




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

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<b>DATE</b>	September 25, 2024
<b>TITLE</b>	Recommendation to the Board of Directors to Accept Investment Report and Market Review for June 30, 2024
<b>DIVISION</b>	Finance and Management Services
<b>FROM</b>	Deborah Spaulding, Assistant General Manager of Finance and Management Services
<b>APPROVED</b>	Sabrina Landreth, General Manager 

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**RECOMMENDATION**

Staff requests that the Board Finance Committee recommend to the full Board of Directors acceptance of the June 30, 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 June 30, 2024 was \$341.8 million. The market value of the Park District's pension trust fund, project bond funds held by trustees, and debt service funds were an additional \$124.3 million. Attachment A provides additional detail regarding these funds.

**ANALYSIS**

The Park District's investment portfolio included \$181.9 million in the "liquidity portfolio" (funds readily usable, convertible to cash with minimal impact to price). This was \$43.7 million higher than the balance at March 31, 2024. This increase in pooled cash is normal for the second quarter, because of the large installment of property tax revenues received by the Park District in April. The balance in this category is \$13.4 million more than last year's Q2 balance.

Securities

The market value of the Park District's funds invested in short, mid-term and long-term securities was approximately \$159.9 million at the end of the second quarter, \$1.1 million more than was invested at the end of the first quarter of 2024. The most significant changes in value were in Federal Agencies, \$2.0 million above first quarter, and investments in Corporate Bonds & Notes, which decreased by approximately \$1.1 million from the first quarter.

### Pension Trust Fund

The market value of the Park District's Pension Trust was \$8.5 million at the end of the second quarter. In July 2024, the Park District withdrew \$2 million from the Trust to reimburse itself for Miscellaneous Plan CalPERS pension costs.

### Bond Funds

Project bond funds of \$73.7 million were available at the end of the second quarter, -\$9.0 million below the balance at the end of March, reflecting a drawdown of funds from the project bond funds for project expenditures. At June 30, the Park District's debt service funds had balances of \$42.2 million, which is \$17.4 million above balances at March 31, reflecting the receipt of the tax levy in April which was used for Measure WW debt service due in September.

### 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 Advisor (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 earnings to-date.

### **ATTACHMENTS**

- A. Investment Balances for Period Ending June 30, 2024
- B. PFM Investment Performance Review for June 30, 2024
- C. Total Cash & Investments by Type