

RESOLUTION OF THE
NAVAJO NATION COUNCIL

Repealing 2 N.N.C. Section 4001 et seq., and Enacting the
"Navajo Nation Local Governance Act" for Navajo Nation
Chapters, Chapter Officials and Chapter Administration

WHEREAS:

1. Pursuant to 2 N.N.C. §102 (A), the Navajo Nation Council is the governing body of the Navajo Nation; and

2. Navajo Nation Chapters are the foundation of the Navajo Nation Government. For the last seventeen (17) years, Chapters have operated under the Plan of Operation for the Navajo Nation Chapters and Chapter Officials exercising authorities conferred by the Navajo Nation Council, 2 N.N.C. § 4001 et seq.; and

3. The Commission on Navajo Government Development was created to lead the Nation in the development of the Navajo Government so that self-sufficiency, accountability and government stability can occur; and

4. Pursuant to Resolution CJA-1-96, the Navajo Nation Council directed the standing committees to study and provide recommendations to the Council on ways to provide local governance to the Navajo Nation Chapters. See Exhibit "A"; and

5. Subsequently, the Intergovernmental Relations Committee, in Resolution IGRAP-70-96, directed the Commission on Navajo Government Development to assist the standing committees in studying and making recommendations to the Navajo Nation Council concerning the local governance initiative. See Exhibit "B"; and

6. The Office of Navajo Government Development staff completed a proposal to provide local governance to the Navajo Nation Chapters. The proposal is referred to as the "Navajo Nation Local Governance Act". The Act is based upon numerous recommendations from the standing committees, as well as the Navajo public, the three Branch Chiefs, the Inter-Branch Task Force, elected officials, tribal employees and others interested in a more effective Navajo government. See Exhibit "C"; and

7. The "Navajo Nation Local Governance Act" addresses the governmental function of Chapters, improves the governmental structure and provides the opportunity for local Chapters to make decisions over local matters. This restructuring will in the long run improve community decision making, allow communities to excel and flourish, enable Navajo leaders to lead toward a prosperous future and improve the strength and sovereignty of the Navajo Nation; and

8. On July 24, 1997, the Commission on Navajo Government Development, by Resolution CNGD-01-97 approved and recommended approval of the "Navajo Nation Local Governance Act" to the Transportation and Community Development Committee and the Navajo Nation Council. **See Exhibit "D";** and

9. On January 9, 1998, the Transportation and Community Development Committee, by Resolution TCDCJA-5-98, approved and recommended approval of the "Navajo Nation Local Governance Act" to the Navajo Nation Council. **See Exhibit "E";** and

10. Supporting resolutions recommending approval of the "Navajo Nation Local Governance Act" were also adopted by the Agency Executive Council, the five Agency Councils, numerous District Councils and the Navajo Nation Chapters. **See Exhibit "F".**

NOW THEREFORE BE IT RESOLVED THAT:

1. The Navajo Nation Council hereby repeals 2 N.N.C. §4001 et seq., and enacts the "Navajo Nation Local Governance Act." **See Exhibit "C".**

2. To implement the legislation, the Navajo Nation Council authorizes amendments to the Navajo Nation Code. **See Exhibit "G".**

3. The Navajo Nation Council further requires the following:

- a. All Chapters of the Navajo Nation shall operate under the "Navajo Nation Local Governance Act" upon its enactment by the Navajo Nation Council.
- b. All Chapters shall establish and operate under a Five Management System.
- c. By the Year 2003, all Chapters shall adopt a land use plan based upon a community assessment.
- d. The Community Services Coordinators Program and the Commission on Navajo Government Development shall develop a transition plan for the transfer of the Community Services Program to the Chapters and shall present the plan to the Intergovernmental Relations Committee of the Navajo Nation Council for approval.


4. The Navajo Nation Council further recognizes that appropriations are needed to finance the local governance legislation. A permanent local governance trust fund shall be established to assist the Navajo Nation Chapters, subject to the availability of funds.

5. The Navajo Nation Council directs all three branches, entities, enterprises and organizations of the Navajo Nation to assist in implementing the "Navajo Nation Local Governance Act."

6. The Navajo Nation Council further reaffirms all grants of authority to Chapters and Chapter subunits previously authorized not otherwise inconsistent with this Act.

CERTIFICATION

I hereby certify that the foregoing resolution was duly considered by 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 61 in favor, 10 opposed and 3 abstained, this 20th day of April 1998.

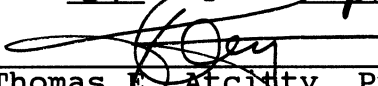


Kelsey A. Begaye, Speaker
Navajo Nation Council
4-24-98
Date Signed

Motion: Edward T. Begay
Second: Milton Bluehouse

ACTION BY THE NAVAJO NATION PRESIDENT:

1. I hereby ~~give notice that I will not veto~~ ^{sign into law} the foregoing legislation, pursuant to 2 N.N.C. §1005 (C)(10), on this 27 day of April 1998.



Thomas E. Atcitty, President
Navajo Nation

2. I hereby veto the foregoing legislation, pursuant to 2 N.N.C. §1005 (C)(10), this ___ day of _____, 1998 for the reason(s) expressed in the attached letter to the Speaker.

Thomas E. Atcitty, President
Navajo Nation

RESOLUTION OF THE
NAVAJO NATION COUNCIL

Directing the Standing Committees of the Navajo Nation Council To Study and Provide Recommendations to the Navajo Nation Council On Ways To Provide Local Governance to the Navajo Nation Chapters

WHEREAS:

1. Pursuant to 2 N.T.C. §102 (a), (1989 Amendments), the Navajo Nation Council is the governing body of the Navajo Nation; and

2. On December 21, 1995, the proposed Navajo Nation Local Governance Act of 1995 was presented to the Navajo Nation Council and was tabled to the 1996 Winter Session of the Navajo Nation Council due to the fact that the proposed legislation will result in a restructuring of the Navajo Nation Government including necessary amendments to the fiduciary responsibilities and lawful authorities of the Navajo Nation Council and its standing committees; and

3. The Navajo Nation Council thoroughly reviewed the proposed Local Governance Act of 1995 sponsored by the President of the Navajo Nation and determined that the proposed legislation has many major deficiencies including but not limited to the following:

- A. The proposed Local Governance Act of 1995 directly impacts the authorities and responsibilities of the Navajo Nation Council and its standing committees including but not limited to reducing responsibilities and authorities of the standing committees over resource management, home site leasing, approval of ordinances, provision of insurance coverage for property and personnel, and maintenancing of the sovereignty of the Navajo Nation;
- B. The proposed Local Governance Act of 1995 does not directly address the impact of this restructuring on the Navajo Nation Council and its standing committees leaving many unanswered questions regarding the coordination of authorities between the Navajo Nation Central Government and the Local Chapters;
- C. The Local Governance Act of 1995 as proposed may place the Navajo Nation Government in a depressed financial and fiscal situation leaving the Navajo Nation Government without sufficient financial and fiscal support;
- D. The Navajo Nation Council Delegates have raised many major concerns every time the proposed local empowerment/governance act was

presented to the Council including the need to conduct a comprehensive study on the fiscal and structural impacts on the Navajo Nation Central Government and various entities of the Navajo Nation prior to consideration of any local governance act. However, the sponsor of the legislation never presented the comprehensive analysis of the financial and structural impacts on the government and the actual number of employees and programs that will be impacted;

- E. Although empowering the Navajo people through the proposed Local Governance Act of 1995 is highly commendable, the approach by the President of the Navajo Nation which ensures that there are numerous authorities and responsibilities immediately provided to the Navajo Chapters and the Navajo People may be a premature delegation of authority to the Navajo Chapters while many chapters do not have the necessary administration buildings, equipment and personnel to take on many aspects of the purported delegation of authorities and responsibilities to the local chapters; and

4. The Navajo Nation Council strongly believes that any shift in Navajo Nation Government must withstand adversity including lawsuits from entities, agencies and individuals of the Navajo Nation and other entities conducting business with the Navajo Nation government and be perpetual for the future generations. The Navajo Nation Council determines that the proposed Local Governance Act of 1995 having many legal and practical deficiencies may cause confusion and chaos in the Navajo Nation Government and on the Navajo Nation; and

5. The Navajo Nation Council determines that the Navajo people must be given clear and precise legislation in providing local governance in which the chapters will have the final approval authority over local matters and amend the current structure of the Navajo Nation Government to accommodate the empowerment of the local chapters; and

6. The Navajo Nation Council is cognizant of the fact that the Navajo People and the Chapter governments are interested in attaining self-sufficiency and local control over local matters. The keys to attaining these goals are the recognition of the inherent authority of Chapter governments and the fair allocation of general fund monies to the Chapters; and

7. The Navajo Nation Council determines that in order to insure that the Navajo Chapter governments are delegated the proper authorities and that such authorities are executed appropriately without harming the welfare of the general public necessary studies such as the financial feasibility and program and employee impacts need to be conducted; and

8. Therefore, the Navajo Nation Council determines that it is in the best interests of the Navajo Nation Government and the Navajo People that the standing committees of the Navajo Nation Council thoroughly review the Local Governance Act proposed by the President of the Navajo Nation and the enabling legislation sponsored by the Commission on Navajo Government Development and provide recommendations to the full Navajo Nation Council.

NOW THEREFORE BE IT RESOLVED THAT:

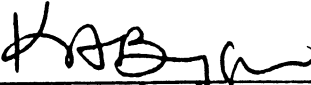
1. The Navajo Nation Council hereby directs the standing committees of the Navajo Nation Council to study and provide oversight recommendations to the Navajo Nation Council on ways to provide local governance to the Navajo Nation Chapters. The oversight committee recommendations must consider the following as they pertain to their oversight responsibilities:

- A. Instead of providing local governance to all of the Navajo Nation Chapters, pilot project(s) including provisions for grants to local chapters be provided;
- B. Phase in the local governance to the local chapters either through incremental delegation of authorities or installation of central government programs;
- C. Decentralization of programs and services to the agency or chapter levels must be done without decreasing the current services provided to the Navajo people; such programs include but not limited to police protection, education, social services, health services, and protection of the natural resources;
- D. Insure that the sovereignty of the Navajo Nation Government is maintained including the efficient and effective implementation of Public Law 93-638 contracts without creating liabilities;
- E. Improve the enabling legislation developed by the Commission on Navajo Government Development and improve the proposed Local Governance Act sponsored by the President of the Navajo Nation;
- F. Ensure that the rights and freedom of the Navajo people are protected.

2. The Navajo Nation Council hereby directs that the Budget and Finance Committee of the Navajo Nation Council ensure that the proposed Fiscal Year 1997 appropriately addresses the immediate needs of the Navajo People including but not limited to adequate police services, health services and other important and essential governmental services in light of the Federal budget reductions and declining Navajo Nation revenues.

CERTIFICATION

I hereby certify that the foregoing resolution was duly considered by 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 58 in favor, 25 opposed and 0 abstained, this 18th day of January 1996.



 Kelsey A. Begaye, Speaker
 Navajo Nation Council
 1-23-96

 Date Signed

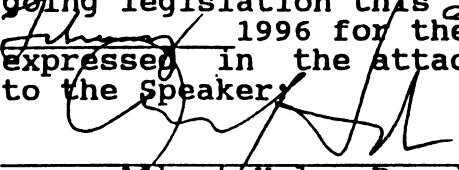
Motion: Edward T. Begay
 Second: Harrison Plummer

ACTION BY THE EXECUTIVE BRANCH:

1. Pursuant to 2 N.T.C. Section 1005 (c)(1), I hereby sign into law the foregoing resolution on this _____ day of _____ 1996:

 Albert Hale, President
 Navajo Nation

2. Pursuant to 2 N.T.C. Section 1005 (c)(10), I hereby veto the foregoing legislation this 2nd day of February 1996 for the reason(s) expressed in the attached letter to the Speaker.



 Albert Hale, President
 Navajo Nation

Time Line:

1. March 18, to April 30, 1996 Coordinate with the Standing Committees of the Navajo Nation Council in studying and developing recommendations to the Navajo Nation Council on ways to provide for local governance.
2. March 18, to ? Coordinate and facilitate discussions with the three branches, committees, Agency Councils, and other entities to development recommendations for local governance.
3. May 1 to June 5, 1996 Summarize Council recommendations. Hold public and Agency hearings on recommendations for local governance.
4. Coordinate the documentation of existing pilot projects, including the:
 - A. Shiprock Decentralization Project
 - B. Kayenta Township-Revenues and Sub-units
 - C. Ramah Chapter-Self Governance
 - D. Two Grey Hills-Chapter Accounting System
 - E. LeChee, Navajo Townsite, Chinle-local governance
5. Present a proposal for local governance for consideration by the Navajo People in a referendum vote to the Navajo Nation Council Session on July 15, 1996.

Exhibit "B"

ELMER MILFORD: I wouldn't call it LGA, I would rather call it local governance that the Government Development is working on, that some form of proposal be sent back to the Council for discussion. I think we still need to address it at some point and time. That will be just a directive.

CHAIRPERSON: That directive will be given to the Chair and my office to bring forth a resolution concerning the local governance, to revive that through IGR.

**RESOLUTION OF THE
INTERGOVERNMENTAL RELATIONS COMMITTEE
OF THE NAVAJO NATION COUNCIL**

Directing the Commission on Navajo Government Development
to Take the Lead Role in Coordinating the Process of
Assisting the Standing Committees to Study and Make
Recommendations to the Navajo Nation Council
Concerning the Local Governance Initiative

WHEREAS:

1. Pursuant to 2 N.N.C. §§821 and 824 (b)(1), the Intergovernmental Relations Committee of the Navajo Nation Council is established to oversee commissions, including the Commission on Navajo Government Development ("Commission"), under the Legislative Branch of the Navajo Nation government; and

2. The Navajo Nation Council, by amending the plan of operation for the Commission, directed the Commission to specifically study Chapter government and propose recommendations dealing with alternative forms of Chapter government to the Navajo Nation Council. Accordingly, the Commission studied the current Navajo Chapter system of local government and the proposed Local Governance Act of 1996 which contained various proposed principles of granting authorities to Chapters; and

3. On February 19, 1996, the Commission met to discuss the project of the Navajo Nation Council and to take necessary steps to meet the objectives of the Navajo Nation Council. Upon evaluating all proposed principles of granting authorities to Chapters recommended by Chapters, entities and individuals, the Commission created a plan of action which specifically takes into consideration the concerns raised by the Navajo Nation Council on January 18, 1996 during the Winter Session of the Navajo Nation Council. The attached Exhibit "A" is a plan of action of the Commission; and

4. On March 5, 1996, the Intergovernmental Relations Committee of the Navajo Nation Council made a directive to revive some form of the Local Governance initiative for Council discussion. See IGRC minutes attached as Exhibit "B".

NOW THEREFORE BE IT RESOLVED THAT:

1. The Intergovernmental Relations Committee of the Navajo Nation Council hereby directs the Commission to take the lead role in coordinating the process of assisting the standing committees to study and make recommendations to the Navajo Nation Council concerning the Local Governance initiative.

2. The Intergovernmental Relations Committee of the Navajo Nation Council hereby gives the Commission, subject to completion of all Navajo Nation Council standing committees review and discussion of the local government initiative, to complete its task and to have all legislation and documentation prepared for the Navajo Nation Council's consideration during the Fall Session of 1996.

CERTIFICATION

I hereby certify that the foregoing resolution was duly considered by the Intergovernmental Relations 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 9 in favor, 0 opposed and 0 abstained, this 8th day of April, 1996.



Kelsey A. Begaye, Chairperson
Intergovernmental Relations Committee

Motion: Genevieve Jackson
Second: Rex Morris, Jr.

26 NAVAJO NATION CODE
Navajo Nation Local Governance Act

Chapter 1
NAVAJO NATION CHAPTERS

Subchapter 1. Generally

Section 1 Title; Purpose; Authorization; Prior Inconsistent Law Superseded; Amendment
Section 2 Definitions
Section 3 Chapter Certification

Subchapter 3. Navajo Nation Chapter Governance

Section 101 Chapter Government Requirements
Section 102 Governance Procedure Requirements
Section 103 Chapter Authority

Chapter 2
CHAPTER GOVERNMENT

Subchapter 5. Navajo Nation Chapters, Officials and Administration - Generally

Section 1001 Duties and Responsibilities of Chapter Officials
Section 1002 Meetings; Meeting Notice Requirement; Compensation of Chapter Officials
Section 1003 Order of Business
Section 1004 Chapter Administration

Subchapter 7. Navajo Nation Chapter Regulations and Procedure

Section 2001 Chapter Ordinance Procedure
Section 2002 Chapter Contract Requirements
Section 2003 Chapter Finance; Budget Process; Chapter Insurance
Section 2004 Zoning; Comprehensive Plan; Land Use Variations
Section 2005 Eminent Domain Requirements
Section 2006 [Reserved]
Section 2007 [Reserved]
Section 2008 [Reserved]

Subchapter 9. [Reserved]

Subchapter 11. [Reserved]

Subchapter 13. [Reserved]

26 Navajo Nation Code
Navajo Nation Local Governance Act

Chapter 1
NAVAJO NATION CHAPTERS

Subchapter 1. Generally

Section 1. Title; Purpose; Authorization; Prior Inconsistent Law Superseded;

Amendment

A. Title

This Act shall be cited as the "Navajo Nation Local Governance Act" and herein codified in Title Twenty Six (26) of the Navajo Nation Code.

B. Purpose

1. The purpose of the Local Governance Act is to recognize governance at the local level. Through adoption of this Act, the Navajo Nation Council delegates to Chapters governmental authority with respect to local matters consistent with Navajo law, including custom and tradition. This Act clearly defines the executive and legislative functions of the Chapter as well as the duties and responsibilities of Chapter officials and administrators consistent with the Navajo Nation's policy of "separation of powers" and "checks and balances."

2. Enactment of the Local Governance Act allows Chapters to make decisions over local matters. This authority, in the long run, will improve community decision making, allow communities to excel and flourish, enable Navajo leaders to lead towards a prosperous future, and improve the strength and sovereignty of the Navajo Nation. Through adoption of this Act, Chapters are compelled to govern with responsibility and accountability to the local citizens.

C. Authorization

The Navajo Nation Council, by Resolution CAP-34-98, hereby approves the Navajo Nation Local Governance Act.

D. Prior Inconsistent Law Superseded

Upon the effective date of the Navajo Nation Local Governance Act, all inconsistent enactments, laws, rules, policies, ordinances and regulations of the Navajo Nation and all branches, divisions, departments, offices and political subdivisions thereof are superseded hereby and/or amended to comply herewith.

E. Amendment

This Act may be amended by the Navajo Nation Council subject to approval of a majority of all Chapters of the Navajo Nation; or this Act may be amended by referendum vote of a majority of all Chapters as set forth in 11 N.N.C., Navajo Nation Election Code.

Section 2. Definitions

The language contained in this Section applies generally to all Chapters except as otherwise provided in this Act.

1. "Accounting system" means the methods and records established and maintained to identify, assemble, analyze, classify, record and report a Chapter's financial transactions and to maintain accountability, in accordance with generally accepted governmental accounting principles (GAGAP), of such transactions and for the related assets and liabilities.

2. "Administrative functions" are those activities of the Chapter government which are non-legislative, and involve the conduct of programs.

3. "Allotment" means a parcel of land either owned by the United States in trust for an Indian (trust allotment) or owned by an Indian subject to restriction imposed by the United States against alienation (restricted fee allotment).

4. "Alternative form of Chapter governance" means to give a new design, function or organization to the existing Chapter government.

5. "Attendance" means to be present.

6. "Chapters" are units of local government which are political subdivisions of the Navajo Nation.

7. "Chapter Certification" means the process required of a community group, pursuant to Section 3, seeking to establish a certified Chapter of the Navajo Nation Government.

8. "Chapter employee" means any person or entity working for, or rendering or exchanging any services or performing any act for or on behalf of the Chapter in return for any form of payment or other compensation or thing of value received or to be received at any time temporarily, permanently or indefinitely, in any capacity; whether as agent, servant, representative, consultant, advisor, independent contractor or otherwise.

9. "Chapter meeting minutes" means the record of all action taken at a duly called meeting of the Chapter.

10. "Chapter membership" means:

a. for voting purposes and participation in the Chapter government, all registered voters of the Chapter.

b. for purposes of services and benefits, all tribal members, young and old, who either reside within or are registered in the Chapter. An individual may not be a member of more than one Chapter.

11. "Chapter official" means the following public officials elected by the Chapter membership: Chapter President, Chapter Vice President, and Chapter Secretary/Treasurer.

12. "Chapter ordinance referendum" means the official vote of a Chapter's registered voters on a proposed ordinance pursuant to Section 2001(H) et seq. of this Act.

13. "Chapter resident" means one who dwells permanently or continuously within the boundaries of a Chapter.

14. "Chapter resolution" means the document recording the official action taken by the Chapter membership at a duly call Chapter meeting.

15. "Community Based Land Use Plan" means a document adopted by Chapter resolution setting forth current and proposed uses of land within Chapter boundaries, illustrating such uses by map or plat.

16. "Contracting" means the act of entering into written agreements which impose legal obligations on the parties who are signatories to the agreement.

17. "Custodian" means having day to day charge of official books, records, documents, equipment, property and funds of the Chapter.

18. "Eminent domain" means the taking of land used by an individual, or legal person or entity, in which an individual, or legal person or entity, has an interest for a governmental purpose. "Just compensation" must be paid to the user for taking of such as prescribed by Navajo law.

19. "Filing System" means the system by which all Chapter documents are maintained.

20. "Five Management System" means a management system which includes: accounting, procurement, filing, personnel and property management.

21. "Governance Procedure Requirements" means the process Chapters must complete pursuant to Section 102 to begin exercising authorities pursuant to this Act.

22. "Governmental purposes" means activities carried out by the Chapter for the general health, safety and welfare of the Chapter membership.

23. "Local governance" means governance by and through Chapter governmental bodies as set forth by this Act.

24. "Manager" means the individual who is responsible for administering the Five Management System and the administration of the Chapter.

25. "Navajo Nation law" means Navajo statutes, administrative regulations and Navajo common law.

26. "Ordinance" means a local law, rule or regulation enacted by a Chapter pursuant to this Act.

27. "Oversight" means the general supervision of administrative functions by the Chapter officials and/or the manager to ensure accountability.

28. "Personal property" is all supplies, materials, equipment and other property, including expendable and nonexpendable property, capitalized and non-capitalized, but does not

include real property or fixtures. Capitalized property is nonexpendable property having acquisition value of \$1,000.00 or more.

29. "Personnel management" means the system by which recruitment, retention and termination of employees is administered at the Chapter.

30. "Property management" means the system by which the Chapter administers accounts for real and personal property obtained or controlled as a result of past transactions, events or circumstances.

31. "Real property" is any interest in land, together with the improvements, structures and fixtures located thereon.

32. "Registered voter" means having one's name officially placed on a list of eligible voters.

33. "Sub-contract" means the act of entering into a written agreement between a Navajo Nation Chapter and a Navajo Nation division, program or entity.

34. "Technical assistance" means services rendered by the central Navajo Nation government with respect to the authority to be exercised by Chapters as described herein.

Section 3. Chapter Certification

A. There shall be certified at least one Chapter organization in each Chapter precinct which elects delegates to the Navajo Nation Council. The list of certified Chapters is at 11 N.N.C. Part 1 Section 10.

B. Until increased by certification by the Navajo Nation Council, the number of certified Chapters shall not exceed one hundred and ten (110).

C. Additional Chapters may be certified only if all of the following are met:

1. Upon presentation of evidence to the Navajo Nation Council that the proposed Chapter represents a community group which has existed and functioned as a community for four (4) continuous years.

2. Upon presentation of evidence that the population of the area exceeds 1,000 persons for each of the existing Chapters and that there is a need to establish others.

3. Upon presentation of evidence that the topography or the unique demography of the Chapter area makes it necessary to have more than one Chapter to allow residents access to Chapter meetings.

Subchapter 3. Navajo Nation Chapter Governance

Section 101. Chapter Government Requirements

A. To ensure accountability, all Chapters are required to adopt and operate under a

Five Management System. Chapters shall develop policies and procedures for the Five Management System consistent with applicable Navajo Nation law.

B. Chapters wanting to administer land, pursuant to this Act, are required to develop a community based land use plan based upon results of a community assessment.

Section 102. Governance Procedure Requirements

A. The Navajo Nation Auditor General's office shall review the Chapter's Five Management System policies and procedures and recommend governance certification of the policies and procedures to the Transportation and Community Development Committee.

B. Upon review and recommendation by the Auditor General's office, the Transportation and Community Development Committee of the Navajo Nation Council shall certify the Five Management System policies and procedures. Also, the committee shall review, if applicable, the Chapter's community based land use plan. Upon governance certification by the Transportation and Community Development Committee, the Chapter may exercise authorities pursuant to Section 103 of this Act.

C. Chapters subsequently approving a community based land use plan must receive certification from the Transportation and Community Development Committee. Certification by the Transportation and Community Development Committee authorizes Chapters to administer land pursuant to Section 103(D)(1).

Section 103. Chapter Authority

A. The members of each Chapter, at a duly called meeting, are authorized to oversee the authority delegated to the Chapter pursuant to this Act.

B. All authority exercised by a Chapter shall be consistent with Navajo Nation law.

C. All authority exercised by a Chapter, pursuant to this Act, may be preempted by Navajo Nation Council statutes and/or resolutions.

D. All Chapters, by Chapter resolution, may exercise the following authorities, including, but not limited to:

1. Issue home and business site leases or permits. The issuance of leases and permits shall be done in accordance with uniform rules and regulations promulgated by the Resources Committee and the Economic Development Committee of the Navajo Nation Council. This provision shall not apply to allotments.

2. Acquire, sell or lease property of the Chapter.

3. Enter into agreements for the provision of goods and services.

4. Enter into agreements with other Chapters to undertake a common goal or interest which will benefit the Chapters.

5. Enter into intergovernmental agreements with federal, state, tribal entities and/or their agencies, subject to the approval of the Intergovernmental Relations Committee of the Navajo Nation Council.

6. Enter into contracts or sub-contracts with the Navajo Nation for federal, state, county and other funds, subject to the approval of the Intergovernmental Relations Committee. This provision is not intended to alter federal contracts between Chapters and the United States which pre-date the enactment of this Act.

7. Enter into contracts or sub-contracts for Navajo Nation general funds, with appropriate Navajo Nation divisions, programs or agencies for service delivery programs.

8. Appropriate funds, according to conditions set forth by the Navajo Nation Council, divisions, departments or other funding sources, including Chapter claims funds and Chapter scholarship funds.

9. Reallocate funds, subject to existing funding or contract requirements, provided that 30% percent of the registered members of the Chapter approve the reallocation.

10. Retain legal counsel.

11. Establish a peacemaking system or administrative procedure for resolving disputes arising from Chapter resolutions, ordinances, or administrative action; including matters arising from personal disputes. The peacemaking system should emphasize Navajo custom for resolving disputes not otherwise contrary to Navajo law and/or custom.

12. Generate revenue through means established by the Chapter consistent with this Act.

E. Chapters may adopt the following ordinances pursuant to Section 2001 of this Act.

1. Amend the land use plan to meet the changing needs of the community.

2. Acquire property by eminent domain, pursuant to Section 2005 of this Act. This provision shall not apply to allotments.

3. Acquire and administer capital improvement project funds.

4. Zoning ordinances consistent with the Chapter's community based land use plan.

5. Regulatory ordinances for governmental purposes, enforcement of which shall be by the Chapter, for the general health, safety and welfare of the Chapter membership, consistent with Navajo Nation law.

6. An alternative form of Chapter governance based upon models provided by the Transportation and Community Development Committee of the Navajo Nation Council.

7. A municipal form of government or Chapter sub-units based upon models provided by the Transportation and Community Development Committee of the Navajo Nation Council.

8. Local taxes pursuant to a local tax code developed by the Navajo Tax Commission and approved by the Navajo Nation Council.

9. Local fees based upon guidelines established by the Navajo Nation Council.

10. Issue community bonds.

11. Compensate the Chapter President, the Vice President, and the Secretary/Treasurer.

12. Others, subject to the approval of the Transportation and Community Development Committee of the Navajo Nation Council.

F. Chapter members may delegate the resolution authority to the Chapter administration through the Chapter ordinance process. The delegation of authority specifically applies to: the issuance of home, business and other site leases, contracting, the authority to acquire, sell or lease personal property of the Chapter, and to appropriate funds.

G. The Chapter Officials and/or the Chapter membership are prohibited from granting monetary loans and approving per capita distribution of Chapter funds to the Chapter membership.

H. All residents of the Chapter, whether registered voters or not, are subject to the jurisdiction of the Chapter pursuant to this Section.

Chapter 2 CHAPTER GOVERNMENT

Subchapter 5. Navajo Nation Chapters, Officials and Administration - Generally

Section 1001. Duties and Responsibilities of Chapter Officials

A. Chapter officials are elected by the Chapter membership to facilitate the conduct of Chapter meetings and guide policy making within the Chapter. The administrative functions of the Chapter government are to be left to the Chapter employees. An individual may not serve as both a Chapter official and Chapter employee at the same time.

B. The duties and responsibilities of the Chapter officials are as follows:

1. The Chapter President shall:

a. Consult with the Chapter Vice President, Secretary/Treasurer, Council Delegate(s), and Chapter staff in preparation of the agenda for each Chapter meeting. If applicable, the President shall also consider proposed agenda items from the planning meeting.

b. Preside and maintain order over Chapter meetings. All Chapter meetings shall be conducted according to the standard order of business pursuant to Section 1003 of this Act.

c. Provide all residents of the community with equal opportunity to speak on issues before the Chapter.

d. Recommend the establishment of and appointment to the standing and special committees of the Chapter to the membership for approval.

e. Adjourn or postpone a Chapter meeting in the event of:

1. A lack of quorum;

2. Disorder at the meeting;

3. Unforeseen emergency;

4. When a Chapter meeting is adjourned or postponed, the Chapter President shall provide notice to the Chapter members as to the time and place of the next or continued Chapter meeting.

f. Vote in case of a tie.

g. Call emergency or special Chapter meetings.

h. Coordinate, plan and organize to improve Chapter functions and activities.

i. Ensure that the duties and responsibilities of the Vice President and the Secretary/Treasurer are carried out in the best interest of the Chapter community.

j. Work closely with the Vice President, and Secretary/Treasurer, to ensure that the Chapter administration is adequately meeting the Chapter's directives and expending funds according to conditions of the Navajo Nation Council and/or the Chapter's annual budgetary objectives; and shall report to the Chapter membership.

k. Follow-up with Tribal, Federal and State governments or their agencies on resolutions, ordinances, recommendations, proposals and projects of the Chapter.

l. Take action to protect the life and property of the members of the Chapter in case of an emergency or other crisis.

m. Carry out the decisions of the Chapter and not frustrate those decisions in any way.

n. Work closely with Council members, Chapter elected officials, committees and other concerned groups or agencies.

o. Encourage and promote community participation in planning and development.

p. Mediate disputes, if appropriate, of families residing within the Chapter and/or refer such family disputes to appropriate social service or law enforcement authorities, as the circumstances may require.

- q. Represent the Chapter at meetings which the Chapter has interest.
- r. Keep informed of all Chapter related activities and acts to advance the interests of the community in all matters.
- s. Have authority to sign all contracts, leases and all other official documents of the Chapter, unless otherwise stated.
- t. Delegate to the Vice President certain duties and responsibilities of the presidency, when the President is otherwise incapacitated or is unavailable to perform his duties.

2. The Chapter Vice President shall:

- a. Automatically assume the duties and responsibilities of the Chapter President, in the absence of the President during Chapter meetings.
- b. In the event of an unforeseen situation, assume delegated duties and responsibilities of the Chapter President for a reasonable time period.
- c. Assist the President and Secretary/Treasurer with their duties and responsibilities.
- d. Work closely with Chapter elected officials, committees and other concerned groups or agencies.
- e. Monitor community projects.
- f. Represent the Chapter at meetings of which the Chapter has interest.
- g. Support and assist the President and Secretary/Treasurer in carrying out the decisions of the Chapter and not act to frustrate those decisions.

3. The Chapter Secretary/Treasurer shall:

- a. Maintain complete and accurate records of all Chapter activities and provide written information when called upon.
- b. Assist the President and Vice President in preparing the agenda.
- c. Prepare and finalize all resolutions, proposals, letters and other important documents for distribution to appropriate agencies.
- d. Take the minutes of Chapter meetings and record in detail all resolutions, votes and other official actions of the Chapter. Discussion of all action items shall be recorded with a tape recording machine.
- e. Follow up with the Chapter President and Vice President on all referrals of resolutions, proposals, correspondence and other related matters.

f. Represent the Chapter at meetings of which the Chapter has an interest.

g. Work closely with the Chapter President, Vice President, and other Chapter committees.

h. Monitor the maintenance of an adequate accounting system to ensure accountability of all funds and expenditures; and shall report to the Chapter President and membership.

i. Shall, in consultation with the Chapter President and Vice President, ensure that the administration prepares monthly financial reports of all transactions and expenditures of the Chapter by categories. The Secretary/Treasurer is responsible for providing all financial reports to the Chapter membership at duly called Chapter meetings.

j. Keep records of meeting claims, attendance and payment of Chapter officials.

k. Turn over, to the Chapter manager, within 10 working days of the official action, all resolutions, minutes and other official documents finalized by the Secretary/Treasurer.

l. Co-sign all Chapter checks along with the Chapter manager. In the event that the Secretary/Treasurer is unavailable, the Chapter President or the Vice President may co-sign Chapter checks.

C. Elected officials of the Navajo Nation Chapters shall serve for a term of four (4) years and shall not be limited to the number of terms he or she may serve.

D. Elected officials of the Navajo Nation Chapters shall take the oath of office before assuming official duties.

E. Elected officials are prohibited from direct involvement in the management and operations of the Chapter administration.

F. Elected officials, immediately upon resignation, removal or expiration of the term of office, shall turn over to the duly certified successor, all books, records, and property in his/her possession belonging to the Chapter.

G. Elected officials are prohibited from conducting financial transactions three (3) months prior to the general election for Chapter officials, except for general operating costs.

H. Elected officials shall comply with all Navajo Nation laws, Chapter ordinances and resolutions. These officials shall perform the duties enumerated above, and such other duties as may be consistent with Navajo law, including this Act and applicable plans of operation enacted by the Chapter membership.

I. Elected officials of the Navajo Nation Chapters shall attend, upon taking the oath of office, a training session on Ethics in Government sponsored by the Ethics and Rules Office of the Navajo Nation. Chapter officials shall maintain a high standard of conduct in all Chapter business consistent with Navajo law, including this law, and the Navajo Nation Ethics and Government

law. Chapter officials are prohibited from rendering opinions, directions or decisions contrary to the sound practice of leadership or contrary to the best interest of the Chapter.

Section 1002. Meetings; Meeting Notice Requirement; Compensation of Chapter Officials

A. Number of meetings. Each Chapter shall determine the number of meetings to be held each month and the time and place for such meetings (subject to the right of the Chapter President to call special or emergency meetings when necessary).

B. Meeting Notice. The Chapter officials shall post all Chapter meeting agendas within the Chapter boundaries at least 48 hours prior to the meeting.

C. Compensation of Chapter Officials

1. Chapter officials shall be compensated for only the number of meetings provided for in the Navajo Nation approved budget. It is nonetheless the obligation of Chapter officials to be present at all Chapter meetings.

2. A Chapter meeting claim form signed only by the claimant shall be attached to each of the regularly scheduled Chapter meeting reports filed by the Chapter Secretary/Treasurer with the Chapter Government Development Department, Division of Community Development, or if applicable, by the Chapter administration.

a. Each regularly scheduled Chapter meeting report and claim form shall be correctly filled out before it will be accepted and processed for payment by the Chapter Government Development Department, Division of Community Development, or if applicable, by the Chapter administration;

b. Each Chapter President, Vice President, Secretary/Treasurer (the appointed acting Secretary and/or the Chapter President Pro-Tempore) shall be paid in accordance with the approved fiscal year budget;

c. No Chapter official shall be compensated for a Chapter meeting unless he or she was in official attendance at that meeting; and

d. Reports will be furnished for all Chapter meetings, regular or special, and state whether or not Chapter officials are to be compensated for attendance at such meetings.

Section 1003. Order of Business

A. The Chapter President or in the absence of the President, the Vice President shall chair all regular or special Chapter meetings. In the absence of the President and Vice President, the Chapter members present may select a Chairperson Pro Tempore for that meeting only.

B. All Chapter meetings require a quorum of 25 registered Chapter members to conduct official Chapter business. Chapters may amend the quorum requirement, based upon models adopted by the Transportation and Community Development Committee of the Navajo Nation Council, pursuant to a Chapter ordinance referendum.

C. Chapters may adopt standard rules for conducting Chapter meetings.

D. Procedural Rules for Motions.

1. The approval or amendments to the agenda, minutes, report(s) and resolution(s) under old and new business of the agenda shall be done in the following manner:

a. Upon presenting the agenda, minutes, report(s), resolution(s) and/or issue(s) of the agenda, the Chapter President shall request a motion to accept the matter before the Chapter membership and recognize a second to the main motion.

b. Upon receiving a motion and a second to the main motion, the Chapter President shall provide an opportunity to members of the Chapter to address the matter before the Chapter membership.

c. Any member of the Chapter may propose an amendment to the main motion which would require a second. The Chapter membership shall vote on the proposed amendment motion. If the amendment motion passes, it shall take precedence over the part of the main motion subject to a proposed amendment. Only one motion to amend the main motion shall be on the floor.

d. Any member of the Chapter may propose a substitute motion and if it passes, it shall take the place of the main motion. The substitute motion shall be seconded and voted on.

e. Any member of the Chapter may propose to table the legislation or issue before the Chapter. The motion to table the matter shall be seconded and voted on. If the tabling motion passes, it shall take precedence over other motions.

2. The Chapter President, Vice President, and Secretary/Treasurer, at a duly called Chapter meeting, are prohibited from making main motions and second motions on substantive and administrative matters. They may make motions and second motions during planning meetings.

Section 1004. Chapter Administration

A. The Chapter shall enact, by resolution, plans of operation for all executive functions and administrative policies of the Chapter, including but not limited to: record-keeping, accounting, personnel, payroll, property management, contracting procurement and program management. The Five Management system shall be the basis of enacting the plans of operation and administrative policies. The Chapter administration shall follow the duties and responsibilities prescribed in the plans of operation and shall comply with all administrative policies and procedures enacted by the Chapter.

B. The Chapter manager shall co-sign all Chapter checks.

C. The Chapter manager shall be the custodian of all official books, records, documents, and funds of the Chapter. Failure of the manager to safeguard these items is cause for removal and assessment of applicable penalties pursuant to Navajo Nation law.

D. Members of the Chapter, individually, are prohibited from direct involvement in the management and operations of the government or administration.

Subchapter 7. Navajo Nation Chapter Regulations and Procedure

Section 2001. Chapter Ordinance Procedure

- A. All proposed ordinance(s) shall contain the following:
1. an ordinance number;
 2. a title which indicates the nature of the subject matter of the ordinance;
 3. a preamble which states the intent, need or reason for the ordinance;
 4. the subject of the ordinance;
 5. rules and regulations governing the enforcement of the ordinance, budgetary information, and where applicable, a statement indicating the penalty for violation of the ordinance;
 6. a statement indicating the date when the ordinance shall become effective;
 7. the signature of the Chapter President to make an official recording of the transaction or writing.
- B. The proposed ordinance shall be read into the record at two consecutive Chapter meetings, of which one may be designated a special meeting, to provide information and an opportunity to discuss and comment on the proposed ordinance(s).
- C. All proposed ordinances shall be read in both English and Navajo.
- D. After the final reading, the proposed ordinance shall be posted at public places within the Chapter boundaries a minimum of fourteen (14) days prior to the vote. The date of the vote shall be decided upon at this time.
- E. Passage of ordinance(s) by the Chapter requires a majority of the registered votes cast, by the Chapter membership during a special election.
- F. All ordinances shall be compiled and maintained at the Chapter for public information. Copies of ordinances shall be filed with the central Records Management Department of the Navajo Nation.
- G. Ordinances shall be amended or rescinded by the process provided in this Section. All ordinances proposing amendments shall clearly indicate new language by underscoring and deletions by overstriking.
- H. The Chapter ordinance referendum shall be used for the adoption of an alternative

form of Chapter governance, a municipal form of government, Chapter sub-units, local taxes and fees, issuance of community bonds and compensation of Chapter officials and shall require approval subject to the procedural requirements set forth in this Section including the following:

1. The Chapter shall be responsible for the funding and administration of referendum elections concerning such ordinances. The Navajo Nation Election Administration shall provide the necessary assistance.

2. The votes cast shall be by secret ballot prepared by the Chapter administration.

3. Ordinances by referendum require passage by majority of the registered voters.

I. Challenges to ordinances shall be pursuant to 1 N.N.C., Chapter 5, Subchapter 1, section 501 et. seq.

Section 2002. Chapter Contract Requirements

A. Except as otherwise provided in this Act, all contracts authorized to be executed on behalf of a Chapter, and utilizing Navajo Nation funds shall:

1. expressly state the liability of the Chapter under the contract;
2. be approved by the Chapter membership, before being executed on behalf of the Chapter;
3. have sufficient funds appropriated and available;
4. comply with the Business Procurement Act, 12 N.N.C. Section 1501 et seq., the Employment Preference Act, 15 N.N.C. Section 601 et seq., the Business Preference Act, 5 N.N.C. Section 201 et seq., and rules and regulations promulgated thereto;
5. be awarded only after public advertisement and bidding;
6. not waive the sovereign immunity of the Navajo Nation;
7. provide access to all contracts or papers to the public; and, if applicable
8. not exceed 10% of the accepted bid. If the 10% cap is exceeded by change orders, modifications or amendments, such change orders, modifications or amendments shall be subject to the provisions of Section 2002(A)(5) above.

B. All executed contracts and papers, and any modifications thereof, shall be filed at the Chapter.

Section 2003. Chapter Finance; Budget Process; Chapter Insurance

A. The Chapter shall adopt an accounting system deemed acceptable by the Auditor General.

B. Budget Process

1. At least one month before the end of the Navajo Nation fiscal year, the manager, in consultation with the Chapter officials, shall prepare, schedule and explain the annual Chapter budget to the membership. Chapters are required to follow the annual budget instruction of the Navajo Nation Office of Management and Budget when formulating the annual Chapter budget and when the budget concerns Navajo general funds. At a duly called planning meeting, the manager shall present a proposed annual budget for the ensuing fiscal year. The manager shall, to the extent allowed by law, include the objectives of the membership in the proposed budget.

2. The budget shall consist of financial information, including but not limited to: a statement on prior financial expenditures; capital improvement funds; debts; encumbrances, lapses of appropriation; and budget objectives from the current year and the status of those objectives.

3. The manager, in consultation with the Chapter officials, shall finalize the budget for approval by the Chapter membership. The Chapter membership shall vote upon the budget at a duly called Chapter meeting in which reasonable notice has been given to the Chapter membership that said meeting will include approval of the annual budget. The budget expenditures shall not exceed the total of the estimated income for the fiscal year. No payments shall be made or obligated except in accordance with the appropriation duly enacted by the Chapter or adopted by the Navajo Nation Council.

C. To protect the interests of the Chapter, the Chapter shall participate in the Navajo Nation's insurance and employee benefit programs, subject to the terms and conditions of such programs. In the event that a Chapter elects not to participate in the Navajo Nation's programs, the Chapter shall establish adequate coverage through the creation of a self-insurance program or the procurement of appropriate policies.

D. Chapter funds shall not be used for personal, business or other forms of loans. Per capita distribution of funds by the Chapter is prohibited. No financial transaction or expenditures of funds shall be made three months before or after the general election of Chapter officials, except for general operating costs.

E. Any person, agent, or Chapter official misappropriating or misusing Chapter funds or property shall be subject to prosecution under the applicable laws of the Navajo Nation, and, if appropriate, under the laws of the United States federal government.

Section 2004. Zoning; Comprehensive Plan; Land Use Variations

A. Zoning

1. Chapters may enact zoning ordinances provided that the membership adopt and implement a comprehensive community based land use plan pursuant to Section 2004(B).

2. Adoption of all local zoning ordinances shall be done pursuant to Section 103(E)(4) of this Act.

3. The Chapter shall be responsible for the enforcement of all zoning ordinances adopted by the membership. The Chapter shall provide and maintain information relative to all matters arising from adopted zoning ordinances.

4. All proposed amendments to zoning ordinances shall first be reviewed by the Local Planning Board, and shall require approval by the Chapter membership before becoming effective.

B. Comprehensive Plan

1. The Chapter, at a meeting called for that purpose, shall by resolution, vote to implement a comprehensive community based land use plan, after the Chapter Planning Board has educated the community on the concepts, needs, and process for planning and implementing a land use plan. The comprehensive community plan shall designate future land use based on the guiding principles and vision as articulated by the community; along with information revealed in inventories and assessments of the natural, cultural, human resources, and community infrastructure; and, finally with the consideration for the land-carrying capacity. Such a plan shall include, but not be limited to the following:

2. An open space plan which preserves for the people certain areas to be retained in their natural state or developed for recreational purposes.

3. A land use plan which projects future community land needs, shown by location and extent, areas to be used for residential, commercial, industrial, and public purposes.

4. A thoroughfare plan which provides a system of and design for major streets, existing and proposed, distinguishing between limited access, primary, and secondary thoroughfares, and relating major thoroughfares to the road network and land use of the surrounding area.

5. A community facilities plan which shows the location, type, capacity, and area served, of present and projected or required community facilities including, but not limited to, recreation areas, schools, libraries, and other public buildings. It will also show related public utilities and services and indicate how these services are associated with future land use.

C. Presentation of Comprehensive Plan

1. Upon approval and passage of a Chapter resolution stating the Chapter's desire to develop and implement a comprehensive community based land use plan, the Chapter shall establish a Community Land Use Planning Committee (CLUP) to approve the processes for planning and to oversee planning activities. The committee shall work closely with the designated planner and the community residents as planning progresses. The CLUP committee shall be comprised of voting members of the Chapter that have expertise to provide valuable contributions to the overall land planning process. Subcommittees such as technical, and public advisory committees, comprising of voting and non-voting members may be established to assist the CLUP committee.

2. The CLUP committee may hire a planner to be responsible for preparing the CLUP. At a minimum, the planner shall exhibit leadership qualities and organization abilities along with experience or education in the discipline of land planning.

3. The planner shall work under the supervision of the CLUP committee and with the community residents. The duties and responsibilities of the planner shall include, but are not limited to the following:

- a) Coordinating all land planning activities.
- b) Developing a community education and participation plan describing methods that will foster public education participation through public hearing, newspaper and radio. Chapter members will be periodically informed on the progress of the land planning activities. All information pertaining to the plan shall be available to the public. The committee shall approve the community participation plan.
- c) Developing and implementing a community assessment ascertaining the goals, priorities, and vision for the future of the community.
- d) Inventorying and assessing pertinent data. The planner shall request data and seek technical assistance when necessary for compilation of all available data from tribal, federal, and state agencies for inventorying and assessing natural, cultural, and human resources, as well as community infrastructure. In addition, Chapters may hire consultants to assist with the inventory and assessments.

D. Presentation and Approval of Comprehensive Plan

Upon completion of resource inventories and assessments, community assessment, the planning board shall prepare a land use plan as described in Section 101. Local planning and zoning ordinances may also be presented at this time. The plan shall be presented to the local residents in one or more public meetings and through the various multimedia. The community members shall have 60 days to comment in writing or in testimony at a final public hearing. The CLUP committee, after consideration for public input shall make necessary adjustments, finalize the plan, and submit the plan to the Transportation and Community Development Committee of the Navajo Nation Council. The committee by committee resolution shall approve the land use plan. Every five years the plan shall be reevaluated and readjusted to meet the needs of the changing community.

E. Land Use Variations

The utilization of all withdrawn lands of the community as defined by the adopted Comprehensive Community Plan shall be in accordance with the provisions of said plan; variations to said plan must be consistent with Section 103(E)(4).

Section 2005. Eminent Domain Requirements

A. Damages to Improvements of Individual Navajo Indians

- 1. Whenever a Navajo Nation Chapter disposes of land containing any

improvement belonging to a Navajo Indian who will not donate the same, whether the disposition is made by surface lease, permit, consent to grant of right-of-way or consent to commencement of construction on a proposed right-of-way, or in any other manner that gives the grantee or proposed grantee exclusive use of the surface of the land containing such improvement, or authorizes the grantee or proposed grantee to use the surface of the land in such manner that said improvement or improvements must be removed, damaged, or destroyed, the Chapter will pay damages to the rightful claimant of such improvement or improvements.

2. As used in this Section "improvement" means house, hogans, sunshade, stables, storage sheds, dugouts, and sweathouses; sheep and horse corrals, and pens, and fences lawfully maintained; irrigation ditches, dams, development work on springs, and other water supply developments; any and all structures used for lawful purposes and other things having economic value. Where any improvement of a Navajo Indian is readily removable and such person has an opportunity to remove the same, damages payable on account of said improvement shall be limited to the reasonable cost of removal, if any, even though the claimant thereof may have failed to remove such improvement and it may have been destroyed or damaged in the authorized course of use of the land on which it is located.

3. No damages shall be paid to any person for any improvement, when such person at the time of building or acquiring said improvement knew or with reasonable diligence ought to have known that the area in which it was located was proposed to be disposed of by the Chapter adversely to such person's interest.

4. Damages to be paid to individual Navajo Indians under this Section shall be fixed by negotiation and consent between the Chapter President of the Chapter or his or her authorized representative and the individual involved. If no agreement satisfactory to the Chapter President or his or her representative can be reached within a reasonable time, the Chapter President shall appoint one appraiser, the individual shall appoint one appraiser, and the two appraisers so appointed shall appoint a third appraiser; but if they cannot agree upon the third appraiser within 10 days, the Chapter President may appoint him or her. The three appraisers shall examine the improvement alleged to be damaged and shall appraise and determine the damages. Their determination shall be submitted to the Natural Resources Committee of the Navajo Nation Council and when, if, and as approved by said Committee the amount thereof shall be final. The Chapter shall pay the fees of said appraisers, except where they are regular Navajo Nation employees, in which case they shall not be entitled to any fees. In addition the Chapter shall pay the reasonable and necessary expenses of said appraisers, whether or not such appraisers are Navajo Nation employees.

B. Economic Damage to Intangible Interests of Navajo Indians

1. Whenever as a result of a Navajo Nation Chapter granting any lease or permit embracing Navajo Nation land, or granting permission by the Chapter for the use of Navajo Nation land, or as a result of the use of Navajo Nation land under such lease, permit or permission, the value of any part of such land for its customary use by any Navajo Indian formally lawfully using the same is destroyed or diminished, the Chapter will compensate the former Navajo Indian user in the manner hereinafter specified.

2. When the livelihood of the former Navajo Indian user is gravely affected by the new use, such user shall have first priority in resettling on other lands acquired by the Navajo Nation, except the area acquired pursuant to the Act of September 2, 1958 (72 Stat. 1686); and the Chapter shall pay the expense of removing said person, his or her family, and property to any new

land made available for his or her use, and such shall constitute full compensation to such Navajo.

3. In all other cases involving damages under this paragraph, the amount thereof shall be fixed and determined in the manner specified in 26 N.N.C. Section 2005(A)(4) above.

4. Whereby reseeding, irrigation, or otherwise, the remaining land in the customary use area of any individual damaged by the governmental exercise of eminent domain is within a reasonable time made able to provide the same economic return as his or her former entire customary use area, no damages shall be payable to such person, except for the period, if any, between adverse disposition of the land in the customary use area and the time when the productivity of the remaining land achieves equality with the entire former customary use area.

5. Only lawful and authorized use shall be compensated under this Section. Thus, no person shall be compensated for loss of use of land for grazing animals in excess of his or her permitted number, or without a permit.

6. Every person otherwise entitled to damages under subsection (3) of this Section shall not be entitled to receive any payment thereof until that person has surrendered for cancellation that person's grazing permit as to all animal units in excess of the carrying capacity of the land remaining in that person's customary use area. Persons so surrendering their grazing permits shall be entitled to an immediate lump sum payment based on the current market value for each sheep unit canceled.

C. Adverse Disposition of Navajo Nation Land Not to be Made Until Individual Damages are Estimated

Neither lessee, permittee, or the grantee of a right-of-way or other interest in or right to use Navajo Nation lands shall commence any construction thereon, nor make any change in the grade or contour thereof or remove any surface vegetation thereon until the damages to the improvements thereon or the customary use rights of all the individuals affected thereby have been estimated by the Office of Navajo Land Administration of the Navajo Nation. Unless the Chapter membership has previously authorized the payment of such damages from nonreimbursable funds of the Chapter, the Chapter President shall require the applicant for such lease, permit or grant of a right-of-way or other interest in or right to use Navajo Nation lands to deposit with the Chapter Secretary/Treasurer an amount equal to at least double the estimate of damage made by the Office of Navajo Land Administration. After the lease, permit, or grant of right-of-way or user has become final and the damages have been determined, either by appraisal, estimate or by consent as hereinbefore provided, the Chapter President shall cause the Secretary/Treasurer to pay, from and out of this deposit, to the person or persons damaged thereby such sum as he, she or they may be entitled to under the terms of this Section, and to return to the applicant the excess thereof, except that where the individual damaged has not consented to the determination of the amount thereof, it shall be withheld in order to satisfy the excess amount, if any, determined under 26 N.N.C. Section 2005(A)(4). Such disbursements shall be made without further appropriation of the Navajo Nation Chapter membership. All sums held by the Secretary/Treasurer of the Navajo Nation Chapter, pursuant to the terms of this Section, for a period of more than 30 days shall be deposited in a Federal Savings and Loan Association or invested in the bonds of the United States until needed for disbursement.

Section 2006. [Reserved]

Section 2007. **[Reserved]**
Section 2008. **[Reserved]**

Subchapter 9. [Reserved]

Subchapter 11. [Reserved]

Subchapter 13. [Reserved]

ONGD: 9/4/97; Revised 4/28/98; As amended by the NNC on 4/20/98

RESOLUTION
OF THE
COMMISSION ON NAVAJO GOVERNMENT DEVELOPMENT

Recommending Repeal of 2 N.N.C. Section 4001 et seq. and Approval of the Proposed "Navajo Nation Local Governance Act" and Proposed Amendments to the Navajo Nation Code to the Transportation and Community Development Committee and Recommending Referral of the Same to the Navajo Nation Council for Consideration

WHEREAS:

1. Pursuant to 2 N.N.C. Section 970, the Commission on Navajo Government Development ("Commission") was established to accomplish the Navajo Nation Council's project of instituting reforms necessary to ensure an accountable and responsible government from the Chapter to the central government.
2. Pursuant to CJA-1-96 the Navajo Nation Council directed the standing committees to study and provide recommendations to the Navajo Nation Council on ways to provide local governance to the Navajo Nation Chapters. See Exhibit "A".
3. Subsequently, the Intergovernmental Relations Committee, in resolution IGRAP-70-96, directed the Commission on Navajo Government Development to assist the standing committees in studying and making recommendations to the Navajo Nation Council concerning the local governance initiative. See Exhibit "B".
4. The Office of Navajo Government Development staff completed a proposal to provide local governance to the Navajo Nation Chapters. The proposal is referred to as the "Navajo Nation Local Governance Act." The Act is based upon numerous recommendations from the standing committees, as well as the Navajo public, the three Branch Chiefs, the Interbranch Task Force, elected officials, tribal employees and others interested in a more effective Navajo government. See Exhibit "C".
5. The "Navajo Nation Local Governance Act" addresses the governmental function of Chapters, improves the governmental structure, and provides the opportunity for local Chapters to make decisions over local matters. This restructuring will in the long run improve community decision making, allow communities to excel and flourish, enable Navajo leaders to lead toward a prosperous future, and improve the strength and sovereignty of the Navajo Nation.
6. Further, amendments to the Navajo Nation Code are required to accommodate the implementation of the "Navajo Nation Local Governance Act." See Exhibit "D".

NOW THEREFORE BE IT RESOLVED THAT:

1. The Commission on Navajo Government Development hereby recommends repeal of 2 N.N.C. Section 4001 et seq. and approval of the proposed "Navajo Nation Local Governance Act" and proposed amendments to the Navajo Nation Code to the Transportation and Community Development Committee and recommends referral of the same to the Navajo Nation Council.
2. The Commission on Navajo Government Development, further hereby

recommends the following implementation requirements:

- a. All Chapters of the Navajo Nation shall operate under the "Navajo Nation Local Governance Act" upon its enactment by the Navajo Nation Council.
- b. All Chapters shall establish and operate under the Five Management System.
- c. By the year 2003, all Chapters shall adopt a land use plan based upon a community assessment.

3. The Commission on Navajo Government Development recognizes that appropriations are needed to finance the "Navajo Nation Local Governance Act" and recommends to the Navajo Nation Council that Chapter appropriations become a priority. The Commission further recommends the establishment of a permanent local governance trust fund to assist the Navajo Nation Chapters and recommends referral of the same to the Navajo Nation Council.

CERTIFICATION

I hereby certify that the foregoing resolution was duly considered by the Commission on Navajo Government Development at a duly called meeting in Window Rock, Navajo Nation (Arizona), at which a quorum was present and that the same was passed by a vote of 8 in favor, 0 opposed, 0 abstained, this 24th day of July 1997.



Chairperson
Commission on Navajo Government Development

Motion: Anslem Morgan
Second: Irene Tully

RESOLUTION OF THE
TRANSPORTATION AND COMMUNITY DEVELOPMENT COMMITTEE
OF THE NAVAJO NATION COUNCIL

Recommending Repeal of 2 N.N.C. Section 4001 et seq. and Approval
of the Proposed "Navajo Nation Local Governance Act" and Proposed
Amendments to the Navajo Nation Code and Referring the Same to the
Navajo Nation Council for Consideration

WHEREAS:

1. Pursuant to 2 N.N.C. Section 423(C)(1), the Transportation and Community Development Committee of the Navajo Nation Council is authorized to recommend legislation to develop and improve local governmental units; and
2. Pursuant to 2 N.N.C. Section 970, the Commission on Navajo Government Development ("Commission") is established to accomplish the Navajo Nation Council's project of instituting reforms necessary to ensure an accountable and responsible government from the chapter to the central government; and
3. Pursuant to Resolution CJA-1-96, the Navajo Nation Council directed the standing committees to study and provide recommendations to the Navajo Nation Council on ways to provide local governance to the Navajo Nation Chapters. See Exhibit "A"; and
4. Subsequently, the Intergovernmental Relations Committee of the Navajo Nation Council, in Resolution IGRAP-70-96, directed the Commission on Navajo Government Development to assist the standing committees in studying and making recommendations to the Navajo Nation Council concerning the local governance initiative. See Exhibit "B"; and
5. The Office of Navajo Government Development staff completed a proposal to provide local governance to the Navajo Nation Chapters. The proposal is referred to as the "Navajo Nation Local Governance Act." The Act is based upon numerous recommendations from the standing committees, as well as the Navajo public, the three Branch Chiefs, the Interbranch Task Force, elected officials, tribal employees and others interested in a more effective Navajo government. See Exhibit "C"; and
6. The "Navajo Nation Local Governance Act" addresses the governmental function of chapters, improves the governmental structure, and provides the opportunity for local chapters to make decisions over local matters. This restructuring will in the long

run improve community decision making, allow communities to excel and flourish, enable Navajo leaders to lead toward a prosperous future, and improve the strength and sovereignty of the Navajo Nation; and

7. Further, proposed amendments to the Navajo Nation Code are required to accommodate the implementation of the "Navajo Nation Local Governance Act." See Exhibit "D"; and

8. By Resolution CNGD-01-97, the Commission on Navajo Government recommends to the Transportation and Community Development Committee of the Navajo Nation Council the following implementation requirements:

- a. All chapters of the Navajo Nation shall operate under the "Navajo Nation Local Governance Act" upon its enactment by the Navajo Nation Council.
- b. All chapters shall establish and operate under a Five Management System.
- c. By the Year 2003, all chapters shall adopt a land use plan based upon a community assessment;and

9. The Commission on Navajo Government Development further recommends to the Transportation and Community Development Committee of the Navajo Nation Council the establishment of a permanent local governance trust fund to assist the Navajo Nation Chapters. See Exhibit "E".

NOW THEREFORE BE IT RESOLVED THAT:


1. The Transportation and Community Development Committee of the Navajo Nation Council recommends repeal of 2 N.N.C. Section 4001 et seq., and hereby refers and recommends approval of the proposed "Navajo Nation Local Governance Act" and proposed amendments to the Navajo Nation Code to the Navajo Nation Council.

2. The Transportation and Community Development Committee of the Navajo Nation Council further hereby approves and recommends the implementation requirements recommended by the Commission on Navajo Government Development.

3. The Transportation and Community Development Committee of the Navajo Nation Council further hereby recommends the development of legislation to establish a permanent local governance trust fund to assist the Navajo Nation Chapters as recommended by the Commission on Navajo Government Development.

CERTIFICATION

I hereby certify that the foregoing resolution was duly considered by the Transportation and Community 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 the same was passed by a vote of 3 in favor, 0 opposed, and 1 abstained, this 9th day of January, 1998.



Chairperson
Transportation and Community
Development Committee of the
Navajo Nation Council

Motion: Joe Salt
Second: Albert Lee

RESOLUTION OF THE
NAVAJO NATION SHIPROCK AGENCY COUNCIL

Supporting and Recommending Approval of the "Navajo Nation Local Governance Act" to the Navajo Nation Council; and Further Supporting and Recommending to the Navajo Nation Council that Appropriations for the Implementation of the "Local Governance Act" Become a Priority of the Navajo Nation

WHEREAS:

1. The Shiprock Agency Council consists of members representing the Aneth, Beclabito, Burnham, Cove, Cudeii, Fruiland, Hogback, Mexican Water, Nenahnezad, Newcomb, Red Mesa, Red Valley, Rockpoint, San Juan, Sanostee, Sheepsprings, Shiprock, Teecospos, Two Grey Hills, and Sweetwater Chapters of the Navajo Nation.
2. Navajo Nation Chapters are the foundation of the Navajo Nation government. For the last seventeen (17) years, Chapters have operated under the Plan of Operation for the Navajo Nation Chapters and Chapter Officials exercising authorities conferred by the Navajo Nation Council; and
3. Navajo leaders and citizens realize that they must look at new ways of doing business. Leaders and citizens are wise in considering the potential implications of continually declining financial resources and the opportunities that can be created by strengthening the Chapter governments. The citizens of the Chapter government, more than at any other time in history of the modern government, desire to become an active partner in taking responsibility for their community's problems and future. One strategy that has been tested successfully in societies through the world, is the ability of local people, families, neighbors, and communities to govern themselves and to plan for and implement solutions for economic development, cultural preservation, recreation, solid waste management, elderly care, quality housing, and public safety; and
4. The Commission on Navajo Government Development was created for an important purpose; to lead the Nation in the development of the Navajo Nation government so self-sufficiency, accountability, and government stability can occur. The Commission has approached its work objectively, with the intention of developing better systems of government for the Navajo people, be it at the Chapter level or the National three branch level. The first priority of this historic initiative is focused on the Navajo Nation's 110 Chapters; and
5. The "Navajo Nation Local Governance Act" has been prepared by the Commission based upon numerous recommendations from the Navajo public, three branch chiefs, inter-branch task force, elected officials, standing committees tribal employees, and others interested in a more effective Navajo government. The "Navajo Nation Local Governance Act" provides major improvements to the Chapter government by providing the ability to govern with responsibility and accountability to the local citizens; and
6. Adoption of the "Navajo Nation Local Governance Act" will provide the opportunity for local people to make decisions over local matters. This vital action is meant to improve community decision making, allow communities to excel and flourish, enable Navajo

leaders to lead towards a prosperous future, and improve the strength and sovereignty of the Navajo Nation.

7. The Shiprock Agency Council recognizes that appropriations are needed to finance the additional workload pursuant to the proposed "Local Governance Act." As such the Shiprock Agency Council recommends that appropriations for the implementation of the Act become a priority of the Navajo Nation. Such uses of the funds shall be used to cover costs for upgrading the Chapter staff, development and implementation, land-use planning, computerization, and biennial audits of all Chapter funds.

NOW THEREFORE BE IT RESOLVED THAT:

1. The Shiprock Agency Council hereby supports and recommends approval of the "Navajo Nation Local Governance Act" to the Navajo Nation Council.

2. The Shiprock Agency Council further supports and recommends that appropriations for the implementation of the Act become a priority of the Navajo Nation. Possible funding considerations include:

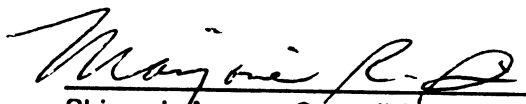
A. The development of a Local Governance Trust Fund in the amount of \$20,000,000.00. Ninety percent (90%) of the fund interest shall be allocated annually to the local governments of the Navajo Nation; and

B. The Navajo Nation Tax Commission expedite the development of a Navajo Nation Local Tax Code, so that taxing options shall be made available pursuant to the Local Governance Act; and

C. The Navajo Nation continue Planning Grant appropriations.

CERTIFICATION

I hereby certify that the foregoing resolution was duly considered by the Shiprock Agency Council members at a duly called meeting in Hogback, New Mexico, at which a quorum was present and that the same was passed by a vote of 44 in favor, 5 opposed, and 15 abstained, this 28th day of February, 1998.


Shiprock Agency Council President


Shiprock Agency Council Vice President


Shiprock Agency Council Secretary/Treasurer

Motion:
Second:

EXHIBIT F

**RESOLUTION OF THE
CHINLE AGENCY COUNCIL**

Supporting and Recommending Approval of the "Navajo Nation Local Governance Act" to the Navajo Nation Council; And Further Supporting and Recommending to the Navajo Nation Council that Appropriations for the Implementation of the "Local Governance Act" Become a Priority of the Navajo Nation.

WHEREAS:

1. The Chinle Agency Council consists of members representing the Hardrock, Forest Lake, Pinon, Tachee, Blue Gap, Chinle, Many Farms, Nazlini, Tselani, Cottonwood, Lukachukai, Round Rock, Tsaile, Wheatfields, Rough Rock, Black Mesa, and Whippoorwill Chapters of the Navajo Nation.
2. Navajo Nation Chapters are the foundation of the Navajo Nation government. For the last seventeen (17) years, Chapters have operated under the Plan of Operation for the Navajo Nation Chapters and Chapter Officials exercising authorities conferred by the Navajo Nation Council; and
3. Navajo leaders and citizens realize that they must look at new ways of doing business. Leaders and citizens are wise in considering the potential implications of continually declining financial resources and the opportunities that can be created by strengthening the Chapter governments. The citizens of the Chapter government, more than at any other time in history of the modern government, desire to become an active partner in taking responsibility for their community's problems and future. One strategy that has been tested successfully in societies through the world, is the ability of local people, families, neighbors, and communities to govern themselves and to plan for and implement solutions for economic development, cultural preservation, recreation, solid waste management, elderly care, quality housing, and public safety; and
4. The Commission on Navajo Government Development was created for an important purpose; to lead the Nation in the development of the Navajo Nation government so self-sufficiency, accountability, and government stability can occur. The Commission has approached its work objectively, with the intention of developing better systems of government for the Navajo people, be it at the Chapter level or the National three branch level. The first priority of this historic initiative is focused on the Navajo Nation's 110 Chapters; and
5. The "Navajo Nation Local Governance Act" has been prepared by the Commission based upon numerous recommendations from the Navajo public, three branch chiefs, inter-branch task force, elected officials, standing committees tribal employees, and other interested in a more effective Navajo government. The "Navajo Nation Local Governance Act" provides major improvements to the Chapter government by providing the ability to govern with responsibility and accountability to the local citizens; and
6. Adoption of the "Navajo Nation Local Governance Act" will provide the opportunity for local people to make decisions over local matters. This vital action is meant to improve community decision making, allow communities to excel and flourish, enable Navajo leaders to lead towards a prosperous future, and improve the strength and sovereignty of the Navajo Nation.
7. The Chinle Agency Council recognizes that appropriations are needed to finance the additional workload pursuant to the proposed "Local Governance Act." As such, the Chinle Agency Council recommends that appropriations for the implementation of the Act become a

priority of the Navajo Nation. Such uses of the funds shall be used to cover costs for upgrading the Chapter staff, development and implementation, land-use planning, computerization, and biennial audits of all Chapter funds.

8. The Chinle Agency Council is concerned that additional authority may be granted to the Navajo Nation Council and the Departments of the Navajo Nation as a result of the Local Governance Act.

NOW THEREFORE BE IT RESOLVED THAT:

1. The Chinle Agency Council hereby supports and recommends approval of the "Navajo Nation Local Governance Act" to the Navajo Nation Council on the condition that no additional authority is granted to the Navajo Nation Council and Departments of the Navajo Nation.

2. The Chinle Agency Council further supports and recommends that appropriations for the implementation of the Act become a priority of the Navajo Nation and such appropriations shall not be used to supplant existing funding allocations. Possible funding considerations include:

A. The development of a Local Governance Trust Fund in the amount of \$20,000,000.00. Ninety percent 90% of the fund interest earned shall be allocated annually to the local governments of the Navajo Nation and the remaining ten percent 10 % of the fund interest earned shall be reinvested for growth of the trust fund; or/and

B. The Navajo Nation Tax Commission expedite the development of a Navajo Nation Local Tax Code, so that taxing options shall be made available pursuant to the Local Governance Act; and

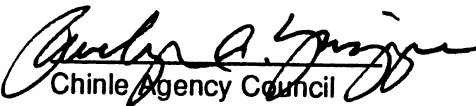
C. The Navajo Nation continue Planning Grant appropriations.

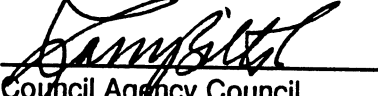
3. The Chinle Agency Council further supports that all benefits currently received by the Navajo Nation Council be made available to the Chapter officers.

CERTIFICATION

I hereby certify that the foregoing resolution was duly considered by the Chinle Agency Council members at a duly called meeting in Blue Gap, Arizona, at which a quorum was present and that the same was passed by a vote of 32 in favor, 3 opposed and 2 abstained, this 7th day of February 1998.


Chinle Agency Council
President


Chinle Agency Council
Secretary/Treasurer


Council Agency Council
Vice President

Motion: Paul M. Begay
Second: Anslem Thomopson

FORT DEFIANCE AGENCY COUNCIL
PROPOSED AGENDA
OCTOBER 18, 1977
TOHATCHI CHAPTER HOUSE

- I. CALL TO ORDER/INVOCATION
- II. INTRODUCTIONS
- III. ROLL CALL OF THE COUNCIL
- IV. REVIEW AND ADOPTION OF MINUTES
- V. ADOPTION OF AGENDA

*The Fort Defiance Agency Council on 10-18-97 reaffirm support of the proposed Navajo Nation Local Governan Act. Please refer to attached minutes No. 11.

VI. NEW BUSINESS/REPORTS.

- A. LEGISLATIVE UPDATE: *Speaker Kelsey Begay
Legislative Services*
- B. LOCAL GOVERNANCE ACT: *Michelle Dotson, Gov't
Development Office*
- C. GAMING INITIATIVE: *Ferdinand Notah, Direct.
Economic Development*
- D. NAVAJO NATION FY'98 BUDGET: *Eula Yazzie,
Ernest Hubbell
of Budget/Finance*

VII. RESOLUTIONS: *Presented by Sponsors.*

VIII. REPORTS (ORAL/WRITTEN)

- A. DISTRICT COUNCIL UPDATES:
DISTRICT 17, 18, 14, & 7 CHAIRPERSON
- B. NAVAJO GAS & OIL: *Bennie Silversmith*
- C. NAVAJO ELECTION ADMINISTRATION: *Esther Askan*
- D. CHAPTER GOVERNMENT: *Art Belone, Director*
- E. NAVAJO HEADSTART PROGRAM: *Charles Pahe,*
- F. TREATMENT CENTER FOR SUBSTANCE ABUSE:

VIII. ADJOURNMENT/NEXT MEETING

10). SUPPORT THE NAVAJO NATION DEPARTMENT OF HEADSTART'S REQUEST TO THE BUDGET AND FINANCE COMMITTEE OF THE NAVAJO NATION COUNCIL FOR SUPPLEMENTAL FUNDING FOR FACILITIES RENOVATION AND BUSES PROCUREMENT IN THE AMOUNT OF \$2,400,000 FROM THE NAVAJO NATION UNDESIGNATED RESERVES ON AN ANNUAL BASIS THROUGH THE REGULAR APPROPRIATION.

AMENDMENT: Funds to be included for those chapters which did not receive any money.

MOTIONED BY: Wilford Tahy, to approve the resolution, to include the amendment.

SECONDED BY: Rex Morris

VOTE: 38 in favor, 2 opposed and 5 abstained.

11). SUPPORTING AND RECOMMENDING APPROVAL OF THE NAVAJO NATION LOCAL GOVERNANCE ACT TO THE NAVAJO NATION COUNCIL.

MOTIONED BY: Milton Bluehouse, to approve the resolution.

SECONDED BY: Brunella Hubbard

VOTE: 34 in favor, 0 opposed and 0 abstained.

12). REQUESTING THE NAVAJO NATION EDUCATION COMMITTEE, AND ANY AND ALL OFFICES, TO TRANSFER SCHOLARSHIP APPROPRIATIONS TO THE FORT DEFIANCE AGENCY 27 CHAPTERS FOR DISTRIBUTION TO ELIGIBLE COLLEGE STUDENTS TO BE EFFECTIVE IMMEDIATELY.

MOTIONED BY: Brunella Hubbard, to approve the resolution.

SECONDED BY: Ruth Bates

VOTE: 33 in favor, 0 opposed and 0 abstained.

13). REQUESTING THE SUPPORT OF THE EDUCATION COMMITTEE, THE BUDGET AND FINANCE COMMITTEE, AND THE NAVAJO NATION COUNCIL IN APPROPRIATING \$112,965 IN GRANT FUNDING FOR ST. MICHAEL INDIAN SCHOOL AND SUPPORTING THE GRANT PROPOSAL FROM ST. MICHAEL INDIAN SCHOOL.

MOTIONED BY: Roy Begay, to approve the resolution.

SECONDED BY: Edison Wauneka

VOTE: 22 in favor, 0 opposed and 0 abstained.

14). REQUESTING THE PRESIDENT OF THE UNITED STATES TO SUPPORT THE APPROPRIATION OF ADEQUATE FUNDS IN FISCAL YEAR 1998 TO BEGIN THE CONSTRUCTION OF THE PROPOSED FORT DEFIANCE HOSPITAL IN FORT DEFIANCE, NAVAJO NATION, ARIZONA.

**RESOLUTION OF THE
INSCRIPTION HOUSE CHAPTER
WESTERN NAVAJO AGENCY**

SUPPORTING AND RECOMMENDING APPROVAL OF THE "NAVAJO NATION LOCAL GOVERNANCE ACT" TO THE NAVAJO NATION COUNCIL; AND FURTHER SUPPORTING AND RECOMMENDING TO THE NAVAJO NATION COUNCIL THAT APPROPRIATIONS FOR THE IMPLEMENTATION OF THE "LOCAL GOVERNANCE ACT" BECOME A PRIORITY OF THE NAVAJO NATIONS.

WHEREAS:

1. The Inscription House Chapter is a certified chapter of the Navajo Nation; and
2. Navajo Nation Chapter are the foundation of the Navajo Nation government. For the last seventeen (17) years, Chapter have operated under the Plan of Operation for the Navajo Nation Chapters and Chapter Officials exercising authorities conferred by the Navajo Nation Council; and
3. Navajo Nation Leaders and citizens realize that they must look at new ways of doing business. Leaders and citizens are wise in considering the potential implications of continually declining financial resources and the opportunities that can be created by strengthening the Chapter governments. The citizens of the Chapter government, more than at any time in history of the modern government, desire to become an active partner in taking responsibility for their community's problems and future. One strategy that has been tested successfully in societies through the world, is the ability of local people, families, neighbors, and communities to govern themselves and to plan for and implement solutions for economic development, cultural preservation, recreation, solid waste management, elderly care, quality housing, and public safety; and
4. The commission on Navajo Government Development was created for an important purpose; to lead the Nation in development of the Navajo Nation government so self-sufficiency, accountability, and government stability can occur. The Commission has approach its work objectively, with the intention of development better systems of government for the Navajo people, be it at the Chapter level or the National three branch level. The first priority of this historic initiative is focused on the Navajo Nation's 110 chapter; and
5. The "Navajo nation Local Governance Act" has been prepared by the Commission based upon numerous recommendation from the Navajo public, three branch chiefs, interbranch task force, elected officials, standing committees tribal employees, and other interested in more effective Navajo government. The "Navajo Nation Local Governance Act" provides major improvements to the Chapter government by providing the ability to govern with responsibility and accountability to the local citizens; and
6. Adoption of the "Navajo Nation Governance Act" will provide the opportunity for local people to make decisions over local matters. This vital action is meant to improve community decision making, allow communities to excel and flourish, enable Navajo leaders to lead towards a prosperous future, and improve the strength and sovereignty of the Navajo Nation.
7. The Inscription House Chapter recognizes that appropriations are needed to finance the additional workload pursuant to the proposed "Local Governance Act" As such, the Inscription House Chapter recommends that appropriations for the implementation of the Act become a priority of the Navajo Nation. Such uses of the funds shall be used to cover costs for upgrading the Chapter staff, development and implementation, land-use planning, computerization, and biennial audits of all chapter funds.

NOW THEREFORE LET IT BE RESOLVED THAT:

1. The Inscription House Chapter hereby supports and recommends approval of the "Navajo Nation Local Governance Act" to the Navajo Nation Council.
2. The Inscription House Chapter further supports and recommends that appropriations for the implementation of Act become a priority the Navajo Nation. Possible funding consideration include:
 - A. The development of a Local Governance Trust Fund in the amount of \$20,000,000.00, of which Ninety percent 90% of the fund income shall be allocated annually to the local governance of the Navajo Nation; or/and
 - B. The Navajo Nation Tax Commission expedite the development of a Navajo Nation Local Tax Code, so that taxing shall be made available pursuant to the Local Government Act; or/and
 - C. The Navajo Nation continue Planning Grant appropriations.

CERTIFICATION

Hereby certify that the foregoing resolution was duly considered by the Inscription House Chapter at a duly called meeting at Inscription House, Arizona, at which a quorum was present and that the same was passed by a vote of 96 in favor, 0 opposed and 1 abstained, this 21 day of March, 1998.

Motioned by: Larry Hurley

Seconded by: Roy Tate

Jana Manhamer
Chapter President

Janice Dodeshine
Chapter Secretary

[Signature]
Chapter Vice-President

**RESOLUTION OF THE
NAVAJO NATION DISTRICT 17 COUNCIL**

**Supporting and Recommending Approval of the "Navajo Nation
Local Governance Act" to the Navajo Nation Council.**

WHEREAS:

1. The District 17 Council comprises of Chapter officials from Klagetoh, Wide Ruins, Kinlichee, Ganado, Cornfields, Greasewood, and Steamboat and are certified Chapters of the Navajo Nation; and

2. Navajo Nation Chapters are the foundation of the Navajo Nation government. For the past seventeen (17) years, Chapters have operated under the Plan of Operation for the Navajo Nation Chapters and Chapter Officials exercising authorities conferred by the Navajo Nation Council; and

3. Navajo leaders and citizens realize that they must look at new ways of doing business. Leaders and citizens are wise in considering the potential implications of continually declining financial resources and the opportunities that can be created by the strengthening of local Chapters. The citizens of the local Chapters, more than at any other time in the history of the modern government, desire to become an active partner in taking responsibility for their community's problems and future. One strategy that has been tested successfully in societies throughout the world, is the ability of local people, families, neighbors, and communities to govern themselves and to plan for and implement solutions for economic development, cultural preservation, recreation, solid waste management, elderly care, quality housing, and public safety; and

4. The Commission on Government Development was created for an important purpose: to lead the Nation in the development of the Navajo Nation Government so self-sufficiency, accountability, and government stability can occur. The Commission has approached its worked objectively, with the intention of developing better systems of government for the Navajo People, be it at the local Chapter level or the National Three Branch level. This first priority of this historic initiative is focused on the Navajo Nation's 110 Chapters; and

5. The "Navajo Nation Local Governance Act", has been prepared by the Commission, based upon numerous recommendations from the Navajo public, three branch chiefs, inter-branch task force, elected officials, standing committees, tribal employees, and others interested in a more effective Navajo government. The "Navajo Nation Local Governance Act" provides major improvements to the local Chapter government by providing the ability to govern with responsibility and accountability to the local citizens; and

6. Enactment of the "Navajo Nation Local Governance Act" will provide the opportunity for local Chapters to make decisions over basic local matters. This vital action will in the long run improve community decision making, allow communities to excel and flourish, enable Navajo leaders to lead towards a prosperous future, and improve the strength and sovereignty of the Navajo Nation.

NOW THEREFORE BE IT RESOLVED THAT:

The District 17 Council hereby supports and recommends approval of the "Navajo Nation Local Governance Act" by the Navajo Nation Council.

CERTIFICATION

I hereby certify that the foregoing resolution was duly considered by the District 17 Council at a duly called meeting in Wide Ruins, Arizona, at which a quorum was present and that the same passed by a vote of 12 in favor, 0 opposed and 0 abstained, this 19th day of July 1997.

District 17 Council President

District 17 Sec./Treasurer



District 17 Council Vice-president

Motion by: Phillip Wilson
Second by: Irvin Shortey

**RESOLUTION OF THE
NAVAJO NATION DISTRICT #2 COUNCIL**

Supporting and Recommending Approval of the "Navajo Nation Local Governance Act" to the Navajo Nation Council; And Further Supporting and Recommending to the Navajo Nation Council that Appropriations for the Implementation of the Local Governance Act Become a Priority of the Navajo Nation.

WHEREAS:

1. The District #2 Council consists of members representing the Shonto, Navajo Mountain, and Inscription House Chapters of the Navajo Nation.
2. Navajo Nation Chapters are the foundation of the Navajo Nation government. For the last seventeen (17) years, Chapters have operated under the Plan of Operation for the Navajo Nation Chapters and Chapter Officials exercising authorities conferred by the Navajo Nation Council; and
3. Navajo leaders and citizens realize that they must look at new ways of doing business. Leaders and citizens are wise in considering the potential implications of continually declining financial resources and the opportunities that can be created by strengthening the Chapter governments. The citizens of the Chapter government, more than at any other time in history of the modern government, desire to become an active partner in taking responsibility for their community's problems and future. One strategy that has been tested successfully in societies through the world, is the ability of local people, families, neighbors, and communities to govern themselves and to plan for and implement solutions for economic development, cultural preservation , recreation, solid waste management, elderly care, quality housing, and public safety; and
4. The Commission on Navajo Government Development was created for an important purpose; to lead the Nation in the development of the Navajo Nation government so self-sufficiency, accountability, and government stability can occur. The Commission has approached its work objectively, with the intention of developing better systems of government for the Navajo people, be it at the Chapter level or the National three branch level. The first priority of this historic initiative is focused on the Navajo Nation's 110 Chapters; and
5. The "Navajo Nation Local Governance Act" has been prepared by the Commission based upon numerous recommendations from the Navajo public, three branch chiefs, inter-branch task force, elected officials, standing committees tribal employees, and other interested in a more effective Navajo government. The "Navajo Nation Local Governance Act" provides major improvements to the Chapter government by providing the ability to govern with responsibility and accountability to the local citizens; and
6. Adoption of the "Navajo Nation Local Governance Act" will provide the opportunity for local people to make decisions over local matters. This vital action is meant to improve community decision making, allow communities to excel and flourish, enable Navajo leaders to lead towards a prosperous future, and improve the strength and sovereignty of the Navajo Nation.


7. The Navajo Nation District #2 Council recognizes that appropriations are needed to finance the additional workload pursuant to the proposed "Local Governance Act." As such the District #2 Council recommends that appropriations for the implementation of the Act become a priority of the Navajo Nation. Such uses of the funds shall be used to cover costs for upgrading the Chapter staff, development and implementation, land-use planning, computerization, and biennial audits of all Chapter funds.

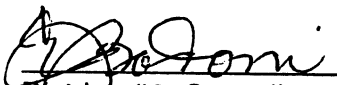
NOW THEREFORE BE IT RESOLVED THAT:

1. The Navajo Nation District #2 Council hereby supports and recommends approval of the "Navajo Nation Local Governance Act" to the Navajo Nation Council.
2. The Navajo Nation District #2 Council further supports and recommends that appropriations for the implementation of the Act become a priority of the Navajo Nation. Possible funding considerations include:
 - A. The development of a Local Governance Trust Fund in the amount of \$20,000,000.00. Ninety percent 90% of the fund income shall be allocated annually to the local governments of the Navajo Nation; or/and
 - B. The Navajo Nation Tax Commission expedite the development of a Navajo Nation Local Tax Code, so that taxing options shall be made available pursuant to the Local Governance Act; or/and
 - C. The Navajo Nation continue Planning Grant appropriations.

CERTIFICATION

I hereby certify that the foregoing resolution was duly considered by the District #2 Council Members at a duly called meeting in Tusiluse, Arizona, at which a quorum was present and that the same was passed by a vote of 06 in favor, 0 opposed and 0 abstained, this 08 day of February 1998.


District #2 Council
President


District #2 Council
Secretary/Treasurer


District #2 Council
Vice President

Motion:
Second:

EXHIBIT F

FEB 24 1998

RESOLUTION OF THE TSAILE/WHEATFIELDS CHAPTER #038

Supporting and Recommending Approval of the "Navajo Nation Local Governance Act" to the Navajo Nation Council: And further Supporting and Recommending to the Navajo Nation Council that Appropriations for the implementations of the "Local Governance Act" Become a Priority of the Navajo Nation.

WHEREAS:

1. Navajo Nation Chapters are the Foundation of the Navajo Nation government. For the last seventeen (17) years; Chapters have operated under the Plan of Operation, for the Navajo Nation Chapters and Chapter Officials exercise authorities conferred by the Navajo Nation Council; and
2. Navajo leaders and citizens realize that they must look at new ways of doing business. Leaders and citizens are wise in considering the potential implications of continually declining resources and the opportunities that can be created by strengthening the Chapter governments. The citizens of the Chapter government, more than at any other time in for their community's problems and future. One strategy that has been tested successfully in societies through the world, is the ability of local people, families, neighbors, and communities to govern themselves and to plan for and implement solutions for economic development, cultural preservation, recreation, solid waste management, elderly care, quality housing, and public safety; and
3. The Commission on Navajo Government Development was created for an important purpose; to lead the Nation in the development of the Navajo Nation government so self-sufficiency, accountability, and government stability can occur. The commission has approached its work objectively, with the intention of developing better systems of government for the Navajo people, be it at the Chapter level or the National three branch level. The first priority of this historic initiative is focused on the Navajo Nation's 110 Chapters; and
4. The "Navajo Nation Local Governance Act" has been prepared by the Commission based upon numerous recommendations from the Navajo people, three branch chiefs, inter branch task force, elected officials, standing committee tribal employees, and other interested in a more affective government. The "Navajo Nation Local Governance Act" provides major improvements to the Chapter government by providing the ability to govern with responsibility and accountability to the local citizens; and
5. Adoption of the "Navajo Nation Local Governance Act" will provide the opportunity for local people to make decisions over local matters. This Vital action is meant to improve community decision making, allow

communities to excel and flourish, enable Navajo leaders to lead towards a prosperous future, and improve the strength and sovereignty of the Navajo Nation.

6. The Tsaile/Wheatfields Chapter recognizes that appropriations are needed to finance the additional workload pursuant to the proposed "Local Governance Act." As such, the Tsaile/Wheatfields Chapter recommends that appropriations for the implementation of the Act become a priority of the Navajo Nation. Such uses of the funds shall be used to cover costs for upgrading the Chapter staff, development and implementation, land-use planning, computerization, and biennial audits of all Chapter funds.

NOW THEREFORE BE IT RESOLVED THAT:

1. The Tsaile/Wheatfields Chapter hereby supports and recommends approval of the "Navajo Nation Local Governance Act" to the Navajo Nation Council.

2. The Tsaile/Wheatfields Chapter further supports and recommends that appropriations for the implementation of the Act become a priority of the Navajo Nation. Possible funding considerations include:

A. The development of a Local Governance Trust Fund in the amount of \$20,000,000.00 Ninety percent 90% of the fund income shall be allocated annually to the local governments of the Navajo Nation; or/and

B. The Navajo Nation Tax Commission expedite the development of a Navajo Nation Tax Code, so that taxing options shall be made available pursuant to the Local Governance Act; or/and

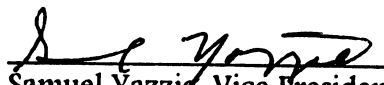
C. The Navajo Nation continue Planning Grant appropriations.

CERTIFICATION

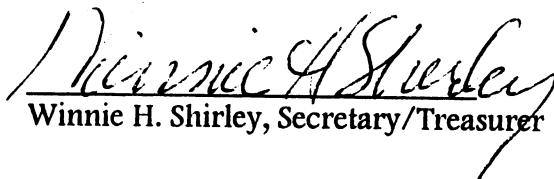
We hereby certify that the foregoing resolution was duly considered by the Tsaile/Wheatfields Chapter of the Navajo Nation (Arizona), at a duly called meeting at which a quorum was present and that same was passed by a vote of 28 in favor, 0 opposed and 0 abstained this 15th day of February 1998..

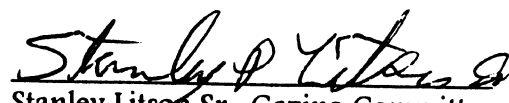

Lettie Nave, President

Kellywood Harvey, Council Delegate


Samuel Yazzie, Vice President

Wallace Archer Sr., Council Delegate


Winnie H. Shirley, Secretary/Treasurer


Stanley Litson Sr., Gazing Committee

Resolution of The Kaibeto Chapter

P.O. Box 1761 * Kaibeto, AZ * 86053

RECEIVED

MAR 25 1998

Exhibit F

KB-057-03/98

Ph# (520) 673-3408/3467

Fax # (520) 673-3277

SUPPORTING AND RECOMMENDING APPROVAL OF THE "NAVAJO NATION LOCAL GOVERNANCE ACT" TO THE NAVAJO NATION COUNCIL

WHEREAS:


1. The Kaibeto Chapter is a certified Chapter of the Navajo Nation; and
2. Navajo Nation chapters are the foundation of the Navajo Nation government. For the last seventeen years, Chapters have operated under the Plan of Operation for the Navajo Nation Chapters & Chapter Officials exercising authorities conferred by the Navajo Nation Council; and
3. Navajo leaders and citizens realize that they must look at new ways of doing business. Leaders and citizens are wise in considering the potential implications of continually declining financial resources and the opportunities that can be created by strengthening the Chapter governments. The citizens of the Chapter government, more than at any other time in history of the modern government, desire to become an active partner in taking responsibility for their community's problems and future. One strategy that has been tested successfully in societies through the world, is the ability of local people, families, neighbors, and communities to govern themselves and to plan for, implement solutions for economic development, cultural preservation, recreation, solid waste management, elderly care, quality housing, public safety; and
4. The Commission on Navajo Government Development was created for an important purpose; to lead the Nation in the development of the Navajo Nation government so self-sufficiency, accountability, and government stability can occur. The Commission has approached its work objectively, with the intention of developing better systems of government for the Navajo people, be it at the Chapter level or the National three branch level. This first priority of this historic initiative is focused on the Navajo Nation's 110 Chapters; and
5. The "Navajo Nation Local Governance Act" has been prepared by the Commission based upon numerous recommendations from the Navajo public, three branch chiefs, inter-branch task force, elected officials, standing committees, tribal employees, and others interested in a more effective Navajo government. The "Navajo Nation Local Governance Act" provides major improvements to the Chapter government by providing the ability to govern with responsibility and accountability to the local citizens; and
6. Enactment of the "Navajo Nation Local Governance Act" will provide the opportunity for local people to make decisions over local matters. This vital action will is meant to improve community decision making, allow communities to excel and flourish, enable Navajo leaders to lead towards a prosperous future, and improve the strength and sovereignty of the Navajo Nation.

NOW, THEREFORE BE IT RESOLVED THAT:


1. The Kaibeto Chapter hereby supports and recommends approval of the "Navajo Nation Local Governance Act" to the Navajo Nation Council.


CERTIFICATION

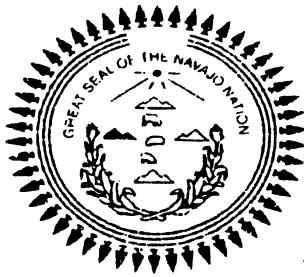
We hereby certify that the foregoing resolution was duly considered by the Kaibeto Chapter at a duly called meeting at Kaibeto, Navajo Nation (Arizona), at which a quorum was present and that same was motioned by: Frank Fowler Sr., seconded by: Leonard Jackson, and passed by a vote of 32 in favor, 0 opposed, and 0 abstentions, this 22 day of March, 1998.


Phillip J. Brown, Sr., President


Ellouise Hoschain, Sec'y/Treas.


Franklin Fowler, Vice-President


Kelsey A. Begaye, Council Delegate



NAVAJO NATION COUNCIL
Alfred L. Yazzie, Council Delegate



Box IHH RRTP Chinle, Arizona 86503
(520) 728 - 3361

CHAPTER OFFICIALS
Dylmer O. Yazzie, President
Billy Johnson, Vice-President
Pauline Bahe, Secretary/Treasurer

**RESOLUTION OF THE ROUGH ROCK CHAPTER
ROUGH ROCK, NAVAJO NATION, ARIZONA**

RGRK02-9802

SUPPORTING AND RECOMMENDING APPROVAL OF THE "NAVAJO NATION LOCAL GOVERNANCE ACT" TO THE NAVAJO NATION COUNCIL AND FURTHER SUPPORTING AND RECOMMENDING TO THE NAVAJO NATION COUNCIL THAT APPROPRIATIONS FOR THE IMPLEMENTATION OF THE "LOCAL GOVERNANCE ACT" BECOME A PRIOTY OF THE NAVAJO NATION.

WHEREAS:

1. The Rough Rock Chapter pursuant NTC resolution #CF-18-68 is certified as a local unit of government and pursuant to 2 NTC; section 4001; is vested with the authority and responsibility to promote, protect, preserve the interests and general welfare of its' constituents; AND
2. The Rough Rock Chapter realistically know that the foundation of Navajo Nation Government should lie within its' own Local Society; AND
3. The Rough Rock Chapter realizes that for numerous years that the local chapter government was controlled and exercised by Window Rock, Nation Capital. Which resulted in delivery of much services to our people insufficient; AND
4. The Rough Rock Chapter strongly support in strengthening its' own Local Government. Which will enable them to take on other avenues and utilizing its' own resources to govern themselves, plan and implementations of solutions for Economic Development, Cultural Preservation, Recreation, Solid Waste Management, Elderly Care, Schools, Quality Housing, and Public Safety; AND

**CONTINUED
RESOLUTION**

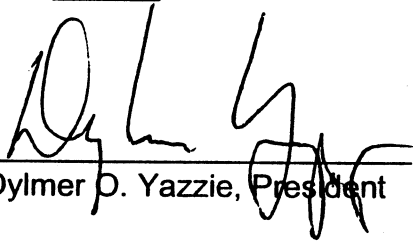
5. The Rough Rock Chapter currently is practicing to a certain degree of Local Government Management, areas of Office/Records Management; Financial and Accountability Management, Personal, Purchasing, Procurement Management; AND
6. The Rough Rock Chapter is in position to fulfill and improve the strength of Sovereignty of Navajo Nation with emphasis on Local Government initiatives; AND
7. The Rough Rock Chapter recognize that financial support is needed to support the Legislation of "Local Governance Act" . When the said subject becomes a reality, funds shall be used to cover cost for upgrading Chapter Staff, Development and Implementation of plans and other important areas of Management improvement.

NOW THEREFORE BE IT RESOVED THAT:

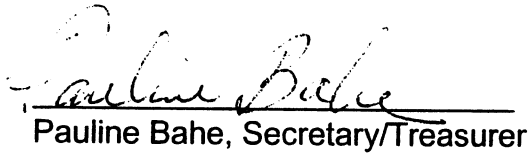
1. The Rough Rock Chapter hereby supports and highly recommend approval at the "Navajo Nation Local Governance Act" to the Navajo Nation Council; AND
2. The Rough Rock Chapter further supports and recommend that appropriations for the act be prioritize.

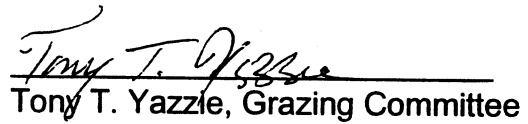
CERTIFICATION

WE, THE UNERSIGNED CERTIFY that the foregoing resolution was presented and thoroughly discussed at a duly called chapter meeting at Rough Rock, Navajo Nation, Arizona, at which a quorum was present, and the same was approved by a vote of 27 in favor, 0 opposed with 0 abstention on this 22 day of February, 1998.


Dylmer D. Yazzie, President


Billy Johnson, Vice President


Pauline Bahe, Secretary/Treasurer


Tony T. Yazzie, Grazing Committee

CONCURRENCE:


Alfred L. Yazzie, Council Delegate

Amendments and Comments to the Navajo Nation Code

I. Introduction

To implement the Navajo Nation Local Governance Act, amendments to the Navajo Nation Code ("Code"), are necessary. The proposed amendments apply to the following:

1. The entire Plan of Operation for Chapters and Chapter Officials will be repealed. The Local Governance Act will be codified in Title Twenty-Six of the Navajo Nation Code, establishing a new title exclusively for political subdivisions of the Navajo Nation.

2. Some Sections of the Legislative and Executive Branches require amendments which are explained below.

II. Theory and Application

Before addressing the proposed amendments, it is appropriate to examine the theory upon which the amendments are made. The Navajo Nation Council ("Council") is the governing body of the Navajo Nation. It delegates specific and independent authorities to governmental units of the Navajo Nation. It delegated specific authorities to the central government where the standing committees exercise authorities independent from the Executive Branch.

By enacting the LGA, the Navajo Nation Council will delegate authorities to Chapters. The authorities are specific to the governmental functions of Chapters and independent of those authorities of the central government of the Navajo Nation. Thus, the amendments to Title Two of the Navajo Nation Code are minimal. Directly affected areas of Title Two are amended to clarify the general governmental functions of the Chapters.

III. Establishment Clause

The only part that would be amended concerns Section 1. The proposed language will read:

"There is hereby established the Navajo Nation government consisting of the Legislative, Executive, and Judicial Branches, and political subdivisions of which are not under any branch of the central government."

This amendment recognizes political subdivisions. It will also make it clear that the political subdivisions are not under any specific branch of the Legislative, Executive or the Judicial Branches which make up the central government of the Navajo Nation government. See: 2 NNC Section 1 to 3.

Section 101 to 169 of 2 NNC and Comments

No amendments will occur to these Sections. Sections 101 to 109 govern the Council. Sections 161 to 169 govern the parliamentary procedure of the Council.

Section 180 to 191 of 2 NNC and Comments

No amendments are proposed for these Sections except for Section 185 et. seq. which is explained below.

Section 185 of 2 NNC

Section 185 of the Code enumerates powers of the standing committees of the Navajo Nation Council. These authorities have been delegated to all of the standing committees by the Council.

To accommodate the LGA, Section 185 (B)(1) and (2) will be amended by inserting "Chapters" in Section 185 (B)(1) and (2). Here is the new language:

B. "The Committees, Chapters, boards and commissions shall have the following authority regarding contracts within the area of their oversight:

1. Contracts or grants which provide funds to the Navajo Nation are subject to final authorization, review, approval and acceptance by the Intergovernmental Relations Committee. [See: 2 NNC Section 824 (B) (4) and (6)].

2. Contracts or subcontracts which expend funds held by the Navajo Nation, shall be approved by the Committee, Chapters, Board or Commission but only to the extent or in such amounts as are available and provided in the approved budget of the Navajo Nation."

Comments to Section 185 (B) (1) and (2) Amendment

The LGA authorizes Chapters to enter into intergovernmental agreements with federal, state, tribes or their agencies, subject to the the approval of the Intergovernmental Relations Committee of the Navajo Nation Council.

Amendments to Section 185 (B) (1) supports the authority of Chapters to enter into intergovernmental agreements provided the Intergovernmental Relations Committee approve the agreements.

The inclusion of "Chapters" in Section 185 (B)(2) does not directly affect the authority of the standing committee to approve contracts or subcontracts which expend funds held by the Navajo Nation. The amendment to Section (B)(2) does make it very clear that Chapters may approve contracts or subcontracts held by the Navajo Nation, especially funds earmarked for Chapters.

Section 185 (A) and Comments

Section 185 (A) of the Code will not be amended. Standing committees will continue exercising those functions. There may be, however, a situation where standing committees of the Navajo Nation oversee funds earmarked for Chapters. If this occurs, the standing committee will continue its reallocation authority where Chapters are considered programs for purposes of reallocating funds.

The LGA attempts to clarify Chapter reallocations. In practice, Chapters have reallocated funds received from the Navajo Nation Council and other funding sources at the local level. The LGA only recognizes this practice. Thus, Chapters will exercise the authority of reallocating funds provided that the reallocation meets the conditions of the funding source.

Section 185 (C), (D), (E), (F) and (G) of 2 NNC and Comments

No amendments will occur to these sections of the Code. The standing committees of the Navajo Nation Council will continue to exercise the authority of investigating and hearing issues relating to their oversight.

Sections 221 to 225 of 2 NNC and Comments

While Sections 222 and 223 will be amended, Sections 221, 224 and 225 will not be. The amendments occur by adding a subsection to Section 222 of the Code. Section 222 in its entirety after the amendment will read as follows:

Section 222. Contracts or other papers generally

"All contracts or agreements approved by the Navajo Nation Council, or its Committees, or Chapters acting under authority to approve contracts or agreements shall be executed in the following manner:

A. The President or the Vice President of the Navajo Nation shall execute contracts or agreements pertaining to the Executive Branch;

B. The Chief Justice of the Navajo Nation shall execute contracts or agreements pertaining to the Judicial Branch; and

C. The Speaker of the Navajo Nation Council shall execute contracts or agreements pertaining to the Legislative Branch; and

D. The Chapter President of the Navajo Nation shall execute contracts or agreements pertaining to the Chapter."

Comments

The amendment to Section 222 (D) reflects the intent of allowing Chapters to exercise contracting authority and allowing Chapter Presidents to execute contracts or agreements upon approval by the Chapter.

Section 223 of 2 NNC and Comments

The LGA contains language similar to Section 223 of the Code. This section requires certain criteria to be followed by tribal entities entering into professional, construction or other similar types of contracts.

Specifically, Section 223 of the Code will not be amended. Departments, divisions and programs of the Executive Branch, Legislative Branch and Judicial Branch, will continue to follow the criteria requiring committee approval. Chapter programs or departments seeking to enter into professional contracts are required, however, to obtain approval from the Chapter.

Placing similar language from Section 223 in the LGA requires Chapters to meet the minimum criteria of contracting professional services which are relevant to their authority.

Section 281 to 287 of 2 NNC and Comments

There will be no amendments to these sections which govern the Speaker of the Navajo Nation Council.

IV. Standing Committee Authorities

Introduction

Through the enactment of the LGA, the Navajo Nation Council will confer certain authorities upon Chapters. Not all of the standing committees are directly impacted by the LGA. Most will continue to exercise their current legislative oversight responsibilities. There are a few standing committees, however, that are directly impacted by the enactment of the LGA.

Further, the one thing that the LGA makes clear is that Chapters are not programs. As such, they are not under the oversight of any standing committees. They are political subdivisions of the Navajo Nation. The following proposed amendments reflect this rationale:

Sections 341 to 344 - Government Services Committee and Comments

No amendments will be made to the Sections governing the legislative oversight functions of the Government Services Committee of the Navajo Nation Council.

Sections 371 to 375 - Budget and Finance Committee and Comments

There are no specific amendments to the authorities of the Budget and Finance Committee of the Navajo Nation Council. The authorities delegated to Chapters by the LGA are functions Chapters currently exercise and are considered common practice.

The Navajo Nation Council upon the enactment of the LGA confer upon Chapters authorities to generate revenues, appropriate funds and reallocate funds. These authorities do not affect or diminish the authority of the Budget and Finance Committee of the Navajo Nation Council regarding the central government.

To ensure that the members of Chapters are involved in the exercise of these authorities, the LGA requires Chapters to follow a budget process. The procedure allows public input when formulating the Chapter budget for the ensuing year.

The LGA does not address the procedure to be taken when Chapters are seeking funds from the Navajo Nation Council. Perhaps, it could be addressed in the Appropriations Act of the Navajo Nation .

Sections 420 to 424, Transportation and Community Development Committee and Comments

Section 423 (C) (1) will be amended to read as follows:

The Committee shall:

1. "Approve Recommend legislation to develop and improve local governmental units, such as municipal forms of Chapter government, alternative forms of governance, Chapter subunits, special districts and others."

Comments:

The intent of the proposed amendment is to have the Council delegate to the Transportation and Community Development Committee ("TCDC"), the authority to approve legislation concerning the development of local governmental units. This would expedite the process of developing statutes which would recognize alternative forms of Chapter governance, municipal forms of local government or other forms of local government.

Section 423 (C) (3) Amendments and Comments

Currently, the TCDC is responsible for reviewing and approving ordinances enacted by local government entities and Chapters. See: 2 NNC § 423 (C) (2). The provision authorizing this authority will be amended slightly by including the following additional language.

The proposed language for Section 423 (C) (2) will read:

"Review and approve local ordinances, not otherwise delegated to Chapters by the Navajo Nation Council, enacted by local entities and Chapters."

With the enactment of the LGA, the TCDC would not have the authority to approve Chapter ordinances provided the Chapter ordinance is based upon a general law, previously developed by the Navajo Nation Council or the TCDC. To illustrate this point, consider the curfew law of the Navajo Nation. The Navajo Nation Council has enacted the curfew law of the Navajo Nation. This law is a general law that applies to all persons and Chapters of the Navajo Nation. If a

Chapter desires to tailor the curfew law to fit its unique situation or problems, it can do so by enacting an ordinance so long as it is not contrary to the intent of the general law. Since a general law already addresses this issue, there would be no need to obtain TCDC approval.

If, however, the Navajo Nation has not addressed a particular subject matter by a statute, TCDC approval is mandatory. The Chapter must obtain TCDC approval in this situation.

Section 423 of 2 NNC and Comments

The proposal is to amend the Section in the following manner:

2. "Review and approve comprehensive community land use plans ~~and zoning ordinances~~ and amendments or modifications thereof, including land withdrawals necessary for the implementation of such land use plans."

The reason for amending Section 423 of 2 NNC is that approving zoning ordinance will be delegated to Chapters. (See attached zoning regulations).

Section 423 (C) (5) of TCDC and Comments

Section 423 (C) (5) will be deleted. Consider the following:

~~5. Review and approve priority list for all Chapters and community development projects by all funding sources.~~

The entire provision will be deleted because Chapters will approve their own priority lists.

Sections 451 to 455, Health and Social Services Committee and Comments

No amendments.

Sections 481 to 485, Education Committee and Comments

No amendments.

Sections 571 to 575, Judiciary Committee and Comments

No amendments.

Sections 601 to 605, Human Services Committee and Comments

No amendments.

Sections 661 to 665, Public Safety Committee and Comments

No amendments.

Sections 691 to 696, Resources Committee and Comments

The LGA authorizes Chapters to issue home and business site leases or permits subject to the uniform rules and regulations promulgated by the Resources Committee and the Economic Development Committee of the Navajo Nation Council.

No specific amendments will be made to the authorities of the Resources Committee. The Resources and Economic Development Committees will decide the procedure and criteria to be met when issuing home or business site leases.

Sections 721 to 725, Economic Development Committee and Comments

Until the rules and regulations governing the authority to issue home and business site leases or permits are developed, it is unclear whether any of the authorities of the Economic Development Committee will be amended.

There is, however, one word which deserves some attention. Section 724 (D) states: "The Committee shall approve all economic developments which require the use of the Navajo Nation funds and/or assets;" The word "all" is over inclusive. Its literal meaning is that it involves all economic plans, including economic plans of Chapters. This type of language is found throughout Title Two. It is against the purpose and intent of delegating certain responsibilities to Chapters. Therefore, words which are over inclusive should be amended by deleting them.

In this instance, the new language should read:

"The Committee shall approve all economic development plans which require the use of the Navajo Nation funds and/or assets;"

The proposed interpretation upon deleting the word "all" is that the Economic Development is authorized to approve economic development plans which fall under its oversight authorities.

Sections 821 to 825, Intergovernmental Relations Committee and Comments

For purposes of clarity, the following amendments will be made to the authorities of the Intergovernmental Relations ("IGR") Committee. Section 822 (B) (6) of 2 NNC will provide:

6. "To authorize, review, approve and accept agreements, including contracts or grants, between the Navajo Nation and any federal, state or regional authority upon the recommendation of the standing committee which has oversight of the division, department or program which has applied for the agreement or upon the recommendation of the Chapter."

The new language is consistent with the delegation of contracting authority to Chapter to enter into intergovernmental agreements.

Section 824 (B) (9) will be amended by inserting a new subsection, which will read as follows:

9. "To review and approve the negotiation and setting of the Navajo Nation's indirect cost or administrative cost rate agreements with the cognizant federal agent. When in the best interest of the Navajo Nation, the Committee may waive the indirect cost or administrative cost rate when:

a. The division, department, ~~or~~ program, or Chapter requesting the waiver demonstrates a statutory and/or regulatory requirement that limits the indirect grant or contract, or

b. There is a showing of necessity and a commitment of available general funds by the division, department or program requesting the waiver which is available to offset the loss in indirect cost or administrative costs.

c. Chapters meeting these requirements will not be subject to any administrative costs assessed by the central government."

The new language prevents the central government from adding its indirect or administrative costs to proposals submitted by Chapters. Chapters are still required to address their indirect or administrative costs when submitting their proposals.

Sections 831 to 835, Ethics and Rules Committee and Comments

No amendments.

Sections 851 to 978, Boards and Commissions and Comments

No substantive amendments will be made to the duties and responsibilities of Boards and Commissions of the Legislative Branch. They will continue to exercise their delegated authorities.

Sections 990 to 997, Community Services Program and Comments

To accommodate the LGA, it was proposed that the Community Services Coordinators would fulfill the administrative functions of Chapters. It was also proposed that Chapters supervise the Community Services Coordinators. These proposals were designed to have Chapters exercise more local control over their administrators.

On January 9, 1998, TCDC did not accept the proposals. TCDC prefers to maintain the supervisory authority of the Community Services Coordinator under the Council Delegates. As a result of TCDC action, no amendments are recommended to Section 990 to 997.

VI. Section 4001 et. seq., Plan of Operation for Navajo Nation Chapters and Chapter Officials

SECTION I. — PURPOSE:

~~A. — The Chapters of the Navajo Nation represent the foundation of the Navajo Nation Government. They are designed to provide a form in which local needs may be addressed in which concerns of the Navajo Nation as a whole may be explored and considered by each constituent part of the Navajo Nation.~~

~~B. — In order to carry out the functions of the Chapter Government, Chapter Officials are elected from each community to lead the community in its effort to meet the needs of the Navajo Nation as a whole. Chapters must interact with other parts of the Navajo Nation and federal and local agencies which serve and affect the Navajo Nation.~~

~~C. — Through meaningful participation in comprehensive community planning by chapters and their members, effective community planning and successful implementation of community projects necessary to organize community growth and improvement will become a reality.~~

SECTION II. — AUTHORIZATION

~~A. — Navajo Tribal Council Resolution CMY 23-79, Approving the Navajo Nation Election Procedures and Regulations for local Chapter Officers and amending the Navajo Election Law of 1966.~~

~~B. — Navajo Tribal Council Resolution CMY 2-74, Approving a Plan of Operation for the Expenditure of Revenue Sharing Funds allocated to the Navajo Nation.~~

~~C. — Advisory Committee, Navajo Tribal Council Resolution ACRY 144-75, Approving the Establishment and Plan of Operation for the Office of Navajo Revenue Sharing.~~

~~D. — Navajo Tribal Council Resolution ACAP-61-60, Plan of Operation for Chapter Houses.~~

SECTION III. — DUTIES AND RESPONSIBILITIES OF THE CHAPTER OFFICERS

A. — The Chapter President

~~1. Consults with Chapter Vice President, Secretary/ Treasurer, Council Delegate, Grazing Committee and/or Land Board Members in preparation of the agenda for each chapter meeting.~~

~~2. Presides at all meetings of the Chapter, maintains order at Chapter meetings.~~

~~3. Provides all residents of the community with an equal opportunity to speak on issues before the Chapter.~~

~~4. Recommends the establishment of and appointment to the standing and special committees of the Chapter to the membership for approval.~~

~~5. Has authority to suspend or adjourn a Chapter meeting in the event of:~~

~~(a) Lack of quorum (twenty four or less a duly members)~~

~~(b) Disorder at the meeting~~

~~(c) Unforeseen emergency~~

~~(d) When a Chapter meeting is adjourned or suspended, the Chapter~~

~~President shall provide notice to the chapter members as to the time and place at the next (or continued) chapter meeting.~~

~~6. Vote in case of a tie.~~

~~7. Shall have the authority to call an emergency or special Chapter meeting.~~

~~8. Is responsible for management of operational and financial administration:~~

~~(a) Coordinate, plans and organizes to improve chapter function and activities.~~

~~(b) Ensures that the duties and responsibilities of the Vice President and the Secretary/Treasurer are carried out in the best interest of the chapter community.~~

~~(c) Ensures that all records are properly maintained for expenditures, property, equipment, and other documents.~~

~~(d) Ensures that the chapter funds are properly spent, including maintaining of records of disbursements and receipts:~~

~~1) Ensures that the funds of the Chapter are only spent for purposes approved by the Chapter.~~

~~2) Co-signs all checks~~

~~3) Ensures that required financial reports are provided.~~

~~(e) Exercises administrative and supervisory responsibility over employees of the Chapter.~~

~~(f) Follow-up with Tribal, Federal and State Agencies on resolutions, recommendations, proposals, and projects of the Chapters.~~

~~(g) Shall have the authority to make decisions and take actions to protect the life and property of the members of the Chapter in case of an emergency or other crisis.~~

~~(h) Must carry out the decisions of the Chapter and not frustrate those decisions in any way.~~

~~9. Responsibility on other Chapter related matters:~~

~~(a) Works closely with Council Members. Chapter elected officials, Committees and other concerned groups or Agencies.~~

~~(b) Encourages and promotes community participation in planning and development.~~

~~(c) Authorized to mediate disputes of families resident within the Chapter and to refer such family disputes to appropriate social service or law enforcement authorities, as the circumstances may require.~~

~~(d) Attends, for the Chapter, meetings of the District and Agency Council and other Committees and Councils of which the Chapter is a member.~~

~~(e) Keeps informed of all Chapter related activities and acts to advance the interest of the community in all matters.~~

~~(f) Immediately upon resignation, removal or expiration of term of office, turns over to the duly certified successor, all books, records, property and funds in his or her possession belonging to the Chapter.~~

B. Chapter Vice President:

1. In the absence of the President, he/she will automatically assume the duties and responsibility of the Chapter President.
2. Assists the President and Secretary/Treasurer with their duties and responsibilities.
3. Works closely with Chapter elected officials, Committees and other concerned groups or agencies.
4. Is responsible for receiving reports from all standing Chapter Committees, all federal agencies and all agencies of the Navajo Nation.
5. Shall be responsible for and monitor community projects.
6. Attends Chapter, District Council, Agency Council and other community related meetings.
7. Is responsible for maintenance and upkeep of Chapter property and buildings.
8. Must support and assist in carrying out the decisions of the Chapter and not act to frustrate those decisions.
9. Immediately upon resignation, removal or expiration of term of office, shall turnover to the duly certified successor, all books, records, property and funds in his or her possession belonging to the Chapter.

~~C. Chapter Secretary/Treasurer:~~

1. Maintains complete and accurate records of all Chapter activities and provides written information when called for.
2. Assists the President and Vice President in preparing the agenda.
3. Takes the minutes of Chapter meetings and records in detail all resolutions, votes and other official actions of the Chapter.
4. Shall maintain an adequate accounting system to ensure the accountability of all funds and expenditures:
 - (a) Maintains records of disbursement and receipts. All payments shall be made by check with any two signatures one of which shall be the Chapter President and the other of which shall be the Secretary/Treasurer, Vice President, or Council Delegate.
 - (b) Shall make a monthly financial report of all transactions and expenditures of the Chapter by categories.
 - (c) All monies must be deposited, kept in a bank and shall be held in the name of the Chapter.
 - (d) Usage and amount of all petty cash fund shall be approved by Chapters.
 - (e) Keeps records of meeting claims, attendance and payment of Chapter officials.
 - (f) May be bonded if necessary and with the approval by the Chapter.
5. Maintains records of all Chapter owned properties and equipment.
6. Prepares and finalizes all resolutions, proposals, requisitions, letters and other important documents for distribution to appropriate agencies.

(a) Refers all official Chapter resolutions to the Community Services section of the Office of Navajo Revenue Sharing of the Navajo Nation.

7. Shall plan follow up with Chapter President and Vice President on all referrals of resolutions, proposals, requisitions, correspondence and other related matters.

8. Works closely with the Chapter President, Vice President, Councilman, Grazing Committee Members, and other Committees.

9. Attends all Chapter, District Council, Agency Council and other meetings.

10. Assists the Chapter President and Vice P{resident in carrying out the decisions of the Chapter members.

11. Immediately upon resignation, removal or expiration of term of office, shall turn over to the duly certified successor all books, records, property and funds in his or her possession belonging to the Chapter.

~~SECTION IV. ORDER OF BUSINESS~~

~~A. The Chapter President or in the absence of the President, Vice President shall chair all regular or special Chapter meetings.~~

~~1. In the absence of the President and Vice President, the Chapter members present may select a Chairman Pro Tempore for that meeting only.~~

~~B. Standard Chapter Meeting Agenda:~~

~~1. Meeting called to order by the President~~

~~2. Invocation~~

~~3. Minutes of previous meeting read by Secretary/Treasurer. Any additions or corrections made, and minutes approved.~~

~~(a) In the absence of the Secretary/Treasurer, the President shall designate someone to take minutes of the meeting, and/or read the minutes of the previous meeting.~~

~~4. Introduction of guests~~

~~5. Review and approval of agenda. Additions or deletions to agenda~~

~~6. Reports:~~

~~(a) Council Delegate~~

~~(b) Secretary/Treasurer~~

~~(c) Grazing Committee and/or Board Member~~

~~(d) Community Action Committee~~

~~(e) Planning Board~~

~~(f) School Board~~

~~(g) Community Health Representative~~

~~(h) Social Service Workers~~

~~(i) Any other representative assigned to the Chapter~~

~~7. Consideration of old business (any matters left from the previous meeting)~~

~~8. New Business~~

~~9. Guest Speakers~~

~~10. Announcements:~~

~~(a) Council Delegate~~

~~(b) Chapter Official~~

~~(c) Anyone from the floor~~

~~11. Adjournment of Chapter Meeting~~

~~SECTION V. NUMBERS OF MEETINGS; COMPENSATION OF CHAPTER OFFICERS;~~

~~A. Number of Meetings~~

~~1. Each Chapter shall determine the number of meetings to be held each month and the time and place for such meetings (subject to the right of the Chapter President to call special or emergency meetings when necessary).~~

~~B. Compensation~~

~~1. Chapter officials shall be compensated for only the number of meetings provided for in the Navajo Nation approved budget. It is nonetheless, the obligation of Chapter officers to be present at all Chapter meetings~~

~~2. Chapter meetings claim form (signed by the claimant him/herself only) shall be attached to each of the regularly scheduled Chapter meeting reports filed by the Chapter Secretary/Treasurer with the Community Services Section of the Office of Navajo Revenue Sharing.~~

~~(a) Each regularly scheduled Chapter meeting report and claim form shall be filled out correctly before it will be accepted and processed for payment by the Community Services Section of the Office of Navajo Revenue Sharing.~~

~~(b) — Each Chapter President, Vice President, Secretary/ Treasurer, (the appointed acting Secretary) shall be paid in accordance with the approved fiscal year budget.~~

~~(c) — No Chapter officials shall be compensated for a Chapter meeting unless he or she was in attendance at that meeting.~~

~~3. Reports will be furnished for all Chapter meetings, regular or special, and whether or not Chapter officials are to be compensated for attendance at such meetings.~~

SECTION VI — ACCOUNTING OF FUNDS, EQUIPMENT, PROPERTY AND RECORDS

~~A. — Records relating to Chapter funds, equipment and property shall be maintained on current basis.~~

~~B. — Chapter funds may only be used for official projects of the Chapter, and as approved by the Chapter.~~

~~C. — Any person misappropriating or misusing Chapter funds and properties is subject to prosecution under the laws of the Navajo Nation, and if appropriate, under those laws of the United States Federal Government which are applicable.~~

~~D. — All Chapter books, records, and property shall be made available on requests for inspection by authorized personnel of the Navajo Nation or the Bureau of Indian Affairs.~~

~~E. — Chapter funds shall not be used for personal loans.~~

SECTION VII. — TRAINING AND TECHNICAL ASSISTANCE:

~~A. — A training program will be made available through applicable Tribal and Federal offices to the chapter officers once every four (4) years at the beginning of the new term of the chapter officers or more often, as needed, by request of the Chapters.~~

SECTION VIII. — CHAPTER AUTHORITY:

~~A. — The people of each certified Chapter, in duly called meetings, shall have the authority to review all matters including the community land use planning affecting the community and make appropriate recommendations to the Navajo Nation, or such federal, state and local agencies as may have the responsibility for consideration and approving such action.~~

~~B. — Chapters shall have the authority to set forth in Navajo Tribal Council Resolution CMY 23-79, Section "B" (2 N.T.C. § 4002) to consider and enact ordinances on matter of local concern, subject to the approval of such ordinance s by the Advisory Committee, Navajo Tribal Council and the Navajo Tribal Council.~~

~~C. — Chapters are authorized to appropriate funds made available for Chapter purposes for any project of general benefit to the community, subject to specific limitation established by the organization or government which provided the funds to the Chapter.~~

~~D. — Subject to the requirements of Navajo law, including this Plan of Operation, Chapter may decide for themselves, how, when and where the business of the Chapter is to be conducted.~~

~~E. — All resolutions approved by the Chapter shall be set forth in writing and certified by the Chapter officials.~~

~~F. — Chapters have an obligation to make available land i the community for projects of benefit to the community r to the Navajo Nation as a whole.~~

SECTION IX. — CODE OF ETHICS:

~~A. — Chapter officials shall maintain a high standard of conduct in all Chapter dealings. This standard of conduct shall include, but not be limited to conducting all Chapter dealings in a truthful and honest manner, conducting all Chapter business openly, discharging all of their Chapter duties with no taint of impropriety, and serving their Chapter to the best interest of their ability.~~

SECTION X. AMENDMENTS AND REVISIONS:

The Plan of Operation may, from time to time, and as necessary, be amended by the Advisory Committee of the Navajo Tribal Council with recommendations from the certified Chapters, the District Council and/or the Agency Councils.

VI. Navajo Nation Department of Justice Sections 1964(C) - Attorney General; Chief Legal Officer

The LGA authorizes Chapters to hire legal counsel subject to approval by the Chapter membership and consistent with the Chapter's personnel and or procurement policy. Amendments to the Attorney General's authority, however, are required to accommodate this authority. The new language reads as follows:

"No division, program, ~~chapter~~ enterprise, or other entity of the Navajo Nation government shall retain or employ legal counsel, except as may be approved by the Attorney General, ~~provided however, that chapters have the option to employ their own counsel, subject to available funds, under terms and conditions approved by the Attorney General.~~ The branches shall not retain or employ legal counsel for external litigation except as approved by the Attorney General.

Navajo Nation Chapters may employ their own counsel, subject to available funds, under the terms and conditions approved by the Chapter membership.

VII. 6. N.N.C. Chapter 7, Subchapter 3. Zoning

Under the LGA, Chapters are authorized to enact zoning ordinances. Under the current law zoning ordinances, although approved by the Chapter membership are heavily administered by a Planning and Zoning Officer within the Division of Community Development and also require approval by the TCDC. Consistent with the philosophy of the LGA every provision regarding land use planning and development is removed from the Division of Community Development's plan of operation. New language has been developed and is contained in the LGA under the Zoning Section.

~~Section 1051. Preparation of ordinances~~

~~— The Transportation and Community Development Committee is authorized to adopt zoning ordinances for communities having an adopted Comprehensive Community Plan where land for the community as defined therein has been withdrawn.~~

~~Section 1052. Approval and adoption~~

~~— The Planning and Zoning Officer, Navajo Nation, shall cause to be prepared proposed zoning ordinances for the communities. The proposed ordinances shall require the approval by the Transportation and Community Development Committee before becoming effective.~~

~~Section 1053. Enforcement and information~~

~~— The Planning and Zoning Officer shall be responsible for the enforcement of all zoning ordinances adopted by the Transportation and Community Development Committee. The officer shall further provide and maintain a public information office relative to all matters arising from adopted zoning ordinances.~~

~~Section 1054. Amendments~~

~~———— All proposed amendments to zoning ordinances shall first be reviewed by the Local Planning Board, and shall require approval by the Transportation and Community Development Committee before becoming effective.~~

~~Subchapter 5. Comprehensive Plan~~

~~Section 1101. Origin and purpose~~

~~———— The Chapter, at a meeting call for that purpose, shall formally request of the Planning and Zoning Officer, Navajo Nation, the preparation of a Comprehensive Community Plan of the community. A Comprehensive Community Plan will provide a means for the Chapter, working with the Local Planning Board assisted by technical experts, to make an assessment of the resources for the community and to develop a plan and a program for providing the kind of environment needed for improvement, growth and development of the community. Such a plan shall include, but not be limited to, the following:~~

~~———— A. An Open Space Plan which preserves for the people certain areas to be retained in their natural state or developed for recreational purposes.~~

~~———— B. A Land Use Plan which projects future community land needs, showing by location and extent, areas to be used for residential, commercial, industrial, and public purposes.~~

~~———— C. A Thoroughfare Plan which provides a system of and design criteria for major streets, existing and proposed, distinguishing between limited access, primary, and secondary thoroughfares, and relating major thoroughfares to the road network and land use of the surrounding area.~~

~~———— D. A Community Facilities Plan which shows the location, type, capacity, and area served, of present and projected or required community facilities including, but not limited to, recreation areas, schools, libraries, and other public buildings. It will also show related public utilities and services and indicate how these services are associated with future land use.~~

~~Section 1102. Presentation of plan~~

~~———— The Planning and Zoning Officer, Navajo Nation, shall prepare with the assistance of appropriate technical staff of the Navajo Nation, the Bureau of Indian Affairs, and the United States Public Health Service, a Comprehensive Community Plan. The Planning and Zoning Officers shall consult with the Chapter and the Local Planning Board during the preparation of this plan for advice. He shall consult with the Transportation and Community Development Committee for advice during the preparation of this plan and their written approval of the plan shall be required by the same may be submitted to the Chapter for final approval. The officer shall be responsible for the preparation of a proper Comprehensive Community Plan to fit the needs of the community.~~

~~Section 1103. Presentation and Approval of Plan~~

~~———— The Comprehensive Community Pan so prepared for a community shall be presented to the Chapter at a duly call meeting for approval.~~

~~Section 1104. Control by the Transportation and Community Development Committee.~~

~~———— The Comprehensive Community Plan, as approved by the local Chapter, shall be presented to the TCDC for adoption and withdrawal of the land for the community as defined in the plan. The TCDC shall have full control and complete authority of land utilization of community withdrawn lands as defined by the adopted Comprehensive Community Plan. No person shall, after TCDC adoption of the plan and withdrawal of the~~

~~land for the community, as defined in the plan, utilize any land therein without specific written approval of the TCDC ; provided that easements and rights-of-way may be granted as provided by Navajo Nation law so long as same comply with the Comprehensive Community Plan.~~

~~Section 1104. Land use; variations~~

~~———— The utilization of all withdrawn lands of the community as defined by the adopted Comprehensive Community Plan shall be in accordance with the provisions of said plan; provided that variations thereunder shall be permitted when approved by the TCDC.~~

~~Section 1106. ——— Applications for land use~~

~~———— All applications for TCDC consideration for utilization of lands within a community to be developed under a TCDC approved Comprehensive Community Plan and where lands for the community, as defined in the plan have been withdrawn by the TCDC shall be reviewed expeditiously first by: ———~~

- ~~———— A. ——— Local Planning Board~~
- ~~———— B. ——— The Planning and Zoning Officer, Navajo Nation;~~
- ~~———— C. ——— The Bureau of Indian Affairs;~~
- ~~———— D. ——— The United States Public Health Service;~~
- ~~———— E. ——— Department of Justice, Navajo Nation~~
- ~~———— F. ——— The President, Navajo Nation;~~
- ~~———— G. ——— The Office of Legislative Counsel, Navajo Nation prior to being submitted to the TCDC, to insure conformance with the Comprehensive Community Plan.~~

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I. EXECUTIVE SUMMARY

A. Introduction

This Strategic Analysis of the proposed Local Governance Act is written by the Commission and Office of Navajo Government Development to help national decision makers, chapter leaders, and citizens learn about the benefits, options, and costs of strengthening their local governments.

The Navajo Nation Council will make a decision on whether to adopt all or many elements of the proposed Local Governance Act. If the Council decides to address this important issue at some future date, the Nation should use this document as a resource to ensure that it eventually happens.

The Local Governance Act was put together after a long-exhaustive process. A special thanks to all who participated in the development of this proposal. Thank you for your concern and vision for the future of your communities, and commitment to creating a better future. Many discussions have taken place with Navajo people of all walks of life, in chapter houses, at fairs, in homes, and workshops and conferences. The respected Nat'aanii, the Chapter Officials and Council Delegates who are concerned about the future of the Navajo Nation, have also provided much input to the proposal.

As you will realize from reading this report, the Local Governance Act is only a foundation upon which many future initiatives will take place. Much discussion and research is necessary for the development of improvements such as a uniform local tax code.

B. A Vision for the Future

The Navajo Nation is poised to embark on a historic journey; a journey on which the Dine' build a more effective institution of government, and are rewarded for their hard work with an abundant harvest. An effective institution of government, at both the local and national levels, can create an environment into which the Navajo citizens will invest their talents, energy, ideas, and money. An effective institution of government can inspire the Navajo Nation's people to produce a vibrant economy and quality of life, preserve ancient traditions and natural environment, and build healthy, sustainable communities.

C. The Challenges of the New Millennium

As the Navajo Nation enters the new millennium, our Nation and communities face major challenges that include:

- Declining Revenues
- Federal Budget Cuts and Welfare Reform
- High Population Growth and Unemployment
- Decreasing Cultural/Traditional Awareness
- Increasing Social Problems
- Lack of money for basic services: Trash, water, sewage, and roads.
- Lack of public facilities: Baseball fields and other recreational facilities, public parks, and picnic areas.
- Inability to respond to opportunities such as Tourism.

D. A New Strategy to Consider: *The Community as Decision Maker*

The leaders and citizens of the great Navajo Nation have to take on these challenges using innovative and creative strategies. One tool that has been tested successfully in societies throughout the world is the ability of local communities and their citizens to effectively address their problems and respond to opportunities. Experience, over and over, has shown that local communities that are run by distant governments never really get going. The primary reason they don't get going is because decision makers in Window Rock, the Bureau of Indian Affairs, or someplace else who are making the decisions, never pay the costs of their mistakes. Instead, local communities pay the costs.

Worldwide experience has shown that once the community is the decision-maker, then decisions and results get connected. If the community makes the decisions, then the community pays the costs of its mistakes and reaps the benefits of its successes; as a result the community's decisions improve. The community ends up implementing projects more likely to work because of the support of its citizens.

Enactment of the Local Governance Act will provide the opportunity for local communities to make decisions over basic local matters. This vital action will in the long run improve community decision

making, allow communities to expand and flourish, enable Navajo Nation leaders to lead towards a prosperous future, and improve the strength and sovereignty of the whole Navajo Nation.

E. The Local Governance Act

The Navajo Nation Local Governance Act (LGA) proposes several important improvements to the current Chapter government including:

1. Providing for accountability by ensuring that a Chapter, before it begins governing, adopt policies and procedures for:

- Accounting
- Personnel hiring and employment
- Procurement of goods & services
- Property management
- Maintenance of chapter records

2. Enabling the local people to govern themselves through: passage of ordinances to address:

- growing community problems such as public intoxication, illegal trash dumping, curfews, uncoordinated growth, and other community problems; and
- community vitality such as special land-use zoning ordinances, architectural standards for new development, tax revenues targeted at community priorities such as parks and recreation, and other community opportunities.

3. Providing for Stability of Governance and Decision Making

The LGA improves these processes by separating and clearly identifying the responsibilities of Chapter Officials, Administrators, and the Citizens. A system for checks and balances is provided. Improvements are made to current chapter meeting methods in many areas including:

- Providing 48 hour notice of chapter meeting and agenda items.
- Developing alternatives to the chapter quorum of 25 such as representative decision making.
- Ensuring community education and input on all ordinances.

4. Streamlining of cumbersome processes:

- such as approval of home and business site leases.

5. Enabling the Chapter or several chapters to develop a professional administration:

- which will be more equipped to implement the projects of the community(ies). New positions may include an executive manager, accountant and planner positions.

6. Enabling the community to develop a strong foundation for governance through the adoption of a Community-Based Land Use Plan:

A road map to the future, a document upon which the local leaders can govern and be held accountable, is provided for by ensuring the development of a community-based comprehensive chapter land use plan. This plan will be approved by the chapter members and will outline the wishes of the community about their future, how their community should grow, and what priorities are most important to address.

7. Providing a framework upon which future improvements can be developed

- for the levying of local taxes pursuant to a Navajo Nation Local Tax Code and subcontracting with Navajo Nation programs to provide better service delivery.

F. Conclusion

It is vitally important for the Navajo Nation leadership to wisely consider the potential implications of continually declining financial revenues and the opportunities that can be created by the strengthening of the 110 Chapters. The citizens of these Chapters, more than at any other time in the history of the modern Navajo Government, desire to become an active partner in taking responsibility for their community problems and future.

II. HISTORY OF THE CAL GOVERNANCE INITIATIVE

The concept of local governance and empowerment has existed for some time. The concept first became a clear public policy issue in 1982 when Peterson Zah won on the platform of government reform and of returning authority back to the tribal council and local communities.¹

On December 15, 1989, through the amendments to Title Two of the Navajo Nation Code, the Navajo Nation Council reorganized the Navajo government into three branches; Executive, Legislative, and Judicial. The amendments created the positions of the President, Vice President, and Speaker of the Council. The purposes of the amendments to Title Two were to separate legislative and executive powers and functions, create stability in government, and create a more responsible and accountable government. The amendments of 1989 were made to address the immediate need to reorganize the government and a more permanent reorganization effort was to be undertaken through organizations such as the Commission on Navajo Government Development. Regarding chapter governments, the Commission's on Government Development was given the power to: "develop a series of recommendations and proposals for alternative forms of chapter government and chapter empowerment or other local community empowerment for consideration by the Navajo Nation Council and the Navajo People by examining and utilizing the concepts of the separation of powers and the delegation of authority to provide for the appropriate checks and balances in Navajo government; to establish the responsibility of the Navajo government to protect the rights and freedoms of the Navajo People; to establish limitations on how the Navajo government and its officials may use its powers and to define the powers of the Navajo People".²

In the 1993, the Agency Executive Council was formed comprised of the agency council officers from each of the five agencies. The main purpose was to provide a forum through which the agency councils and chapters may address issues and concerns common to Navajo Nation communities.

The Agency Executive Council drafted the proposed

revision of the present Chapter Plan of Operation. The proposed revision of the present Chapter Plan of Operation was approved by officials attending the March 1994 Reservation Wide Chapter Officers Conference held in Kayenta, Arizona.

After this, the Agency Executive Council requested the Justice Department for assistance in finalizing the proposed revision to the Chapter Plan of Operation. The Justice Department provided little assistance until 1995 when the new president Albert Hale and his administration came in. One of Mr. Hale's central platform issues was local empowerment. At this time, the Justice Department introduced the proposed Local Empowerment Act to the Agency Executive Council and said that it was developed based upon the proposed revision of the Chapter Plan of Operation that the Agency Executive Council was working on since 1993.³

In 1994, the Commission on Navajo Government Development began the development of the Enabling Legislation on Local Governance, to establish local units of government and delegate various powers and authorities using a "home rule" concept. The Enabling Legislation on Local Governance was completed in 1995 at the same time the Local Empowerment Act was introduced.

Per the directive of the Navajo Nation Council and many chapters, to establish one legislation on local governance and empowerment, the Office of Government Development staff played a key role in working with the Inter-Branch Task Force to develop the Local Governance Act of 1996, a document that combined principles from the Enabling Legislation and Local Empowerment Act.

Without a review process with the Navajo Public and the Council Standing Committees, the Local Governance Act of 1996 was presented to the Navajo Nation Council in January of 1996. At that time a substitute resolution, CJA-1-96 was adopted, which directed the Standing Committees to study and provide recommendations to the Navajo Nation Council on ways to provide Local Governance to the Navajo Nation Chapters. The substitute resolution

¹George M. Lubick, Peterson Zah, "A Progressive Outlook and a Traditional Style", Indian Lives, 1985, pp. 189-211.

² N.N.C. Section 973(B)(1), 1995.

³Silversmith, Ben, at the Joint meeting of the Commission/Agency Executive Council, 11/1997.

did not name the Local Government Act of 1996 as a basis of discussion.

Subsequently, the Inter-Governmental Relations Committee, directed the Commission to take the lead in working with the Standing Committees and Public in developing recommendations to the Navajo Nation Council. The Commission undertook a public policy process that incorporated study sessions with the Standing Committees and Navajo Public.

Much input has been provided. Much of the original Local Government Act of 1996 has been retained in the new proposal. The public policy process has been successful resulting in the proposed Local Government Act.

LOCAL GOVERNANCE ACT TIMELINE

1997 Local Government Act as Proposed after Extensive Public Review

1996 Inter-Branch Task Force develops Local Government Act of 1996 Council adopts CJA-1-96

1995 Proposed Local Empowerment Act and Enabling Legislation on Local Governance

1994 Development of Enabling Legislation on Local Governance

1994 Reservation Wide Chapter Officers Conference: Revision of Chapter Plan of Operation

1993 Agency Executive Council Formed

1992 Government Reform Act Presented: Tabled

1990-92 Public Hearings: Desire for Local Authority, Accountability, Empowerment, etc..

1989 Title Two Amendments: Government Development Commission

1982 Government Reform Becomes a Political Issue



III. LOCAL GOVERNANCE ACT PLANNING METHODOLOGY

The Local Government Act is the result of an strategic public policy process that involved extensive public input, discussion with the leadership, and in depth analysis. The strategic planning process has seven major steps that include:

1. Organize Community Involvement

Several major public forums were held to get the local citizens to share their values and desires regarding the future of their local and national governments. The same process was utilized with the Navajo legislature per the directive of the Inter-Governmental Relations Committee of the Navajo Nation Council. This initial step involves identifying key factors and issues that affect the Government,

describing current and potential solutions, and evaluating existing systems of governance.

2. Analyze External and Internal Factors

This step provides an analysis of Navajo Nation, federal, state, and regional trends. These trends provide a basis of information by which the Navajo Nation leadership can make informed choices about appropriate ways to improve the government. Navajo citizens contributed to this analysis at the various work sessions held across the reservation where they discussed what they perceive as the strengths, weaknesses, opportunities, and threats to the Navajo Nation government.

3. Identify Key Issues

Based on the synthesis of research and community input, key priority issues and problem areas were identified.

4. Develop Strategies, Goals, and Objectives

Based on the synthesis of research and community input, feasible strategies were developed to strengthen the local governments of the Navajo Nation were identified.

5. Develop the Local Governance Act

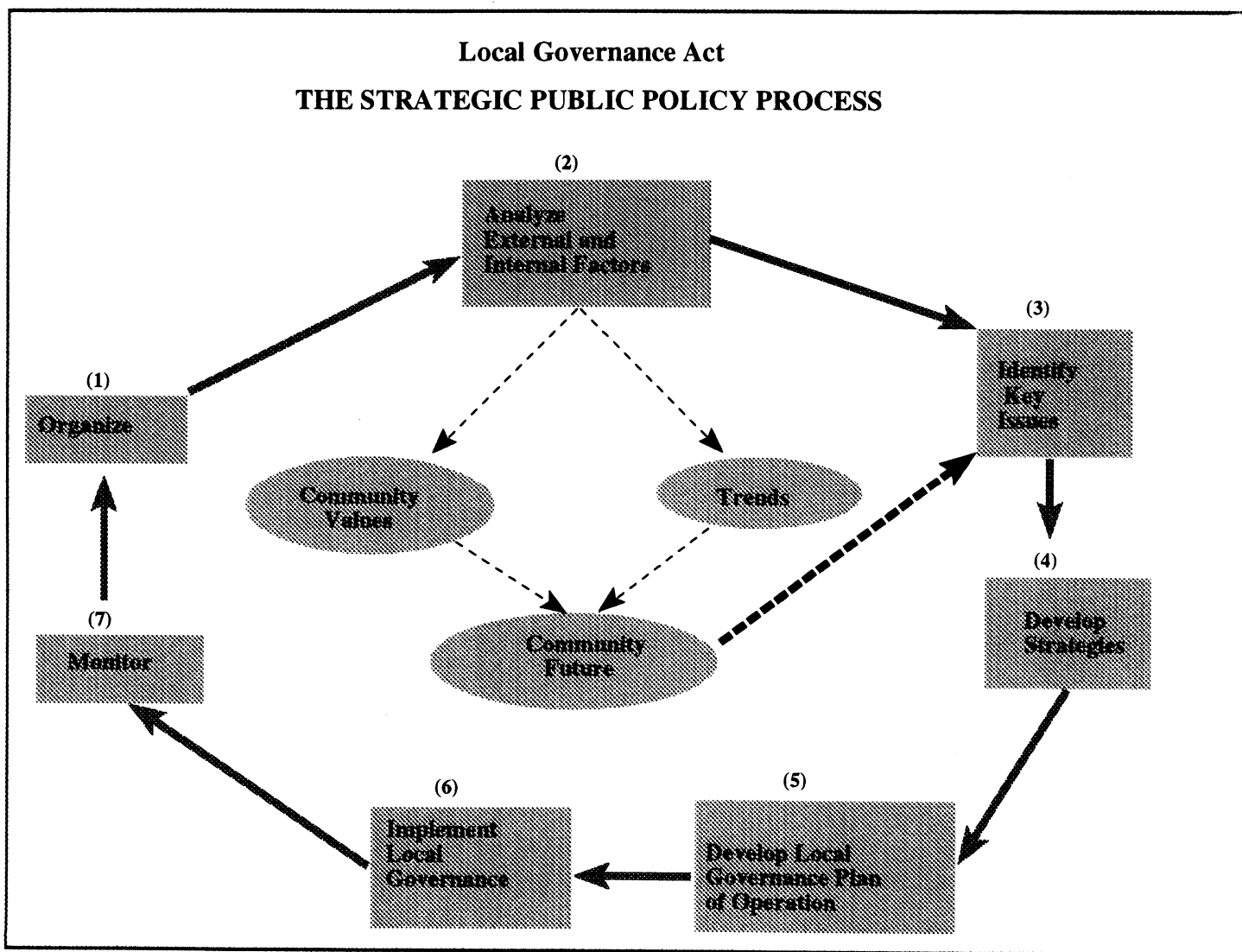
The Local Governance Act describes present and potential opportunities for local governments to govern more effectively, efficiently, with accountability and stability. Based on the identification of feasible strategies, phase one of the Local Governance Initiative included the development of the Local Governance Act.

6. Implementation

This is the current stage of the Local Governance Initiative. It requires the National Leadership to boldly make a decision for the future of the Navajo Nation through enactment of the Local Governance Act.

7. Monitor Progress

This is an important step. The progress of the local governance initiative has to be reevaluated periodically to ensure continued success. If problem areas arise, the same planning procedure described above would be utilized to solve them.



IV. NAVAJO PUBLIC/COMMUNITY BASED PLANNING

The Commission on Navajo Government Development involved the Navajo public extensively in the planning process, by organizing several major forums, reporting to agency council meetings, chapter meetings, conferences and workshops, divisions, programs, and Standing Committees.

The goals of the public involvement component include:

1. Get input and recommendations from diverse representative segments of Navajo Nation society on local governance issues and possible opportunities for improvement.
2. Educate the Navajo public about the unique history of the Navajo government and the challenges and opportunities for improvement.



Several major public forums were held to get the local citizens to share their concerns, recommendations, and desires regarding the future of their local and national governments. The same process was utilized with the Navajo legislature per the directive of the Inter Governmental Relations Committee

A. 1995 Major Public Forums

- Summit on Local Governance "Uniting for a Better Government", September 27-28, 1995, Shiprock Navajo Community College Campus. Over 450 participants provided important recommendations to the Navajo Nation on their priorities of what is wrong with local government today and how it can be improved.
- 1995 Annual Community Services Program Conference. The Commission provided a successful learning experience for over 120 participants. Workshops were provided on Proposed Self-Governance, Traditional Governance, and Preparing for Self-Governance.

B. 1996 Major Public Forums

- Council Local Governance Act Study Session, January 1996, Page, Arizona. The staff played a major role in the research and development of materials and providing presentations to the

Council Delegates.

- May, 1996 - Fort Defiance Agency Local Governance Summit on "Models of Governance", at Fort Defiance focused on the development of difference models of Chapter Government.
- June, 1996 - Central Agency Local Governance Summit on "Subunits and Municipalities", Chinle, Arizona focused on the development of subunits and municipality type governments for growth centers.
- July, 1996 - Eastern Agency Local Governance Summit on "Authorities and Responsibilities", Crownpoint, New Mexico focused on identifying exactly what authorities and responsibilities Chapters can realistically take over in a 1 to 3 year time frame.
- November, 1996 - Navajo Nation Chapter Officials Orientation - staff provided a major workshop on the Local Governance Act to over 250 participants.

C. 1997 Major Public Forums

- April, 1997 - Western Agency Local Governance Workshop - staff and Commissioners provided a workshop on the Local Governance Initiative.
- July, 1997 - Community-Based Planning Workshop for Chapter Officials and Administrators. Provided information on the Land-Use Planning Component of the Local Governance Act.
- August, 1997 - Council Study Session on the Local Governance Act, Northern Arizona University, Flagstaff, Arizona.
- August, 1997 - Chinle Agency Local Governance Act Workshop
- November, 1997 - Reinvigorating Traditional Navajo Leadership Workshop; provided workshop on ways to reintroduce traditional practices into government.

The Office has provided presentations on many aspects of government, including history and development, but primarily on the Local Governance Initiative at many Chapter Meetings,

important functions, conferences, and meetings.

D. Work Sessions with the Standing Committees in Developing Local Governance Recommendations

In the Spring of 1996, per Inter Governmental Relations committee Resolution 70-96, the Office of Navajo Government Development took the lead in the development of a sound local governance initiative, in coordination with the Standing Committees of the Navajo Nation Council, three Branches, and local communities.

The Office has conducted many work sessions with the Standing Committees, in some cases, meeting with and reporting to the Committees up to seven times.

E. KEY ISSUES IDENTIFIED THROUGH THE PUBLIC POLICY PROCESS

The Commission and Office of Navajo Government Development, based upon public input, has compiled a list of key issues which were identified by focus groups such as: Elders, Business, Youth, Veterans, Traditionalists, Tribal Departments, Task Forces, Navajo Nation Council, Standing Committees, and others. The diversity of focus groups provided a variety of information which were gathered and compiled thus providing similar issues. Upon analysis, the issues are categorized into seven areas. The chart below depicts the categories identified.

KEY ISSUES IDENTIFIED BY THE PUBLIC

Local Authority

The need for a Transfer of Authority and Powers from the Central Level to the Local level.

- The need to improve approval of Land and Business site decisions
- The need for Funding at the local level
- The need to govern and develop through local Laws and Ordinances designed by the community

Separation of Powers, Checks & Balances, and Improved Systems of Governance

- The need to Separate Powers for Chapter Officials and Administrators
- The need to ensure Checks and Balances,

and Political Behavior

- The need to address Chapter Quorum Issues
- The need to Reduce the Number of Elected Officials
- The need to develop an Alternative Form of Local Government

Accountability and Competency

- The need for a Competent and Professional Chapter Administration
- The need for a Quality Long-Term Training & Education Program
- The need to ensure Accountability of chapter resources and decisions over local matters
- The need for Implementation of the Five Management Systems for Chapters
- The need to develop Community-Based Plans for land-use and governance

Local Revenues

- The need for local Sources of Revenue from taxes, fees, and other instruments

Services

- The need for the delivery of More Efficient and Effective Services at the Local Level

Implementation

- The need to implement Local Governance in Phases
- The need to recognize the Differences of Navajo Communities
- The need to utilize the Navajo Culture in Improving Governance
- The need to Decentralize Services and Funding

National Changes to Compliment Local Governance

- The need to reduce the number of Council Delegates
- The need to Reduce Government at the Central Level

V. ANALYSIS OF EXTERNAL AND INTERNAL FACTORS

This section provides an analysis of Navajo Nation, federal, state, and regional trends. These trends provide a basis of information by which the Navajo Nation leadership and people can make informed choices about appropriate ways to improve the government.

A. The Need to Create Jobs:

According to the "1997 Estimate Navajo Resident Population", the Navajo Nation population is approximately 168,614, comprising at least 20% of the United States on reservation Indian population. The median age for the Navajo Nation is estimated at 22.3 years of age.

The Navajo people are considered amongst the poorest of America's rural poor. Over 55% of Navajo families live below the poverty level compared to 13% of the United States population. Additionally, the Navajo Nation is more depressed economically with unemployment rates higher than surrounding off reservation communities.

In December of 1996, the Navajo Nation Division of Economic Development reported that the unemployment rate for the Navajo Nation is 44.61%, an overwhelming 16.71% increase from 1990. From 1990 to 1995, the population growth rate increased by 7%. However, comparing the 1997 Estimate Profile with the 1995 Report, there is a recorded 3% decrease of residents on the Navajo Nation. Lack of employment opportunities, industrialization, development, infrastructure, economy, home sites and housing are causes for Navajo people to relocate to urban areas. Looking ahead, the Navajo Nation will lose its proportional population growth to off-reservation areas. According to a recent report by the Division of Community Development, more Navajos will live away from the Navajo Nation beginning in the year 2012. By the year 2020, 53% of more than one-half million Navajos will live off the reservation.

B. Growing Communities

Growth Centers on the Navajo Nation are the main areas of growth because they are usually the centers for jobs related to government, schools, hospitals, police, and businesses, and also provide some access to housing. The following is a projection, by the Division of Community

Development, of the growth these larger chapters will experience in the future:

Estimated Population Growth of Large Chapters

<u>Chapter</u>	<u>1996</u>	<u>2000</u>	<u>2015</u>
Tuba City	8,618	9,085	11,070
Kayenta	5,843	6,143	7,412
Chinle	7,830	8,285	10,240
Shiprock	8,638	9,103	11,084
Crownpoint	3,019	3,224	4,125
Ganado	2,771	2,913	3,512
Fort Defiance	6,696	7,046	8,531
Saint Michaels	5,927	6,256	7,658

C. Welfare Reform

Welfare reform on the Navajo Nation is an additional factor for the need to create jobs. There is an estimate of 7,000 Adult Cases reported by the Navajo Nation Division of Social Services who will be affected by welfare reform. The Navajo Nation Welfare Reform Task Force is currently in the process of compiling data for potential employment training programs. In 1996, a total of 6,656 Navajo AFDC recipients were referred to the Tribal JOBS programs by the states of Arizona, Colorado, New Mexico and Utah. The Welfare Reform law will provide a lifetime limit of 5 years for recipients to withdraw welfare benefits. Adult clients must participate in mandatory work participation requirements within 24 months of receiving benefits, the Nation and communities must develop employment opportunities for displaced clients, and service needs for child care will increase.

The impacts of Welfare Reform on the Navajo Nation are serious. According to the Welfare Reform Task Force, it is predicted that once these recipients are trained and have developed their skills, a majority of them will migrate to metropolitan areas for employment purposes.

These figures demonstrate the urgent need to develop economic and employment opportunities for increasing numbers of Navajo young people.

D. Emerging Social Problems

Emerging social problems, due, in part to extreme unemployment, unstable government, and other causes include:

Social Issues: health issues, domestic child and wife abuse, lack of elderly and child care facilities, deterioration of community quality of life, substance abuse, deterioration of self-confidence and self-esteem, depression, traditional family unit breakdown,, and other social issues.

Crime: gangs, violence, drug abuse, stealing, and destruction of property.

Cultural Deterioration: Loss of language, traditional ceremonies, traditional subsistence practices, traditional cultural practices, and self-identity. The loss of harmony with the universe.

Environment: Environmental degradation by coal mining, power plants, un-managed tourism, and communities with little governance ability.

E. Need to Diversify the Navajo Economy

According to the a report of the Arizona Department of Economic Security, "Reservation unemployment is due primarily to the lack of industrialization. With inadequate employment opportunities, insufficient educational institutions and substandard living conditions on the reservations, many Indians seek refuge in the city. Unfortunately, the social and economic stability they seek in the city is not reality".

Federal policies to promote economic development on reservations have traditionally emphasized natural resource development. The Navajo Nation in particular, currently derives significant amounts of revenues, necessary for vital programs, from mineral development. Revenues from natural resource development approximate a high percentage of the annual general funds operating budget.

Oil, Gas, and Mining Revenues			
Fiscal Year	Total General Funds Operating Budget	Oil, Gas, and Mining Revenues %	Amount
1994	\$101.6 million	74%	\$75,558,162
1995	\$97.3 million	71%	\$69,316,377
1996	\$101 million	65%	\$66,569,100

Natural resources are non-renewable and will someday be depleted or their use decreased. Timber cutting on Navajo land has been curtailed due to communities and citizens increasing concerns about the delicate nature and balance of

economy and environment. Navajo communities are realizing they have placed too much emphasis and dependence on natural resources for jobs and revenues. Now they are looking to develop alternative types of economic development which strikes a balance between culture, environment, and economy.

The Navajo Nation has significant coal reserves which still remain untapped, but even this once stable industry is headed into an uncertain future. With the world realizing the dangers of the continuation of current pollution levels and the advent of many new regulations which make burning coal economically costlier, there is a possibility that burning coal for power generation may eventually become obsolete. This would result in the Navajo Nation losing a significant source of revenues and jobs.

F. Need to Respond to Opportunities

According to a 1986 Navajo Nation tourism study, tourism was estimated to be a \$540 million industry. Of this \$540 million, the study estimated that the Navajo Nation, due to the lack of products (i.e. motels, camping facilities, restaurants, developed attractions, arts & crafts shops, tour companies and transportation services) the tribe captured a mere 7% or \$37 million. The same study estimated that tourism would be a \$1 billion industry by the year 2000. Since 1986, very little has been done to develop products to capture a larger share of the potential tourist dollar. Therefore, the Nation most likely captures an even smaller percentage of the overall market dollars.

The Projected Size of the Navajo Nation Tourism Industry and Estimated Capture

Year	Estimated Size	Capture	%
1986	\$540 million	\$37 million	7
1990	\$607 million	\$40 million	6.5
1995	\$812 million	\$45 million	5.5
2000	\$1 billion	\$50 million	5

G. Chapter Fiscal Mismanage Issues

According to the Auditor Generals recent report: "Accountability at the chapter level continues to be a significant problem. Of the twenty three (23) audits performed as of 3-31-95, 100% of chapters were found to have seriously deficient internal control

policies and procedures or none at all."⁴

The report further explains that the chapter's accounting system and internal control structure cannot be relied upon to provide reasonable assurance that resource use is consistent with laws, regulations, and internal policies; that resources are safeguarded against waste, loss and misuse; and that reliable financial information is obtained, maintained, and disclosed.

According to the report, as a result of this problem, nearly \$750,000 in questionable chapter expenditures were identified. This projects to annual losses at all chapters of over \$2,000,000. Of this, nearly \$250,000 in cash is collected at the chapter but disappears without a trace. \$150,000 is loaned to community members of which only a fraction is ever paid back. On average, 47% of chapter expenditures are not supported with documentation, 49% are not properly approved, and 13% of expenditures cannot be identified. If these figures hold true for fiscal year 1996 planning grant funding, nearly \$4,000,000 will prove questionable.

H. Trend Analysis Conclusion

The Navajo Nation must implement a transition strategy to lessen the impact of revenue streams from resource developments and take advantage of new industries such as tourism. The Navajo Nation needs to begin strategically planning for the future

Long-term strategic economic planning would require that the Navajo Nation diversify its economy and begin building a base for the development of other industries - beyond natural resources for the establishment of self-sustaining and viable communities.

The Navajo Reservation encompasses over 26,000 square miles of contiguous land within Arizona, New Mexico, and Utah. The natural environment, lifestyles, and needs of communities and citizens are diverse and different such as between Flagstaff and Gallup. The major difference being that Flagstaff and Gallup are able to make local decisions with regards to economic and community development. Localized decision making has several positive effects. First, it will allow for quick response to local problems and opportunities.

Second, it improves the decision making and leadership ability of local leaders and technicians through the experience curve. Finally, local ownership and responsibility of decisions will serve as a stimulus for the motivation of the community to follow through.

Finally, approval of localizing decision making has to be balanced with the need for local accountability, checks and balances, clear roles and responsibilities between legislative, executive, and judicial functions, and protection of public monies and resources.

⁴ Auditor General, Report to Navajo Nation Council, October 2, 1997

VI. ACCOUNTABILITY REQUIREMENTS

A. Accountability Trends

Accountability of Government is a major concern of the Navajo public. Accountability is a vital foundation upon which any effective organization must be built.

Without accountability, a Chapter government suffers in many ways. The following is a Statistical Analysis of Major Audit Findings of fifty nine (59) completed Chapter audits.¹

Finding	Description	FINDINGS	
		Number	%
1	Lack of an adequate system of Internal Control.	59	100%
2	Lack of a formal accounting/bookkeeping system.	59	100%
3	Lack of community approval for a substantial portion of chapter expenditures.	59	100%
4	Failure to deposit all chapter revenues intact into the chapter bank accounts and expenditure of cash revenues. Lack of a petty cash system.	59	100%
5	Lack of documentation supporting chapter financial transactions.	59	100%
6	Lack of inventory records for chapter property.	58	98%
7	Making loans to elected officials, community members and employees.	44	74%
8	The chapter officials not providing a financial report to the community at the regular chapter meetings.	56	94%
9	Lack of chapter employer Tax I.D. Number and improper reporting/payment of Social Security taxes.	49	83%

¹Auditor General. Analysis of 59 Chapters. May 15, 1995.

10	Improper handling of restricted grant funds; non-compliance with grant reporting requirements.	18 ²	94%
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B. Five Management Systems

Ensuring accountability of Chapter resources must be a priority, whether it be money, land, paperwork, property, procurement of goods and services, or the hiring of employees.

The Community Services Program has been charged with developing the Five Management Systems which are the basic building blocks of accountability.

The Five Management Systems consists of an Accounting System, Procurement System, Personnel System, Records Management, and Property Management.

The Local Governance Act requires Chapters to develop and operate the Five Management Systems before they can begin exercising local governance.

The successful implementation of the management systems would:

- a. ensure adequate accounting of finances and chapter resources,
- b. alleviate much of the potential for abuse of chapter resources,
- c. lessen ethics violations, and increase the number of satisfactory audits, and
- d. provide assurance to the chapter people that the new authorities granted to their chapter government would be responsibly administered.

²19 Chapters had contracts with State, County or Federal

VII. AUTHORITIES OVER LOCAL MATTERS

Pursuant to the Local Governance Act, local governments of the Navajo Nation may exercise true local governmental authority over local matters. Section 103 et. seq lists the authorities that the local governments may exercise. The following is a summary of those authorities.

A. Authorities by Chapter Resolution:

1. Issue home and business site leases or permits.

Chapters may issue these types of leases or permits in accordance with uniform rules and regulations promulgated by the appropriate oversight committee. The purpose for establishing uniform land regulations is two fold. First, the procedural requirements as prescribed by the current law is time consuming and costly. It is hoped that once the local governments assume the administratively authority to issue various types of leases and permits, that the application process will be administratively efficient, less costly, and a fair process for all applicants.

Secondly, tribal and federal law require that certain types of clearances and surveys be conducted prior to issuing various types of permits and leases within the Navajo Nation. The uniform rules will specify what is required of each applicant and of the local government.

2. Acquire, sell or lease property of the Chapter.

The Chapter is authorized through this provision to acquire, sell or lease property of the Chapter government. However, the Chapter must do so pursuant to the local procurement policies. The provision allows the Chapter to deal directly with potential vendors and individuals who would like to lease Chapter property.

3. Enter into the following types of agreements:

- a. for goods and services;
- b. with other Chapters to undertake a common goal or interest;
- c. Intergovernmental agreements;
- d. with the Navajo Nation to contract or sub-contract for federal, state, and/or county funds, and;
- e. with the Navajo Nation to contract or sub-contract for Navajo Nation funds.

These provisions contained in Section 103 (D)(3-7) allow the local governments to enter into a variety of agreements they currently are prohibited from entering into. These provisions are quite significant because Chapters may now enter into intergovernmental agreements to acquire outside funds. They must, however, obtain Intergovernmental Committee approval. The reason for maintaining the legislative oversight responsibility of the IGRC is to preserve the sovereignty and to maintain the "government to government relationship" that currently exists between the Navajo Nation and outside governments.

The local governments are also able to enter into agreements with the Navajo Nation to acquire Navajo Nation general funds. The intent of this provision is to allow Chapters to assume a greater role in the Nation's service delivery function. However, before Chapters can enter into these types of agreements, the appropriate administrative division must promulgate policies and procedures necessary for the administration of those funds. Moreover, the local governments must understand that a certain degree of monitoring by the central government and adherence to certain compliance requirements must be followed.

4. Appropriate funds.

The local governments are authorized to appropriate all funds the Chapter receives. If conditions are set forth by the funding source, then naturally those conditions must be followed. Additionally, through this provision Chapters may also appropriate the Chapter claims funds and scholarship funds. However, in order for Chapters to receive those funds directly, the Chapter Government Program, who currently administers those funds, must develop policies and procedures for the administration of those funds by the local governments.

5. Reallocate funds.

The local governments may also reallocate funds, thereby modifying their annual budget. Chapter that do reallocate funds, must obtain approval from 30% of the registered members of the Chapter.

6. Retain legal counsel.

Chapters may hire legal counsel to carry out the more technical aspects of the Local Governance Act. Currently, if a Chapter wanted to hire legal counsel, the terms and conditions must be approved by the Attorney General. Amendments to remove this requirement have been proposed.

7. Establish a peacemaking system and/or administrative procedures for resolving disputes.

As Chapters exercise more local authority, it is inevitable that disputes will arise. It is the hope of the drafters that local disputes be resolved at the local level. For this reason, the establishment of a local peacemaking system is highly recommended. In this way, traditional systems of resolving disputes are used, and the parties will benefit from use of this system as well.

In the event that a peacemaking system is not agreed upon, then administrative procedures should be established to address the disputes, if possible, on an administrative level.

8. Generate revenue.

The LGA allows Chapters to generate revenue whether it be by means of imposing local fees, community bonds or local taxes. Other types of revenue generation may be approved by the membership as long as it is consistent with the Act and with Navajo Nation law. The fees generated must be used for the benefit of the whole community.

B. Authorities by Chapter Ordinance:

1. Amend the land use plan.

A land use plan is a very important element to community development. A comprehensive land use plan will provide direction for community leaders as to how the members would like to see their community develop. The benefits of a land use plan include, but are not limited to fostering housing and business development by establishing infrastructure priorities such as sewer lines, power lines, and telephone lines, identifying and preserving areas within the Chapter boundaries considered sacred, among many others.

2. Acquire property by eminent domain.

Chapters are authorized to exercise the governmental function of eminent domain pursuant to the procedural requirements set forth in Section 2005 of the LGA. Essentially, to exercise this function, the Chapter must do so for a "governmental purpose." Moreover, the Chapter must also be able to compensate the individual land holder affected by the taking.

The governmental function of eminent domain is an important element to community development. Development on the Navajo Nation has been impeded significantly because individual land holders are unwilling to sell their customary use rights. The eminent domain authority is an alternative available for governments to achieve long-term development projects that will benefit the whole community as opposed to one individual land holder.

3. Acquire capital improvement project funds.

The LGA authorizes Chapters to acquire CIP funds directly. This function will allow Chapters to set their own development priorities. However, the administration of those funds are subject to policies and procedures developed by the Division.

4. Enact zoning ordinances.

The Chapter may enact zoning ordinances consistent with the community land use plan.

5. Enact regulatory ordinances.

These types of ordinances will be enacted for the health, safety and welfare of the Chapter membership. Ordinances that are defined as "regulatory" gives the Chapter very broad authority to enact any type of ordinance as long as it is for a governmental purpose. Chapter's that do exercise this broad authority must do so consistent with Navajo law.

6. Enact an Alternative form of Chapter Governance.

This provision allows Chapters to restructure their current organizational structure by either modifying the roles of the officers or adding additional officers to formulate a representative form of government. Chapters may restructure based upon models

provided by the Transportation and Community Development Committee of the Navajo Nation Council. The models will provide guidance to the Chapters on general governmental principles.

This provision also allows Chapters to formulate legitimate district and/or agency wide governments specifically identifying the duties and responsibilities of the officials at that governmental level.

7. Enact a Municipal Form of Government.

The LGA allows Chapters to "adopt a municipal form of government based upon a municipality code approved by the Transportation and Community Development Committee of the Navajo Nation Council."

Certain growth centers located within various Chapters in the Navajo Nation have experienced the first stages of rapid growth and development. The strong desire and capacity of the Navajo People to attain local self-sufficiency requires local governments to plan for the continued development of growth centers within their boundaries.

The adoption of a municipal form of government will allow the growth centers to address issues such as police and fire protection, street improvements, garbage collection, solid waste facilities and others. Additionally, this form of governance allows for the creation of a representative form of government at the local level. Local officials will likely be elected based upon districts or zones within the growth center or in the alternative, base upon districts or zones within the Chapter.

The development of a Navajo Nation Municipality Code will be forthcoming pending adoption of the LGA.

8. Local taxes

Chapters may generate revenue pursuant to adoption of a local tax. The imposition of a local tax must be pursuant to a local tax code adopted by the Navajo Nation Council. Some taxing options include a local sales tax, participation in a gross receipts tax with the Navajo Nation, local gasoline excise tax, and many others.

9. Issue Community Bonds

This authority will allow Chapters to generate revenue through a community bond process. The

funds generated will all be used to finance infrastructure projects approved by the Chapter membership.

10. Compensate Chapter Officials

Chapters have the option of supplementing the compensation officials receive for their services. Currently Chapter officials receive a stipend for attendance at meetings, however, it is understood that many officials work at the Chapter on their own time. This provision allows the membership to supplement the officials compensation in these instances.

11. Others

Chapters may exercise other ordinance authorities not listed in the legislation. In order to do so, however, they must obtain approval from the Transportation and Community Development Committee of the Navajo Nation Council.

This provision authorizes Chapter to go beyond the authorities listed, while also serving as a check on the local government.

VIII. COMPREHENSIVE AND-USE PLANNING

A. Introduction

Under the proposed legislation, *Local Governance Act*, Chapter governments may administer land pursuant to local uniform rules and regulations. Chapters may also approve and implement community-based land-use plans.¹



B. What is Comprehensive Land-use Planning?

Comprehensive land-use planning is an organized approach for selecting and adopting the best land-use options. It is based on an assessment of: natural, cultural, and human resources; current land-uses and alternative land-use options; environmental, economic, and social conditions; and community needs, goals, and values. Its purpose is to select and put into practice those land-uses that will best meet the needs of the people while safeguarding resources for the future.²

C. Land-Use Planning: What is the Need?

The driving force behind land-use planning is the need for: (1) change, (2) improved management, and (3) a different land-use pattern due to changing circumstances. In all three cases, chapter governments have voiced these needs, citing concerns for rapid population growth, need for homes, inadequate infrastructure, and increasing demand for water and other natural resources. These concerns are further compounded by decreasing federal funds and tribal fiscal resources.

Planning and development in Navajo chapters continues to occur in a top-to-bottom fashion. For the most part, outside entities and regulatory bodies propose projects and make important decisions affecting local residents and future generations. In fact, planning has occurred without the benefits of a larger community plan or vision.

¹Special Thanks to Eunice L. Tso of ETD Consulting for Assistance with this Section and Helping with the Drafting of the *Local Governance Act* Section 2004, 1997.

²Guidelines for Land-Use Planning, Food and Agriculture Organization of the United Nations Rome, 1993.

Citizen involvement has been limited. Only a few people have initiated and carried out projects. Moreover, the process of development has not taken into consideration of land-suitability, or land-carrying capacity. Chapter governments have not performed an assessment of their resources, and therefore lack important information for selecting and adopting the best land-use options. As a result, chapter communities reflect unmanaged growth and little sense of community pride. The need for planning is clear, but the attitude must shift from "Let others do it for us" to "We know our community best and we can do it ourselves."

D. What are the Benefits of Comprehensive Land-Use Planning?

Comprehensive land-use planning is community-based. The benefits can be numerous and unlimited, resulting in creative solutions that meet the unique needs of the community members. Such planning can give a sense of direction based on the community's expressed needs, goals and priorities, and their future vision. It can lay the ground work for economic development and facilitate the process for other types of development.

Navajo land and resources are limited and finite, yet the Navajo population and communities continue to grow at alarming rates. Comprehensive planning is necessary to ensure that limited resources are used wisely. More important, planning is necessary to ensure that water resources, rangelands, agricultural lands, forest lands, herbal gathering areas, and sacred sites are available for future generations. The Navajo people have close ties to the land, therefore, proper planning and management is important for protecting our environment as well as our unique lifestyles.

E. The Approach to Comprehensive Land-Use Planning

Comprehensive land-use planning requires an evaluation of all factors that will affect the plan, and all factors that will be affected by the plan. Comprehensive land-use planning aims to make the best use of limited resources. The goal is to establish sustainable communities by balancing economic development and environmental protection in accordance with the land-carrying capacity.³

There's no blue print, every land-use planning project is different, as the goals and objectives are different. In all cases, however, the process of planning is interactive and continuous. At every stage, as better information is obtained, a plan may have to be changed to take account of it.⁴

The planning approach outlined in the following section is a general guideline that can be modified and adapted by chapters to meet their individual needs. The process begins by: (1) assessing community needs, (2) inventorying resources, (3) assessing current land-uses and problems, and (4) analyzing environmental, economic and social conditions, and finally, (5) discovering the best land-use options. The process is community-based, utilizing the knowledge of the local residents, since it is the local people that have the experience with techniques for cultural and economic survival, and by all rights, should make the decisions affecting their long term interest.

F. Steps in Comprehensive Land-Use Planning

Step 1. Initiate Project and Organize: Initiate the project through a resolution by the chapter.

Establish a local land-use planning committee to :

- (1) manage and oversee planning process,
- (2) develop the scope of work, time lines and responsibilities,
- (3) encourage community involvement,
- (4) identify information resources and technical experts for the inventories and assessments,

³Rural Environmental Planning for Sustainable Communities, F.O. Sargent, P. Lusk, J. Rivera, M. Varela, Island Press, Washington, DC, 1991.

⁴Guidelines for Land-Use Planning, Food and Agriculture Organization of the United Nations, Rome, 1993.

- and
- (5) hire or work with a planner to coordinate the inventories and compile the land-use plan.

Step 2. Establish a public education program: Initiate a public education campaign through radio, newspapers, public meetings, and flyers to educate and gain support from the community for the land-use plan. Discuss the benefits, goals, purpose, process, resource requirements, and need for community involvement. The overall success of the plan, when it is finally implemented, is contingent on the support and participation of community residents.

Step 3. Hold Information Meetings. Hold meetings with chapter board, planning commission, planner, and citizens to discuss objectives, issues, procedures, costs, schedules, in the planning process. The meetings can also serve to establish broad goals, identify problems, opportunities, such as grant availability, as well as constraints, including environmental laws that affect land-use.

Step 4. Discover Public Goals: Deliver a survey to identify needs of the community in the areas of governance, economic development, youth and elderly, education, community infrastructure, and other areas of concern. Aim for a 100% survey of residents. Through the survey, goals, priorities and a vision for the community can be discovered.

Step 5. Inventory Natural, Cultural and Human Resources: Compile data, maps, reports for the following resources utilizing information and technical assistance from various federal, tribal and state agencies, and possibly technical consultants:

- **Natural Resources:** Describe the geographical setting, soils, agricultural lands, groundwater supplies, recharge areas, forest lands, wildlife habitats, etc.
- **Cultural Resources:** Identify historic sites, sacred sites, herbal gathering areas, burial sites, scenic areas, and other sites that warrant protection from future development.
- **Human Resources:** Characterize the employable labor, skills, and knowledge.
- **Community Infrastructure:** Characterize the infrastructure, such as roads, telephone lines, water lines, sewer lagoons, waste disposal, to determine the adequacy for current use and future growth, including economic development.

Step 6. Assess Current Land-Use Situation:

Study the existing land situation, generate current land patterns, identify problems and causes, identify alternative land-use options, and propose necessary changes.

Step 7. Appraise Environmental, Economic and

Social Impacts: Study the current environmental, economical and social conditions. Identify problems. With community survey/participation identify potential solutions. Evaluate the environmental, economic and social impacts of the current land-use situation, as well as the impacts for the proposed new land-use options.

Step 8. Draft a Plan and Distribute: Compile a plan describing:

- (1) needs and goals for the planning project,
- (2) current land-uses and problems,
- (3) alternative land-uses,
- (4) proposed future land-use plans, with maps showing any selected changes,
- (5) analysis of the environmental, economic and social impacts,
- (6) community goals and visions, and regional land-use policies, and
- (7) plan for management, budget, funding strategies, and proposed ordinances.
- (8) After public review, finalize the plan.

Step 9. Adopt and Implement Final Plan and

Enact Ordinances. Along with adopted ordinances, adopt an official map.

Step 10. Monitor and Revise the Plan. Monitor the progress of the plan toward its goals; modify or revise the plan in light of community changes, experiences and needs.

G. What is a Zoning Ordinance?

A zoning ordinance is the local law adopted by the governing body to assume orderly development according to specific standards established for the general public welfare and to implement the comprehensive community-based land use plan. A zoning ordinance may govern the types of permitted land uses in the chapter.

H. The Need for Regional Tribal Land-Use Plan

Land-use planning can be applied at different levels of government. At the tribal government level there is a need for a regional land-use plan that sets forth overall planning strategies and goals. A regional plan does not involve the actual allocation of land for different uses, instead it sets forth the tribe's goals, policies, and priorities, whereby local plans can be tiered to. Local chapter plans, on the other hand, focus more on getting things done on particular areas of land.

A regional Navajo land-use plan or a set of policies can have many advantages. It can provide consistency among the various local land-use plans, especially in cases where chapters share common resources. It can also avoid conflicting goals between local chapters to provide for greater continuity in land-use planning.

The land-use planning requirement set forth in Chapter 2, Subchapter 7, Section 2004 of the Local Governance Act, attempts to incorporate more community involvement, consider community goals, values and visions, and draw upon traditional knowledge of land ethics in the process of land-use planning.

IX. CHAPTER ORDINANCE ANALYSIS

A. Local Ordinances

The Local Governance Act defines an ordinance as a "local law, rule or regulation" enacted by a Chapter... Currently, Chapters may enact local ordinances "on any matter affecting the community." The authority, however, is subject to approval by the Transportation and Community Development Committee and the Navajo Nation Council. 2 N.N.C. 4002.

The proposed Local Governance Act (LGA) authorizes Chapters to enact local ordinances consistent with Navajo Nation law absent central government review and approval in most circumstances. The LGA identifies specifically the types of ordinances a Chapter may enact. 26 N.N.C. 103(F). The proposal, however, also contains an open ended provision which allows Chapters to enact ordinances for governmental purposes. Governmental purposes are those "activities carried out by the Chapter for the general health, safety and welfare of the Chapter membership." Enactment of these types of ordinances must be consistent with Navajo Nation law. 26 N.N.C. Section 103(E)(5).

A Chapter, for example, may feel that the central government is not adequately meeting the needs of the Chapter when it comes to dog and cat control. Although the Nation does have a dog and cat control provision within the Navajo Nation Code, (See 2 N.N.C. 13 Section 1701 et seq.) the LGA allows Chapters to enact a local dog and cat control ordinance consistent with the general law of the Navajo Nation.

In the event that a Chapter enacts an ordinance on a subject that the Navajo Nation Council has not addressed, the Chapter must seek review and approval from the Transportation and Community Development Committee. 26 N.N.C. Section 103(E) (12). This provision allows Chapters to consider local issues that the central government either has not addressed or does not consider of national importance. The Transportation and Community Development Committee, in those instances, serve as a central check on the local governmental action.

B. General Governing Principles

Pursuant to the LGA Chapters may enact

ordinances for governmental purposes consistent with Navajo Nation law. This authorization allows a Chapter and the Navajo Nation to exercise concurrent regulatory jurisdiction over a particular subject.

Currently, although the Navajo Nation Council has delegated the nation's regulatory authority to the Navajo Nation Council Standing Committees and/or to administrative agencies of the Navajo Nation, the Navajo Nation Code does not expressly exclude local governments from exercising regulatory authority over a particular subject matter. Although Chapters must receive authorization from the central government prior to exercising that authority, there is no law prohibiting Chapters from attempting to receive a delegation of authority from the Transportation and Community Development Committee of the Navajo Nation Council. (See: 2 N.N.C. Section 4028(B)).

Any local regulatory authority that is assumed by a Chapter is restricted to matters of local concern. It is important to note, however, that although the central and the local governments may exercise concurrent regulatory jurisdiction, the local government authority is and will continue to be subordinate to that of the central government.

C. Local Regulatory Authority

Chapters may want to enact regulatory ordinances to have more control over a given situation. The shared responsibility between the local government and the Navajo Nation could lessen the burden on the central government. Moreover, in some instances, if a Chapter does not assume the regulatory authority over a particular issue, for all practical purposes, it may go unregulated by the central government simply due to lack of central government attention, resources or personnel.

In situations where the central government has enacted a general law for the Nation, local ordinances addressing the same subject matter must not interfere, curtail, or conflict with the purpose and objectives of the Navajo Nation Council.

D. Ordinance Enforcement

Obviously, Chapters wishing to exercise regulatory

authority must have the resources necessary for enforcement. Moreover, the Chapters of the LGA recognize that with each new responsibility conflict is inevitable. As such, Chapters are encouraged to establish a peacemaking system for resolving disputes arising from Chapter resolutions, ordinances, or administrative action. In the alternative, if a peacemaking session is not agreed upon by all parties, an administrative procedure must be established to address local disputes. Exhaustion of local administrative remedies must be met before challenges can proceed to the district court.

E. Ordinance Procedure

The proposed LGA contains two procedural requirements for all Chapter ordinances. The process required is based upon the subject matter of the ordinance. Most ordinances, however, may be enacted pursuant to 26 N.N.C. Section 2001 which contains specific content and notice requirements. Passage of these types of ordinances requires a majority of the votes cast by the Chapter membership at a duly called Chapter meeting. Id. Section 2001(E).

Other ordinances that deal specifically with adopting a municipal or alternative form of Chapter governance, local taxation, issuance of community bonds, or Chapter official compensation require the process prescribed in Section 2001(H). The primary reason for distinguishing between the types of ordinances is that passage of ordinances pursuant to the "ordinance referendum" provision requires a majority of the Chapter's registered voters. In order for Chapters to enact these types of ordinances a majority of the registered voters must support the ordinance.

CHAPTER ORDINANCE SAMPLE
MFCO - 001
Many Farms Animal Control Ordinance

Section 1-1. LEGISLATIVE INTENT.

(A) It is the intent of the Many Farms Chapter that enactment of this ordinance will protect residents from injury to persons and damage to property and annoyance due to dogs running at large and/or disturbing the peace.

(B) Further, the Many Farms Chapter intends to protect residents from unvaccinated animals.

Section 1-2. DEFINITIONS.

1. "Animal" means any live dog or cat, domestic or wild.
2. "Animal Control Center" or "Center" means any pound, lot, premises, or building maintained for the care and custody of animals.
3. "Harboring" The occupant of any premises on which an animal is kept or to which an animal customarily returns for daily food and care is presumed to be harboring or keeping the animal within the meaning of this ordinance.
4. "Licensed Veterinarian" means a person with a Doctor of Veterinary Medicine Degree licensed to practice within the United States and the Navajo Nation.
5. "Owner" of an animal is a person who owns, harbors, or keeps or knowingly causes or knowingly permits an animal to be harbored or kept, or who has permitted a stray animal to remain on or about his premises for at least fourteen (14) days.
6. "Rabies Vaccination" means the inoculation of a dog or cat with a rabies vaccine recognized and approved by the Navajo Nation given in an amount sufficient to provide immunity from rabies for a minimum of one year.
7. "Running at Large" means to be off the premises of the owner and not under the control of the owner or an authorized person over twelve years of age, either by leash or otherwise, but an animal within the automobile or other vehicle of its owner shall be deemed to be upon the owner's premises.
8. "Stray" means free of physical restraint beyond the boundaries of the premises of the owner.

Section 1-3 ANIMAL CONTROL.

(A) Restraint of Animals

- (1) It is unlawful for any owner to cause or allow an animal to run at large in or on any public property, vacant lot or unenclosed property within the Chapter boundaries. Any animal found running at large shall be taken and impounded by the Chapter Animal Control Center.
- (2) It is unlawful for any person to allow any animal in his possession or control to persistently or continuously bark, howl or otherwise disturb the peace and quiet of the Chapter residents.

(B) Owner's Duties

(1) The owner of any dog or cat over the age of three (3) months, shall have the animal vaccinated against rabies. The rabies vaccination shall be administered by a licensed veterinarian and evidenced by a rabies vaccination certificate.

(2) The veterinarian administering anti-rabies vaccine to any animal shall issue to the owner or keeper of the animal rabies vaccination certificate and tag, each containing the same number. The certificate shall contain the name and address of the owner of the animal, a description of the animal, the date of vaccination, shall be released to the Many Farms Animal Control Center.

Section 1-4 RULES AND REGULATIONS.

(A) Establishment of the Many Farms Animal Control Center. The Center shall be kept open to the general public for the transaction of business during the hours as set by the Center.

(B) Reasonable rules and regulations may be prescribed by the Center to carry out the intent and purpose of the ordinance, pursuant to standards created by this ordinance.

(C) Impounding Strays; Redemption Fees; Records to be Kept.

1. If a stray dog is wearing a license, rabies tag, or other identification, the animal shall be confined at the Center a period of at least five (5) days, during which time an attempt shall be made to locate and notify the owner. If a stray animal is not wearing any identification, the animal shall be impounded at the center for at least four (4) days. The Center may dispose of such impounded stray animal on the day following the required impoundment period. The animal may be placed in an adoptive home, may be sold, or may be destroyed in a humane fashion, as the Center deems proper.

2. No dog that has been impounded at the Center will knowingly be sold for the purpose of breeding or resale. No dog adopted from the Center will be leased or rented to another party. The adopting party shall have every dog they adopt from the Center spayed or neutered by a licensed veterinarian.

3. The owner reclaiming a dog shall pay an impoundment fee of \$25.00 upon the first impoundment within a twelve (12) month period, \$35.00 upon the second impoundment within said time period, and \$75.00 upon every impoundment thereafter. Should the lawful owner of a dog elect not to reclaim the animal, the owner will still be responsible for all fees and charges incurred by the pickup, impoundment and care of that animal.

⁴ A record of all animals in the control of the Center shall be maintained for a reasonable period of time. The record shall contain at least the following information:

- a. description of the animal;
- b. the manner and date of its acquisition by the Center;
- c. the date and manner of disposal;
- d. the name and address of the party adopting or the animal; and
- e. all fees received.

This ordinance shall become effective upon the signature of the Chapter President.

Many Farms Chapter President

Date

X. ALTERNATIVE FORMS OF CHAPTER GOVERNMENT SUMMARY

The Local Governance Act (LGA) authorizes Chapters to "[a]dopt an alternative form of Chapter governance based upon models provided by the Transportation and Community Development Committee of the Navajo Nation Council." 26 N.N.C. Section 103 (E)(6).

This does not mean that Chapters should wait for TCDC to develop models. Chapters should work with TCDC to develop improved systems of local government that meet basic requirements such as a system for due process, accountability to the people, checks and balances, and separation of power. These models will become models for the Navajo Nation. A sample model that was based upon the recent Ramah Chapter referendum to adopt an alternative form of Chapter government is attached.

The intent of Section 103 (E)(6) of the Local Governance Act is to provide some structure and guidance for Chapters so the Nation does not have 110 different local governments.

A. Purpose

During the local governance work sessions with the Navajo Nation Council Standing Committees, Chapter officials and the Navajo Public, a number of recommendations were made to allow Chapters to restructure their current form of Chapter governance. Some recommendations were made to allow Chapters to restructure the Chapter officers positions to meet the changing needs of the community. Other recommendations were made to allow Chapters to formulate regional governments.

Currently, the Chapter officers include the Chapter President, Vice President, and the Secretary/Treasurer. 2 N.N.C. Section 4023 et seq.

CURRENT CHAPTER GOVERNMENT PROBLEMS

A. Quorum issues; many times officials and meeting participants have to wait several hours to achieve a quorum to conduct business. In many instances a quorum is not achieved and the meeting is rescheduled.

B. Lack of representation when officials represent only a small geographical segment of the chapter.

C. Inconsistent representation of decision makers (25 quorum). Many times, participants are mostly at the meeting for self interest (i.e. homesite, home, waterline, power line, assistance) and do not care about overall community improvement issues. Every chapter meeting also has many new participants, thus stability in decision making and the important learning curve of decision makers do not develop.

D. Instability of decisions result when at one meeting a certain decision is made, several are upset of the result, and at the next meeting the prior decision is rescinded.

E. Much time is wasted in making decisions, because of many persons having too many different interests and discussions go on and on.

F. There is concern about the Chapter Secretary/Treasurer position. This person records decisions regarding financial allocations, is responsible for implementing the decision, and reports back at the next meeting of decisions and results. This position's responsibilities creates opportunity for abuse. The position of Secretary/Treasurer entails a lot of work, and many in the position readily admit that the responsibility is overwhelming.

G. There is concern that officials duties and responsibilities are not consistent with the principles of separation of power and checks and balances.

H. The position of Chapter Community Services Coordinator (CSC) has much potential to be the local executive that will implement decisions. Unfortunately, many CSCs are caught in a power struggle between the officials and council delegate, and the high expectations of chapter residents. This position also gets a modest pay of \$20,904 annually. All this results in high turnover of CSCs and Clerk Typists.

I. There is concern that officials practice favoritism in hiring of employees, providing assistance, and in giving contracts for services.

J. In many off-reservation communities, local officials are required to be accessible (live and work in the community). The main reason for requiring officials to be accessible is because much of the responsibility for governing and for the growth of the community lies in the hands of the community citizens and their local government officials. Thus, in order for projects to move and issues to be addressed quickly, local officials, even if only symbolic, have to motivate citizens and administration, and work beyond their regular meeting responsibilities for the community to grow.

In Navajo chapters, accessibility to the community is not a requirement. Thus, many Chapter Officials make a living mainly outside of the community and only show up for planning and chapter meetings. As a result of the Local Governance Act, the responsibility of governing and the growth of the community will fall upon the community and it's chapter officials.

The alternative forms of Chapter governance models will allow Chapters to restructure their current organizational structure by either modifying the roles of the officers or to develop a representative form of government that may include the development of a Council similar to a city council.

Chapters wanting to formulate a regional government may also collaborate with other Chapters to design and approve regional governments.

B. Models of Governance

The models should specifically identify the duties and responsibilities of the elected officials, and if applicable, appointed employees and other officials.

One possible model may include the "Council of Nat'aa" which will allow the election of individuals who represent a sample of the Chapter's total population.

C. Council of Nat'aa Alternative Model

According to the Commission on Navajo Government Development's goals and recent research on tribal governments, developing a cultural match in government is very important.¹ "Cultural Match" means that your government has to have the support of and legitimacy with the people. The institution of governance has to fit the culture of the community.

Before the development of a formal government, the Dine' had self-sufficiency. The local Nat'aanii and local governance were for different purposes than today. They were centered on, for example :

- Resolving disputes such as: stealing sheep and personal items, adultery, and murder.
- Economic Self-Sufficiency: encouraging families to help each other with planting, harvesting, and shepherding.

- Ceremoni encouraging discussion of and implementation.
- Facilitating development and sharing technologies such as planting techniques, plants and medicines, psychology and health, architecture, and refinement and development of laws, teachings, history, and ceremonial life.
- Ensuring the Teaching of Children
- Peace and War
- Abeyance of Natural Laws

The Nat'aanii that were selected were good citizens, having a good family standing, knowledgeable of important life skills, and having spiritual understanding.

The current practice of holding elections in which there are winners and losers is divisive. Those who lose an election often feel they have been rejected by the community, and feel their honor has been hurt. A few tribes continue to use more traditional forms of governance including the Onondaga, some Pueblo tribes, several small bands in California, and most Native tribes in Alaska. Some tribes have made cultural identity and survival a priority including the Mississippi Choctaw.

Model 1. CHAPTER COUNCIL OF NAT'AA AND ATsilASDAI EXECUTIVE

We have developed one exciting model, the **Chapter Council of Nat'aa**, which incorporates traditional and modern governance concepts. According to this model, a position for an **elder**, a **youth**, and possibly others such as a **rancher**, a **highly educated person**, a **business person**, and a **environmentalist** could be created. Navajo leaders were historically selected based on wisdom and knowledge of necessary life experiences by a group of elders.

The elder would be selected by a group of elders every 2 years. The youth would be selected at a youth convention every 2 years.

COUNCIL OF NAT'AA		
Elder	Youth	Both selected through a convening of elders and youth.
Current Officials selected at large or by single member district		

The **Council of Nat'aa** would make decisions

¹Cornell, Stephen. *Politics, Business, and Nation-Building*. 1997.

(similar to a City Council) on important local community matters after facilitating consensus with community members. They would be good representatives of the Chapter population. At first, they would be inexperienced having very little knowledge of government (similar to a city council) but after a few months, their decisions would improve.

The **Council of Nat'aa** would employ an **Atsilasdei - Executive**, interpreted as one who is given the responsibility to implement forward thinking, (like a City Manager) to implement the decisions of the Council of Nat'aa. The Atsilasdei would manage the operations of the government.

There are several important elements to this model:

1. Meetings would be shorter, in most cases about 4 hours long.
2. The Council of Nat'aa could meet for 2 short, productive, refreshingly challenging meetings per month resulting in a potential lower cost.
3. The Council of Nat'aa would retain important traditional Dine elements with modern sophistication. Just the name Council of Nat'aa has a lot of meaning and creates cultural pride. The way several of the officials are selected also has much meaning to the Dine' Culture.
4. The Atsilasdei Executive would be the heart of local governance armed with the tools to manage the local government towards self-sufficiency.
5. All of the above creates a career track for young motivated Navajos to invest in themselves and also bridges the gap between the young and elderly.

This alternative system is a good first step towards developing a government that is based on the rich, ancient traditions of the Dine, and is able to effectively and pro-actively respond to the many challenges of the modern global world.

Model 2: Improving the Way Meetings are Conducted

By adopting alternative models of government, Chapters may alter the way meetings are held.

Throughout the public participation process, many people expressed concern about what happens at important community meetings. They say that people always "*alhinaadijah doo saad halee*" - meaning that an argument always arises.

As a Nation, we often are divided and paralyzed in deciding major issues because of the clash in values between our traditional culture and the premises of our modern government processes that are based upon European-American understandings.

It is important to have structure in conducting meetings but to also be cognizant of the Navajo cultural practices. Many chapters, to formalize their meetings even further adopt Roberts Rules of Order for meetings. But why do communities continue to have problems with meetings and how can they improve them?

Fortunately, this problem is not unique just to the Navajo Nation. It is a problem in many Native American communities. Many tribes in the United States currently suffer from considerable factionalism and disharmony. There is a considerable amount of work happening to change this.

The reason for much of the disharmony that tribes are experiencing is that the form of government imposed on almost all tribes by the United States government is not compatible with the traditional cultures. Traditionally, all tribes in the United States practiced inclusive forms of consensus decision making that made each member of the community feel that membership through their participation.

NAVAJO TRADITIONAL PROCEEDINGS

Traditionally, there was a lot of respect provided at meetings to discuss important community issues.

Many discussions, such as planning an activity, was conducted with much respect and ritual. Prayers, songs, smoke, and discussion took place with many activities. If the discussion on a particular topic got heated, an elder would remind the group of the basic values at any difficult moment in the process.

There also was traditional respect such as the sharing of clans, knowing kinship clans, and showing respect to elders, ceremonial leaders, and even young adults that showed leadership potential. This allowed for bonding necessary for a successful process.

Even the setting of the meetings were important. People sat in a circle to facilitate equal communication and encourage equal participation symbolically and in fact. Key people were usually spread around the circle to provide an inclusive process (the modern version of this

is the "talking circle" where sometimes a talking stick is used so that each person in turn has the opportunity to share one alternative, without discussing it at this point, or passing, until everyone has passed or there are no more ideas to add).

With this process, team building occurred. There was a "community think-tank" that many people were excited about and honored to participate in to address topics such as new farming and ranching techniques, how to deal with winter emergencies, architecture, relearning and refinement of ceremonies, songs, new dances, stories to ensure that future generations know their history and respect the natural laws, and other important community topics.

Model 3: Modifying the Role of the Existing Chapter Officials

Another possible model is the ability to modify the role of the Chapter Vice President. Many people have recommended that the duties and responsibilities of the Vice President be distributed to the other officers. As such, removing the role of the Chapter Vice President. In this way the money designated for the Vice President can be used to fund the Chapter administration.

Other modifications include allowing the Chapter President to become a "full-time" official. The President in this instance will become a full-time Chapter administrator. Another possible model includes the ability of the current Chapter officials to act as a Chapter Executive Council for emergency and other specific situations.

Model 4: Other Improvements through Alternative Forms of Chapter Government

Alternative models of government that are adopted may include various improvements to the current Chapter government system. For example, improvements may include:

1. Basic Improvements:

- a. Modifications of Chapter official positions (enhance, decrease).
- b. Requiring qualifications for officials.
- c. Providing a place for a youth or elder official,
- d. Creation of a chapter executive manager and administration.
- e. Instituting clear separation of powers and a system of checks and balances.

2. Moderate Improvements:

- a. Appointment of a Nat'aanii through traditional

processes selecting officials.

- b. Electing officials through a single member district process such as having an official from each grazing unit.
- c. Implementing a system of staggered or length of terms for elected officials.

3. Maximum Improvements:

- a. Establishing a representative form of government with specific delegation of authorities and responsibilities to an elected governing body.
- b. Instituting other forms of officials such as Nat'aanii, Council, or Commission.

Certainly, each of the above mentioned models and improvements need serious consideration by the affected chapter and its citizens. This summary gives a basic idea of what the drafters hope to develop regarding alternative forms of Chapter governance.

D. Scope of Authority

The exercise of authority for an alternative form of Chapter governance may be limited to the authorities delegated in Section 103 et seq. of the Local Governance Act.

E. Process Required

Chapters wanting to adopt an alternative form of governance can follow the ordinance procedure in the LGA Section 2001. The ordinance procedure is not specific but chapters should anticipate the need for actions such as the circulation of a petition to be certified by the Navajo Nation Election Administration. Adoption of an alternative form of governance will require passage by a majority of the Chapter's registered voters

We can use the Ramah Ordinance of 1997, which proposed an alternative form of governance, as a model to see what type of procedure a chapter would have to undertake to adopt an alternative form of governance.

The Ramah ordinance of 1997 was first presented and approved at the chapter planning meeting. The registered voters of Ramah then addressed the proposal at the regular chapter meeting. Thereafter, the Ramah Chapter worked with the Board of Election Supervisors to get the measure before the registered voters of Ramah. The Ramah Chapter followed the 11 N.N.C. procedure.

SAMPL
ALTERNATIVE FORM OF GOVERNANCE ORDINANCE
using Many Farms Chapter as a Model
(Based In Part On Ramah's 1997 Ordinance)

Chapter 1

Subchapter 1. Establishment; Definitions; Title; Purpose; Amendments; Severability

Section 1. Establishment

There is hereby established the Many Farms Community Government consisting of the Council Administration and Membership.

Section 2. Title

A. This ordinance shall be known as the Ordinance of the Many Farms Community Government of 1997.

B. The Ordinance of the Many Farms Community Government is hereby enacted as follows:

Section 3. Definitions

A. Unless otherwise stated, the following definitions apply to this ordinance.

1. Community President or Council President means the Many Farms Chapter President of the Navajo Nation and replaces the Many Farms Chapter President name.

2. Community Secretary/Treasurer means the Many Farms Navajo Chapter Secretary/Treasurer of the Navajo Nation.

3. Council means an assembly of community leaders who address and approve policies for the Many Farms Community Government in accordance with this ordinance. The members of the Council are described in Section 2003 of this ordinance.

4. Elected officials means the President, Secretary/Treasurer, _____ Committee Member, and Representative Members of the Many Farms Community.

5. Members and Membership means all registered voters of the Many Farms Community and all tribal members of the Many Farms Community. For purposes of voting or exercising authority, membership means the registered voters of the Many Farms Community.

6. Ordinance means local law, rule, or regulation enacted by the community membership.

7. Many Farms Community

Government means the government of the Many Farms Community and replaces Many Farms Navajo Chapter.

Section 4. Purpose

A. It is the purpose of this ordinance:

1. To address the problems associated with the requirements of having twenty-five (25) members make governmental decisions for the entire Many Farms Community and consider a representative form of governance to replace the twenty-five (25) requirement.

2. To establish a policy and a framework for a government of the Many Farms Community that would provide for the basis and structure for a sound self-government operation for the Many Farms Community.

Section 5. Amendments

This ordinance may, from time to time, be amended as necessary and appropriate by the membership of the Many Farms Community through a referendum upon the recommendation of the Council or registered voter(s) of the Many Farms Navajo Community.

Section 6. Severability

If any provisions of this ordinance are considered invalid, the remaining provisions shall not be affected and shall remain in force and effect.

Subchapter 3. Membership

Section 1001. Membership Authority

A. Legislative authorities pertaining to local matters rest with the membership of the Many Farms Community. They are in the best position to address local concerns, by enacting public policies, the membership identifies and resolves community problems. By enacting this ordinance, the membership has addressed the governmental functions of elected officials, employees and membership.

B. The membership hereby institutes a representative form of governance based upon equal representation by population.

C. The membership retains the ordinance authority and may exercise the ordinance authority delegated by the Navajo Nation Council.

Subchapter 5. Council of the Many Farms Community Government

Section 2001. Authority

A. The Many Farms Community members hereby delegate the following authorities to the Council of the Many Farms Community Government.

1. The Council of the Many Farms Community Government ("Council") shall have the authority to exercise governmental authority on behalf of the membership of the Many Farms Community Government.

2. The Council may exercise any of the resolution authority delegated to Navajo Nation Chapters by the Navajo Nation Council.

3. The Council shall oversee the general and specific operation of the administration and adopt administrative policies to maintain a professional management system. The oversight authority of the Council includes, but is not limited to, investigating and conducting hearings, and resolving administrative disputes not otherwise delegated to the administration.

4. The Council shall assist in the furtherance of developing the Many Farms Community Government.

5. The Council shall guide in the adoption of ordinance or legislation and oversee the implementation or enforcement of the ordinance.

6. The Council is forbidden from involvement in the affairs of the administration. Only through a duly called meeting of the Council shall the Council or any of its members exercise authority over the administration or exercise authority enumerated in section 1001 of this ordinance.

7. The Council may delegate its authority upon developing the minimum standards for the delegatee to follow.

8. It shall be the responsibility of the Council to adopt procedural rules for conducting public hearings which includes reasonable public notice and eliciting comments and input from the membership prior to the enactment of ordinances or prior to enactment of rules, regulations or policies.

9. The Council may select an interim Council President Many Farms to serve in the absence of the Community President during a duly called Council meeting..

10. The Council shall comply with Navajo and Federal Laws when applicable in exercising the authority enumerated in this section.

Section 2002. Community Officials

A. Duties and Responsibility of the Community President, Vice-President, Secretary/Treasurer and the Land Board.

1. The Community President shall:

- a. Reside over a duly called Council meeting.
- b. Vote in case of a tie.
- c. Provide leadership to the Many Farms Community Government.
- d. Represent the Many Farms Community

Government at the Community, Navajo Nation, State and Federal level.

e. Sign documentation which are not delegated to the administration.

f. Work closely with the Community Council to ensure that the Many Farms Community Administration is adequately meeting the community's governments directives and expending funds according to conditions of the Navajo Nation Council and/or the Community's annual budgetary objectives; and shall report to the community membership .

g. Recommend the establishment of and appointment to the standing and special committees of the Many Farms Community Government to the members of the Council for approval.

h. Call emergency or special Council meetings.

i. Assign, when necessary, projects or responsibilities to the members of the Many Farms Community Council or may assign projects or responsibilities to the representative members and assignment or delegation should be reasonable.

j. Perform any other duties as the Council may direct from time to time.

2. The Secretary/Treasurer shall:

a. Prepare and finalize all resolutions, take minutes of the Council and maintain records of Council meetings.

b. Have the responsibilities of co-signing checks not otherwise delegated to the administration.

c. Perform other reasonable duties as may be directed by the Council or by the President.

3. The _____ Committee Member shall perform his/her duties and responsibilities consistent with the _____ Committee Plan of Operation and perform other duties as may be directed by the Council or the President.

Section 2003. Members of the Council, Election, Terms, Qualification for Candidacy, Eligibility to Vote, Petition, Filing Fees.

A. Members of the Council

1. The members of the Council shall consist of (9) members who are registered voters of the Many Farms Community and meet the qualifications as candidates for election to the Council of the Many Farms Navajo Community Government. The composition of the council shall include the following:

a. The Many Farms Community President, the Secretary/Treasurer, and the _____ Committee Member of the Navajo Nation whom are elected at large.

b. The (5) representative members who represent one of the districts and are elected by the registered voters of the districts they represent.

c. The Many Farms Council Delegate who will serve as an ex-officio member of the Council.

B. Election.

1. Elections shall be carried out consistent with and guided by the principles of the Navajo Election Code, Title 11 of 1990.

C. Terms.

1. The terms of office for the members of the council shall be the same as that of terms for Chapter Officials (Subchapter 1, Section A, B, C, and D) with the following exceptions:

a. The representative members shall serve staggered terms. The staggered terms shall be fixed by the Board of Election Supervisors of the Navajo Nation.

D. Qualifications for Candidacy and Election to the Council.

1. Qualifications for candidacy for election to the Council of the Many Farms Community Government shall be that of qualifications to be elected as a Chapter Officer (Subchapter 1, Section 8-C) with the following exceptions:

a. The Council President and (_____) representative members must be residents within the voting district for at least one year prior to filing a candidacy notice and continue their residency during their term and be accessible to the Many Farms community members and Community Government Administration.

E. Eligibility to vote in the Many Farms Community Government.

1. Eligibility to vote in the Council of the Many Farms Community Government shall be the same as that of eligibility to vote in the Navajo Nation elections with the following exceptions:

a. In electing a representative member, the eligibility to vote shall be determined by residence in that grazing unit for at least two years prior to the primary election for that office.

F. Nominating petition

1. The nominating petition of the Chapter Officials shall be the same as that of nominating petition for Chapter Officials with the following exception for representative members:

a. The nominating petition shall be signed by residents of the voting district equal to the three percent of those who voted in the last general election for that district. The nominating petition shall be fixed by the Board of Election Supervisors of the Navajo Nation.

G. Filing Fees.

1. A filing fee, consistent with the Election Code, will be charged to each candidate who declares candidacy for election to the Council of the Many Farms Navajo Community Government.

Section 2004. Meetings and Procedures.

A. Meetings

1. All meetings of the Council shall be held in Many Farms, Arizona at the community meeting place to exercise authorities set forth in Section 1001 of this ordinance. The council shall hold at least two Council meetings, on the first and third Tuesday of every month, and special or emergency meetings when it is necessary and proper. At any meeting a quorum shall consist of five (5) members with at least three (3) of the representative members present.

2. All meetings shall be open to the public. It is the responsibility of the Council to notify the public at least forty eight hours before a meeting of the content of the meeting and the date of the meeting. The membership of the Many Farms Community shall be allowed to make comments or recommendations of items before the Council. Notwithstanding the open meeting policy, the Council may deliberate in an executive session on personnel matters or specific litigation matters.

B. Procedures of Conducting Meetings.

1. The Council is empowered to develop its own rules of procedures for the conduct of meetings, provided however, that (a) all formal substantive actions shall be taken by written resolution duly certified by the presiding officer and filed with the records office of the administration and (b) all proceedings shall be recorded and minutes shall be published.

Section 2005. Compensation.

A. Compensation to Members of the Council.

1. The members of the Council may receive stipends for attending Council meetings contingent upon the availability of funds of Navajo Nation Council. The Community President and Council Delegate shall not receive stipends for attending Council meetings.

2. The members of the Council may receive reimbursement for travel expenses incurred while conducting business on behalf of the Many Farms Community Government contingent upon the availability of funds of the Navajo Nation. The travel budget for the Council shall not be disproportionate to the budget for direct services.

3. The President of the Many Farms Community Government shall receive a salary for performance of his/her duties as proscribed in Section 2002 of this ordinance. Payment of salary to the

Community President is contingent on the availability of funds. The salary to the President shall not exceed thirty thousand dollars per year plus fringe benefits. The President shall not hold any other employment with any other entity.

B. Any other source of funds to pay compensation for stipends, travel or salary shall be approved, by ordinance, by the membership of the Many Farms Community.

Subchapter 7. Administration

Section 3001. Administration

A. The purpose of developing the administration is to carry out many governmental tasks. The Council of the Many Farms Community Government shall, by resolution, adopt plans of operation for the executive functions of the administration.

B. The standard placed on the administration is that of a professional management system which promotes efficiency and accountability to the membership of the Many Farms Community Government. It is the responsibility of the Council to ensure that the administration is meeting the standard set forth in this section.

Subchapter 9. Ethics and Standards of Leadership.

Section 4001. Ethics

Elected Officials and employees of the Many Farms Community Government shall maintain a high standard of conduct in all dealings and comply with the Ethics in Government Law of the Navajo Nation.

Section 4002. Standards of Leadership

A. It is the policy of the Many Farms Community that all elected officials of the Many Farms Community Government meet certain standards of community leadership. These standards are as follows:

1. All elected officials of the Many Farms Community Government shall hold utmost integrity and loyalty to the community and to the Many Farms Community Government over any other interests provided it is within the Ethics in Government Law of the Navajo Nation.

2. All elected officials of the Many Farms Community Government are expected to maintain the traditional role of leadership by communicating on a regular basis with their constituents either by home visitations or correspondences. The purpose of the communication is to inform constituents and seek advice and input from constituents.

XI. PERSONNEL REQUIREMENTS

A. NEW CHAPTER ADMINISTRATION FUNCTIONS

Pursuant to Section 1004 of the Local Governance Act: Chapter Administration, it is important to provide several models to Chapters and the Navajo Nation Leadership on what it would take to administer the additional Chapter administrative responsibilities.



1. The Five Management Systems Administrative Requirements

First, let's analyze the functions required for each management system.

ACCOUNTING SYSTEM

The Accounting System includes responsibility for transactions including cash receipts, check ledger, petty cash, savings ledger, payroll, bank reconciliation, property inventory, and financial statements.

PERSONNEL MANAGEMENT

The Personnel System includes developing personnel policies and procedures, providing a comprehensive human resources management system, recruitment and selection, advertising of positions, maintenance of personnel files, coordinating benefits and insurance, providing for pay raises, position control, and handling grievance procedures.

RECORDS MANAGEMENT

The Records Management System includes a system for the creation, maintenance, retention, protection, control, and disposal of records.

PROCUREMENT POLICY

The significant workload for the purchase of goods and services include the solicitation of bids, selection of qualified vendors, processing of purchase requisitions, inspection, acceptance or rejection of deliveries, and inventory evaluation and control.

PROPERTY CONTROL

The Property Control Policy includes the annual inventory of Chapter property, maintenance of property, keeping purchase and maintenance records of property.

2. Additional Local Functions

Additional new functions include:

- Researching and developing ordinances.
- Ordinances includes those for public safety such as trash control, intoxication control, or curfews, to those developed to enhance community vitality such as architectural standards for new businesses, and tax revenues targeted at community recreation and parks.
- Providing assistance to community members in completing the process for homesite leases.
- Providing assistance to potential business owners on completing the process for business site leases.
- Developing and keeping track of resolutions and enforcement.
- Coordinating establishment of a local land use plan.
- Assisting efforts to amend the land use plan, develop zoning codes, and so forth.
- Applying for grants from County, State, Federal, and other sources.
- Entering into Contracts for Service Programs

B. FIVE STRATEGIES TO DEVELOP CHAPTER MANAGEMENT CAPACITY

Based on the above analysis, once a Chapter takes on the authorities established through the Local Governance Act, there will be a need for a professional administration.

There are several strategies that Chapters can consider:

1. STRATEGY ONE

The existing Community Services Coordinator (CSC) assumes the responsibilities to administer the management systems.

The first option would be to use the existing administration. The administration at the Chapter level is currently made up of two positions, the Community Services Coordinator (CSC) and the Clerk Typist. The CSC performs work of general difficulty in assisting elected officials in coordinating with planning, organizing, and implementing local socioeconomic development goals.

Current Local Staff	Salary	Increase @ 24.85%
Community Services Coordinator	\$20,904	+ 5,194
Clerk Typist	\$14,872	+ 3,696
	\$35,776	+ 8,890
		= 44,666

For smaller Chapters, this option is likely necessary due to budget constraints.

2. STRATEGY TWO
Reclassify Existing Chapter Personnel

If the Chapter wanted to build upon existing staff, one option would be to reclassify the Community Services Coordinator position to a higher paying position equivalent of the expertise required and additional responsibilities. The Clerk Typist would also be reclassified to at least a Secretary III or Administrative Assistant. The level of pay would be set by the Chapter dependent on its financial resources. For example, the reclassified positions may be as follows:

Reclassified Chapter Positions

Position	Reclassified to:	Salary (10% benefits)
CSC	Management Position	\$29,000 + 2,900
Clerk Typist	Administrative Assist.	\$18,000 + 1,800
		\$47,000 + 4,700
		= \$51,700

The reclassification option should consider the additional responsibilities for planning, legal guidance, and accounting services.

3. STRATEGY THREE
Add Minimal Additional Staff to Assist Reclassified Positions

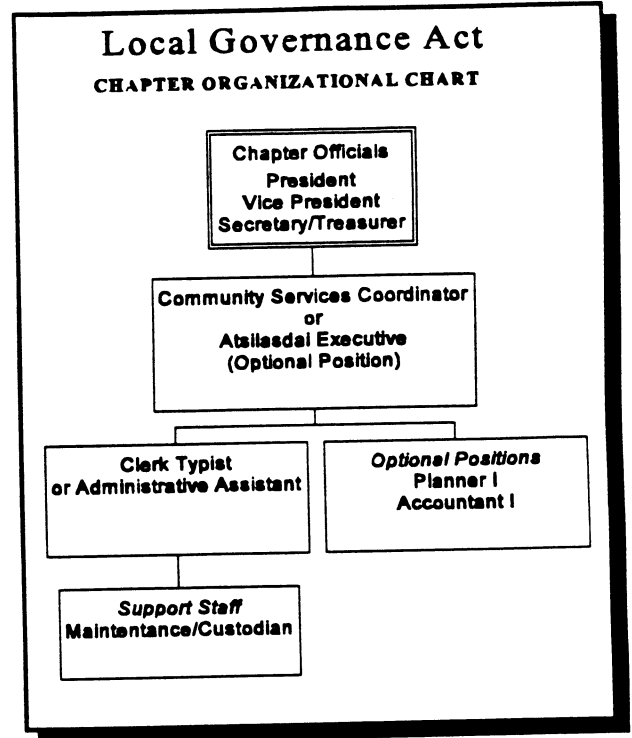
Chapters with the financial resources may want to consider adding minimum additional staff can to the existing structure to adequately address the new responsibilities. Additional staff should include at least an Accountant I and possibly a Planner I.

New Chapter Positions

Position	Salary (Plus 10% Benefits)
Accountant I	\$25,000 + 2,500
Planner I	\$24,000 + 2,400
	\$49,000 + 4,900 = \$ 53,900

If existing staff positions are going to be re-classified to meet the need for the higher level of expertise

required, the qualifications for the new positions must be raised accordingly.



The reclassification of staff positions would require additional personnel cost of about \$7,000 annually plus about \$4,500 in administrative costs.

The personnel costs for new personnel would cost about \$53,900 annually. The additional administrative costs for new additional staff will raise the operating costs by about \$4,300 annually.

Please refer to the financial analysis on page 32 to get a good estimate of additional costs for Chapter implementation of the Local Governance Act.

4. STRATEGY FOUR
Maintain current Chapter Personnel and develop a District Administration or Consultant

Another option for Chapters would be to maintain the CSC and Clerk Typist positions at the Chapter and develop an administration at a district level or between several Chapters. Chapters may also want to consider utilizing consultant services to address planning and accountant functions. A district administration would ensure quality performance and provide technical assistance to the Chapters. As such, several Chapters such as District 9 comprising of 5 Chapters may, through inter-Chapter agreements, develop a District administration. This option may be feasible

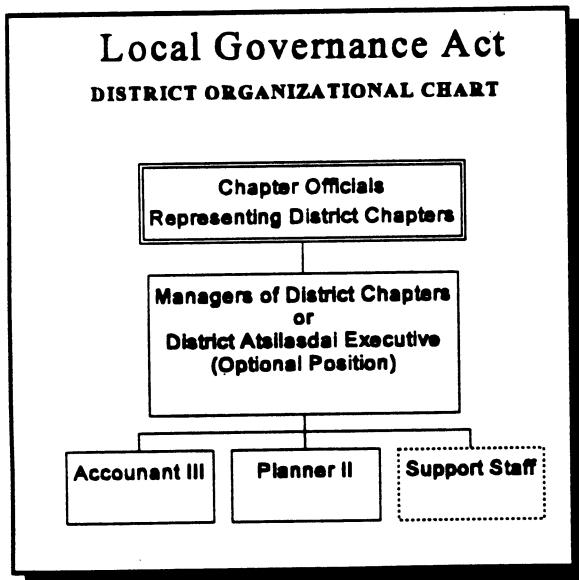
because:

- The Chapters would be able to get a high level of expertise while not having to pay for a total administration.
- Realistically, it may not be necessary to establish full-time personnel considering the amount of workload for each individual Chapter.
- Other important services such as Community Planning, Grant Writing, Accounting, Legal Counsel, Surveys, Archeological Clearances, Environmental Assessments, and other technical services may be better provided.

A district level administration may include the following personnel:

District Administration		
		Fringe(10%)
Accountant III	\$30,000	3,000
Planner II	<u>29,000</u>	<u>2,900</u>
	59,000	5,900 = \$64,900

The administrative costs for such a district administration is estimated at about \$23,63 per year.



5. STRATEGY 5

Develop Agency Positions to Support District and Chapter Administrations

Due to cost constraints, Chapters should consider

the development of Agency Positions for Legal Services, Land Surveying, Computer Technical Support, and possibly others such as a roads engineer and Geographic Information Systems Support.

Under the existing Community Service Program, at the Agency level, there are the following positions:

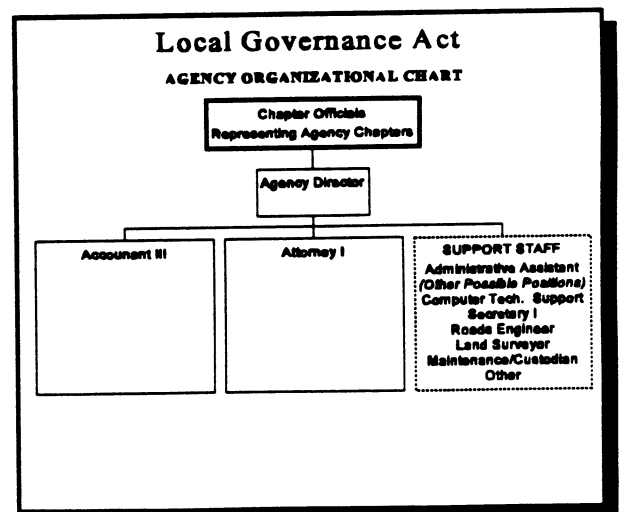
Current Agency Positions (Fringe @ 24.85%)		
Agency Director	\$30,867	7,670
Community Involvement Spec.	\$24,232	6,022
Administrative Assistant	\$20,904	5,195
<u>Accounting Clerk II</u>	<u>\$14,872</u>	<u>3,696</u>
Total	\$90,875	22,583
		= \$113,458

At the Agency level, the Chapters would need the following positions:

New Agency Positions (Fringe @ 10%)		
Accountant III	\$30,000	3,000
<u>Attorney I</u>	<u>\$35,000</u>	<u>3,500</u>
Total	\$65,000	6,500 = \$71,500

The existing agency positions could be reclassified to accommodate the changes at the Chapters.

Reclassified Agency Positions		
Position	Reclassified to	Salary Changes
CIS	Attorney I	+ \$8,133
Accounting Clerk II	Accountant III	+ \$14,432
Total Salary Increase		\$22,565



LGA Chapter Budget Analysis for Secondary and Major Growth Chapters

COMMISSION ON NAVAJO GOVERNMENT DEVELOPMENT

Current Chapter Budget

Estimated Budget for Chapter under Local Governance

Object	1996 Budget	Proposed		
		Budget	Start-Up Costs	Maximum Annual Costs
1000 Personnel				
Coordinator	26,098.00			
Clerk Typist	18,567.69			
2000 Travel Expenses				
Community Services Program Staff	2,000.00			
3000 Supplies Expenses	5,000.00			
3100 Office Supplies				
3150 Postage, Freight, UPS				
3200 Printing/Binding				
3250 Dues/Subscriptions				
3300 Operating Supplies				
3350 Photocopying				
4000 Lease/Communication/Utilities				
4300 Office Space Rental				
4400 Communication Exp.	2,400.00			
4500 Utilities (electric, water, propane)	12,000.00			
5000 Repairs & Maintenance				
5100 Equipment Building Vehicle Heavy Equipment	25,000.00			
6000 Contractual Services/ Special Transactions				
6100 Consultant Fees	3,000.00			
6600 Education/Training	4,000.00			
6700 Advertising/Promotion				
8000 Capitalized Expenditure				
8100 Computer/Software	1,000.00			
8200 Office Furniture				
TOTALS	99,065.69	111,920.69	17,500.00	58,184.00
		Chapter Increase of \$12,855.00		

Local Governance Act
District Administration Budget Analysis

District Administration Budget

Object	Proposed 1998 Budget	Optional Expenses	Option Start-Up Costs
1000 Personnel			
Accountant III	30,000.00		
Planner II	29,000.00		
FRINGE BENEFITS @ 10%	5,900.00		
2000 Travel Expenses			
2200 Personnel Travel Expenses			
Zone A			
2 tripsx 2 days x \$90 x 2 staff	720.00		
Zone B			
2 tripsx 2 days x \$135x 2staff	1,080.00		
Vehicle Mileage Expenses			
2300 .315x 1000miles x 12 months	3,780.00		
3000 Supplies Expenses			
3100 Office Supplies	800.00		
3150 Postage, Freight, UPS	300.00		
3200 Printing/Binding	300.00		
3250 Dues/Subscriptions	50.00		
3300 Operating Supplies	700.00		
3350 Photocopying	2,000.00		
4000 Lease/Communication/Utilities			
4300 Office Space Rental \$600montl		7,200.00	
4400 Communication Exp.	2,000.00		
4500 Utilities \$300 month (electric,water,propane)		3,600.00	
5000 Repairs & Maintenance			
5100 Equipment	1,000.00		
6000 Contractual Services/ Special Transactions			
6100 Consultant Fees	3,000.00		
6600 Education/Training	1,000.00		
6700 Advertising/Promotion <i>Legal Advertising</i>	0.00		
8000 Capitalized Expenditure			
8100 Computer/Software	500.00		7,000.00
8200 Office Furniture	500.00		2,000.00
Total Annual Expenses	\$82,630	\$10,800	\$9,000

XII. A TRAINING PLAN FOR CAPACITY DEVELOPMENT

"Give a hungry man a fish and he will go hungry again. Teach a man how to fish and he will grow."

A. Introduction

Developing *administrative competency* is a vital ingredient to improving local governance.

The success of the Local Governance Act requires the implementation of a quality and long-term human resource development program. A well designed educational program can be initiated with the assistance of Dine' College and other regional colleges and universities. Such a professional training program must provide quality education to Chapter officials, administrators, tribal employees, and aspiring Navajos.

The implementation of a quality training program will lead to an increase in community professionals and create a professional career track so that young Navajos can pursue a professional career, in for example, Chapter Government Administration.

Increasing the level of administrative competency at the local level can only enhance the quality of local professionals and officials, strengthen the management of Navajo communities, and through a combination of such efforts, increase opportunities for self-sufficiency at the local level.

B. Design of a Program to Meet the Educational Needs of Local Governments

To meet this need the Office of Navajo Government Development has conducted several surveys and meetings with regional colleges and universities to assess the need for and interest in providing such training.

In 1996, a Consortium for Navajo Executive Development was proposed by the participants through a partnership that was signed by Navajo Community College, Northern Arizona University, University of New Mexico, and University of Utah. The Navajo Nation did not sign the agreement and the Education Committee of the Navajo Nation Council directed the Office to work with the Division of Education to first assess the educational needs and priorities of the Navajo Nation.

Thus, a working group that includes staff from the

Division of Education, Office of Navajo Government Development, and Dine' College have begun to design a specific training model that will meet the training needs of local governments.

In developing a model, the group took several steps:

1. Assessment of programs offered by Navajo Community College, San Juan College, University of New Mexico, Northern Arizona University, University of Arizona, Fort Lewis College, University of Utah, Northland Pioneer College, and Scottsdale Community College.
2. Redesign and conduct a shorter and more quantitative survey of Chapter Officials.

C. Administrative Competency Needs Analyzed

In November of 1996, an educational needs assessment was conducted with technical assistance from the Division of Education. Ninety one chapter officials and personnel were surveyed.

SUMMARY OF SURVEY RESULTS	
Total Surveyed	91
Level of Education	
8 th Grade	6
12 th Grade	17
Some College	34
Associates Level	14
Undergraduate Degree	8
Graduate Degree	9
Age	
26 to 35	13
36 to 45	32
46 to 55	32
56 to 65	11
65 or more	2
Gender	
Male	54
Female	36
Education Desired	
Associates	31
Bachelors	30
Graduate Degree	11
Doctors	10
Professional Certification	12

What Area of Emphasis Desired?

General Studies	6
Public Administration	17
Political Science	14
Business Administration	25
Community Development	19
Accounting	15
Rural Enterprise Development	3
C.I.S. Computers	15
Environmental Studies	3
Planning	14
Education	12
Other	6

Amount Willing to Spend?

Associates Degree Program at halftime	
100% (\$150)	17
80% (\$120)	9
50% (\$75)	18
Bachelors Degree Program at halftime	
100% (\$600)	17
80% (\$480)	6
50% (\$300)	22
30% (\$180)	11

What Length, When, and How Often Should Classes be Offered?

1 to 2 days per month	7
1 week per month	14
1 day or night per week	32
1 weekend per month	11
Summer Session	13
Semester	11

Where do you Prefer to Attend Classes?

At the Community	1 st
Nearby Community Campus	2 nd
Nearby University	3 rd
Onsite at Home	4 th

D. Needs Assessment Analysis

The results provide several important observations:

1. Of the 91 surveyed, 34 has some college education, 14 had achieved associates level education, 8 had an undergraduate degree, and 9 had a graduate degree. This may signal a trend of Chapter citizens expecting more educated leaders at the local level and of the general Navajo population getting

more educated.

2. 31 respondents indicated that they were interested in an associates degree program, 30 respondents indicated a preference in an bachelors degree program. Another 21 expressed interest in an graduate or doctorate degree program.
3. The highest areas of interest include (1) Business Administration, (2) Community Development, (3) Public Administration, (4) Accounting, (4) Computer Information Systems, (5) Political Science, and (6) Planning.
4. The amounts respondents were willing to on their education were as follows: 17 respondents indicated that they were willing to spend 100%(\$150) per semester on a half-time A.A. Program; 9 were willing to spend 85%(\$120) and 18 were willing to spend 50%(\$75). 17 respondents indicated that they were willing to spend 100%(\$600) per semester on a half-time bachelors degree program. 6 were willing to spend 85(\$480) and 22 were willing to spend 50%(\$300).
5. 32 respondents indicated a preference for 1 day or night per week classes. 14 indicated a preference for 1 week per month classes. 13 indicated a preference for summer session classes. 11 indicated preference for 1 weekend per month and semester classes.
6. The highest preferences for where respondents want to attend classes were at the Community and at a Nearby Community Campus. Some respondents did indicate that they were willing to attend classes at a nearby university or onsite at home.

E. Analysis Conclusions

This survey is useful in assessing training development needs of current Chapter Officials. A similar survey, with more open ended questions, was administered on 32 Community Services Coordinators who serve as the primary administrators at the local level, in April of 1996. The most preferred training topics included (1) Budget and Fiscal Management, (2) Community Planning, (3) Office Management and Organization,

(4) Human Resources Management, (5) Chapter Computer Information, (6) Ethics in Government and Administration, and (7) Economic Development.

It would seem probable that a significant number of general population students would be interested in degree programs offered through the Navajo Executive Development Program. Both analysis do not consider the education preferences of non Chapter officials and employees.

Based on the analysis, initially much of the training would be focused at the associates level but some education has to also be provided at the undergraduate level.

F. Conceptual Models Development

In developing the conceptual model, the working group analyzed the training needs of local officials and administrators. Additionally, trends such as the potential adoption of the Local Governance Act, have been taken into consideration. The types of programs and classes offered by regional universities and colleges were also analyzed.

The following are several conceptual models developed based on the needs analysis of Chapter Officials and Community Services Coordinators. Discussion on specific training needs were also held with several tribal programs.

Model 1: Provide Minimum Training through Workshops, Conferences, and Associates level College Courses leading to a Certificate of Completion in Local Government Administration

QUICK START

The combination of these courses would lead to a Certificate of Completion in Local Government Administration. This program would require at minimum 25 core credit hour courses and 3 general studies hour courses.

Model 2: Associates of Applied Science Degree in Tribal Leadership requiring 46 core credit hour courses and 18 credits of general studies requirements.

LONG TERM

These two models are developed so the providers of training understand the specific training needs of

Navajo local governments. Several regional institutions, at the community college level including Dine College and university level, have expressed a high degree of support for this idea and are ready to move forward.

Other models would develop once this initial program moves toward implementation. Other possible programs include an Associates of Arts degree designed to transfer into a 4 year degree program and specific certification program geared to, for example, Community Development.

TRAINING SAMPLE

Model 1: Provide Minimum Training through Conferences, Workshops, and Associate Level College Courses leading to a Certificate of completion in Local Government Administration

Model 1 would be a certificate of completion similar to Scottsdale Community College's Tribal Development Program as an occupational certificate program (CCL) designed to provide individuals with management and tribal organization development skills. This would be most beneficial to new administrators and officials who are not interested in a long-term educational development program but do want basic skills to be a better administrator and public official.

The Scottsdale Community College program is transferable to Arizona State University towards a Bachelors in Business Administration with a minor in Tribal Development. The program that is offered through the Navajo Nation should be transferable to the Universities and Colleges in the Four Corners.

Requirements: 28 credits of course work and work experience over a 2 semester time period. Courses would be offered in a traditional classroom setting, workshop, seminar or block format. A Certificate of Completion (CCL) would be offered upon successful completion of program requirements.

<u>Required Courses:</u>	<u>Credit Hours</u>
Business Administration	
Introduction to Personnel Management Principles	3
Overview of the foundations of management and how to get things done within an organization through other people. The functions of planning, organizing, hiring, motivating, cultural sensitivities, and controlling are presented.	

Business Administration

Introduction to Personnel Management Principles

3

Overview of the foundations of management and how to get things done within an organization through other people. The functions of planning, organizing, hiring, motivating, cultural sensitivities, and controlling are presented.

Local Government Management Seminar I	3
Discussion of the relationships between general management issues and their specific application to local government situations. Analysis of organizational behavior and leadership styles. Special consideration given to the application of 5 Management Systems theory including systems for Personnel, Records, Procurement, Accounting, and Property and Supply.	
Proposal Writing	3
Provides an overview of funding sources for grants. Reviews techniques and skills necessary to develop successful proposals. Focuses on the design and writing of a complete grant proposal related to a selected community problem of issue.	
Computer Information Systems	
Introduction to Computer Information Systems	3
Overview of computer information systems, fundamental computer concepts, and programming techniques. Hands on experience with selected business software and one programming language	
Community Development	
Fundamentals of Community Planning & Development	3
Designed to teach the student successful approaches to community-based planning and development, approaches to implementation of projects, and developing leadership in communities.	
Public Administration	
Navajo Government Development	3
Provides and introduction to the development of Navajo tribal government concentrating on its evolution since the beginning of time. Examines the legal and political basis of tribal government, the structure and functions of tribal powers and service, fiscal changes, and administrative growth. Includes political relations, developments, the three Branches and Chapters, and transitions relating to the state and federal governments. A review of major challenges currently facing the Navajo Nation and of the strategies to address them are also provided.	
Public Administration 101	3
Overview of the field of public administration. Examines basic issues presently facing public agencies and explores problems of the future.	
Political Science	
Current Issues	1
Introduction to current issues in Navajo politics, economics, social relations and inter-governmental and foreign affairs. Presentations by local and central Navajo	

Nation, and national civic and cultural leaders.	
Navajo Nation Codes	1
Examines the Codes of the Navajo Nation.	
Ethics and Government	1
Examines ethics and the Navajo Ethics in Government Law	
General Studies Requirements (3 credits)	
ENG 100A Reading & Writing Improvement	3
This course is designed to develop the writing ability through the use of writing process strategies and through work on basic grammar skills as necessary. Narrative and descriptive writing are emphasized.	
ENG 131 Reading and Writing for Special Purposes	3
This course is designed to introduce students to techniques of reading, analysis, and writing of materials addressing topics of current public interests. PREREQUISITE: Eng 100A or Placement Test.	

G. Model One: Workshops and Conference

1. Workshops: Building Healthy Communities Series "Hozhoogo Alhxil Keehojit'i"

The first phase of training workshops has already been implemented through a collaboration between Dine' College and the Commission on Navajo Government Development. The workshops are called "Hozhoogo Alhxil Keehojit'i" interpreted as "Building Healthy Communities". Two workshops are developed for 1997 to educate chapter officials and personnel about new, exciting and innovative ways to build their communities.

- The two workshops are scheduled as follows:
1. Community-Based Planning and Development, July 8-9, 1997 Flagstaff, Arizona.
 2. Reinvigorating Traditional Leadership, November, 1997 Farmington, New Mexico.

XIII. LOCAL GOVERNANCE ACT IMPLEMENTATION COSTS ANALYSIS

It is important to provide some estimates of the additional annual costs that Chapters and the central government would have to find resources for as the Local Governance Act is implemented.

As presented in this section, to adequately carry out the new responsibilities and additional workload, especially in the mid-size and large Chapters, the minimum annual Chapter personnel and operating costs will increase by an estimated \$1,203,633. This cost must be viewed as an investment in the local government organization, an entity with high potential for economic growth, governance capability, and stability. This investment will enable the local governments to create an environment in which economic growth is possible.

A. Growth Centers

Growth Centers on the Navajo Nation are the main areas of growth because they are the centers for jobs related to government, schools, hospitals, police, industry and businesses, and also provide some access to housing.

The Navajo Nation categorizes growth centers into two categories, Major and Secondary. Major and Secondary Growth Centers are chapters that have a large population base and significant existing and potential revenues. These large chapters also are the focus of major economic development activity due to the economies of scale created by concentrating development in these areas and the feasibility of successful enterprises as a result of a larger potential market base.

The following is a projection, by the Division of Community Development, of the growth these larger chapters will experience in the future:

Estimated Population Growth of Chapters

Major Growth Centers

<u>Chapter</u>	<u>1996</u>	<u>2000</u>	<u>2015</u>
Tuba City	8,618	9,085	11,070
Kayenta	5,843	6,143	7,412
Chinle	7,830	8,285	10,240
Crownpoint	3,019	3,224	4,125
Shiprock	8,638	9,103	11,084
Fort Defiance	6,696	7,046	8,531
Saint Michaels	5,927	6,256	7,658

Secondary Growth Centers

<u>Chapter</u>	<u>1996</u>	<u>2000</u>	<u>2015</u>
Satellite Chapters			
Alamo	1,403	1,476	1,782
Canoncito	1,267	1,333	1,615
Ramah	1,205	1,256	1,464

Large Populations

<u>Chapter</u>	<u>1996</u>	<u>2000</u>	<u>2015</u>
Ganado	2,771	2,913	3,512
Huerfano	2,548	2,698	3,345
Many Farms	2,468	2,579	3,039
Pinon	2,302	2,414	2,884
Red Lake	2,404	2,508	2,936
Shonto	2,543	2,675	3,233
Upper	2,466	2,615	3,260

Fruitland

High Economic/Revenue Potential

<u>Chapter</u>	<u>1996</u>	<u>2000</u>	<u>2015</u>
Dilkon	1,978	2,085	2,537
Lechee	1,799	2,374	
Leupp	1,708	1,792	2,150
Oljato	2,160	2,270	2,735
Tohatchi	1,698	1,769	2,056
Tonalea	2,254	2,380	2,919
Tsaile/	1,560	1,638	1,966
Wheatfields			

B. Fort Defiance and Shiprock Chapters Implementation Scenario

Fort Defiance and Shiprock Chapters currently have two Community Services Coordinators each with a budget of \$26,098.64 for salary/benefits and a Clerk Typist with a costs of \$18,567. Each chapter also has a travel budget of \$4,000.

Fort Defiance and Shiprock Chapters would most likely have the option to combine the salary for their two Community Services Coordinators of \$52,197.28 and travel of \$4000 for the following scenario.

Implementat		Cost Scenario for Fort Defiance and Shiprock Chapters		
	<u>Description</u>	<u>Cost</u>	<u>New Description</u>	<u>Cost</u>
(1)	2 Community Services Coordinators	\$52,197.28	Atsilasdai Executive	\$31,900.00
(2)	Clerk Typist	\$18,567.69	Administrative Assistant	\$19,800.00
(3)			½ Part-Time Planner I	\$13,200.00
(3)	Travel	\$ 4,000.00		\$ 4,284.00
(4)	Supplies	\$ 5,000.00		\$ 4,500.00
(5)			<i>Office Space Renovation</i>	\$12,000.00
			(A one time optional cost)	
(6)	Communication Expenses	\$ 2,400.00		\$ 2,600.00
(7)	Utilities	\$12,000.00		\$12,000.00
(8)	Repairs/Maintenance	\$25,000.00		\$25,000.00
(9)	Consultant Fees	\$ 3,000.00		\$ 5,000.00
(10)	Education/Training	\$ 500.00		\$ 4,000.00
(11)	Advertising and Promotion			\$ 2,000.00
(12)	Computers/Software	\$ 1,000.00		\$ 1,000.00
			<i>Purchase New Computers</i>	\$ 4,000.00
(13)	Office Furniture			\$ 3,000.00
	Totals	\$123,164.97		\$125,284.00

Annual Operating Costs for Shiprock and Fort Defiance will, for each chapter, increase by \$2119.03.

C. Kayenta and Ramah Chapters

Kayenta Chapter has established a subunit to focus on the development, growth, and governance of the Kayenta Township. Kayenta has completed a comprehensive land-use plan and also implemented a sales tax on tourism related businesses. The sales tax of 2.5% will provide an estimated \$400,000 per year which will fund community priorities such as an Community Development Administration, Parks and Recreation, Beautification, Solid Waste, Street Maintenance, Fire Protection, Airport Improvements, and other items.

Ramah has an administration with all the appropriate management systems, a comprehensive land-use plan, and has served as a local government with numerous authorities for some time.

Kayenta and Ramah will most likely desire to make minimal reclassifications of their Community Services Coordinators and Clerk Typists. This would result in a minimum of \$12,855 additional costs for each chapter.

D. Chapters with Completed Comprehensive Land Use Plans

Some chapters have completed, or are in the process of completing, a comprehensive land use plan. Several chapters may have old plans that need to be updated. The chapters that do have completed land-use plans will not have to spend much to update their plans. The estimated costs, on average, for a complete community-based comprehensive land-use plan is about \$40,000¹.

Several Chapters that have completed or are in the process of completing their land-use plans include:

Dilkon	Churchrock
Kayenta	Lechee
Ramah	Forest Lake

E. Chapters with Community Development Corporations (CDC's)

Several chapters have created Community Development Corporations to provide long range community and economic planning and development, grant and funds development, and other technical services. These chapters would

¹Eunice Tso, ETD Consulting, 1997

most likely continue to delegate the responsibility to such an professional technical organization and thus, would not need the services of a Planner.

Only a few chapters have already created an administration and will probably continue operating their organizations.

The chapters identified as having CDC's include:

- Red Lake - Navajo Town Site
- Lechee Chapter
- Cameron Dine' Tourism Association
- Dine' Biiina Nahwiilnaa - Western Agency
- Former Bennet Freeze CDC

Secondary Growth Centers		
	<u>Additional Annual</u>	<u>Start Up</u>
	<u>Costs</u>	<u>Costs</u>
Ganado	\$12,885	0
Huerfano	12,885	0
Many Farms	12,885	0
Pinon	12,885	0
Red Lake	12,885	0
Shonto	12,885	0
<u>Upper Fruitland</u>	<u>12,885</u>	<u>0</u>
TOTAL	\$90,195	\$0

F. Implementation Costs For Major and Secondary Growth Centers

1. Major Growth Chapters

Based on the analysis on Personnel Requirements, STRATEGY TWO, the major growth chapters and satellite chapters would most likely require reclassification of the Community Services Coordinator and Clerk Typist, resulting in the following estimated costs.

	<u>Additional Annual</u>	<u>Start Up</u>
	<u>Costs</u>	<u>Costs</u>
Tuba City	\$12,885	0
Kayenta	12,885	0
Chinle	12,885	0
Crownpoint	12,885	0
Shiprock	2,119	0
Fort Defiance	2,119	0
<u>Saint Michaels</u>	<u>12,885</u>	<u>0</u>
TOTALS	\$68,663	\$0

Chapters with High Economic Potential		
	<u>Additional Annual</u>	<u>Start Up</u>
	<u>Costs</u>	<u>Costs</u>
Dilkon	\$12,885	0
Lechee	12,885	0
Leupp	12,885	0
Oljato	12,885	0
Tohatchi	12,885	0
Tanalea	12,885	0
<u>Tsaile/Wheat.</u>	<u>12,885</u>	<u>0</u>
TOTAL	\$90,195	\$0

2. Satellite Chapters

	<u>Additional Annual</u>	<u>Start Up</u>
	<u>Costs</u>	<u>Costs</u>
Alamo	\$12,885	0
Canoncito	12,885	0
<u>Ramah</u>	<u>12,885</u>	<u>0</u>
TOTALS	\$38,655	\$0

3. Secondary Growth Chapters and High Economic/Revenue Potential Chapters

Based on analysis and discussions with the Secondary Growth Chapters, for the first couple of years, only several would create their own administrations. Several have indicated a preference to reclassify their positions of Community Services Coordinator and Clerk Typist, and participate in a District and/or Agency administration for other necessary services.

4. Small Chapters

86 Chapters do not fit the Growth Center and Secondary Growth Center categories. Based on discussions with several of the small Chapters, there is consensus that these small Chapters have a smaller workload and less technical requirements. Most would likely, they would maintain the current pay structure for the Community Services Coordinator and Clerk Typist positions. Small increases are expected in the following areas:

Small Chapter Expenses Increases	
(1) Travel Expenses	1,500
(2) Communication Expenses	600
(3) Consultant Fees	3,000
(4) Education/Training	1,000
(5) Legal Advertising	1,000
TOTAL FOR EACH	\$7,100
TOTAL FOR 86 CHAPTERS	\$610,600

5. District Administrations

There are 18 Districts within the Navajo Nation. Developing a District Administration would be the

second most cost effective method to implement local governance for small Chapters. Large Chapters could also benefit from positions, such as for an Accountant or a Planner, at a District level. District 16 is comprised of 14 Chapters, District 15 is comprised of 10 Chapters, and District 12 is comprised of 11 Chapters. For the District Administration to be effective, these three Districts would have to be divided into two administrations each.

The following chart presents the projected contribution to a district organization that each chapter would have to make:

21 District Administrations at a cost of \$82,630 each			
<u>District</u>	<u>Number of Chapters</u>	<u>Agency</u>	<u>Per Chapter Contribution</u>
1	4	Western	\$20,658
2	3	Western	\$27,543
3	4	Western	\$20,658
5	3	Western	\$27,543
8	4	Western	\$20,658
4	6	Chinle	\$13,772
10	5	Chinle	\$16,526
11	3	Chinle	\$27,543
15	10	Eastern	
Divide into	5		\$16,526
Two Admins.	5		\$16,526
16	14	Eastern	
Divide into	7		\$11,804
Two Admins.	7		\$11,804
19	4	Eastern	\$20,658
9	5	Shiprock	\$16,526
12	11	Shiprock	
Divide into	5		\$16,526
Two Admins.	6		\$13,772
13	4	Shiprock	\$20,658
7	6	Ft. Defiance	\$13,772
14	5	Ft. Defiance	\$16,526
17	7	Ft. Defiance	\$11,804
18	9	Ft. Defiance	\$9,181
TOTAL			\$ 1,735,230

6. Agency Administrations

Based on STRATEGY FIVE: RECLASSIFICATION OF AGENCY POSITIONS, the additional costs per agency for an effective administration at that level is estimated at \$22,565. The Agency Administration would be the most cost effective vehicle to implement local governance, especially for the small chapters. For five agencies, the total cost is

estimated at an additional \$112,825 per year.

The Agency Administration would include the following positions:

- Agency Director
- Attorney I
- Accountant III
- Administrative Assistant

G. Local Governance Act Personnel and Operating Costs Estimates

Level 1 Full Implementation without District Administrations	
(1) Major Growth Chapters Reclassify Positions	\$ 68,663
(2) Satellite Chapters Reclassify Positions	\$ 38,655
(3) Secondary Growth Chapters Reclassify Positions	\$ 90,195
(4) High Economic Potential Chapters Reclassify Positions	\$ 90,195
(5) Small Chapters Increase Expenses	\$ 610,600
(6) Agency Administration Reclassify Positions	\$ 112,825
Add Planner III Position (35,000+ 3,500 X 5 agencies)	\$ 192,500
TOTAL ANNUAL COSTS	\$1,203,633

Level 2 Total Implementation	
(1) Major Growth Chapters Reclassify Positions	\$ 68,663
(2) Satellite Chapters Reclassify Positions	\$ 38,655
(3) Secondary Growth Chapters Reclassify Positions	\$ 90,195
(4) High Economic Potential Chapters Reclassify Positions	\$ 90,195
(5) Small Chapters Increase Expenses	\$ 610,600
(6) 21 District Administrations Developed	\$1,735,230
(7) Agency Administration Reclassify Positions	\$ 112,825
TOTAL ANNUAL COSTS	\$2,746,363

XIV. FINANCING LOCAL GOVERNANCE IMPLEMENTATION

In order for a local government to carry out its public functions, it needs funds. In recent years, local governments have been faced with an increasingly high proportion of modern social and economic problems. To combat the problems, local governments have searched for different means of generating revenue.

Ordinarily, the three most important sources of revenues are: (1) grants to a local government; (2) taxes and specials assessments; and (3) loans obtained through the issuance of bonds.

A. Planning Grants

Planning Grant funding has been provided to chapters during the past three fiscal years.

<u>1995 and 1996</u>	<u>1997</u>	<u>1998</u>
\$8,143,849 for 18 months	\$970,137	\$800,000

The grants have been used for different purposes focused on community planning, training, and other uses.

Other grants include Claims Trust Funds, Scholarship Funds, Community Development Block Grants and Capital Improvement Project Funds.

Through out the public planning process, there was significant concern that many chapters have not spent Planning Grants to prepare for local governance, as was intended. This must be avoided in the future because the Nation has very limited resources and funds appropriated for a certain purpose should be spent on meeting that purpose.

Other existing grants include the Claims Trust Fund and Scholarship Funds.

CHAPTER FUNDING SOURCES BASED ON FISCAL 1997 BUDGET			
	Planning	Claims Trust	Scholarship
<u>Funding</u>	<u>Grants</u>	<u>Fund</u>	<u>Funds</u>
Western (18)	\$167,572	\$436,382	\$118,061
Agency			
Minimum	7,131	13,463	4,000
Mean -	9,310	24,243	6,559
Maximum	18,234	68,401	18,429
Chinle (14)	\$129,639	\$335,969	\$92,114
Agency			
Minimum	6,493	10,308	4,000
Mean -	9,260	23,998	6,580
Maximum	16,592	60,269	16,313
Eastern (31)	\$247,156	\$546,503	\$157,140
Agency			
Minimum	5,801	6,881	4,000
Mean -	7,973	17,629	5,069
Maximum	11,275	33,969	11,275
Ft. Defiance (27)	\$245,348	\$624,830	\$169,894
Minimum	7,257	14,088	4,000
Mean -	9,087	23,142	6,292
Maximum	16,063	57,658	15,569
Shiprock (20)	\$180,421	\$456,316	\$127,791
Agency			
Minimum	6,015	7,941	4,000
Mean -	9,021	22,816	6,390
Maximum	21,258	83,360	22,499
TOTALS	\$970,136	\$2,400,000	\$665,000

These existing funding sources are important, especially the planning grants which is the only existing funding for local governance activities.

To maximize performance in meeting guidelines of funds, such as the planning grants, several options that reward good spending and performance should be considered:

- 1. Provide part or all of the Planning Grants through a competitive distribution basis**
Under a competitive distribution process, chapters would develop sound projects based on well thought out plans, then submit proposals to a regional or

national granting authority. Chapter proposals would demonstrate such important items such as project need, feasibility, time line, other sources of matching funding, budget, viability, and monitoring and assessment plan.

2. Prioritize Planning Grant Distribution for a Specific Purpose

Under such an approach, the Nation would develop a long-term plan with defined priorities. This approach would be similar to an investment: how can the investment into Navajo communities generate the quickest return, thus creating a bigger pie (more money for other priorities). If this approach were used, the most immediate priority would most likely be economic development. Thus, planning grants could be utilized for chapter economic planning, business infrastructure development, business education and technical assistance, and even loans and/or grants to local entrepreneurs.

A question arises of "who would chapters submit proposals to?". The most likely entity to fairly distribute grants would be a regional body that has technical staff to assess viability of proposed projects. This arrangement would be similar to a county board of supervisors that meets to distribute Community Development Block Grants every year or even biannually.

B. Taxing

According to the Navajo Tax Commission, there are four possible methods of achieving local taxation.²

1. Enabling Legislation

The first alternative is for the Navajo Nation Council to adopt legislation enabling the chapters to pass their own taxes. The chapters would then adopt their own tax laws which would affect only their own chapters. For example, the St. Michaels Chapter may wish to adopt a gasoline tax (assuming there is no Navajo Nation gasoline tax) that would apply only to sales of gasoline in the St. Michaels Chapter. This method is not very cost-efficient. It is likely that the chapters will spend all the revenue they might collect in administering these taxes.

2. Local Option of National Tax

The next possibility is for a national tax to include a

local option. This is the alternative in the BAT with local option draft that is being discussed now. In this alternative, the national tax includes an option for a chapter to add on an additional percentage to the national tax. This would be collected centrally and the revenue then distributed to the appropriate chapter.

3. Model Codes

This option involves the drafting of model codes. The chapters would then have the option of adopting the code or not. The code would be for a tax that is not assessed by the Nation. The advantage is that the local codes would then be consistent with each other, so it would be easier for taxpayers to understand, rather than having 110 different local taxes, which is the possibility under option 1. This method would probably involve national administration, with the national government collecting the money and then sending it out to the appropriate chapters.

4. Allocation of Revenues

This final possibility is for the revenue from a national tax to be distributed to the chapters. While this is not local taxation, it is local governance in that it would provide money to the chapters for them to spend as they see fit.

There was some concern that communities may not get a fair share of benefits from a sales or gross receipts tax that is implemented in one chapter. The reason is that areas such as growth chapters attract consumers from all the surrounding smaller chapters. Due to location factors such as population and potential customer base, many of these small communities do not have any sources or potential sources of tax revenue.

The LGA would allow chapters to adopt local taxes pursuant to a local tax code developed by the Navajo Tax Commission and approved by the Navajo Nation Council. This code should:

a. Provide for a regional, perhaps agency or special tax district, tax distribution scheme.

Under such a process, for example, a 4% gross receipts tax could be divided as follows: 40% of the assessed tax to the affected chapter, 30% of the assessed tax to the agency or tax district, and 30% to the national government.

²Navajo Tax Commission, Alternatives for Local Taxation Handout, 1997.

**Gross Receipts Tax Revenue Potential of Several
Major Growth Center Chapters³**

	Estimated Gross Receipts	4% Tax	40% to Chapter	30% to Tax Dist.
Chinle	\$ 35 mill.	1.4 mill.	560,000	420,000
Crownpt.	\$ 11 mill.	.44 mill.	176,000	133,200
Kayenta	\$314 mill.	3 mill.	1,200,000	900,000
Shiprock	\$ 73 mill.	1.36 mill.	544,000	408,000
Tuba City	\$ 32 mill.	1.28 mill.	512,000	384,000

**C. Local Governance Self-Sufficiency Building
Trust Fund**

The Navajo Nation will receive an estimated \$57 million in settlements with BHP Minerals, the Four Corners Power Plant, and the United States. A portion of these funds can be used to create a source of funds to address the needs of local governments. An amount of around \$20 million can provide a significant stream of income of about \$2 million annually of which 90% can be appropriated to the chapters and 10% reinvested into the fund. The fund can be temporary or permanent.

D. Existing Programs

If functions for accountants, planners, administrators, and management of administration are decentralized to the agency and chapter levels, the existing providers of these functions at the central level should also be streamlined. The programs that are identified as currently offering functions identified to be decentralized include the Community Services Program and Chapter Government Office.

³NN FAX 93