

FOURTH AMENDMENT TO AGREEMENT NO. 33749
33749

THIS FOURTH AMENDMENT TO AGREEMENT NO. 33749 is made and entered, in duplicate, as of May 6, 2020, for reference purposes only, pursuant to a minute order adopted by the City Council of the City of Long Beach at its meeting on May 5, 2020, by and between CHANDLER ASSET MANAGEMENT, INC., a California corporation ("Consultant"), with a place of business at 6225 Lusk Blvd., San Diego, California 92121, and the CITY OF LONG BEACH, a municipal corporation ("City").

WHEREAS, City and Consultant (the "Parties") entered into Agreement No. 33749 (the "Agreement") whereby Consultant agreed to provide long-term investment advisory and management services; and

WHEREAS, the Parties entered into a First Amendment to the Agreement to extend the term to December 31, 2018; and

WHEREAS, the Parties entered into a Second Amendment to the Agreement to extend the term to December 31, 2019; and

WHEREAS, the Parties entered into a Third Amendment to the Agreement to extend the term to December 31, 2020; and

WHEREAS, on March 4, 2020, the City of Long Beach declared an emergency related to the world-wide pandemic of COVID-19; and

WHEREAS, the City has reviewed its business succession plan and has determined that a contingency plan is needed for the City's short and intermediate investment portfolios, currently managed by City staff; and

WHEREAS, Chandler has the training, experience, familiarity with City data, and if needed, appropriate licenses, to perform such management; and

WHEREAS, the Parties desire to amend the Scope of Work attached to the Agreement to include temporary services to accommodate City's business continuity plan related to the management and maintenance of City's Short and Intermediate term portfolios and add \$168,000 for a total not to exceed annual amount of \$468,000;

1 NOW, THEREFORE, in consideration of the mutual terms, covenants, and
2 conditions herein contained, the Parties agree as follows:

3 1. For the duration of the term, City will increase the annual not to exceed
4 amount to Four Hundred Sixty-Eight Thousand Dollars (\$468,000), as referenced in
5 Section 1.A. of the Agreement.

6 2. The Scope of Work in Exhibit "A" to the Agreement is hereby amended
7 to include additional services more particularly described in Exhibit "A-1", attached hereto
8 and incorporated by this reference.

9 3. In order to activate the emergency services contemplated by this
10 Amendment, the City shall send a directive to Chandler, substantially in the form attached
11 hereto as Exhibit "E", directing that Chandler manage the additional funds for the time
12 period deemed necessary by the City.

13 4. The City shall further send a directive to the City's custodian of funds,
14 Wells Fargo Bank, substantially in the form attached hereto as Exhibit "F", authorizing
15 Chandler to trade the City's internally managed accounts for the term indicated therein.

16 5. Except as expressly modified herein, all of the terms and conditions
17 contained in Agreement No. 33749 are ratified and confirmed and shall remain in full force
18 and effect.

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

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

3 CHANDLER ASSET MANAGEMENT, INC.,
4 a California corporation

5 6/17/2020, 2020

By [Signature]
6 Name Martin Cassell
7 Title CEO/CFO

8 6/17/2020, 2020

By [Signature]
9 Name Nicole Dragoo
10 Title COO/CCO

11 "Consultant"

12 CITY OF LONG BEACH, a municipal
13 corporation

14 July 1, 2020

By [Signature]
15 City Manager

16 "City"

EXECUTED PURSUANT
TO SECTION 301 OF
THE CITY CHARTER

17 This Fourth Amendment to Agreement No. 33749 is approved as to form on

18 6-24, 2020.

19 CHARLES PARKIN, City Attorney

By [Signature]
20 Deputy

EXHIBIT A

Amendment to Chandler's Contract

Narrative

This amendment will expand the trading authorization of Chandler Asset Management to act on the City's behalf in executing trades within the short and intermediate investment portfolios.

Currently, Treasury management executes all trades within the short and intermediate investment portfolios. However, in the event that Treasury management is unable to perform investment trades due to COVID-19, Chandler Asset Management will have authorization to execute trades on the City's behalf in accordance with the Scope of Services attached as Exhibit A in the Investment Advisory Agreement No. 33749 ("Agreement"). This amendment will serve as a contingency plan to ensure the continuity of trading and management of the City's investment portfolio.

Besides Treasury management, there is no other staff with the knowledge, skill or access to remote trading systems to perform investment trades.

Chandler Asset Management currently manages the City's long-term investment portfolio. The Firm is familiar with the City's investment policy and compliance requirements. It also maintained all of City's investment data in its system and can step in expediently to purchase or liquidate securities until authorized city staff return and resume responsibilities.

New Scope of Work

1. Expand Chandler Asset Management's trading authorization to trade and manage the short and intermediate investment portfolios in accordance with the Scope of Services attached as Exhibit A in the Investment Advisory Agreement No. 33749 ("Agreement").
2. Chandler will have discretionary trading authorization over the Short and Intermediate investment portfolios through contract expiration date of 12/31/2020 ("Emergency Services").
3. Chandler will charge a flat annual fee of two (2) basis points on the average market value (including accrued interest) of the Short and Intermediate investment portfolios for the duration of the directive. Fees will be billed monthly in arrears in accordance with the payment terms. The additional fees are expected to be approximately \$21,000 per month. During this period, City will increase the not to exceed amount referenced in Section 1A of Agreement to Five Hundred Thousand Dollars (\$500,000) annually.
4. The authorization for Chandler Asset Management's trading directive will become effective upon notification from the City. The additional fees incurred shall commence on the notification date and will continue through the date on which City notifies Chandler to terminate these services or the termination date of December 31, 2020 under Agreement.

5. The City will send its custodian bank (Wells Fargo Bank) a directive to authorize Chandler Asset Management to trade the City's internally managed accounts. The authorization shall be effective until a removal notice is provided by the City.

Note:



City of Long
Beach_WF Form.pdf

Attached is the Authorized Agents Direction form required by the City's custodian bank (Wells Fargo Bank) to accept Chandler Asset Management as the City's authorized agent for trade processing for account number 24555900 for the short and intermediate portfolios. City will provide this authorization to Wells Fargo simultaneously as the City notifies Chandler. A copy of this directive will be sent to Chandler Asset Management.

6. The City will send Chandler Asset Management a directive letter to activate trading and management of the short and intermediate portfolios on a temporary basis. Attached is a copy of the directive letter.



Chandler Trading
Directive Letter.docx

[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 Term Portfolios

Dear Mr. Dennehy

The City of Long Beach has entered into an Amendment to Agreement No. 33749 ("Amendment No. 4") 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 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 Amendment No. 4 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:
John Gross, 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 F



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: _____ (please print)	Title: _____ (please print)
Signature: _____	Date: _____

Authorized Agents Direction

Authorized Agent Information	Authorized Activity
Chandler Asset Management	<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: _____
Name of Entity (please print)	
6225 Lusk Blvd, San Diego, CA 92121	
Address	
For Entity: 33-0570869	
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.