




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

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<b>DATE</b>	January 8, 2025
<b>TITLE</b>	Recommendation to the Board of Directors to Accept the Investment Report and Market Review for September 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 September 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 September 30, 2024 was \$328,610,218. Pension Trust, Project bond funds and debt service funds held by trustees were an additional \$126,497,635. Attachment A provides additional detail regarding these funds.

**ANALYSIS**

Cash & Cash Equivalent

The Park District's investment portfolio included \$163.2 million in the "liquidity portfolio" (funds readily usable, convertible to cash with minimal impact to price). This was \$18.7 million lower than the June 30, 2024 balance. This decrease in pooled cash is normal for the third quarter because property tax revenues are received by the Park District primarily in April and December. The balance in this category is \$32.2 million more than last year's Q3 balance.

Securities

The market value of the Park District's funds invested in short, mid-term and long-term securities was approximately \$165.4 million at the end of the third quarter, \$5.6 million more than was invested at the end of the second quarter of 2024. The most significant changes in value were in Corporate Bonds & Notes, \$6.1 million above second quarter, and Federal Agencies, which increased by approximately \$2.7 million. These increases were offset by a \$2.7 million decrease in US Treasury investments.

### Pension Trust Fund

The market value of the Park District's Pension Trust was \$6.8 million at the end of the third quarter. In December of 2024, the Park District allocated \$6.825 million from the Pension Trust to CalPERS for a one-time discretionary payment, and to implement a "fresh start" to the Miscellaneous Plan. This will reduce the total amount owed for pension costs by \$18.5 million over 14 years. The Pension Trust will be fully drawn down by the end of 2025.

### Project Bond Funds & Debt Service Funds

Project bond funds were \$109.3 million at the end of the third quarter, an increase of \$35.6 million from the second quarter, reflecting the issuance of Promissory Notes in August of 2024 for the construction of the Peralta Oaks North project. At March 31st, the Park District's debt service funds had balances of \$10.4 million, which is -\$31.8 million below balances at June 30, reflecting the payment of Measure VWW debt service on September 1<sup>st</sup>.

### Environmental, Social, Governance (ESG) Investment Update

The Park District's average ESG risk score of 19.6 is unchanged from the prior quarter, but has improved from the prior year. 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 September 30, 2024
- B. PFM Investment Performance Review for September 30, 2024
- C. Total Cash & Investments by Type