LEGISLATION NO: _0214-20_  SPONSOR: Jamie Henio

TITLE:  An Action Relating To Budget And Finance Committee; Approving A Modification To The Service Contract Between The Navajo Nation And Wells Fargo To Provide Custody And Recordkeeping Services For The Navajo Nation 401(K) Savings Plan, Extending The Contract For Two Years From September 30, 2019 To September 20, 2021 And Consenting To Wells Fargo's Assignment Of The Agreements, Rights, And Duties To Principal Financial Group

Date posted: August 26, 2020 at 6:01PM

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DATE: August 21, 2020

TITLE OF RESOLUTION: RELATING TO BUDGET AND FINANCE COMMITTEE; APPROVING A MODIFICATION TO THE SERVICE CONTRACT BETWEEN THE NAVAJO NATION AND WELLS FARGO TO PROVIDE CUSTODY AND RECORDKEEPING SERVICES FOR THE NAVAJO NATION 401(K) SAVINGS PLAN, EXTENDING THE CONTRACT FOR TWO YEARS FROM SEPTEMBER 30, 2019 TO SEPTEMBER 30, 2021 AND CONSENTING TO WELLS FARGO'S ASSIGNMENT OF THE AGREEMENTS, RIGHTS, AND DUTIES TO PRINCIPAL FINANCIAL GROUP

PURPOSE: The purpose of this resolution is for the Budget and Finance Committee to approve a contract modification between the Navajo Nation and Wells Fargo by extending the contract until September 30, 2021.

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—SECOND YEAR, 2020

INTRODUCED BY

Primary Sponsor

TRACKING NO. 0214-20

RELATING TO BUDGET AND FINANCE COMMITTEE; APPROVING A MODIFICATION TO THE SERVICE CONTRACT BETWEEN THE NAVAJO NATION AND WELLS FARGO TO PROVIDE CUSTODY AND RECORDKEEPING SERVICES FOR THE NAVAJO NATION 401(K) SAVINGS PLAN, EXTENDING THE CONTRACT FOR TWO YEARS FROM SEPTEMBER 30, 2019 TO SEPTEMBER 30, 2021 AND CONSENTING TO WELLS FARGO’S ASSIGNMENT OF THE AGREEMENTS, RIGHTS, AND DUTIES TO PRINCIPAL FINANCIAL GROUP

SECTION ONE. AUTHORITY

A. The Budget and Finance Committee approved the Navajo Nation Retirement Savings Plan, effective October 1, 1984, by approving the revised Retirement Plan for Employees of the Navajo Tribe and Certain Tribal Affiliates and incorporating into the Retirement Plan an employer-matched 401(k) Savings Plan through Resolution BFJN-71-86. The Budget and Finance Committee amended and restated the Navajo Nation 401(k) Savings Plan through Resolutions BFJN-65-02 and BFD-49-10. Pursuant to the authority delegated under Section 16.1 of the Navajo Nation 401(k) Savings Plan, the Chair of the Budget and Finance Committee on October 27, 2018, certified the Approval and Ratification of the amended and restated Navajo Nation 401(k) Savings Plan Effective as of January 1, 2016, as approved and adopted by RSPAC-01-16.
B. The Budget and Finance Committee is empowered to coordinate and review all fiscal, financial, and investment activities of the Navajo Nation pursuant to 2 N.N.C. § 301(B)(5).

C. The Budget and Finance Committee has oversight over the functions of the Department of Retirement Services pursuant to 2 N.N.C. § 301(B)(13).

SECTION TWO. FINDINGS

A. The Budget and Finance Committee approved a service contract between the Navajo Nation and Wells Fargo to service the Navajo Nation 401(k) Savings Plan through Resolution BFD-144-01, and approved a contract modification by Resolution BFJA-03-02, but did not review or approve subsequent contracts with Wells Fargo.

B. In 2012, the Navajo Nation President executed a service contract with Wells Fargo Institutional Retirement and Trust to serve as the Directed Trustee/Custodian and Recordkeeper for the Navajo Nation 401(k) Savings Plan for the period beginning April 1, 2014 and ending September 30, 2019, which is attached to Exhibit A, the Retirement Savings Plan Administration Committee Resolution RSPAC-01-20.

C. The Retirement Savings Plan Administration Committee, in concurrence with the Department of Retirement Services, and the Navajo Nation’s Investment Consultant, RVK, has determined that it is in the best interest of the Navajo Nation and Plan Participants to extend the service contract with Wells Fargo for a term of two years beginning September 30, 2019 and ending September 30, 2021. Attached hereto as Exhibit A is the Retirement Savings Plan Administration Committee Resolution RSPAC-01-20.

D. The Retirement Savings Plan Administration Committee recommend the Budget and Finance Committee approve a modification to the service contract between the Navajo Nation and Wells Fargo to extend the contract by two years beginning September 30, 2019 and ending September 30, 2021, as recommended by the
Retirement Savings Plan Administration Committee. The contract modification is
attached hereto as Exhibit B.

SECTION THREE. APPROVAL

The Budget and Finance Committee hereby follows the recommendation of the Retirement
Savings Plan Administration Committee in Resolution RSPAC-01-20, as shown in Exhibit
A; and approves the modification to the service contract between the Navajo Nation and
Wells Fargo for the period beginning September 30, 2019 and ending September 30, 2021, to
provide recordkeeping services on behalf of the Navajo Nation 401(k) Savings Plan, and
consenting to Wells Fargo's assignment of the agreements, rights, and duties to Principal
Financial Group, as shown in Exhibit B.

SECTION FOUR. EFFECTIVE DATE

The contract modification indicated in Exhibit B shall be effective as of October 1, 2019
upon execution of the contract by the Navajo Nation President and the authorized
representative of Wells Fargo.