

## PROFESSIONAL SERVICES CONTRACT FOR 240084-DD INVESTMENT MANAGEMENT SERVICES

THIS CONTRACT is being entered into, effective as of \_\_\_\_\_, by and between the City of Las Vegas (hereinafter the "City"), a municipal corporation within the State of Nevada having its principal office at 495 South Main Street, Las Vegas, Nevada 89101, and FHN Financial Main Street Advisors, LLC, (hereinafter the "Company"), a limited liability company having its principal office at 10655 Park Run Drive, Suite 120, Las Vegas, NV 89144.

### SECTION A – Contract Overview

#### A-1 Summary of Contract [CAO-12/30/2020]

This Contract sets forth the terms and conditions for the performance of services described herein, and the execution hereof by the parties hereto forms a legally binding contract. This is a Non-Exclusive Contract.

(a) <b>Contract Synopsis</b> The legally binding Scope of Work is more fully defined in Section C	The Company shall provide investment management services for the purchase, sale, exchange, and transfer of securities. The Company shall provide a monthly portfolio status report to the Project Manager, format to be approved by the City. All services performed must be consistent with the "City of Las Vegas Investment Policy" as set forth in Exhibit A.		
<b>Performance Dates</b> The Performance Period is more fully defined in Section A-2	<b>Award Date</b> See first paragraph	<b>Expiration Date</b> 11/30/2025	<b>Option Periods</b> Three one-year periods
<b>Contract Type</b> As defined in Section B-1	This Contract provides for the payment of an annual percentage fee for services performed by the Company. This is a Non-Exclusive Contract.		
<b>Contract Not to Exceed Amount</b>	\$400,000.00		Annually

(b) <b>Contract Exhibits / Attachments</b> The following documents are hereby incorporated into this Contract
Exhibit A – Scope of Work Exhibit B – Fees Attachment 1 - Certificate of Disclosure

(c) <b>City Project Manager</b> Per Section D-4, (a)	<b>Name</b> Cory DeMille	<b>Phone</b> 702-229-6326	<b>Email</b> cdemille@LasVegasNevada.GOV
<b>Company Representative</b> Per Section D-4, (b)	<b>Name</b> Tonya Dazzio, Chief Operating Officer	<b>Phone</b> 702-575-6592	<b>Email</b> <a href="mailto:tonya.dazzio@fhnmainstreet.com">tonya.dazzio@fhnmainstreet.com</a>

(d)

City Legal Notice Representative per Section E-1			
Company Legal Notice Representative Per Section E-1	Tonya Dazzio	10655 Park Run Drive, Suite 120, Las Vegas, NV 89144	<a href="mailto:tonya.dazzio@fhnmainstreet.com">tonya.dazzio@fhnmainstreet.com</a>

**A-2 Performance Period [CAO-12/30/2020]**

- (a) The performance period commences on the Award Date and continues through the Expiration Date.
- (b) The City may at its sole discretion, exercise the option to renew this Contract for the periods set forth above (if any). The City shall provide written notice to the Company of such renewal(s), and the Company may not assume an automatic renewal. Exercise of an option does not commit the City to exercise further options.
- (c) The City reserves the right to temporarily extend this Contract for up to one hundred eighty (180) calendar days from the Expiration Date, for any reason.

**SECTION B – Basic Terms****B-1 Definitions [CAO-08/28/19]**

The following definitions apply to this Contract:

- (a) *“Award Date”* means the date that a Contract becomes effective. It is the date entered into the first paragraph of a Contract upon execution by an authorized representative of the City.
- (b) *“Contract”* means this document, consisting of Sections A through E, and the exhibits and attachments attached hereto, which is binding and effective only upon execution by the City.
- (c) *“Contract Amount”* means the maximum amount of compensation that may be paid to the Company for performance of the Contract, which includes, without limitation, compensation for all direct and indirect expenses.
- (d) *“Deliverable”* means any report, software, hardware, data, documentation or other tangible item that the Company is required to provide to the City under the terms of the Contract.
- (e) *“Non-Exclusive Contract”* means a Contract under which the City agrees to obtain some, but not necessarily all, of the City’s requirements for a particular service.

**SECTION C – Scope of Work****C-1 General Scope of Services**

The Company shall provide investment management services for the purchase, sale, exchange, and transfer of securities. The Company shall provide a monthly portfolio status report to the Project Manager, format to be approved by the City. All services performed must be consistent with the “City of Las Vegas Investment Policy” as set forth in Exhibit A.

**C-2 Portfolio Management Parameters**

The following parameters shall be established on each account:

- (i) All securities purchased will be U.S. Treasury, Federal Agency or Corporate securities according to the parameters outlined in the “City of Las Vegas Investment Policy”.
- (ii) Corporate securities will be transacted in at least \$1 million face value increments; not to exceed 20% par value per managed account.
- (iii) Treasury and Agency securities will be transacted in at least \$1 million face value increments and a maximum \$20 million face value per security.
- (iv) The account will have an institutional AAA rated money market fund (MMF) with the Bank of New York to be utilized for monies not invested in U.S. Treasury, Federal Agency or Corporate securities.
- (v) The portfolio will never exceed an average weighted maturity of 3 years.

- (vi) The Bank of New York will act as custodian for the account.
- (vii) All trades will be sent by the Company to the Bank of New York via e-mail, facsimile and/or entered into the Bank of New York's INFORM software via the Bank of New York's website and sent via Email to the City of Las Vegas
- (viii) The account will be benchmarked against the Merrill Lynch 1-5 Year Treasury and Agency Index.
- (ix) The effective rate of return on the account cannot be below the 24-month rolling average of the 2-year U.S. Treasury Note.
- (x) The Broker dealer trade confirmations will be mailed to the City to the address specified in Paragraph B-4 "Invoices".

No "soft-dollar" or other compensation will be paid to the Company by financial institutions or broker/dealers from investment transactions that relate to the City's funds.

### **C-3 Optional Consolidated Reporting**

On written request by the City Project Manager, the Company will provide a Consolidated Quarterly Investment Report, which will aggregate the portions of the portfolio managed by the City internally, the other selected investment manager, and the Company.

- (a) Work with City staff to wind down the ABS/MBS portfolio
- (b) Perform appropriate maturity, credit, compliance and cost-to-market analysis on each security
- (c) Recommend which securities to sell prior to maturity and which to hold
- (d) Reconcile account with the custodian
- (e) Prepare a separate monthly investment report for the ABS/MBS portfolio similar to the current report prepared for the portfolio currently managed
- (f) Assist City staff in preparing GASB and ACFR reports

## **SECTION D – Special Conditions**

### **D-1 Payment [CAO-4.2020]**

- (a) Payment Payment to the Company will be made only for the actual services performed and accepted by the City, upon receipt of an invoice submitted in accordance with Section D-3, "Invoices".
- (b) Reimbursable Travel Expenses There are no reimbursable travel expenses authorized or payable under this Contract.

### **D-2 Fee Revisions [CAO-08/28/19]**

For the term of this Contract, fees shall remain firm.

### **D-3 Invoices [CAO-9/2020]**

- (a) The Company will submit a timely detailed report to the City monthly , for work performed to date.. Each invoice shall contain the following information:
  - (i) the date of the invoice and invoice number;
  - (ii) the Purchase Order number;
  - (iii) the Contract Item against which charges are made; and
  - (iv) the performance dates covered by the invoice.

- (b) Upon reconciliation of all errors, corrections, credits, and disputes, payment to the Company will be made in full within thirty (30) calendar days. **Invoices received without a valid Purchase Order number will be returned unpaid.** If the Company does not timely submit a detailed invoice to the City as required herein, the City shall not have any obligation or liability to effect any payment for said late invoice. The City shall also not be liable for any errors or omissions in an invoice once said invoice is paid by the City, all of which shall be expressly waived by Company. Notwithstanding the foregoing, this paragraph shall in no way waive the City's rights and remedies should the City find any errors or omissions in an invoice before or after said invoice is paid by the City.

**The Company shall submit the original invoice to:**

Department of Finance  
ATTN: Accounts Payable  
City of Las Vegas  
495 South Main Street, 4<sup>th</sup> Floor  
Las Vegas, NV 89101-2986

- (c) The City may subtract or offset from any unpaid invoice from the Company any claims, which the City may have incurred for failure of the Company to comply with the terms, conditions or covenants of this Contract, or any damages, costs and expenses caused by, resulting from, or arising out of the negligent act or omission of the Company in the performance of the services under this Contract. Within ten (10) calendar days, the City shall provide a written statement to the Company of the off-set which has been subtracted from any payment to the Company along with appropriate documentation and receipts, if any, and a description of the failure, error or deficiency attributed to the Company. The Company may dispute the right or amount of the off-set made by the City by providing written notification to the City within ten (10) calendar days after receipt of the City's written notice. The City shall provide a written response to the Company within ten (10) calendar days of receipt of the Company's written dispute notice. If the Company disputes the City's determination, the Company may file a claim pursuant to Section E-2, "Disputes" of this Contract.

**D-4 Project Manager/Company Representative [CAO-8/28/19]**

- (a) The City's designated Project Manager for this Contract is named in Section A-1 (c). The City will provide written notice to the Company should there be a subsequent Project Manager change. The Project Manager will be the Company's principal point of contact at the City regarding any matters relating to this Contract, will provide all general direction to the Company regarding Contract performance, and will provide guidance regarding the City's goals and policies. *The Project Manager is not authorized to waive or modify any material scope of work changes or terms of the Contract.*
- (b) The Company's designated Company Representative for this Contract is named in Section A-1 (c). The Company will provide written notice to the City should there be a subsequent Company Representative change. The City has the right to assume that the Company Representative has full authority to act for the Company on all matters arising under or relating to this Contract.

**D-5 Insurance [CAO-3/31/22]**

- (a) The Company shall procure and maintain, at its own expense, during the entire term of the Contract, the following coverage(s):
- (i) Industrial/Workers' Compensation Insurance protecting the Company and the City from potential Company employee claims based upon job-related sickness, injury, or accident, during performance of this Contract, and must submit proof of such insurance on a certificate of insurance issued by an insurer qualified to underwrite workers' compensation insurance in the State of Nevada, in accordance with NRS 616A-616D, inclusive. If Company is a sole proprietor, it will be required to submit an affidavit indicating that the Company has elected not to be included in the terms, conditions and provisions of NRS 616A-616D, inclusive, and is otherwise in compliance with those terms, conditions and provisions. The Company's Workers' Compensation policy shall have a waiver of subrogation endorsement in favor of the City of Las Vegas.
  - (ii) Commercial General Liability Insurance (bodily injury, property damage) with respect to the Company's agents assigned to the activities performed under this Contract in a policy limit of not less than \$1,000,000 per occurrence

and \$2,000,000 in the aggregate, for bodily injury, products, completed operations, personal injury and property damages. Such coverage shall be on an "occurrence" basis and not on a "claims made" basis, and be provided on either a Commercial General Liability or a Broad Form Comprehensive General Liability (including a Broad form CGL endorsement) insurance form. The form must be written on an ISO Form CG 00 01 10 01, or an equivalent form. The Company's General Liability policy shall have a waiver of subrogation endorsement in favor of the City of Las Vegas, and shall be endorsed to include the City, its officers, and employees as additional insured.

- (iii) Commercial Automobile Liability Insurance of limits no less than \$1,000,000 combined single limit per occurrence for bodily injury and property damage to include, but not be limited to, coverage against all insurance claims for injuries to persons or damages to property which may arise from services rendered by Company and any auto used in the performance of services under this Contract. The policy must insure all vehicles **owned** by the Company and include coverage for **hired** and **non-owned** vehicles. If the services requested do not require the use of the vehicle to perform, the Commercial Automobile Liability Insurance requirements as described in this paragraph do not apply. The Company's Automobile Liability policy shall have a waiver of subrogation endorsement in favor of the City of Las Vegas, and shall be endorsed to include the City, its officers, and employees as additional insured.
- (iv) Professional Liability Insurance (Errors and Omissions Coverage) protecting the Company from claims arising out of performance of professional services caused by a negligent act, error, or omission for which the insured is legally liable. Such coverage shall be in a minimum amount of \$1,000,000, combined single limit and in the aggregate, for the period of time covered by this Contract. If coverage is on a "claims made" basis, then it must continue for a period of two years beyond the completion or termination of this Contract. Any retroactive coverage must coincide with or predate the beginning of this Contract and may not be changed without the consent of the City.
- (b) The Company must provide compliant certificates of insurance and required endorsements to the City or its designated certificate tracking service immediately upon request. The Company shall maintain coverage for the duration of this Contract, and any renewal periods if applicable. The Company shall annually provide the City's designated certificate tracking service with a certificate of insurance and endorsements as evidence that all insurance requirements have been met. A certified, true, and exact copy of each of the project specific insurance policies (including renewal policies) required under this Section shall be provided to the City or its designated certificate tracking service if so requested.
- (c) All required aggregate limits must be disclosed and amounts entered on the certificate(s) of insurance. The certificates must identify the Contract number, the Contract description, and for internal City routing purposes only the name of the appropriate City division/department. The Company and/or insurance carrier shall provide the City with a 30-day advance notice of policy modification, cancellation, or erosion of insurance limits, sent by certified mail "return receipt requested".
- (d) The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer and licensed by the State of Nevada. Each insurance carrier's rating as shown in the latest Best's Key Rating Guide shall be fully disclosed and entered on the required certificate of insurance. The City requires insurance carriers to maintain a Best's Key minimum rating of A- VII, A- VIII, A- IX, A- X, or higher. The adequacy of the insurance supplied by the Company, including the rating and financial health of each insurance carrier providing coverage, is subject to the approval of the City.
- (e) All deductibles and self-insurance retentions shall be fully disclosed in the certificate of insurance. No deductible or self-insured retention may exceed \$25,000 without the prior written approval of the City.
- (f) **Companies requesting increased deductibles or self-insured retentions must provide the City a written request stating the desired amounts along with recent audited financial statements for review. The City will review the request and determine if the requested deductibles or self-insured retentions are acceptable. In the event the request for increased deductibles or self-insured retentions is denied, the Company is obligated to provide the deductibles or self-insured retentions established in the Contract at no additional expense to the City.**
- (g) If the Company fails to carry the required insurance, the City may (i) order the Company to stop further performance hereunder, declare the Company in breach, pursuant to Section E-5, "Event of Default", terminate the Contract if the breach is not remedied and, if permitted, assess liquidated damages, or (ii) purchase replacement insurance and withhold the costs or premium payments made from the payments due to the Company or charge the replacement insurance costs back to the Company.

- (h) Any subcontractor or subconsultant approved by the City shall be required to procure, maintain, and submit proof of insurance to the City of the same insurance requirements as specified above, and as required in this paragraph.
- (i) The Company is encouraged to purchase any additional insurance it deems necessary.
- (j) The Company is required to remedy all injuries to persons and damage or loss to any property of the City caused in whole or in part by the Company, its subcontractors or anyone employed, directed, or supervised by the Company.

#### **D-6 Warranty – Services [CAO-3/31/2022]**

Company warrants that the services shall be performed in full conformity with this Contract, with the professional skill and care that would be exercised by those who perform similar services in the commercial marketplace, and in accordance with accepted industry practice. In the event of a breach of this warranty, or in the event of non-performance or failure of the Company to perform the services in accordance with this Contract, the Company shall, at no cost to the City, re-perform or perform the services so that the services conform to the warranty.

#### **D-7 Allocation of Brokerage**

Where the Company places orders for execution of portfolio transactions for the account, the Company may allocate such transactions to such brokers and dealers for execution on such markets, at such prices and at such commissions rates as is the good faith judgment of the Company will be in the best interest of the account.

#### **D-8 Services to Other Clients**

The City and the Company understand and agree that Company and its affiliates render investment management advice to others that may or may not have investment policies, objectives, and investments similar to those of the City's account.

#### **D-9 Representation by the Company**

- (a) The Company represents and confirms that it is a registered investment adviser under the Investment Advisers Act of 1940.
- (b) The personnel of the Company who will be responsible for performing work under this Contract shall be individuals experienced in the performance of the various functions contemplated by the Contract and have not, within the last two years been convicted of any crime or pleaded *nolo contendere* or agreed to any consent decree with respect to any matter involving breach of trust or fiduciary duty or securities law violations.

#### **D-10 Holidays/Weekends [CAO-01/20/16] R**

The Company is excused from performance on weekends and the following legal holidays (on the actual day the holiday is observed):

Martin Luther King's Birthday  
 President's Day  
 Memorial Day  
 Juneteenth  
 Independence Day  
 Labor Day  
 Nevada Admission Day  
 Veterans Day  
 Thanksgiving Day and Friday After  
 Christmas Day  
 New Year's Day

#### **D-8 Liquidated Damages [CAO-01/20/2016]**

Assessment of liquidated damages does not apply to this Contract.

## SECTION E – General Conditions

### E-1 Legal Notice [CAO-4/2020]

- (a) Any notice required to be given hereunder shall be deemed to have been given when written notice is (i) received by the party to whom it is directed by personal service; (ii) three (3) days after deposit with the United States Post Office, by registered or certified mail, postage prepaid and addressed to the party to be notified at the address for such party; (iii) one (1) day after deposit with a nationally recognized air courier service such as FedEx; or (iv) by an email sent to the email address of the recipient stated in this Section. All notices shall be effective upon receipt by the party to which notice is given or if it is delivered by email, when the recipient acknowledges having received that email, with an automatic “read receipt” not constituting acknowledgment of an email for notice purposes. Either party hereto may change its address by giving ten (10) days advance notice to the other party as provided herein. Phone and fax numbers, if listed, are listed for information only:

FOR THE CITY:                      Manager, Purchasing and Contracts  
City of Las Vegas  
495 South Main Street, 4th Floor  
Las Vegas, Nevada 89101-2986  
Fax: (702) 384-9964  
Email: [purchasing@lasvegasnevada.gov](mailto:purchasing@lasvegasnevada.gov)

FOR THE COMPANY:              As Noted in Section A-1 (d) of the Contract:

- (b) The parties shall provide written notification of any change in the information stated above.
- (c) For purposes of this Contract, legal notice shall be required for all matters involving potential termination actions, litigation, indemnification, and unresolved disputes. This does not preclude legal notice for any other actions having a material impact on the Contract.
- (d) Routine correspondence should be directed to the Project Manager or the Company Representative, as appropriate.

### E-2 Disputes [CAO-4/2020]

- (a) For each claim or dispute arising between the parties under this Contract, the parties shall attempt to resolve the matter through escalating levels of management. In the event the matter cannot be successfully resolved in this manner, the City is granted the sole right, regardless of which party is asserting the claim or dispute, to determine between arbitration and litigation as the forum in which the party desiring to proceed further shall file to resolve the claim or dispute. For any and all claims or disputes asserted by the Company, the Company shall notify the City of its intent to proceed further with the claim or dispute and in response thereto, the City shall notify the Company as to its selected forum for resolution. For any and all claims or disputes asserted by the City, the City shall notify the Company in the notice of its intent to proceed with further resolution whether it has selected arbitration or litigation as the forum to resolve the claim or dispute. In the event arbitration is the designated forum, such arbitration shall be binding on the parties.
- (b) If arbitration is selected by the City as the forum for further resolution, the claim or dispute shall be filed with the American Arbitration Association under its then current Commercial Arbitration Rules, Expedited Procedures, regardless of the amount of the claim or dispute.
- (c) The laws of the State of Nevada shall govern the validity, construction, performance, and effect of this Contract, without giving effect to its conflict of law provisions. If arbitration is selected, each party hereto consents to, and waives any objection to, venue being the offices of the American Arbitration Association located in Las Vegas, Nevada, or other venue mutually agreed by the parties. If litigation is selected, each party hereto consents to, and waives any objection to, the State courts located in the County of Clark, State of Nevada as the proper and exclusive venue for any disputes arising out of or relating to this Contract or any alleged breach thereof. Each party hereby waives trial by jury in any action, proceeding or counterclaim brought by either of them against the other on any matters whatsoever arising out of or in any way connected with this Contract.

**E-3 Notice of Delay [CAO-01/20/16]**

- (a) If timely performance by the Company is jeopardized by the non-availability of City provided personnel, data, or equipment, the Company shall notify the City immediately in writing of the facts and circumstances causing such delay. Upon receipt of this notification, the City will advise the Company in writing of the action which will be taken to remedy the situation.
- (b) The Company shall advise the City in writing of an impending failure to meet established milestones or delivery dates based on the Company's failure to perform. Notice shall be provided as soon as the Company is aware of the situation; however, such notice shall not relieve the Company from any existing obligations regarding performance or delivery.

**E-4 Termination for Convenience [CAO-08/22/2019]**

The City shall have the right at any time to terminate further performance of this Contract, in whole or in part, for any reason whatsoever (including no reason). Such termination shall be effected by written notice from the City to the Company specifying the extent and effective date of the termination. On the effective date of the termination, the Company shall terminate all work and take all reasonable actions to mitigate expenses. The Company shall submit a written request for incurred costs for services performed through the date of termination, and shall provide any substantiating documentation requested by the City. In the event of such termination, the City agrees to pay the Company within thirty (30) days after receipt of a correct, adequately documented written request. The City's sole liability under this Section is for payment of costs for goods and services requested by the City and actually performed by the Company.

**E-5 Event of Default [CAO-12/30/2020]**

- (a) If, during the term of this Contract, the Company (i) fails to deliver services that comply with the Scope of Work, (ii) fails to deliver the services within the time specified in the Purchase Order or Scope of Work or any extension thereof, (iii) fails to make progress so as to endanger the performance of this Contract, (iv) becomes insolvent, bankrupt or makes an assignment for the benefit of creditors, or if a receiver or trustee in bankruptcy is appointed for the Company, or if any proceeding in bankruptcy, receivership, or liquidation is instituted against the Company and is not dismissed within thirty (30) days following commencement thereof, or (v) fails to perform any of the other obligation or requirement of this Contract, then any of the aforementioned failures shall constitute an "Event of Default" under this Contract.
- (b) If there occurs an Event of Default, the Company shall be entitled to ten (10) calendar days from written notice thereof to remedy the Event of Default, provided, however, such is capable of being remedied within that period. If the Event of Default can be remedied, but the remedy cannot be completed within the ten (10) day period, the Company may be allowed such additional time as may be reasonably necessary to remedy the Event of Default, provided, however, the remedy is commenced within the ten (10) day period and is diligently pursued to completion but in no event later than thirty (30) days after such written notice. Said time period may be extended at City's sole discretion. If the Event of Default is incapable of remediation, or is not remedied as required herein, the City may, in addition to any other remedies available in law or equity, invoke any of the remedies provided for under Section E-6, "Termination for Default", below.

**E-6 Termination for Default [CAO-4/2020]**

- (a) If the Event of Default is not remedied as required pursuant to Section E-5, "Event of Default", the City may, by written notice to the Company pursuant to Section E-1, "Legal Notice", terminate this Contract in whole or in part.
- (b) If this Contract is terminated in whole or in part because the Company has failed to provide services in compliance with the specifications by the deadline of remediation period, the City may acquire, under reasonable terms and in a manner it considers appropriate, replacement services that are comparable to the services that the Company failed to deliver to the City, and the Company shall be liable to the City for any excess costs related thereto. If the City terminates this Contract only in part, the Company shall continue to perform the un-terminated obligations or portions of this Contract.
- (c) The Company shall not be liable for any excess costs if the failure to perform the Contract arises from circumstances beyond the control of, and without the fault or negligence on the part of, the Company. These circumstances are limited to such causes as (i) acts of God or of the public enemy, (ii) acts of governmental bodies, (iii) fires, (iv) floods, (v) epidemics/pandemics, (vi) quarantine restrictions, (vii) labor strikes, (viii) freight embargoes, or (ix) unusually severe weather. The time of performance of the Company's obligations under this Contract shall be extended by such period of enforced delay; provided, however, that such reasonably extended time period shall not exceed sixty (60) days. If the foregoing circumstances result in a delay greater than 60 days, the City may terminate the affected portion of the Contract pursuant to the terms of Section E-4, "Termination for Convenience".



- (d) The City retains the right to terminate for default immediately if the Company fails to maintain the required insurance, and/or bonding, fails to comply with applicable local, state, and federal statutes governing performance of these services, or fails to comply with statutes involving health or safety.
- (e) If the City fails to perform any of its obligations required under this Contract, and the City does not remedy the failure after notice thereof is provided to the City by the Company pursuant to the requirements of Section E-1, "Legal Notice" above, the Company shall have the right to treat the failure as a claim or dispute subject to the resolution provisions of E-2, "Disputes" of this Contract. During the period of such resolution, the Company shall continue with its performance under the Contract.

#### **E-7 Limitation of Funding/Non-Appropriation [CAO-4/2020]**

The Company acknowledges that City is a governmental entity and the Contract's validity is based upon the availability of public funding under its authority. The City reserves the right to reduce estimated or actual quantities, in whatever amount necessary, without prejudice or liability to the City, if funding is not available or if legal restrictions are placed upon the expenditure of monies for the services required under this Contract. In addition, and without prejudice or liability to the City, if funds are not appropriated or otherwise made available to support continuation in any fiscal year succeeding the first fiscal year, this Contract will be deemed to have been terminated automatically **when appropriated funds expire and** are not available. The City shall notify Company in writing of any such non-allocation of funds at the earliest possible date and shall pay Company any reasonable fees earned and costs incurred in performing this Contract for any period prior to such notice.

#### **E-8 Changes - Fixed-Price Goods or Services [CAO-4/2020]**

- (a) The City may at any time, by written order, and without notice to the sureties, if any, make changes within the general scope of this Contract in any one or more of the following:
  - (i) Description of services to be performed or goods to be provided.
  - (ii) Time of performance (i.e., hours of the day, days of the week, etc.).
  - (iii) Place of performance of the services.
  - (iv) Time or place of delivery of goods
- (b) If any such change causes an increase or decrease in the cost of, or the time required for, performance of any part of the work under this Contract, the Company shall provide current, complete, and accurate documentation to the City in support of any request for equitable adjustment.
- (c) The Company must assert its right to an adjustment under this clause within thirty (30) days from the date of receipt of the written order, or shall otherwise be barred and shall have waived any right to an adjustment under this clause.
- (d) The parties shall negotiate a timely requested equitable adjustment by mutual written agreement and the change will be effected by purchase order revision. Failure to agree to any adjustment shall be a dispute under Section E-2, "Disputes"; however, nothing in this clause shall excuse the Company from proceeding with the Contract as changed.

#### **E-9 Entire Contract, Section and Paragraph Headings [CAO-4/2020]**

- (a) This Contract represents the entire and integrated agreement between the City and the Company. It supersedes all prior and contemporaneous understandings, negotiations, communications, representations, and agreements, whether oral or written, relating to the subject matter of this Contract.
- (b) The section and paragraph headings appearing in this Contract are inserted for the purpose of convenience and ready reference. They do not purport to define, limit, or extend the scope or intent of the language of the sections and paragraphs to which they pertain.

#### **E-10 Order of Precedence [CAO-7/24/08]**

In the event of a conflict between the specific language set forth in Sections A through E of this Contract and any Attachment or Exhibit, the specific language in Sections A through E shall prevail. Any exception to this order of precedence will be addressed through specific language elsewhere in Sections A through E.

**E-11 Severability [CAO-7/24/08]**

The invalidity, illegality, or unenforceability of any provision of this Contract or the occurrence of any event rendering any portion or provision of this Contract void shall in no way affect the validity or enforceability of any other portion or provision of this Contract. Any void provision shall be deemed severed from this Contract, and the balance of this Contract shall be construed and enforced as if this Contract did not contain the particular portion or provision held to be void. The parties further agree to amend this Contract to replace any stricken provision with a valid provision that comes as close as possible to the intent of the stricken provision. The provisions of this clause shall not prevent this entire Contract from being void should a provision which is of the essence of this Contract be determined void.

**E-12 Waiver [CAO-7/24/08]**

Waiver of any of the terms of this Contract shall not be valid unless it is in writing signed by each party. The failure of the City to enforce any of the provisions of this Contract, or to require performance of any of the provisions herein, shall not in any way be construed as a waiver of such provisions or to affect the validity of any part of this Contract, or to affect the right of the City to thereafter enforce each and every provision of this Contract. Waiver of any breach of this Contract shall not be held to be a waiver of any other or subsequent breach of this Contract.

**E-13 Modification/Amendment [CAO-7/24/08]**

This Contract shall not be modified or amended except by the express written agreement of the parties, signed by a duly authorized representative for each party. Any other attempt to modify or amend this Contract shall be null and void, and may not be relied upon by either party.

**E-14 Assignment [CAO-7/24/08]**

Neither party may assign their rights nor delegate their duties under this Contract without the written consent of the other party. Such consent shall not be withheld unreasonably. Any assignment or delegation shall not relieve any party of its obligations under this Contract.

**E-15 Indemnification [CAO-4/2020]**

- (a) In addition to the insurance requirements set forth in Section D-5, "Insurance", and not in lieu thereof, the Company shall protect, defend, indemnify and hold harmless the City, its elected officials, officers, employees, agents, and consultants (collectively herein the "City") from and against any and all claims, liabilities, damages, losses, suits, actions, decrees, arbitration awards and judgments including attorney's fees, court costs or other expenses of any and every kind or character (collectively herein the "Liabilities") which may be recovered from or sought against the City, as a result of, by reason of, or as a consequence of (i) any act or omission, negligent or otherwise, on the part of the Company, its officers, employees, independent contractors, vendors, suppliers, consultants, or agents in the performance of the terms, conditions and covenants of the Contract; or (ii) a breach of any agreement between the Company and its employees, vendors, independent contractors, suppliers, consultants or agents; or (iii) any default in the performance of any obligation on Company's part to be performed under the terms of this Contract, regardless of whether the Liabilities were caused in part by the City. Company agrees that it is assuming the sole risk of any Liabilities related to the contraction by Company's officers, employees, vendors, suppliers, agents, independent contractors, and consultants or any other person of any viral infection or other disease, including, without limitation, COVID 19, related to the performance of this Contract and that Company's indemnity obligations contained herein cover any such Liabilities. In no event shall the language in this Section constitute or be construed as a waiver or limitation of the City's rights or defenses with regard to sovereign immunity, governmental immunity, or other official immunities and protections as provided by the Federal and State Constitutions or by law.
- (b) If a third party claim against the City for negligent performance by the Company is within the limits of its liability insurance, and the insurance company has accepted the City's tender of defense, then the City will pay the Company what is due and owing to them within the payment method specified in this Contract. However, if the claim is greater than the coverage amount, the City, for its protection, may retain any money due and owing the Company under this Contract, until the claim has been resolved. In the event no money is due and owing, the surety, if required, of the Company, may be held until all of the Liabilities have been settled and suitable evidence to that effect furnished to the City.
- (c) It is expressly agreed that the Company shall defend the City at Company's expense, by legal counsel reasonably satisfactory to City, against the Liabilities and in the event that the Company fails to do so, the City shall have the right,

but not the obligation, to defend the same and to charge all direct and incidental costs, including attorney's fees and court costs, to the Company. Company's indemnity obligations herein are not intended to nor shall they relieve any insurance carrier of its obligations under policies required to be carried by Company pursuant to the provisions of this Contract. Company's obligations under this Section shall survive any termination of this Contract.

#### **E-16 Patent Indemnity [CAO-12/30/2020]**

The Company hereby indemnifies and shall defend and hold harmless the City and its representatives respectively from and against all claims, losses, costs, damages, and expenses, including attorney's fees, incurred by City and its representatives, respectively, as a result of or in connection with any claims or actions based upon infringement or alleged infringement of any patent or other intellectual property and arising out of the use of the equipment or materials furnished under the contract by the Company, or out of the processes or actions employed by, or on behalf of the Company in connection with the performance of the Contract. The Company shall, at its sole expense, by legal counsel reasonably satisfactory to City, promptly defend against any such claim or action unless directed otherwise by the City or its representative; provided that the City or its representatives shall have notified the Company upon becoming aware of such claims or actions, and provided further that the Company's aforementioned obligations shall not apply to equipment, materials, or processes furnished or specified by the City or its representatives.

#### **E-17 Audit of Records [CAO-5/2/12]**

- (a) The Company agrees to maintain the financial books and records (including supporting documentation) pertaining to the performance of this Contract according to standard accounting principles and procedures. The books and records shall be maintained for a period of three (3) years after completion of this Contract, except that books and records which are the subject of an audit finding shall be retained for three (3) years after such finding has been resolved. If the Company goes out of business, the Company shall forward the books and records to the City to be retained by the City for the period of time required herein.
- (b) The City or its designated representative(s) shall have the right to inspect and audit (including the right to copy and/or transcribe) the books and records of the Company pertaining to the performance of this Contract during normal business hours. The City will provide prior written notice to the Company of the audit and inspection. If the books and records are not located within Clark County, the Company agrees to deliver them to the City, or to an address designated by the City within Clark County. In lieu of such delivery, the Company may elect to reimburse the City for the cost of travel (including transportation, lodging, meals, and other related expenses) to inspect and audit the books and records at the Company's office. If the books and records provided to the City are incomplete, the Company agrees to remedy the deficiency after written notice thereof from the City, and to reimburse the City for any additional costs associated therewith including, without limitation, having to revisit the Company's office. The Company's failure to remedy the deficiency shall constitute a material breach of this Contract. The City shall be entitled to its costs and reasonable attorney fees in enforcing the provisions of this Section.
- (c) If at any time during the term of this Contract, or at any time after the expiration or termination of the Contract, the City or the City's designated representative(s) find the dollar liability is less than payments made by the City to the Company, the Company agrees that the difference shall be either: (i) repaid immediately by the Company to the City or (ii) at the City's option, credited against any future billings due the Company.

#### **E-18 Confidentiality – City Information [CAO-4/2020]**

- (a) All information, including but not limited to, oral statements, computer files, databases, and other material or data supplied to the Company is confidential and privileged. The Company shall not disclose this information, nor allow to it be disclosed to any person or entity without the express prior written consent of the City. The Company will use at least the same standard of care and exercise equivalent security measures to maintain the confidentiality of the City's information that it uses to maintain the confidentiality of its own confidential information; provided in no event shall such standard be less than reasonable care. The Company shall have the right to use any such confidential information only for the purpose of providing the services under this Contract, unless the express prior, written consent of the City is obtained. City shall be and remain the sole owner of such confidential information. Nothing contained in this Contract shall be construed as granting or conferring any right or license in the City's information or in any patents, software, or other technology, either expressly or by implication to the Company. Upon request by the City, the Company shall promptly return to the City all confidential information supplied by the City, together with all copies and extracts. Company is required to employ the highest ethical standards and shall avoid those actions that are inconsistent with the City's best interest.

- (b) The confidentiality requirements shall not apply where (i) the information is, at the time of disclosure by the City, then in the public domain; (ii) the information is known to the Company prior to obtaining the same from the City; (iii) the information is obtained by the Company from a third party who did not receive the same directly or indirectly from the City; or (iv) the information is subpoenaed by court order or other legal process, but in such event, the Company shall notify the City. In such event the City, in its sole discretion, may seek to quash such demand.
- (c) The obligations of confidentiality shall survive the termination of this Contract.

**E-19 Marketing Restrictions [CAO-4/2020]**

The Company shall at all times be in compliance with Las Vegas Municipal Code 1.08.050, and shall not publish or sell any information from or about this Contract without the prior written consent of the City. This restriction does not apply to the use of the City's name in a general list of customers, so long as the list does not represent an express or implied endorsement of the Company or its services. The City logo shall not be used without the prior written consent of the City.

**E-20 Intellectual Property Rights [CAO-4/2020]**

All deliverables produced under this Contract, as well as all data, notes and documentation collected on behalf of the City, are exclusively the property of the City. The Company shall have no property interest in, and may assert no claim or lien on, or right to withhold from the City, or right to use said data other than in performance of its obligations pursuant to this Contract, any data it receives from, receives access to, or stores on behalf of the City. At any time during the term of this Contract, and within thirty (30) days of the expiration or termination of this Contract, the Company will upon request return the data to the City at no charge in the format held by Company. On City request, the Company will delete all City data and will provide appropriate certification to the City to document the disposal. The Company shall promptly notify the City if the Company becomes aware of any unauthorized access, acquisition, disclosure, use, modification, destruction or other misuse of the City's data or other confidential information, and shall fully cooperate with the City in any legal action taken by the City to enforce its rights therein. This Section shall survive termination or expiration of this Contract.

**E-21 Taxes/Compliance with Laws [CAO-08/01/13]**

- (a) The City is exempt from paying Sales and Use Taxes under the provisions of Nevada Revised Statutes 372.325(4), and Federal Excise Tax, under Registry Number 88-87-0003k. The Company shall pay all taxes, levies, duties and assessments of every nature and kind which may be applicable to any work under this Contract. The Company shall make any and all payroll deductions required by law. The Company agrees to indemnify and hold the City harmless from any liability on account of any and all such taxes, levies, duties, assessments, and deductions.
- (b) The Company, in the performance of the obligations of this Contract, shall comply with all applicable laws, rules and regulations of all governmental authorities having jurisdiction over the performance of this Contract including, but not limited to, the Federal Occupational Safety and Health Act.

**E-22 Licenses/Registrations [CAO-01/20/16]**

During the entire performance period of this Contract, the Company shall maintain all federal, state, and local licenses, certifications and registrations applicable to the work performed under this Contract, including maintaining an active City of Las Vegas business license if required by Las Vegas Municipal Code 6.02.060.

**E-23 Non-Discrimination and Fair Employment Practices [CAO-07/31/13]**

- (a) **Discrimination:** The City of Las Vegas is committed to promoting full and equal business opportunity for all persons doing business in Las Vegas. The Company acknowledges that the City has an obligation to ensure that public funds are not used to subsidize private discrimination. Company recognizes that if the Company or their subcontractors or subconsultants are found guilty by an appropriate authority of refusing to hire or do business with an individual or company due to reasons of race, color, religion, sex, sexual orientation, gender identity or expression, age, disability, national origin, or any other legally protected status, City may declare the Company in breach of contract and terminate Contract.
- (b) **Fair Employment Practices:** In connection with the performance of work under this Contract, the Company agrees not to discriminate against any employee or applicant for employment because of race, color, religion, national origin, sex, sexual orientation, gender identity or expression, age, disability, national origin, or any other legally protected status.

Such agreement shall include, but not be limited to, the following: employment; upgrading; demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

- (c) The Company further agrees to insert this provision in all subcontracts hereunder. Any violation of such provision by a Company shall constitute a material breach of this Contract.

#### **E-24 Employment of Unauthorized Aliens [CAO-01/20/16]**

In accordance with the Immigration Reform and Control Act of 1986, the Company agrees that it will not employ unauthorized aliens in the performance of this Contract.

#### **E-25 Conforming Services [CAO-4/2020]**

The services performed under this Contract shall conform in all respects with the requirements set forth in this Contract. The Company shall furnish the City with sufficient data and information needed to determine if the services performed conform to all the requirements of this Contract.

#### **E-26 Independent Contractor [CAO-4/2020]**

In the performance of its obligations under this Contract, the Company and any other person employed by it shall be deemed to be an independent contractor and not an agent or employee of the City. The Company shall be liable for the actions of any person, organization, or corporation with which it subcontracts to fulfill this Contract. Accordingly, Company shall be responsible for payment of all taxes including federal, state and local taxes arising out of the Company's activities in accordance with this Contract, including by way of illustration but not limitation, federal and state income tax, Social Security tax, unemployment insurance taxes, and any other taxes or business license fees as required under existing or subsequently enacted laws, rules or regulations. Company shall not be entitled to any benefits afforded to City's employees, including without limitation worker's compensation, disability insurance, health insurance, vacation, or sick pay. Company shall be responsible for providing, at Company's expense, and in Company's name, unemployment, disability, worker's compensation, and other insurance, as well as licenses and permits usual or necessary for performance of its obligations pursuant to this Contract. Company shall hereby defend, indemnify, and hold the City harmless from any claims, losses, costs, fees, attorney's fees, liabilities, damages or injuries suffered by the City arising out of Company's failure with respect to its obligations in this Section. Company, upon request, shall furnish evidence satisfactory to the City that any or all of the foregoing obligations have been fulfilled. During Company's contacts with third parties they shall identify themselves as an independent party and not as an employee for the City. Company understands and agrees that they do not have the power or authority to bind City in any capacity. The City shall hold the Company as the sole responsible party for the performance of this Contract. The Company shall maintain complete control over its employees and all of its subcontractors. Nothing contained in this Contract or any subcontract awarded by the Company shall create a partnership, joint venture, or agency with the City. Neither party shall have the right to obligate or bind the other party in any manner to any third party.

#### **E-27 Official, Agent and Employees of the City Not Personally Liable [CAO-01/20/16]**

It is agreed by and between the parties of this Contract, that in no event shall any official, officer, employee, or agent of the City in any way be personally liable or responsible for any covenant or agreement therein contained whether expressed or implied, nor for any statement, representation or warranty made herein or in any connection with this Contract.

#### **E-28 Conflict of Interest (City Officials) [CAO-4/2020]**

- (a) An official of the City, who is authorized on behalf of the City to negotiate, make, accept or approve, or take part in negotiating, making, accepting, or approving this Contract, payments under this Contract, or work under this Contract, shall not be directly or indirectly interested personally in this Contract or in any part hereof. No officer, employee, architect, attorney, engineer or inspector of, or for the City, who is authorized on behalf of the City to exercise any legislative, executive, supervisory or other similar functions in connection with this Contract, shall become directly or indirectly interested personally in this Contract or in any part hereof, any material supply contract, subcontract, insurance contract, or any other contract pertaining to this Contract.
- (b) Each party represents that it is unaware of any financial or economic interest of any public officer or employee of the City relating to this Contract. Notwithstanding any other provision of this Contract, if such interest becomes known, the City may immediately terminate this Contract for default or convenience, based on the culpability of the parties.

**E-29 Public Records [CAO-5/2/12]**

The City is a public agency as defined by state law. As such, it is subject to the Nevada Public Records Law (Chapter 239 of the Nevada Revised Statutes). The City's Records are public records, which are subject to inspection and copying by any person (unless declared by law to be confidential). This Contract and all supporting documents are deemed to be public records.

**E-30 Use By Other Government Entities [CAO-01/20/16]**

A governing body or its authorized representative and the State of Nevada may join or use the contracts of local governments located within or outside this State with the authorization of the contracting vendor. In the event the Company allows another governmental entity to join the Contract, it is expressly understood that the City shall in no way be liable for the obligations of the joining governmental entity.

**E-31 Certification – No Israel Boycott [CAO-4/2020]**

*(Applicable to contracts with an estimated annual amount over \$100,000)*

By signing this Contract, the Company certifies that it is not engaged in, and agrees for the duration of the Contract not to engage in, a boycott of the State of Israel per NRS 332.065.

"Boycott of Israel" means refusing to deal or conduct business with, abstaining from dealing or conducting business with, terminating business or business activities with or performing any other action that is intended to limit commercial relations with Israel; or a person or entity doing business in Israel or in territories controlled by Israel, if such an action is taken in a manner that discriminates on the basis of nationality, national origin or religion. It does not include an action which is based on a bona fide business or economic reason; is taken pursuant to a boycott against a public entity of Israel if the boycott is applied in a nondiscriminatory manner; or is taken in compliance with or adherence to calls for a boycott of Israel if that action is authorized in 50 U.S.C. § 4607 or any other federal or state law.

"Company" means any domestic or foreign sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited-liability partnership, limited-liability company, or other domestic or foreign entity or business association, including, without limitation, any wholly owned subsidiary, majority owned subsidiary, parent company or affiliate of such an entity or business association, that exists for the purpose of making a profit.

A violation of this Section by Company shall be considered an incurable Event of Default of this Contract, thereby allowing the City to immediately terminate this Contract upon giving Legal Notice to Company.

**E-32 Counterpart Signatures [CAO-08/11/2022]**

This Contract may be executed in counterparts. All such counterparts will constitute the same contract and the signature of any party to any counterpart will be deemed a signature to, and may be appended to, any other counterpart. Executed copies hereof may be delivered by facsimile or e-mail and upon receipt will be deemed originals and binding upon the parties hereto, regardless of whether originals are delivered thereafter.

The parties agree that this Contract may be signed electronically via the City's designated electronic signature platform, and that the electronic signatures appearing herein shall be considered the same as handwritten signatures for the purposes of validity, admissibility, and enforceability.

**E-33 Miscellaneous [CAO-4/2020]**

- (a) In the event of a dispute under this Contract which results in litigation or other formal dispute resolution proceedings, the prevailing party shall be entitled to reimbursement of its or their actual reasonable attorney's fees and costs in connection with such proceeding.
- (b) Time is of the essence of the Contract and each of its provisions.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be executed by their duly authorized representatives.

CITY OF LAS VEGAS

COMPANY

SignatureDate

SignatureDate

Printed Name

Printed Name

Title

Title

ATTEST:

LuAnn D. Holmes, MMCDate  
City Clerk

APPROVED AS TO FORM:

DocuSigned by:  
James Lewis10/26/2023 | 1:05 PM PDT  
2E56C0A323B042D...  
Deputy City AttorneyDate

James Lewis  
Printed Name

## EXHIBIT A - SCOPE OF WORK

### I. POLICY

The investment goal of the City of Las Vegas is to maintain adequate cash availability to meet current obligations and invest excess monies at the maximum yield allowed, while assuring that the principal is protected from loss. Monies that are not required for immediate expenditures are invested within the guidelines of Nevada Revised Statute (NRS) 355, and this policy. Investments are made using a wide range of instruments and maturities to insure diversification of the City's portfolio and to provide liquidity.

### II. SCOPE OF INVESTMENT POLICY

This investment policy applies to all financial assets of the City. These assets are accounted for in the City of Las Vegas' Comprehensive Annual Financial Report. The City invests for all governmental, proprietary, and fiduciary fund types; which include:

1. General Fund
2. Special Revenue Funds
3. Debt Service
4. Capital Project Funds
5. Enterprise Funds
6. Internal Service Funds
7. Permanent and Agency Funds

This investment policy also applies to any assets held for or on behalf of any Agency, Commission, or other political entity for which the City of Las Vegas had been given fiduciary responsibility.

Investments of any tax exempt borrowed proceeds and of any debt service reserve funds will comply with the Internal Revenue Service's arbitrage rebate requirements.

Following is a list of funds excluded from this policy:

1. Retirement/Pension Funds
2. Cemetery Trust Funds

### III. PRUDENCE

Investments shall be made with judgment and care--under circumstances then prevailing--which persons of prudence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

### IV. OBJECTIVES

The City's available funds are to be invested, in accordance with all applicable state statutes and this investment policy, in short-term and intermediate-term fixed income instruments. The primary objectives of such investments shall be, in order of importance:

**1 - Safety:** Safety of principal is the foremost objective of the City's investment program. Investment decisions shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.

**2 - Liquidity:** The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements, which might be responsibly anticipated.



**3 - Return on Investment:** The City's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the City's risk constraints, cash flow characteristics of the portfolio, and IRS arbitrage rebate requirements.

**V. DELEGATION OF AUTHORITY**

1. The City of Las Vegas Chief Investment Official is the City Treasurer. The Treasurer's responsibilities include the authority to open accounts with banks, brokers, and dealers, to arrange for the custody of securities, and to execute such documents as may be necessary to carry out this responsibility. The Treasurer may delegate investment responsibilities to treasury staff members.
2. The City Treasurer and staff shall perform the following:
  - A. Furnish timely instructions to the safekeeping banks concerning settlement of investment transactions,
  - B. Verify the accuracy of completed transactions, and
  - C. Employ internal controls designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, or imprudent actions by employees and officers of the City of Las Vegas.
3. The City Treasurer has established written procedures for the operation of the investment program consistent with this investment policy. Procedures are established to include safekeeping, master repurchase agreements, wire transfer agreements, collateral/depository agreements and banking service contracts. Such procedures include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established.

**VI. ETHICS AND CONFLICTS OF INTEREST**

Officers and treasury staff members involved in the investment process shall refrain from personal business activity that could conflict with proper execution of investing City funds or which could impair their ability to make impartial investment decisions. Staff members shall disclose to the City Treasurer any material financial interests in financial institutions which conduct business with the City, and shall further disclose any large personal financial or investment transactions which could be related to the performance of the City's portfolio.

**VII. AUTHORIZED FINANCIAL INSTITUTIONS AND BROKER/DEALERS**

The Treasurer's Office shall be responsible for analyzing and evaluating the credit worthiness, capability, and reputation of all banks, brokers/dealers and external investment managers with which the City conducts investments transactions and the Treasurer shall maintain a list of such approved firms. Brokers/dealers may include "Primary Dealers" or regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule). The Treasurer's Office shall conduct reviews periodically to identify those firms, which offer access to markets, analysis, and interpretations needed to effectively manage the portfolio. All approved firms are expected to be familiar with the precautions appropriate to public sector investments while also being expected to familiarize themselves with the City's investment objectives, policies, and constraints. An annual review will be conducted on all approved institutions. Additions or deletions to the list will be made at the Treasurer's discretion.

Such analysis and evaluation includes the following:

1. A review of the annual financial statements of each prospective bank, broker/dealer or external investment manager.
2. A review of the credit rating, ranking, or standing of each prospective bank, broker/ dealer or external investment manager as published by a nationally recognized authority.
3. The securing of references of other entities, agencies, and/or organizations that have an ongoing business relationship with each prospective bank, broker/dealer or external investment manager.
4. The responsiveness of each qualified institution in bidding on investments.

**VIII. AUTHORIZED AND SUITABLE INVESTMENTS**

City investment officials, in accordance with the provisions of NRS 350.659, 355.170, 355.171 and this policy, may invest in the following for and on behalf of the City of Las Vegas:

1. **U.S. Treasuries** - Bills, notes, bonds, and debentures of the United States Treasury, the maturity date of which is not more than 5 years from the date of purchase.
2. **U.S. Agencies** - Obligations of an agency or instrumentality of the United States of America or a corporation sponsored by the government, the maturity date of which is not more than 5 years from the date of purchase. The exclusive U.S. Agencies that can be utilized are as follows:
  - A. Federal Farm Credit Bank (FFCB)
  - B. Federal Home Loan Bank (FHLB)
  - C. Federal Home Loan Mortgage Corporation (FHLMC)
  - D. Federal National Mortgage Association (FNMA)
  - E. Federal Agricultural Mortgage Corporation (FAMC)
  - F. Government National Mortgage Association (GNMA)
3. **Negotiable Certificates of Deposits** - Negotiable Certificates of Deposits issued by commercial banks, insured credit unions or savings and loan associations. Is rated by a nationally recognized rating service as “A-1,” “P-1” or its equivalent, or better. If the rating of an obligation is reduced to a level that does not meet the requirements of this paragraph, it must be sold as soon as financially feasible.
 

**Non-Negotiable Certificates of Deposit** - issued by insured commercial banks, insured credit unions or insured savings and loan associations. Total amount of CDs cannot exceed \$100,000 per institution.
4. **Bankers’ Acceptances** - Bankers’ acceptances of the kind and maturities made eligible by law for rediscount with Federal Reserve Banks, and generally accepted by banks or trust companies which are members of the Federal Reserve System. Bankers’ acceptances must meet the following guidelines:
  - A. The term may not exceed 180 days’ maturity.
  - B. Purchases of bankers’ acceptances may not exceed 20 percent of the money available to a local government for investment as determined on the date of purchase.
5. **Commercial paper** - Commercial paper issued by a corporation organized and operating in the United States or by a depository institution licensed by the United States or any state and operating in the United States that:
  - A. Is purchased from a registered broker-dealer;
  - B. At the time of purchase has a remaining term to maturity of no more than 270 days; and
  - C. Is rated by a nationally recognized rating service as “A-1,” “P-1” or its equivalent, or better, except that investments pursuant to this paragraph may not, in aggregate value, exceed 20 percent of the total portfolio as determined on the date of purchase, and if the rating of an obligation is reduced to a level that does not meet the requirements of this paragraph, it must be sold as soon as financially feasible.
  - D. Commercial paper held from one specific issuer cannot exceed 10 percent of the total portfolio.
6. **Repurchase Agreements** - Repos are proper and lawful investments of money of the City of Las Vegas using any of the securities listed in this section, as long as such security is negotiable, has a viable trading market, and can be easily market-to-market weekly by the City's trust banks. All repos must meet the following guidelines:
  - A. The collateral must exceed 102 percent of the repo.
  - B. The term of the repo cannot exceed 90 days.
  - C. The securities that collateralize the repo must have a stated final maturity of less than ten years.
  - D. The collateral for the repo should have a coupon greater than the repo.
  - E. The aggregate total of repos should not exceed 20 percent of the total portfolio.

The repo counterparty must be either a U.S. bank pursuant to federal or state law with a solid financial record, no long-term weaknesses and a sound credit rating, or a current “Primary Dealer” in U.S. Government securities as designated by the Federal Reserve Bank of New York in full compliance with all applicable capital requirements.

The Treasurer shall designate in advance, and shall maintain a list of, firms which are approved as counterparties, following a review as prescribed in Sec. VII, for entering into repurchase agreements with the City. Such counterparties shall execute the City's Master Repurchase Agreement (PSA) prior to being included on the list of approved repo counterparties. The City may enter into repos only with firms which have been included on the list of Approved Repurchase Agreement Counterparties. Additionally, approved counterparties must regularly provide audited financial statements.

The City's custodian banks, holding accounts in which repo's are transacted, must enter into a written contract which requires the custodian to (1) disburse cash only upon receipt of the underlying securities, (2) notify the City when the securities that collateralize the repo are not maintaining the required 102 percent margin, (3) hold the securities separate from the assets of the custodian, and (4) report periodically the market value of the securities.

**7. Investment Pools/Mutual Funds** - The City may invest in the following investment pools or money market funds:

- A. **State of Nevada Local Government Pooled Investment Fund**
- B. **State of Nevada Local Government Pooled Long-Term Investment Fund**
- C. **Money market mutual funds** - Funds which:

- 1. Are registered with the Security and Exchange Commission;
- 2. Are rated "AAA" or its equivalent by a nationally recognized rating service; and
- 3. Invest only in
  - a. Securities issued by the Federal Government or agencies of the Federal Government;
  - b. Master notes, bank notes or other short-term commercial paper rated by a nationally recognized rating service as "A-1," "P-1" or its equivalent, or better, issued by a corporation organized and operating in the United States or by a depository institution licensed by the United States or any state and operating in the United States; or
  - c. Repurchase agreements that are fully collateralized by the obligations described in sub-subparagraphs (a) and (b).

A thorough investigation of the investment pools or mutual funds is required prior to investing and on a continual basis to determine suitability.

**8. Corporates** - Notes, bonds and other unconditional obligations for the payment of money issued by corporations organized and operating in the United States that:

- A. Are purchased from a registered broker-dealer;
- B. At the time of purchase has a remaining term to maturity of no more than 5 years; and
- C. Are rated by a nationally recognized rating service as "A", its equivalent, or better, except that investments pursuant to this paragraph may not, in aggregate value, exceed 20 percent of the total portfolio as determined on the date of purchase, and if the rating of an obligation is reduced to a level that does not meet the requirements of this paragraph, it must be sold as soon as financially feasible.
- D. Bonds, notes and other unconditional obligations held from one specific corporation cannot exceed 25 percent of corporate investments.

**9. Asset-Backed Securities (ABS)**

- A. Are rated by a nationally recognized rating service as "AAA" or its equivalent.
- B. Aggregate par value may not exceed 20 percent of total par value of the portfolio.
- C. If the rating of an ABS is reduced below the ratings requirements, it must be sold as soon as possible.

**10. Collateralized Mortgage Obligations (CMOs)**

- A. Are rated by a nationally recognized rating service as "AAA" or its equivalent.
- B. Aggregate par value may not exceed 20 percent of total par value of the portfolio.
- C. If the rating of a CMO is reduced below the ratings requirements, it must be sold as soon as possible.

**11. Collateralized Investment Contracts (Contracts):** Collateralized Investment Contracts must be fully collateralized, at all times, with securities issued by the Federal Government or agencies of the Federal Government. Contracts may be

utilized on bond proceeds for which the amount of the principal of the original issuance was \$10,000,000 or more. The Contract must comply with the following specifications:

- A. The collateral has a market value of at least 102 percent of the amount invested and any accrued unpaid interest thereon;
- B. The City receives a security interest in the collateral that is fully perfected and the collateral is held in custody for the City or its trustee by a third-party agent of the City, which is a commercial bank authorized to exercise trust powers.
- C. The market value of the collateral is determined not less frequently than weekly and, if the ratio required by subsection A is not met, sufficient additional collateral is deposited with the agent of the City to meet that ratio within 2 business days after the determination; and
- D. The party with whom the investment contract is executed is a commercial bank, or that party or a guarantor of the performance of that party is:
  - 1. An insurance company which has a rating on its ability to pay claims of not less than "Aa2" by Moody's Investors Service Inc. Or "AA" by Standard and Poor's Ratings Services, or their equivalent; or
  - 2. An entity which has a credit rating on its outstanding long-term debt of not less than "A2" by Moody's Investors Service, Inc. or "A" by Standard and Poor's Ratings Services, or their equivalent.

12. Reverse repurchase agreements are not permitted.

13. Investment in the City's own securities or interim warrants is prohibited.

## **IX. SECURITIES LENDING**

In accordance with the State of Nevada's NRS 355.178, the City Treasurer may lend securities from the portfolio if:

- A. The City receives collateral from the borrower in the form of cash or marketable securities that are authorized pursuant to NRS 355.170 (authorized investments 1 through 7 of this policy).
- B. The collateral received from the borrower is at least a market value of 102 percent of the securities loaned.
- C. Reinvestment of the collateral received for securities loaned may not be mismatched by more than 3 business days.
- D. The securities lending agent must provide normal settlement liquidity (next day) for all securities loaned.
- E. The securities lending agent must provide monthly accounting, performance, compliance and management reports that will be submitted to the City Treasurer and City Manager.
- F. The total of investments with collateral received must have an average weighted maturity of not more than 90 days.
- G. A third party custodian shall be utilized on the loaded securities for all transactions.
- H. The Bond Market Association's Master Securities Loan Agreement must be executed by all parties involved before any transactions are initiated.

## **X. COLLATERALIZATION**

The City of Las Vegas requires all money deposited with a bank, savings and loan, savings bank or credit union including checking accounts, savings account, NOW accounts, non-negotiable certificates of deposit, time deposits or similar type accounts provided by the financial institution in excess of the amount of federal insurance to be fully collateralized.

## **XI. SAFEKEEPING AND CUSTODY**

Delivery versus Payment

Securities purchased by the City of Las Vegas shall be delivered against payment and held in a custodial safekeeping account with the trust department of a bank insured by the Federal Deposit Insurance Corporation designated by the Treasurer for this purpose. Such bank, if not located in New York City, may employ the securities clearance/custodian account services of a New York City correspondent bank to affect deliveries in New York. Such bank effecting New York City clearances must have primary capital (as defined by federal regulatory authorities) of at least \$1 billion.

## **XII. MAXIMUM MATURITY AND DIVERSIFICATION**

Security specific maturity limitations are outlined in Section VIII. The Treasurer will attempt to match investments with anticipated cash flow requirements. Appropriate liquidity will be maintained at all times.

To reduce the overall portfolio risks, the City will diversify its investments by security type and institution. With the exception of U.S. Treasuries and government agency securities, no more than 50% of the City's total investment portfolio will be invested in a single security type or with a single financial institution.

The average weighted maturity of the Pooled Investment portfolio will not exceed 2.5 years.

### **XIII. INTERNAL CONTROL**

The City Treasurer has established a system of internal controls over investments. The internal controls have been reviewed by the City's internal audit division and by the independent auditors. The controls are designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, or imprudent actions by staff and City officials. Additionally, the Treasurer has established an annual independent review by an external auditor. This review will provide internal control by assuring that policies and procedures are being complied with.

### **XIV. PERFORMANCE STANDARDS**

The City Treasurer shall continue to employ a strategy for the City's portfolio to obtain a market average rate of return, taking into account investment risk constraints, cash flow needs, bond indenture restrictions, and Internal Revenue Service arbitrage rebate considerations.

The City's investment strategy is moderately active. Given this strategy, the City Treasurer will benchmark the component portfolios, which make up the Pooled Investment portfolio to fixed income indices to determine whether market returns are being achieved.

### **XV. NOTICE TO FINANCIAL INSTITUTIONS AND BROKER DEALERS**

The City Treasurer shall make available the current edition of the investment policy to all institutions, which are approved to handle City investments. **When changes to the policy are made, the financial institution, broker/dealer or investment manager shall confirm in writing that the policy has been received, reviewed, and accepted by appropriate personnel.** In the absence of such acceptance, business transactions will not be considered with the institution.

**Financial institutions are also required to provide their Annual Financial Report to the City Treasurer on a timely basis after the institution's fiscal year has concluded.**

### **XVI. REVIEW AND MODIFICATIONS**

The City Treasurer is responsible for reviewing and recommending modifications to this investment policy. However, the Treasurer may at any time further restrict or expand for investment the types of instruments, issuers, and maturities as may be appropriate. Previously unacceptable investment vehicles may be utilized by the City, as approved by the State Legislature.

### **XVII. REPORTING**

The City Treasurer shall provide the City Manager and Finance Director quarterly investment reports, which provide a clear picture of the status of the current investment portfolio. The quarterly report should be published no later than the last day of the month following the end of the quarter.

The quarterly report should include the following:

Percentage of the Investment Pool portfolio represented by each investment category  
Investment Pool maturity schedule  
Investment Pool Interest Income  
Economic Overview

### **XVIII. INVESTMENT POLICY APPROVAL**

This policy has been approved by the Las Vegas City Council.

## **APPENDIX A**

### **INVESTMENT PROCEDURES**

#### **I. CASH REVIEW**

The City Treasurer or his/her delegate (hereafter referred to as Investment Officer) must review the cash balances and investment portfolio daily or as needed. A monthly cash flow forecast calendar is utilized to assist in the review process. Items to be reviewed should include:

- A. Cash balances at primary bank.
- B. Intra-day reporting of banking activity.
- C. Daily bank deposits.
- D. Maturing investments and interest.
- E. Bond sales
- F. Property taxes
- G. Consolidated tax receipt
- H. Franchise fee receipts
- I. Debt service disbursements (bond principal and interest payments).
- J. Accounts payable disbursements
- K. Payroll disbursements
- L. Purchasing investments

#### **II. INVESTMENT SELECTION**

The Investment Officer determines how much of the cash balance is available for investment and selects the area of the yield curve that most closely matches the required maturity date or maturity range.

In determining the maturity date, the Investment Officer should consider liquidity and expected cash flow. A review of some of the following sources should be made to determine whether the investments should be placed to match projected expenditures, shorter or longer to take advantage of current and expected interest rate environments:

- A. Wall Street Journal
- B. Input from approved broker/deals
- C. Input from Bloomberg data services
- D. Publications on general trends of economic statistics

The Investment Officer must verify that the security selected for purchase meets the following investment policy criteria:

- A. Maturity, both target maturity ranges and maximum maturity
- B. Diversification by type of security and issuer
- C. Collateralization for Repurchase Agreements

The following Sympro (investment software) reports are used to assist in the security selection process:

- A. Aging Report
- B. Summary by Type
- C. Summary by Issuer

#### **III. PURCHASING AN INVESTMENT**

Investment transactions can only be completed with approved broker/dealers or financial institutions. Upon being added to the approved broker/dealer list, the Investment Officer will provide the following safekeeping information to the broker/dealer.

- A. Name of third-party safekeeping agent.
- B. ABA number of safekeeping agent.
- C. Safekeeping account number(s).

The Investment Officer may select an investment for purchase from one of the following sources:

- A. Money Market Fund
- B. Bloomberg

C. Approved broker/dealer inventory

If an investment structure—i.e. maturity, issue type or call is not available through the above sources; the Investment Office may have an approved broker/dealer put together the investment structure. The City will only purchase a portion of investment structure; thereby, ensuring that the investment is competitively priced as the broker/dealer will have to sell the remaining lot in the “market”.

Before concluding the transaction, the Investment Officer should validate the following:

- A. Settlement Date
- B. Yield calculations
- C. Total purchase price including accrued interest if applicable does not exceed funds available for the investment
- D. Imbedded options such as call provisions or coupon adjustments should also be reviewed.

After consummation of the transaction, and prior to settlement date, the selected broker will send a trade ticket to the Investment Officer via Bloomberg or fax. An official confirmation should be mailed to the City from the brokerage firm. The Investment Officer should review the following information to ensure prompt and uninterrupted settlement:

- A. Safekeeping account name.
- B. Reconfirm amount of transaction.
- C. Reconfirm settlement date.
- D. Confirm CUSIP number of security.

#### **IV. SELLING AN INVESTMENT**

If an investment is sold before its maturity date, the Investment Officer will obtain competitive bids from a minimum of three approved broker/dealers. Before concluding the transaction, the Investment Officer should validate the following:

- A. Settlement—cash or regular (next day).
- B. Bid amount
- C. Advise the successful broker/dealer that their bid was selected.
- D. After confirmation of sell, as a courtesy, notify the other broker/dealers that the trade has been placed. Best bid price may be disclosed.

After consummation of the transaction the provider will send a trade ticket to the Investment Officer via Bloomberg or fax.

#### **V. SETTLEMENT AND FOLLOW-THROUGH**

The Investment Officer will enter the transaction information directly into the safekeeping agent’s instruction capture software. As a backup, the report may be written and faxed to the safekeeping agent. The report should include the following information:

- A. Type of transaction—purchase or sell.
- B. Settlement date.
- C. Amount of transaction.
- D. Safekeeping account name.
- E. Broker/dealers associated with investment trade.
- F. CUSIP number of security, if applicable.
- G. Acknowledged status after transmission via the safekeeping agent’s software.

On the settlement date, the Investment Officer will fax to the safekeeping agent a Net Investment worksheet. The worksheet will include the following:

- A. List of each investment transaction.
- B. List of expected interest coupon payments.
- C. Provision for the receipt or disbursement of the Net Investment funds.

In the event that a trade fails, the safekeeping agent will immediately notify the Investment Officer to determine if incorrect information is causing the trade to fail. If a broker is unable to deliver the security on the settlement date, it is considered a “good fail”, because the City earns interest from the settlement date. The broker will not receive payment from the safekeeping agent until the security is delivered.

## APPENDIX B

### GLOSSARY

**Agencies:** A debt instrument issued by a federal agency that carries a high safety rating because it is government sponsored.

**Asked:** The price at which securities are offered.

**Basis Point:** A unit of measurement used in the valuation of fixed-income securities equal to 1/100 of 1 percent of yield.

**Benchmark:** A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

**Bid:** The price offered by a buyer of securities.

**Broker:** The intermediary between a buyer and a seller of securities. The broker usually charges a commission.

**Callable Bond:** A bond issue in which all or part of its outstanding principal amount may be redeemed prior to maturity by the issuer under specified conditions.

**Certificate of Deposit:** A debt instrument issued by a bank that will pay interest, periodically or at maturity and principal when it reaches maturity. Maturities range from a few weeks to several years.

**Collateral:** Securities pledged by a bank to secure deposits of public monies. Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan.

**Commercial Paper:** An unsecured short-term promissory note issued by corporations to repay principle on a specific future date. Maturities usually range from 2 to 270 days.

**Annual Comprehensive Financial Report (ACFR):** The official annual report for the City of Las Vegas. It includes five combined statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

**Corporate Security:** A debt obligation issued by a corporation.

**Coupon Rate:** The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value.

**Credit Rating:** The financial history of a company, indicating whether the business can repay debts. The credit rating is based on the number of outstanding debts and whether debts have been repaid in a timely manner in the past.

**Delivery Versus Payment (DVP):** A securities industry procedure in which payment for a security must be made when the security is delivered to either the purchaser or his/her custodian.

**Discount:** The difference between the cost price of a security and its maturity when quoted at lower than face value.

**Discount Rate:** The interest rate member banks pay the Federal Reserve when the banks use securities as collateral.

**Discount Securities:** 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.

**Diversification:** Dividing investment funds among a variety of securities, maturities, and quality ratings.

**Duration:** A measure of the timing of the cash flows, such as the interest payments and the principal repayment, to be received from a given fixed-income security. This calculation is based on three variables: term to maturity, coupon rate, and yield to maturity. The duration of a security is a useful indicator of its price volatility for given changes in interest rates.

**Effective Return:** The sum of all investment income plus realized gains and losses.



**Fair Value:** The amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**Federal Agricultural Mortgage Corporation (FAMC):** Federal Agency established in 1988 that provides a secondary market for farm mortgage loans. Also known as Farmer Mac.

**Federal Farm Credit Bank (FFCB):** A government-sponsored institution that consolidates the financing activities of the Federal Land Banks, the Federal Intermediate Credit Banks, and the Banks for Cooperatives.

**Federal Funds (Fed Funds):** Funds in excess of bank reserve requirements that commercial banks deposit in Federal Reserve Banks. Member banks may lend federal funds to one another on an overnight basis.

**Federal Funds Rate:** The interest rate that is charged by banks with excess reserves at a Federal Reserve District Bank, to banks needing the money to meet reserve requirements.

**Federal Home Loan Banks (FHLB):** Government sponsored wholesale banks, which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district bank.

**Federal Home Loan Mortgage Corp (FHLMC or Freddie Mac):** A publicly chartered agency that buys qualifying residential mortgages from lenders, packages them into new securities back by those pooled mortgages, provides certain guarantees, and then resells the securities on the open market.

**Federal National Mortgage Association (FNMA or Fannie Mae):** A federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae is a private stockholder-owned corporation.

**Floating Rate Securities:** A bond whose interest rate is adjusted according to the interest of other financial instruments.

**Government National Mortgage Association (GNMA):** A wholly owned US Government corporation within the US Department of Housing and Urban Development (HUD). The main focus of Ginnie Mae is to ensure liquidity for US Government insured mortgages including those insured by the Federal Housing Administration, the Veterans Administration and the Rural Housing Administration. The GNMA guarantee carries the full faith and credit of the US Government and is considered to be the safest federal agency.

**Interest Rate:** See Coupon Rate.

**Liquidity:** An asset that can be converted easily and rapidly into cash without a substantial loss of value.

**Local Government Investment Pool (LGIP):** The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

**Mark-to-Market:** An adjustment to the book value of a security to reflect its current market value.

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

**Master Repurchase Agreement:** A written contract covering all future transactions between the parties to repurchase—reverse repurchase agreements that establishes each party's rights in the transactions.

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

**Money Market:** The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

**Moody's Investors Service:** A company that analyzes and rates securities, and provides a variety of other investment information to investors.

**Offer:** The price asked by a seller of securities. (When you are buying securities, you ask for an offer.)

**Par:** Face value or principal value of bond.

**Portfolio:** A collection of securities held by an investor.

**Premium:** The amount by which a security sells for a price that is above the security's par value.

**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.

**Prime Rate:** The interest rate banks charge to their most creditworthy customers. Interest rates on other loans often are based on the prime rate.

**Prudent Person:** An investment standard that outlines the fiduciary responsibilities of public funds investors relating to investment practices.

**Repurchase Agreement (Repo or RP):** An agreement in which the holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.

**Safekeeping:** A service to customers rendered by financial institutions to store and protect an investor's financial assets (e.g. securities).

**Securities and Exchange Commission (SEC):** The government agency that regulates and supervises the securities industry. The commission administers federal laws, formulates and enforces rules to protect against malpractice, and seeks to ensure that companies provide the fullest possible disclosure to investors. All of the national exchanges and virtually all institutions in the securities industry fall under its jurisdiction.

**SEC Rule 15C3-1:** See Uniform Net Capital Rule

**Securities Lending:** Securities lending is when entities transfer or "loan" their securities to broker-dealers in return for cash collateral and simultaneously agree to return the collateral in exchange for the same securities in the future. Entities then invest the cash received as collateral in allowable investments, such as commercial paper, at a rate that exceeds the "rebate" or loan rate paid to the broker/dealer for the cash collateral. These transactions are structured to result in earning an incremental income on a portion of the investment portfolio. The amount of securities loaned from the portfolio and the income generated is dependent upon market conditions.

**Standard and Poor's (S&P):** An investment service company known for its securities ratings and indices.

**Structured Notes:** Notes issued by Government Sponsored Enterprises and corporations, which have imbedded options (e.g., call features, step-up coupons, floating rate coupons, derivative-based returns) into their debt structure. Their market performance is impacted by the fluctuation in interest rates; the volatility of the imbedded options and shifts in the shape of the yield curve.

**Student Loan Marketing Association (SLMA or Sallie Mae):** A publicly traded stock corporation that guarantees student loans traded in the secondary market. It was established by federal decree in 1972 to increase availability of education loans to college and university students made under the federally sponsored Guaranteed Student Loan Program and the Health, Education Assistance Loan Program. Sallie Mae purchases student loans from originating financial institutions and provides financing to state student loan agencies.

**Tennessee Valley Authority (TVA):** A government agency established in 1933 to develop the Tennessee River area using money raised through the issuing of debt securities.

**Total Return:** The sum of all investment income plus realized and unrealized gains and losses.

**Treasury Bills:** A short-term discounted, government debt instrument of one year or less, issued in \$10,000 denominations that pays its face value at maturity.

**Treasury Bonds:** Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

**Treasury Notes:** Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years.

**Uniform Net Capital Rule:** SEC requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

**Yield:** The rate of annual income return on an investment, expressed as a percentage. (a) **Income Yield** is obtained by dividing the current dollar income by the current market price for the security. (b) **Net Yield** or **Yield to Maturity** is the current income yield 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 purchase to the date of maturity of the bond.

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**EXHIBIT B - FEES****B-1 Prices/Costs**

- (a) The City will pay the Company for services performed at a fee rate of:
  - (i) 4.2 Basis Points on the first \$150 million managed
  - (ii) 4.0 Basis Points above \$150 million managed
- (b) Fees are to be charged monthly based on the most recent month-end market value.
- (c) Annual fees not to exceed \$400,000
- (d) Optional Consolidated Reporting. If an option to provide a Consolidated Monthly Investment Report (in addition to the Monthly Investment Report for the assets the Company manages) aggregating the portions of the portfolio managed by the City internally, the other Investment Management Services provider, and the Company is accepted.
- (e) There may be a price adjustment for the remaining Contract option period, if exercised by the City. Only one written price adjustment request will be accepted from the Company per option period. Sixty (60) days prior to the end of the then current Contract term, the Company may present a written request for price adjustment for the City's consideration. Justification for a price increase must be substantiated with a CPI or PPI index.

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**CERTIFICATE - DISCLOSURE OF OWNERSHIP AND PRINCIPALS****1. Definitions**

"City" means the City of Las Vegas.

"City Council" means the governing body of the City of Las Vegas.

"Contracting Entity," means the individual, partnership, or corporation seeking to enter into a contract with the City of Las Vegas.

"Principal" means, for each type of business organization, the following: (a) sole proprietorship – the owner of the business; (b) corporation – the directors and officers of the corporation; but not any branch managers of offices which are a part of the corporation; (c) partnership – the general partner and limited partners; (d) limited liability company – the managing member as well as all the other members; (e) trust – the trustee and beneficiaries.

**2. Policy**

In accordance with Resolutions 79-99, 105-99 and RA-4-99, adopted by the City Council, Contracting Entities seeking to enter into certain contracts with the City of Las Vegas must disclose information regarding ownership interests and principals. Such disclosure generally is required in conjunction with a Request for Proposals (RFP). In other cases, such disclosure must be made prior to the execution of a contract.

**3. Instructions**

The disclosure required by the Resolutions referenced above shall be made through the completion of this Certificate. The Contracting Entity shall complete Block 1, Block 2, and Block 3. The Contracting Entity shall complete either Block 4 or its alternate in Block 5. Specific information, which must be provided, is highlighted.

**4. Incorporation**

An updated and notarized Certificate shall be incorporated into the resulting contract, if any, between the City and the Contracting entity. Upon execution of such contract, the Contracting Entity is under a continuing obligation to notify the City in writing of any material changes to the information in this Certificate. This notification shall be made within fifteen (15) days of the change. Failure to notify the City of any material change may result, at the option of the City, in a default termination (in whole or in part) of the contract, and/or a withholding of payments due the Contracting Entity.

<b>Block 1: Contracting Entity</b>	
<b>Name:</b> FHN Financial Main Street Advisors, LLC	
<b>Address:</b> 10655 Park Run Dr., Suite 120	<b>City / ST / Zip:</b> Las Vegas, NV 89144
<b>Telephone:</b> 702-575-6600	<b>EIN or DUNS :</b> 731719247
<b>Block 2: Description / Subject Matter of Contract</b>	
<b>Services for:</b> Investment Management Services	<b>Project Number:</b>
<b>Block 3:      <u>Type of Business</u></b>	
<input type="checkbox"/> Individual <input type="checkbox"/> Partnership <input checked="" type="checkbox"/> Limited Liability Company <input type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Other:	

**CERTIFICATE – DISCLOSURE OF OWNERSHIP AND PRINCIPALS (CONTINUED)****Block 4: Disclosure of Ownership and Principals**

In the space below, the Contracting Entity must disclose all principals (including partners) of the Contracting Entity, as well as persons or entities holding more than one-percent (1%) ownership interest in the Contracting Entity.

	FULL NAME/TITLE	BUSINESS ADDRESS	BUSINESS PHONE
1	First Horizon National Corp (Owner)	165 Madison Ave. Memphis, TN 38103	901-523-4444
2	Rick Phillips (President)	10655 Park Run Dr., Suite 120 Las Vegas, NV 89144	702-575-6666
3	Rick Bollinger (Manager)	845 Crossover Lane, Suite 150 Memphis, TN 38117	901-435-8203
4	Don Ritcheson (Manager)	845 Crossover Lane, Suite 150 Memphis, TN 38117	901-435-8014
5			
6			
7			
8			
9			
10			

The Contracting Entity shall continue the above list on a sheet of paper entitled "Disclosure of Ownership and Principals – Continuation" until full and complete disclosure is made. If continuation sheets are attached, please indicate the number of sheets: \_\_\_\_\_

**Block 5: Disclosure of Ownership and Principals – Alternate**

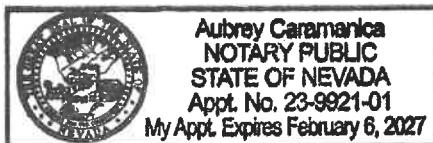
If the Contracting Entity, or its principals or partners, are required to provide disclosure (of persons or entities holding an ownership interest) under federal law (such as disclosure required by the Securities and Exchange Commission or the Employee Retirement Income Act), a copy of such disclosure may be attached to this Certificate in lieu of providing the information set forth in Block 4 above. A description of such disclosure documents must be included below.

Name of Attached Document: \_\_\_\_\_

Date of Attached Document: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

**Contracting Party Certification (Notarized signature required in event of contract award per section 4, "Incorporation")**

I certify under penalty of perjury, that all the information provided in this Certificate is current, complete and accurate. I further certify that I am an individual authorized to contractually bind the above named Contracting Entity.



*Aubrey Caramanica*  
Signature  
10-19-2023  
Date

Subscribed and sworn to before me this 19 day of October, 2023

*Aubrey Caramanica*  
Notary Signature