



STANDARD AGREEMENT

(version 2-20-2018)

This AGREEMENT (“Agreement”) is entered by and between **Valley View Consulting, L.L.C.** (“Contractor”), located at **2428 Carters Mill Road, Huddleston, VA 24104-4003** and **City of League City** (“City”), a municipal corporation, located at 300 W. Walker, League City, Texas 77573 on the date set forth below.

Terms:

- 1. Scope of Services:** Contractor will perform the designated services and/or provided the designated products, as set forth in **Exhibit A**, which is attached and incorporated herein, and which can be generally described as **Investment Advisory Services**. If there is a conflict between the terms of this Agreement and Exhibit A, the terms of this Agreement will prevail.
- 2. Term and Termination:** This Agreement shall begin on **November 13, 2018** and shall terminate on **November 12, 2019**. This City reserves the right to terminate this Agreement for convenience upon seven (7) days-notice to the Contractor. Upon such termination, the City shall pay Contractor, at the rate set out in **Exhibit A**, for services satisfactorily performed or products satisfactorily provided up through the date of termination. Notwithstanding any provision in this Agreement to the contrary, the City will not be required to pay or reimburse Contractor for any services performed or for expenses incurred by Contractor after the date of the termination notice that could have been avoided or mitigated by Contractor. In the event this Agreement is terminated, all investments and/or funds held by the Contractor shall be returned to the City as soon as practicable. In addition, the parties hereto agree that upon termination of this Agreement the Contractor shall have no continuing obligation to the City regarding the investment of funds or performing any other services contemplated herein. This Agreement is eligible for **1** renewal option(s) with a term of **1** year.
- 3. Compensation:** Contractor shall be paid for the services, as set forth in **Exhibit A**, attached and incorporated for all purposes. In no event shall the total compensation exceed **\$50,000.00** during the term of this Agreement. The City shall pay Contractor in accordance with the Texas Government Code 2251. Contractor must submit invoices for all services, which invoices must include dates of service and details of services provided. Payment for delivery of services rendered shall not be unreasonably withheld or delayed. If the City disapproves any amount submitted for payment by Contractor, the City shall give Contractor specific reasons for disapproval in writing. Upon resolution of any disputed charges, Contractor shall submit an amended invoice covering any remaining charges to the City.
- 4. Insurance:** The Contractor **is** required to maintain insurance through the term of this Agreement. If required by the City, Contractor shall maintain Comprehensive General Liability insurance coverage of \$1,000,000 per occurrence or medical malpractice insurance (whichever applies) throughout the entire term of the Agreement. If at any point during the Agreement, Contractor will enter City property, Contractor shall also maintain the following insurance: (i) Worker’s Compensation coverage with statutory limits for the State of Texas, including Employers Liability coverage of \$500,000 per accident; (ii) Commercial Automobile Liability coverage of \$1,000,000 Combined Single Limit; (iii) for engineers and architects only: Professional Liability coverage of \$5,000,000 per occurrence; and (iv) for builders only: Builder’s Risk coverage in the amount of the construction cost, including protection against named windstorm and flood. All policies must contain a waiver of subrogation against City. Comprehensive General Liability and

Commercial Automobile Liability policies must name the City as Additional Insured. Contractor shall pay all insurance deductibles and deductibles must not exceed \$10,000 unless approved in advance by City. Contractor shall provide City Certificates of Insurance evidencing these insurance requirements prior to the start of work.

5. **Independent Contractor:** Contractor is an independent contractor and is not an employee, partner, joint venture, or agent of the City. Contractor understands and agrees that he/she will not be entitled to any benefits generally available to City of League City employees. Contractor shall be responsible for all expenses necessary to carry out the services under this Agreement and shall not be reimbursed by the City for such expenses except as otherwise provided in this Agreement.
6. **Intellectual Property:** This Agreement shall be an Agreement for services and the parties intend and consider any work created as a result of this Agreement, including any and all documentation, images, products or results, to be a work for hire under federal copyright law. Ownership of the work shall belong to and remain the exclusive property of the City. The work may be edited at any time within the City's discretion. If the work would not be considered a work-for-hire under applicable law, Contractor hereby assigns, transfers, and conveys any and all rights, title and interest to City of League City, including without limitation all copyrights, patents, rights of reproduction, rights to ownership, and right to secure registrations, renewals, reissues and extensions thereof. As the sole copyright holder of the work, the City maintains and asserts the rights to use, reproduce, make derivative works from, and/or edit the Work in any form of medium, expression or technology now known or hereafter developed, at any time within the City's discretion. Contractor shall not sell, disclose or obtain any other compensation for the services provided herein. If the work is one to which the provisions of 17 U.S.C. § 106A apply, the Contractor hereby waives and appoints the City to assert on the Contractor's behalf the Contractor's moral rights or any equivalent rights regarding the form or extent of any alteration to the work (including, without limitation, removal or destruction) or the making of any derivative works based on the Work, including, without limitation, photographs, drawings or other visual reproductions of the work, in any medium, for the City's purposes.
7. **Confidentiality:** During the course of the work and/or services to be provided under this Agreement, Contractor may come in contact with confidential information of the City. Contractor agrees to treat as confidential the information or knowledge that becomes known to Contractor during performance of this Agreement and not to use, copy, or disclose such information to any third party unless authorized in writing by the City. This provision does not restrict the disclosure of any information that is required to be disclosed under applicable law. Contractor shall promptly notify the City of any misuse or unauthorized disclosure of its confidential information and upon expiration of this Agreement shall return to the City all confidential information in Contractor's possession or control. Contractor shall further comply with all information security policies of the City that may apply and shall not make any press releases, public statements or advertisement referring to the services provided under this Agreement or the engagement of Contractor without the prior written approval of the City.
8. **Warranties and Representations:** Contractor warrants and agrees that Contractor shall perform the Services and conduct all operations in conformity with all applicable federal, state, and local laws, rules, regulations, and ordinances. For any Service performed on premises owned or controlled by the City, Contractor warrants and agrees that Contractor will perform the Services in compliance with all City Rules, including but not limited to, prohibitions related to tobacco use, alcohol, and other drugs.
9. **Licenses/Certifications:** Contractor represents and warrants that it will obtain and maintain in effect, and pay the cost of all licenses, permits or certifications that may be necessary for Contractor's performance of this Agreement. If Contractor is a business entity, Contractor warrants, represents, covenants, and agrees that it is duly organized, validly existing and in good standing under the laws of the state of its incorporation; and is duly authorized and in good standing to conduct business in the State of Texas, that it has all necessary power and has received all necessary approvals to execute and deliver the Agreement and is authorized to execute this Agreement according to its terms on behalf of Contractor.


10. **Performance/Qualifications:** Contractor agrees and represents that Contractor has the personnel, experience, and knowledge necessary to qualify Contractor for the particular duties to be performed under this Agreement. Contractor warrants that all services performed under this Agreement shall be performed consistent with generally prevailing professional or industry standards.
11. **Conflict of Interest:** Contractor warrants, represents, and agrees that Contractor presently has no interest and shall not acquire any interest, direct or indirect, that would conflict in any manner or degree with Contractor's performance of the Services hereunder. Contractor further warrants and affirms that no relationship or affiliation exists between Contractor and the City that could be construed as a conflict of interest with regard to this Agreement.
12. **INDEMNIFICATION: CONTRACTOR SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS THE CITY, AND EACH OF ITS DIRECTORS, OFFICERS, AGENTS AND EMPLOYEES FROM AND AGAINST ALL CLAIMS, ACTIONS, SUITS, DEMANDS, PROCEEDINGS, COSTS, DAMAGES AND LIABILITIES, INCLUDING WITHOUT LIMITATION ATTORNEYS' FEES AND REASONABLE LITIGATION COSTS, ARISING OUT OF, CONNECTED WITH, OR RESULTING FROM ANY ACTS OR OMISSIONS OF CONTRACTOR OR ANY AGENT, EMPLOYEE, SUBCONTRACTOR, OR SUPPLIER OF CONTRACTOR IN THE EXECUTION OR PERFORMANCE OF THIS CONTRACT, TO THE EXTENT THE CLAIM ARISES FROM NEGLIGENCE, WILLFUL ACT, BREACH OF CONTRACT OR VIOLATION OF LAW.**
13. **Limitation of Liability:** In providing the investment services in this Agreement, it is agreed that the Contractor shall have no liability or responsibility for any loss or penalty resulting from any investment made or not made in accordance with the provisions of this Agreement, except that the Contractor shall be liable for its own gross negligence or willful misconduct; nor shall the Contractor be responsible for any loss incurred by reason of any act or omission of any broker, selected with reasonable care by the Contractor and approved by the City, or of the City's custodian. Furthermore, the Contractor shall not be liable for any investment made which causes the interest on the City's obligations to become included in the gross income of the owners thereof.
14. **Force Majeure:** Neither the City nor Contractor shall be liable for any delay in the performance of this Agreement, nor for any other breach, nor for any loss or damage arising from uncontrollable forces such as fire, theft, storm, war, or any other force majeure that could not have been reasonably avoided by exercise of due diligence.
15. **Notices:** Any notice given under this contract by either party to the other may be affected either by personal delivery in writing or by mail, registered or certified postage prepaid with return receipt requested. Mailed notices shall be addressed to the addresses of the parties as they appear in the contract. Notices delivered personally shall be deemed communicated at the time of actual receipt. Mailed notice shall be deemed communicated three (3) days after mailing.
16. **Texas Family Code Child Support Certification:** Pursuant to Section 231.006, *Texas Family Code*, Contractor certifies that it is not ineligible to receive the award of or payments under the Agreement and acknowledges that the Agreement may be terminated, and payment may be withheld if this certification is inaccurate.

17. **State Auditor:** Contractor understands that acceptance of funds under the Agreement constitutes acceptance of the authority of the Texas State Auditor's Office, or any successor agency (collectively, "Auditor"), to conduct an audit or investigation in connection with those funds. Contractor agrees to cooperate with the Auditor in the conduct of the audit or investigation, including without limitation providing all records requested. Contractor will include this provision in all contracts with permitted subcontractors.
18. **Jurisdiction:** Any disputes under this Agreement shall be brought in a court of competent jurisdiction in Galveston, Texas and governed by Texas law.
19. **Alternative Dispute Resolution:** To the extent that Chapter 2260, Texas Government Code, is applicable to this Contract and is not preempted by other applicable law, the dispute resolution process provided for in Chapter 2260 and the related rules adopted by the Texas Attorney General Pursuant to Chapter 2260, shall be used by the City and the Contractor to attempt to resolve any claim for breach of contract made by Contractor that cannot be resolved in the ordinary course of business. The Director of Finance of the City shall examine Contractor's claim and any counterclaim and negotiate with Contractor in an effort to resolve such claims. The parties hereto specifically agree that (i) neither the occurrence of an event giving rise to a breach of contract claim nor the pendency of a claim constitute grounds for the suspension of performance by Contractor, (ii) neither the issuance of this Contract by the City nor any other conduct, action or inaction of any representative of the City relating to this contract constitutes or is intended to constitute a waiver of the City's or the state's sovereign immunity to suit; and (iii) the City has not waived its right to seek redress in the courts.
20. **Entire Agreement:** This Agreement contains the entire Agreement between the parties and supersedes all prior agreements, arrangements, and understanding, oral or written between the parties relating to this Agreement. This Agreement may not be modified except by mutual written agreement of the parties executed subsequent to this Agreement.
21. **Eligibility to Receive Payment:** Contractor certifies that, as a matter of State law, it is not ineligible to receive the Agreement and payments pursuant to the Agreement and acknowledges that the Agreement may be terminated, and payment withheld if this representation is inaccurate.
22. **Payment of Debt/Delinquency to State:** Contractor certifies that it is not indebted to the City of League City and is current on all taxes owed to the City of League City. Contractor agrees that any payments owing to Contractor under the Agreement may be applied directly toward any debt or delinquency that Contractor owes the City of League City regardless of when it arises, until such debt or delinquency is paid in full.
23. **Products and Materials Produced in Texas:** If Contractor will provide services under the Agreement, Contractor covenants and agrees that in performing its duties and obligations under the Agreement, it will purchase products and materials produced in Texas when such products and materials are available at a price and delivery time comparable to products and materials produced outside of Texas.
24. **Risk of Loss:** If applicable, all work performed by Contractor pursuant to the Agreement will be at Contractor's exclusive risk until final and complete acceptance of the work by City. In the case of any loss or damage to the work prior to City's acceptance, such loss or damage will be Contractor's responsibility.
25. **Publicity:** Contractor shall not use City's name, logo or likeness in any press release, marketing materials or other public announcement without receiving City's prior written approval with the exception of general client lists or as a prospect specific-reference.
26. **Legal Construction/Severability:** In the event that any one or more of the provisions contained in this contract shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision, and this contract shall be construed as if such invalid, illegal or unenforceable provisions had never been contained in it. To this end, the provisions of this contract are declared to be severable. The Parties may mutually agree to renegotiate the contract to cure such illegality/invalidity or unconstitutionality if such may be reasonably accomplished.

27. **Limitations:** The Parties are aware that there are constitutional and statutory limitations on the authority of City to enter into certain terms and conditions of the Agreement, including, but not limited to, those terms and conditions relating to liens on City's property; disclaimers and limitations of warranties; disclaimers and limitations of liability for damages; waivers, disclaimers and limitations of legal rights, remedies, requirements and processes; limitations of periods to bring legal action; granting control of litigation or settlement to another party; liability for acts or omissions of third parties; payment of attorneys' fees; dispute resolution; indemnities; and confidentiality (collectively, the "Limitations"), and terms and conditions related to the Limitations will not be binding on City except to the extent authorized by the laws and Constitution of the State of Texas.
28. **Sovereign Immunity:** Except as otherwise provided by Texas law, neither the execution of the Agreement by City nor any other conduct, action or inaction of any City representative relating to the Agreement is a waiver of sovereign immunity by City.
29. **Assignment:** The Contractor shall not assign this Agreement without the express written consent of the City.
30. **Authority:** Contractor warrants and represents that Contractor has full power and authority to enter into and perform this Agreement and to make the grant of rights contained herein. The person signing on behalf of the City represents that he/she has authority to sign this Agreement on behalf of City.
31. **Non-Waiver:** No covenant or condition of this Agreement may be waived except by written consent of the waiving party. Forbearance or indulgence by one party in any regard whatsoever shall not constitute a waiver of the covenant or condition to be performed by the other party.
32. **Prohibition on Boycotting Israel:** Pursuant to Section 2270.002, Texas Government Code, by executing this Agreement Contractor verifies that Contractor: (1) does not boycott Israel; and (2) will not boycott Israel during the term of this Agreement.
33. **Prohibition Against Business with Iran, Sudan or Foreign Terrorists Organizations:** Contractor warrants, covenants, and represents that Contractor is not engaged in business with Iran, Sudan, or any company identified on the list referenced in Section 2252.152, Texas Government Code.

Executed on this ____ day of _____, _____. (date to be filled in by City Secretary)

VALLEY VIEW CONSULTING, LLC - "Contractor"


Richard G. Long, Jr., Manager

CITY OF LEAGUE CITY – “City”

John Baumgartner, City Manager

Attest:

Diana Stapp, City Secretary

Approved as to Form:

Office of the City Attorney

Exhibit A

Scope of Services/Description of Products
(__3_ number of pages, including this page)

See Next Page

EXHIBIT A

It is understood and agreed that the City of League City (the *City*) will have from time to time money available for investment (*Investable Funds*) and Valley View Consulting, L.L.C. (*Contractor*) has been requested to provide professional services to the City with respect to the Investable Funds. This agreement (the *Agreement*) constitutes the understanding of the parties with regard to the subject matter hereof.

1. This Agreement shall apply to any and all Investable Funds of the City from time to time during the period in which this Agreement shall be effective.
2. The Contractor agrees to provide its professional services to direct and coordinate all programs of investing as may be considered and authorized by the City.
3. The Contractor agrees to perform the following duties:
 - a. Assist the City in developing cash flow projections,
 - b. Suggest appropriate investment strategies to achieve the City's objectives,
 - c. Advise the City on market conditions, general information and economic data,
 - d. Analyze risk/return relationships between various investment alternatives,
 - e. Attend occasional meetings as requested by the City,
 - f. Assist in the selection, purchase, and sale of investments. The Contractor shall not have discretionary investment authority over the Investable Funds and the City shall make all decisions regarding purchase and sale of investments. All funds shall be invested consistent with the Texas Public Funds Investment Act, Chapter 2256 Government Code and the City's Investment Policy. The eligible investments are listed in the City's Investment Policy,
 - g. Advise on the investment of bond funds as to provide the best possible rate of return to the City in a manner which is consistent with the proceedings of the City authorizing the investment of the bond funds or applicable federal rules and regulations,
 - h. Assist the City in creating investment reports in compliance with State legislation and the City's Investment Policy,
 - i. Assist the City in creating monthly portfolio accounting reports, and
 - j. Assist the City in selecting a primary depository services financial institution.
4. The City agrees to:

- a. Compensate the Contractor for any and all services rendered and expenses incurred as set forth in Exhibit B attached hereto,
 - b. Provide the Contractor with the schedule of estimated cash flow requirements related to the Investable Funds, and will promptly notify the Contractor as to any changes in such estimated cash flow projections,
 - c. Allow the Contractor to rely upon all information regarding schedules, investment policies and strategies, restrictions, or other information regarding the Investable Funds as provided to it by the City and that the Contractor shall have no responsibility to verify, through audit or investigation, the accuracy or completeness of such information,
 - d. Recognize that there is no assurance that recommended investments will be available or that such will be able to be purchased or sold at the price recommended by the Contractor, and
 - e. Not require the Contractor to place any order on behalf of the City that is inconsistent with any recommendation given by the Contractor or the policies and regulations pertaining to the City.
 - f. Acknowledge that a written copy of Form ADV Part 2 was provided not less than 48 hours prior to entering into this written contract
5. The Contractor reserves the right to offer and perform these and other services for various other clients. The City agrees that the Contractor may give advice and take action with respect to any of its other clients, which may differ from advice given to the City. The City agrees to coordinate with and avoid undue demands upon the Contractor to prevent conflicts with the performance of the Contractor towards its other clients.

EXHIBIT B

FEE SCHEDULE AND EXPENSE ITEMS

In consideration for the services rendered by Contractor in connection with the investment of the Investable Funds for the City, it is understood and agreed that its fee will be based on the following tiered formula applied to average quarter end portfolio book value:

| <u>Average Quarter End Book Value</u> | <u>Annual Fee</u> |
|--|--------------------------|
| First \$85 million | .036% (3.6 basis points) |
| Next \$65 million | .030% (3 basis points) |
| Next \$100 million | .020% (2 basis points) |
| Over \$250 million | .010% (1 basis points) |

Said fee shall be prorated and due and payable at the end of each investment quarter. Accumulated fiscal year quarterly fees shall not exceed \$50,000.00.

Should the City issue debt and select a bond proceeds investment strategy that incorporates a flexible repurchase agreement or other structured investment, fees will be determined by any applicable I.R.S. guidelines and industry standards.

Said fee includes all costs of services related to this Agreement, and all travel and business expenses related to attending regularly scheduled meetings. With pre-trip City approval, the Contractor may also request reimbursement for special meeting or event travel and business expenses. The obligation of the Contractor to pay expenses shall not include any costs incident to litigation, mandamus action, test case or other similar legal actions.

Any other fees retained by the Contractor shall be disclosed to the City.

EXHIBIT C



FORM ADV Part 2 – The Brochure

Valley View Consulting, L.L.C.
2428 Carters Mill Road
Huddleston, VA 24104-4003

SEC File Number 801-56181

540.297.3419 phone
888.853.3778 toll-free

www.valleyviewconsultingllc.com

March 11, 2018

This brochure provides information about the qualifications and business practices of Valley View Consulting, L.L.C. If you have any questions about the contents of this brochure, please contact us at 540.297.3419. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Valley View Consulting, L.L.C. is available on the SEC’s website at www.adviserinfo.sec.gov.

This filing of Form ADV Part 2 is in conjunction with the Annual Updating Amendments requirement. General wording edits, Form ADV Part 2 requirements, and resume revisions have been incorporated. The last update to this brochure was March 5, 2017.



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Advisory Business

Valley View Consulting, L.L.C. (“Valley View”), established in 1998 and registered in 1999. Registration with the SEC does not imply a certain level of skill or training.

Valley View provides investment supervisory services primarily to public entities and their related organizations. Services are provided on a non-discretionary, non-custodial basis. State legislation and individual client investment policies determine authorized investments and appropriate strategies. Fixed income/fixed maturity securities, mutual funds, local government investment pools, and financial institution deposits provide the main investment options. Strategies are generally focused on safety of principal and maintenance of adequate liquidity to fund operational needs.

Each client’s investment policy and cash flow requirements tailor the investment advice offered by Valley View. Clients have complete control and discretion over allowed investments and implemented strategies. Valley View does not participate in any wrap-fee programs.

As of December 31, 2017, Valley View provided non-discretionary advisory services to forty-nine entities with approximately \$4.5 billion (Book Value) in total assets under management. Additionally, Valley View provides other cash and investment consulting services to non-advisory clients.

Valley View is solely owned by Richard G. Long, Jr.

Fees and Compensation

Investment supervisory fees can be a percentage of assets under management, hourly rates, fixed fees, or a combination of these. All fees are negotiable, and direct-billed and payable in arrears. Fees structures generally range from 0.01% to 0.20%, annually, based on the book value of assets under management; \$100.00 to \$750.00 per hour; \$250 to \$25,000 per project; \$800 to \$3,000 per day; \$150.00 to \$500.00 per month; \$400.00 to \$1,000.00 per transaction; or other fees as negotiated at the time of contract. In some cases, a minimum annual fee may apply. Contracts are cancelable without cause with 30 day notice. Clients maintain their own safekeeping agent/custodian relationships and are responsible for any related fees. Local government investment pools and mutual funds are subject to their own fee schedules. Recommended mutual funds have been, and are anticipated to be, no-load. Valley View assists each client in minimizing transactional expenses or any other normal business expenses that might be incurred in the management of its funds.

In the event that a flexible repurchase agreement or other structured investment option is utilized for bond proceeds, Valley View may receive a normal and customary fee (usually paid by the counterparty) within the guidelines of the Internal Revenue Service, in lieu of the fee prescribed in the advisor agreement.

Although no other forms of compensation are anticipated, if any additional compensation is received, the amount and source will be disclosed to the client.

Performance-Based Fees and Side-By-Side Management

Valley View does not charge any performance-based fees nor participate in side-by-side management.



Types of Clients

Valley View generally provides investment advice to “government entity” investors, including, but not limited to: state agencies, cities, counties, school districts, special districts, colleges and universities, and special authorities. Additionally, Valley View provides advice to clients on matters not directly involving investing.

Valley View does not impose a minimum dollar value of assets for starting or maintaining a relationship.

Methods of Analysis, Investment Strategies and Risk of Loss

Each client’s investment policy governs investment strategy selection and implementation, with most client investment objectives focused on preservation of principal and maintenance of adequate liquidity to fund ongoing operations. Investing in securities involves risk of loss that clients should be prepared to bear. Selecting investments with limited credit risk and matching short and long-term maturity purchases to client-based cash needs primarily manage the risk of realized loss. Most investments are cash equivalent or fixed income/fixed maturity that are held to maturity.

Depending upon investment and strategy selection, each client may risk loss of principal or anticipated earnings due to issuer default or adverse market movement.

Valley View most often offers advice on: money market instruments, certificates of deposit and other financial institution deposits, municipal securities, mutual fund shares, United States government securities, repurchase agreements, and local government investment pools. Valley View’s analysis includes fundamental, cyclical, and client-based cash flow requirements. Information sources include financial newspapers and magazines, research material prepared by others, corporate rating services, annual reports, prospectuses, regulatory filings, and other financial information sources.

Credit Risk – Most government entities specifically manage and limit exposure to credit risk. Assuming large amounts of credit risk is inconsistent with the main objectives to “primarily emphasize safety of principal and liquidity.” All issuers contain incremental credit risk, although the markets believe certain ones have reduced credit risk (e.g. U.S. government securities). Generally, legislation does allow specific issuer-types with credit risk, but restricts that risk based on measurements of nationally recognized credit rating agencies or other criteria.

Credit risk considerations extend beyond the investments that are selected to be included in the entity’s portfolio. Properly collateralized deposits or repurchase agreements, secured in accordance with the investment policy and federal banking regulations, essentially reduce the inherent credit risk of the financial institution or counterparty. Periodic review of collateral values and financial institution strength ensures that any exposure remains minimal.

Prior to investment, accurate identification of the individual issuer’s risk profile or the local government investment pool/mutual fund’s investment criteria, and analysis of the historical risk/return relationship determines if the client will potentially receive adequate return for any increased risk. Although minimum credit rating requirements may apply, the investment policies and strategies of available pools/funds are reviewed to ensure that their policies are congruent with those of the client.



Market/Opportunity Risk – The restriction of most credit risks focuses portfolio management on controlling market risk and opportunity risk. Working with the yield curve, issuer yield spreads, and cash flow requirements addresses these two risks.

Appropriate yield curve positioning, with limited interest rate cycle timing, provides most yield enhancement. Our services include the research and analysis necessary to assist the client in formulating strategy recommendations. Cash flow predictability creates the baseline for investment strategy development. Keeping current-use funds in expenditure-related maturities or cash-equivalent alternatives, while positioning stable and longer range funds further out the yield curve, provides overall portfolio enhancement.

For government entities, the higher yield-advantage of extended maturities most safely manifests itself in increased interest earnings (not speculative gains). Therefore, a hold-to-maturity strategy is primarily utilized.

Disciplinary Information

Valley View attempts to comply with all registration requirements and has not experienced any legal or disciplinary event that is material to a client's evaluation of its advisory business or to the integrity of its management personnel.

Other Financial Industry Activities and Affiliations

Valley View is not affiliated with any other financial institution and no related person is a general partner in any partnership in which clients are solicited to invest. There are no registrations current or pending for either the firm or its management personnel to register as a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person to the forgoing entities.

Two Valley View team members individually hold positions that provide continuing education services through the University of North Texas (see attached resumes).

Any and all investment advice and security transactions are separately handled and are not subject to any commingling or front loading. Except as described above, Valley View is not compensated by any investment provider or investment manager.

Valley View is actively engaged in business other than giving investment advice, and anticipates spending less than 50% of its resources pursuing and providing non-investment advisory services. Other activities include, but are not limited to: bank service analysis and provider selection, cash and investment management policies and procedures creation and revision, government entity investment continuing education, and other finance-related services.



Code of Ethics, Privacy Policy, Participation or Interest in Client Transactions, and Personal Trading

Valley View maintains a Code of Ethics that is available upon request to its clients. The Code is designed to prevent client-based conflicts of interest and attempts to comply with applicable laws and regulations.

Valley View advises governmental entities subject to various open records requirements. Therefore most, if not all, client information is considered public. If Valley View and its advisory personnel do have access to non-public information, Valley View pledges its best efforts to not disclose the information without the prior written client approval and destroy any discarded files (e.g. shredding).

As a firm, Valley View does not participate in, nor have an interest in, investments that may be recommended to clients or resulting client transactions. However, the team members are allowed to purchase similar investments for his or her personal account and related accounts. The team member is not allowed to commingle or execute in front of client transactions.

To further reduce any conflict of interest, individual Valley View team members primarily invest in “non-reportable securities” or securities not eligible for client portfolios.

Brokerage Practices

Specific client consent is required to determine the investments to be bought or sold, the amount of the investments to be bought or sold, the broker-dealer or financial institution to be used, or the commission rates to be paid (where applicable). In most cases, the client authorizes and annually re-approves a broker-dealer list. Valley View may assist clients in selecting broker-dealers based on the firm and representative’s public funds experience, compliance with client investment policies, competitive pricing, and responsiveness to client needs. Valley View does receive “general” market research from investment providers, however no products, services, or soft dollar benefits are provided to Valley View. Eligible securities are usually sold by each broker-dealer “as principal” without additional commissions. Multiple client transactions are not aggregated as each client has specific needs and settlement requirements. Given the commonality of most investment options, not aggregating client transaction generally does not result in higher commissions or costs.

Review of Accounts

At relationship initiation, Valley View reviews each client’s investment policy, eligible investment products, current investment practices, cash flow requirements, recent investment reports, authorized broker-dealer and investment provider lists, and other pertinent documentation. Investment maturities, significant cash inflows and/or outflows, bond issuance, quarter end, fiscal year end, major market movements, and other factors trigger periodic reviews. Ongoing reviews include current portfolio, projected cash flows, investment policy requirements, investment strategy targets, market conditions, and other considerations.

As Chief Investment Officer, Mr. Long performs the investment supervisory function and reviews all accounts. Ms. Anderson, Mr. Day, Mr. Hufstedler, Mr. Koch, Mr. Ross, and Ms. Upshaw assist in all aspects of client service as registered investment adviser representatives. Mr. Phifer focuses on monthly



accounting and quarterly investment reports. Ms. Gerhardt assist with all non-advisory services as needed.

Client reports include, but are not limited to:

- Individual transaction information (at time of transaction).
- Broker-dealer trade and financial institution deposit confirmations and activity reports sent directly to the client by the respective firm.
- Safekeeping agent/custodian clearance receipts and holdings reports sent directly to the client by the respective firm.
- Written portfolio reports, prepared as per each client's investment policy and contract terms.

Fixed income security "Fair Value" is provided by client-specific safekeeping agents/custodians, by generally available market prices, or determined by reviewing generally available offering prices and decreasing the price by an appropriate bid/offer spread.

Client Referrals and Other Compensation

Valley View does not have any arrangements where it receives cash or other economic benefit from a non-client in connection with giving advice to clients. Valley View personnel formerly assisted Estrada Hinojosa & Company, Inc. (a registered Broker/Dealer firm) in operating its investment advisory services. Estrada Hinojosa exited the investment advisory business and most of its former clients migrated to Valley View. The Estrada Hinojosa/Valley View client transition agreement that provided for fee sharing from Valley View to Estrada Hinojosa expired in 2017. Additional fee sharing may apply to future, new client referrals. The arrangement and potential compensation are disclosed to each potential client prior to contract initiation, and on an ongoing basis thereafter.

Custody

Valley View does not have custody of client funds.

Investment Discretion

Valley View does not have investment discretion over client funds. Any and all investment advice and investment transactions are separately handled and are not subject to any commingling or front loading.

Voting Client Securities

Valley View does not vote client proxies. Each client's safekeeping agent/custodian is responsible for communicating any and all proxy events.

Financial Information

Valley View does not have discretion over investment transactions, custody of client funds, or require payment of more than \$1,200 in fees per client, six or more months in advance. Audited financial statements are not available.



Brochure Supplement

Valley View Consulting, L.L.C.
2428 Carters Mill Road
Huddleston, VA 24104-4003

SEC File Number 801-56181

540.297.3419 phone
888.853.3778 toll-free

www.valleyviewconsultingllc.com

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This brochure supplement provides information about all Valley View personnel supplementing the Valley View Consulting, L.L.C. brochure. It is usually attached to the brochure. Please contact Richard G. Long, Jr., Chief Compliance Officer (540.297.3419) if you did not receive Valley View's brochure or if you have any questions about the contents of this supplement.

Additional information about all registered investment adviser representatives is available on the SEC's website at www.adviserinfo.sec.gov.



As Chief Compliance Officer, Richard G. Long, Jr. (540.297.3419) provides supervisory oversight of all Valley View personnel. That oversight includes individual adherence with the firm's Compliance Manual and Code of Ethics. Client reports, transactions, correspondence, and other activities are routinely monitored to confirm appropriateness and suitability.

Résumés

Richard G. Long, Jr.

- Registered Investment Adviser Representative, Valley View Consulting, L.L.C.
- Manager, Valley View Consulting, L.L.C.
- Investment industry since 1981
- Founded Valley View Consulting, L.L.C. and registered with the SEC as an investment advisory firm
- University of North Texas – Center for Public Management staff

Mr. Long's background includes extensive public entity investment management. He has been actively involved in government entity investment legislation; investment policies and strategies; cash flow-based investment portfolios; eligible investment options; appropriate asset allocations; investment transaction settlement and safekeeping procedures; bank service agreements; and arbitrage rebate regulation.

Mr. Long founded Valley View Consulting, L.L.C., in the fall of 1998 and became registered with the Securities and Exchange Commission as an investment adviser firm effective January 1999. Since 1988, Mr. Long has primarily provided cash and investment-related services to government entities. In earlier capacities, Mr. Long originated corporate, asset backed and tax-exempt securities, managed a government trading operation, and distributed both public and private securities.

Mr. Long (born 1957) earned a Bachelor of Science, Business Administration degree in Finance from Colorado State University and a Masters of Business Administration degree from the University of Dallas. Mr. Long provides continuing education classes through the University of North Texas and has presented information to multiple investment management organizations.

Susan K. Anderson

- Registered Investment Adviser Representative, Valley View Consulting, L.L.C.
- Chief Executive Officer, Anderson Financial Management, L.L.C.
- Investing Public Funds since 1981
- Former City of Austin, Texas Treasurer & Investment Officer
- Served as Chief Investment Officer for State of Texas
- University of North Texas – Center for Public Management staff



Ms. Anderson has extensive public fund experience, beginning in 1971 with her first government position at the City of Austin. Ms. Anderson served the City in the Financial Services Division for over twenty-five years. The last twenty years were specifically dedicated to the management of the investment, debt and cash resources of the City. As Treasurer of the City of Austin, she was responsible for the \$1.5 billion investment portfolio, the \$3.3 billion debt portfolio and all cash management programs, including collections and bank relations. Additional relevant responsibilities included serving as liaison to all three of the City's pension programs and as Trustee on the City of Austin Firemen's Relief and Retirement Fund, and Board Member of the City of Austin Deferred Compensation Fund. Investment strategies developed for City funds, pension funds and deferred compensation funds spanned the entire spectrum of public-eligible investment products, including fixed income, equity and international funds.

Following her retirement from the City of Austin, she served as Chief Investment Officer for the State of Texas where she was responsible for the management of \$35 billion of combined operating, endowment and trust funds. After her public service, she joined a national financial and investment advisory firm exposing her to a myriad of government clients with unique needs and requirements and honing her skills to identify problems and find the appropriate solutions for her clients.

Ms. Anderson (born 1952) founded Anderson Financial Management, L.L.C. in 2008 and has partnered with Valley View to bring her expertise to the Valley View team. Ms. Anderson provides continuing education classes through the University of North Texas and has presented information to multiple investment management organizations.

Ms. Anderson earned a Bachelor of Science, Business Administration degree in Finance from St. Edward's University. She is a Certified Cash Manager and a registered investment advisor representative.

Emily A. Upshaw, CPA

- Registered Investment Adviser Representative, Valley View Consulting, L.L.C.
- Accounting, client service and transaction facilitation background
- Market analysis, trading and funds management experience
- Chief Executive Officer, Live Oak Portfolios, L.L.C.

Ms. Upshaw began her career in taxation with Ernst & Young in Austin, Texas where she completed her Certified Public Accountant designation. With an interest in investment management, she then worked as an associate of Employee Incentive Plans in charge of various client services and transactions. There she expanded her knowledge of market analysis, trading and fund management for individual client accounts and business qualified retirement accounts in the central Texas area.



Ms. Upshaw (born 1987) is a graduate of the University of Texas at Austin with a Bachelor of Business Administration and a Master in Professional Accounting from the McCombs School of Business. She is a registered investment advisor representative.

E.K. Hufstedler, III

- Registered Investment Adviser Representative, Valley View Consulting, L.L.C.
- Banking industry since 1982
- Former regional bank President
- Experienced in financial institution deposit and service products

Mr. Hufstedler has been actively involved in the banking profession since 1982. He has been involved in nearly all aspects of lending areas with a higher degree of experience in the Mortgage and Commercial lending areas for the past 15 years. He has participated in actively bidding on public funds on behalf of banking organizations as well as support of depository services for banking clients. Mr. Hufstedler has served in Executive role for several banks in the past 15 years by researching, securing and developing new markets for those banks. Mr. Hufstedler most recently served as a Regional President for a \$20 billion asset Texas based organization (Prosperity Bank).

Mr. Hufstedler (born 1959) earned a Bachelor of Business Administration in Banking and Finance in 1982 from Abilene Christian University in Abilene, Texas and is a registered investment adviser representative.

Johnny L. Phifer

- Retired City of Keller, Texas Finance Director
- Thirty years public-sector experience
- Lengthy finance and accounting career

Mr. Phifer, recently retired as Finance Director for the City of Keller, brings with him a wealth of knowledge and experience attained during a career of over thirty years of public-sector experience. Mr. Phifer also brings a comprehensive and distinctive client operations perspective to the Valley View practice in the areas of cash management, governmental accounting and financial reporting, banking relations, management reporting, portfolio/treasury management, financial analysis and financial and budget administration.

Mr. Phifer is a member of the Government Finance Officers Association of Texas (GFOAT), where he earned the designation of Certified Government Finance Officer (CGFO), and the Government Treasurer's Organization of Texas (GTOT).

Mr. Phifer (born 1957) is a graduate of The University of North Alabama with a Bachelor of Science in Accounting.



Benjamin F. Day

- Registered Investment Adviser Representative, Valley View Consulting, L.L.C.
- Investment industry since 1984
- Diversified background in sales and trading
- Extensive client-based risk/return analysis experience

Mr. Day first entered the securities industry in 1984 and has sales and trading desk experience in equity, matched book and fixed income investments. His various positions with large and regional investment-related firms developed a knowledgeable assessment of the major market rallies and melt downs of the last thirty years. This background enhances his outlook regarding portfolio risk/reward and client expectation. He has over fifteen years' experience in developing and delivering investment portfolio management seminars.

Mr. Day (born 1957) is a graduate of Northwood University with a Bachelor of Business Administration degree and is a registered investment adviser representative.

Julie S. Gerhardt

- Investment industry since 1993
- Responsible for administration, marketing and organizational issues
- Experienced in customer support and reporting

Ms. Gerhardt is primarily responsible for administrative, marketing and organizational issues. She began her career in the financial industry in 1993 with Legg Mason Wood Walker, and then subsequently with Smith Barney. Ms. Gerhardt is an honors graduate of the University of Phoenix with a Bachelor of Science in Health Administration and Health Management.

William J. Koch

- Registered Investment Adviser Representative, Valley View Consulting, L.L.C.
- President, Avalon Financial Services
- Public-sector consulting since 1990
- Over forty years financial management experience

Mr. Koch is a capable and versatile financial professional with extensive management and operational credentials that include a strong background in accounting, cash management, treasury, and information systems. He has broad industry experience with both publicly traded and privately held firms, including international market activities and public sector organizations. His career has included management positions with Fortune magazine ranked firms in which he was responsible for accounting and financial reporting, treasury, and information services.



Since 1990, Mr. Koch has been a management consultant providing specialized financial services primarily to public sector organizations, including municipalities, school districts, colleges, hospital districts, and regional transportation authorities. With proven financial expertise, solidly versed in statutes and legal requirements, and extensive knowledge of banking systems and services, he has a unique blend of capabilities to offer his clients.

Formerly a partner with a regional consulting group, Mr. Koch founded Avalon Financial Services in 1996 and serves as its president. Mr. Koch is a graduate of Texas A&M University and is a registered investment adviser representative.

Mr. Koch (born 1939) retired from full-time service December 2015, but continues to assist selectively.

Thomas H. Ross

- Registered Investment Adviser Representative, Valley View Consulting, L.L.C.
- Retired City of Bedford, Texas Director of Administrative Services
- Twenty years public-sector experience
- Lengthy corporate finance and accounting career

Mr. Ross has a background in financial operations and information technology management and most recently completed fourteen years of service with the City of Bedford, Texas, retiring as Director of Administrative Services. Joining the team in February 2010, Mr. Ross brings a broad and unique client operations perspective to the areas of cash management, governmental accounting, banking relations, management reporting, portfolio management, and general financial analysis, all of which impact the successful execution of a client's investment program.

Mr. Ross is a member of the Government Finance Officers Association of Texas (GFOAT), where he earned the designation of Certified Government Finance Officer (CGFO), and the Government Treasurer's Organization of Texas (GTOT).

Mr. Ross is a graduate of Texas A&M University with a Bachelor of Business Administration degree in Management and is a registered investment adviser representative.

Mr. Ross (born 1944) retired from full-time service December 2016, but continues to assist selectively.