajo Nation Tourism Fund will utilize the prudent person rule and will be in accordance with all normal tribal policies and procedures.
- C. Disbursement authorizations shall be signed by the Navajo Tourism Department director or delegated authority and the executive or deputy director of the Division of Economic Development.
- D. No expenditure shall be used for any illegal purpose or for the purpose of making political contributions to any candidate or for the purpose of making contributions to any individual, group, or organizations, whether for profit or on a non-profit basis.

Section 8 - Audits and Reports

- A. Accounting books for the Navajo Nation Tourism Fund shall be subject to periodic audits in conjunction with the regular tribal audit performed on all of the financial records of the Navajo Nation.
- B. The Navajo Tourism Department and Support Services directors within the Division of Economic Development shall make periodic written reports to the Economic Development and Budget and Finance Committees of the Navajo Nation Council on the status of the Navajo Nation Tourism Fund.

Section 9 - Legislative Oversight

- A. Pursuant to 2 N.T.C., Section 724 (g), the Economic Development Committee of the Navajo Nation Council shall serve as the oversight committee of the Division of Economic Development including those activities which deal with the planning, development, promotion and oversight of economic development activities.
- B. Also, pursuant to 2 N.T.C., Section 374 (b) (1), and (b) (8), the Budget and Finance Committee shall review and recommend to the Navajo Nation Council the budgeting, appropriation, investment and management of all funds, including requiring reports from and to monitor the financial performance of all offices, divisions, departments, enterprises, authorities, committees, boards, commissions, or entities having oversight or control over fiscal matters or financial obligations to the Navajo Nation.

Section 10 - Amendments

The Division of Economic Development and the Navajo Tourism Department are authorized to develop and make recommendations to amend the Navajo Nation Tourism Fund's management plan to the Budget and Finance Committee of the Navajo Nation Council.