



**EAST BAY REGIONAL PARK DISTRICT
BOARD OF DIRECTORS MEETING
AGENDA STAFF REPORT**

DATE	April 16, 2024
TITLE	Approval of Quarterly Investment Report for December 31, 2023 and 2024 Investment Policy
DIVISION	Finance and Management Services
FROM	Deborah Spaulding, Assistant General Manager of Finance & Management Services/CFO
APPROVED	Sabrina Landreth, General Manager

RECOMMENDATION

The General Manager requests that the Board accept the December 31, 2023 Investment Report and approve the 2024 Investment Policy. The 2024 Investment Policy is unchanged from the prior year but is provided to the Board of Directors for review and approval as a best practice, and as required by the Policy.

BACKGROUND

The East Bay Regional Park District (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. The Investment Policy must still be reviewed annually by the Board even if no changes are recommended. This helps Board members become familiar with the investment objectives, strategy, and restrictions.

Additionally, attached is the Park District's quarterly cash and investment report for the fourth quarter of 2023. Quarterly reporting is required by the Investment Policy. 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, 2023 was \$303,970,058. The market value of the Park District's pension trust fund, project bond funds held by trustees, and debt service funds were an additional \$122,520,620. The Park District's investments are managed by PFM Asset Management, LLC.

ANALYSIS

The Park District's investment portfolio as of December 31, 2023 included \$155.8 million in the "liquidity portfolio." These are funds readily usable, convertible to cash with minimal impact to price. This amount was \$24.8 million higher than the amount available at the end of quarter three. This

increase in pooled cash is normal for the fourth quarter, because a large portion of property tax revenues are received by the Park District in December. 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 2023 the market value of the Park District's investments in short, mid-term and long-term securities was approximately \$148.2 million, \$4.3 million more than at the end of the third quarter of 2023. The most significant changes in value were in US Treasuries, with a -\$1.7 million decrease in the fourth quarter, while investments in Federal Agencies increased by \$5.1 million and investments in Asset Backed Securities increased by \$2.2 million.

Pension Trust Fund

The market value of the Park District's Pension Trust was \$8.2 million at the end of the fourth quarter, an increase of \$765,000, reflecting investment earnings as well as a \$125,000 contribution to the Trust. These funds will be used to reimburse the Park District for Miscellaneous Plan CalPERS pension costs in future years.

Bond Funds

Project bond funds of \$87.1 million were available at the end of the fourth quarter, roughly unchanged from the balance at the end of the third quarter. At December 31, the Park District's debt service funds had balances of \$27.1 million, which is \$19.6 million above the balance at September 30, reflecting the receipt of the tax levy for Measure WW which was paid through property taxes.

The Park District's Environmental, Social, Governance risk rating was roughly unchanged from the prior quarter, at the "Medium" level.

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 \$6.0 million in revenue in 2023. This positive movement is expected to continue into 2024 as interest rates remain above trend.

ATTACHMENTS

Attachment A - Investment Balances as of December 31, 2023

Attachment B – PFM Investment Performance Review

Attachment C –Cash & Investments by Type

Attachment D – Park District Investment Policy



**EAST BAY REGIONAL PARK DISTRICT
RESOLUTION NO. 2024 – 04 -
APRIL 16, 2024**

Q4 2023 INVESTMENT REPORT & INVESTMENT POLICY REVIEW

WHEREAS, pursuant to the Board Operating Guidelines, the Board of Directors shall annually review and approve any changes to the East Bay Regional Park District (Park District) Investment Policy, as recommended by the Board Finance Committee; and

WHEREAS, the Policy was reviewed by the Board Finance Committee at the February 28 2024 meeting, and no changes are proposed to the Investment Policy this year; and

WHEREAS, the Investment Policy provides guidance and direction for the prudent investment of Park District) funds, and fosters the creation of a systematic and controlled investment process; and

WHEREAS, management responsibility for the Park District's investments is delegated annually by the Board of Directors to the Chief Finance Officer, pursuant to the Investment Policy; and

WHEREAS, the Investment Policy and Board Operating Guidelines require the Chief Financial Officer to prepare a quarterly report on investment activity for review by the Board Finance Committee and acceptance by the Board of Directors; and

WHEREAS, the Board Finance Committee reviewed the December 31, 2023 Quarterly Investment Report at their meeting on February 28, 2024, and recommended favorable consideration of this item by the Board of Directors; and

NOW, THEREFORE BE IT RESOLVED, that the Board of Directors of the East Bay Regional Park District hereby delegates responsibility for the Park District's Investment Policy to the Chief Finance Officer and approves the attached Investment Policy as presented to the Board on April 16, 2024; and

BE IT FURTHER RESOLVED, that the Board of Directors hereby accepts the Park District's Investment Report for the quarter ended December 31, 2023 as presented to the Board on April 16, 2024; and

BE IT FURTHER RESOLVED, that the General Manager is hereby authorized and directed, on behalf of the Park District and in its name, to execute and deliver such documents and to do such acts as may be deemed necessary or appropriate to accomplish the intentions of this resolution.

Moved by Director , and seconded by Director , and
adopted April 16, 2024, by the following vote:

FOR:

AGAINST:

ABSTAIN:

ABSENT: