TITLE: An Action Relating to the Budget and Finance Committee; Approving as recommended by the Navajo Nation Investment Committee, the selection of Westport Capital Partners LLC as a non-core real estate manager for the Navajo Nation Permanent Fund and Retirement Plan; and approving the subscription booklets and related documents between the Navajo Nation and Westport Capital Partners LLC related to the Navajo Nation Permanent Fund and the Navajo Nation Retirement Plan

Date posted: November 14, 2019 at 6:30pm

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Executive Director
Office of Legislative Services
P.O. Box 3390
Window Rock, AZ 86515
(928) 871-7590

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LEGISLATIVE SUMMARY SHEET
Tracking No. 0334-19

DATE: November 13, 2019


PURPOSE: The purpose of this resolution is approve the selection of Westport Capital Partners LLC as non-core real estate manager for the Navajo Nation Permanent Fund and the Navajo Nation Retirement Plan.

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

24th NAVAJO NATION COUNCIL – FIRST YEAR, 2019

INTRODUCED BY

(Primary Sponsor)

TRACKING NO. 0334-19

AN ACTION

RELATING TO THE BUDGET AND FINANCE COMMITTEE; APPROVING AS RECOMMENDED BY THE NAVAJO NATION INVESTMENT COMMITTEE, THE SELECTION OF WESTPORT CAPITAL PARTNERS LLC AS A NON-CORE REAL ESTATE MANAGER FOR THE NAVAJO NATION PERMANENT FUND AND RETIREMENT PLAN; AND APPROVING THE SUBSCRIPTION BOOKLETS AND RELATED DOCUMENTS BETWEEN THE NAVAJO NATION AND WESTPORT CAPITAL PARTNERS LLC RELATED TO THE NAVAJO NATION PERMANENT FUND AND THE NAVAJO NATION RETIREMENT PLAN

BE IT ENACTED:

SECTION ONE. AUTHORITY

A. The Budget and Finance Committee of the Navajo Nation Council (the "Budget and Finance Committee") is empowered with the authority to exercise oversight in the areas including, but not limited to, budget, finance, investment, bonds, contracting, insurance, audits, accounting, taxes, loans, and Chapter budget and finance, for the purpose of coordinating, overseeing, and regulating the fiscal, financial, investment, contracting, and audit policies of the Navajo Nation pursuant to 2 N.N.C. § 300(C)(1); and to promulgate
rules and regulations related to contracting, investments, and financial matters pursuant to 2 N.N.C. § 301(B)(1).

B. The Navajo Nation created the Navajo Nation Investment Committee (the “Investment Committee”) pursuant to Resolution No. CAU-39-73, and the Budget and Finance Committee of the Navajo Nation Council (the “Budget and Finance Committee”) approved and adopted the investment policies for all Navajo Nation financial resources (the “Master Investment Policy”) pursuant to Resolution No. BFO-61-90, as amended by BFJY-114-03, BFJA-01-08, B&FN-17-15, BFD-38-17, BFD-41-17, and BFD-45-18.

C. The Investment Committee is an advisory group to the Budget and Finance Committee in the management of the Nation’s investment program and is responsible for recommending to the Budget and Finance Committee the approval of the selection of investment managers and custodians recommended by the Investment Consultant, subject to the approval of each investment manager contract and each custodian contract by the Budget and Finance Committee, pursuant to the Master Investment Policy, § 4.3(d).

SECTION TWO. FINDINGS

A. The Investment Committee and the Nation’s Investment Consultant, RVK, Inc. (“RVK”), have recommended to the Budget and Finance Committee the approval of the selection of Westport Capital Partners LLC (“Westport”) as one of the Non-Core Real Estate Managers for the Navajo Nation Permanent Fund (the “Permanent Fund”) and the Navajo Nation Retirement Plan (the “Retirement Plan”) through Resolution No. NNICAP-02-19, attached hereto as Exhibit 1.

B. The Controller, RVK, the Navajo Nation Department of Justice, and the Investment Committee’s outside counsel, Kutak Rock LLP, have negotiated with Westport the terms of the Subscription Booklet and related documents between the Navajo Nation and Westport for the Permanent Fund the “Permanent Fund Agreements”), attached hereto as Exhibit 2, and the Subscription Booklet and related documents between the Navajo Nation and Westport for the Retirement Plan (the “Retirement Plan Agreements”), attached hereto as Exhibit 3.
C. The Budget and Finance Committee now considers the recommendation of the
Investment Committee and RVK to approve the selection of Westport as a Non-Core
Real Estate Manager for the Permanent Fund and Retirement Plan, and finds that this
action is in the Nation’s best interest.
D. The Budget and Finance Committee finds implementation of the Permanent Fund
Agreements and the Retirement Plan Agreements (collectively, the “Agreements”) to be
in the Nation’s best interest.
E. The Department of Justice has reviewed the collective Agreements, which are the subject
of this proposed resolution, and determined the Agreements to be legally sufficient for
the purposes stated therein. The Department of Justice review is attached as Exhibit 4.

SECTION THREE. APPROVAL

A. The Budget and Finance Committee approves the selection of Westport as a Non-Core
Real Estate Manager for the Permanent Fund and Retirement Plan, with a total
commitment to Westport in Fiscal Year 2020 of $50 million, comprised of $37.5 million
from the Permanent Fund and $12.5 million from the Retirement Plan.
B. The Budget and Finance Committee further approves the Agreements and delegates
authority to the Controller to make any reasonable and necessary changes to the
Agreements consistent with the intent of this Legislation, to submit the Agreements to the
Navajo Nation President for execution, and to effectuate the purposes of the Agreements
and this Legislation.