



**RESOLUTION OF THE
WHITE MOUNTAIN APACHE TRIBE OF THE
FORT APACHE INDIAN RESERVATION**

(Rescinding Resolution 04-2007-170 and authorizing application for the FY 2007 HUD Indian Community Development Block Grant and Other Grants and Loans as may be required to construct the Shiwoye Bigowa “Our Elder’s Home” Long-Term Care Facility near the Whiteriver Indian Health Service Hospital)

WHEREAS, pursuant to Article IV, Section 1(a) of the Constitution of the White Mountain Apache Tribe, *inter alia*, the Tribal Council has the authority to represent the Tribe and act in all matters that concern the welfare of the Tribe; and

WHEREAS, the Tribe lacks suitable facilities necessary to accommodate the needs for Shiwoye Bigowa (“Our Elder’s Home”), a long-term care facility (“SBLTCF”) for the public, which has been identified and proposed as a necessary priority for meeting the needs of the elderly enrolled members of the Tribe; and

WHEREAS, constructing an SBLTCF would meet an essential community development need by providing space for residential care for tribal elders; and

WHEREAS, a 13-acre parcel located near the Whiteriver Indian Health Service Hospital has been identified and reserved for the proposed SBLTCF; and

WHEREAS, the United States Department of Health and Human Services (HHS) and the Arizona Health Care Cost Containment System (AHCCCS) require that the proposed SBLTCF will comply with all applicable Federal, State and Tribal regulations and standards; and

WHEREAS, the Tribal Council understands that funds are available through the Indian Community Development Block Grant (ICDBG) of the United States Department of Housing and Urban Development (HUD) to fund the construction of the SBLTCF with the assistance of other loans and grants and tribal funds to supplement the ICDBG application; and

WHEREAS, the Tribe, with the assistance of a qualified architect, has developed a preliminary project design and construction cost estimates to support an application for necessary ICDBG funds; and

WHEREAS, the Tribe has included an effective Maintenance and Operation plan for the SBLTF in this ICDBF application; and

WHEREAS, the Tribal Council acknowledges that, through numerous public meetings, the Tribe has solicited public comment on the proposed use of the ICDBG funds for the SBLTCF project, and the public supports the project; and

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WHEREAS, the Tribe has sufficient policies and procedures for procurement, financial management and internal controls, according to applicable guidelines and regulations set forth under Code of Federal Regulation 24, Part 85 and Part 1003; and

WHEREAS, the State of Arizona has represented to the Tribe that it will reimburse the Tribe for the skilled nursing services that may be provided through the SBLTCF through the Arizona Health Cost Containment System; and

WHEREAS, budget and cost estimates have been developed, as attached and incorporated by this reference, which project a total project cost for the SBLTCF of \$10,519,121.00, of which \$2,750,000.00 will be provided by the HUD ICDBG, \$6,350,000.00 in Rural Development loans, and \$1,419,121.00 will be provided as an in-kind contribution to the project by the Tribe, including donation of tribal land valued at \$905,000; and

WHEREAS, the Tribal Council understands that the attached budget and cost estimates will be funded by and through the grants, loans, Tribal funds and the State of Arizona AHCCCS skilled nursing reimbursements, and that the debt and revenue funds will be sufficient to start-up and operate the facility, and provide for all maintenance, operation, administration, residential care and debt service required to operate the SBLTCF; and

WHEREAS, the Tribal Council further understands that the SBLTCF, as an entity of the Tribe, must make \$378,096.00 in annual revenue to maintain and operate the proposed SBLTCF, which is included in the attached operations budget; and

WHEREAS, the Tribal Council further understands that certain unpublished demographic data in order to meet the requirements of the application process; and

WHEREAS, the Tribal Council acknowledges that the Tribe's published policies and procedures will ensure that the SCLTCF will provide essential health, public safety, education and community services to help meet the needs of the community; and

WHEREAS, pursuant to Resolution No. 04-2007-140, the Tribal Council did previously authorize application for ICDBG funds, but since the project costs and budget have changed, the Tribal Council finds that the Resolution should be rescinded; and

WHEREAS, the Tribal Council finds that the application, as described herein, to be in the best interest of the elderly enrolled members of the Tribe, and the Tribe.

BE IT RESOLVED by the Tribal Council of the White Mountain Apache Tribe that Resolution No. 04-2007-170 is hereby rescinded.

BE IT FURTHER RESOLVED by the Tribal Council of the White Mountain Apache Tribe that:

1. Applications for funds available through the Indian Community Development Block Grant Program of the United States Department of Housing and Urban Development and Rural Development loans, are hereby authorized for the purposes of funding the design and construction of the Shiwoye Bigowa "Our Elder's Home" Long-Term Care Facility.

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2. The proposed budget of \$10,519,121.00, as attached and incorporated by this reference, is hereby approved, which shall consist of \$2,750,000.00 in funds from the HUD Indian Community Development Block Grant, \$6,350,000.00 in Rural Development loans, and \$1,419,121.00 in in-kind contributions by the Tribe including donation of tribal land valued at \$905,000.00, and State of Arizona AHCCS skilled nursing reimbursement, and said budget shall be for the purposes of funding start-up and operations of the SBLTCF, including maintenance, operation, administration, residential care and debt service.
3. In the event that funds are received from the sources identified herein, the budget is hereby authorized to be expended according to the terms and conditions for the grant and/or loan, and subject to review by the Tribe's Legal Department
4. The 13-acre parcel located near the Whiteriver Indian Health Service Hospital is hereby set aside for the proposed SBLTCF, subject to the approval of the ICDBG assistance and favorable outcome of an Environmental Review as required under the Code of Federal Regulations 24, Part 58.
5. The Tribal Council hereby certifies that the Tribe will work with the United States Department of Health and Human Services and the State of Arizona Health Care Cost Containment System to ensure that the proposed SBLTCF will comply with all applicable Federal, State and Tribal regulations and standards.
6. Both the Building Maintenance and Operations Plan and the Procurement Policy requirements under the ICDBG application are hereby approved for implementation by the SBLTCF, and the funds necessary to provide for these responsibilities are hereby committed, pursuant to the budget as approved above.
7. The Tribal Council hereby certifies that the Tribe has sufficient policies and procedures for the procurement, financial management and internal controls, and that these comply with applicable guidelines and regulations set forth under Code of Federal Regulation, 24, part 85 and part 1003.
8. The Tribal Council further certifies that there has been numerous public meetings concerning the proposed SBLTCF and both the Tribal Council and each Tribal Community strongly support the development of the SBLTCF as contained in this grant application.
9. The Tribal Council further certifies that that the SBLTCF has been estimated to make \$378,096.00 in annual revenue to maintain and operate the proposed SBLTCF, which is included in the attached operations budget and incorporated by this reference.

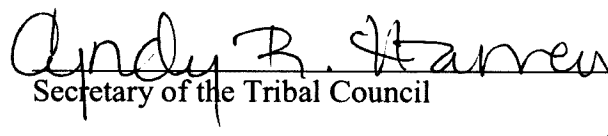
BE IT FURTHER RESOLVED by the Tribal Council of the White Mountain Apache Tribe that the Chairman, or in his absence, the Vice Chairwoman, is hereby authorized to execute any and all document necessary to effectuate the intent of this Resolution.

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The foregoing resolution was on **JUNE 11, 2007** duly adopted by a vote of **FOUR** for and **ZERO** against by the Tribal Council of the White Mountain Apache Tribe, pursuant to the authority vested in it by Article IV, Section 1 (a), (b), (c), (h), (i), (j), (k), (s), (t) and (u) of the Constitution of the Tribe, ratified by the Tribe September 30, 1993, and approved by the Secretary of the Interior on November 12, 1993, pursuant to Section 16 of the Act of June 18, 1934 (48 Stat. 984).



Chairman of the Tribal Council



Secretary of the Tribal Council

FY 2007 ICDBG BUDGET AND COST ESTIMATES
Shiwoye Bigowa (Our Elder's Home)

The following detailed budget includes the ICDBG Construction Budget and Tribal In-Kind Contribution for the proposed project. This budget and cost estimate is provided in support of Cost Summary HUD Form 4123.

a. PROJECT FUNDING SOURCE:

Funding Source:		Subtotal
1	Federal Amount Requested (ICDBG)	\$ 2,750,000
2	Rural Development Loan	\$ 6,350,000
3	Tribal Non-Cash In-Kind Contribution	\$ 1,419,121
Total Project Funding:		\$10,519,121

II. PROJECT BUDGET:

	Description	Funding Source	Subtotal
1	Construction costs: building, site work, and infrastructure	Rural Development Loan	\$ 6,350,000
2	Construction costs: building, site work, and infrastructure	ICDBG	\$ 1,670,000
3	TERO Fees @ 5%	ICDBG	\$ 390,000
4	Architectural/Engineering Fees	ICDBG	\$ 390,000
5	Administration	ICDBG	\$ 300,000
6	Tribal Non-Cash In-kind Contribution	Tribe	\$ 1,419,121
Total Project Budget:			\$10,519,121

III. PRE-OPENING START UP BUDGET:

	Description	Funding Source	Subtotal
1	Furniture, Fixture, & Equipment (FF&E)	Rural Development Loan	\$ 596,531
2	Supplies	Rural Development Loan	\$ 19,000
3	Staffing	Rural Development Loan	\$ 122,481
4	Operating Deficit (Year 1 and 2)	Rural Development Loan	\$ 974,000
Total Start-Up Budget:			\$ 1,712,012

Note: Rural Development Loan to be repaid from Medicaid/AHCCCS third party billing for providing residential care.

IV. OPERATING BUDGET YEAR 1 - YEAR 3

	Description	Revenue Source	Subtotal
1	Year 1 Revenue - Third Party Billing	Medicaid/AHCCCS	\$ 3,039,806
	Year 1 Line of Credit	Commercial Lender	\$ 757,239
			\$ 3,797,045
Year 1 Operating Expenses including Start-Up Costs			\$ 3,797,045
Balance at end of Year 1 (Revenue minus Operating Expenses)			\$0

2	Year 2 Revenue - Third Party Billing	Medicaid/AHCCCS	\$ 4,664,932
	Year 2 Line of Credit	Commercial Lender	\$ 263,313
			<u>\$ 928,245</u>
	Year 2 Operating Expenses including Start-Up Costs and Debts		<u>\$ 4,928,245</u>
	Balance at end of Year 2 (Revenue minus Operating Expenses)		\$0
3	Year 3 Revenue - Third Party Billing	Medicaid/AHCCCS	<u>\$ 5,288,395</u>
	Year 3 Operating Expenses		<u>\$ 5,283,498</u>
	Profit at end of Year 3		\$ 4,897

V. TRIBAL IN-KIND CONTRIBUTION (Non-Federal Matching Share)

	<u>Description</u>	<u>Cost Of Labor</u>	<u>Total</u>
1	Planning Department Staff Salary	\$240,000 per year for 39 mos @33.3%	\$ 259,740
2	Project Manager	\$70,000 per year for 15 mos	\$ 87,500
3	Building Inspector	40,000 per year for 12 mos.	\$ 40,000
4	Environmental Compliance, Tribal Engineer & Staff	\$21,513 per mo. For 39 mos. @ 10%	\$ 83,900
5	Shiwoye Bigowa Staff Oversight	\$20,000 per year for 39 mos.	\$ 65,000
			<u>\$ 536,140</u>
6	Benefits	Benefits @ 29% X \$536.140	\$ 155,481
		Subtotal Tribal Personnel + Benefits:	<u>\$ 691,621</u>
7	Wire buildings for telephone & computer		\$ 30,000
		Subtotal Tribal Labor Cost:	<u>\$ 721,621</u>
	<u>Description</u>	<u>Cost for Non-Labor</u>	<u>Total</u>
7	Prepare ICDBG		\$ 20,000
8	Audit Fees		\$ 20,000
9	Environmental Review		\$ 20,000
10	Office & Supplies	\$1,000 per mo. For 39 mos. @ 33.3%	\$ 13,000
11	Mileage & Travel Expenses	\$1,500 per mo. For 39 mos. X 3 employees @ 33.3%	\$ 19,500
			<u>\$ 92,500</u>
12	Land & Building Valuation	(See Attachment 13-8)	\$ 905,000
		Subtotal Non-Labor Cost:	<u>\$ 997,500</u>
		Total Tribal Labor + Non-Labor	\$ 1,719,121

XI. PROJECT VALUATION

1	Total Tribal Labor + Non-Labor Costs (In-kind Contribution)	\$ 1,719,121
	LESS ICDBG Paid Administration	
2	Expenses	<u>\$ 300,000</u>
	Total Tribal In-Kind Contribution	\$ 1,419,121
3	ICDBG Ceiling Amount	<u>\$ 2,750,000</u>
	Total In-Kind Contribution + ICDBG Funds	\$ 4,169,121
4	Rural Development Loan	<u>\$ 6,350,000</u>
	TOTAL PROJECT VALUE	\$10,519,121

Tribal In-Kind Contribution (excluding RD Loan) to the construction of the proposed project is \$1,419,121 or 34% of the total project cost of \$4,169,121.

See Attachment 8-2 - Tribal Council Resolution approving the tribal in-kind contribution of labor and non-labor costs.

See Attachment 14-8 - Land Appraisal of the proposed site (Land valuation) for the Shiwoye Bigowa project.

The Tribal Council has committed by resolution to provide nearly 13 acres of land and buildings that be used for this grant. To demonstrate the Tribe's commitment to this project, the Tribal Council approved by resolution to be subject to the approval of the ICDBG assistance and favorable outcome of any environmental review required under 24 CFR Part 58.