

**CITY OF CORONA  
PROFESSIONAL SERVICES AGREEMENT  
WITH CHANDLER ASSET MANAGEMENT, INC.  
(PROFESSIONAL INVESTMENT ADVISORY SERVICES – RFP 21-049SB)**

**1. PARTIES AND DATE.**

This Agreement is made and entered into this 21st day of April, 2021 (“Effective Date”) by and between the City of Corona, a municipal corporation organized under the laws of the State of California with its principal place of business at 400 South Vicentia Avenue, Corona, California 92882 (“City”) and Chandler Asset Management, Inc., a California Corporation with its principal place of business at 6225 Lusk Boulevard, San Diego, California 92121 (“Consultant”). City and Consultant are sometimes individually referred to as “Party” and collectively as “Parties” in this Agreement.

**2. RECITALS.**

**2.1 Consultant.**

Consultant desires to perform and assume responsibility for the provision of certain professional services required by the City on the terms and conditions set forth in this Agreement. Consultant represents that it is experienced in providing investment advisory and portfolio management services to public clients, is licensed in the State of California, and is familiar with the plans of City.

**2.2 Project.**

City desires to engage Consultant to render such services for the Professional Investment Advisory Services RFP 21-049SB project (“Project”) as set forth in this Agreement.

**3. TERMS.**

**3.1 Scope of Services and Term.**

3.1.1 General Scope of Services. Consultant promises and agrees to furnish to the City all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately supply the professional investment advisory and portfolio management services consulting services necessary for the Project (“Services”). The Services are more particularly described in Exhibit “A” attached hereto and incorporated herein by reference. All Services shall be subject to, and performed in accordance with, this Agreement, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state and federal laws, rules, and regulations.

3.1.2 Term. The term of this Agreement shall be from May 1, 2021 to June 30, 2024 (“Term”), unless earlier terminated as provided herein. Consultant shall complete the Services within the Term of this Agreement, and shall meet any other established schedules and deadlines. The Parties may, by mutual, written consent, extend the Term of this Agreement one

or more times by executing a written amendment pursuant to Section 3.6.8 below (each a “Renewal Term”). The terms “Term” and “Renewal Term” may sometimes be generally and collectively referred to as “Term” in this Agreement.

### **3.2 Responsibilities of Consultant.**

3.2.1 Control and Payment of Subordinates; Independent Contractor. The Services shall be performed by Consultant or under its supervision. Consultant will determine the means, methods and details of performing the Services subject to the requirements of this Agreement. City retains Consultant on an independent contractor basis and not as an employee. Consultant retains the right to perform similar or different services for others during the Term of this Agreement. Any additional personnel performing the Services under this Agreement on behalf of Consultant shall also not be employees of City and shall at all times be under Consultant’s exclusive direction and control. Consultant shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Consultant shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers’ compensation insurance.

3.2.2 Schedule of Services. Consultant shall perform the Services within the Term of this Agreement, in accordance with the Schedule of Services set forth in Exhibit “B” attached hereto and incorporated herein by reference, and in accordance with any other completion schedule or milestones which may be separately agreed upon in writing by the Parties. Consultant represents that it has the professional and technical personnel required to perform the Services in conformance with such conditions. In order to facilitate Consultant’s conformance with the Schedule, City shall respond to Consultant’s submittals in a timely manner. Upon request of City, Consultant shall provide a more detailed schedule of anticipated performance to meet the Schedule of Services.

3.2.3 Conformance to Applicable Requirements. All Services performed by Consultant shall be subject to the approval of City.

3.2.4 Substitution of Key Personnel. Consultant has represented to City that certain key personnel will perform and coordinate the Services under this Agreement. Should one or more of such personnel become unavailable, Consultant may substitute other personnel of at least equal competence upon written approval of City. In the event that City and Consultant cannot agree as to the substitution of key personnel, City shall be entitled to terminate this Agreement for cause. As discussed below, any personnel who fail or refuse to perform the Services in a manner acceptable to the City, or who are determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project or a threat to the safety of persons or property, shall be promptly removed from the Project by the Consultant at the request of the City. The key personnel for performance of this Agreement are as follows: Christopher McCarry, AIF, Senior Portfolio Strategist, Jayson Schmitt, CFA, Deputy Chief Investment Officer, and Mia Corral Brown, Senior Relationship Manager.

3.2.5 City's Representative. The City hereby designates the Administrative Services Director, or his or her designee, to act as its representative for the performance of this Agreement ("City's Representative"). City's Representative shall have the power to act on behalf of the City for all purposes under this Contract. Consultant shall not accept direction or orders from any person other than the City's Representative or his or her designee.

3.2.6 Consultant's Representative. Consultant hereby designates Christopher McCarry, or his or her designee, to act as its representative for the performance of this Agreement ("Consultant's Representative"). Consultant's Representative shall have full authority to represent and act on behalf of the Consultant for all purposes under this Agreement. The Consultant's Representative shall supervise and direct the Services, using his best skill and attention, and shall be responsible for all means, methods, techniques, sequences, and procedures and for the satisfactory coordination of all portions of the Services under this Agreement.

3.2.7 Coordination of Services. Consultant agrees to work closely with City staff in the performance of Services and shall be available to City's staff, consultants and other staff at all reasonable times.

3.2.8 Standard of Care; Performance of Employees. Consultant shall perform all Services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Consultant represents and maintains that it is skilled in the professional calling necessary to perform the Services. Consultant agrees that all employees and subconsultants shall have sufficient skill and experience to perform the Services assigned to them. Finally, Consultant represents that it, its employees and subconsultants shall have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services, including a City Business License, and that such licenses and approvals shall be maintained throughout the Term of this Agreement. As provided for in the indemnification provisions of this Agreement, Consultant shall perform, at its own cost and expense and without reimbursement from the City, any services necessary to correct errors or omissions which are caused by the Consultant's failure to comply with the standard of care provided for herein. Any employee of the Consultant or its sub-consultants who is determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project, a threat to the safety of persons or property, or any employee who fails or refuses to perform the Services in a manner acceptable to the City, shall be promptly removed from the Project by the Consultant and shall not be re-employed to perform any of the Services or to work on the Project.

3.2.9 Laws and Regulations; Employee/Labor Certifications. Consultant shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Project or the Services, including all Cal/OSHA requirements, and shall give all notices required by law. Consultant shall be liable for all violations of such laws and regulations in connection with Services. If the Consultant performs any work or Services knowing them to be contrary to such laws, rules and regulations

and without giving written notice to the City, Consultant shall be solely responsible for all costs arising therefrom. Consultant shall defend, indemnify and hold City, its officials, directors, officers, employees, and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

3.2.9.1 Employment Eligibility; Consultant. By executing this Agreement, Consultant verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time. Such requirements and restrictions include, but are not limited to, examination and retention of documentation confirming the identity and immigration status of each employee of the Consultant. Consultant also verifies that it has not committed a violation of any such law within the five (5) years immediately preceding the date of execution of this Agreement, and shall not violate any such law at any time during the Term of the Agreement. Consultant shall avoid any violation of any such law during the Term of this Agreement by participating in an electronic verification of work authorization program operated by the United States Department of Homeland Security, by participating in an equivalent federal work authorization program operated by the United States Department of Homeland Security to verify information of newly hired employees, or by some other legally acceptable method. Consultant shall maintain records of each such verification, and shall make them available to the City or its representatives for inspection and copy at any time during normal business hours. The City shall not be responsible for any costs or expenses related to Consultant's compliance with the requirements provided for in Section 3.2.9 or any of its sub-sections.

3.2.9.2 Employment Eligibility; Subcontractors, Consultants, Sub-subcontractors and Subconsultants. To the same extent and under the same conditions as Consultant, Consultant shall require all of its subcontractors, consultants, sub-subcontractors and subconsultants performing any work or Services relating to the Project or this Agreement to make the same verifications and comply with all requirements and restrictions provided for in Section 3.2.9.1.

3.2.9.3 Employment Eligibility; Failure to Comply. Each person executing this Agreement on behalf of Consultant verifies that they are a duly authorized officer of Consultant, and understands that any of the following shall be grounds for the City to terminate the Agreement for cause: (1) failure of Consultant or its subcontractors, consultants, sub-subcontractors or subconsultants to meet any of the requirements provided for in Sections 3.2.9.1 or 3.2.9.2; (2) any misrepresentation or material omission concerning compliance with such requirements (including in those verifications provided to the Consultant under Section 3.2.9.2); or (3) failure to immediately remove from the Project any person found not to be in compliance with such requirements.

3.2.9.4 Labor Certification. By its signature hereunder, Consultant certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake

self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

3.2.9.5 Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer and it shall not discriminate against any subconsultant, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination. Consultant shall also comply with all relevant provisions of City's Minority Business Enterprise program, Affirmative Action Plan or other related programs or guidelines currently in effect or hereinafter enacted.

3.2.9.6 Air Quality. To the extent applicable, Consultant must fully comply with all applicable laws, rules and regulations in furnishing or using equipment and/or providing services, including, but not limited to, emissions limits and permitting requirements imposed by the South Coast Air Quality Management District (SCAQMD) and/or California Air Resources Board (CARB). Although the SCAQMD and CARB limits and requirements are more broad, Consultant shall specifically be aware of their application to "portable equipment", which definition is considered by SCAQMD and CARB to include any item of equipment with a fuel-powered engine. Consultant shall indemnify City against any fines or penalties imposed by SCAQMD, CARB, or any other governmental or regulatory agency for violations of applicable laws, rules and/or regulations by Consultant, its subconsultants, or others for whom Consultant is responsible under its indemnity obligations provided for in this Agreement.

### 3.2.10 Insurance.

3.2.10.1 Time for Compliance. Promptly following the Effective Date of this Agreement, but in no event before Consultant commences any Services under this Agreement, Consultant shall provide evidence satisfactory to the City that it has secured all insurance required under this section. Failure to provide and maintain all required insurance shall be grounds for the City to terminate this Agreement for cause.

3.2.10.2 Minimum Requirements. Consultant shall, at its expense, procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Agreement by the Consultant, its agents, representatives, employees or subconsultants. Consultant shall also require all of its subconsultants to procure and maintain the same insurance for the duration of the Agreement. Such insurance shall meet at least the following minimum levels of coverage:

(A) Minimum Scope of Insurance. Coverage shall be at least as broad as the latest version of the following: (1) *General Liability*: Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001); (2) *Automobile Liability*: Insurance Services Office Business Auto Coverage form number CA 0001, code 1 (any auto), or if Consultant has no owned autos, Code 8 (hired) and 9 (non-owned); and (3) *Workers'*

*Compensation and Employer's Liability:* Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

(B) Minimum Limits of Insurance. Consultant shall maintain limits no less than: (1) *General Liability:* \$1,000,000 per occurrence for bodily injury, personal injury, advertising injury and property damage. If Commercial General Liability Insurance or other form with general aggregate limit is used including, but not limited to, form CG 2503, either the general aggregate limit shall apply separately to this Agreement/location or the general aggregate limit shall be twice the required occurrence limit; (2) *Automobile Liability:* \$1,000,000 per accident for bodily injury and property damage; and (3) *Workers' Compensation and Employer's Liability:* Workers' Compensation limits as required by the Labor Code of the State of California. Employer's Liability limits of \$1,000,000 per accident for bodily injury or disease.

3.2.10.3 Professional Liability. Consultant shall procure and maintain, and require its sub-consultants to procure and maintain, for a period of five (5) years following completion of the Project, errors and omissions liability insurance appropriate to their profession. Such insurance shall be in an amount not less than \$1,000,000 per occurrence or claim, \$2,000,000 aggregate.

3.2.10.4 Insurance Endorsements. The insurance policies shall contain or be endorsed (amended) to include the following provisions:

(A) General Liability. The general liability policy shall state that: (1) the City, its directors, officials, officers, employees, agents, and volunteers shall be covered as additional insured with respect to liability arising out of work or operations performed by or on behalf of the Consultant, including materials, parts or equipment furnished in connection therewith (the endorsement form shall be at least as broad as ISO Form CG 20 10 11 85 or both CG 20 37 and one of the following: CG 20 10, CG 20 26, CG 20 33 or CG 20 38); and (2) the insurance coverage shall be primary insurance coverage as respects the City, its directors, officials, officers, employees, agents, and volunteers (the endorsement form shall be at least as broad as ISO CG 20 01 04 13). Any insurance or self-insurance maintained by the City, its directors, officials, officers, employees, agents, and volunteers shall be excess of the Consultant's insurance and shall not be called upon to contribute with it in any way.

(B) Waiver of Subrogation – Workers' Compensation and Employer's Liability Coverage. The insurer shall agree to waive all rights of subrogation against the City, its directors, officials, officers, employees, agents, and volunteers for losses paid under the terms of the insurance policy which arise from work or Services performed by the Consultant.

(C) All Coverages. If Consultant maintains broader coverage and/or higher limits than the minimums shown above, the City is entitled to the broader coverage and/or higher limits maintained by Consultant. Thus, any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

3.2.10.5 Other Provisions; Endorsements Preferred. Consultant shall endeavor to provide endorsements regarding the following provisions, but nonetheless understands, acknowledges and agrees that the following provisions shall apply and that failure to comply shall be considered to be a breach of this Agreement by Consultant:

(A) Waiver of Subrogation – All Other Policies. Consultant hereby waives all rights of subrogation any insurer of Consultant’s may acquire against the City, its directors, officials, officers, employees, agents, and volunteers for losses paid under the terms of any insurance policy which arise from work or Services performed by the Consultant. Consultant understands, acknowledges and agrees that this provision is in full force and effect even if the City does not receive a waiver of subrogation endorsement from the insurer.

(B) Notice. Consultant shall either: (1) require its insurer to provide thirty (30) days prior written notice to the City before coverage is suspended, voided, or canceled; or (2) notify City in writing that such notice is not available and forward any notice of such actions to the City within two (2) business days from date of receipt by Consultant. Consultant understands, acknowledges and agrees that this provision is in full force and effect even if the City does not receive a waiver of subrogation endorsement from the insurer.

3.2.10.6 Claims Made Policies. The following provisions shall apply to all policies that provide coverage on a claims-made basis: (A) the retroactive date must be shown and must be before the date on which any Services under this Agreement commence; (B) the insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the Project; and (C) if coverage is canceled or not renewed and is not replaced with another claims-made policy with a retroactive date prior to the date on which any Services under this Agreement commence, Consultant must purchase “extended reporting” coverage for a minimum of five (5) years after completion of Project.

3.2.10.7 Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to and approved by the City. The City may require the Consultant to provide proof of ability to pay losses and related investigation, claims administration and defense expenses within the deductible or self-insured retention. The deductible or self-insured retention may be satisfied by either the named insured or the City.

3.2.10.8 Acceptability of Insurers. Unless under the circumstances a different rating is otherwise acceptable to the City in its sole and absolute discretion, insurance is to be placed with insurers which are satisfactory to the City and which meet either of the following criteria : (1) an insurer with a current A.M. Best’s rating no less than A-:VII and licensed as an admitted insurance carrier in California; or (2) an insurer with a current A.M. Best’s rating no less than A-:X and authorized to issue the required policies in California.

3.2.10.9 Verification of Coverage. Consultant shall furnish City with original certificates of insurance, as well as amendatory endorsements or copies of the applicable policy language effecting coverage required by this Agreement. All documents must

be received and approved by the City before any Services commence; provided, however, that failure to obtain the required documents prior to the commencement of Services shall not waive Consultant's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, at any time.

3.2.10.10 Reporting of Claims. Consultant shall report to the City, in addition to Consultant's insurer, any and all insurance claims submitted by Consultant in connection with the Services under this Agreement.

3.2.10.11 Sub-Consultants. All sub-consultants shall comply with each and every insurance provision of this Section 3.2.10. Consultant shall therefore not allow any sub-consultant to commence work on any subcontract to perform any part of the Services until it has provided evidence satisfactory to the City that the sub-consultant has secured all insurance required under this Agreement.

3.2.10.12 Special Risk or Circumstances. The City reserves the right, in its sole and absolute discretion, to modify the requirements of this Section 3.2.10, including limits, based on any of the following: (A) the nature of the risk of the Services; (B) the prior experience of the insured; (C) the rating or other quality or characteristic of the insurer; (D) any special or unique coverage issues; and (E) any other special or unique circumstances.

3.2.11 Safety. Consultant shall execute and maintain its work and Services so as to avoid injury or damage to any person or property. In carrying out its Services, the Consultant shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the Services and the conditions under which the Services are to be performed.

3.2.12 Payment Bond. The California Department of Industrial Relations ("DIR") has communicated to the City that there is a possibility that a payment bond may be required for certain services provided in connection with a public works project. Since such a requirement is currently contrary to the industry standard for the services provided by Consultant under this Agreement and since there is no direct legal authority for this position, the City is not requiring Consultant to provide a payment bond at this time. However, the City hereby reserves the right to require the Consultant to obtain and provide a payment bond for some or all of the services provided by the Consultant under this Agreement.

If the City determines that a payment bond is required for the services pursuant to Civil Code Section 9550 or any other applicable law, rule or regulation, Consultant shall execute and provide to City a payment bond in an amount required by the City and in a form provided or approved by the City. In the event a payment bond is required, the City agrees to compensate Consultant for all documented direct costs incurred by Consultant for such payment bond. The Parties shall memorialize the terms of such additional compensation and any other terms and conditions associated with the payment bond in an amendment to this Agreement.



3.2.13 Accounting Records. Consultant shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Consultant shall allow a representative of City during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Consultant shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

### **3.3 Fees and Payments.**

3.3.1 Rates & Total Compensation. Consultant shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in Exhibit "C" attached hereto and incorporated herein by reference. The total compensation, including authorized reimbursements, shall not exceed Six Hundred and Seventy-Nine Thousand Five Hundred Dollars (\$679,500.00) ("Total Compensation"), without written approval of City's Representative. Extra Work may be authorized, as described below, and if authorized, will be compensated at the rates and manner set forth in this Agreement.

3.3.2 Payment of Compensation. Consultant shall submit to City a monthly itemized statement which indicates work completed and hours of Services rendered by Consultant. The statement shall describe the amount of Services and supplies provided since the initial commencement date, or since the start of the subsequent billing periods, as appropriate, through the date of the statement. City shall, within 30 days of receiving such statement, review the statement and pay all approved charges thereon.

3.3.3 Reimbursement for Expenses. Consultant shall not be reimbursed for any expenses unless authorized in writing by City.

3.3.4 Extra Work. At any time during the Term of this Agreement, City may request that Consultant perform Extra Work. As used herein, "Extra Work" means any work which is determined by City to be necessary for the proper completion of the Project, but which the Parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, Extra Work without written authorization from City's Representative.

3.3.5 Prevailing Wages. Consultant is aware of the requirements of Chapter 1 (beginning at Section 1720 et seq.) of Part 7 of Division 2 of the California Labor Code, as well as Title 8, Section 16000 et seq. of the California Code of Regulations ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on "public works" and "maintenance" projects. If the Services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the Total Compensation is \$1,000 or more, Consultant and its subconsultants shall fully comply with the Prevailing Wage Laws for their employees and any others to whom such laws are applicable. Consultant and its subconsultants shall also be responsible for any and all violations and fines imposed on them pursuant to the Prevailing Wage Laws. Pursuant to SB

854, which amended the Prevailing Wage Laws, this Agreement would also be subject to compliance monitoring and enforcement by the California Department of Industrial Relations (“DIR”). Beginning April 1, 2015, no consultant or subconsultant may be awarded this Agreement unless registered with the DIR pursuant to Labor Code Section 1725.5. The City will report all necessary agreements to the DIR as required by the Prevailing Wage Laws. Consultant shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the Services available to interested parties upon request, and shall post copies at the Consultant’s principal place of business and at the Project site. It is most efficient for the Consultant to obtain a copy of the prevailing wages in effect at the commencement of this Agreement from the website of the Division of Labor Statistics and Research of the DIR located at [www.dir.ca.gov/dlsr/](http://www.dir.ca.gov/dlsr/). In the alternative, Consultant may obtain a copy of the prevailing wages from the City’s Representative. Consultant shall defend, indemnify and hold the City, its elected officials, officers, employees and agents free and harmless from any claim or liability arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

3.3.6 Apprenticeable Crafts. If the services are being performed as part of an applicable “public works” or “maintenance” project, as defined by the Prevailing Wage Laws, Consultant shall comply with the provisions of Section 1777.5 of the California Labor Code with respect to the employment of properly registered apprentices upon public works when Consultant employs workmen in an apprenticeable craft or trade. The primary responsibility for compliance with said section for all apprenticeable occupations shall be with Consultant.

### **3.4 Termination of Agreement.**

3.4.1 Grounds for Termination. City may, by written notice to Consultant, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to Consultant of such termination, and specifying the effective date thereof, at least seven (7) days before the effective date of such termination. Upon termination, Consultant shall be compensated only for those Services which have been adequately rendered to City, as well as any authorized reimbursable expenses, and Consultant shall be entitled to no further compensation. Consultant may not terminate this Agreement except for cause.

3.4.2 Effect of Termination. If this Agreement is terminated as provided herein, City may require Consultant to provide all finished or unfinished Documents and Data and other information of any kind prepared by Consultant in connection with the performance of Services under this Agreement. Consultant shall be required to provide such document and other information within fifteen (15) days of the request.

3.4.3 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, City may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

### 3.5 Ownership of Materials and Confidentiality.

3.5.1 Documents & Data; Licensing of Intellectual Property. This Agreement creates a non-exclusive and perpetual license for City to copy, use, modify, reuse, or sublicense any and all copyrights, designs, and other intellectual property embodied in plans, specifications, studies, drawings, estimates, and other documents or works of authorship fixed in any tangible medium of expression, including but not limited to, physical drawings or data magnetically, electronically or otherwise recorded or stored, which are prepared or caused to be prepared by Consultant under this Agreement (“Documents & Data”). All Documents & Data shall be and remain the property of City, and shall not be used in whole or in substantial part by Consultant on other projects without the City's express written permission. Within thirty (30) days following the completion, suspension, abandonment or termination of this Agreement, Consultant shall provide to City reproducible copies of all Documents & Data, in a form and amount required by City. City reserves the right to select the method of document reproduction and to establish where the reproduction will be accomplished. The reproduction expense shall be borne by City at the actual cost of duplication. In the event of a dispute regarding the amount of compensation to which the Consultant is entitled under the termination provisions of this Agreement, Consultant shall provide all Documents & Data to City upon payment of the undisputed amount. Consultant shall have no right to retain or fail to provide to City any such documents pending resolution of the dispute. In addition, Consultant shall retain copies of all Documents & Data on file for a minimum of five (5) years following completion of the Project, and shall make copies available to City upon the payment of actual reasonable duplication costs. In addition, before destroying the Documents & Data following this retention period, Consultant shall make a reasonable effort to notify City and provide City with the opportunity to obtain the documents.

3.5.2 Subconsultants. Consultant shall require all subconsultants to agree in writing that City is granted a non-exclusive and perpetual license for any Documents & Data the subconsultant prepares under this Agreement. Consultant represents and warrants that Consultant has the legal right to license any and all Documents & Data. Consultant makes no such representation and warranty in regard to Documents & Data which were prepared by design professionals other than Consultant or its subconsultants, or those provided to Consultant by the City.

3.5.3 Right to Use. City shall not be limited in any way in its use or reuse of the Documents and Data or any part of them at any time for purposes of this Project or another project, provided that any such use not within the purposes intended by this Agreement or on a project other than this Project without employing the services of Consultant shall be at City's sole risk. If City uses or reuses the Documents & Data on any project other than this Project, it shall remove the Consultant's seal from the Documents & Data and indemnify and hold harmless Consultant and its officers, directors, agents and employees from claims arising out of the negligent use or re-use of the Documents & Data on such other project. Consultant shall be responsible and liable for its Documents & Data, pursuant to the terms of this Agreement, only with respect to the condition of the Documents & Data at the time they are provided to the City upon completion, suspension, abandonment or termination. Consultant shall not be responsible

or liable for any revisions to the Documents & Data made by any party other than Consultant, a party for whom the Consultant is legally responsible or liable, or anyone approved by the Consultant.

3.5.4 Indemnification. Consultant shall defend, indemnify and hold the City, its directors, officials, officers, employees, volunteers and agents free and harmless, pursuant to the indemnification provisions of this Agreement, for any alleged infringement of any patent, copyright, trade secret, trade name, trademark, or any other proprietary right of any person or entity in consequence of the use on the Project by City of the Documents & Data, including any method, process, product, or concept specified or depicted.

3.5.5 Confidentiality. All Documents & Data, either created by or provided to Consultant in connection with the performance of this Agreement, shall be held confidential by Consultant. All Documents & Data shall not, without the prior written consent of City, be used or reproduced by Consultant for any purposes other than the performance of the Services. Consultant shall not disclose, cause or facilitate the disclosure of the Documents & Data to any person or entity not connected with the performance of the Services or the Project. Nothing furnished to Consultant that is otherwise known to Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. Consultant shall not use City's name or insignia, photographs of the Project, or any publicity pertaining to the Services or the Project in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of City.

### **3.6 General Provisions.**

3.6.1 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective Parties at the following address, or at such other address as the respective Parties may provide in writing for this purpose:

**Consultant:**

Chandler Asset Management, Inc.  
6225 Lusk Boulevard  
San Diego, CA 92121  
Attn: Nicole Drago

**City:**

City of Corona  
400 South Vicentia Avenue  
Corona, CA 92882  
Attn: Kim Sitton Administrative Services Department

Such notice shall be deemed made when personally delivered, or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the Party at its applicable address. Notice may also be made by confirmed facsimile with original to follow or by confirmed electronic mail with proof of receipt to the addresses set forth below. Either party to this Agreement may, by written notice given at any time, designate a different address for the receipt of reports and other communications due hereunder. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

3.6.2 Indemnification. To the fullest extent permitted by law, Consultant shall defend (with counsel of City's choosing), indemnify and hold the City, its directors, officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, to the extent arising out of, pertaining to, or incident to any alleged willful misconduct or negligent acts, errors or omissions of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Consultant's Services, the Project or this Agreement, including without limitation the payment of all settlement amounts, expert witness fees and attorneys fees and other related costs and expenses. Notwithstanding the foregoing, to the extent Consultant's Services are subject to Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant. Consultant's obligation to indemnify shall survive expiration or termination of this Agreement, and shall not be restricted to insurance proceeds, if any, received by the City, its directors, officials officers, employees, agents, or volunteers.

3.6.3 Governing Law; Government Code Claim Compliance. This Agreement shall be governed by the laws of the State of California. Venue shall be in Riverside County. In addition to any and all contract requirements pertaining to notices of and requests for compensation or payment for extra work, disputed work, claims and/or changed conditions, Consultant must comply with the claim procedures set forth in Government Code Sections 900 et seq. prior to filing any lawsuit against the City. Such Government Code claims and any subsequent lawsuit based upon the Government Code claims shall be limited to those matters that remain unresolved after all procedures pertaining to extra work, disputed work, claims, and/or changed conditions have been followed by Consultant. If no such Government Code claim is submitted, or if any prerequisite contractual requirements are not otherwise satisfied as specified herein, Consultant shall be barred from bringing and maintaining a valid lawsuit against the City.

3.6.4 Time of Essence. Time is of the essence for each and every provision of this Agreement.

3.6.5 City's Right to Employ Other Consultants. City reserves right to employ other consultants in connection with this Project.

3.6.6 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the Parties.

3.6.6.1 Subconsultants; Assignment or Transfer. Consultant shall not subcontract any portion of the Services required under this Agreement, except as expressly authorized herein, without the prior written approval of the City. Subcontracts, if any, shall include a provision making them subject to all provisions of this Agreement. Consultant shall also not assign, hypothecate or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of the City. Any attempt to subcontract or take any other action not authorized herein shall be null and void, and any subconsultants, assignees, hypothecates or transferees shall acquire no right or interest by reason of such action.

3.6.7 Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days or period for performance shall be deemed calendar days and not work days. All references to Consultant include all personnel, employees, agents, and subconsultants of Consultant, except as otherwise specified in this Agreement. All references to City include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content or intent of this Agreement.

3.6.8 Amendment; Modification. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

3.6.9 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel or otherwise.

3.6.10 No Third Party Beneficiaries. Except to the extent expressly provided for in Section 3.6.6, there are no intended third party beneficiaries of any right or obligation assumed by the Parties.

3.6.11 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

3.6.12 Prohibited Interests. Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. Consultant further

agrees to file, or shall cause its employees or subconsultants to file, a Statement of Economic Interest with the City's Filing Officer as required under state law in the performance of the Services. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the Term of this Agreement, no member, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

3.6.13 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

3.6.14 Attorney's Fees. If either Party commences an action against the other Party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing Party in such litigation shall be entitled to have and recover from the losing Party reasonable attorney's fees and all other costs of such action.

3.6.15 Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

3.6.16 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.6.17 Entire Agreement. This Agreement contains the entire Agreement of the Parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be modified by a writing signed by both Parties.

**[SIGNATURES ON NEXT 2 PAGES]**


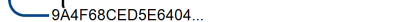
**CITY'S SIGNATURE PAGE FOR**  
**CITY OF CORONA**  
**PROFESSIONAL SERVICES AGREEMENT**  
**WITH CHANDLER ASSET MANAGEMENT, INC.**  
**(PROFESSIONAL INVESTMENT ADVISORY SERVICES – RFP 21-049SB)**

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the date first written above.

**CITY OF CORONA**

By:   
  
Kim Sitton  
Acting Administrative Services Director

By:   
  
Christine Thompson  
Accounting Manager

Attest:   
  
Sylvia Edwards  
City Clerk




**CONSULTANT’S SIGNATURE PAGE FOR**  
**CITY OF CORONA**  
**PROFESSIONAL SERVICES AGREEMENT**  
**WITH CHANDLER ASSET MANAGEMENT, INC.**  
**(PROFESSIONAL INVESTMENT ADVISORY SERVICES – RFP 21-049SB)**

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the date first written above.

**CHANDLER ASSET MANAGEMENT, INC.**  
a California Corporation

By:   
167A2521701B4BB...  
Martin Cassell  
CEO

By:   
59DA61393BC34B9...  
Nicole Drago  
COO/CCO/Secretary

## **EXHIBIT “A” SCOPE OF SERVICES**

The Consultant promises and agrees to furnish to the City all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately supply the professional investment advisory and portfolio management services consulting services necessary for the Project (“Services”). The Services are more particularly described in this Exhibit “A”

- Providing investment advisory services for the City’s operating funds in a 1-5 year strategy to ensure sufficient liquidity for the City's cash flow needs as well as for the potential to safely enhance returns compared to market benchmarks over an investment cycle.
- Purchasing securities in strict compliance with your City’s investment policy, management directives, and California Government Code. The Consultant conducts pre-trade, post-trade, and end-of-day portfolio compliance, and confirms investments adhere to requirements via monthly compliance statements.
- Communicating frequently with the City, attending in-person meetings with the City’s finance staff, participating in monthly calls, conducting customized staff training and offering direct, ongoing access to the Consultant’s investment professionals on any additional matters by phone or in-person.
- Serving as a general resource for all other issues related to the City's investment program, such as conducting analysis on LAIF yields, using proprietary tools to analyze securities and evaluate portfolio risk, providing quarterly compliance statements, and identifying the tools and processes necessary to accommodate investments in new asset classes.
- Assisting the City with the strengthening of its investment program through education on new and alternative asset types, implementation of investment tools, ideas and sharing industry best practices.
- The Consultant’s portfolio managers review an annual report detailing the volume traded with all brokers for the year. Portfolio managers periodically and systematically evaluate the execution performance of broker-dealers executing their transactions and document their review.

Services to be provided include but are not limited to:

- Development and/or review of the investment policy: The firm must annually assist in the review of the City's Investment Policy. The Investment Policy is presented to the City Council in June of each year.
- Non-discretionary portfolio advisement: The Consultant must effectively advise the City on investment of its funds pursuant to the approved Investment Policy. Based upon the City's cash flow and maturing investments, the Consultant will advise the City on the purchase of specific investment instruments. The Consultant will be available for regular and routine communication with City staff as often as City staff deems necessary. The goal is to maximize the return on the City's portfolio while preserving safety and liquidity.
- Credit analysis of investment instruments in the portfolio: The Consultant must provide periodic credit analyses of investment instruments in the portfolio at a minimum of once per month, and immediately upon occurrence of a significant event that impacts credit worthiness.
- Quarterly meetings with city officials: The Consultant must be available to meet with City officials and present quarterly updates on overall economy and the City's portfolio performance.
- Interest revenue projections: The Consultant must assist with revenue projections for interest.
- Trust Objectives: The Consultant must advise City staff in establishment of a comprehensive trust program including establishment of IRS Section 115 Trusts (both pension and other eligible expenditures) including recommended annual funding strategies.
- Trust Administration: The Consultant will provide trust structure, administration and related trustee services, including coordinating all City contributions to the Trust and processing requests for distributions.
- Fiduciary Investment Advisory Services: The Consultant must provide a full scope of fiduciary investment management services, including but not limited to developing a written investment policy for the trust assets, developing a recommended asset allocation strategy based on the Trust's funding and investment objectives and the City's risk tolerance.
- Reporting: The Consultant must prepare a Monthly Investment Report encompassing all City funds. The Consultant must prepare the City's disclosure note demonstrating compliance with GASB Statement No. 40 in the City's Annual Comprehensive Financial Report. The Consultant must also provide

monthly, quarterly, and annual comparative performance analyses and evaluation reports of the IRS Section 115 Trust's investments.

- Staff training and education: The Consultant must be available to staff to answer questions and provide general guidance in related areas.

#### ADDITIONAL TERMS SPECIFIC TO INVESTMENT MANAGEMENT RELATIONSHIP

**Investment Policy.** In investing and reinvesting Client's assets, Chandler shall comply with Client's Investment Policy as currently written and as may be amended. The City's current Investment Policy is attached hereto as Exhibit "D".

**Authority of Consultant.** Consultant is hereby granted full discretion to invest and reinvest all assets under its management in any type of security it deems appropriate, subject to compliance with all applicable federal and state laws, the City's Investment Policy and the instructions given or guidelines set by the City's Representative.

**Electronic Delivery.** From time to time, Chandler may be required to deliver certain documents to Client such as account information, notices and required disclosures. Client hereby consents to Chandler's use of electronic means, such as email, to make such delivery. This delivery may include notification of the availability of such document(s) on a website, and Client agrees that such notification will constitute "delivery". Client further agrees to provide Chandler with Client's email address(s) and to keep this information current at all times by promptly notifying Chandler of any change in email address(s).

Client email address(s): [finance@coronaca.gov](mailto:finance@coronaca.gov)

**Proxy Voting.** Chandler will vote proxies on behalf of Client unless otherwise instructed. Chandler has adopted and implemented written policies and procedures and will provide Client with a description of the proxy voting procedures upon request. Chandler will provide information regarding how Clients' proxies were voted upon request. To request proxy policies or other information, please contact us by mail at the address provided, by calling 800-317-4747 or by emailing your request to [info@chandlerasset.com](mailto:info@chandlerasset.com).

**Custody of Securities and Funds.** Chandler shall not have custody or possession of the funds or securities that Client has placed under its management. Client shall appoint a custodian to take and have possession of its assets. Client recognizes the importance of comparing statements received from the appointed custodian to statements received from Chandler. Client recognizes that the fees expressed in Exhibit "C" do not include fees Client will incur for custodial services.

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

Investment Advice. Client recognizes that the opinions, recommendations and actions of Chandler will be based on information deemed by it to be reliable, but not guaranteed to or by it.

Payment of Commissions. Chandler may place buy and sell orders with or through such brokers or dealers as it may select. It is the policy and practice of Chandler 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 Chandler may pay a commission on transactions in excess of the amount another broker or dealer may charge, and that Chandler makes no warranty or representation regarding commissions paid on transactions hereunder.

Other Clients. It is further understood that Chandler may be acting in a similar capacity for other institutional and individual clients, and that investments and reinvestments for Client's portfolio may differ from those made or recommended with respect to other accounts and clients even though the investment objectives may be the same or similar. Accordingly, it is agreed that Chandler will have no obligation to purchase or sell for Client's account any securities which it may purchase or sell for other clients.

Confidential Relationship. All information and advice furnished by either party to the other that is marked or identified as "confidential" shall be treated as confidential and shall not be disclosed to third parties except (i) as required by law, rule, or regulation, (ii) as requested by a regulatory authority, (iii) for disclosures by either party of information that has become public by means other than wrongful conduct by such party or its officers, employees, or other personnel, (iv) for disclosures by either party to its legal counsel, accountants, or other professional advisers, (v) as necessary for either party to carry out its responsibilities hereunder, or (vi) as otherwise expressly agreed by the parties.

Receipt of Brochure and Privacy Policy. Client hereby acknowledges receipt of the disclosure statement or "brochure" and "brochure supplement" also known as Part 2A and Part 2B of Form ADV, required to be delivered pursuant to Rule 204-3 of the Investment Advisers Act of 1940 (Brochure). Client further acknowledges receipt of Chandler's Privacy Policy, as required by Regulation S-P.

## EXHIBIT “B” SCHEDULE OF SERVICES

Consultant shall perform the Services within the Term of this Agreement, in accordance with the Schedule of Services set forth in this Exhibit “B”

The following schedule below details the plan the Consultant will follow to transition the City’s investment program into the Consultant’s care.

Implementation Plan and Milestones		
Discovery Phase and Trust Set-Up	Account Set-Up	Portfolio Implementation
1-30 Days	30-60 Days	60-90 Days
<ul style="list-style-type: none"> <li>• Contract signed to begin relationship</li> <li>• Chandler holds meeting to “kick-off” engagement and formulate checklist of prioritized items</li> <li>• Chandler discusses liability profile and conducts asset allocation study</li> <li>• Investment Policy development</li> <li>• Write and Finalize the Trust documents (Wagner Law Group)</li> <li>• Write and finalize Opinion Letter (Wagner Law Group)</li> <li>• Documentation and Account Preparation/Set-up (Custodian/Trustee)</li> </ul>	<ul style="list-style-type: none"> <li>• Custodian/Trustee Bank reviews and confirms agreement with the Trust</li> <li>• Investment Policy is finalized</li> <li>• The City staff present Trust and Investment Policy to City Council for approval</li> <li>• Chandler sets up accounts in internal portfolio management and accounting systems</li> <li>• Chandler grants City staff access to account information via online Client Portal</li> </ul>	<ul style="list-style-type: none"> <li>• Chandler implements investment strategy</li> <li>• Securities are purchased using dollar cost averaging aligning with market conditions</li> </ul>

The City retains the right to exercise option year renewals at its sole discretion. Option year one, if exercised, shall be effective July1, 2024 through June 30, 2025. Option two one-year, if exercised, shall be effective July 1, 2025 through June 30, 2026. Actual option year pricing shall be negotiated with the Consultant prior to exercising of any given option year. The City’s fiscal year runs from July 1 to June 30 including Option years shall become effective only upon issuance by the City of a duly authorized Purchase Order each fiscal year.

**EXHIBIT "C"**  
**COMPENSATION**

Consultant shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in this Exhibit "C"

<b>Operating Funds Investment Portfolio - 1-5 Year Fixed Income Strategy Fixed Annual Fee Schedule</b>		
<b>Fiscal Year 2021</b>	<b>Monthly Fee</b>	
May 2021	\$ 12,000.00	
June 2021	\$ 12,000.00	
<b>Contract Year</b>	<b>Fixed Annual Fee</b>	
Year 1 Fiscal Year 2022	\$ 144,000.00	(\$12,000 per month)
Year 2 Fiscal Year 2023	\$ 150,000.00	(\$12,500 per month)
Year 3 Fiscal Year 2024	\$ 156,000.00	(\$13,000 per month)

**Section 115 Trust:**

The Consultant will pay all costs associated with the establishment of the City's single-employer trust, as well as the opinion letter that it is lawful for a 115 Trust to hold assets for OPEB liabilities and pension stabilization funds. The cost to the City of Corona will be zero dollars.

<b>Section 115 Pension Trust - Multi-Asset Class Strategy Proposed Fee Schedule</b>		
<b>Contract Year</b>	<b>Fixed Annual Fee</b>	
Year 1 Fiscal Year 2022	\$ 52,500.00	(\$4,375.00 per month)
Year 2 Fiscal Year 2023	\$ 72,000.00	(\$6,000.00 per month)
Year 3 Fiscal Year 2024	\$ 81,000.00	(\$6,750.00 per month)

Fees are charged monthly in arrears and can be debited directly from the City's third-party custody account. Fees are firm for the entire three (3) year contract term so long as the Trust's assets remain under sixty million dollars (\$60,000,000). During the initial three-year term, if the market value of the assets under the Consultant's management exceeds sixty million dollars (\$60,000,000) for three consecutive months, the Consultant and the City will negotiate a new fee schedule reflective of the current assets under management. Fees for the two (2) optional one-year renewal periods will be negotiated prior to the City's exercising said options as indicated in Exhibit B.

***Typically, the Consultant's fees are based on assets under management. Because the City has requested a flat annual fee and due to the uncertainty around when the Trust will fund, the Consultant will not bill any fees for the Section 115 Pension Trust until the assets have funded at the custodian bank.***

The fees expressed above are inclusive of the fees The Wagner Law Group will charge to create the Trust and provide the requisite Opinion Letter. The annual fees referenced above do not include any future legal services required by the City subsequent to Trust creation. The City will be responsible for paying the attorney's hourly rates which range from \$450-\$550/hour for any future legal services required after the Trust is created.

The Consultant's fee is separate from and does not include brokerage commissions, dealer spreads and other costs associated with the purchase or sale of securities, Custodian fees, interest, taxes, and other Account expenses. These expenses will be the responsibility of the City. The Consultant receives no indirect compensation from any entity other than the City as a result of its services to City.

The Trust anticipates using low-cost index and exchange-traded funds (ETFs) as investments. All fees paid to the Consultant for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and ETFs to their shareholders. Each vehicle will have an associated expense ratio which generally includes a management fee, other fund expenses, 12b-1 fees and possible distribution or redemption fees. The fees and expenses charged by mutual funds and ETFs are described in each fund's prospectus and are included in the daily Net Asset Value calculation (NAV) of the fund and because they are embedded in the performance of the fund, they are not charged directly to the City.

The Consultant anticipates the expense ratio for the portfolio will equal a weighted average expense of 10 basis points (0.10%) per year. Please note that fund returns are provided net of this cost.

### **ADDITIONAL SERVICES**

Consultant's proposed fees are inclusive of all the services the City requests for full investment program management as described in our proposal. Additional services related to investment advisory and portfolio management that are outside the scope of this Request for Proposal are to be determined and will be billed hourly as follows:



<b>Additional Services</b>	<b>Fee(s) (per hour)</b>
Senior Portfolio Manager/Strategist	\$ 450.00
Portfolio Manager/Analyst	\$ 350.00
Senior Relationship Manager	\$ 225.00
Operations Specialist/Client Service Manager	\$ 175.00
Clerical/Data Entry	\$ 125.00

Summary of Rates & Total Compensation Section 3.3.1 above

Operating Funds Investment Portfolio	\$474,000
Section 115 Pension Trust	\$205,500
<b>Total</b>	<b>\$679,500</b>

**EXHIBIT “D”  
CITY OF CORONA INVESTMENT POLICY**

[BEGINS ON THE FOLLOWING PAGE]

# CITY OF CORONA

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## INVESTMENT POLICY



Jim Steiner, Mayor  
Jacque Casillas, Vice Mayor  
Yolanda Carrillo, Council Member  
Jason Scott, Council Member  
Wes Speake, Council Member  
  
Chad Willardson, City Treasurer

TABLE OF CONTENTS

<b>I.</b>	<b>PURPOSE</b> .....	2
<b>II.</b>	<b>SCOPE</b> .....	2
<b>III.</b>	<b>PRUDENCE</b> .....	2
<b>IV.</b>	<b>ETHICS AND CONFLICT OF INTEREST</b> .....	3
<b>V.</b>	<b>INVESTMENT SELECTION CRITERIA</b> .....	3
<b>VI.</b>	<b>TREASURY COMMITTEE</b> .....	4
<b>VII.</b>	<b>INVESTMENT RESPONSIBILITY</b> .....	4
<b>VIII.</b>	<b>ALLOWABLE INVESTMENTS</b> .....	5
<b>IX.</b>	<b>INVESTMENT POOLS / MUTUAL FUNDS</b> .....	6
<b>X.</b>	<b>SELECTION OF FINANCIAL INSTITUTIONS</b> .....	6
<b>XI.</b>	<b>SAFEKEEPING AND CUSTODY</b> .....	7
<b>XII.</b>	<b>COLLATERALIZATION</b> .....	7
<b>XIII.</b>	<b>MATURITY</b> .....	7
<b>XIV.</b>	<b>LIQUIDITY</b> .....	8
<b>XV.</b>	<b>DIVERSIFICATION</b> .....	8
<b>XVI.</b>	<b>REPORTING</b> .....	9
<b>XVII.</b>	<b>INTERNAL CONTROLS</b> .....	9
<b>XVIII.</b>	<b>PERFORMANCE STANDARDS</b> .....	10
<b>XIX.</b>	<b>INVESTMENT POLICY ADOPTION</b> .....	10
	<b>GLOSSARY OF TERMS</b> .....	11
	<b>Attachment A – Allowable Investments</b> .....	14
	<b>Attachment B – Sample Resolution Approving the Investment Policy</b> .....	17

## **INVESTMENT POLICY**

### **I. PURPOSE**

This document is intended to provide guidelines for the prudent investment of the City's temporary inactive cash and outline the policies for maximizing the efficiency of the City's cash management system. The goal of the City's Investment Policy (the "Policy") is to meet the short and long-term cash flow demands in a manner which will provide for the safety of principal and sufficient liquidity, while providing a suitable investment return.

The Policy shall be adopted annually by resolution of the City Council. The Policy shall be reviewed annually by both the Treasury Committee and the City Council and any modifications made thereto must be approved.

The Policy is in conformance with the California Government Code Sections 53600 et seq. However, to meet the City's needs, the investment parameters set forth in the Policy are more conservative than those allowed by state law.

### **II. SCOPE**

The Policy shall direct the investment of the City's temporarily inactive cash for all funds in the investment portfolio. These funds are accounted for in the City of Corona Comprehensive Annual Financial Report under the following fund types:

- Governmental Funds
- Proprietary Funds
- Fiduciary Funds

The Policy shall also direct all investments related to the Corona Utility Authority, the Corona Housing Authority, and the Corona Public Financing Authority. The Policy will not direct the investment of funds held for employees in deferred compensation plans. Additionally, the Policy will not direct the investment of bond proceeds, which are specifically governed by the individual bond documents and trust indentures.

### **III. PRUDENCE**

The standard of prudence to be used by the investment official shall be the "prudent investor standard" as set forth in California Government Code Section 53600.3 and shall be applied in the context of managing the overall portfolio.

The City Treasurer will be responsible for maintaining and updating investment policies and procedures. The intent of the procedures will be to ensure that the investment objectives and safeguards stated in this Policy are effectively communicated to all officials involved in the investment of public funds and that

they properly reflect the intent of the “Prudent Investor” rule. The procedures will be maintained on file with the City Treasurer and the Administrative Services Director.

#### **IV. ETHICS AND CONFLICT OF INTEREST**

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. Employees and investment officials shall comply with the disclosure and disqualification requirements required by state law and any applicable regulations, including those adopted by the Fair Political Practices Commission, or FPPC. In addition, the FPPC’s Statement of Economic Interests (Form 700) shall be completed annually and submitted to the City Clerk for all individuals involved in the investment of public funds.

#### **V. INVESTMENT SELECTION CRITERIA**

Criteria for selecting investments and the order of priority are:

1. **Safety.** The safety and risk associated with an investment refers to the potential loss of principal, interest or a combination of these amounts. Safety of principal is the foremost objective of the investment program. City investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The City shall select only those investments that are considered very safe. The City shall not engage in speculation. The City shall diversify its investments by investing funds among a variety of securities and financial institutions offering independent returns.
2. **Liquidity.** Liquidity is the ability to change an investment into its cash equivalent on short notice at its prevailing market value. The funds in the City’s portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrently with cash needs to meet anticipated demands. Furthermore, since all possible cash demands cannot be anticipated, the portfolio will maintain a liquidity buffer and invest primarily in securities with active secondary and resale markets.
3. **Yield.** Yield is the potential dollar earnings that an investment can provide; it is also referred to as the rate of return. The City’s portfolio shall be designed to attain a return on investments through economic cycles, taking into account investment risk constraints and liquidity needs. Return on investment is of least importance compared to the safety and liquidity objectives.

## **VI. TREASURY COMMITTEE**

The Policy provides for the creation of a Treasury Committee (Committee). The Committee is composed of the City Treasurer, City Manager, Assistant City Manager and Administrative Services Director.

The Committee shall be responsible for the following:

1. Review of financial institutions.
2. Review of investment strategy.
3. Review of investment operations guidelines and procedures.
4. Review of controls to assure compliance with the State law and the City's Policy.
5. Recommendation and approval of investment brokers, dealers, advisors and managers.
6. Review of investment reports and other related issues with the City Council on an as-needed basis.
7. Recommending modifications to the list of permitted investments.

## **VII. INVESTMENT RESPONSIBILITY**

In accordance with the State of California Government Code section 53607, the City Council delegates investment authority to the City Treasurer for a period of one year and such investment authority must be renewed annually. Adoption of this Policy constitutes delegation of investment authority to the City Treasurer for the fiscal year unless revoked in writing.

Within the constraints set forth in the Policy, the City Treasurer has the authority to direct investment strategy and approve investment transactions for the City's investment portfolio.

The City Treasurer appoints the Administrative Services Director as Deputy City Treasurer and authorizes the Administrative Services Director to act on his/her behalf in performing the powers and duties of the office as needed, and to specifically take responsibility for the implementation and supervision of investment controls and operations.

The Administrative Services Director, or his/her designee, is responsible for the following:

1. Approving daily investment transactions.
2. Developing projections of the City's cash requirements for operating needs.
3. Reviewing the liquidity position of the investment portfolio.
4. Ensuring that the City's cash position is consistent with operating requirements.
5. Preparing appropriate investment reports.
6. Developing, implementing and monitoring controls over investments.

7. Record keeping for investment transactions.

### ***Delegation of Authority***

The City may engage the services of one or more external investment management advisors to assist in the management of the City's investment portfolio in a manner consistent with the City's objectives. Such advisors may be granted discretion to purchase and sell investment securities in accordance with the Policy. Such managers must be registered under the Investment Advisers Act of 1940. All broker/dealers selected by an external advisor must comply with the requirements of California Government Code Section 53601.5.

## **VIII. ALLOWABLE INVESTMENTS**

Allowable investments for the City are listed in the matrix provided herein as Attachment A. The list is intended to ensure that the investment portfolio is properly diversified so that no single category of investment is over weighted or poses a disproportionate credit risk to the City. It should be noted that any newly developed derivative of an allowable investment that is not specifically mentioned in the Policy must be recommended by the City Treasurer for inclusion in the Policy. Any amendments to the list of allowable investments must be submitted to the City Council, via the Treasury Committee, for review and approval.

Any prior investment currently held by the City that does not meet the guidelines of this policy shall be exempt from the requirements of the Policy. At maturity or liquidation, such funds shall be reinvested as provided by the Policy.

Should an investment's percentage exceeded the Policy limitation due to an incident such as fluctuation in portfolio size, the affected securities may be held to maturity to avoid losses. When no loss is indicated, the Treasurer shall consider reconstructing the portfolio within the Policy established percentage limits.

All purchases and sales of securities will require a minimum of three quotes when practical. The three-quote rule will be waived for the following transactions:

1. Purchase and sale of new issues of federal agency securities that are still in syndicate.
2. Purchase and sale of US treasury bills or notes in amounts of \$5 million or less.
3. Purchase and sale of short-term money market securities (i.e. commercial paper, banker's acceptances, repurchase agreements, discount notes, treasury bills) that have a final maturity of less than 30 days from settlement date.
4. Proprietary reasons, where only one broker is authorized to make or accept offers.



Repurchase agreements may be used as short-term investment vehicles when economic conditions and alternative short-term investments make it favorable to invest in repurchase agreements. Prior to the investment of any public funds in a repurchase agreement, a Master Repurchase Agreement must be properly executed and countersigned by the financial institution that is a party to the agreement. The Master Repurchase Agreement will be the format prescribed by the Bond Market Association.

Investment of bond proceeds held by fiscal agents will be made in accordance with California Government Code Section 53601 (m), which states that money from bond proceeds should be invested as specified by bond documents. In most cases, these investments will be made under the same guidelines as other City investments.

## **IX. INVESTMENT POOLS / MUTUAL FUNDS**

A thorough investigation of the pool/fund is required prior to investing public funds in any local agency investment pool or mutual fund. The investment of any public funds must comply with the rules set forth in the California Government Code Section 53601.

## **X. SELECTION OF FINANCIAL INSTITUTIONS**

Only institutions that demonstrate financial strength may be selected to provide fiscal agent and/or external investment management or advisory services. They shall be selected using the following criteria: financial strength, reputation, technical investment expertise, security controls and ability to conform to the City and State mandated investment parameters.

Purchases and sales of investments shall, whenever practical, be made directly from the issuer, from a member of a federally regulated securities exchange, from a national or state-chartered bank, or from a qualified broker/dealer.

Primary dealers registered with the Federal Reserve Bank of New York should be used for broker/dealer securities transactions. Exceptions to the primary dealer rule may be made with approval of the Treasury Committee provided they are consistent with the California Government Code Section 53601.5.

A copy of the Policy shall be submitted to all broker/dealers, investment management advisors, fiscal agents and financial institutions with which the City places investments.

The City shall obtain a certification evidencing that they:

1. Have reviewed the City's investment policies and objectives.
2. Are familiar with the City's investment constraints.
3. Have complied with the provisions contained in the Policy.

## **XI. SAFEKEEPING AND CUSTODY**

To protect against fraud, embezzlement, or losses caused by insolvency of individual securities dealers, all securities owned by the City shall be held in safekeeping by the City's custodial bank, a third party bank trust account, acting as agent for the City under the terms of a custody agreement.

Except for federally insured Certificates of Deposit, money market funds or the Local Agency Investment Fund (LAIF), all investments evidenced by physical or book-entry securities shall be secured through third-party custody and the following safekeeping procedures:

1. All transactions described above shall be executed on a delivery versus payment basis.
2. The custodian shall hold assets until the investments mature or the custodial bank receives a request from the City to sell or transfer the securities.
3. Bearer instruments shall be held only through third-party institutions.

## **XII. COLLATERALIZATION**

Certificates of Deposit - The City shall require any commercial bank or savings and loan association to deposit eligible securities with an agency of a depository approved by the State Banking Department to secure any uninsured portion of a non-negotiable Certificate of Deposit. The value of eligible securities as defined pursuant to Government Code Section 53651, pledged against a Certificate of Deposit shall be equal to 150% of the face value of the CD if the securities are classified as mortgages and 110% of the face value of the CD for all other classes of security.

Repurchase Agreements - The City requires that repurchase agreements be collateralized only by securities authorized in this Policy:

1. The securities which collateralize the repurchase agreement shall be priced at market value, including any accrued interest plus a margin. The market value of the securities that underlie a repurchase agreement shall be valued at 102% or greater of the funds borrowed against those securities.
2. Financial institutions shall mark the value of the collateral to market at least monthly and increase or decrease the collateral to satisfy the ratio requirement described above.
3. The City shall receive monthly statements of collateral.

## **XIII. MATURITY**

The City shall not make any investments in instruments with a stated remaining maturity that exceeds five years at the time of purchase.

The maturity of investment instruments in the portfolio shall be consistent with projected cash requirements.

It is the City's intent, at the time of purchase, to hold the majority of investments until maturity to ensure the return of all invested principal dollars. However, it is realized that market prices of securities will vary depending on economic and interest rate conditions at any point in time. As a result, the City may choose to sell a security short of final maturity to realize a capital gain if it is to the City's economic advantage to do so. It is further recognized, that in a well-diversified portfolio, occasional measured losses are inevitable due to economic, bond market or individual security credit analysis. These occasional losses must be considered within the context of the overall investment program objectives and the resultant long-term rate of return.

#### **XIV. LIQUIDITY**

In maintaining sufficient liquidity in the City's portfolio, maturities shall be selected to mature prior to or match the timing of the City's projected cash flow needs. It is intended that a liquidity base equal to forecasted cash flow needs for six months should be maintained. Additionally, the marketability of a security shall be important criteria in selecting an investment.

#### **XV. DIVERSIFICATION**

The City will diversify its investments by security type, institution, and maturity date.

##### ***Mitigating Credit Risk in the Portfolio***

Credit Risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The City shall mitigate credit risk by adopting the following strategies:

1. The diversification requirements included in this section are designed to mitigate credit risk in the portfolio.
2. No more than 5% of the total portfolio may be invested in securities of any single issuer, other than the US government, its agencies and instrumentalities, money market mutual funds and LAIF.
3. The City may elect to sell a security prior to its maturity and record a capital gain or loss in order to improve the quality, liquidity or yield of the portfolio in response to market conditions or the City's risk preferences.
4. If securities owned by the City are downgraded by a Nationally Recognized Statistical Rating Organization (NRSRO) to a level below the quality required by this Policy, it shall be the City's policy to review the credit situation and make a determination as to whether to sell or retain such securities in the portfolio. Moody's, Standard and Poor's, and Fitch are currently used as the NRSRO.

- a. If a security is downgraded below the level required by the Policy, the City Treasurer will use discretion in determining whether to sell or hold the security based on its current maturity, the loss in value, the economic outlook for the issuer, and other relevant factors.
- b. If a decision is made to retain a downgraded security in the portfolio, its presence in the portfolio will be monitored and reported monthly to the City Council.

## **XVI. REPORTING**

The City Treasurer shall file a monthly investment report with the City Council which provides a clear picture of the status of current investments. The investment report may include comments on the fixed income markets and economic conditions, discussions regarding restrictions on percentages of investments by category, possible changes in the portfolio structure and significant changes to investment strategies. The monthly investment report filed with the City Council will contain the following:

1. Percentages of the portfolio represented by each investment category.
2. An investment inventory including types and amounts of investments, issuing financial institutions and maturities.
3. A list of all investment transactions that occurred during the reporting month.
4. Investments or programs under the management of contracted parties.
5. Average maturity of the portfolio.
6. Average total yield to maturity of the portfolio relative to the prescribed benchmarks.
7. Current market value of investments with maturities of more than 12 months.
8. A statement denoting that the investment portfolio has sufficient liquidity to meet the City's anticipated expenditure requirements for the upcoming six months.
9. Percent of portfolio invested by type of instrument.
10. Written explanations for any variances to the Policy.

## **XVII. INTERNAL CONTROLS**

Internal controls shall be established and maintained to prevent losses of public funds arising from fraud, employee error, and misrepresentation by third parties, or imprudent actions by employees and officers of the City.

Controls deemed most important include: segregation of duties, separation of transaction authority from accounting and record keeping, custodial safekeeping, clear delegation of authority, specific limitations regarding securities losses and remedial action, control over wire transfers, minimizing the number of authorized investment officials and documentation of transactions and strategies.

The City Treasurer shall establish an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with the policies and procedures set forth in this document.

#### **XVIII. PERFORMANCE STANDARDS**

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs.

The investment performance objective for the portfolio shall be to earn a total rate of return over a market cycle which is approximately equal to the return on a benchmark index of one to five- year government securities.

#### **XIX. INVESTMENT POLICY ADOPTION**

At the direction of the City Treasurer, the City's Investment Policy shall be reviewed annually, to reflect changes in the California state codes, general market conditions or to provide further clarification of the City's policy. The Policy shall be formally presented to the City Council for approval at a public meeting. Any change in the Policy shall also be approved at a public meeting by the City Council.

## **GLOSSARY OF TERMS**

**Accrued Interest** - Interest earned but not yet received.

**Asset Backed Securities** – Securities supported by pools of installment loans or leases or by pools of revolving lines of credit.

**Banker's Acceptance (BA)** - A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

**Bond** - A financial obligation for which an issuer promises to pay the bondholder a specified stream of future cash flows, including periodic interest payments and a principal repayment.

**Broker** - A broker brings buyers and sellers together for a commission. The broker does not take a position.

**Certificate of Deposit** - A deposit insured up to \$100,000 by the FDIC at a set rate for a specified period of time.

**Collateral** - Securities, evidence of deposit or pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposit of public funds.

**Collateralized Mortgage Obligation (CMO)** – classes of bonds that redistribute the cash flow of mortgage securities (and whole loans) to create securities that have different levels of prepayment risk, as compared to the underlying mortgage securities.

**Commercial Paper** – A short-term, unsecured promissory note issued by a large corporation.

**Coupon** - a) The annual rate of interest that a bond's issuer promises to pay the bond holder on the bond's face value. b) A certificate attached to a Bond evidencing interest due on the payment date.

**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** - There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is the delivery of securities with an exchange of money for the securities. Delivery versus receipt is the delivery of securities with an exchange of a signed receipt for the securities.

**Discount** - The difference between the cost price of a security and its maturity when quoted at a lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

**Discount Notes** - Non-interest bearing money market instruments that are issued at a Discount and redeemed at maturity for full face value (e.g., U.S. treasury bills).

**Diversified Management Companies** – Mutual funds or money market mutual funds registered with the Securities and Exchange Commission pursuant California Government Code Section 53601(k).

**Federal Reserve System** - The central bank of the United States created by Congress and consisting of a seven member-board of governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks are members of the system.

**IADB** – Inter-American Development Bank, one of the three Washington, D.C. based Supranationals issuers.

**IBRD** – International Bank for Reconstruction and Development, one of the three Washington, D.C. based Supranationals issuers.

**IFC** – International Finance Corporation, one of the three Washington, D.C. based Supranationals issuers.

**Liquidity** - A liquid asset is one that can be converted easily and rapidly to cash without a substantial loss of value.

**Local Government Investment Pool** - The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment. (i.e. Local Agency Investment Fund or LAIF).

**Market Value** - The price at which a security is trading and could presumably be purchased or sold.

**Maturity** - The date upon which the principal or stated value of an investment becomes due and payable.

**Medium Term Notes** – All corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States.

**Mortgage-Backed Pass-Through Securities** - A securitized participation in the interest and principal cash flows from a specified pool of mortgages. Principal and interest payments made on the mortgages are passed through to the holder of the security.

**New Issue** - Term used when a security is originally "brought" to the market.

**Offering Price** - The price asked by a seller of securities. (When you are buying securities, you ask for an offer.) See "Asked" and "Bid".

**Portfolio** - Collection of securities held by an investor.

**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. Primary dealers include SEC-registered securities broker/dealers, banks and a few unregulated firms.

**Rate of Return** - The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

**Repurchase Agreement (REPO)** - A transaction where the seller (bank) agrees to buy back from the buyer (City) the securities at an agreed upon price after a stated period of time. The buyer in effect lends the seller money for the period of the agreement, and the terms of the agreement are structured to compensate the buyer for this.

**Reverse Repurchase Agreement** – An agreement to sell securities in return for cash with an agreement to repurchase the securities at an agreed upon price.

**Risk** - Degree of uncertainty of return on an asset.

**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 vaults for protection.

**Securities and Exchange Commission (SEC)** – An agency created by Congress to protect investors in securities transactions by administering securities legislation.

**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.

**Treasury Bills** - U.S. treasury bills are short-term, direct obligations of the U.S. government issued with original maturities of 13 weeks and 52 weeks in book form only.

**Treasury Notes** - Intermediate-term Coupon bearing U.S. securities having maturities from one year to ten years.

**Yield** - The rate of annual income return on an investment, expressed as a percentage. It is obtained by dividing the current dollar income by the current market price of the security.

**Yield to Maturity** - The rate of income return on an investment, minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of the purchase to the date of maturity of the bond.

**Zero Coupon Bond** – A bond on which interest is not payable until maturity (or earlier redemption), but compounds periodically to accumulate to a stated maturity amount.



*City of Corona Investment Policy*  
*Adopted by City Council June 17, 2020*

**Attachment A – Allowable Investments**

<b>ALLOWABLE INVESTMENTS*</b>						
<b>Instrument</b>	<b>CITY OF CORONA LIMITS</b>			<b>STATE CODE LIMITS</b>		
	<b>Diversification</b>	<b>Term</b>	<b>Quality</b>	<b>Diversification</b>	<b>Term</b>	<b>Quality</b>
Bankers Acceptances	Not to exceed 25% in any one institution;  Not to exceed 20% of portfolio	Not to exceed 180 days	Eligible for purchase by the Federal Reserve System	Not to exceed 30% in any one institution;  May not exceed 40% of portfolio	Not to exceed 180 days	Eligible for purchase by the Federal Reserve System
Bonds issued by the City, including Bonds payable solely out of revenue from a revenue producing property owned, controlled or operated by the City	Not to exceed 25% of the portfolio for combined municipal debt		“A” or better ranking by nationally recognized rating services	No limit	Not to exceed 5 years	
Bonds, Notes or other evidence of indebtedness of any local agency within California, or state warrants, or Treasury Notes or Bonds of California	Not to exceed 25% of the portfolio for combined municipal debt		“A” or better ranking by nationally recognized rating services	No limit	Not to exceed 5 years	
Bonds, Notes or other evidence of indebtedness in any of the other 49 states, in addition to California	Not to exceed 25% of the portfolio for combined municipal debt		“A” or better ranking by nationally recognized rating services	No limit	Not to exceed 5 years	
Commercial Paper	Not to exceed 25% of Portfolio;  May not represent more than 10% of issuer’s outstanding paper	Not to exceed 270 days	“A1/P1” rating for issuer’s Commercial Paper; “A2/A” or higher rating on long-term debt;  US domiciled corporations with assets greater than \$500 million	Not to exceed 25% of Portfolio;  May not represent more than 10% of issuer’s outstanding paper	Not to exceed 270 days	Prime quality with the highest letter/number rating and “A” or higher rating on the issuer’s long-term debt;  US domiciled corporations with assets greater than \$500 million
Diversified Management Companies, as defined by Section 53601(l) of the Government Code**	Not to exceed 10% of Portfolio	N/A	Highest ranking by not less than 2 of the 3 largest rating services;	Not to exceed 20% of Portfolio**;  Not more than 10% of	N/A	Highest ranking by not less than 2 of the 3 largest rating services;

*City of Corona Investment Policy*  
*Adopted by City Council June 17, 2020*

<b>ALLOWABLE INVESTMENTS*</b>						
<b>Instrument</b>	<b>CITY OF CORONA LIMITS</b>			<b>STATE CODE LIMITS</b>		
	<b>Diversification</b>	<b>Term</b>	<b>Quality</b>	<b>Diversification</b>	<b>Term</b>	<b>Quality</b>
			Have an SEC registered investment advisor with more than 5 years of experience and assets under management greater than \$500 million	Portfolio in one fund		Have an SEC registered investment advisor with more than 5 years of experience and assets under management greater than \$500 million
Money Market Mutual Funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940**	Not to exceed 20% of Portfolio	N/A	Highest ranking by not less than 2 of the 3 largest rating services;  Have an SEC registered investment advisor with more than 5 years of experience and assets under management greater than \$500 million	Not to exceed 20% of Portfolio**;  Not more than 20% of Portfolio in one fund	N/A	Highest ranking by not less than 2 of the 3 largest rating services;  Have an SEC registered investment advisor with more than 5 years of experience and assets under management greater than \$500 million
Federal agency or United States government-sponsored enterprise 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.	May not exceed 75% of Portfolio	Not to exceed 5 years		No limit	Not to exceed 5 years	
Financial Futures and Financial Option Contracts	Not authorized			Pursuant to Section 53601	Not to exceed 5 years	Pursuant to Section 53601
Medium-Term Notes issued by Corporations	Not to exceed 30% of Portfolio	Not to exceed 5 years	Rated in a rating category of "A" or its equivalent or better by at	Not to exceed 30% of Portfolio	Not to exceed 5 years	"A" or better ranking by a nationally

*City of Corona Investment Policy*  
*Adopted by City Council June 17, 2020*

<b>ALLOWABLE INVESTMENTS*</b>						
<b>Instrument</b>	<b>CITY OF CORONA LIMITS</b>			<b>STATE CODE LIMITS</b>		
	<b>Diversification</b>	<b>Term</b>	<b>Quality</b>	<b>Diversification</b>	<b>Term</b>	<b>Quality</b>
			least one nationally recognized rating service  US domiciled corporations or US licensed depository			recognized rating service  US domiciled corporations or US licensed depository
Negotiable Certificates of Deposit issued by a Nationally or State Chartered Bank, a Federal Association, or a State Licensed Branch of a Foreign Owned Bank (Insured by Federal Government)	Not to exceed 20% of Portfolio  May not exceed shareholder's equity of issuing bank or net worth of issuing S & L or Federal Association	Not to exceed 3 years	Bank or Savings & Loans with "A1/P1" or better short term debt rating and "A2/A" or better long-term debt rating	Not to exceed 30% of Portfolio  May not exceed shareholder's equity of issuing bank or net worth of issuing S & L or Federal Association	Not to exceed 5 years	Not specified
Non-Government issued Mortgage-Backed Pass-Through Securities Collateralized Mortgage Obligations and Asset-Backed Securities	Total not to exceed 15% of investing agency's surplus	Not to exceed 5 years	Securities are rated in a rating category of "AA" or its equivalent or better by a NRSRO	Not to exceed 20% of investing agency's surplus	Not to exceed 5 years	Securities are rated in a rating category of "AA" or its equivalent or better by a NRSRO
Repurchase Agreements	Not to exceed 10% of Portfolio	Not to exceed 14 days	Collateral of 102% or greater with securities permitted in the Policy	None	Not to exceed 1 year	Authorized Collateral of 102% or greater
Reverse Repurchase Agreements	Not authorized			None	Not to exceed 1 year	Extensive conditions listed in Section 53601 (i)
State of California Local Agency Investment Fund (LAIF) or other Local Government Investment Pools established by public entities	Limit set by LAIF	N/A	Instruments consistent with State Code	No requirement	N/A	

*City of Corona Investment Policy  
Adopted by City Council June 17, 2020*

<b>ALLOWABLE INVESTMENTS*</b>						
<b><i>Instrument</i></b>	<b>CITY OF CORONA LIMITS</b>			<b>STATE CODE LIMITS</b>		
	<b><i>Diversification</i></b>	<b><i>Term</i></b>	<b><i>Quality</i></b>	<b><i>Diversification</i></b>	<b><i>Term</i></b>	<b><i>Quality</i></b>
Supranationals	Not to exceed 10% per issuer	Not to exceed 5 years	“AA” or better ranking by a nationally recognized rating service  Washington, D.C. based issuers: IADB, IBRD, and IFC	Not to exceed 30% per issuer	Not to exceed 5 years	“AA” or better ranking by a nationally recognized rating service  Washington, D.C. based issuers: IADB, IBRD, and IFC
United States Treasury Notes, Bonds, Bills, or other certificates of indebtedness backed by the US Government	No limit	Not to exceed 5 years		No limit	Not to exceed 5 years	
Zero Coupon Bonds	Not authorized			Not specified		

*\* Unless otherwise specified in this policy, no more than 5% of the total portfolio may be invested in securities of any single issuer, other than the US government, its agencies and instrumentalities, money market mutual funds and LAIF.*

*\*\* Total amount invested in Mutual funds and Money Market Mutual Funds may be no more than 20% of the total portfolio*

**Attachment B – Sample Resolution Approving the Investment Policy**

**RESOLUTION NO. 2020-051**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
CORONA, CALIFORNIA, APPROVING THE CITY OF  
CORONA’S INVESTMENT POLICY**

**WHEREAS**, the City Council of the City of Corona has considered a document entitled “City of Corona’s Investment Policy” which outlines the policy enacted to provide guidelines for the prudent investment of inactive cash for all funds in the investment portfolio as well as guidelines for maximizing the efficiency of the cash management system for the City, the Corona Utility Authority, the Corona Housing Authority, and the Corona Public Financing Authority; and

**WHEREAS**, the “City of Corona’s Investment Policy” has also been administratively assigned City Administrative Policy No. 01200-602; and

**WHEREAS**, the “City of Corona’s Investment Policy” provides for a creation of a Treasury Committee comprised of the City Treasurer, City Manager, Assistant City Manager and Administrative Services Director; and

**WHEREAS**, at the direction of the City Treasurer, the City of Corona’s Investment Policy shall be reviewed annually to reflect changes in the California state codes, general market conditions or to provide further clarification of the City’s policy; and

**WHEREAS**, the Administrative Services Director has recommended to the City Council that the “City of Corona’s Investment Policy” be approved and established as the policy of the City, the Corona Utility Authority, the Corona Housing Authority, and the Corona Public Financing Authority and such other entities as may be established for cash management; and

**WHEREAS**, the City Council has determined that the “City of Corona’s Investment Policy” be approved and established as recommended by the Administrative Services Director.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Corona, California that the “City of Corona’s Investment Policy,” as presented to the City Council at the meeting in which this Resolution is adopted, is hereby approved and established as the policy of the City with respect to investments.

*City of Corona Investment Policy*  
*Adopted by City Council June 17, 2020*

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**PASSED, APPROVED AND ADOPTED** this 17th day of June, 2020.

\_\_\_\_\_  
Mayor of the City of Corona, California

**ATTEST:**

\_\_\_\_\_  
City Clerk of the City of Corona, California

*City of Corona Investment Policy  
Adopted by City Council June 17, 2020*

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**CERTIFICATION**

I, Sylvia Edwards, City Clerk of the City of Corona, California, do hereby certify that the foregoing Resolution was regularly introduced and adopted by the City Council of the City of Corona, California, at a regular meeting thereof held on the 17th day of June, 2020, by the following vote of the Council:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAINED:**

**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed the official seal of the City of Corona, California this 17th day of June, 2020.

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City Clerk of the City of Corona, California

(SEAL)