

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

DATE	January 8, 2025
TITLE	Recommendation to the Board of Directors to Accept the 2025 Investment Policy
DIVISION	Finance and Management Services
FROM	Deborah Spaulding, Assistant General Manager of Finance and Management Services
APPROVED	Sabrina Landreth, General Manager 

RECOMMENDATION

The General Manager requests that the Board Finance Committee recommend to the Board of Directors acceptance of the 2025 Investment Policy. The 2025 Investment Policy includes certain changes from the prior year to reflect California Government Code language and is provided to the Finance Committee and full Board of Directors for review and approval as a best practice, and as required by the Policy.

BACKGROUND

The Park District maintains an investment strategy which is outlined in the Park District’s Investment Policy. The Investment Policy is reviewed and approved annually by the Board of Directors. If changes are required by State law, or recommended by our investment advisors, the Policy will be provided to the Board in “track changes” format, so that the changes can be more easily reviewed. Even if unchanged, the Investment Policy must still be reviewed annually by the Board to ensure that Board members are familiar with the investment objectives, strategy, and restrictions.

ANALYSIS

Some changes to the Investment Policy recommended for 2025 are to improve alignment with California Government Code, Section 53601. Our Investment Advisors, PFM, have recommended clarifying the typical maturity for certain investments:

- Section 9.1.a. US Treasury bills, notes, bonds or strips with a maturity not exceeding 5 years from the date of trade settlement.
- Section 9.1.b. Federal Agency or US government-sponsored enterprise obligations...with a maturity not exceeding 5 years from the date of trade settlement.

PFM also recommends adding limitations on the amount of Banker’s Acceptances allowed to be accepted from a single commercial bank:

- Section 9.2. Eligible Banker’s Acceptances with a maturity not exceeding 180 days....The aggregate investment in banker’s acceptances shall not exceed 40% of the District’s total

portfolio and no more than 30% of the agency's money may be invested in banker's acceptances of any commercial bank.

PFM recommends inserting language to Section 9.13 to match the investment title in Bill 882 that was passed on January 1, 2024:

- Section 9.13 Mortgage Pass-Through and Asset Backed Securities including equipment lease-backed certificates, consumer receivable passthrough certificates, or consumer receivable-backed bonds of a maximum remaining maturity of five years.

Lastly, Addendum I to the Investment Policy has been updated to clarify the new name of PFM Asset Management after they were acquired by US Bancorp. Union Bank's name has also been removed as they were acquired by U.S. Bank.

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 generated over \$9.0 million in revenue in 2024. This positive momentum is expected to continue into 2025 as interest rates remain above trend.

ATTACHMENTS

Attachment A – 2025 Park District Investment Policy