



**EAST BAY REGIONAL PARK DISTRICT
FINANCE COMMITTEE
AGENDA STAFF REPORT**

DATE	May 22, 2024
TITLE	Investment Report and Market Review for March 31, 2024
DIVISION	Finance and Management Services
FROM	Deborah Spaulding, AGM Finance & Management Services/CFO
APPROVED	Sabrina Landreth, General Manager

RECOMMENDATION

Staff requests that the Board Finance Committee recommend to the full Board of Directors acceptance of the March 31, 2024 Investment Report.

BACKGROUND

The East Bay Regional Park District (Park District) maintains an investment strategy that is outlined in the Park District's Investment Policy. The Park District invests its funds in accordance with State code, the Board Operating Guidelines and the Investment Policy. Quarterly reporting is required by the Park District's Investment Policy. The Investment Policy is reviewed and approved annually by the Board of Directors.

In accordance with Board Operating Guidelines and the Investment Policy, the attached report has been prepared on the Park District's cash and investments. The total market value of pooled cash and investments held by the Park District at March 31, 2024 was \$296,938,481. The market value of the Park District's pension trust fund, project bond funds held by trustees, and debt service funds were an additional \$115,820,612. Attachment A provides additional detail regarding these funds.

ANALYSIS

The Park District's investment portfolio included \$138.2 million in the "liquidity portfolio" (funds readily usable, convertible to cash with minimal impact to price). This was \$17.6 million lower than the balance at December 31, 2023. This decrease in pooled cash is normal for the first quarter, because property tax revenues are received by the Park District primarily in April and December. The balance in this category is \$7.1 million less than last year's Q1 balance.

Securities

The market value of the Park District's funds invested in short, mid-term and long-term securities was approximately \$158.8 million at the end of the first quarter, \$10.6 million more than was invested at the end of the fourth quarter of 2023. The most significant changes in value were in US Treasuries, \$6.8 million above fourth quarter, and investments in Corporate Bonds & Notes, which increased by approximately \$2.9 million in the first quarter.

Pension Trust Fund

The market value of the Park District's Pension Trust was \$8.4 million at the end of the first quarter. In 2024, the Park District intends to withdraw \$2 million from the Trust to reimburse itself for Miscellaneous Plan CalPERS pension costs.

Bond Funds

Project bond funds of \$82.6 million were available at the end of the first quarter, -\$4.5 million below the balance at the end of 2023, reflecting a drawdown of funds from the project bond funds for project expenditures. At March 31st, the District's debt service funds had balances of \$24.8 million, which is -\$2.4 million below balances at December 31st, reflecting the payment of Measure WVV debt service on March 1st.

Environmental, Social, Governance (ESG) Investment Update

The Park District's average ESG risk score improved slightly in the prior quarter. The Park District's Investment Advisors (PFM) will provide additional detail regarding changes to the investment portfolio's ESG score at the Finance Committee meeting.

The following is a description of the information provided in report Attachments:

- Attachment A Investment Balances provides comparative investment balance information between the current quarter, the prior quarter and the same period one year ago.
- Attachment B provides an overview of PFM's strategy for investing Park District funds and detailed changes in security investments during the prior quarter, and that allocations remain in compliance with the Board approved 2024 Investment Policy. It also provides information on the managed portfolio maturity and credit quality. The Park District's cash management program provides sufficient liquidity to meet expenditure requirements for the next six months.
- Attachment C is a chart showing all Park District cash and investments by type (including funds not managed by PFM).

FISCAL IMPACT

Investment earnings are a highly variable revenue source for the Park District and for this reason, investment revenue is not budgeted. However, cash and investments are expected to generate significant revenue in this year based on quarterly earnings to-date.

ATTACHMENTS

- A. Investment Balances for Period Ending March 31, 2024
- B. PFM Investment Performance Review for March 31, 2024
- C. Total Cash & Investments by Type