

THE NAVAJO NATION
LEGISLATIVE BRANCH
INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: _0036-21_

SPONSOR: Jamie Henio

TITLE: An Act Relating to Budget and Finance Committee; Ratifying Amendments to the Fee Schedules of the Retirement Plan and Master Trust Investment Manager Agreements

Date posted: March 10, 2021 at 7:49PM

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LEGISLATIVE SUMMARY SHEET

Tracking No. 0036-21

DATE: March 8, 2021

TITLE OF RESOLUTION: AN ACT RELATING TO BUDGET AND FINANCE COMMITTEE; RATIFYING AMENDMENTS TO THE FEE SCHEDULES OF THE RETIREMENT PLAN AND MASTER TRUST INVESTMENT MANAGER AGREEMENTS

PURPOSE: The purpose of this resolution is for the Navajo Nation to ratify certain amendments to the fee schedules of the Retirement Plan and Master Trust investment manager agreements.

VS Resolution

Website Posting Time/Date:

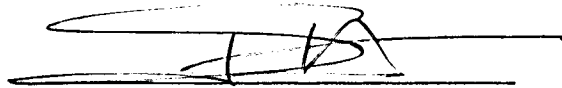

Posting End Date: 03-15-2021

Eligible for Action: 03-16-2021

PROPOSED STANDING COMMITTEE RESOLUTION

24th NAVAJO NATION COUNCIL - THIRD YEAR, 2021

INTRODUCED BY

Primary Sponsor

TRACKING NO. 0036-21

AN ACT

RELATING TO BUDGET AND FINANCE COMMITTEE; RATIFYING AMENDMENTS TO THE FEE SCHEDULES OF THE RETIREMENT PLAN AND MASTER TRUST INVESTMENT MANAGER AGREEMENTS

SECTION ONE. AUTHORITY

- A. The Budget and Finance Committee of the Navajo Nation Council is empowered with the "authority including but not limited to budget, finance, investment, bonds, contracting, insurance, audits, accounting, taxes, loans, Chapter budget and finance for the following purposes: 1) [t]o coordinate, oversee, regulate the fiscal, financial, investment, contracting and audit policies of the Navajo Nation." 2 N.N.C. §§ 300(C), (C)(1).
- 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 adopted investment policies for all Navajo Nation financial resources, the Master Investment Policy, in Resolution Nos. BFO-61-90, BFJY-114-03, BFJA-01-08, BFJN-17-15, BFD-38-17, and BFD-41-17; the Budget and Finance Committee approved the current version of the Master Investment Policy in BFD-45-18.

1 D. The Navajo Nation created the Navajo Nation Investment Committee in Resolution No.
2 CAU-39-73.

3 E. The Navajo Nation Investment Committee is an advisory group to the Budget and
4 Finance Committee regarding the management of the Navajo Nation's investment
5 programs, and is responsible for approving and making recommendations to the Budget
6 and Finance Committee for the adoption of modifications to the Master Investment
7 Policy, Sub-Policies, and Asset Class Guidelines, pursuant to the Master Investment
8 Policy at § 4.3. The Investment Committee also makes recommendations to the Budget
9 and Finance Committee for approval of investment managers and custodians, in
10 accordance with §§ 4.3, 4.3(d) of the Master Investment Policy.
11

12 SECTION TWO. FINDINGS

13 A. The Navajo Nation and Capital Guardian Trust Company have entered into various
14 investment management agreements ("Agreements") relating to the Navajo Nation
15 Master Trust and the Navajo Nation Defined Benefit Plan, all of which are attached as
16 **Subexhibits 1-5** to Navajo Nation Investment Committee Resolution No. NNICFB-
17 05-20 (attached hereto as **Exhibit A**). The Agreements are as follows:

18 Grantor Trust Agreement, dated August 30, 2005 (**Subexhibit 1**);

19 Investment Management Agreement, dated August 30, 2005
20 (**Subexhibit 2**);

21 Addendum to the Investment Management Agreement, dated August
22 30, 2005 (**Subexhibit 3**);

23 Letter of Understanding, dated August 30, 2005 (**Subexhibit 4**);

24 Addendum to the Investment Management Agreement, dated
25 October 11, 2007 (**Subexhibit 5**).

26 B. The Navajo Nation Controller, pursuant to her duties under the Master Investment
27 Policy at § 4.4, has coordinated with the Navajo Nation's investment consultant, RVK,
28 Inc., and both have recommended to the Navajo Nation Investment Committee certain
29 proposed amendments to the Capital Guardian Trust Company's Investment Manager
30 Agreements related to the Account Fee Schedules for Account No. 44347100 for the

1 Retirement Plan, and for Account No. 44347200 for the Master Trust. The proposed
2 amendments are attached to Exhibit A as **Subexhibit 6** and **Subexhibit 7**, respectively.

3 C. As shown in **Exhibit A** attached hereto, the Navajo Nation Investment Committee has
4 reviewed the recommendation by the Navajo Nation Controller and RVK, Inc.,
5 regarding the proposed amendments shown in **Subexhibit 6** and **Subexhibit 7**. In
6 Resolution No. NNICFB-05-20 the Navajo Nation Investment Committee approved
7 the recommendation by the Navajo Nation Controller and RVK, Inc. to adopt the
8 proposed amendments.

9 D. In Resolution No. NNICFB-05-20 the Navajo Nation Investment Committee also
10 recommends to the Budget and Finance Committee the ratification of the proposed
11 amendments to the Capital Guardian Trust Company's Investment Manager
12 Agreements related to the Account Fee Schedules for Account No. 44347100 for the
13 Retirement Plan, and for Account No. 44347200 for the Master Trust, as shown in
14 **Subexhibit 6** and **Subexhibit 7** to Exhibit A attached hereto, respectively.

15 E. The Investment Committee's recommendation and the proposed amendments have
16 been reviewed by the Navajo Nation Department of Justice and have been determined
17 "legally sufficient." **Exhibit B**.

18
19 **SECTION THREE. APPROVAL**

20 The Budget and Finance Committee approves the recommendation of the Navajo Nation
21 Investment Committee, adopting the amendments to the Capital Guardian Trust Company's
22 Investment Manager Agreements related to the Account Fee Schedules for Account No.
23 44347100 for the Retirement Plan, and for Account No. 44347200 for the Master Trust, as
24 shown in **Subexhibit 6** and **Subexhibit 7** to the attached Exhibit A, respectively.
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