




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

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|-----------------|----------------------------------------------------------------------------------------------------------------------|
| DATE | December 19, 2023 |
| TITLE | Acceptance of 2023 Investment Report and Market Review for September 30, 2023 |
| DIVISION | Finance and Management Services |
| FROM | Deborah Spaulding, Assistant Finance Officer Sabrina Landreth, General Manager |
| APPROVED | Sabrina Landreth, General Manager  |

RECOMMENDATION

The General Manager recommends that the Board of Directors accept the September 30, 2023 Investment Report.

BACKGROUND

The attached report prepared on the East Bay Regional Park District's (Park District) cash and investments for the third quarter of 2023 was reviewed and recommended to the full Board at the Board Finance Committee meeting on November 20th. The Park District invests funds in accordance with the Board Operating Guidelines and the Park District's Investment Policy, which is updated and brought to the Board of Directors for approval annually. The total market value of pooled cash and investments held by the Park District at September 30, 2023 was \$274,838,442. The market value of the District's pension trust fund, project bond funds held by trustees, and debt service funds were an additional \$102,833,068. The majority of the Park District's investments are managed by PFM Asset Management, LLC.

ANALYSIS

Liquidity Portfolio

As of September 30, 2023, the Park District's "liquidity portfolio" (funds readily usable, convertible to cash with minimal impact to price) was \$131.0 million, or \$37.5 million lower than the balance at June 30, 2023. This decrease in pooled cash is normal for the third quarter, because a large portion of property tax revenues are received by the Park District in April and the next large payment is not received until December.

Invested Funds

The market value of the Park District's funds invested in short, mid-term and long-term securities was approximately \$143.8 million at the end of the third quarter, \$0.2 million more than was invested at the end of the second quarter of 2023. The most significant changes in value were in US Treasuries, with a -\$13.4 million decrease in investments in the third quarter, while investments in Federal Agencies increased by \$5.9 million and investments in Asset Backed Securities increased by \$4.7 million.

Pension Trust Fund

The market value of the Park District's Pension Trust was \$7.4 million at the end of the third quarter, a decrease reflecting the withdrawal of \$2 million from the Trust to reimburse the Park District for Miscellaneous Plan CalPERS pension costs.

Bond Funds

Project bond funds of \$87.8 million were available at the end of the third quarter, \$4.3 million below the balance at the end of the second quarter, reflecting a drawdown of funds from the project bond funds for project expenditures. At September 30th, the Park District's debt service funds had balances of \$7.6 million, which is \$31.6 million below the balance at June 30, reflecting the payment of Measure WW debt service on September 1st.

Environmental, Social, Governance (ESG) Investment Update

The Park District's average ESG risk rating was roughly unchanged from the prior quarter, at the "Medium" level. The District's Investment Advisors (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 \$4 million in revenue in 2023. This positive movement is expected to continue for the remainder of 2023 as interest rates remain above trend.

ATTACHMENTS

Attachment A - Investment Balances as of September 30, 2023

Attachment B – PFM Investment Performance Review

Attachment C – Cash & Investments by Type



**EAST BAY REGIONAL PARK DISTRICT
RESOLUTION NO. 2023-12-
DECEMBER 19, 2023**

**ACCEPTANCE F 2023 INVESTMENT REPORT AND MARKET REVIEW
FOR SEPTEMBER 30, 2023**

WHEREAS, the Board of Directors adopted the 2023 Investment Policy to provide guidance and direction for the prudent investment of East Bay Regional Park District (Park District) funds, and to foster the creation of a systematic and controlled investment process; and

WHEREAS, the Investment Policy calls for the Park District to invest Park District funds in a prudent manner, providing the highest yield with the maximum security of principal invested, while also meeting the daily cash flow requirements of the Park District; and

WHEREAS, the Investment Policy and Board Operating Guidelines require the Assistant General Manager of Finance and Management Services / 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 this item at their meeting on November 20, 2023, and recommended favorable consideration of this item by the Board of Directors

NOW, THEREFORE BE IT RESOLVED, that the Board of Directors of the East Bay Regional Park District hereby accepts the East Bay Regional Park District Investment Report for the quarter ended September 30, 2023 as presented to the Board on December 19, 2023; 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 December 19, 2023, by the following vote:

FOR:

AGAINST:

ABSTAIN:

ABSENT: