

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

23<sup>RD</sup> NAVAJO NATION COUNCIL - Fourth Year, 2018

AN ACTION

RELATING TO BUDGET AND FINANCE COMMITTEE; APPROVING A BUDGET REALLOCATION IN THE TOTAL AMOUNT OF \$86,477.00 WITHIN THE NAVAJO NATION RISK MANAGEMENT PROGRAM, FROM BUSINESS UNIT NUMBER 812021 TO BUSINESS UNIT NUMBER 812014, TO PAY PREMIUM PAYMENTS TO THE NAVAJO NATION'S CRIME POLICY FOR FISCAL YEAR 2019

BE IT ENACTED:

SECTION ONE. AUTHORITY

- A. The Budget and Finance Committee is a standing committee of the Navajo Nation Council. 2 N.N.C. § 300(A).
- B. The Budget and Finance Committee serves as the oversight committee for the Insurance Services Department; the Risk Management Program is organized under the Insurance Services Department. BFN-34-17.
- C. A budget reallocation is a budget revision that reallocates funds between business units. Navajo Nation Budget Instruction Manual, Fiscal Year 2019, Section XIII.C.
- D. An oversight committee may reallocate funds appropriated by the Navajo Nation Council to a division or program over which the committee has oversight, provided that funds are determined available by the Controller, further provided the reallocation is upon the request of the affected division, department or program and shall approve a reallocation by two-thirds (2/3rds) vote of the full membership of the committee. 2 N.N.C. § 185(A).

SECTION TWO. FINDINGS

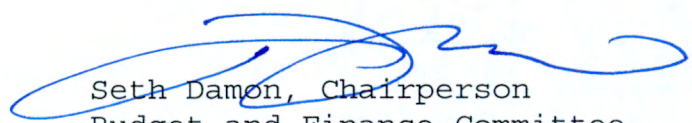
- A. The Navajo Nation Insurance Services Department - Risk Management Program requests a reallocation of fund to Business Unit No. 812014 in the amount of \$86,47.00 for the purpose of paying the Navajo Nation's Crime Policy for fiscal year 2019. The Budget Revision Request, Budget Status Reports and invoices are attached hereto as **Exhibit A**.
- B. The Office of Management and Budget has indicated this request is sufficient. See **Exhibit B**.
- C. The Office of the Controller in indicating the request is sufficient, has determined funds are available for the reallocation requested. *Id.*
- D. The Department of Justice has indicated the reallocation request is legally sufficient. *Id.*
- E. The Navajo Nation hereby finds it in its best interest to approve the reallocation of funds to pay the Navajo Nation's Crime Policy for fiscal Year 2019.

### SECTION THREE. APPROVAL OF REALLOCATION

- A. The Budget and Finance Committee hereby approves the budget reallocation in the total amount of \$86,477.00 from Business Unit No. 812021 to Business Unit No. 812014 to pay the Navajo Nation's Crime Policy for fiscal year 2019 as set forth in the budget reallocation documents hereto attached as **Exhibit A**.

**CERTIFICATION**

I, hereby, certify that the foregoing resolution was duly considered by the Budget and Finance Committee of the Navajo Nation Council at a duly called meeting held at Window Rock, Navajo Nation (Arizona), at which a quorum was present and that the same was passed by a vote of 4 in favor, 0 opposed and Chairman voting this 27<sup>th</sup> day of December 2018.



Seth Damon, Chairperson  
Budget and Finance Committee

Motion: Honorable Jimmy Yellowhair  
Second: Honorable Lee Jack, Sr.

**THE NAVAJO NATION  
OFFICE OF MANAGEMENT AND BUDGET  
BUDGET REVISION REQUEST**

(For Use on NN Funds and External Grant Budgets)



Shawnevan Dale, Program Supervisor II

sdale@navajo-nsn.gov

11/7/2018

REQUESTED BY (PRINTED NAME & TITLE)

EMAIL ADDRESS

DATE

812005

ISD/

Risk Management Program

871-6335

BUSINESS UNIT NO.

PROGRAM / DEPARTMENT TITLE

PHONE NO.

TITLE OF EXTERNAL CONTRACT / GRANT

FUNDING PERIOD - START/ END DATE

FUNDS AVAILABLE (OMB USE ONLY)	LOD	FROM OBJECT CODE & DESCRIPTION OF CODE	AMOUNT	LOD	TO OBJECT CODE & DESCRIPTION OF CODE	AMOUNT
	6	812021.7710 - AST/UST	86,477	6	812014.7710 - Crime	86,477
		TOTAL	86,477		TOTAL	86,477

**JUSTIFICATION FOR BUDGET REVISION (Must be detailed and complete):** Explain why the revision is required and, if necessary, provide calculations to show budget is sufficient to the end of the funding period.

Pay for Crime Premium which was increased by 61.1%.

**IMPACT ON PROGRAM PERFORMANCE CRITERIA:** Describe change in funding's (object code) affect on performance criteria, if any.

No Impact.

Shawnevan Dale, Program Supervisor II

DEPARTMENT/PROGRAM DIRECTOR (PRINTED)

APPROVAL SIGNATURE

Joelynn M. Ashley, Division Director

BRANCH/DIVISION DIRECTOR (PRINTED)

CONCURRENCE SIGNATURE

*Do not attach original supporting documents such as PAF's, Pos, invoices, etc.*

Account Range	Original Budget	Revised Budget	Actuals	Encumbrances	Budget Available	% Expended of Total
07020 RISK MANAGEMENT - P&C						
812021 PREMIUMS FOR UST/AST						
1000 Revenues	146,626.00-	146,626.00-			146,626.00-	
1850 Other Revenue Sources						
1000 Revenues	146,626.00-	146,626.00-			146,626.00-	
2000 Expenses						
7000 Special Transactions	146,626.00	146,626.00			146,626.00	
2000 Expenses	146,626.00	146,626.00			146,626.00	

Account Range	Original Budget	Revised Budget	Actuals	Encumbrances	Budget Available	% Expended of Total
07020 RISK MANAGEMENT - P&C						
812014 CRIME						
1000 Revenues						
1850 Other Revenue Sources	246,814.00-	246,814.00-			246,814.00-	
1000 Revenues	246,814.00-	246,814.00-			246,814.00-	
2000 Expenses						
7000 Special Transactions	246,814.00	246,814.00			246,814.00	
2000 Expenses	246,814.00	246,814.00			246,814.00	

Account Range	Original Budget	Revised Budget	Actuals	Encumbrances	Budget Available	% Expensed of Total
07020 RISK MANAGEMENT - P&C						
812014 CRIME						
1000 Revenues	246,814.00-	246,814.00-			246,814.00-	
1850 Other Revenue Sources	246,814.00-	246,814.00-			246,814.00-	
2000 Expenses						
7000 Special Transactions	246,814.00	246,814.00			246,814.00	
2000 Expenses	246,814.00	246,814.00			246,814.00	



# INVOICE

**Marsh USA Inc.**  
 Phoenix AZ  
 (602) 337-6300

Page	2 of 2
<b>Invoice Total</b>	<b>556,445.00 USD</b>
Invoice No.	030346053903
Invoice Date	10/24/2018
Effective Date	10/01/2018
Client No.	0303400000
Installment No.	

**Shawnevan Dale, Program Supervisor II**  
 The Navajo Nation Tribal Government  
 P.O. Box 1690  
 Window Rock, AZ 86515

Billed To:

**Original**  
 Policy Holder: **The Navajo Nation Tribal Government**  
 Billing Effective Date: **10/01/2018**

Insurer	Policy No./ Project No.	Expiration Date	Description/Type of Coverage	Item	Amount
Tokio Marine Specialty Ins Co	PSD1384108	10/01/2019	Commercial Crime	PREMIUM	333,291.00
PHILADELPHIA	PHSD1379519	10/01/2019	Direct&Off Liab	PREMIUM	223,154.00
<b>Invoice Comments:</b>					
2018 Master Crime & Master D&O:					
Main Government \$215,687.13					
Dine College \$15,957.77					
Kayenta Township \$1,513.50					
KTNN \$1,991.83					
NAPI \$34,169.38					
NACE \$8,812.04					
NECA \$31,334.38					
NECA / Four Corners \$1,797.74					
Fire Rock Navajo Casino \$26,037.02					
Flowing Water Navajo Casino \$2,763.58					
Northern Edge Navajo Casino \$20,317.08					
Twin Arrows Navajo Casino Resort \$30,249.42					
NNHE \$12,845.11					
NNSC \$2,503.56					
NTU \$9,152.18					
NTPC \$3,113.46					
NTUA \$128,713.39					
NTEC \$9,486.43					
<b>Invoice Total</b>					<b>556,445.00</b>

Marsh earns and retains interest income on premium payments held by Marsh on behalf of insurers during the period between receipt of such payments from clients and the time such payments are remitted to the applicable insurer, where permitted by law.





# INVOICE

Marsh USA Inc.  
Phoenix AZ  
(602) 337-6300

Page	1 of 2
<b>Invoice Total</b>	<b>556,445.00 USD</b>
Invoice No.	030346053903
Invoice Date	10/24/2018
Effective Date	10/01/2018
Client No.	0303400000
Installment No.	

Billed To: **Shawnevan Dale, Program Supervisor II**  
The Navajo Nation Tribal Government  
P.O. Box 1690  
Window Rock, AZ 86515

If you are not currently receiving invoices via e-mail but would like to do so, please notify your Marsh client team.

## Remittance Copy

Marsh earns and retains interest income on premium payments held by Marsh on behalf of insurers during the period between receipt of such payments from clients and the time such payments are remitted to the applicable insurer, where permitted by law.

-----  
*Detach and remit this portion with your payment*

Client No.	Invoice No.	Payment Due	Invoice Total	Amount Paid
0303400000	030346053903	Immediate	556,445.00 USD	

Thank you for your prompt payment.

Please indicate Invoice Number 030346053903 on your remittance.

Additionally, for ACH or wire payments, e-mail remittance detail to: [FiduciaryserviceRequest.US@marsh.com](mailto:FiduciaryserviceRequest.US@marsh.com)

By ACH: **Bank Name: Bank of America**  
**ACH Routing No: 071000039**  
**Account Title: Marsh USA, Inc.**  
**Account Number: 8188063077**

By Wire: **Bank Name: Bank of America**  
**Wire Routing Number: 026009593**  
**Account Title: Marsh USA, Inc.**  
**Account Number: 8188063077**

By Mail: Marsh USA, Inc.  
P.O. Box 846015  
Dallas, TX 75284-6015 USA

0303460539036 005564450017




# THE NAVAJO NATION

RUSSELL BEGAYE PRESIDENT  
JONATHAN NEZ VICE PRESIDENT

October 1, 2018

## MEMORANDUM

TO : ALL CONCERNED

FROM :   
Joelynn M. Ashley., Division Director  
Division of General Services - Admin.

SUBJECT : SUCCESSION OF STANDING DELEGATION OF AUTHORITY  
**FISCAL YEAR 2019**

This is to advise all concerned, of the subject matter that will be in effect during the time(s) that I am away from the office for the Division of General Services~Administration and will automatically assume the Division Director status in my stead.

This authority will commence 8:00 A.M., October 1, 2018, and will end 5:00 P.M., September 30, 2019; or until such time as deemed necessary.

The authority covers signing of routine operational documents and will include the handling of routine administrative matters except those needing special attention of the Division Director. Only special attention items such as off reservation travel and personnel issues/concerns will be handled by the Division Director. There may be occasions when the successors may not be available to fulfill this delegation; during those occasions, another Division of General Services staff member will be delegated for a specific duration of time, in writing.

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

### ACKNOWLEDGED

①

  
Marlene S. Slim, Admin. Serv. Ofcr.  
Division of General Services-Admin.

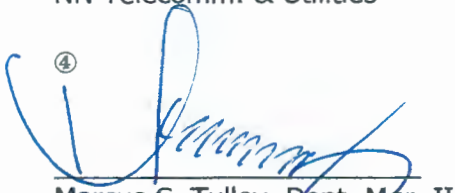
②

  
Pearl Lee, Program Manager I  
NN Telecomm. & Utilities

③

  
I. Harlan Charley, Dept. Mgr. II  
Insurance Services Department

④

  
Marcus C. Tulley, Dept. Mgr. II  
Facilities Maintenance Dept.



Document No. 011450

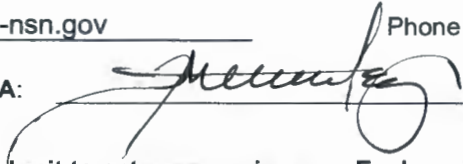
Date Issued: \_\_\_\_\_

**SECTION 164 REVIEW FORM**

Title of Document: Reallocation of Funds-Risk Management Contact Name: DALE, SHAWNEVAN




Program/Division: DIVISION OF GENERAL SERVICES

Email: sdale@navajo-nsn.gov Phone Number: (928) 871-6335

Division Director Approval for 164A: 

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

**Section 164(A) Final approval rests with Legislative Standing Committee(s) or Council**

<input type="checkbox"/>	Statement of Policy or Positive Law:		Sufficient	Insufficient
<input type="checkbox"/>	1. OAG: _____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	<b>IGA, Budget Resolutions, Budget Reallocations or amendments: (OMB and Controller sign ONLY if document expends or receives funds)</b>			
	1. OMB: 	Date: <u>11-9-18</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	2. OOC: 	Date: <u>11-20-18</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	3. OAG: 	Date: <u>11/27/18</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**Section 164(B) Final approval rests with the President of the Navajo Nation**

<input type="checkbox"/>	<b>Grant/Funding Agreement or amendment:</b>			
	1. Division: _____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
	2. OMB: _____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
	3. OOC: _____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
	4. OAG: _____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<b>Subcontract/Contract expending or receiving funds or amendment:</b>			
	1. Division: _____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
	2. BRD: _____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
	3. OMB: _____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
	4. OOC: _____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
	5. OAG: _____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<b>Letter of Assurance/M.O.A./M.O.U./Other agreement not expending funds or amendment:</b>			
	1. Division: _____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
	2. OAG: _____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<b>M.O.A. or Letter of Assurance expending or receiving funds or amendment:</b>			
	1. Division: _____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
	2. OMB: _____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
	3. OOC: _____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
	4. OAG: _____	Date: _____	<input type="checkbox"/>	<input type="checkbox"/>

Received  
NOV - 8 2018  
Office of Management & Budget  
The Navajo Nation, Window Rock, Arizona

RECEIVED  
NOV 13 2018  
OFFICE SERVICES  
OFFICE OF THE CONTROLLER

General  
Received  
NOV 1 2018  
NNOCC  
Accounting



**THE NAVAJO NATION**

**RUSSELL BEGAYE PRESIDENT  
JONATHAN NEZ VICE-PRESIDENT**

**MEMORANDUM:**

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

**FROM :**   
Natasha Damon, Senior Accountant  
General Accounting  
Office of the Controller

**DATE :** November 20, 2018

**SUBJECT :** 164 Review-Reallocation of Funds

The 164 is requesting a reallocation of \$86,477 from business unit 812021.7710 to business unit 812014.7710. The current budget balance in business unit 812021.7710 is \$146,626. This reallocation of funds request requires oversight approval.

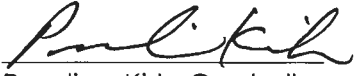
If you should have any questions you can contact me at tribal extension X6125



THE NAVAJO NATION

RUSSELL BEGAYE PRESIDENT  
JONATHAN NEZ VICE-PRESIDENT

MEMORANDUM

TO: ALL CONCERNED  
FROM:   
Pearline Kirk, Controller  
Office of the Controller  
DATE: October 1, 2018  
SUBJECT: **STANDING DELEGATION OF AUTHORITY**

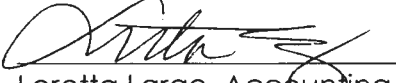
This memorandum will serve to inform you that when Ms. Pearlina Kirk, Controller of the Navajo Nation is on leave or on travel status, the following order of delegation will be in effect immediately. The individuals will be delegated the responsibility to sign any documents that are of a "routine" nature, and all other documents considered "significantly questionable" will be referred to the Controller upon return. This delegation will be continuous until rescinded or revised in writing.

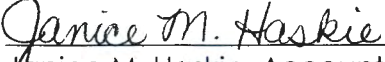
Your cooperation with the delegated individuals is expected and appreciated. Thank you.

ACKNOWLEDGEMENT:

  
Robert Willie, Accounting Manager

  
Laura Johnson, FMIS Project Manager

  
Loretta Largo, Accounting Manager

  
Janice M. Haskie, Accounting Manager

  
Lorena Eldridge, Accounting Manager

DISTRIBUTION





NAVAJO NATION DEPARTMENT OF JUSTICE

DOCUMENT REVIEW REQUEST FORM



DOJ 11/26/18 @ 1006a DATE/TIME 7 Day Deadline DOC #: 011450 SAS #: UNIT: H59a

RESUBMITTAL

FOR NNDOJ USE ONLY - DO NOT CHANGE OR REVISE FORM. VARIATIONS OF THIS FORM WILL NOT BE ACCEPTED.

CLIENT TO COMPLETE

DATE OF REQUEST: Nov. 26, 2018 ENTITY/DIVISION: DGS CONTACT NAME: Lucy Slim DEPARTMENT: Risk Mgmt. PHONE NUMBER: 877-6335 E-MAIL: lucy.slim@navajo-nn.gov TITLE OF DOCUMENT: Reallocation of Funds -

DOJ SECRETARY TO COMPLETE

DATE/TIME IN UNIT: 11/26 @ 1:11 REVIEWING ATTORNEY/ADVOCATE: RS AMY DATE/TIME OUT OF UNIT: 11/28/18 @ 1:48

DOJ ATTORNEY / ADVOCATE COMMENTS

Legally sufficient

REVIEWED BY: (PRINT) Robert L. Silva DATE / TIME 11/27/18 9:20 AM SURNAMED BY: (PRINT) Vanden Martin DATE / TIME 11/27/18 1:09 PM

DOJ Secretary Called: Lucy for Document Pick Up on 11/28/18 at 1:48 By: gm

PICKED UP BY: (PRINT) DATE / TIME:



Document No. 011450

Date Issued: 11/07/2018

**SECTION 164 REVIEW FORM**

Title of Document: Reallocation of Funds-Risk Management Contact Name: DALE, SHAWNEVAN

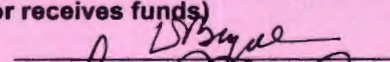
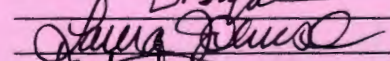

Program/Division: DIVISION OF GENERAL SERVICES

Email: sdale@navajo-nsn.gov Phone Number: (928) 871-6335

Division Director Approval for 164A: 

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

**Section 164(A) Final approval rests with Legislative Standing Committee(s) or Council**

		Sufficient	Insufficient
<input type="checkbox"/>	<b>Statement of Policy or Positive Law:</b>		
1. OAG:	_____ Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	<b>IGA, Budget Resolutions, Budget Reallocations or amendments: (OMB and Controller sign ONLY if document expends or receives funds)</b>		
1. OMB:	 Date: <u>11-9-18</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. OOC:	 Date: <u>11-20-18</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. OAG:	 Date: <u>11/27/18</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**Section 164(B) Final approval rests with the President of the Navajo Nation**

<input type="checkbox"/>	<b>Grant/Funding Agreement or amendment:</b>		
1. Division:	_____ Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
2. OMB:	_____ Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
3. OOC:	_____ Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
4. OAG:	_____ Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<b>Subcontract/Contract expending or receiving funds or amendment:</b>		
1. Division:	_____ Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
2. BRD:	_____ Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
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4. OOC:	_____ Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
5. OAG:	_____ Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<b>Letter of Assurance/M.O.A./M.O.U./Other agreement not expending funds or amendment:</b>		
1. Division:	_____ Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
2. OAG:	_____ Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<b>M.O.A. or Letter of Assurance expending or receiving funds or amendment:</b>		
1. Division:	_____ Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
2. OMB:	_____ Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
3. OOC:	_____ Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
4. OAG:	_____ Date: _____	<input type="checkbox"/>	<input type="checkbox"/>





THE NAVAJO NATION

RUSSELL BEGAYE PRESIDENT  
JONATHAN NEZ VICE PRESIDENT

***RISK MANAGEMENT PROGRAM***

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**MEMORANDUM**

TO : Honorable Olin Kieyoomia  
Council Delegate  
23<sup>rd</sup> Navajo Nation Council

FROM :   
Shawnevan Dale, Program Supervisor II  
Risk Management Program

DATE : November 6, 2018

SUBJECT : **Requesting Sponsor to Reallocate funds from BU#812021 to BU# 812014.**

---

I am submitting this memorandum to request your assistance in sponsoring legislation before the Budget & Finance Committee "Reallocating" funds in the amount of \$86,477.00 to cover the Navajo Nation's Crime Policy Premiums for FY 2019. The Risk Management Program (RMP) experienced a budget shortfall to cover the premium payment for the Nation's Crime Policy by \$86,477.00.

***Synopsis***

On March 1, 2018 the RMP projected an insurance premium rate of \$246,814.00 for FY 2019 based on market trends, national experience and loss runs from FY 2018. On March 6, 2018 the RMP submitted the revenue projection to the Office of Management & Budget for planning on the upcoming FY 2019 Budget. The budget cycle proceeded with the Navajo Nation throughout the summer of 2018. Alongside, the FY 2019 budget process, the RMP submitted its annual renewal data to the insurance broker for submittal to the insurance market.

By August 29, 2018 the Insurance Broker, Marsh USA, Inc. and RMP had received 16 renewal proposals and quotes. Outstanding were the Fiduciary Policy and the Crime Policy. The Navajo Nation Insurance Commission approved those proposals and issued an authorization to bind coverage. The Navajo Nation Council also was proceeding with their review of the proposed FY 2019 Budget.

On September 4, 2018, the Navajo Nation Council reviewed and approved the Fiscal Year 2019 Comprehensive Budget. By September 14, 2018, the RMP finally received a preliminary quote from the Fiduciary & Crime Carrier only after three declinations from other carriers. The returned quote had a premium of \$333,291.00 with no changes in terms & conditions. From late June 2018 to August 2018, the Navajo Nation sustained large losses against the Crime Policy totaling more than \$1.5 million; this resulted in the declinations from other potential carriers and an increase of premium from the incumbent carrier.

***Action***

The Risk Management Program is proposing to Reallocate funds from Business Unit 812021-Aboveground Storage Tank to Business Unit 812014-Crime in the amount of \$86,477.00. The

Reallocation of funds in this Business Unit (812021) will not impact the Business Unit. Currently, BU 812021 has a balance of \$146,626.00 budgeted for Contingencies (i.e. mid-year adjustments, additions, and modifications). By allocating \$86,477.00 a balance of \$60,149.00 will remain in the business for contingencies. This is a three-year policy and premiums for this coverage was paid in FY 2018 to FY 2020.

### **Conclusion**

Typically, the Risk Management Program continues to pay premiums into a negative balance due to structure of the Property & Casualty Fund. At the end of the Fiscal Year the remaining balances are "zeroed" out, including negative balances. The Master/Blanket policies redistribute the premiums to the insured members and they share the risks, however in this instance, the losses sustained are the direct result of losses incurred by the Nation.

Currently the RMP has submitted a Request for Direct Payment (RDP) in the amount of \$246,814.99 for processing. This budget transfer will allow for the remaining balance of \$86,477.00 to be paid immediately to avoid cancellation of coverage. The Reallocation will not change the overall Proprietary Fund Allocation for the Risk Management Program, it will only affect the Business Unit Balances.

I thank you in advance for your attention to this matter and hope that you can proceed with our budget transfer. If you should have any further questions or the need for additional information, please don't hesitate to contact me directly at (928) 871-6078 or [sdale@navajo-nsn.gov](mailto:sdale@navajo-nsn.gov).

#### **Attachments: (3)**

- 812021 Budget Status Report
- 812014 Budget Status Report
- FY 2019 Approved Budget

**BUDGET AND FINANCE COMMITTEE**

27 December 2018

Special Meeting

**VOTE TALLY SHEET:**

**Legislation No. 0413-18:**

An Action Relating to Budget and Finance Committee; Approving a Budget Reallocation in the Total Amount of \$86,477.00 within the Navajo Nation Risk Management Program, from Business Unit Number 812021 to Business Unit Number 812014, to Pay Premium Payments to the Navajo Nation's Crime Policy for Fiscal Year 2019 *Sponsored by Olin Kieyoomia and Tom T. Chee, Council Delegates*

*Motion: Jimmy Yellowhair*

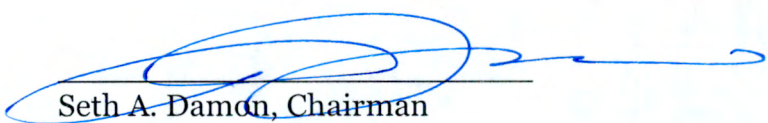
*Second: Lee Jack, Sr.*

*Vote: 4-0, Chairman voting*

**Vote Tally:**

Seth A. Damon	<b>yay</b>	
Jimmy Yellowhair	<b>yay</b>	
Tom T. Chee	<b>yay</b>	
Lee Jack, Sr.	<b>yay</b>	
Leonard Tsosie		
Tuchoney Slim, Jr.		

*Absent: Leonard Tsosie, Tuchoney Slim, Jr.*

  
Seth A. Damon, Chairman  
Budget & Finance Committee

  
Peggy Nakai, Legislative Advisor  
Budget & Finance Committee