

OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
411 West Ocean Boulevard, 9th Floor
Long Beach, CA 90802-4664

1 AGREEMENT

2 36066

3 THIS AGREEMENT is made and entered, in duplicate, as of August 18,
4 2021, for reference purposes only, pursuant to a minute order adopted by the City Council
5 of the City of Long Beach at its meeting on June 15, 2021, by and between CHANDLER
6 ASSET MANAGEMENT, INC., a California corporation ("Consultant"), with a place of
7 business at 6225 Lusk Blvd., San Diego, California 92121, and the CITY OF LONG
8 BEACH, a municipal corporation ("City").

9 WHEREAS, City requires specialized services requiring unique skills to be
10 performed in connection with overall City's pooled investments advisory consultation and
11 management of the Long Maturity portfolio ("Project"); and

12 WHEREAS, City has selected Consultant in accordance with City's
13 administrative procedures and City has determined that Consultant and its employees are
14 qualified, licensed, if so required, and experienced in performing these specialized
15 services; and

16 WHEREAS, City desires to have Consultant perform these specialized
17 services, and Consultant is willing and able to do so on the terms and conditions in this
18 Agreement;

19 NOW, THEREFORE, in consideration of the mutual terms, covenants, and
20 conditions in this Agreement, the parties agree as follows:

21 1. SCOPE OF WORK OR SERVICES.

22 A. Consultant shall furnish specialized services more particularly
23 described in Exhibit "A", attached to this Agreement and incorporated by this
24 reference, in accordance with the standards of the profession, and City shall pay for
25 these services in the manner described below, in an annual amount not to exceed
26 Two Hundred Ninety Thousand Dollars (\$290,000), with a monthly contingency fee
27 of Twenty-Two Thousand Dollars (\$22,000), if emergency services are activated,
28 for a total annual amount not to exceed Five Hundred Fifty-Four Thousand Dollars

1 (\$554,000), at the rates or charges shown in Exhibit "B".

2 B. The Scope of Work shall also include temporary emergency
3 services to accommodate City's business continuity plan related to the management
4 and maintenance of City's Short and Intermediate term portfolios. In order to
5 activate the emergency services, City shall send a directive to Chandler,
6 substantially in the form attached hereto as Exhibit "E", directing that Chandler
7 manage the additional funds for the time period deemed necessary by the City. The
8 City shall further send a directive to the City's custodian of funds, Wells Fargo Bank,
9 substantially in the form attached hereto as Exhibit "F", authorizing Chandler to trade
10 the City's internally managed accounts for the term indicated therein.

11 C. The City's obligation to pay the sum stated above for any one
12 fiscal year shall be contingent upon the City Council of the City appropriating the
13 necessary funds for such payment by the City in each fiscal year during the term of
14 this Agreement. For the purposes of this Section, a fiscal year commences on
15 October 1 of the year and continues through September 30 of the following year. In
16 the event that the City Council of the City fails to appropriate the necessary funds
17 for any fiscal year, then, and in that event, the Agreement will terminate at no
18 additional cost or obligation to the City.

19 D. Consultant may select the time and place of performance for
20 these services; provided, however, that access to City documents, records and the
21 like, if needed by Consultant, shall be available only during City's normal business
22 hours and provided that milestones for performance, if any, are met.

23 E. Consultant has requested to receive regular payments. City
24 shall pay Consultant in due course of payments following receipt from Consultant
25 and approval by City of invoices showing the services or task performed, the time
26 expended (if billing is hourly), and the name of the Project. Consultant shall certify
27 on the invoices that Consultant has performed the services in full conformance with
28 this Agreement and is entitled to receive payment. Each invoice shall be

1 accompanied by a progress report indicating the progress to date of services
2 performed and covered by the invoice, including a brief statement of any Project
3 problems and potential causes of delay in performance, and listing those services
4 that are projected for performance by Consultant during the next invoice cycle.
5 Where billing is done and payment is made on an hourly basis, the parties
6 acknowledge that this arrangement is either customary practice for Consultant's
7 profession, industry or business, or is necessary to satisfy audit and legal
8 requirements which may arise due to the fact that City is a municipality.

9 F. Consultant represents that Consultant has obtained all
10 necessary information on conditions and circumstances that may affect its
11 performance and has conducted site visits, if necessary.

12 G. CAUTION: Consultant shall not begin work until this
13 Agreement has been signed by both parties and until Consultant's evidence of
14 insurance has been delivered to and approved by City.

15 2. TERM. The term of this Agreement shall commence at midnight on
16 January 1, 2022, and shall terminate at 11:59 p.m. on December 31, 2023, unless sooner
17 terminated as provided in this Agreement, or unless the services or the Project is
18 completed sooner. The term may be extended for three (3) additional one-year periods, at
19 the discretion of the City Manager.

20 3. COORDINATION AND ORGANIZATION.

21 A. Consultant shall coordinate its performance with City's
22 representative, if any, named in Exhibit "C", attached to this Agreement and
23 incorporated by this reference. Consultant shall advise and inform City's
24 representative of the work in progress on the Project in sufficient detail so as to
25 assist City's representative in making presentations and in holding meetings on the
26 Project. City shall furnish to Consultant information or materials, if any, described
27 in Exhibit "D", attached to this Agreement and incorporated by this reference, and
28 shall perform any other tasks described in the Exhibit.

1 B. The parties acknowledge that a substantial inducement to City
2 for entering this Agreement was and is the reputation and skill of Consultant's key
3 employee, named in Exhibit "E" attached to this Agreement and incorporated by this
4 reference. City shall have the right to approve any person proposed by Consultant
5 to replace that key employee.

6 4. INDEPENDENT CONTRACTOR. In performing its services,
7 Consultant is and shall act as an independent contractor and not an employee,
8 representative or agent of City. Consultant shall have control of Consultant's work and the
9 manner in which it is performed. Consultant shall be free to contract for similar services to
10 be performed for others during this Agreement; provided, however, that Consultant acts in
11 accordance with Section 9 and Section 11 of this Agreement. Consultant acknowledges
12 and agrees that (a) City will not withhold taxes of any kind from Consultant's compensation;
13 (b) City will not secure workers' compensation or pay unemployment insurance to, for or
14 on Consultant's behalf; and (c) City will not provide and Consultant is not entitled to any of
15 the usual and customary rights, benefits or privileges of City employees. Consultant
16 expressly warrants that neither Consultant nor any of Consultant's employees or agents
17 shall represent themselves to be employees or agents of City.

18 5. INSURANCE.

19 A. As a condition precedent to the effectiveness of this
20 Agreement, Consultant shall procure and maintain, at Consultant's expense for the
21 duration of this Agreement, from insurance companies that are admitted to write
22 insurance in California and have ratings of or equivalent to A:V by A.M. Best
23 Company or from authorized non-admitted insurance companies subject to Section
24 1763 of the California Insurance Code and that have ratings of or equivalent to A:VIII
25 by A.M. Best Company, the following insurance:

26 i. Commercial general liability insurance (equivalent in
27 scope to ISO form CG 00 01 11 85 or CG 00 01 10 93) in an amount not less
28 than One Million Dollars (\$1,000,000.00) per each occurrence and Two

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Million Dollars (\$2,000,000.00) general aggregate. This coverage shall include but not be limited to broad form contractual liability, cross liability, independent contractors liability, and products and completed operations liability. City, its boards and commissions, and their officials, employees and agents shall be named as additional insureds by endorsement (on City's endorsement form or on an endorsement equivalent in scope to ISO form CG 20 10 11 85 or CG 20 26 11 85 or both CG 20 10 07 04 and CG 20 37 07 04 or both CG 20 33 07 04 and CG 20 37 07 04), and this insurance shall contain no special limitations on the scope of protection given to City, its boards and commissions, and their officials, employees and agents. This policy shall be endorsed to state that the insurer waives its right of subrogation against City, its boards and commissions, and their officials, employees and agents.

ii. Workers' Compensation insurance as required by the California Labor Code and employer's liability insurance in an amount not less than One Million Dollars (\$1,000,000.00). This policy shall be endorsed to state that the insurer waives its right of subrogation against City, its boards and commissions, and their officials, employees and agents.

iii. Professional liability or errors and omissions insurance in an amount not less than One Million Dollars (\$1,000,000.00) per claim.

iv. Commercial automobile liability insurance (equivalent in scope to ISO form CA 00 01 06 92), covering Auto Symbol 1 (Any Auto) in an amount not less than Five Hundred Thousand Dollars (\$500,000.00) combined single limit per accident.

B. Any self-insurance program, self-insured retention, or deductible must be separately approved in writing by City's Risk Manager or designee and shall protect City, its officials, employees and agents in the same manner and to the same extent as they would have been protected had the policy or policies not contained retention or deductible provisions.

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C. Each insurance policy shall be endorsed to state that coverage shall not be reduced, non-renewed or canceled except after thirty (30) days prior written notice to City, shall be primary and not contributing to any other insurance or self-insurance maintained by City, and shall be endorsed to state that coverage maintained by City shall be excess to and shall not contribute to insurance or self-insurance maintained by Consultant. Consultant shall notify City in writing within five (5) days after any insurance has been voided by the insurer or cancelled by the insured.

D. If this coverage is written on a "claims made" basis, it must provide for an extended reporting period of not less than one hundred eighty (180) days, commencing on the date this Agreement expires or is terminated, unless Consultant guarantees that Consultant will provide to City evidence of uninterrupted, continuing coverage for a period of not less than three (3) years, commencing on the date this Agreement expires or is terminated.

E. Consultant shall require that all subconsultants or contractors that Consultant uses in the performance of these services maintain insurance in compliance with this Section unless otherwise agreed in writing by City's Risk Manager or designee.

F. Prior to the start of performance, Consultant shall deliver to City certificates of insurance and the endorsements for approval as to sufficiency and form. In addition, Consultant shall, within thirty (30) days prior to expiration of the insurance, furnish to City certificates of insurance and endorsements evidencing renewal of the insurance. City reserves the right to require complete certified copies of all policies of Consultant and Consultant's subconsultants and contractors, at any time. Consultant shall make available to City's Risk Manager or designee all books, records and other information relating to this insurance, during normal business hours.

G. Any modification or waiver of these insurance requirements

1 shall only be made with the approval of City's Risk Manager or designee. Not more
2 frequently than once a year, City's Risk Manager or designee may require that
3 Consultant, Consultant's subconsultants and contractors change the amount, scope
4 or types of coverages required in this Section if, in his or her sole opinion, the
5 amount, scope or types of coverages are not adequate.

6 H. The procuring or existence of insurance shall not be construed
7 or deemed as a limitation on liability relating to Consultant's performance or as full
8 performance of or compliance with the indemnification provisions of this Agreement.

9 6. ASSIGNMENT AND SUBCONTRACTING. This Agreement
10 contemplates the personal services of Consultant and Consultant's employees, and the
11 parties acknowledge that a substantial inducement to City for entering this Agreement was
12 and is the professional reputation and competence of Consultant and Consultant's
13 employees. Consultant shall not assign its rights or delegate its duties under this
14 Agreement, or any interest in this Agreement, or any portion of it, without the prior approval
15 of City, except that Consultant may with the prior approval of the City Manager of City,
16 assign any moneys due or to become due Consultant under this Agreement. Any
17 attempted assignment or delegation shall be void, and any assignee or delegate shall
18 acquire no right or interest by reason of an attempted assignment or delegation.
19 Furthermore, Consultant shall not subcontract any portion of its performance without the
20 prior approval of the City Manager or designee, or substitute an approved subconsultant
21 or contractor without approval prior to the substitution. Nothing stated in this Section shall
22 prevent Consultant from employing as many employees as Consultant deems necessary
23 for performance of this Agreement.

24 7. CONFLICT OF INTEREST. Consultant, by executing this Agreement,
25 certifies that, at the time Consultant executes this Agreement and for its duration,
26 Consultant does not and will not perform services for any other client which would create
27 a conflict, whether monetary or otherwise, as between the interests of City and the interests
28 of that other client. Consultant further certifies that Consultant does not now have and shall

1 not acquire any interest, direct or indirect, in the area covered by this Agreement or any
2 other source of income, interest in real property or investment which would be affected in
3 any manner or degree by the performance of Consultant's services hereunder. And,
4 Consultant shall obtain similar certifications from Consultant's employees, subconsultants
5 and contractors.

6 8. MATERIALS. Consultant shall furnish all labor and supervision,
7 supplies, materials, tools, machinery, equipment, appliances, transportation and services
8 necessary to or used in the performance of Consultant's obligations under this Agreement,
9 except as stated in Exhibit "D".

10 9. OWNERSHIP OF DATA. All materials, information and data
11 prepared, developed or assembled by Consultant or furnished to Consultant in connection
12 with this Agreement, including but not limited to documents, estimates, calculations,
13 studies, maps, graphs, charts, computer disks, computer source documentation, samples,
14 models, reports, summaries, drawings, designs, notes, plans, information, material and
15 memorandum ("Data") shall be the exclusive property of City. Data shall be given to City,
16 in a format identified by City, and City shall have the unrestricted right to use and disclose
17 the Data in any manner and for any purpose without payment of further compensation to
18 Consultant. Copies of Data may be retained by Consultant but Consultant warrants that
19 Data shall not be made available to any person or entity for use without the prior approval
20 of City. This warranty shall survive termination of this Agreement for five (5) years.

21 10. TERMINATION. Either party shall have the right to terminate this
22 Agreement for any reason or no reason at any time by giving fifteen (15) calendar days
23 prior written notice to the other party. In the event of termination under this Section, City
24 shall pay Consultant for services satisfactorily performed and costs incurred up to the
25 effective date of termination for which Consultant has not been previously paid. The
26 procedures for payment in Section 1.B. with regard to invoices shall apply. On the effective
27 date of termination, Consultant shall deliver to City all Data developed or accumulated in
28 the performance of this Agreement, whether in draft or final form, or in process. And,

1 Consultant acknowledges and agrees that City's obligation to make final payment is
2 conditioned on Consultant's delivery of the Data to City.

3 11. CONFIDENTIALITY. Consultant shall keep all Data confidential and
4 shall not disclose the Data or use the Data directly or indirectly, other than in the course of
5 performing its services, during the term of this Agreement and for five (5) years following
6 expiration or termination of this Agreement. In addition, Consultant shall keep confidential
7 all information, whether written, oral or visual, obtained by any means whatsoever in the
8 course of performing its services for the same period of time. Consultant shall not disclose
9 any or all of the Data to any third party, or use it for Consultant's own benefit or the benefit
10 of others except for the purpose of this Agreement.

11 12. BREACH OF CONFIDENTIALITY. Consultant shall not be liable for
12 a breach of confidentiality with respect to Data that: (a) Consultant demonstrates
13 Consultant knew prior to the time City disclosed it; or (b) is or becomes publicly available
14 without breach of this Agreement by Consultant; or (c) a third party who has a right to
15 disclose does so to Consultant without restrictions on further disclosure; or (d) must be
16 disclosed pursuant to subpoena or court order.

17 13. ADDITIONAL COSTS AND REDESIGN.

18 A. Any costs incurred by City due to Consultant's failure to meet
19 the standards required by the scope of work or Consultant's failure to perform fully
20 the tasks described in the scope of work which, in either case, causes City to request
21 that Consultant perform again all or part of the Scope of Work shall be at the sole
22 cost of Consultant and City shall not pay any additional compensation to Consultant
23 for its re-performance.

24 B. If the Project involves construction and the scope of work
25 requires Consultant to prepare plans and specifications with an estimate of the cost
26 of construction, then Consultant may be required to modify the plans and
27 specifications, any construction documents relating to the plans and specifications,
28 and Consultant's estimate, at no cost to City, when the lowest bid for construction

1 received by City exceeds by more than ten percent (10%) Consultant's estimate.
2 This modification shall be submitted in a timely fashion to allow City to receive new
3 bids within four (4) months after the date on which the original plans and
4 specifications were submitted by Consultant.

5 14. AMENDMENT. This Agreement, including all Exhibits, shall not be
6 amended, nor any provision or breach waived, except in writing signed by the parties which
7 expressly refers to this Agreement.

8 15. LAW. This Agreement shall be construed in accordance with the laws
9 of the State of California, and the venue for any legal actions brought by any party with
10 respect to this Agreement shall be the County of Los Angeles, State of California for state
11 actions and the Central District of California for any federal actions. Consultant shall cause
12 all work performed in connection with construction of the Project to be performed in
13 compliance with (1) all applicable laws, ordinances, rules and regulations of federal, state,
14 county or municipal governments or agencies (including, without limitation, all applicable
15 federal and state labor standards, including the prevailing wage provisions of sections 1770
16 *et seq.* of the California Labor Code); and (2) all directions, rules and regulations of any fire
17 marshal, health officer, building inspector, or other officer of every governmental agency
18 now having or hereafter acquiring jurisdiction.

19 16. PREVAILING WAGES.

20 A. Consultant agrees that all public work (as defined in California
21 Labor Code section 1720) performed pursuant to this Agreement (the "Public
22 Work"), if any, shall comply with the requirements of California Labor Code sections
23 1770 *et seq.* City makes no representation or statement that the Project, or any
24 portion thereof, is or is not a "public work" as defined in California Labor Code
25 section 1720.

26 B. In all bid specifications, contracts and subcontracts for any
27 such Public Work, Consultant shall obtain the general prevailing rate of per diem
28 wages and the general prevailing rate for holiday and overtime work in this locality

1 for each craft, classification or type of worker needed to perform the Public Work,
2 and shall include such rates in the bid specifications, contract or subcontract. Such
3 bid specifications, contract or subcontract must contain the following provision: "It
4 shall be mandatory for the contractor to pay not less than the said prevailing rate of
5 wages to all workers employed by the contractor in the execution of this contract.
6 The contractor expressly agrees to comply with the penalty provisions of California
7 Labor Code section 1775 and the payroll record keeping requirements of California
8 Labor Code section 1771."

9 17. ENTIRE AGREEMENT. This Agreement, including all Exhibits,
10 constitutes the entire understanding between the parties and supersedes all other
11 agreements, oral or written, with respect to the subject matter in this Agreement.

12 18. INDEMNITY.

13 A. Consultant shall indemnify, protect and hold harmless City, its
14 Boards, Commissions, and their officials, employees and agents ("Indemnified
15 Parties"), from and against any and all liability, claims, demands, damage, loss,
16 obligations, causes of action, proceedings, awards, fines, judgments, penalties,
17 costs and expenses, arising or alleged to have arisen, in whole or in part, out of or
18 in connection with (1) Consultant's breach or failure to comply with any of its
19 obligations contained in this Agreement, including any obligations arising from the
20 Project's compliance with or failure to comply with applicable laws, including all
21 applicable federal and state labor requirements including, without limitation, the
22 requirements of California Labor Code section 1770 *et seq.* or (2) negligent or willful
23 acts, errors, omissions or misrepresentations committed by Consultant, its officers,
24 employees, agents, subcontractors, or anyone under Consultant's control, in the
25 performance of work or services under this Agreement (collectively "Claims" or
26 individually "Claim").

27 B. In addition to Consultant's duty to indemnify, Consultant shall
28 have a separate and wholly independent duty to defend Indemnified Parties at

1 Consultant's expense by legal counsel approved by City, from and against all
2 Claims, and shall continue this defense until the Claims are resolved, whether by
3 settlement, judgment or otherwise. No finding or judgment of negligence, fault,
4 breach, or the like on the part of Consultant shall be required for the duty to defend
5 to arise. City shall notify Consultant of any Claim, shall tender the defense of the
6 Claim to Consultant, and shall assist Consultant, as may be reasonably requested,
7 in the defense.

8 C. If a court of competent jurisdiction determines that a Claim was
9 caused by the sole negligence or willful misconduct of Indemnified Parties,
10 Consultant's costs of defense and indemnity shall be (1) reimbursed in full if the
11 court determines sole negligence by the Indemnified Parties, or (2) reduced by the
12 percentage of willful misconduct attributed by the court to the Indemnified Parties.

13 D. The provisions of this Section shall survive the expiration or
14 termination of this Agreement.

15 19. AMBIGUITY. In the event of any conflict or ambiguity between this
16 Agreement and any Exhibit, the provisions of this Agreement shall govern.

17 20. FORCE MAJEURE. If any party fails to perform its obligations
18 because of strikes, lockouts, labor disputes, embargoes, acts of God, inability to obtain
19 labor or materials or reasonable substitutes for labor materials, governmental restrictions,
20 governmental regulations, governmental controls, judicial orders, enemy or hostile
21 governmental action, pandemic, civil commotion, fire or other casualty, or other causes
22 beyond the reasonable control of the party obligated to perform, then that party's
23 performance will be excused for a period equal to the period of such cause for failure to
24 perform.

25 21. NONDISCRIMINATION.

26 A. In connection with performance of this Agreement and subject
27 to applicable rules and regulations, Consultant shall not discriminate against any
28 employee or applicant for employment because of race, religion, national origin,

1 color, age, sex, sexual orientation, gender identity, AIDS, HIV status, handicap or
2 disability. Consultant shall ensure that applicants are employed, and that
3 employees are treated during their employment, without regard to these bases.
4 These actions shall include, but not be limited to, the following: employment,
5 upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or
6 termination; rates of pay or other forms of compensation; and selection for training,
7 including apprenticeship.

8 B. It is the policy of City to encourage the participation of
9 Disadvantaged, Minority and Women-Owned Business Enterprises in City's
10 procurement process, and Consultant agrees to use its best efforts to carry out this
11 policy in its use of subconsultants and contractors to the fullest extent consistent
12 with the efficient performance of this Agreement. Consultant may rely on written
13 representations by subconsultants and contractors regarding their status.
14 Consultant shall report to City in May and in December or, in the case of short-term
15 agreements, prior to invoicing for final payment, the names of all subconsultants
16 and contractors hired by Consultant for this Project and information on whether or
17 not they are a Disadvantaged, Minority or Women-Owned Business Enterprise, as
18 defined in Section 8 of the Small Business Act (15 U.S.C. Sec. 637).

19 22. EQUAL BENEFITS ORDINANCE. Unless otherwise exempted in
20 accordance with the provisions of the Ordinance, this Agreement is subject to the
21 applicable provisions of the Equal Benefits Ordinance (EBO), section 2.73 et seq. of the
22 Long Beach Municipal Code, as amended from time to time.

23 A. During the performance of this Agreement, the Consultant
24 certifies and represents that the Consultant will comply with the EBO. The
25 Consultant agrees to post the following statement in conspicuous places at its place
26 of business available to employees and applicants for employment:

27 "During the performance of a contract with the City of Long Beach, the
28 Consultant will provide equal benefits to employees with spouses and its

1 employees with domestic partners. Additional information about the City of
2 Long Beach's Equal Benefits Ordinance may be obtained from the City of
3 Long Beach Business Services Division at 562-570-6200."

4 B. The failure of the Consultant to comply with the EBO will be
5 deemed to be a material breach of the Agreement by the City.

6 C. If the Consultant fails to comply with the EBO, the City may
7 cancel, terminate or suspend the Agreement, in whole or in part, and monies due or
8 to become due under the Agreement may be retained by the City. The City may
9 also pursue any and all other remedies at law or in equity for any breach.

10 D. Failure to comply with the EBO may be used as evidence
11 against the Consultant in actions taken pursuant to the provisions of Long Beach
12 Municipal Code 2.93 et seq., Contractor Responsibility.

13 E. If the City determines that the Consultant has set up or used its
14 contracting entity for the purpose of evading the intent of the EBO, the City may
15 terminate the Agreement on behalf of the City. Violation of this provision may be
16 used as evidence against the Consultant in actions taken pursuant to the provisions
17 of Long Beach Municipal Code Section 2.93 et seq., Contractor Responsibility.

18 23. NOTICES. Any notice or approval required by this Agreement shall
19 be in writing and personally delivered or deposited in the U.S. Postal Service, first class,
20 postage prepaid, addressed to Consultant at the address first stated above, and to City at
21 411 West Ocean Boulevard, Long Beach, California 90802, Attn: City Manager, with a copy
22 to the City Engineer at the same address. Notice of change of address shall be given in
23 the same manner as stated for other notices. Notice shall be deemed given on the date
24 deposited in the mail or on the date personal delivery is made, whichever occurs first.

25 24. COPYRIGHTS AND PATENT RIGHTS.

26 A. Consultant shall place the following copyright protection on all
27 Data: © City of Long Beach, California _____, inserting the appropriate year.

28 B. City reserves the exclusive right to seek and obtain a patent or

1 copyright registration on any Data or other result arising from Consultant's
2 performance of this Agreement. By executing this Agreement, Consultant assigns
3 any ownership interest Consultant may have in the Data to City.

4 C. Consultant warrants that the Data does not violate or infringe
5 any patent, copyright, trade secret or other proprietary right of any other party.
6 Consultant agrees to and shall protect, defend, indemnify and hold City, its officials
7 and employees harmless from any and all claims, demands, damages, loss, liability,
8 causes of action, costs or expenses (including reasonable attorney's fees) whether
9 or not reduced to judgment, arising from any breach or alleged breach of this
10 warranty.

11 25. COVENANT AGAINST CONTINGENT FEES. Consultant warrants
12 that Consultant has not employed or retained any entity or person to solicit or obtain this
13 Agreement and that Consultant has not paid or agreed to pay any entity or person any fee,
14 commission or other monies based on or from the award of this Agreement. If Consultant
15 breaches this warranty, City shall have the right to terminate this Agreement immediately
16 notwithstanding the provisions of Section 10 or, in its discretion, to deduct from payments
17 due under this Agreement or otherwise recover the full amount of the fee, commission or
18 other monies.

19 26. WAIVER. The acceptance of any services or the payment of any
20 money by City shall not operate as a waiver of any provision of this Agreement or of any
21 right to damages or indemnity stated in this Agreement. The waiver of any breach of this
22 Agreement shall not constitute a waiver of any other or subsequent breach of this
23 Agreement.

24 27. CONTINUATION. Termination or expiration of this Agreement shall
25 not affect rights or liabilities of the parties which accrued pursuant to the Sections titled
26 "Ownership of Data", "Confidentiality", "Breach of Confidentiality", "Law", "Indemnity", and
27 "Audit" prior to termination or expiration of this Agreement.

28 28. TAX REPORTING. As required by federal and state law, City is

1 obligated to and will report the payment of compensation to Consultant on Form 1099-
2 Misc. Consultant shall be solely responsible for payment of all federal and state taxes
3 resulting from payments under this Agreement. Consultant shall submit Consultant's
4 Employer Identification Number (EIN), or Consultant's Social Security Number if
5 Consultant does not have an EIN, in writing to City's Accounts Payable, Department of
6 Financial Management. Consultant acknowledges and agrees that City has no obligation
7 to pay Consultant until Consultant provides one of these numbers.

8 29. ADVERTISING. Consultant shall not use the name of City, its officials
9 or employees in any advertising or solicitation for business or as a reference, without the
10 prior approval of the City Manager or designee.

11 30. AUDIT. City shall have the right at all reasonable times during the
12 term of this Agreement and for a period of five (5) years after termination or expiration of
13 this Agreement to examine, audit, inspect, review, extract information from and copy all
14 books, records, accounts and other documents of Consultant relating to this Agreement.

15 31. THIRD PARTY BENEFICIARY. This Agreement is not intended or
16 designed to or entered for the purpose of creating any benefit or right for any person or
17 entity of any kind that is not a party to this Agreement.

18 32. MISCELLANEOUS.

19 A. Investment Policy. In investing and reinvesting City's assets,
20 Consultant shall comply with City's Investment Policy, which is attached hereto as
21 Exhibit "D".

22 B. Authority of Consultant. Consultant is hereby granted non-
23 discretionary authority to invest and reinvest all assets under its management in any
24 type of security it deems appropriate, subject to the instructions given or guidelines
25 set by Representative, and City authorization as stated in Section 1 of the Scope of
26 Services. Subject to the Scope of Services and the City Investment Policy, upon
27 written notice to Consultant, Representative may change the longmaturity portfolio
28 management by Consultant to allow the exercise of discretionary authority.

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C. Custody of Securities and Funds. Consultant shall not have custody or possession of the funds or securities that City has placed under its management. City may appoint a custodian to take and have possession of its assets.

D. Valuation. Consultant will value securities held in portfolios managed by Consultant no less than monthly. Securities or investments in the portfolio will be valued in a manner determined in good faith by consultant to reflect fair market value.

E. Payment of Commissions. Consultant may place, buy and sell orders with or through such brokers or dealers as it may select. It is the policy and practice of Consultant to strive for the best price and execution and for commission and discounts which are competitive in relation to the value of the transaction and which comply with Section 28(e) of the Securities and Exchange Act. Nevertheless, it is understood that Consultant may pay a commission on transactions in excess of the amount another broker or dealer may charge, and that Consultant makes no warranty or representation regarding commissions paid on the transactions hereunder.

F. Consultant will not exercise proxy voting authority over City's securities. The obligation to vote proxies rests with the City. However, the City may contact Consultant for advice or information about a proxy vote. If the City does so, Consultant shall not be deemed to have obtained authority to vote a proxy on behalf of the city by merely providing the advice or information. If Consultant inadvertently receives proxy information for a security held in the City's 457 Deferred Compensation Plan, Consultant shall immediately send that information to the City and will take no further action with respect to the proxy. On expiration or termination of this Agreement, Consultant shall make a good faith effort to send proxy information that it inadvertently receives to the City at its address of record.

G. The City recognizes that there may be loss or depreciation of

1 the value of any investment due to the fluctuation of the market values. The City
2 acknowledges that Consultant has not made any guarantee, either oral or written,
3 that the investment objectives of the City's investments will be achieved. Consultant
4 is not liable for any error in the City's judgment or for city's investment losses unless
5 Consultant is negligent, has acted fraudulently or with willful misconduct, or has
6 violated applicable laws. Nothing in this Agreement or in this sub-Section shall be
7 deemed a waiver or limitation on any rights or remedies that the City may have
8 under applicable laws, including but not limited to state and federal securities laws.

9 H. City acknowledges that it has read and received Consultant's
10 disclosure statement as required by Rule 204-3 of the Investment Advisers Act of
11 1940. City further acknowledges that it has read and received Consultant's Privacy
12 Policy as required by SEC Regulation S-P.

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OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
411 West Ocean Boulevard, 9th Floor
Long Beach, CA 90802-4664

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IN WITNESS WHEREOF, the parties have caused this document to be duly executed with all formalities required by law as of the date first stated above.

CHANDLER ASSET MANAGEMENT, INC.,
a California corporation

September 21, 2021

By *Martin D. Cassell*
Name Martin D. Cassell
Title CEO

September 21, 2021

By *Nicole Deagon*
Name Nicole Deagon
Title President

"Consultant"

CITY OF LONG BEACH, a municipal corporation

September 30, 2021

By *Sandra J. Jabron*
City Manager

"City"

This Agreement is approved as to form on 9-28-21, 2021.

EXECUTED PURSUANT
TO SECTION 301 OF
THE CITY CHARTER

CHARLES PARKIN, City Attorney

By *Charles Parkin*
Deputy

OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
411 West Ocean Boulevard, 9th Floor
Long Beach, CA 90802-4664

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IN WITNESS WHEREOF, the parties have caused this document to be duly executed with all formalities required by law as of the date first stated above.

CHANDLER ASSET MANAGEMENT, INC.,
a California corporation

Sept 21, 2021

By *Martin D. Cassell*
Name Martin D. Cassell
Title CEO

September 21, 2021

By *Nicole Drago*
Name Nicole Drago
Title President

"Consultant"

CITY OF LONG BEACH, a municipal corporation

September 30, 2021

By *Sinda J. Jatum*
City Manager

"City"

This Agreement is approved as to form on _____, 2021.

CHARLES PARKIN, City Attorney

By _____
Deputy

EXHIBIT “A”

Scope of Work

EXHIBIT A

SCOPE OF SERVICES

1. Portfolio Advisory Services and Investment strategies

- 1.1. Review and advise on investment strategy within the context of the financial market environment and the City goals.
- 1.2. Ongoing advice on strategic or tactical adjustments to portfolio duration, sector allocation, and credit risk exposure.
- 1.3. Make investment recommendations on the investment portfolio consistent with the City's Investment Policy (Appendix B) and the California Government Code.
- 1.4. Externally manage the long maturity portfolio, which is approximately twenty-five percent of the total investment pool.
- 1.5. Meet quarterly with City's Investment Advisory Committee and provide an economic update, interest rate review and forecast, portfolio performances, and investment strategy review.
- 1.6. Attend onsite due diligence meetings with rating agencies.
- 1.7. Perform specialized studies as needed.
- 1.8. Consult with and assist the City in developing and selecting appropriate benchmarks for all City's investment portfolios that compare the City's performance to mark benchmarks of similar duration and sector allocation. Review the appropriateness of the investment benchmarks that are being used to assess investment performance. Evaluate the benchmarks currently used in measuring the portfolio and recommend benchmarks that more accurately reflects the duration and sector allocation of the City's portfolio utilize a portfolio optimization modeling to develop portfolio structures recommendations.

Benchmarks:
 - Short-Maturity (Three-month Treasury Bills)
 - Intermediate-Maturity (ICE BofA Merrill Lynch 1-3 Year US Treasury and Agency Index)
 - Long-Maturity (ICE BofA Merrill Lynch 1-5 Year US Treasury and Agency Index), or at the discretion of the City Treasurer, another Treasury Agency Index.
- 1.9. Broker/Dealers evaluation:
 - 1.9.1. Selection of Broker-dealers: provide assessment criteria, procedural guidance, and development of a proposed written procedure manual.
 - 1.9.2. Annual review of Broker/Dealer status to be in good standing
 - 1.9.3. Provide a list of approved broker-dealers annually.

- 1.10. Assess the technology the City currently utilizes for investment operations and provide recommendations for enhanced use of existing technologies and additional investment of technology enhancements and tools.
- 1.11. Maintain accurate reports, including portfolio composition, interest payments, yield, total return calculations, and investment diversity.
- 1.12. Invest the City's Bond Reserve Funds while ensuring compliance with the legal bond documentation.
- 1.13. Externally manage investment portfolios as authorized by the City to accommodate the City's business continuity plan. Chandler will provide temporary and discretionary emergency trading and management services of the short and intermediate maturity portfolios that is in accordance with this Scope of Service upon City's emergency trading authorization ("Emergency Services").

The authorization for Chandler's trading directive will become effective upon notification from the City. (Exhibit F)

The City will send its custodian bank a directive to authorize Chandler to execute trading of the City's internally managed portfolios. The authorization shall be effective until a removal notice is provided by the City. (Exhibit G)

2. Investment Policy

- 2.1. Review and recommend any appropriate amendments to the City's Investment Policy (Appendix B) to ensure that the policy conforms to the California Government Code and reflects California peer city "best practices." Assist the City with the annual review and update of the policy. In general, the review is completed on or about October 15, each year; however, the City Treasurer may change this date and notify Chandler of the new target date.
- 2.2. Advise the City on the effects of any changes in the Government Code to the City's portfolio. California State Government Code, CDIAC guidance, GASS standards and guidance, and Federal regulation.

3. Credit Analysis

- 3.1. Perform and maintain credit analysis regarding security issuers.
- 3.2. Identify deteriorating credits of any issuers in all City investment portfolios weekly and continuously.

4. Regulatory Compliance and Financial Market Condition

- 4.1. Monitor and advise the City on the changing regulatory and statutory environments by California State Government Code, CDIAC guidance, GASS standards and guidance, and Federal regulation.

- 4.2. Monitor the financial market environment and advise the City of financial developments.
- 4.3. Monitor and advise the City on professional standards and industry best practices.
- 4.4. Advise the City of risks and opportunities for proactive and reactive recommendations.
- 4.5. Assist the City in identifying market opportunities in investments authorized under the City's Investment policy and the California Government Code.
- 4.6. Review the City's investment process and infrastructure to enhance effectiveness. The review is to encompass an ongoing review of the industry's best practices to enhance the City's effectiveness and efficiency, and strengthening portfolio analysis, monitoring and reporting functions.

5. Training

- 5.1. Provide structured training to staff under parameters to be defined by the City including semiannual presentations to city staff on investment topics selected by city staff, including but not limited to such topics as:
 - An overview of the investment process
 - Characteristics of investment types ((such as Commercial paper, discount notes, Treasuries, various GSEs, corporate bonds)
 - What is modified duration and convexity, and what they tell you
 - Top ten leading economic indicators for investing
 - Risk management
 - Portfolio structure
- 5.2. Serve as a general resource for City staff for information and advice regarding fixed income securities and investments.

6. Reporting and Presentation

- 6.1. Update status of Long Maturity portfolio discuss cash flow outlook and investment strategy for the Short and Intermediate Portfolios.
- 6.2. Produce quarterly investment performance reports for the Investment Advisory Committee meeting and to City Council (usually 3 weeks after presentation of Quarterly Report to monthly Investment Advisory Committee Meeting) including but not limited to:
 - 6.2.1. Updates on Economy, Employment, Payroll, Inflation, Consumer Market, Housing, Manufacturing, GDP, and Fixed Income Bond Yields.
 - 6.2.2. Investment performances of the three portfolios (Short, Intermediate, and Long Maturity), respectively.

- 6.3. Produce monthly presentation and written reports to be distributed by the third business day of each month to the City Treasurer with an in-depth view of the City's pooled investments. The reports shall provide:
 - 6.3.1. Information about current and historical characteristics of the portfolio, including portfolio analysis, purchase yield, total return yield, sector and issuer analysis and allocation, modified duration and maturity, duration distribution, and changes in market value.
 - 6.3.2. Include a detailed analysis of compliance with Investment Policy, State law, City Charter provisions, and other relevant statutory requirements.
 - 6.3.3. Summarize current economic conditions and make recommendations on strategies to optimize the portfolio's risk/return profile in the current economic environment.
 - 6.3.4. Include an analysis of the total rate of return on each portfolio relative to its selected benchmark.

7. Custodial Bank

- 7.1. Reconcile investment position and valuations with the custodial bank.
- 7.2. Assist in the review of investment management procedures and portfolio documentation, including safekeeping and custodial procedures.
- 7.3. Monitor the creditworthiness of financial institutions with which the City conducts business.
- 7.4. Conduct screening and evaluation in the selection process of the custodial bank.

EXHIBIT “B”

Rates or Charges

SECTION 10: COST AND PRICING INFORMATION

Chandler is pleased to provide comprehensive portfolio management of the City's long-term funds as well as investment advisory services as described herein Chandler's proposal and in the City's *Scope of Project* description in accordance with the following fee schedule:

Proposed Fee Schedule for the City of Long Beach

| Total Assets Under Contract | Annual Asset Management Fee |
|-----------------------------|-----------------------------|
| First \$400 million | 0.06 of 1% (6 basis points) |
| Next \$200 million | 0.04 of 1% (4 basis points) |
| Assets over \$600 million | 0.02 of 1% (2 basis points) |

Chandler's minimum annual fee for the City's engagement is \$240,000. Since the firm calculates fees based on the average balance of assets under our direct management (market value including accrued interest), they will fluctuate based on portfolio value. Fees are charged monthly in arrears and can be debited directly from your third-party custody account.

Fees are firm for the entire five (5) year contract (initial 24-month term and three optional one-year extensions) and the City will not be subject to any increases during this period.

Our proposed fee schedule is all-inclusive for the services that Chandler provides, including full time portfolio management and investment advisory services, technological resources, onboarding and implementation, online access to the *Chandler Client Portal*, comprehensive reporting, meetings, personal visits, educational offerings for your staff, as well as the additional treasury support services described herein in Chandler's proposal. Chandler does not charge fees on funds held in vehicles not directly under our management, including Local Government Investment Pools and the City's internally managed funds. We can consolidate these funds in our reports to the City at no extra charge, providing a 360-degree view of the entire investment program.

Our fee schedule does not include charges that the City would incur for third party custodial services.

EXHIBIT “C”

City’s Representatives:

David Nakamoto

Fidel Aguayo

Cassandra Tan

EXHIBIT “D”

Materials/Information Furnished:

2021 Investment Policy

CITY OF
LONG BEACH

INVESTMENT POLICY

Effective January 1, 2021

INVESTMENT POLICY

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City of Long Beach Investment Policy
2021

1.1 Scope

- 1.1.1 In accordance with Resolution No. C-22401, the City Treasurer is authorized to invest the City's funds in accordance with the State of California Government Code, Section 53600, et seq. The objective of the Investment policy ("Policy") is to ensure that the temporarily idle funds of the City of Long Beach are prudently invested to preserve capital and provide necessary liquidity, while maximizing earnings.
- 1.1.2 Investments may only be made as authorized by the State of California Government Code, Section 53600, et seq., the ("Code") and this policy. This policy conforms to the Code as well as to customary standards of prudent investment management. Should the provisions of the Code become more restrictive than those contained herein, such provisions will be considered as immediately incorporated in this policy.
- 1.1.3 This policy sets forth the City's investment of surplus funds in the Investment Pool. Excluded from this policy are guidelines for the investment of Debt Service and Reserve and Deferred Compensation Funds.
- 1.1.4 All authorized officers are governed by this policy, The City Treasurer is responsible for monitoring and ensuring that the total funds subject to this policy remain in compliance with this policy, and shall report to the City Council regularly on compliance.

1.2 Investment Objectives

- 1.2.1 The primary objectives, in priority order, of the City's investment activities shall be:
 - A. **Safety:** Safety of principal is the foremost objective of the investment program; however, risk is inherent throughout the investment process. The City's investments shall be undertaken in a manner that seeks to maximize the preservation of capital in the overall portfolio and minimize the risk related to capital losses from institutional default, broker-dealer default, or erosion of market value.
 - B. **Liquidity:** The City's Investment Pool will remain sufficiently liquid to meet all operating requirements that might be reasonably anticipated.
 - C. **Yield:** The City shall manage its funds to maximize the return on investments consistent with the two primary objectives of safety and liquidity. The investment goals are to maximize interest income through the prudent implementation of the Policy.
- 1.2.2 It is the intent of this policy to hold investments until maturity, however, if the City's liquidity needs require that investments be sold at a gain or loss, or

City of Long Beach Investment Policy
2021

because of a downgrade of credit quality, national or public issues, or to take advantage of market conditions which will result in a gain on reinvestment of the sale proceeds, the security may be sold and the decline in value shall be recorded as a loss.

- 1.2.3 Investments shall be made in the context of the "Prudent Investor" standard which states: "investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived in the context of managing an overall portfolio".
- 1.2.4 Authorized Officers in the management of the Investment Pool shall use the "Prudent Investor" standard. Investment officers acting in accordance with this investment policy, and written portfolio procedures and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in the quarterly investment report to the City Council, and appropriate action is taken to control adverse developments.

1.3 Delegation of Authority

- 1.3.1 The City Council shall be the trustee of funds received by the City. In accordance with the Code, Section 53607, and Resolution C-22401, the City Council hereby delegates the authority to invest or reinvest the City's funds, to sell or exchange securities so purchased and to deposit securities for safekeeping to the City Treasurer.
- 1.3.2 The City Treasurer shall establish written procedures for the investment of surplus funds, consistent with this policy, including establishment of appropriate written agreements with financial institutions. The City Treasurer may engage independent investment managers or Advisors to assist in the investment of the City's financial assets.
- 1.3.3 No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the City Treasurer.
- 1.3.4 Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program or which could impair their ability to make impartial investment decisions. All investment personnel shall comply with the reporting requirements of the Fair Political Practices Committee and include an annual filing of a Statement of Economic Interests.

City of Long Beach Investment Policy
2021

1.4 Permitted and Prohibited Investments

- 1.4.1 All surplus funds which are not required for immediate cash expenditures shall be invested in income producing investments or accounts, in compliance with the provisions and restrictions of this Policy as outlined in Appendix A and as specifically authorized by the Code, Section 53600, et seq.

In order to reduce overall portfolio risk, investments shall be diversified among types of investments, maturities of those investments, issuers and depository institutions. See Appendix A for specific concentration limits by type of investment.

All investment concentration limits and minimum quality guidelines are to be applied at all times.

- 1.4.2 Maturities of individual investments shall be diversified to meet the following objectives:

- A. Investment maturities will be first and foremost based on the City's anticipated cash flow requirements.
- B. No investment instrument shall be purchased which matures more than five years from the settlement date, unless the instrument is specifically approved by the City Council or is approved by the City Council as part of an investment program and such approval must be granted no less than three months prior to the investment.
- C. The maximum weighted average maturity of the Investment Pool shall be three (3) years.

- 1.4.3 This Policy specifically prohibits the investment of any funds subject to this policy in the following securities:

Derivative securities, as defined in Section 53601.6 of the Code as any security that derives its value from an underlying instrument, index, or formula, are prohibited. The derivative universe includes, but is not limited to, futures, options, structured and range notes, securities that could result in zero interest accrual if held to maturity, variable rate, floating rate or inverse floating rate investments, and mortgage derived interest or principal only strips.

1.5 Selection of Depository Institutions, Investment Managers and Broker-Dealers

- 1.5.1 To minimize the risk to the City's overall cash and Investment Pool, prudence and due diligence as outlined below shall be exercised with respect to the selection of financial institutions in which the City's funds are deposited or invested.

City of Long Beach Investment Policy
2021

- A. In selecting Depositories pursuant to the Code, Section 53600, et seq., the credit worthiness, financial stability, and financial history of the institution, as well as the cost and scope of services and yields offered shall be considered. No funds will be deposited in an institution unless that institution has been evaluated by a nationally recognized independent rating service as satisfactory or better.
 - B. Deposits of \$250,000 or less which are insured pursuant to federal law by the Federal Deposit Insurance Corporation (FDIC), or the National Credit Union Administration (NCUA) may be excluded from the independent rating service evaluation requirement above and from the collateralization requirements of Section 1.6.3 of this Policy, at the City Treasurer's discretion.
- 1.5.2 Pursuant to the Code, Section 53601.5, the City and its Investment Managers shall only purchase statutorily authorized investments either from the issuer, from the broker-dealer licensed by the state, as defined in Section 25004 of the Corporations Code, from a member of a federally regulated securities exchange, a national or state-chartered bank, a federal or state association (as defined by Section 5102 of the Financial Code) or from a brokerage firm designated as a primary government dealer by the Federal Reserve Bank. Selection of broker/dealers who the City can purchase or sale investments shall be made by reviewing past performance and contacting references. The City's Investment Advisor, if applicable, will be used to review the information provided and make a recommendation based upon their research.
- A. Internal investment managers will only purchase or sell securities from broker-dealers defined in section 1.5.2 of the Policy and meet the minimum requirements of being registered and licensed by the National Association of Securities Dealers (NASD) and possess an active Series 7 license, an active Series 66 license (or Series 63), submission of a NASD form U4 (employment history) and a current NASD form U5 Disclosure Statement and have completed the City's broker/dealer questionnaire.
 - B. Internal investment managers will only use broker-dealers that have a minimum of three years of experience working for a primary dealer or five years working for a non-primary dealer.
- 1.5.3 Selections of external investment manager(s)/Advisors to manage a portion of the Investment Pool shall be based on an RFP process, which will include, at the minimum, past performance, stability, financial strength, reputation, area of expertise, and willingness and ability to provide the highest investment return at the lowest cost to the City within the parameters of this Policy and the California Government Code. External investment managers must be registered with the Securities and Exchange Commission (SEC) under the Investment Advisor Act of 1940.

City of Long Beach Investment Policy
2021

A. External investment managers may purchase or sell securities from non-Primary Dealers qualified under U.S. Securities and Exchange Commission Rule 15C3-1, the Uniform Net Capital Rule, and provided that the dealer is a certified member of the National Association of Securities Dealers. External investment managers shall submit to the City at least quarterly, a list of the non-Primary Dealers used during the period.

B. External investment managers must certify in writing that they will purchase securities in compliance with this Policy, City Procedures, and applicable State and Federal laws.

1.5.4 Depositories, and external investment managers, who do business with the City, shall sign a Certification of Understanding (see Appendix B). All broker-dealers who do business with the City's internal investment managers shall acknowledge receipt of the City's Investment Policy (see Appendix C).

1.6 Custody and Safekeeping of Securities and City Funds

1.6.1 Collateral pledged for investments in Repurchase Agreements, shall be held by the City's Custodial Agent or a third-party Trust Department approved by the City Treasurer. Third party transactions will be governed by an Agreement between all parties on the disposition of the pledge securities in the event of default or non-compliance with the terms of the Repurchase Agreement.

1.6.2 All purchases and sales of securities in the Investment Pool shall be settled "delivery-versus-payment", using the appropriate delivery system for the security, i.e., Federal Reserve Book entry, Depository Trust Company ("DTC") or physical delivery to the appropriate party designated financial institution or Trust Company. The City portfolio shall be held in safekeeping by a third-party custodian, acting as agent for the City under the terms of a custody agreement executed by the custodian and the City. Exception to this policy are, mutual fund investments, and Local Agency Investment Fund, pledged collateral, or other Local Government Investment Pools

Funds deposited by the City shall be secured by a Depository in compliance with the requirements of the Code, Section 53652.

1.6.3 Investment securities in bearer form such as Negotiable Certificates of Deposit and Bankers' Acceptances shall be held in a qualified safekeeping financial institution or Trust Department designated by the City.

1.7 Reports and Communications

1.7.1 The City Treasurer is responsible for ensuring compliance with all applicable Local, State, and Federal laws governing the reporting of investments made with public funds. The Investment Pool will be monitored for compliance. Non-compliance issues will be included in the quarterly City Council report as stated in Section 1.7.3 of this Policy.

City of Long Beach Investment Policy
2021

- 1.7.2 The City Treasurer shall annually submit a statement of investment policy to the City Council for approval. The existing approved policy will remain in effect until the City Council approves the recommended statement of investment policy.
- 1.7.3 The City Treasurer shall render a quarterly cash, investment, and transaction report to the City Manager (referred to as the Chief Executive Officer by the Code, Section 53646, b), the City Auditor and the City Council within a reasonable time period, but no later than 90 days following the end of the quarter covered by the report, subject to Investment Advisory and City Council meeting schedules. The report shall include a description of the City's funds, investments, or programs that are under the management of the contracted parties, including lending programs. The report shall include at a minimum:
- A. A detail report listing the type of investment, name of the issuer, maturity date, par value and cost, accrued interest and market value.
 - B. Ending cash balances held at the primary and secondary financial institutions.
 - C. Describe any Investment portfolio managed by an outside advisor or manager, including any securities lending programs, if applicable. Summary discussion of the performance of each portfolio within the Investment Pool performance as of the date of the ending quarterly report.
 - D. Statement of compliance of the Investment Pool to the Investment Policy, or manner in which the portfolio is not in compliance.
 - E. Statement denoting the ability of the City to meet its pool's expenditure requirements for the next six months, or provide an explanation as to why sufficient money shall, or may not, be available.
- 1.7.4 Investment managers shall monitor investments and market conditions and report on a regular and timely basis to the City Treasurer. The City Treasurer will form and act as Chairman of the Investment Advisory Committee ("IAC"). Members of the Committee should include a representative from the City Attorney's office, the City Auditor's office, the City Controller, the Cash/Investment Manager, the Debt Manager and representatives from the major participants in the Investment Pool. The IAC will meet quarterly or more often if necessary.

1.8 Internal Control

- 1.8.1 The City Treasurer shall establish a system of internal controls designed to prevent losses of public funds arising from fraud, employee or third party error, misrepresentation of third parties, unanticipated changes in financial markets, or imprudent actions by City employees or agents.

City of Long Beach Investment Policy
2021

1.9 Purchasing Guidelines

1.9.1 Authorized officers shall purchase and sell securities at the price and execution that is most beneficial to the City, while maintaining the primary objectives of safety, liquidity and yield. Prior to the purchase of any security, the City's liquidity requirements shall be analyzed to determine the optimal investment maturities. Purchase and/or sales shall be done on a competitive basis using the approved list of broker/dealers.

2.0 Benchmarks

2.0.1 Investment Pool performance shall be compared and evaluated against the following benchmarks:

- Short Maturity Portfolio: Three-month Treasury Bill
- Intermediate Maturity Portfolio: ICE BofA Merrill Lynch 1-3 Year US Treasury and Agency Index
- Long Maturity Portfolio: ICE BofA Merrill Lynch 1-5 Year US Treasury and Agency Index

Benchmark indices can be redefined or changed by the City Treasurer due to changes in the markets.

3.0 Ethics and conflicts of Interest

The City Treasurer, along with the members of the Investment Advisory Committee, and other employees involved in the investment decision-making process are required to file annual disclosure statements as required by the Fair Political Practices Commission (FPPC) and, in addition, comply with the City of Long Beach current guidelines of disclosure on annual basis.

Summary of Authorized Investment Types & Restrictions

The City utilizes three NRSROs (Nationally Recognized Statistical Rating Organization) in determining credit quality investment eligibility. The City will consider the credit ratings of Moody's, Standard and Poor's, and Fitch in determining NRSRO eligibility specific to the investment policy. The City of Long Beach and the City's investment adviser will determine specific securities are consistent with the objectives of the POLICY, in addition to the minimum NRSRO credit quality requirement denoted.

| # | Type of Investment | Other Restrictions |
|----|--|---|
| 1. | United States Treasury notes, bonds, bills or certificates of indebtedness or those for which the full faith and credit of the United States are pledged for the payment of principal and interest. | Maximum Maturity: 5 years |
| 2. | Registered state warrants or notes or bonds of the State of California. | Maximum % of Portfolio: 30% Minimum Quality: ST: A1 by any NRSRO LT: AA by any NRSRO Maximum Maturity: 5 years |
| 3. | Bonds, notes, warrants, or other evidences of indebtedness of any local agency within the State of California. | Maximum % of Portfolio: 30% Minimum Quality: ST: A1 by any NRSRO LT: AA by any NRSRO Maximum Maturity: 5 years |
| 4. | Federal agency or United States government-sponsored enterprise ("GSE") obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. | Maximum Total Callables: 25% Maximum Maturity: 5 years |
| 5. | Bill of exchanges or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers' acceptances. | Maximum % of Portfolio: 40% Maximum Per Issuer: 30% Maximum Maturity: 180 days Minimum Quality: ST: A1 by any NRSRO |
| 6. | Commercial Paper | Maximum % of Portfolio: 25% Maximum Outstanding CP of Issuer: 10% Maximum Per Issuer: 5% Maximum Maturity: 270 days Minimum Quality: ST: A1 by any NRSRO Must meet all of the criteria of 1 or of 2: 1a. Must be organized and operating in the US as a general corporation 1b. Has total assets greater than \$500 million 1c. Has debt other than CP, if any, that is rated A or higher by an NRSRO 2a. Must be organized within the US as a special purpose corporation, trust or LLC |

Summary of Authorized Investment Types & Restrictions

| # | Type of Investment | Other Restrictions |
|-----|---|---|
| | | 2b. Has program wide enhancements (over collateralization, letter of credit, etc.) 2c. Has CP that is rated A1 or higher by an NRSRO |
| 7. | Negotiable certificates of deposits issued by a nationally or state-chartered bank or a state or federal savings and loan association or by a state-licensed branch of a foreign bank. | Maximum Per Issuer: 10% Minimum Quality: ST: A1 by any NRSRO Maximum Maturity: 5 years |
| 8. | Time Certificates of Deposit. | The city may invest in non-negotiable time deposits collateralized in accordance with the California Government Code, in those banks and savings and loan associations which meet the requirements for investment in negotiable certificates of deposit. |
| 9. | Repurchase Agreements. | Max Maturity: 90 days Repo Agreement must be covered under a Master Repurchase Agreement Must be a Tri-Party Repo Collateral must be at all times: <ul style="list-style-type: none"> - secured with obligations of the US and Federal agencies (MV of 102% at all times) - valued daily internally or externally The City shall obtain 1 st lien and security interest in all collateral Repurchase agreements shall be executed through Primary Broker-Dealers. |
| 10. | Reverse Repurchase Agreements or Securities Lending Agreements. | May be utilized only when all conditions are met: <ol style="list-style-type: none"> 1. Security to be sold has been owned and fully paid for at least 30 days prior to sale 2. Maximum % of Portfolio: 20% 3. Maximum Maturity: 92 days 4. Funds from a Reverse Repo or Securities Lending agreement shall not be used to purchase a security that has a maturity of greater than 92 days from the settlement of the sale 5. Counterparty Minimum Rating: A by an NRSRO |
| 11. | Medium-term notes issued by corporations organized and operating within the United States, or by depository institutions licensed by the United States or any state and operating within the United States. | Maximum % of Portfolio: 30% Maximum Per Issuer: 5% Minimum Quality: A by all NRSRO's Maximum Maturity: 5 years |

Summary of Authorized Investment Types & Restrictions

| # | Type of Investment | Other Restrictions |
|-----|--|---|
| 12. | Mutual Funds/Money Market Mutual Funds: Shares of beneficial interest issued by diversified management companies investing in the securities and obligations as authorized by the State of California Code 53601 and 53630 et seq. | <p>Maximum % of Portfolio: 20%</p> <p>Maximum Per Mutual Fund: 10% / <u>Maximum Per Money Market Mutual Fund: 20%</u></p> <p>Purchase price may not include any commissions charged by these companies.</p> <p>Companies must have either:</p> <ul style="list-style-type: none"> - the highest ranking or the highest letter and numerical rating provided by not less than two of the nationally recognized rating services; - retained an investment advisor registered or exempt with the Securities and Exchange Commission, with no less than five years of experience investing with assets under management in excess of five hundred million dollars (\$500,000,000) in A) Bond Funds: the securities and obligations authorized by State Code 53601 a-k and m-q; or B) Money Market Mutual Funds. |
| 13. | State of California Local Agency Investment fund (LAIF). | Maximum investment in LAIF accounts are dependent upon limits established under the Local Agency Investment Fund guidelines. |
| 14. | Mortgage and Asset Backed Securities. | <p>Maximum % of Portfolio: 20%</p> <p>Minimum Quality: MBS: AA by an NRSRO</p> <p>Minimum Quality: ABS: AA by an NRSRO</p> <p>Maximum Maturity: 5 years</p> <p>Must be fixed rate.</p> <p>MBS: Pass-Through securities:</p> <ul style="list-style-type: none"> - Limited to Government Agency or Government Sponsored issuers - Planned Amortization Classes (PAC) CMOs only <p>ABS:</p> <ul style="list-style-type: none"> - Publicly offered, generic credit card and automobile receivables only. - Deal size must be at least \$250 million - Tranche size must be at least \$25 million |
| 15. | Supranational Securities: US dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the | <p>Maximum % of Portfolio: 30%</p> <p>Maximum Per Issuer: 5%</p> <p>Minimum Quality: AA by an NRSRO</p> |

Summary of Authorized Investment Types & Restrictions

| # | Type of Investment | Other Restrictions |
|---|--|----------------------------|
| | International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), or Inter-American Development Bank (IADB) eligible for purchase and sale within the US. | Maximum Maturity: 5 years. |

APPENDIX B

CITY OF LONG BEACH

CERTIFICATION OF UNDERSTANDING

The City of Long Beach Investment Policy as approved by the City Council requires that all Financial Institutions and Investment Managers doing business with the City sign a Certification of Understanding acknowledging that:

1. You have read and are familiar with the City's Investment Policy and Guidelines as well as applicable Federal and State laws.
2. You meet the requirements as outlined in the City's Investment Policy.
3. You agree to make every reasonable effort to protect the assets of the City from loss.
4. You agree to notify the City in writing of any potential conflicts of interest.
5. You agree to notify the City in writing of any changes in personnel with decision-making authority over the City's funds within 24 hours of such event.

Failure to submit a Certification of Understanding shall result in the withdrawal by the City of all funds held by the financial institution or investment manager and the immediate revocation of any rights to act as an agent of the City for the purchase of securities or investment of funds on behalf of the City.

The City Council is committed to the goals of the Community Reinvestment Act (CRA). As part of the certification process for depository institutions, it is requested that you remit evidence of your most recent CRA rating.

SIGNED: _____ DATE: _____

Print Name and Title: _____

After reading and signing this Certification of Understanding please return with any supporting documentation to:

City of Long Beach
City Treasurer's Office
411 W. Ocean Blvd., 6th Floor,
Long Beach, CA 90802

City of Long Beach use only:

Approved: _____ Disapproved: _____ Date: _____

Signature: _____

Date Notification sent: _____ Sent by: _____

APPENDIX C

CITY OF LONG BEACH

BROKER-DEALER RECEIPT OF INVESTMENT POLICY

We are in receipt of the City of Long Beach's Investment Policy.

We have read the policy and understand the provisions and guidelines of the policy. All salespersons covering the City's account will be made aware of this policy and will be directed to consider its provisions and constraints in selecting investment opportunities to present to the City.

Signed:

Name

Name

Title

Title

Firm Name

Date

After reading and signing this Receipt of Investment Policy, please return with supporting documentation to:

City of Long Beach
City Treasurer's Office
Attention: Investment Manager
411 W. Ocean Blvd., 6th floor,
Long Beach, CA 90802

City of Long Beach use only:

Approved: _____ Disapproved: _____ Date: _____

Signature: _____

Date notification sent: _____ Sent by: _____

APPENDIX D
CITY OF LONG BEACH
INVESTMENT POLICY DEFINITIONS

ADJUSTABLE RATE MORTGAGE (ARM): A mortgage that features predetermined adjustments of the loan interest rate at regular intervals based on an established index. The interest rate is adjusted at each interval to a rate equivalent to the index value plus a predetermined spread, or margin, over the index, usually subject to per-interval and to life-of-loan interest rate and/or payment rate caps.

ASKED: The price at which securities are offered from a seller.

ASSET BACKED SECURITIES: Securities issued by corporations organized and operating in the United States that are collateralized with some class of assets; credit cards, mortgages, etc. Examples of some issuers are Citibank, Chase Manhattan Bank, American Express.

BANKERS' ACCEPTANCE (BA): Time drafts that a bank "accepts" as its financial responsibility as part of a trade finance process. These short-term notes are sold at a discount, and are obligations of the drawer (or issuer - the bank's trade finance client) as well as the bank. Once accepted, the bank is irrevocably obligated to pay the BA upon maturity if the drawer does not.

BID: The price offered by a buyer of securities.

BOND: A debt security. It is usually issued by government agencies, municipalities and corporations. The purchaser actually lends the entity money and is considered the creditor. The entity is the seller and is considered the debtor or issuer. The issuer agrees to repay the principal amount of the loan at a specified time (maturity). Interest bearing bonds pay interest periodically at a predetermined time. A discounted bond such as a Zero Coupon bond pays no interest. It is sold at a discount from face value (par value) and the investor receives a rate of return through price appreciation and the bond is redeemed at face value.

BOOK VALUE: The original cost of the investment, plus accrued interest and amortization of any premium or discount.

BROKER: A broker brings buyers and sellers together for a commission.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a certificate. Large-denomination CDs are typically negotiable (marketable or transferable).

COLLATERAL: Securities, evidence of deposit, or other property that a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public moneys.

COLLATERALIZED MORTGAGED OBLIGATION SECURITIES (CMOS): are mortgaged securities consisting of "pools" of real estate properties. These securities are broken into individual pools or sectors by maturity date called **TRANCHES**.

COMMERCIAL PAPER (CP): Unsecured promissory notes issued by companies and government entities at a discount. Commercial paper is negotiable, although it is typically held to maturity. The maximum maturity is 270 days, with most CP issued for terms of less than 30 days.

CONSTANT MATURITY TREASURY (CMT) INDEX: An index published by the Federal Reserve Board based on the average yield of a range of Treasury securities. Yields on Treasury securities at constant maturity are determined by the U.S. Treasury from the daily yield curve. That is based on the closing market-bid yields on actively traded Treasury securities in the over-the-counter market.

One Year CMT is based on the monthly average yield of a range of Treasury securities, all adjusted to the equivalent of a one-year maturity.

CUSTODY or SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DELIVERY VERSUS PAYMENT: Delivery of securities with a simultaneous exchange of money for the securities.

DRAFT or TIME DRAFT: financial instrument used in international trade, such as a Bankers Acceptance.

EXTERNAL MANAGERS/ADVISORS: Professional firms who manage Investment portfolios for Corporations and Public entities. Generally, these firms provide "best practice" reviews and recommendations to the contracting party on portfolio selection, duration and other factors including the impact to the contracting parties' cash flow.

EXTERNAL PORTFOLIO: Defined as one or more of the Investment Pool managed by an outside Investment Advisor

FEDERAL AGENCIES AND U.S. GOVERNMENT SPONSORED ENTERPRISES (AGENCIES or "GSE"): U.S. Government related organizations, the largest of which are government financial intermediaries assisting specific credit markets (housing, agriculture). They include:

- Federal Home Loan Banks (FHLB)
- Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac")
- Federal National Mortgage Association (FNMA or "Fannie Mae")
- Federal Farm Credit Banks (FFCB)
- Tennessee Valley Authority (TVA)

FINANCIAL FUTURES AND FINANCIAL OPTIONS: A financial future is a contract to buy or sell a specific standard financial instrument during a specific future month at a price determined in a central, regulated marketplace, such as the Chicago Board of Trade (CBOT), etc. Futures contracts are available for a wide variety of financial instruments. Financial Options on financial futures contracts provide a purchaser the right (but not the obligation) to purchase or sell a given futures contract within a specified time period.

INTEREST ONLY (I.O.) SECURITIES: Securities that consist of the interest coupon of a bond. See Principal Only (P.O.).

INTERNAL MANAGERS: Are authorized city employees to purchase or sale securities in the Investment Pool. Authorization is the responsibility of the City Treasurer.

INTERNAL PORTFOLIO: Defined as one or more of the Investment Pool portfolios managed by City of Long Beach staff.

ICE – INTERCONTINENTAL EXCHANGE, INC. (NYSE: ICE): A leading operator of global exchanges and clearing houses and provider of data and listings services. ICE acquired the Bank of America Merrill Lynch's (BAML) fixed income index platform and renamed the BAML indices 'ICE BofAML Indices'

INVESTMENT ADVISORY COMMITTEE ("IAC"): The IAC consists of major shareholders of the Investment Pool; a representative from the City Attorney and City Auditor; City Treasurer, City Controller, Debt Manager, Cash and Investment Manager, FM Budget department employee, and designated representatives from the Harbor and Water departments. Members meet quarterly or more often, if necessary, to discuss the performance of the Investment Pool and review recommended changes in strategy, Pool composition and review recommended changes in strategy and pool diversification.

INVESTMENT POOL: Defined as the existing City of Long Beach Investment portfolio consisting of a Short-term, Intermediate and Long-term portfolio, each with a different performance benchmark and weighted average maturity guideline.

INTERMEDIATE MATURITY PORTFOLIO: A subset of the Investment Pool consisting of approved investments with an average target duration of the ICE BofA Merrill Lynch 1-3 Year US Treasury and Agency Index (plus or minus 10%) based on the City's investment objectives, constraints and risk tolerances.

LOCAL AGENCY INVESTMENT FUND (LAIF): The State of California created the Local Agency Investment Fund as an alternative investment for local agencies. The City may invest up to the maximum amount permitted by LAIF per account and fifteen transactions per account per month. The funds are protected under Section 16429.3 of the State of California Government Code and cannot be attached or seized by the State.

LONG-MATURITY PORTFOLIO: A subset of the Investment Pool consisting of approved investments with an average target duration of the ICE BofA Merrill Lynch 1-5 Year US Treasury and Agency Index (plus or minus 10%) based on the City's investment objectives, constraints and risk tolerances.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase/reverse repurchase agreements that establish each party's rights in the transactions. A master agreement will specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MEDIUM TERM NOTES (MTN): Interest bearing, continuously offered debt, issued in the nine-month to ten-year maturity range. Deposit notes, like Certificates of Deposit, actually represent an interest bearing deposit at a bank or other depository institution.

MORTGAGED-BACKED SECURITIES: A bond or security that is secured by a lien on property, equipment or other real assets.

NEGOTIABLE CERTIFICATE OF DEPOSIT: A large denomination (generally \$1 million or more) Certificates of Deposit that can be sold in the secondary market but cannot be cashed in before maturity.

OFFER: The price asked by a seller of securities.

PAR VALUE: The face value or principal amount payable at maturity.

PRIMARY DEALER: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York, and are subject to its informal oversight.

PORTFOLIO GUIDELINES: Defined as the primary objectives as defined in this policy and the eligible investments to meet the primary objectives. Included in this definition are the policy maximum maturities of any investment; the weighted average maturity of the Investment Pool and other investments as approved by City Council on a case-by-case basis.

PRINCIPAL ONLY (P.O.) SECURITIES: A Security that has the interest coupons stripped from the body of the bond. The bond is a non-interest investment and is treated as a discounted/zero security.

RANGE NOTES: A security whose interest rate coupon is calculated on a formula that only pays interest if the value of the coupon falls within a prescribed "range" of interest rates.

REPURCHASE AGREEMENT (RP OR REPO): A purchase of securities under a simultaneous agreement to sell these securities back at a fixed price on some future date. This is in essence a collateralized investment, whereby the security "buyer" in effect lends the "seller" money for the period of the agreement, and the difference between the purchase price and sale price determining the earnings. Dealers use RP extensively to finance their positions.

REVERSE REPURCHASE AGREEMENTS: The opposite or "reverse" of a repurchase agreement. The City puts up securities as collateral to borrow funds. The collateral is "marked to market" by the lending institution daily and if the market value falls below the amount of funds borrowed, the City is required to put up additional funds; either cash and/or securities with a market value equal to or greater than the loan amount. The State of California Government Code limits the maturity term of this investment to 92 days. An additional restriction is a maximum of 20% of the City's funds can be invested in Reverse Repurchase Agreements.

SECURITIES AND EXCHANGE COMMISSION (SEC): An agency by Congress to protect investors in securities transactions by administering securities legislation.

SECURITIES LENDING: An activity that places investment securities with a contracted counterparty (dealer) who will lend the securities temporarily to another party against a commission. The borrower party is legally obligated to return the same type and amount of securities at the end of a specified period. This action is similar to a reverse repurchase transaction.

SECURITY RATINGS: At this time, all references to rating, NRSRO, nationally recognized independent rating service, independent rating service evaluation, national rating agency, nationally recognized statistical-rating organization, nationally recognized rating service will constitute the use of only Standard and Poor's (S&P), Moody's or Fitch's rating scales. Each investment is to comply with the credit quality requirements specified for its class. If split-rated, the lower investment rating will be measured.

SHORT-MATURITY PORTFOLIO: A subset of the Investment Pool consisting of approved investments, including LAIF and all cash balances held at Servicing Bank(s). The portfolio has an average target duration of the 90-day U.S. Treasury Bill (plus or minus 10%) based on the City's investment objectives, constraints and risk tolerances.

SUPRANATIONAL: A Supranational is a multi-national organization whereby member states transcend national boundaries or interests to share in the decision making to promote economic development in the member countries.

TRANCHE: see CMOs

TREASURY BILLS (T-BILLS): A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months or one year.

TREASURY NOTES AND BONDS: Long-term U.S. Treasury securities having initial maturities of one to thirty years.

VARIABLE RATE SECURITIES: A security whose coupon interest rate is not fixed but is adjusted periodically according to a prescribed formula or index.

WARRANTS: A short-term obligation of a governmental body (as a municipality or state) issued in anticipation of revenues.

WAM: Defined as the weighted average maturity of the Investment Pool or each of the component pools.

YIELD: The rate of annual income return on an investment expressed as a percentage.

YIELD TO MATURITY (YTM): is the rate of return earned on an investment considering all cash flows and timing factors: interest earnings, discounts, and premiums above par.

EXHIBIT “E”

Consultant’s Key Employees:

Nicole Dragoo

Martin Cassell

William Dennehy II

Ted Piorkowski

Jayson Schmitt

[Date]

Mr. Bill Dennehy
Chandler Asset Management
6225 Lusk Boulevard
San Diego, CA 92121

Re: Temporary Emergency Investment Management Services for the Short and Intermediate Maturity Portfolios

Dear Mr. Dennehy,

The City of Long Beach has entered into an agreement No. xxxxx whereby the City can authorize an expansion of Chandler's discretionary trading authority to include actively monitoring and trading the City's Short and Intermediate investment portfolios as part of City's business continuity plan during a state of emergency.

Please accept this directive as your authorization to begin management under Agreement No. xxxxx effective [date]. This directive will terminate immediately upon notice in writing from myself or another Authorized Representative of the City.

Sincerely,

David Nakamoto
City Treasurer

CC:

Kevin Riper, Director of Financial Management

Cassandra Tan, Assistant City Treasurer

Fidel Aguayo, Assistant City Treasurer

Martin Cassell, Chandler Asset Management

Nicole Dragoo, Chandler Asset Management

Ted Piorkowski, Chandler Asset Management

EXHIBIT G



Authorized Agents Direction

Effective Date:

Owner Name ("Owner"): **City of Long Beach**

Account Name ("Account"): **City of Long Beach Custody Account**

Wells Fargo Account Number(s): **24555900** and all related sub accounts

Authorized Agents

The Owner authorizes and directs Wells Fargo Bank, N.A. ("Wells Fargo") as Directed Trustee/Custodian of the Account, to accept and comply with directions provided to Wells Fargo in writing by agents of the Owner ("Agents") with respect to the Account and to provide Account information to, and respond to Account inquiries from, such Agents. The Agents may act on behalf of the Owner, wherever the Owner has responsibility with respect to the Account, including responsibility under the agreements governing services for the Account executed between Wells Fargo and the Owner.

The Owner certifies to Wells Fargo that it has entered into a separate written agreement with the Agent(s) indicated below. This separate agreement specifies the terms of the Agent's authorization(s) to act in connection with the Account, including the responsibility to control and monitor which of the Agent's employees are authorized to provide direction, request or submit information, or make inquiries to Wells Fargo on behalf of the Account. Wells Fargo shall have no duty to verify the authority of an employee of the Agent to act in connection with the Account and may rely on information an employee of the Agent provides.

| | |
|--------------------------------------|---------------------------------------|
| Name: _____ <i>(please print)</i> | Title: _____ <i>(please print)</i> |
| Signature: _____ | Date: _____ |

Authorized Agents Direction

| Authorized Agent Information | Authorized Activity |
|--|--|
| Chandler Asset Management | |
| Name of Entity (please print) | |
| 6225 Lusk Blvd, San Diego, CA 92121 | |
| Address | |
| For Entity: 33-0570869 | <input type="checkbox"/> Asset Pricing - Non-publicly Traded Securities Provide Valuation to Wells Fargo for _____ <input checked="" type="checkbox"/> Corporate Action Processing Direction Proxy Voting, Tenders & Other Corporate Actions <input type="checkbox"/> Cash Processing Direction <input checked="" type="checkbox"/> Trade Processing Direction <input type="checkbox"/> In-Kind Processing Direction <input type="checkbox"/> Benefit Payment Processing Direction <input type="checkbox"/> Other: _____ |
| Taxpayer Identification Number | |
| California | |
| State/Country of Registration or Incorporation | |

Authorized Agents Direction

Amendment and Revocation

Until this authorization is revoked or amended by means of a revised **Authorized Agents Direction Exhibit** for the Account, which is provided to Wells Fargo by the Owner, Wells Fargo may accept the authority and rely upon the instructions provided by, documents signed by, or requests for information made by such authorized Agents. Wells Fargo will not be required to verify the accuracy of any information or direction by an authorized Agent, and will not incur any liability to anyone resulting from actions taken in good faith reliance on such information or direction from an Agent.

* Please note that Wells Fargo is required to obtain and screen certain information provided above in order to ensure that the Employer does not transact business with, on behalf of, or for the benefit of, countries, entities, or individuals that are subject to economic sanctions, as well as other propriety lists we are responsible for screening against. While we respect the privacy of our clients, as a U.S.-based corporation, Wells Fargo is subject to laws and regulations related to economic sanctions imposed by the United States and administered and enforced by the U.S. Department of the Treasury's Office of Foreign Assets Control. Per Wells Fargo policy, we must also ensure customers are not on other proprietary lists. As part of Wells Fargo's Global Sanctions Program, authorized agent information is screened against relevant economic sanctions and government lists, as well as other proprietary lists, at the time the account is opened, upon receipt of new customer data or changes to existing customer data, at the commencement of a servicing relationship, and each time there is an update to the applicable economic sanctions program or proprietary list. We appreciate your understanding and assistance in providing us this information.