LEGISLATIVE SUMMARY SHEET
Tracking No. 0171-19

DATE: June 21, 2019

AN ACTION RELATING TO RESOURCES AND DEVELOPMENT COMMITTEE; APPOINTING AND CONFIRMING THE COUNCIL DELEGATE MEMBER TO THE NAVAJO ARTS AND CRAFTS ENTERPRISE BOARD OF DIRECTORS

PURPOSE: Appointing and approving the Navajo Council Delegate representative to the Navajo Arts and Crafts Board of Directors.

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

5-DAY BILL HOLD PERIOD: 23 88
Website Posting Time/Date: 4:20pm 6/28/19
Posting End Date: 7.3.19
Eligible for Action: 7.4.19

PROPOSED NAVAJO NATION COMMITTEE RESOLUTION

24th NAVAJO NATION COUNCIL – First Year, 2019

INTRODUCED BY

(Prime Sponsor)

TRACKING NO. 0171-19

AN ACTION

RELATING TO RESOURCES AND DEVELOPMENT COMMITTEE; APPOINTING AND CONFIRMING THE COUNCIL DELEGATE MEMBER TO THE NAVAJO ARTS AND CRAFTS ENTERPRISE BOARD OF DIRECTORS

SECTION ONE. AUTHORITY

A. Pursuant to 2 N.N.C. § 501(B)(9), the Resources and Development Committee has authority to grant final confirmation of appointments to enterprise boards.

B. Pursuant to 5 N.N.C. § 1503(C), the Navajo Arts and Crafts Board of Directors shall be appointed by the President of the Navajo Nation subject to confirmation by the Economic Development Committee of the Navajo Nation Council, whose authority to confirm appointments to enterprise boards has since been delegated to the Resources and Development Committee pursuant to 2 N.N.C. § 501(B)(9). *See also* CO-45-12.

C. The Navajo Arts and Crafts (NACE) Plan of Operation provides that a vacancy not filled by a qualified candidate appointed by the President within 60 days of the occurrence of that vacancy shall be filled by an appointment and confirmation made by the Resources and Development Committee. NACE POO, Article 4 (E)(2) See Exhibit A.

SECTION TWO. FINDINGS

A. The NACE Board of Directors is to be composed of five members, with one member being represented by a Navajo Nation Council Delegate. 2 N.N.C. §1503(A)

B. The term of the Navajo Nation Council Delegate as Board member shall be identical to their term as a member of the Navajo Nation Council. NACE Plan of Operation Article 4(A)

C. The Board seat to be occupied by the Navajo Nation Council Delegate has been vacant since the end of the 23rd Council, January 15, 2019.

D. The President of the Navajo Nation has not appointed a Council Delegate to that Board seat for confirmation by the Resources and Development Committee.

E. As referenced in the previous Section, the NACE Plan of Operation provides that a vacancy not filled by a qualified candidate appointed by the President within 60 days of the occurrence of that vacancy shall be filled by an appointment and confirmation made by the Resources and Development Committee. NACE POO, Article 4 (E)(2) See Exhibit A.

F. The Resources and Development Committee finds it to be in the best interest of the Navajo Nation to fill the vacant Council Delegate Board position for NACE and to appoint and confirm the Honorable _____ as Council Delegate member of the NACE Board.

SECTION THREE. CONFIRMING APPOINTMENT

The Resources and Development Committee, pursuant to NACE Plan of Operation, Article 4(E), hereby appoints and confirms the Honorable _____ as the Navajo Nation Council Delegate member of the Navajo Arts and Crafts Enterprise for a term coincident with the term as Council Delegate.



Navajo Arts and Crafts Enterprise

Plan of Operation

UPDATED: 4-09-09

Article 1. Establishment

A. Pursuant to 5 N.N.C. § 1501, the Navajo Nation Council established the Navajo Arts and Crafts Enterprise, as an enterprise of the Navajo Nation, hereinafter called "NACE",

B. NACE shall remain in existence until it is dissolved or terminated by the Navajo Nation Council,

C. NACE's headquarters and principal place of business shall be in Window Rock, Navajo Nation (Arizona) and

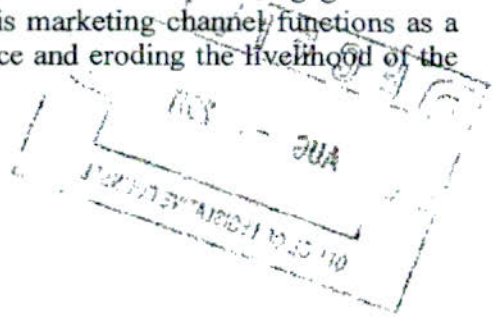
D. NACE may establish other outlets as may be cost effective for the sale of Navajo arts and crafts and related merchandise on or near the Navajo Nation, throughout the United States, and around the world.

Article 2. History

The Navajo people have excelled in various crafts for hundreds of years, and by the mid-eighteenth Century were especially noted for their weaving, baskets and pottery. The Navajo people also learned ironsmithing and later adapted this craft into silversmithing and a wide variety of silver items developed. Today Navajo handwoven rugs, silver jewelry, baskets, pottery, paintings and other crafts are in high demand world wide.

Over time some Navajo artisans became so adept at their craft that they produced extra crafts for sale as a means to support their family and to augment cattle, horse and sheep sales, and other trading activities. As skills and markets developed for these artisans, competing products began appearing in the market and placed the Navajo craftsperson in jeopardy.

Tribal leaders recognized the need to be better represented in the marketplace, and in 1941 chartered the Navajo Arts and Crafts Guild to better market Navajo made products and counter the increasing supply of imitation items. The "Guild" was changed to an "Enterprise" in 1971 and exists today as the only Navajo Nation owned business enterprise engaged in the purchase and sale of Navajo arts and crafts and through this marketing channel functions as a defense against competing products flooding the market place and eroding the livelihood of the Navajo artisans and craftsperson.



Article 3. Purpose

In accordance with the Plan of Operation and applicable Navajo Nation and federal laws and regulations, the purposes for which NACE are organized are as follows:

A. To showcase the artistry and crafts of the Navajo Nation and to be represented in the market place;

B. To establish outlets as may be cost effective for the sale of Navajo arts and crafts and related merchandise on or near the Navajo Nation, through out the United States, and around the world.

C. To provide a source of raw materials at a fair price to Navajo artisans for use in the creation of Navajo arts and crafts.

D. To purchase at fair-market rates finished products from Navajo artisans and craftspeople, and from such other sources as may be necessary to provide a fully integrated arts and crafts facility

E. To promote Navajo arts and crafts in any and all other ways deemed by the NACE Board of Directors to be in the best interest of NACE and the Navajo Nation.

Article 4. Membership on Board of Directors; Qualifications; Term of Office; Removal or Resignation; and Filing Vacancies

A. Membership

The business and affairs of NACE shall be conducted by a Board of Directors composed of five (5) members with one (1) member represented by a Navajo Nation Council Delegate whose term shall coincide with such Council Delegate's term of office, all of whom shall be appointed by the President of the Navajo Nation subject to the confirmation by the Economic Development Committee of the Navajo Nation Council, pursuant to 2 N.N.C § 724(E)(1)

B. Qualifications

The five (5) members of the Board of Directors, who shall be referred to as "Directors" shall be appointed by the President of the Navajo Nation and confirmed by the Economic Development Committee of the Navajo Nation Council. The President shall appoint individuals who are enrolled members of the Navajo Nation with at least a high school

education or equivalent, and with substantial experience in business or in the manufacture of arts and crafts. Furthermore, a member shall have substantial experience in one of the following areas:

1. Marketing
2. Silversmithing
3. Accounting
4. Business management

C. Term of Office

1. Directors shall be appointed by the President of the Navajo Nation subject to confirmation by the Economic Development Committee of the Navajo Nation Council, pursuant to 2 N.N.C § 724(E)(1).

2. Directors shall be appointed for staggered three-year terms; a Director whose term has expired shall continue to serve on the Board for an extended term as determined by the Economic Development Committee or until a successor has been duly appointed and confirmed.

3. Directors may serve a maximum of two consecutive terms.

D. Director Removal

Any director may be removed by unanimous vote of the Economic Development Committee of the Navajo Nation Council, with or without cause; and any officer elected by the Board of Directors may be removed by the Board of Directors with or without cause, in such manner as is provided in the Bylaws of the Enterprise.

E. Filling Director Vacancies

1. A vacancy shall exist from the date of expiration, resignation, death, or removal of a Director by the Economic Development Committee of the Navajo Nation Council.

2. Upon creation of a vacancy, the President of the Navajo Nation shall appoint a qualified candidate on or before sixty (60) calendar days. The Economic Development Committee of the Navajo Nation Council shall fill vacancies where the President has not made an appointment within (60) calendar days by appointing and confirming a candidate that meets the qualifications stated above.
3. Any vacancy shall be filled for the unexpired portion of the term.

4. All NACE Director vacancies shall be advertised in the Navajo Times and other local newspapers.

Article 5. Principal Officers

A. The Principal Officers of NACE shall consist of the following:

1. President, Vice-President, and Secretary/Treasurer of the Board of Directors.

2. The Principal Officers shall be elected annually by the Board pursuant to the Bylaws of the Enterprise and shall hold office until their successors are elected and qualified, or vacates the position by death, resignation, or removal.

B. Duties.

The officers of NACE shall have the following stated duties and such other duties as may be determined by the Board of Directors, which shall be consistent with applicable law and this Plan of Operation.

1. *President.* The President of the Board of Directors shall preside at all meetings of the Board of Directors, and shall, in general, perform duties incident to the Office of the President of the Board of Directors and such other duties as may be assigned by the Board of Directors

2. *Vice-President.* The Vice-President shall act in the capacity of the President in the absence of the President and shall discharge any other duties designated by the President or the Board of Directors.

3. *Secretary/Treasurer.* The Secretary/Treasurer shall act as the recording officer of the Board and record meeting minutes and have them available for review within (5) working days; has direct contact with NACE's Chief Executive Officer to ensure that annual audits are scheduled, correct and reported to the Board in a timely manner.

Article 6. Board of Directors' Powers and Duties

A. General. In furtherance of its purposes and subject to applicable federal and Navajo Nation laws and regulations, the NACE Board of Directors shall be subject to the laws and regulations applicable to a Board of Directors of a corporation under the laws of the Navajo Nation and shall have the following powers and duties.

1. To purchase, lease, build, erect, construct or otherwise acquire, and to hold, own, use, equip, maintain, manage and operate, any and all buildings, lots, yards, plants, factories, warehouses, mills, stores, shops, offices, laboratories, mines, wells, distribution systems, or facilities, transportation system or facilities, and other establishments of every kind, nature or description, or parts thereof, used or useful in the conduct of the business of the NACE enterprise,

2. To establish and maintain such divisions, departments, and sections as may be deemed necessary for the management and operation of the NACE enterprise,

3. To enter into and carry out any contracts, and to conduct all commercial and financial transactions associated with the business of the NACE enterprise in such manner and to such extent as any corporation chartered in any state may now or hereafter lawfully do,

4. To acquire by purchase, exchange, lease, devise or otherwise, and to hold, own, maintain, manage, equip., improve, develop, repair, remodel, farm and operate, and to sell, transfer, mortgage, lease, assign, convey, exchange, otherwise turn to account or dispose of, and generally to deal in and with, real and personal property, wheresoever situated, and to lease such property to entities not engaged in arts and crafts related activities, provided that such property is available and not needed for the purposes set forth in 5 N.N.C. § 1502 herein. NACE shall not have the authority to effectuate the sale of any property, either real or personal, that belongs to the Navajo Nation without the express written consent of the Navajo Nation. Furthermore, NACE shall not have the authority to mortgage or encumber Navajo tribal trust or restricted real property without the consent of the Navajo Nation,

5. To apply for, obtain, purchase, lease or otherwise acquire and to register, maintain, protect, hold, use, own, exercise, develop, or manufacture under, and to lease, sell or grant licenses or other rights in respect of, assign or otherwise dispose of, turn to account, or in any manner deal with and contract with reference to any trademarks, trade names, patents, patent rights, concessions, franchises, designs, copyrights and distinctive marks and rights analogous thereto, inventions, devices, improvements, processes, recipes, forumulae and the like, including such thereof as may be covered by, used in connection with, or secured or received under, Letter Patent of the United States of America or elsewhere or otherwise, and any licenses in respect thereof and any or all rights connected therewith or appertaining thereto, in accordance with all applicable laws,

6. To acquire by purchase, exchange, lease, devise or otherwise all, or any part of, or any interest in, the properties, assets, business and good will of anyone or more corporations, associations, partnerships, firms, syndicates or individuals, engaged in any business for which a corporation may now or

hereafter be organized; to pay for the same in cash, property or its own or other securities; to hold, operate, lease, reorganize, liquidate, mortgage, pledge, encumber, sell, exchange, or in any manner dispose of the whole or any part thereof; and in connection therewith, to assume or guarantee performance of any liabilities, obligations or contracts of corporations, associations, partnerships, firms, syndicates or individuals, and to conduct in any lawful manner the whole or any part of any business so acquired,

7. To promote, organize, aid or assist, financially or otherwise, corporations, associations, partnerships, firms, syndicates or individuals engaged in any business whatsoever, to such extent as a corporation now or hereafter may lawfully do,

8. To borrow money for any of the purposes of the NACE enterprise to the extent permitted by law and

B. In general, to do all and everything, either within or outside the Navajo Nation, necessary or convenient to the accomplishment of any of the purposes set forth above, and to do any and all things and exercise any and all powers, rights and privileges which a corporation may now or hereafter be organized to do or to exercise.

Article 7. By-Laws; Quorum; Board Actions; Minutes and Resolutions; Stipend and Reimbursement

A. Bylaws

1. The Board of Directors shall adopt Bylaws for NACE and such Bylaws may be amended or repealed as provided therein,

2. The Bylaws of NACE shall provide among other things, for the time, date, and place of the annual meeting and provision for other regular and special meetings of the Board of Directors as may be necessary for the orderly and efficient management of the affairs and dealing of NACE and

3. The Bylaws shall further provide for notice of meetings, waiver of notice, the reimbursement of members of the Board, and for all other matters necessary for the orderly and efficient management of the affairs and dealings of NACE.

B. Quorum

The presence of three (3) members of the Board of Directors shall constitute a quorum for the transaction of any business. The act of a majority of the members present and voting at a meeting at which a quorum is present, shall be the act of

the Board. For the purposes of a quorum, a member who participates by teleconference shall be considered present.

C. Board of Directors Action

All substantive action of the Board of Directors shall be taken by a written resolution duly certified by the presiding officer.

D. Minutes and Resolutions

Access to minutes of meetings and resolutions of the Board of Directors, and all other records of NACE shall be governed by the Navajo Nation Privacy Act, 2 N.N.C. §§ 81 et seq.

E. Stipend and Reimbursement

The compensation of the members of the Board for attendance of a Board of Directors meeting shall be set at $250.00 per day per meeting provided that the member shall attend the meeting for at least four (4) hours or provided that the meeting agenda is completed; NACE Board of Directors shall be reimbursed for reasonable business expenses associated with NACE business provided that receipts for such expenses are collected and further reimbursed for all travel expenses, (meals/lodging/mileage, etc) similar to the Navajo Nation's travel policy. Members of the NACE Board of Directors may be provided an advance to cover travel expenses provided monies are available and provided such requests are made far enough in advance and at such time so as not to disrupt NACE operations. Such advance travel payments shall not exceed the amount of reasonable expenses anticipated.

Article 8. Indemnification of directors, officers and employees

Any person made a party to any action, suit or proceeding by reason of the fact that he or she is or was a director, officer or employee of NACE, shall be indemnified by NACE against the reasonable expenses, including attorneys' fees, actually and necessarily incurred by him in connection with the defense of such action, suit or proceeding, or in connection with any appeal, therefrom, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such officers, director or employee engaged in intentional misconduct in the performance of his duties.

Article 9. Inspection of books, records and reports

A. The accounts, books and papers of NACE shall be open during regular business hours for inspection by the President of the Navajo Nation of his authorized

representative, or at the directive of the Economic Development Committee of the Navajo Nation Council.

B. The accounts and records of NACE shall be audited at the close of each fiscal year. Copies of the audit report shall be furnished to the President of Navajo Nation, the Speaker of the Navajo Nation Council or their designees, and the Economic Development Committee of the Navajo Nation Council within thirty (30) days after completion of the audit or 120 days after the end of the fiscal year, whichever is sooner.

C. NACE shall prepare and deliver status and financial reports of NACE, upon Request, to the Budget and Finance Committee of the Navajo Nation Council and the Economic Development Committee of the Navajo Nation Council. Furthermore, NACE shall prepare annually and deliver financial and progress reports of NACE to the President of the Navajo Nation, the Navajo Nation Council, and the Economic Development Committee of the Navajo Nation Council.

Article 10 Surplus earnings

The Board of Directors shall by a simple majority vote of the members present declare a Dividend of the surplus earning of NACE. The declared dividend shall revert to the General Fund of the Navajo Nation.

Article 11. Indebtedness

The indebtedness or liability, direct or contingent, of NACE shall not exceed $50,000.000 or such other sum as the Economic Development Committee of the Navajo Nation Council may from time to time establish.

Article 12. Private property exempt

The private property of each and every officer and director of the Enterprise, real or personal, tangible to intangible, now owned or hereafter acquired by any of them is and shall be forever be exempted from all debts and obligations of NACE of any kind whatsoever.

Article 13. Sovereign immunity

NACE and its Directors, officers and employees while acting in their official capacities are immune from suit, and the assets and other property of NACE are exempt from any levy or execution, except as provided otherwise in the Navajo Sovereign Immunity Act (1 N.N.C. §§ 551 et. seq.)

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Honorable Seth Damon
Speaker
24th Navajo Nation Council

MEMORANDUM

TO: Honorable Rickie Nez
24th Navajo Nation Council

FROM: Edward A. McCool, Acting-Chief Legislative Counsel
Office of Legislative Counsel

DATE: June 21, 2019

AN ACTION RELATING TO RESOURCES AND DEVELOPMENT COMMITTEE; APPOINTING AND CONFIRMING THE COUNCIL DELEGATE MEMBER TO THE NAVAJO ARTS AND CRAFTS ENTERPRISE BOARD OF DIRECTORS

As requested, I have prepared the above-referenced proposed resolution and associated legislative summary sheet pursuant to your request for legislative drafting. Based on existing law and review of documents submitted, the resolution as drafted is legally sufficient. As with any action of government however, it can be subject to review by the courts in the event of proper challenge. Please ensure that this particular resolution request is precisely what you want. You are encouraged to review the proposed resolution to ensure that it is drafted to your satisfaction.

The Office of Legislative Counsel confirms the appropriate standing committee(s) based on the standing committees powers outlined in 2 N.N.C. §§500, 501. Nevertheless, "the Speaker of the Navajo Nation Council shall introduce [the proposed resolution] into the legislative process by assigning it to the respective oversight committee(s) of the Navajo Nation Council having authority over the matters for proper consideration." 2 N.N.C. §164(A)(5).

If the proposed resolution is unacceptable to you, please contact me at the Office of Legislative Counsel and advise me of the changes you would like made to the proposed resolution.

THE NAVAJO NATION
LEGISLATIVE BRANCH
INTERNET PUBLIC REVIEW PUBLICATION

LEGISLATION NO: 0171-19 **SPONSOR:** Rickie Nez

TITLE: An Action Relating To Resources And Development Committee; Appointing And Confirming The Council Delegate Member To The Navajo Arts And Crafts Enterprise Board Of Directors

Date posted: June 28, 2019 at 4:20 PM

Digital comments may be e-mailed to comments@navajo-nsn.gov

Written comments may be mailed to:

Executive Director
Office of Legislative Services
P.O. Box 3390
Window Rock, AZ 86515
(928) 871-7586

Comments may be made in the form of chapter resolutions, letters, position papers, etc. Please include your name, position title, address for written comments; a valid e-mail address is required. Anonymous comments will not be included in the Legislation packet.

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