

RESOLUTION NO. 3-22

**A RESOLUTION OF THE COUNCIL OF THE CITY OF RICHMOND,
CALIFORNIA REVISING THE CITY OF RICHMOND'S FINANCIAL POLICIES
BY ADOPTING THE INVESTMENT POLICY FOR FISCAL YEAR 2021-2022**

WHEREAS, the City of Richmond (the "City") is required to maintain and periodically update the City's Financial Policies consistent with the standards set forth by the California Municipal Treasurers Association (the "CMTA") Certification Program; and

WHEREAS, a written investment policy is reviewed by the City's governing body annually and may be certified by the CMTA as often as needed according to relevance of importance; and

WHEREAS, the Investment Policy Certification Program (the "Program") of the CMTA was developed in 2012; and

WHEREAS, the Program was instituted in an effort to assist state and local governments interested in drafting or improving upon an existing investment policy; and

WHEREAS, the CMTA Certification Committee is comprised of fellow CMTA members, many of whom have earned the Certified California Municipal Treasurers (CCMT) designation and who volunteer to serve as reviewers; and

WHEREAS, for the policy to receive certification, it must be approved by all reviewers in all areas spelled out in the CMTA Certification Program; and

WHEREAS, the CMTA Certification Program investment policy includes language and rationales for those 19 sections that the Association deems as critical elements; and

WHEREAS, those critical elements are:

1. Policy
2. Scope
3. Prudence
4. Objective
5. Delegation of Authority
6. Ethics and Conflicts of interest
7. Authorized Financial Dealers and Institutions
8. Authorized and Suitable Investments
9. Review of Investment Portfolio
10. Investment Pools/Mutual Funds
11. Collateralization
12. Safekeeping and Custody
13. Diversification
14. Maximum Maturities
15. Internal Controls
16. Performance Standards

- 17. Reporting
- 18. Investment Policy Adoption
- 19. Glossary; and

WHEREAS, prior to July 1, 2021, the investment policy had not been certified by CMTA; and

WHEREAS, the investment policy is reviewed and updated by Finance annually to meet the standards set forth by CMTA.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Richmond, California, hereby amends the City's existing investment policy to adhere to the CMTA "Certification Program" Investment Policy guidelines which will be reviewed by the City Council annually and may be certified by CMTA as often as needed according to relevance of importance.

BE IT FURTHER RESOLVED, that this certification will serve to assure the City Council and the public that the City of Richmond is abiding by professional standards established to ensure prudent management of public funds.

BE IT FURTHER RESOLVED, that a copy of the new City of Richmond Investment Policy is attached hereto as Exhibit A.

I certify that the foregoing resolution was passed and adopted by the City Council of the City of Richmond at a regular meeting thereof held January 11, 2022, by the following vote:

AYES: Councilmembers Bates, Jimenez, Martinez, McLaughlin, Willis, Vice Mayor Johnson III, and Mayor Butt.
NOES: None.
ABSTENTIONS: None.
ABSENT: None.

PAMELA CHRISTIAN
CLERK OF THE CITY OF RICHMOND
(SEAL)

Approved:

THOMAS K. BUTT
Mayor

Approved as to form:

DAVE ALESHIRE
Interim City Attorney

State of California }
County of Contra Costa } : ss.
City of Richmond }

I certify that the foregoing is a true copy of **Resolution No. 3-22**, finally passed and adopted by the City Council of the City of Richmond at a regular meeting held on January 11, 2022.



Pamela Christian, Clerk of the City of Richmond



EXHIBIT A

CITY OF RICHMOND INVESTMENT POLICY FY2021-22

I. Mission Statement

It is the policy of the City of Richmond (City) to invest public funds in a manner which will provide the highest investment return with maximum security while meeting the daily cash flow demands of the City and conforming to all state and local statutes governing the investment of public funds.

II. Scope

This Statement addresses the investment policy for the City's pooled funds. The pooled funds include the General Fund, Special Revenue, Debt Service, Capital Projects, Enterprise, Internal service, Trust & Agency, Redevelopment, and any other Funds authorized by the City Council which are accounted for in the City of Richmond Comprehensive Annual Financial Report (CAFR).

The investment policy for bond and note proceeds is contained in the bond documents approved by the City Council at the time of the issuance of the debt; provided, that to the extent not inconsistent with such bond documents, bond or note proceeds and in accordance with the Government Code, sections 53601(l) and 5922(d), may be invested in (i) Guaranteed Investment Contracts or other debt issuance proceeds with an investment provider rated in a category of "A" or better and with downgrade protection or (ii) Investment instruments described herein.

The investment policy for the Police and Fire Pension Fund and the General Pension Fund are contained in the City Charter.

III. Prudence

Investments shall be made with judgment and care - under circumstances then prevailing – which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for the investment, considering the probable safety of their capital as well as the probable income to be derived. The City holds to the “prudent investor standard” in that all investments placed shall be made with a degree of judgment and care, not for speculation, but considering the safety of the monies and acting as a fiduciary of the public trust, the prudent investor standard as set forth in Section 53600.3 of the Government Code.

IV. Objectives

The City's investment activities are designed to accurately monitor and forecast expenditures and revenues to:

1. Invest up to 100% of all idle funds.
2. Guarantee that funds are always available when needed.
3. Manage the portfolio to take advantage of changing economic conditions that can aid in increasing the total return on the City's portfolio.
4. Safety. The primary duty and responsibility of the Treasurer is to protect, preserve and maintain cash and investments placed in his/her trust on behalf of the citizens of the community. To attain this objective, the City will diversify its investments by investing funds among a variety of securities offering independent returns and financial institutions. Specifically, the City shall seek to preserve principal by mitigating credit risk and market or interest rate risk.
5. Liquidity. An adequate percentage of the portfolio should be maintained in liquid short-term securities that can be converted to cash if necessary to meet disbursement requirements. Since all cost requirements cannot be anticipated, investment in securities with active secondary or resale markets is highly recommended. Emphasis should be on marketable securities with low sensitivity market risks.
6. Yield. Yield, sometimes referred to as "rate of return," is the potential dollar earnings investment can provide. Yield should become a consideration only after the basic requirements of safety and liquidity have been met with measurement of investment risk and the cash flow needs.

V. Delegation of Authority

Management responsibility for the investment program is hereby delegated to the Director of Finance, acting in her/his capacity as Treasurer, or the Accounting Manager who shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials, and their procedures in the absence of the Director of Finance.

VI. Ethics and Guidelines

1. The City adheres to the guidance provided by the "prudent investor standard".¹ A standard of conduct where a person acts with care, skill, prudence, and diligence when investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing funds. The test of whether the standard is being met is if a prudent person acting in a similar situation would engage in similar conduct to ensure that investments safeguard principal and maintain liquidity."

¹As defined in the California Debt Advisory Commission's October 1996 document: *Local Agency Investment Guidelines: Recommendations for Implementing Recent Statutory Changes to the California Government Code Sections 16429.1 and 53600 through 53684*

2. All participants in the investment process shall act as custodians of public trust. Investment officials shall recognize that the investment portfolio is subject to public review and evaluation. The overall program shall be designed and managed with a degree of professionalism that is worthy of the public trust.
3. In a diversified portfolio it must be recognized that occasional measured losses are inevitable and must be considered within the context of the overall portfolio investment return provided that adequate diversification has been implemented. Each issuer shall be limited in terms of their percentage of the portfolio, to minimize risk exposure.
4. In accordance with California Government Code Sections 89502 and 89503, officers and employees of the City shall refrain from any activity that could conflict with the proper execution of the investment program or that could impair their ability to make impartial investment decisions. All investment personnel shall comply with the reporting requirements of the Political Reform Act, to include the annual filing of their Statement of Economic Interest.

VII. Authorized Broker/Dealers

The Director of Finance will maintain a list of broker/dealers authorized to provide investment services. The broker/dealers will be selected by credit worthiness that is authorized to provide investment services in the State of California. These may include "primary" dealers or "regional" dealers that qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule).

VIII. Authorized Investments and Maximum Maturities

With the above objectives and criteria in mind, the City of Richmond may invest in the following instruments with a rating of "A" or higher (when applicable) that have maturities of five (5) years or less at the time of purchase, unless otherwise stated below:

1. Government Bonds and Notes- Maximum of 100% invested no longer than 5 years
 - i. United States Treasury Notes, Bonds, Bills, or certificates of indebtedness or those for which the full faith and credit of the United States are pledged for the payment of principal and interest; and
 - ii. Treasury notes or bonds of the State of California; and
 - iii. Bonds, Notes, Warrants or other evidence of indebtedness of Any local agency within California with a minimum rating threshold of an "A".
2. Bonds and Notes of Federally Sponsored Agencies - Maximum of 100% invested no longer than 5 years, such as the Federal Farm Credit Bank,

Federal Home Loan Bank, Federal National Mortgage Association, Government National Mortgage Association, or any other instruments issued by a federal agency, or a United States government sponsored enterprise.

3. Negotiable Certificates of Deposit issued by a Federal and State chartered bank or a Federal and State Savings and Loan Association or by any state licensed branch of a foreign bank. Purchases are not to exceed 30% of invested idle funds.
4. Local Agency Investment Fund (LAIF) - maximum of \$75 million The City may invest in the Local Agency Investment Fund (LAIF) established by the State Treasurer for the benefit of local agencies up to the maximum permitted by State law but not to exceed the aggregate limit set by the City of 100%.
5. CalTRUST a Joint Powers Authority created by public agencies to provide a convenient method for public agencies to pool their assets for investment purposes, not to exceed the aggregate limit set by the City of 100%. CalTRUST is governed by a Board of Trustees made up of experienced local agency treasurers and investment officers.
6. Medium Term Notes with a maximum of five years maturity issued by corporations organized and operating within the United States. Such securities must be rated in a rating category of "A" or better by a nationally recognized rating service. Purchases may not exceed 30% of invested idle funds in any single institution.
7. Commercial Paper of "prime quality" of the highest ranking or of the highest letter and numerical rating as provided for by Moody's Investor Service, Inc., or Standard & Poor's Corporation. Eligible paper is further limited to issuing corporations that are organized and operating within the United States and have total assets in excess of five hundred million dollars (\$500,000,000.00) and having an "A" or higher rating for the issuer's debt, other than commercial paper, if any, as provided for by Moody's Investors Service, Inc., or Standard & Poor's. Eligible commercial paper may not exceed 270 days maturity nor represent more than 10 percent of the outstanding paper of an issuing corporation. Purchases of commercial paper may not exceed 25% of the City's surplus money that may be invested pursuant to this section.
8. Money Market Funds are eligible for investment if the companies providing the mutual funds invest only in instruments authorized by Government Code, Sections 53601 and 53630. In order to be an eligible money market investment under this section:

- The money market shall have attained the highest ranking, or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations and shall maintain these ratings for the duration of the investment.
- Retain an investment advisor registered with the Securities and Exchange Commission (SEC) with not less than five (5) years' experience investing in securities and obligations.
- The fund shall have a minimum of \$500 million to total asset size of portfolio at time of investment and should not drop below this threshold.
- The purchase price of the share of beneficial interest shall not include any commission that these companies charge.
- Purchases shall not exceed 20 percent of the City's idle funds

Summary of Maximum Percentage Limitations of Investments, by Investment Type

The following summary of maximum percentage limits, by instrument, is established for the City's total pooled fund's portfolio:

<u>Investment Type:</u>	<u>Percentage</u>
U.S. Treasury Bills, Notes, and Bonds	0 to 100%
U.S. Government Agency Obligations	0 to 100%
Negotiable Certificates of Deposit Local	0 to 30%
Local Agency Investment Fund (LAIF)	0 to 100% (Max \$75 million)
CalTRUST	0 to 100%
Medium Term Notes	0 to 30%
Commercial Paper	0 to 25%
Money Market Funds	0 to 20%

IX. Reporting and Review of the Investment Portfolio

The Director of Finance shall report monthly on the City's pooled and Bond funds to the City Manager and City Council and shall report quarterly on other investments, such as pension funds. The following elements will be part of the investment report:

1. Type of investment
2. Institution/Issuer
3. Date of maturity
4. Cost of security (par amount) and dollar amount in all securities
5. Description of the funds, investments and programs managed by contracts
6. Current market value of securities

7. Rate of return
8. Statement of compliance to meet pool expenditure requirements for the next six months
9. If, in any case, pool expenditures are not met, an explanation of why sufficient monies will not be available.

X. Investment Pools

Government sponsored investment pools (Pools) are permitted under California Government Code Section 53601 et seq. and an excellent short-term investment option for cash management facilities. These pools can provide safety, liquidity and yield in a single diversified investment. However, thoughtful investigation and due diligence are required both initially at the time of purchase and ongoing analysis to determine that the investment pool is being managed in a manner consistent with the objectives of the Policy.

State of California's Local Agency Investment Fund (LAIF) is an example of a Pool. The City may invest in the LAIF established by the State Treasurer for the benefit of local agencies up to the maximum permitted by State law, but not to exceed 50% of the cost value (book value) of the total portfolio exclusive of the fiscal agent cash portfolio. Each agency is limited to an investment of \$75 million per account currently, but subject to change.

XI. Collateralization

Collateral for Certificates of Deposit (CD) and Negotiated Certificates of Deposit (NCD) must comply with Government Code, Chapter 4, Bank Deposit law Section 16500 et seq. and the Savings and Loan and Credit Union Deposit Law Government Code Section 16600 et seq. In addition, if the CD is not FDIC insured or goes over the FDIC \$250,000 limit, collateral is required to equal 100 percent of the principal of either U.S. Treasury securities or Federal Agency securities.

Collateral will always be held by an independent third party with whom the City has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the City and retained. The right of collateral substitution is granted, within the parameters and constraints of the Policy.

XII. Safekeeping and Custody

Securities purchased from broker/dealers shall be held in third party safekeeping by the trust department of the City's bank or other designated third party, in the City's name and control. The basic premise underlying the City's investment philosophy is and will continue to be to ensure that money is always safe and available when needed. All trades executed by a dealer will settle deliver vs. payment (DVP) through the City's safekeeping agent. Securities held in custody for the City shall be independently audited on an annual



basis to verify investment holdings.

XIII. Diversification and Risk Tolerance

The City of Richmond recognizes diversification is an investment strategy that will mitigate risk in the investment portfolio. Portfolio diversification is employed as a way to control risk. The City's investment portfolio shall be diversified to avoid incurring unreasonable and avoidable risks regarding specific investment types. Within investment types, the City shall also maintain a mix of securities to avoid concentrations with individual financial institutions, geographic areas, industry types and maturities. No individual investment transaction shall be undertaken that jeopardizes the total capital position of the overall portfolio. The Treasurer shall periodically establish guidelines and strategies to control risks of default, market price changes, and illiquidity.

XIV. Internal Control

The Treasurer or designee shall maintain a system of internal controls designed to ensure compliance with the Investment Policy and to prevent losses due to fraud, employee error, and misrepresentations by third parties or unanticipated changes in financial markets.

All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Director of Finance with the following: audited financial statements, proof of FINRA certification, and proof of state registration, completed broker/dealer questionnaire, and certification of having read the City's investment policy.

An annual review of the financial condition and registrations of qualified bidders will be conducted by the Director of Finance. The bidding process shall be conducted every five years. The current audited financial statement is required to be on file for each financial institution and broker/dealer in which the City invests.

XV. Performance Standards

- A. The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs.
- B. The investment performance objective for the portfolio shall be to earn a total rate of return over a market cycle which is approximately equal to the return on a market benchmark Index of similar securities, as determined by the Director of Finance.

XVI. Investment Policy Adoption

The investment policy shall be adopted by resolution of the City Council. The policy shall

be reviewed annually by the Council and any modification made thereto must be approved by the City Council.

XVII. Interest Earnings

All moneys earned and collected from investments authorized in this policy shall be allocated quarterly to various fund accounts based on the daily cash balance in each fund as a percentage of the entire pooled portfolio. Should any fund not have a daily cash balance at the end of a quarter, it will receive none of the moneys earned and collected from the pooled investments. Furthermore, should any fund have a temporary negative daily cash balance at the end of a quarter, the negative amounts will be reallocated to provide earnings to the funds with a positive daily cash balance.

XVIII. Restrictions

1. The City will not invest any funds in inverse floaters, range notes, or interest-only STRIPS (Separate Trading of Registered Interest and Principal of Securities) that are derived from a pool of mortgages.
1. The City will not invest any funds in any security that could result in zero interest accrual if held to maturity. This limitation does not apply to investments in shares of beneficial interest (money market mutual funds) that are authorized elsewhere in the Investment Policy.
3. It is the City's policy not to invest in companies involved in the manufacturing of tobacco and tobacco-related products such as cigarettes, cigars, pipe tobacco, chewing tobacco, etc.
4. In accordance with the Slavery Era Insurance Ordinance 14-05 N.S. Section 2.29.030 Social Disclosure on Gains from Slavery effective July 1, 2005, the City will not invest any funds in international financial instruments that benefited from slavery. The City Council prohibits, by social investment policy, such investments and reserves the absolute right to divest from such investments with the cost of divestment being borne by the contracting institution.
5. In accordance with Resolution 38-13 effective May 7, 2013 the City declared it a policy of the City of Richmond to not invest in Fossil Fuel companies and urges the Board and Management of the City's Pension funds to divest from publicly-traded Fossil Fuel Companies.
6. In accordance with the Sanctuary City Ordinance 12-18 N.S. Section 4 Prohibition on Investments effective June 5, 2018, the City shall not make any investments in stocks, bonds, securities, or other obligations issued by any



provider of Data Broker or Extreme Vetting services to United States Immigration and Customs Enforcement (ICE).

GLOSSARY

Agencies: Federal agency securities and/or Government-sponsored enterprises.

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

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

Bid: The price offered by a buyer of securities. (When you are selling securities, you ask for a bid.) See Offer.

Broker: A broker brings buyers and sellers together for a commission.

Certificate of deposit (CD): A time deposit with a specific maturity evidenced by a Certificate. Large-denomination CD's are typically negotiable.

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

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

Data Broker: Means either 1) the collection of information, including personal information about consumers, from a wide variety of sources for the purpose of reselling such information to their customers, which include both private-sector businesses and government agencies; 2) the aggregation of data that was collected for another purpose from that for which it is ultimately used.

Dealer: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

Delivery versus Payment (DVP): There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

Diversification: Investment contained within the portfolio will be diversified by security type, institution and maturity.

Extreme Vetting: Data mining, threat modeling, predictive risk analysis, or other similar services.

Federal Deposit Insurance Corporation (FDIC): A federal agency that insures bank deposits, currently up to \$250,000 per deposit.

Federal Home Loan Banks (FHLB): Government sponsored wholesale banks (currently 12 regional banks), which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

Federal National Mortgage Association (FNMA): FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

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

Fossil Fuel: A fuel formed by natural processes, such as anaerobic decomposition of buried dead organisms, containing organic molecules originating in ancient photosynthesis that release energy in combustion such as: coal, oil, and gas reserves as measured by the gigatons of carbon dioxide that would be emitted if those reserves were extracted and burned.

Government National Mortgage Association (GNMA or Ginnie Mae): Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. The security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA or FHA mortgages. The term "pass-through" is often used to describe Ginnie Maes.

Liquidity: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

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

Market Value: The price at which a security is trading and could presumably be

purchased or sold.

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

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

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

Portfolio: Collection of securities held by an investor.

Primary Dealer: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker-dealers, banks, and a few unregulated firms.

Prudent Person Rule: An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state-the so-called legal list. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

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

Sanctuary City: A municipal jurisdiction that limits its cooperation with the national government's effort to enforce immigration law.

Safekeeping: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

Secondary Market: A market made for the purchase and sale of outstanding issues following the initial distribution.

Securities & Exchange Commission: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

Securities and Exchange Commission (SEC) Rule 15C3-1: See Uniform Net Capital Rule.

Treasury Bills: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

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

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

United States Immigration and Customs Enforcement (ICE): A federal law enforcement agency under the U.S. Department of Homeland Security. ICE's stated mission is to protect America from the cross-border crime and illegal immigration that threaten national security and public safety.

Yield: The rate of annual income return on an investment, expressed as a percentage. (a) Income Yield is obtained by dividing the current dollar income by the current market price for the security. (b) Net Yield or Yield to Maturity is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.