

# City of Reno Nevada Professional Services Agreement

## **AGREEMENT FOR INVESTMENT ADVISORY SERVICES**

This AGREEMENT FOR INVESTMENT ADVISORY SERVICES, ("Agreement") is entered into this \_\_\_\_ day of \_\_\_\_\_, 2024 by and between **U.S. Bancorp Asset Management, Inc., a Delaware corporation** whose address is 800 Nicollet Mall, Minneapolis, MN 55402, hereinafter referred to as the ("**ADVISOR**") and the City of Reno, a municipal corporation in the State of Nevada, whose address is One East First Street, Reno, Nevada 89501 and hereinafter referred to as the ("**CITY**").

### **RECITALS**

**WHEREAS**, City has a need for INVESTMENT ADVISORY SERVICES; and

**WHEREAS**, as a result of a request for proposal process, it has been determined that ADVISOR, through its PFM Asset Management division, is duly qualified and experienced in the performance of said services; and

**WHEREAS**, CITY desires to retain the services of ADVISOR as outlined in scope of services below; and

**NOW, THEREFORE**, in consideration of the aforesaid recitals, which are incorporated by reference into this Agreement, the parties mutually agree as follows:

### **ARTICLE I**

#### **SCOPE OF SERVICES TO BE PERFORMED BY ADVISOR**

1.1 Specific Services: ADVISOR agrees to provide services and deliverables as described in this agreement.

1.2 Changes of Scope of Work: No substantial changes to the scope of services may be made without prior written approval of both CITY and ADVISOR.

1.3 Principal-in-Charge: It is agreed and understood by CITY and ADVISOR that ADVISOR will be the principal in charge of the work as described. ADVISOR will provide the CITY with prior written notice of any changes to the principal-in-charge.

### **ARTICLE II**

#### **TERM OF AGREEMENT**

2.1 Term of Agreement: This Agreement shall be effective commencing as of the date this agreement is executed unless otherwise terminated or extended. The Agreement will run for five (5) years plus two (2), one (1) year extensions as authorized under Section 2.2.

2.2 Extension Approval: The City Council authorizes the City's Finance Director to engage and enter into the two (2) additional one-year extensions after the original 5-year term expires.

### **ARTICLE III COMPENSATION TERMS AND CONDITIONS**

3.1 Compensation & Reimbursement: For services provided by the ADVISOR pursuant to this Agreement, the CITY shall pay the ADVISOR an annual fee of three (3) basis points (0.03%), in monthly installments, based on the daily net assets under management.

“Daily net assets” is defined to include the amortized value of securities, accrued interest and the market value of cash or any money market fund balance. The ADVISOR’s annual fee shall start to accrue as of the date that the CITY’s account is funded.

The minimum annual fee is \$40,000, and such minimum annual fee shall be applied in equal monthly installments. For avoidance of doubt, in any month commencing with the funding of the CITY’s account where the amount of the fee calculated under the schedule above is less than the amount of such equal monthly installment, then the amount of such equal monthly installment shall be applied.

Assets invested by the ADVISOR under the terms of this Agreement may from time to time be invested in a money market mutual fund or a local government investment pool managed by the ADVISOR or an affiliate of the ADVISOR (either, a “Pool”). Average daily net assets subject to the fees described in this Agreement shall not take into account any funds invested in the Pool. Expenses of the Pool, including compensation for the ADVISOR or the affiliate of the ADVISOR, as applicable, and the Pool custodian, are described in the relevant prospectus or information statement and are paid from the Pool.

In addition, if events or circumstances are encountered that result in a modification to the scope of the engagement, cost adjustments may be required. However, any proposed cost adjustments will be discussed in detail and negotiated with the CITY’s Finance Director and subject to final approval by the CITY’s Finance Director.

3.2 Method of Payment: The manner of payment for the duration of the Agreement shall be as follows:

- (a) ADVISOR shall submit to the CITY monthly for service performed under this Agreement, said bill to include a statement indicating the basis upon which the fee was calculated. The CITY shall pay to the Advisor the amount payable pursuant to this Agreement not later than on the 15th day of the month following the month during which the ADVISOR's statement was rendered;
- (b) As a condition precedent to any payment to ADVISOR under this Agreement, ADVISOR shall submit monthly to the CITY a statement of account which clearly sets forth by dates the designated items of work for which the billing is submitted and the purchase order number that has been assigned for this Agreement; and
- (c) Original billing invoices should be addressed to:

City of Reno  
Attention: Accounts Payable  
P.O. Box 1900  
Reno, NV 89505

## **ARTICLE IV OBLIGATIONS OF CITY**

4.1 CITY Responsibilities: Unless otherwise specified in this Agreement, the CITY shall be responsible for providing cash flow projections when requested and maintain a custodial bank (the "Custodian") for investment transactions.

4.2 CITY Principal Contact: The CITY shall designate in writing a staff person to act as the CITY's principal contact with respect to the ADVISOR for services to be performed under this Agreement, and such person shall have complete authority to transmit instructions, receive information, interpret and define the CITY's policies and decisions with respect to services covered by this Agreement.

4.3 Special Services: No additional services shall be performed, and no additional compensation shall be permitted without a City approved written supplemental agreement. This supplemental agreement must be approved by the City's Finance Director, City Manager or City Council depending on the signatory authority required. Further, such supplemental agreement must be executed prior to the commencement or performance of any additional work.

## **ARTICLE V OBLIGATIONS OF ADVISOR**

5.1 Performance: ADVISOR agrees to devote the time necessary to complete performance of the described services covered under this Agreement. ADVISOR is not precluded hereunder from representing or performing services for and being employed by other persons or companies, provided that such services do not create a conflict of interest relative to the CITY.

(a) ADVISOR shall serve as investment adviser with respect to the initial funds and such other funds as the CITY may from time to time assign to ADVISOR (collectively the "Managed Funds").

(b) ADVISOR will provide investment research and supervision of the Managed Funds investments and conduct a continuous program of investment, evaluation and, when appropriate, sale and reinvestment of the Managed Funds assets.

(c) ADVISOR shall continuously monitor investment opportunities and evaluate investments of the Managed Funds.

(d) ADVISOR shall provide CITY with monthly statistical information and reports with respect to investments of the Managed Funds.

(e) ADVISOR shall place all orders for purchase, sale, loan or exchange of portfolio securities for the CITY's account with brokers or dealers recommended by ADVISOR and/or CITY. ADVISOR is authorized as agent of the CITY to give instructions to the Custodian designated by CITY concerning deliveries of securities and payments of cash for the account of the CITY.

(f) ADVISOR shall seek, for the CITY, the most favorable execution and price, the determination of which may take into account, subject to any applicable laws, rules and regulations, whether statistical, research and other information or services have been or will be furnished to the ADVISOR by such brokers or dealers.

(g) ADVISOR will observe the instructions of the CITY with respect to broker/dealers who are approved to execute transactions involving the Managed Funds and in the absence of such instructions will engage broker/dealers which ADVISOR reasonably believes to be reputable, qualified and financially sound.

(h) The Custodian shall have custody of the cash, securities and other assets of the CITY.

ADVISOR shall not take possession of or act as custodian for the cash, securities or other assets of the CITY and shall have no responsibility in connection therewith.

(i) ADVISOR shall only invest in those investments that are currently authorized by the CITY's investment policy statement, which includes those currently authorized by state investment statutes or as otherwise supplemented with written instructions as may from time to time be provided by the CITY.

(j) ADVISOR shall maintain records of all transactions in the Managed Funds, ADVISOR shall provide CITY with a monthly report showing deposits, withdrawals, purchases and sales (or maturities) of investments, earnings received, and the value of assets held on the last business day of the month. The report shall be in a format and manner that is mutually agreed upon by ADVISOR and CITY.

(k) Annually ADVISOR shall review CITY'S investment policy and provide suggested language modifications or updates based on the investment objectives communicated to the ADVISOR by CITY.

(l) ADVISOR shall attend CITY Council meetings when reasonably requested by the City's Finance Director.

5.2 Registered Advisor: Duty of Care: ADVISOR hereby represents it is a registered investment adviser under the Investment Advisers Act of 1940, as amended. ADVISOR shall immediately notify CITY if at any time during the term of this Agreement it is not so registered or if its registration is suspended. ADVISOR agrees to perform its duties and responsibilities under this Agreement with reasonable care. The federal securities laws impose liabilities under certain circumstances on persons who act in good faith. Nothing herein shall in any way constitute a waiver or limitation of any rights which CITY may have under any federal securities laws. CITY hereby authorized ADVISOR to sign I.R.S. Form W-9 on behalf of CITY and to deliver such form to broker/dealers or others from time to time as required in connection with securities transactions pursuant to this Agreement.

ADVISOR warrants that it has delivered to CITY, prior to the execution of this Agreement, ADVISOR'S current Securities and Exchange Commission ("SEC") Form ADV, Part 2A (brochure) and Part 2B (brochure supplement). CITY acknowledges receipt of such brochure and brochure supplement prior to execution of this agreement.

5.3 Assignment: Neither this Agreement nor any duties or obligations, including the right to receive payment, under this Agreement may be assigned by ADVISOR without the prior consent of the CITY, except if the rights and obligations of the Advisor are assigned to the Advisor's parent company, U.S. Bancorp Asset Management, Inc., or any other U.S. Bancorp affiliated registered investment adviser, provided, however, that the Client be provided seven (7) days written notice of such assignment.

5.4 Compliance: ADVISOR shall, at their own expense, obtain and pay for all licenses, permits or fees and agree to observe and comply with all applicable federal, state and local laws, rules and regulations, including but not limited to, compliance with State of Nevada Workers' Compensation laws and City of Reno business license requirements.

5.5 Independent Contractor: The parties understand and agree that ADVISOR is an independent contractor as recognized under Nevada law. Accordingly, with respect to the ADVISOR, the CITY will NOT:

- a) Withhold any income taxes;
- b) Provide workers' compensation coverage;
- c) Provide group insurance plans which may be available to CITY employees;

- d) Participate or contribute by either the independent contractor or the CITY to the public employees' retirement system;
- e) Provide for vacation leave or sick leave; or
- f) Approve or authorize unemployment compensation coverage.

5.6 Worker's Compensation Insurance: As required by the laws of the State of Nevada, ADVISOR shall carry during the term of this Agreement, Worker's Compensation Insurance under the laws of the State of Nevada, to cover any compensable injuries or diseases arising during the performance of this Agreement. Specifically, ADVISOR shall comply with the provisions of NRS Chapters 616A, 616B, 616C regarding Industrial Insurance, and NRS Chapters 617 and 618 regarding Occupational Diseases, Safety and Health.

5.7 Insurance: ADVISOR shall maintain comprehensive general liability coverage for limits of not less than one million dollars (\$1,000,000) for bodily injury and property damages, per occurrence during the term of this Agreement. The City to be an additional insured with thirty (30) day notice of termination requirement for reasons other than non-payment of premium and at least ten (10) days for non-payment of premium. Automobile coverage of no less than \$1,000,000 combined single limit per accident for bodily injury and property damage. No aggregate limit may apply. ADVISOR shall also maintain during the term of this Agreement professional liability insurance in the amount of not less than Two Million Dollars (\$2,000,000.00) per claim and Four Million Dollars (\$4,000,000) aggregate. As evidence of insurance coverage, the CITY will accept certification of insurance by an authorized representative of the insurance carrier. Each certificate will bear a thirty (30) day written notice of cancellation to the CITY for reasons other than non-payment of premium and at least ten (10) days for non-payment of premium. Certificates of insurance should be delivered to the office of the Risk Manager c/o Reno City Attorney's Office, at; 1 E. 1<sup>st</sup> Street, Reno, NV 89501, or mailed to: P.O. Box 1900, Reno, NV 89505.

## **ARTICLE VI TERMINATION OF AGREEMENT AND SERVICES**

6.1 Notice and Termination: This Agreement and all services to be rendered hereunder may be terminated at any time upon ninety (90) days written notice from either party. In such event, all finished and unfinished documents, project data and reports shall become CITY property and shall be delivered to it or to any party it may designate. In the event of such termination, ADVISOR shall be paid for the work actually performed prior to the effective date of termination, plus any agreed-on work required for closing the services.

6.2 Cancellation may occur in the event the type, quality and/or work is unsatisfactory to the City of Reno. In the event ADVISOR does not perform in an acceptable and/or satisfactory manner or is in default for whatever reason, the City of Reno reserves the right to cancel the Agreement and to procure the product(s) or service from other sources and hold the contractor responsible for any excess cost occasioned thereby.

6.3 In the event the City of Reno fails to obligate requisite funds for the ensuing fiscal year(s) for payment of amounts due against this Agreement, necessitating cancellation of this Agreement, ADVISOR shall agree to hold the City of Reno free from any charge or penalty. The CITY agrees to promptly notify the ADVISOR of any non-appropriation event.

## ARTICLE VII GENERAL PROVISIONS

7.1 Entire Agreement: This Agreement supersedes any and all agreements, either oral or written between the parties hereto with respect to rendering of services by ADVISOR for the CITY and contains all of the covenants and agreements between the parties with respect to the rendering of such services in any manner whatsoever. Each party of this Agreement acknowledges that no representation, inducements, promises, or agreements orally or otherwise have been made by any party that are not embodied herein, and that no other agreement, statement or promise not contained in this Agreement shall be valid or binding. Any modification of this Agreement will be effective only if it is in writing and signed by the parties to this Agreement.

7.2 Nondiscrimination. In connection with the performance of work under this Agreement, the ADVISOR shall not discriminate against any employee or applicant for employment because of age, race, creed, religion, color, veteran status, sex, sexual orientation (means having or being perceived as having an orientation for heterosexuality, homosexuality, or bi-sexuality), gender identity or gender expression (means a gender-related identity, appearance, expression, or behavior of a person regardless of the person's assigned sex at birth), physical condition, disability, national origin, or any other protected class status applicable under federal, state or local law, rule or regulation. Race includes traits associated with race, including, without limitation, hair texture and protective hairstyles. Any violation of this provision shall constitute a material breach of contract.

7.3 Approvals. Whenever this Agreement calls for CITY approval, consent, or waiver, the written approval, consent, or waiver of the City's Finance Director shall constitute the approval, consent, or waiver of the CITY, without further authorization required from the City Council. Where this Agreement specifically refers to City Council, then City Council approval, consent or waiver is required. The City hereby authorizes the foregoing persons to deliver such approvals or consents as are required by this Agreement, or to waive requirements under this Agreement, on behalf of the City.

7.4 Waiver: The waiver by either party of a breach or violation of any provision of this Agreement will not operate as or be construed to be a waiver of any subsequent breach thereof.

7.5 Records: Upon reasonable notice, ADVISOR'S books, documents, papers and records ("Records") specifically relating to this Agreement shall be open for inspection and subject to audit, examination, excerpts and transactions, during working hours by the CITY, Reno City Attorney, the City's Finance Department, or any of their duly authorized representatives at the expense of the CITY. ADVISOR shall maintain all Records for four (4) years after the date of final payment and close of all other pending matters.

7.6 Indemnification:

- (a) To the fullest extent permitted by law, ADVISOR shall assume the defense of, indemnify and hold harmless the CITY and its officers, agents, employees, and volunteers (collectively "Indemnitees") from and against any claim, loss, damage, injury (including, without limitation, injury to or death of an employee of the advisor or its sub-advisor's) and liability of every kind, nature and description (including without limitation, court costs, attorneys' fees and costs of investigation) that arise directly or indirectly, in whole or in part, from any wrongful act or omission, whether negligent or intentional, of ADVISOR, and sub-advisors to the ADVISOR, anyone

directly or indirectly employed by it, agents of advisor, or anyone that they control (collectively “Liabilities”) in connection with the performance of services under this Agreement, even if such Liabilities are caused in part by the negligence of any indemnitee, subject to the provisions set forth below in this section.

- (b) ADVISOR assumes no liability for the sole negligence or willful misconduct of Indemnitees.
- (c) ADVISOR’s indemnification obligations for claims involving “Professional Liability” (claims involving acts, error, or omissions in the rendering of professional services) and “Economic Loss Only” (claims involving economic loss which are not connected with bodily injury or physical damage to property) shall be limited to the proportionate extent of ADVISOR’s negligence or other breach of duty.
- (d) Any and all Federal, State and local taxes, charges, fees, or contributions required by law to be paid with respect to ADVISOR’s performance of this Agreement (including, without limitation, unemployment insurance, social security, business license taxes, and income taxes) shall be ADVISOR’s sole liability.

.7 Governing Law: This Agreement shall be administered and interpreted under the laws of the State of Nevada. If any part of this Agreement is found to be in conflict with applicable laws, such part shall be inoperative, null and void insofar as it is in conflict with said laws, but the remainder of this Agreement shall be in full force and effect. Any action at law, suit or equity or judicial proceeding for the enforcement of this Agreement or any provision thereof shall be instituted in a court of competent jurisdiction located in Washoe County, Nevada.

7.8 Drafting: This Agreement shall not be construed for or against a party by virtue of which party drafted the terms and conditions of this Agreement. This Agreement shall be construed and interpreted under the laws of the State of Nevada.

7.9 Arbitration: Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, provided both parties agree, may be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association and judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

7.10 Limited Liability: The parties will not waive and intend to assert available defenses and limitations contained in Chapter 41 of the Nevada Revised Statutes. Contract liability of both parties shall not be subject to punitive damages. Actual damages for any City breach shall never exceed the amount of funds which have been appropriated for payment under this Agreement, but not yet paid, for the fiscal year budget in existence at the time of the breach.

7.11 Bankruptcy: In the event either party applies for or consents to the appointment of a receiver, trustee, or liquidator of itself or of all or a substantial part of its assets, files a voluntary petition in bankruptcy, admits in writing its inability to pay its debts as they become due, make a general assignment for the benefit of creditors, files a petition or an answer in seeking a reorganization or arrangement with creditors or, as a debtor, invoke or takes advantage of the provisions of any insolvency law, including without limitation any provision of the United States Bankruptcy Act, or any proceeding in any court is instituted seeking to adjudicate either party as a debtor, bankrupt or insolvent, and the same shall not be dismissed or discharged within thirty (30) days after notice thereof given to the appropriate

party, the other party may by unilateral notice terminate this Agreement effective on any future date specified in such notice.

7.12 Notices: All notices, requests, demands and other communications which are required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given upon the delivery by registered mail, certified mail, return receipt requested, or Federal Express, as follows:

CITY: CITY OF RENO  
Vicki Van Buren, Finance Director  
One East First Street, 12<sup>th</sup> Floor  
Reno, Nevada 89501

With copy to: Reno City Attorney  
P.O. Box 1900  
Reno, Nevada 89505

ADVISOR: U.S. Bancorp Asset Management, Inc.  
800 Nicollet Mall  
Minneapolis, MN 55402  
Attn: Head of Distribution

With copy to: U.S. Bancorp Asset Management, Inc.  
800 Nicollet Mall  
Minneapolis, MN 55402  
Attn: Legal

A change in the designation of the person or address to which submittals, requests, notices and reports shall be delivered is effective when the other party has received notice of the change by certified mail.

7.13 Authorization to Sign: The parties hereby warrant that the persons executing this Agreement are authorized to execute this Agreement and are authorized to obligate the respective parties to perform this Agreement.

*[Signature Page Follows]*



IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed and intend to be legally bound thereby.

Executed on this \_\_\_\_\_ day of \_\_\_\_\_ 2024.

**CITY:**

CITY OF RENO, NEVADA

**ADVISOR:**

U.S. BANCORP ASSET MANAGEMENT, INC.

E-SIGNED by Jill Stevenson

\_\_\_\_\_  
By: Vicki Van Buren, Finance Director

\_\_\_\_\_  
By: Jill Stevenson  
Title: Head of Operations and Mutual Fund Treasurer  
Address: 800 Nicollet Mall, Minneapolis, MN 55402

Dated: 9/24/2024

**ATTEST:**

\_\_\_\_\_  
Mikki Huntsman, City Clerk

**APPROVED AS TO LEGAL FORM:**

\_\_\_\_\_  
Deputy City Attorney