

THE NAVAJO NATION
LEGISLATIVE BRANCH
INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: _0068-22_

SPONSOR: Jamie Henio

TITLE: An Act Relating to the Budget and Finance Committee; As Recommended by the Navajo Nation Investment Committee, Approving the Selection of Prudential Group Investment Management ("PGIM") 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 PGIM for the Navajo Nation Permanent Fund and the Navajo Nation Retirement Plan

Date posted: March 31, 2022 at 9:53 AM

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SUMMARY OF PROPOSED LEGISLATION

TrackingNo. 0068-22

Date: March 29, 2022

Re: **RELATING TO THE BUDGET AND FINANCE COMMITTEE; AS RECOMMENDED BY THE NAVAJO NATION INVESTMENT COMMITTEE, APPROVING THE SELECTION OF PRUDENTIAL GROUP INVESTMENT MANAGEMENT (“PGIM”) 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 PGIM FOR THE NAVAJO NATION PERMANENT FUND AND THE NAVAJO NATION RETIREMENT PLAN**

Purpose of this Legislation:

to approve the recommendation of the Investment Committee to select Prudential Group Investment Management as a Non-Core Real Estate Manager for the Permanent Fund and the Retirement Plan, and approving the Subscription Booklets and related documents.

OLC No. 22-097-1

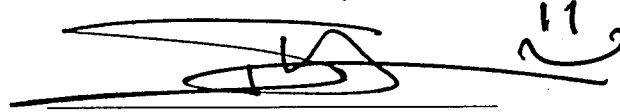
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Eligible for Action: 04-06-22

PROPOSED STANDING COMMITTEE RESOLUTION
24th NAVAJO NATION COUNCIL - Fourth Year, 2022

Introduced by:



(Primary Sponsor)

Tracking No. 0068-22

AN ACT

RELATING TO THE BUDGET AND FINANCE COMMITTEE; AS RECOMMENDED
BY THE NAVAJO NATION INVESTMENT COMMITTEE, APPROVING THE
SELECTION OF PRUDENTIAL GROUP INVESTMENT MANAGEMENT
("PGIM") 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 PGIM FOR 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 is a standing committee of the Navajo Nation Council empowered with oversight authority over matters involving budgeting, 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. 2 N.N.C. §300(C); 2 N.N.C. §300(C)(1).

B. The Budget and Finance Committee ("BFC") is authorized to promulgate rules, regulations, and policies related to contracting, investments, and financial matters of the

1 Navajo Nation. 2 N.N.C. §301(B)(1).

2 C. In Resolution No. CAU-39-73 the Navajo Nation established the Navajo Nation Investment
3 Committee (“Investment Committee”).

4 D. BFC adopted the investment policies for the management of all Navajo Nation financial
5 resources (“Master Investment Policy”) pursuant to Resolution No. BFO-61-90, as
6 amended by BFJY-114-03, BFJA-01-08, BFJN-17-15, BFD-38-17, BFD-41-17, and BFD-
7 45-18.

8 E. The Investment Committee advises BFC regarding the Navajo Nation’s investment
9 program, and is responsible for recommending to BFC the selection of investment
10 managers and custodians as recommended by the Investment Consultant, subject to BFC’s
11 approval of each investment manager contract and each custodian contract, pursuant to the
12 Section 4.3(d) of the Master Investment Policy.

13
14 **SECTION TWO. FINDINGS**

15 A. The Investment Committee and the Navajo Nation’s Investment Consultant, RVK, Inc.
16 (“RVK”), have recommended to BFC that Prudential Group Investment Management
17 (“PGIM”) be selected as one of the Non-Core Real Estate Managers for the Navajo Nation
18 Permanent Fund and for the Navajo Nation Retirement Plan. Resolution No. NNICAP-02-
19 19, attached hereto as **EXHIBIT A**. RVK has prepared its Non-Core Real Estate
20 Recommendation and related documents, attached as **EXHIBIT B**.

21 B. The Controller, RVK, the Department of Justice, and the Investment Committee’s outside
22 counsel, Kutak Rock L.L.P., have negotiated with PGIM concerning the terms of the
23 Subscription Booklet and related documents between the Navajo Nation and PGIM for the
24 Permanent Fund (“Permanent Fund Agreements”). **EXHIBIT C**.

25 C. The Controller, RVK, the Department of Justice, and the Investment Committee’s outside
26 counsel, Kutak Rock L.L.P., have negotiated with PGIM concerning the terms of the
27 Subscription Booklet and related documents between the Navajo Nation and PGIM for the
28 Retirement Plan (“Retirement Plan Agreements”). **EXHIBIT D**.

29 D. The Permanent Fund Agreements and the Retirement Plan Agreements have gone through
30 the “Executive Official Review” and have been deemed sufficient by the Office of the

1 Controller and the Department of Justice. **EXHIBIT E.** DOJ's draft resolution and the
2 Navajo Nation's W-9 forms are also attached under EXHIBIT E.

3 E. BFC has considered the recommendation of the Investment Committee and RVK to
4 approve the selection of PGIM as a Non-Core Real Estate Manager for the Permanent Fund
5 and the Retirement Plan, and finds the selection of PGIM to be in the best interest of the
6 Navajo Nation.

7 F. BFC has reviewed the Permanent Fund Agreements and the Retirement Plan Agreements,
8 and finds that the Navajo Nation's execution of said Agreements is in the best interest of
9 the Navajo Nation.

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11 **SECTION THREE. APPROVAL**

12 A. The Budget and Finance Committee hereby approves the selection of PGIM as a Non-Core
13 Real Estate Manager for the Permanent Fund and the Retirement Plan, with a total
14 commitment to PGIM in Fiscal Year 2022 of \$50,000,000, consisting of \$37,500,000 from
15 the Permanent Fund and \$12,500,000 from the Retirement Plan.

16 B. BFC hereby approves the Permanent Fund Agreements and the Retirement Plan
17 Agreements and delegates its Committee authority to the Controller to make any
18 reasonable revisions to said Agreements, so long as such changes are consistent with the
19 intent of this Act.

20 C. BFC hereby authorizes the Controller to submit the Permanent Fund Agreements and the
21 Retirement Plan Agreements to the Navajo Nation President for execution, and to take all
22 actions necessary and appropriate to implement the purposes of this Act, and the purposes
23 of the Permanent Fund Agreements and the Retirement Plan Agreements.

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25 **SECTION FOUR. EFFECTIVE DATE**

26 This Act shall become effective in accordance with 2 N.N.C. §300(C), 2 N.N.C. §300(C)(1),
27 and 2 N.N.C. §189(A).

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29 **SECTION FIVE. SAVING CLAUSE**

30 If any portion of this Act is invalidated by the Supreme Court of the Navajo Nation, or by any

1 Navajo Nation District Court without appeal to the Navajo Nation Supreme Court, the
2 remainder of this legislation shall be the law of the Navajo Nation.

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