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JUNE 3, 2016

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## OPVP MEETS WITH 23RD COUNCIL TO DISCUSS LEVERAGING NAVAJO NATION ASSETS FOR DEVELOPMENT PROJECTS

CHURCHROCK, N.M.-The Office of the President and Vice President met with the 23rd Navajo Nation Council on Friday, Jun. 3, to discuss leveraging Navajo Nation assets for potential development projects.

In particular, OPVP addressed leveraging \$180 million from the Sihasin Water Infrastructure Plan and \$150 million from the Permanent Trust Fund Five-Year Expenditure Plan.

Vice President Jonathan Nez said the purpose of the meeting is to start a dialogue on what could be done with the remaining Sihasin funds. The Sihasin Fund was created from a trust fund settlement with the federal government that awarded the Navajo Nation \$554 million.

The tribe will use \$180M of this \$554M to fund water and sanitation projects.

“The fact is that there is a certain number of dollars that are available,” he said. “Those are the dollars that can be used to frame out possible projects. We need to sit down as a team and see how we might want to use it. Leveraging is an option that will help us invest in future generations.”

KeyBanc Capital Markets managing director Geoff Urbina presented an overview on how the Nation could proceed in funding projects through leveraging and endowment type scenarios.

Urbina was the underwriter for the Navajo Nation’s first-ever bond transaction in which the Nation sold \$52.9 million of investment-grade tax-exempt general obligation bonds in a private placement. This trans-



Vice President Jonathan Nez facilitated the meeting between OPVP and the 23rd Navajo Nation Council. “The basis of our discussion was to consider leveraging options,” he said.

action gave the Nation a BBB-plus rating by Standard and Poor’s and helped develop confidence in the Nation throughout the investor community.

Urbina said the Nation should mitigate spending cash in either fund and utilize leverage to compensate for cash spend downs.

Through utilizing leverage in an endowment type scenario, the Nation will be able to preserve capital in either fund for future use.

“The endowment philosophy is saving. By leveraging half of the dollars in either fund, the Nation can use the revenues to let the other half grow,” he said. “By leveraging, used appropriately, conservatively and according to a strategy, the Nation can fund approximately a billion dollars worth of projects while keeping money in the coffers for future projects.”

Prudent use of on-hand funds in the Sihasin

Fund would be looked upon favorably by rating agencies like Standard and Poor’s.

Vice President Nez said both OPVP and the 23rd Navajo Nation Council hold common interests in the Sihasin Fund and the Permanent Trust Fund Five-Year Expenditure Plan. The money in either fund shouldn’t be spent completely but instead however, leveraged to save money for future projects.

“The basis of our discussion today was to consider leveraging options. Many large scale projects have been approved through the collaboration of the three branches. The Executive Branch can’t do it alone and neither can the Legislative,” said Vice President Nez. “We need to come together and move forward in securing and leveraging dollars that will fund projects beneficial to the Nation.”

In the meeting, Vice President Nez mentioned that OPVP will be presenting a pro-

posal to the Council for development projects funded through leveraging remaining amount of the Sihasin Fund. The proposal will include comments from council delegates that were in attendance at the meeting.

“We would like to discuss how we can leverage more funds for the Sihasin Water Infrastructure Plan and the Permanent Trust Fund Five-Year Expenditure Plan which have both been signed into law,” Vice President said. “We have development projects

we want to consider based on public hearings that took place during the 22nd Council regarding investing and leveraging.”

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