




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

DATE	February 13, 2025
TITLE	Recommendation to the Board of Directions to Accept the Quarterly Investment Report and Market Review for December 31, 2024
DIVISION	Finance and Management Services
FROM	Deborah Spaulding, Assistant General Manager of Finance and Management Services
APPROVED	Sabrina Landreth, General Manager 

RECOMMENDATION

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

BACKGROUND

Attached is the Park District's quarterly cash and investment report for the fourth quarter of 2024. Quarterly reporting is required by the Investment Policy and is a best practice. The Park District invests funds in accordance with State code, the Board Operating Guidelines and the Park District's Investment Policy.

The total market value of pooled cash and investments held by the Park District at December 31, 2024 was \$383,200,825. The market value of the Park District's pension trust fund, project bond funds held by trustees, and debt service funds were an additional \$123,413,941. The Park District's investments are managed by PFM Asset Management, LLC.

ANALYSIS

The Park District's investment portfolio as of December 31, 2024 included \$219.2 million in the "liquidity portfolio." These are funds readily usable, convertible to cash with minimal impact to price. This amount was \$56.0 million higher than the amount available at the end of quarter three. This increase in pooled cash is normal for the fourth quarter, as December is when the second of two major annual property tax payments is received by the Park District. These funds will be drawn down in the first quarter of the year, until the next large installment of property taxes is received in April.

Invested Funds

At the end of 2024 the market value of the Park District's investments in short, mid-term and long-term securities was approximately \$164.0 million, \$1.4 million less than at the end of the third quarter of 2024. The most significant changes in value were in US Treasuries, with a \$7.0 million increase in the fourth quarter, while investments in Federal Agencies decreased by \$1.2 million, investments in Asset Backed Securities decreased by \$1.0 million, and investments in Corporate Bonds & Notes decreased by \$6.2 million.

Pension Trust Fund

The Park District drew down the majority of the remaining balance in its Pension Trust in December, contributing \$6.825 million to pay down the Park District unfunded liability for Miscellaneous Plan CalPERS pension costs. This one-time payment in combination with a “fresh start” to the Park District’s amortization schedule will reduce future pension costs in future years.

Bond Funds

Project bond funds of \$107.7 million were available at the end of the fourth quarter, roughly \$2.7 million lower than the balance at the end of the third quarter. At December 31, the Park District’s debt service funds had balances of \$15.6 million, which is \$5.2 million above the balance at September 30, reflecting the receipt of property tax revenues which include the levy for Measure WWW bonds.

The Park District’s Environmental, Social, Governance risk rating was roughly unchanged from the prior quarter, at the “Low” level. PFM will provide additional detail regarding the Park District’s investment portfolio’s ESG score at the Finance Committee meeting.

FISCAL IMPACT

Investment earnings are a highly variable revenue source for the Park District and for this reason, investment revenue is not budgeted. However, year-to-date, cash and investments have generated over \$10.0 million in revenue in 2024. This positive trend is expected to continue at a moderated pace in 2025, as interest rates remain above trend.

ATTACHMENTS

- A. Investment Balances as of December 31, 2024
- B. PFM Investment Performance Review
- C. Cash & Investments by Type