

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



ITEM: 3.3
(ID # 18596)

MEETING DATE:
Tuesday, May 17, 2022

FROM : EXECUTIVE OFFICE:

SUBJECT: EXECUTIVE OFFICE: Approval of revised Board of Supervisors Policy B-19. All Districts. [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve revisions to the Board of Supervisors Policy B-19, Land Secured Investment Policy.


ACTION:Policy


Don Kent, Director of Finance 5/9/2022

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Jeffries, seconded by Supervisor Perez and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt
Nays: None
Absent: None
Date: May 17, 2022
xc: E.O., COB

Kecia R. Harper
Clerk of the Board
By: 
Deputy

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA**

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 0	\$ 0	\$ 0	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS:			Budget Adjustment:	No
			For Fiscal Year:	21/22

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

At its April 27, 2022 meeting, the County of Riverside Investment Oversight Committee (IOC) reviewed staff updates to the Board of Supervisors Policy B-19, Land Secured Investment Policy.

Last amended in April 2007, the proposed amendments incorporate administrative language updates, as well as revisions in the following areas: Authority (title updates), Authorized Investments (simplifying to Government Code 53601 and bond indenture), Authorized Broker/Dealers (tying to the County Treasurer-Tax Collector's Statement of Investment Policy which is reviewed annually by the IOC and approved by the Board of Supervisors), Reports (aligning Policy with the enhanced current practice of: quarterly reporting to the IOC rather than semi-annually, annual compliance audit report and year-end Investment Reports presented to the Board of Supervisors after the close of each fiscal year).

For today's action, staff and the IOC recommend approval of revisions to Board Policy B-19. A redline and clean version are attached for reference. Staff will bring forward additional revisions to the IOC for their review and to the Board for approval, if and when necessary.

Impact on Residents and Businesses

Policy revisions will bring the language current to personnel and recommended operating practices.

ATTACHMENTS:

1. Board Policy B-19 Redline Version
2. Board Policy B-19 Final

SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
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Michael Ambolo
Michael Ambolo, Chief Finance Officer 5/11/2022

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Purpose & Objective:

This investment policy statement applies to funds held in trust with a fiscal agent, primarily proceeds of bonds issued by the County of Riverside Community Facilities Districts and 1915 Act Assessment Districts under the control of the Board of Supervisors. The first and primary objective in investing funds shall be preservation of capital. A secondary objective would be to meet the liquidity needs of each fund's disbursement requirements. The final objective is to achieve the highest return allowable consistent with these objectives in compliance with bond documents, state and federal law.

Authority

Authority for the direction of investments is delegated by the particular bond indenture, Board resolution, and/or fiscal agent agreement and escrow agreement. Pursuant to the governing document, either the County Executive Officer (CEO) or designees (which include the Chief Finance Officer, Director of Finance or the Community Facilities Districts/Assessment Districts (CFD/AD) coordinator are authorized to make investments.

An updated list of the CEO and authorized designees is to be held on file with the CFD/AD coordinator within the County Executive Office and the fiscal agent(s). It shall be updated as required. Those authorized are permitted to make investments, request wire or electronic fund transfers and to order the shipment and delivery of investment securities among accounts.

Authorized Investments

Investments shall be restricted to those authorized in Government Code Section 53601, as amended, and as further restricted by each bond indenture.

Authorized Broker/Dealers

Security transactions are limited solely with those as specified in Schedule II of the County of Riverside Treasurer-Tax Collector's (TTC) Statement of Investment Policy (STIP), which is presented annually to the County Investment Oversight Committee (IOC) for review, and to the Board of Supervisors for approval. See the STIP at: www.countytreasurer.org/Treasurer.aspx

SB 866 prohibits the selection of any broker, brokerage, dealer, or securities firm that has made a political contribution to the Treasurer-Tax Collector or any member of the Board of Supervisors or the governing board of a Community Facilities District. It also limits the receipt of honoraria, gifts and gratuities from advisors, brokers, dealers, bankers, or other persons with whom the CEO or authorized designees conduct business or by any member of the IOC.

No security transactions are authorized until the bank and/or primary broker/dealer or other authorized firms have been delivered a current copy of this Policy and has agreed in writing to be bound thereby (see Attachment A), returning via electronic mail a complete copy of this document to be held on file within the County Executive Office.

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Investment Advisor

To the extent authorized by the Board of Supervisors, an investment advisor may, pursuant to contract, provide financial advice and direction on investments to be made, but their authority shall be limited and shall not extend to the holding of bond proceeds and portfolio assets. Contracts with investment advisory consultants shall stipulate that payment for services is to be made from the administrative fees of the district and shall not be in the form of a commission from products that the advisor may recommend for sale. An investment advisor who has made a political contribution to the Treasurer-Tax Collector or any member of the Board of Supervisors shall not be considered for contract.

Fiscal Agent

The fiscal agent may act as principal or agent in the making or disposing of any investment as defined in the districts bond indenture. The fiscal agent may sell at the best market price obtainable, or present for redemption, any authorized investment so purchased whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which authorized investment is credited. The fiscal agent shall not be liable or responsible for any loss resulting from such investment. In the absence of written investment direction from the CEO or authorized designees, the fiscal agent shall invest obligations as directed by the bond documents which govern those obligations.

Security, Custody And Delivery

All security collateral shall be deposited for safekeeping with the fiscal and/or paying agent contracted to provide the County Executive Office with custodial security clearance services. These third-party trust department arrangements provide each district with ownership and control over the securities held by the fiscal and/or paying agent on the districts' behalf. Securities are **NOT** to be held in investment firm/broker dealer accounts. All security transactions are to be conducted on a delivery versus payment basis. Confirmation receipts on all investments are to be reviewed immediately by the Executive Office staff for conformity with Executive Office transaction documentation and retained on file for review as required by law.

Liquidity

Based upon the characteristics of each fund, all investment maturities are to coincide with expected cash disbursement requirements (i.e., debt service or construction costs) thereby eliminating the need to utilize reverse-repurchase agreements. Limitations on holdings are outlined in each bond indenture.

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Investment Agreement Contracts

Investment agreement contracts shall not be entered into where above market profits accrue to a dealer/broker. All achievable earnings (including any excess earnings) will accrue to the issuer even though the issuer may incur tax liability or rebate excess earnings to the federal government. All investment agreements will incorporate downgrade provisions to allow for the liquidation of the investment.

Restrictions On Purchase Of Securities

The County of Riverside Executive Office, on behalf of Community Facilities Districts and 1915 Act Assessment Districts, shall not engage in any form of leverage for the purpose of enhancing portfolio yield. There shall be no entry into reverse repurchase agreements or into any security lending agreements. The County Executive Office shall not invest any funds in derivative securities, inverse floaters, range notes, or interest only strips. No securities are to be purchased in a mutual bond fund where the principal dollars invested would be subject to daily market value adjustments in the fund's portfolio assets.

Investment transactions are to be made at current market value and competitively priced whenever possible. All securities purchased at a discount must, by maturity, yield the par value. Moneys in all funds and accounts may be aggregated for purposes of investing in Authorized Investments except when it is necessary to segregate a fund or account or portion thereof for purposes of restricting the yield on the investment of such funds.

Trading Of Securities

Securities may be traded or sold prior to maturity either at a profit or a loss when economic circumstances, trends in short-term interest rates, or a deterioration in the creditworthiness of the issuer warrants a sale of the securities to either enhance the investments yield or to minimize further erosion and loss of investment principal. In measuring a profit or loss, the sale proceeds shall be compared to the original book value of the security plus cumulative interest earned from the date of purchase to the date of sale. However, the sale of securities at a loss can only be made after first securing the approval of the County Executive Officer in written or telephonic directions, confirmed in writing.

Accountability And Control

All investment transactions are to be performed by the CEO or authorized designees, or the fiscal agent, on behalf of the district, documented, and reviewed for approval by the CEO or authorized designees. A copy of each investment transaction shall be filed within the County Executive Office. Portfolio interest income shall be reconciled monthly against cash receipts, and interest earnings shall be distributed

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monthly in compliance with the bond documents of each particular issuance. A compliance audit will be performed annually.

Reports

Investment portfolio reports shall state the book vs. current market value of all investments for each Mello-Roos Community Facilities District bond issuance and 1915 Act Assessment District bond issuance, reviewed quarterly by the Investment Oversight Committee (IOC) and shall be filed within the County Executive Office. After the close of each fiscal year, the annual compliance audit report will be reviewed by the IOC and then placed on the Board of Supervisors agenda, along with the year-end investment portfolio report.

Interpretation Of Policy Statement

This investment policy statement is to be interpreted conservatively. There is no implied authority to engage in any hedging strategy, option, future, swap agreement, or other similar investment practice, or to purchase other types of securities without the expressed written authority of the Board of Supervisors.

Effective Date

This policy statement is to be effective on the date of approval by the County of Riverside Board of Supervisors and will remain in force until subsequently amended.

Reference:

Minute Order 3.0 of 03/18/96
Minute Order 3.3 of 04/10/07
Minute Order X.X of 05/17/22

(FOLLOWING IS ATTACHMENT A)

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Attachment A

As an authorized representative of an approved broker/dealer or other authorized firm, I have received, read and retain on file a copy of the County of Riverside Board of Supervisors **Policy B-19 Land Secured Investment Policy** and to hereby agree to ensure compliance with said policy.

Signature

Title

Firm

Date

Please return a copy of this Attachment via email to cfid@rivco.org.

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PURPOSE & OBJECTIVE

This investment policy statement applies to funds held in trust with a fiscal agent, primarily proceeds of bonds issued by the County of Riverside Community Facilities Districts and 1915 Act Assessment Districts under the control of the Board of Supervisors. The first and primary objective in investing funds shall be preservation of capital. A secondary objective would be to meet the liquidity needs of each ~~fund~~fund's disbursement requirements. The final objective is to achieve the highest return allowable consistent with these objectives in compliance with bond documents, state and federal law.

AUTHORITY

Authority for the direction of investments is delegated by the particular bond indenture, Board resolution, and/or fiscal agent agreement and escrow agreement. Pursuant to the governing document, either the County Executive Officer (CEO) or designees (which include the Chief Finance Officer, Director of Finance or the Community Facilities Districts/Assessment Districts (CFD/AD) coordinator) ~~is~~ are authorized to make investments.

~~An updated list of the CEO A listing of and authorized designees is to be held on file with the CFD/AD coordinator within the County Executive Office included herewith as Schedule I. It shall be maintained with both the Auditor-Controller and the fiscal agent(s). It and shall be updated as required. Those authorized Authorized designees are permitted to make investments, make request wire or electronic fund transfers and to order the shipment and delivery of investment securities among accounts.~~

AUTHORIZED INVESTMENTS

Investments shall be restricted to those authorized in Government Code Section 53601, as amended, and as further restricted by each bond indenture. ~~To the extent authorized by the bond indenture, all investments shall be made in compliance with the criteria shown in Schedule II, which defines the type of permitted investments, any purchase restrictions, and credit quality standards that apply.~~

AUTHORIZED BROKER/DEALERS

Security transactions are limited solely ~~to~~ with those as specified in Schedule II of the County of Riverside Treasurer-Tax Collector's (TTC) Statement of Investment Policy (STIP), which is presented annually to the County Investment Oversight Committee (IOC) for review, and to the Board of Supervisors for approval. See the STIP at: <https://www.countytreasurer.org/Portals/0/pdf/InvestmentPolicies/InvestmentPolicy.pdf?ver=2020-02-25-101855-193>. ~~those banks and primary dealers of the Federal Reserve noted on Schedule III.~~

SB 866 prohibits the selection of any broker, brokerage, dealer, or securities firm that has made a political contribution to the Treasurer-Tax Collector or any member of the Board of Supervisors or the governing board of a Community Facilities District. It also limits the receipt of honoraria, gifts and gratuities from advisors, brokers, dealers, bankers, or other persons with whom the ~~County Executive Officer~~CEO or ~~his~~ authorized ~~representatives~~ designees conduct business or by any ~~member~~ member of the

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~~county's IOC Investment Oversight Committee.~~

No security transactions are authorized until the bank and/or primary broker/dealer or other authorized firms ~~has~~ have been delivered a current copy of ~~the Riverside County Executive Offices Statement of Investment~~ this Policy and has agreed in writing to be bound thereby (~~See see Attached Attachment A Schedule V~~), returning via electronic mail a complete copy of this document to be held on file within the County Executive Office.

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INVESTMENT ADVISOR

To the extent authorized by the Board of Supervisors, an investment advisor may, pursuant to contract, provide financial advice and direction on investments to be made, but their authority shall be limited and shall not extend to the holding of bond proceeds and portfolio assets. Contracts with investment advisory consultants shall stipulate that payment for services is to be made from the administrative fees of the district and shall not be in the form of a commission from products that the advisor may recommend for sale. An investment advisor who has made a political contribution to the Treasurer-Tax Collector or any member of the Board of Supervisors shall not be considered for contract.

FISCAL AGENT

The fiscal agent may act as principal or agent in the making or disposing of any investment as defined in the districts bond indenture. The fiscal agent may sell at the best market price obtainable, or present for redemption, any authorized investment so purchased whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or ~~disbursement from~~ disbursement from the fund or account to which authorized investment is credited. The fiscal agent shall not be liable or responsible for any loss resulting from such investment. In the absence of written investment direction from the ~~County Executive Officer, CEO~~ or authorized designees, the fiscal agent shall invest obligations as directed by the bond documents which govern those obligations.

SECURITY CUSTODY AND DELIVERY

All security collateral shall be deposited for safekeeping with the fiscal and/or paying agent contracted to provide the County Executive Office with custodial security clearance services. These ~~third-party~~ third-party trust department arrangements provide each district with ownership and control over the securities held by the fiscal and/or paying agent on the districts' behalf. Securities are **NOT** to be held in investment firm/broker dealer accounts. All security transactions are to be conducted on a delivery versus payment basis. Confirmation receipts on all investments are to be reviewed immediately by the Executive Office staff for conformity with Executive Office transaction documentation and retained on file for review as required by law.

LIQUIDITY

Based upon the characteristics of each fund, all investment maturities are to coincide with expected cash disbursement requirements (~~t-o-i-e.~~ debt service or construction costs) thereby eliminating the need to utilize reverse-repurchase agreements. Limitations on holdings s are outlined in ~~Schedule II contained herein.~~ each bond indenture.

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INVESTMENT AGREEMENT CONTRACTS		

Investment agreement contracts shall not be entered into where above market profits accrue to a dealer/broker. All achievable earnings (including any excess earnings) will accrue to the issuer even though the issuer may incur ~~a tax liability or rebate excess earnings~~ tax liability or rebate excess earnings to the federal government. All investment agreements will incorporate downgrade provisions to allow for the liquidation of the investment.

RESTRICTIONS ON PURCHASE OF SECURITIES

The ~~Riverside County~~ of Riverside Executive Office, on behalf of Community Facilities Districts and 1915 Act Assessment Districts, shall not engage in any form of leverage for the purpose of enhancing portfolio yield. There shall be no entry into reverse repurchase agreements ~~of or~~ into any security lending agreements. The County Executive Office shall not invest any funds in derivative securities, inverse floaters, range notes, or interest only strips. No securities are to be purchased in a mutual bond fund where the principal dollars invested would be subject to daily market value adjustments ~~in their fund~~ the fund's portfolio assets.

Investment transactions are to be made at current market value and competitively priced whenever possible. All securities purchased at a discount must, by maturity, yield the par value. Moneys in all funds and accounts may be aggregated for purposes of investing in Authorized Investments except when it is necessary to segregate a fund or account or portion thereof for purposes of restricting the yield on the investment of such funds.

TRADING OF SECURITIES

Securities may be traded or sold prior to maturity either at a profit or a loss when economic circumstances, trends in short-term interest rates, or a deterioration in the ~~credit worthiness~~ creditworthiness of the issuer warrants a sale of the securities to either enhance the investments yield or to minimize further erosion and loss of investment principal. In measuring a profit or loss, the sale proceeds shall be compared to the original book value of the security plus cumulative interest earned from the date of purchase to the date of sale. However, the sale of securities at a loss can only be made after first securing the approval of the County Executive Officer, ~~or authorized designee,~~ in written or telephonic directions, confirmed in writing.

ACCOUNTABILITY AND CONTROL

All investment transactions are to be ~~through performed by the County Executive Officer~~ CEO or authorized designees, or the fiscal agent, on behalf of the district, documented, and reviewed for approval by the ~~County Executive Officer~~ CEO or an authorized designees. A copy of each investment transaction ~~shall be filed~~ with within the County Executive Office. ~~The report on the Investment Portfolio will be reviewed semi-annually by the Investment Oversight Committee and placed on file with the Board of Supervisors and Auditor-Controller.~~ Portfolio interest income shall be reconciled monthly against cash receipts, and interest earnings shall be distributed.

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monthly in compliance with the bond documents of each particular issuance. A compliance audit will be performed annually.

REPORTS

~~Investment Portfolio portfolio reports shall state the book vs. current market value of all investments for each Mello-Roos Community Facilities District bond issuance and 1915 Act Assessment District bond issuance, shall be reviewed quarterly by the Investment Oversight Committee (IOC) and shall be filed within the County Executive Office. After the close of each fiscal year, the annual compliance audit report will be reviewed by the IOC and then placed on the Board of Supervisors agenda, along with the year-end investment portfolio report. semi-annually with the Board of Supervisors after prior review by the Investment Oversight Committee. The County Executive Officer, or authorized designee, shall also prepare and file with the Board of Supervisors and County Executive Office the Report on Investment Portfolio, stating the book vs. current market value of all investments for each Mello-Roos Community Facilities District bond issuance and 1915 Act Assessment District bond issuance.~~

INTERPRETATION OF POLICY STATEMENT

This investment policy statement is to be interpreted conservatively. There is no implied authority to engage in any hedging strategy, option, future, swap agreement, or other similar investment practice, or to purchase other types of securities without the expressed written authority of the Board of Supervisors.

EFFECTIVE DATE

This policy statement is to be effective on the date of approval by the ~~Riverside~~ County of Riverside Board of Supervisors and will remain in force until subsequently amended, ~~in writing by the Board of Supervisors.~~

Reference:

Minute Order 3.0 of 03/18/96
Minute Order 3.3 of 04/10/07
Minute Order X.X of 03/22/22

(FOLLOWING ARE: ~~SCHEDULES I, III, IV and V IS ATTACHMENT A~~)

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Schedule I

Only individuals whose signatures appear here are authorized to make investments, make wire or electronic fund transfers and to order the shipment and delivery of investment securities among accounts.

Larry Parrish Jeffrey A. Van Wagenen, Jr.
County Executive Officer _____

Ken Mohr Juan C. Perez
Assistant County Executive Chief Operating Officer _____

Bill Luna Dave Rogers
County Finance Director Chief Administrative Officer _____

Gary Christmas Michael Ambole
Deputy County Executive Finance Officer _____

Dean Deines Don Kent
Deputy County Executive Officer Director of Finance _____

Christopher Hans Frankie Z. Ezzat
Deputy County Executive Officer Director of Budget _____

Dan Martinez
Deputy County Executive Officer _____

Form is to be filed with the Auditor-Controller, Fiscal Agent and Investment Oversight Committee annually.

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Schedule III

~~The Riverside County Executive Office is authorized to conduct investment security transactions with the following investment firms and broker/dealers, many of which are designated by the Federal Reserve Bank as primary government dealers. Security transactions with firms, other than those appearing on this list, are prohibited.~~

~~A. Firms designated by the Federal Reserve Bank as Primary Government Dealers:-~~

- ~~Bank of America NT&SA~~
- ~~Chase Securities, Inc.-~~
- ~~Chemical Securities, Inc.-~~
- ~~Citicorp Securities Markets, Inc.-~~
- ~~Dean Witter Reynolds, Inc.-~~
- ~~CS First Boston Corporation~~
- ~~First Chicago Capital Markets, Inc.-~~
- ~~Fuji Securities, Inc.-~~
- ~~Goldman Sachs & Company-~~
- ~~Kidder Peabody & Company, Inc.-~~
- ~~Merrill Lynch Government Securities, Inc.-~~
- ~~J.P. Morgan Securities, Inc.-~~
- ~~Morgan Stanley & Co. Inc.-~~
- ~~Paine Webber, Inc.-~~
- ~~Prudential Bache Securities, Inc.-~~
- ~~Shearson Lehman Hutton Government Securities, Inc.-~~
- ~~Smith Barney Harris Upham & Co., Inc.-~~

~~B. Other authorized firms:~~

- ~~Cantor Fitzgerald Securities Corp.-~~
- ~~Bank of California~~
- ~~The Bank of New York-~~
- ~~Gilford Securities~~

~~C. Purchases direct from major commercial paper issuers, bankers acceptance issuers or savings and loan associations, meeting the requirements set forth in section 53601 and 53635.5 of the California Government Code and SB 866- (i.e. an institution licensed by the State as a broker-dealer, or from a member of a federally regulated securities exchange, from a national or state-chartered bank, from a savings association or a federal association, or a brokerage firm designated as a primary government dealer by the Federal Reserve Bank.)~~

- ~~(1) General Electric Credit Corporation~~
- ~~(2) Ford Motor Credit Co.~~

~~To ensure compliance with the Riverside County Executive Office Investment Policy, each brokerage firm is being supplied by Certified Mail a complete copy of this document filed with the Board of Supervisors.~~

~~Effective upon date of approval by the Board of Supervisors.-~~

~~Signed: _____~~

~~_____
Larry Parrish Jeffrey A. Van Wagenen, Jr.
County Executive Officer~~

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Schedule IV

GLOSSARY

~~**AGENCIES:** Federal agency securities.~~

~~**ASKED:** The price at which securities are offered.~~

~~**BANKERS ACCEPTANCE (BA):** A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.~~

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

~~**BROKER:** One who brings buyers and sellers together.~~

~~**CERTIFICATE OF DEPOSIT (CD):** A time deposit with a specific maturity evidenced by a certificate, large-denomination CDs 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 moneys.~~

~~**COUPON:** (a) The annual rate of interest that a bonds issuer promises to pay the bondholder on the bonds face value. (b) A certificate attached to a bond evidencing interest due on a payment date.~~

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

~~**DEBENTURE:** A bond secured only by the general credit of the issuer.~~

~~**DELIVERY VERSUS PAYMENT:** 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.~~

~~**DISCOUNT:** The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.~~

~~**DISCOUNT SECURITIES:** Non-interest bearing money market instruments that are issued a discount and redeemed at maturity for full face value, e.g., U.S. Treasury Bills.~~

~~**DIVERSIFICATION:** Dividing investment funds among a variety of securities offering independent returns.~~

~~**FEDERAL CREDIT AGENCIES:** Agencies of the Federal Government set up to supply credit to various classes of institutions and individuals, e.g., S & Ls, small business firms, students, farmers, farm cooperatives, and exporters.~~

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FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits, currently up to \$100,000 per deposit.		
FEDERAL FUNDS RATE: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.		
FEDERAL HOME LOAN BANKS (FHLB): The institutions that regulate and lend to savings and loan associations. The Federal Home Loan Banks play a role analogous to that played by the Federal Reserve Banks Vis-a-vis member commercial banks.		
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.		
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. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA or FMHM 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.		
MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.		
MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase reverse repurchase agreements that establish each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.		
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 Asked and Bid.		
PORTFOLIO: Collection of securities held by an investor.		

**COUNTY OF RIVERSIDE, CALIFORNIA
BOARD OF SUPERVISORS POLICY**

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~~**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 gains or losses incurred by the owner of an asset over a period of time; usually measured as the sum of the periodic payments (dividends or interest) and the capital appreciation of the asset (total return).~~

~~**REPURCHASE AGREEMENT (RP OR REPO):** A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security buyer in effect lends the seller money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: when the Fed is said to be doing RP, it is lending money that is, increasing bank reserves.~~

~~**SAFEKEEPING:** A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the banks 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.~~

~~**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 BOND:** Long-term U.S. Treasury securities having initial maturities of more than 10 years.~~

~~**TREASURY NOTES:** A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most notes are issued in excess of one year.~~

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

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**Schedule
VAttachme
nt A**

As an authorized representative of an approved bBroker/dDealer or other authorized firm, I have received, read and retain on file a copy of the Riverside County of Riverside Board of Supervisors Policy B-19 Land Secured Investment Policy and to hereby agree to ensure compliance with said policy.

Signature

Title

Firm

Date

Please return a copy of this Attachment via email to cfid@rivco.org.
Please return a copy of this Schedule to:
Riverside County Executive Office, 4080 Lemon Street, 4th Floor, Riverside, California 92501