SUBJECT: RESOLUTION NO. 65, SERIES 2025 – A RESOLUTION APPROVING A FIRST AMENDMENT / EXTENSION TO THE AGREEMENT BY AND BETWEEN THE CITY OF LOUISVILLE AND CHANDLER ASSET MANAGEMENT, INC. FOR INVESTMENT MANAGEMENT SERVICES

DATE: SEPTEMBER 16, 2025

PREPARED BY: RYDER BAILEY, CPA, FINANCE DIRECTOR

PRESENTED BY: DIANA LANGLEY, CITY MANAGER

SUMMARY:

Staff is seeking Council's approval to extend the existing contract with Chandler Asset Management for Professional Investment Management Services through September 30, 2027.

BACKGROUND / PRIOR DISCUSSIONS:

On November 9, 2009, the City issued a Request for Proposals (RFP) for Investment Management Services. On February 16, 2010, the City Council awarded the bid and approved the execution of a contract with Davidson Fixed Income Management (Davidson). The contract term was for five years with an option to renew for an additional two years.

In March 2014, Scott Prickett, the City's portfolio manager at Davidson, resigned and moved to Chandler Asset Management (Chandler). In order to provide portfolio continuity and consistency, Davidson agreed to assign their current contract with the City to Chandler. This assignment was approved by the Finance Committee and executed by the City Manager on May 16, 2014.

On February 3, 2015, the City Council approved an option to extend the investment management services contract with Chandler for an additional two years.

On July 5, 2017, the City Council approved a new investment management services contract with Chandler for an additional three years with two one-year options to renew. The contract included the same fee schedule that was approved in the original 2010 contract.

On July 14, 2020, the City Council approved an option to extend the investment management services contract with Chandler for an additional one year, and the contract allowed for an additional one-year extension.

In October 2022, the City Council approved a two-year agreement with Chandler Asset Management for Investment Management Services ending September 30, 2024, with three one-year renewal options, which if executed, places the termination date on September 30, 2027.

ANALYSIS:

The City has successfully engaged external professional Investment Management services for over a decade. Staff is seeking Council's approval to extend the existing contract with Chandler Asset Management for Professional Investment Management Services through September 30, 2027.

Prior to the expiration of the contract in 2027, staff will solicit proposals from investment management firms to confirm the services received from Chandler Asset Management or consider other asset management firms.

2025 COUNCIL WORK PLAN:

Core Services - Managing City Cash and Investments per City Financial Policies, Financial Policy 6 – Investments.

FISCAL IMPACT:

Budgeted?: **Yes**
Management Fees are budgeted and are allocated proportionally to funds based on their average cash balances.

The contract fee schedule is based on the average monthly balance of the managed portfolio. To determine if the fees are reasonable, staff inquired with other surrounding agencies and deemed the fees to be inline with standard practices.

Chart 1: Fee Schedule

Average Monthly Balance	Annualized Fee
$0 to $10,000,000	0.10%
$10,000,001 to $25,000,000	0.08%
$25,000,001 to $40,000,000	0.07%
$40,000,001 to $100,000,000	**0.06%**
$100,000,000 to 150,000,000	0.05%
Over $150,000,001	0.04%

Note: The City's average monthly balance falls within the $40M to $100M range and is charged 6 basis points (bps).

ALTERNATIVE(S):

Council could approve a contract extension for one year, through September 30, 2026, and direct staff to solicit proposals in 2026 from other investment management firms for consideration.

RECOMMENDATION:

Staff recommend approval of Resolution No. 65, Series 2025, and the contract extension with Chandler Asset Management through September 30, 2027.

ATTACHMENT(S):

1. Resolution No. 65, Series 2025
2. First Amendment / Extension to the Agreement by and between the City of Louisville and Chandler Asset Management, Inc. for Investment Management Services
3. Original Contract, Investment Management Agreement, dated October 3, 2022

RESOLUTION NO. 65
SERIES 2025

A RESOLUTION APPROVING A FIRST AMENDMENT / EXTENSION TO THE AGREEMENT BY AND BETWEEN THE CITY OF LOUISVILLE AND CHANDLER ASSET MANAGEMENT, INC. FOR INVESTMENT MANAGEMENT SERVICES

WHEREAS, the City and Chandler Asset Management, Inc., are parties to an Investment Management Agreement dated October 3, 2022; and

WHEREAS, by that First Amendment / Extension to the Agreement by and between the City of Louisville and Chandler Asset Management, Inc., a copy of which accompanies this resolution, the City desires to extend the term of such agreement to September 30, 2027.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOUISVILLE, COLORADO:

Section 1. The City Council hereby approves the First Amendment / Extension to the Agreement by and between the City of Louisville and Chandler Asset Management, Inc. (the "First Amendment") in substantially the same form as the copy of such First Amendment accompanying this Resolution.

Section 2. The Mayor is hereby authorized to execute the First Amendment on behalf of the City, and the Mayor is hereby further authorized to negotiate and approve such revisions to the First Amendment as the Mayor determines are necessary or desirable for the protection of the City, so long as the essential terms and conditions of the First Amendment are not altered.

PASSED AND ADOPTED this ____ day of ______________, 2025.

____
Christopher M. Leh, Mayor

ATTEST:

____
Genny Kline, Interim City Clerk

FIRST AMENDMENT / EXTENSION TO THE AGREEMENT BY AND BETWEEN THE CITY OF LOUISVILLE AND CHANDLER ASSET MANAGEMENT, INC. FOR INVESTMENT MANAGEMENT SERVICES

This First Amendment is attached to and made part of the Investment Management Agreement, dated October 3, 2022 ("Agreement") between **Chandler Asset Management, Inc.** ("Vendor") and the **City of Louisville, Colorado** ("City").

WHEREAS, Vendor and City by this Amendment desire to amend the Agreement to extend the Term as set forth herein.

NOW THEREFORE, Vendor and City hereby agree to the following change to the Term, Found under Section 1 of the Original Agreement (words to be deleted ~~stricken~~; words to be added underlined):

1. Term. The term of this Agreement shall commence on October 1, 2022, and shall terminate on September 30, ~~2024~~ 2027, unless earlier terminated upon receipt of written notice of termination delivered by the terminating party.

THIS AMENDMENT IS ACCEPTED AND AGREED TO BY:

Chandler Asset Management, Inc.	**City of Louisville, Colorado**
Signature:_________________________	Signature:______________________
Name:__Nicole Dragoo_______________	Name:__Christopher Leh_________
Title:_CEO______________________	Title:__Mayor___________________
Date:______________________________	Date:__________________________

CHANDLER
ASSET MANAGEMENT

INVESTMENT MANAGEMENT AGREEMENT
(Institutional Client, Non-ERISA)

City of Louisville, Colorado (Client) hereby retains Chandler Asset Management, Inc. (Chandler) as Investment Adviser on the terms and conditions set forth herein.

1. Term. The term of this Agreement shall commence on October 1, 2022 and shall terminate on September 30, 2024, unless earlier terminated upon receipt of written notice of termination delivered by the terminating party. Notwithstanding the foregoing, this Agreement may be extended for three (3) successive one-year terms upon mutual, written approval by the Client.

2. Fees. Client shall compensate Chandler monthly an amount calculated on the average market value of Client's portfolio, including accrued interest, in accordance with the following schedule:

Assets Under Management	Annual Investment Management Fee
$0 to $10 million	0.10 of 1% (10 basis points)
$10,000,001 to $25,000,000	0.08 of 1% (8 basis points)
$25,000,001 to $40,000,000	0.07 of 1% (7 basis points)
$40,000,001 to $100,000,000	0.06 of 1% (6 basis points)
$100,000,001 to $150,000,000	0.05 of 1% (5 basis points)
Over $150,000,001	0.04 of 1% (4 basis points)

For example, if the portfolio averaged $40,000,000 for a month, the monthly fee calculation would be:

[(MVACC on the 1st day of the month +MVACC on last day of the month)/2 x (.0006)/12)]

The fees expressed above do not include any custody fees that may be charged by Client's bank or other third party custodian.

Fees shall be prorated to the effective date of termination on the basis of actual days elapsed, and any unearned portion of prepaid fees shall be refunded. Client is not required to pay any start-up or closing fees; there are no penalty fees.

Fees will be calculated and payable at the end of each month. Assets deposited in Colorado Local Government Investment Pools (such as CSAFE or Colotrust) will be excluded from the above fee calculation.

3. Client Representative. In its capacity as investment manager, Chandler shall receive all instructions, directions and other communications on Client's behalf respecting Client's account from the City's Finance Director (Representative). Chandler is hereby authorized to rely and act upon all such instructions, directions and communications from such Representative or any agent of such Representative.

4. Investment Policy. In investing and reinvesting Client's assets, Chandler shall comply with Client's Investment Policy, which is attached hereto as Exhibit A.

5. Authority of Chandler. Chandler is hereby granted full discretion to invest and reinvest all assets under its management in any type of security it deems appropriate, subject to the instructions given or guidelines set by Representative.

6. Notices. All reports and other communications required hereunder to be in writing shall be delivered in person, or sent by first-class mail postage prepaid, by overnight courier, by confirmed facsimile with original to follow or by confirmed electronic mail with proof of receipt to the addresses set forth below. Either party to this Agreement may, by written notice given at any time, designate a different address for the receipt of reports and other communications due hereunder.

    Chandler Asset Management
    Attn: Nicole Dragoo
    6225 Lusk Boulevard
    San Diego, CA 92121
    ndragoo@chandlerasset.com

    CLIENT
    Attn: Finance Director
    Address: 749 Main Street
    City, ST ZIP: Louisville, CO 80027
    Email:

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

    Client email address(s):____

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

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

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

11. Investment Advice. Client recognizes that the opinions, recommendations and actions of Chandler will be based on information deemed by it to be reliable, but not guaranteed to or by it. Provided that Chandler acts in good faith, Client agrees that Chandler will not in any way be liable for any error in judgment or for any act or omission, except as may otherwise be provided for under the Federal Securities laws or other applicable laws.

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

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

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

15. No Assignment& Amendments. Neither party may assign, directly or indirectly, all or part of its rights or obligations under this Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed. This Agreement may be amended at any time by mutual agreement in writing.

16. Governing Law. It is understood that this Agreement shall be governed by and construed under and in accordance with the laws of the State of California.

17. Severability. Any provision of this Agreement which is prohibited or unenforceable shall be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof.

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

19. Arbitration. It is agreed that any controversy between Chandler and the Client arising out of Chandler business or this Agreement, shall be submitted to arbitration conducted under the provisions of the commercial arbitration rules of the American Arbitration Association. Arbitration must be commenced by service upon the other party of a written demand for arbitration or a written notice of intention to arbitrate, therein electing the arbitration tribunal. In the event the Client does not make such election within five (5) days of such demand or notice, then the Client authorizes Chandler to do so on the Client's behalf. Judgment upon any award rendered by the arbitrators shall be final and may be entered in any court having jurisdiction thereof. This clause does not constitute a waiver of any right including the right to choose the forum, whether arbitration or adjudication, in which to seek resolution of disputes.

Client

By:________________________ 10-3-2022
Date

Name & Title: ~~Ashley Stolzmann, Mayor~~ Dennis Maloney, Mayor Pro Tem

Chandler Asset Management, Inc.,
a California Corporation

By:________________________
Nicole Dragoo
President
Date