



EAST BAY REGIONAL PARK DISTRICT
BOARD FINANCE COMMITTEE
AGENDA STATEMENT
MEETING DATE – February 24, 2010

SUBJECT: Property Insurance Renewal and Renewal Values

ATTACHMENT: None

RECOMMENDATION: Approval to Renew Property Insurance in an amount not to Exceed \$300,000.

DESCRIPTION:

The District purchases property insurance through a public entity pooling program, the CSAC-Excess Insurance Authority (EIA) for several years at a time. This pooling program allows the District to participate in a program that is designed for the benefit of member public entities, including the District, instead of the benefit of a for-profit insurer. All District buildings are included in the property program, even if they are not specifically listed as part of the premium basis. The pooling program has been advantageous for the District. For example, a recent arson of buildings at the Gillespie Group Camp that were perhaps worth \$120,000 will be covered for reimbursement of approximately \$475,000 (due in part to code upgrades.) The prior insured program refused to pay for another burned building simply because it was not on the property list. The CSAC-EIA coverage is more comprehensive, and a recent check against another insurer indicates it is competitively priced. Staff recommends renewal of this coverage, and the potential addition of piers in the coverage.

Currently, the coverage does not include piers, unless the pier is specifically included on the property list. The District can elect to include piers at an additional premium of \$15,000. This is a relatively small amount of the total District budget and in relation to the total insurance premiums paid by the District.

Design and Construction staff were unable to accurately assess the values of District piers, except for Eckley, since most piers were built many years ago to standards that would not be used today. In addition, Design and Construction staff believe that environmental regulations may not even allow a rebuild or repairs on some piers. Under all insurance programs, including the CSAC-EIA, if a structure is not rebuilt there is a nominal amount paid in relation to the true value of the lost structure.

The original property list (which has been the source of pricing information for insurers most likely going back as long as the District has had property coverage and piers) did not include coverage for the piers. Those piers (Antioch, Eckley, Point Pinole, Ferry Point) were recently included in the property list and as of today would be covered for a loss. Presently there is no charge for the coverage, but there will be a charge after renewal of coverage on March 31, 2010 should the District continue to include those piers on the property list.

The risk of loss to the piers is unclear. While the insurance program has served the District well for property coverage after several arson fires, it is unclear how and if the pier coverage

will ever be necessary. There has never been a fire, damage by boats or other foreseeable losses to the piers while owned by the District. (It is noted that Ferry Point did experience a major fire that damaged the piers back when there was activity on the pier that caused the mass substantial damage.) Piers would likely have only minor damage even if an arsonist was perseverant in attempting to cause damage. Even if there were to be damage done to a pier by a vessel, there are marine laws that mandate reimbursement for damage by the owner, as experienced with the Cosco Busan recovery and anticipated with the Dubai Star recovery. Point Pinole and Antioch, the highest value piers, are in relatively shallow waters so it is difficult to imagine a freighter getting to the pier to cause substantial damage. Coverage does not include damage due to storm waters, which have not damaged the piers yet, though may do so as they age.

In summary, the \$15,000 increase in premium is not a substantial amount of money when considering coverage for District property worth over \$20,000,000. On the other hand, it is difficult to evaluate the expense in absence of a foreseeable accident and a long history that is accident-free.

The Finance Committee is asked to renew the District's property program through the CSAC-EIA. The 2009-2010 premium years' expense of \$273,523 (which includes earthquake coverage for Peralta Oaks, the Brazil Building, Temescal Beach House, and the ECC) is likely to decrease slightly, and there is adequate budgeted money to pay for the anticipated premium, plus the additional \$15,000 to cover the piers if the Committee/Board wishes. Staff does recommend this coverage, but Finance Committee input would be valued.

The exact amount of premium has not yet been calculated so the request is in anticipation of a potential decrease in premium for standard (non-earthquake coverage). The exact premium will be known on March 4, 2010, and submitted to the Board for approval.

EAST BAY REGIONAL PARK DISTRICT
BOARD FINANCE COMMITTEE
AGENDA STATEMENT
MEETING DATE: February 24, 2010

SUBJECT: Approval To Remove Slow Moving Inventory From Central Stores

Report Prepared by: Steven Myli, Facilities Manager

ATTACHMENTS: List of items for removal

RECOMMENDATION: Recommend to remove slow moving inventory from The District's Central Stores warehouse valued at \$13,990.93 for consideration and acceptance by the Board of Directors.

DESCRIPTION:

The Central Stores Advisory Committee, a cross-departmental group, as part of their annual review processes conducted an evaluation of the Central Stores inventory products to determine what should be eliminated or added to better serve the District. The Committee reviewed the products at Central Stores and used the following criteria to determine the appropriate inventory items:

- What is the activity level for the product?
- Is the product still needed at the District?
- Is the product still available?
- Can the District save funds if the product is purchased in larger quantities?

This review resulted in the attached list of items to remove from the Central Stores inventory. The total purchase value of the slow moving items remaining in stock is \$13,990.93. These items would become surplus in accord with District policies on disposal of assets. Even though the inventory items are not fixed assets, staff would follow the Financial Policies and Procedures Guide, Section 9.2, regarding the disposition of the inventory. Staff plans to distribute the items to various park sites or work groups within the District.

In accordance with current governmental accounting standards, this value is included in the District's financial statements at the original purchase price. There has been no adjustment to reflect depreciation, condition, and/or current market value of the items being removed from the listing of assets; therefore, the actual recoverable value is expected to be lower.

The Facilities Manager will be available to discuss the removal of these items from the Central Stores inventory and answer any questions.

PROD ID	Description	Units	Quantity	Unit Cost		Remove	LTM USAGE	Avg Mth Usage	Distribute to
1011004	PLIERS ROBO-GRIP 7 INC	PAIR	5	\$22.00000	\$110.00	yes	0	0	Safety Fair Prizes
1011005	PLIERS ROBO-GRIP 7 IN.	PAIR	9	\$22.00000	\$198.00	yes	0	0	Safety Fair Prizes
1011007	PLIERS ROBO-GRIP 9 IN.	PAIR	4	\$27.20000	\$108.80	yes	0	0	Safety Fair Prizes
1011008	PLIERS ROBO-GRIP 9 IN.	PAIR	20	\$27.12000	\$542.40	yes	0	0	Safety Fair Prizes
1011101	SEAT ORGANIZER BY PRO-GARD	EACH	7	\$47.54333	\$332.80	yes	2	0.1	Operations
1203075	POLISH AUTOMOTIVE WAX	CAN	2	\$5.35809	\$10.72	yes	9	0.7	Operations/CS Committee
1203080	POLISHING COMPOUND	CAN	7	\$2.05908	\$14.41	yes	0	0	Operations/CS Committee
2101115	BLOOD PRESSURE KIT COM	SET	1	\$28.66667	\$28.67	yes	4	0.3	Aquatics/Fire
2101220	NASAL CANNULA	EACH	33	\$0.46800	\$15.44	yes	1	0	Aquatics/Fire
2101223	OBSTETRICAL KIT DISPOSAL	KIT	1	\$13.53000	\$13.53	yes	0	0	Aquatics/Fire
2311535	TOILET TISSUE CORELESS	CASE	5	\$43.24583	\$216.23	yes	11	0.9	Operations
2321015	BROOM PUSH 18 INCHES WIDE	EACH	2	\$9.97095	\$19.94	yes	3	0.2	Stores/Operations
2411065	COOLER WATER 3 GALLON	EACH	1	\$34.54417	\$34.54	yes	1	0	Trades/Roads & Trails
2411075	COOLER WATER 5 GALLON	EACH	3	\$35.63750	\$106.91	yes	3	0.2	Trades/Roads & Trails
2411335	GOGGLE REPLACEMENT LENSE	EACH	41	\$3.25000	\$133.25	yes	0	0	Operations for Astro-Spec
2421046	RESPIRATOR 7581P100	PACKAGE	0	\$13.57570	\$0.00	yes	2	0.1	Risk/Operations
2504085	WILDLIFE REFUGE E-39	EACH	10	\$0.00000	\$0.00	yes	0	0	Operations
2504210	DANGER THIS EQUIPMENT	EACH	4	\$0.00000	\$0.00	yes	0	0	Ops./Trades/Maint.
2504215	HAZARDOUS WASTE LABEL	EACH	184	\$0.00000	\$0.00	yes	0	0	Stores/Operations
2504218	STRING TAG (EMPTY)	EACH	1,609	\$0.00000	\$0.00	yes	0	0	Operations/Maintenance
2504219	STRING TAG (FULL)	EACH	1,687	\$0.00000	\$0.00	yes	0	0	Operations/Maintenance
2504221	HAZARDOUS MATERIAL DECAL	EACH	1,636	\$0.00000	\$0.00	yes	9	0.7	Stores/Operations
2504222	HAZARDOUS MATERIAL STRING TAG	EACH	1,746	\$0.00000	\$0.00	yes	0	0	Stores/Operations
2504223	NOTICE PLEASE WASH YOUR HANDS	EACH	22	\$0.00000	\$0.00	yes	0	0	Operations
2642749	UNIFORM SHIRT WOMENS X-SMALL	EACH	9	\$9.06000	\$81.54	yes	0	0	Naturalists/Operations
2642753	UNIFORM SHIRT WOMENS X-LARGE	EACH	18	\$17.80680	\$320.52	yes	2	0.1	Naturalists/Operations
2642824	UNIFORM SHIRT WOMENS X-SMALL	EACH	10	\$8.52000	\$85.20	yes	0	0	Naturalists/Operations
2642828	UNIFORM SHIRT WOMENS X-LARGE	EACH	10	\$16.31427	\$163.14	yes	1	0	Naturalists/Operations
2741100	UNIFORM JACKET 34 REGULAR	EACH	2	\$59.60000	\$119.20	yes	0	0	Operations
2771028	UNIFORM JACKET FIRE X-LARGE	EACH	1	\$62.15314	\$62.15	yes	1	0	Fire/Safety Fair Prize
2771029	UNIFORM JACKET FIRE XX-LARGE	EACH	1	\$64.31250	\$64.31	yes	0	0	Fire/Safety Fair Prize
3401155	CASH REGISTER TAPE 44M	PACKAGE	4	\$11.63379	\$46.54	yes	12	1	Operations
3401180	COFFEE FILTERS FOR 10	BOX	3	\$3.00900	\$9.03	yes	2	0.1	Operations - 10 cup
3406198	TICKET SINGLE ROLL \$2	ROLL	3	\$4.48000	\$13.44	yes	3	0.2	P. Affairs/Rec./Ops./Risk
3406199	TICKET SINGLE ROLL \$3	ROLL	20	\$7.97800	\$159.56	yes	0	0	P. Affairs/Rec./Ops./Risk
3406200	TICKET SINGLE ROLL \$1.	ROLL	23	\$5.11486	\$117.64	yes	0	0	P. Affairs/Rec./Ops./Risk
3406201	TICKET SINGLE ROLL \$2.	ROLL	19	\$16.23750	\$308.51	yes	0	0	P. Affairs/Rec./Ops./Risk
3406203	TICKET SINGLE ROLL \$3.	ROLL	0	\$0.00000	\$0.00	yes	11	0.9	P. Affairs/Rec./Ops./Risk
4161020	BATTERY FLASHER 6 VOLT	EACH	25	\$2.36520	\$59.13	yes	2	0.1	Operations/Recycle
4323555	WASHER LOCK 3/16 PLATE	BOX	7	\$1.11542	\$7.81	yes	0	0	Operations/Trades

PROD ID	Description	Units	Quantity	Unit Cost		Remove	LTM USAGE	Avg Mth Usage	Distribute to
4323558	WASHER LOCK 1/4 PLATED	BOX	10	\$1.20289	\$12.03	yes	0	0	Operations/Trades
4323561	WASHER LOCK 5/16 PLATE	BOX	6	\$1.51614	\$9.10	yes	0	0	Operations/Trades
4323564	WASHER LOCK 3/8 PLATED	BOX	5	\$1.85753	\$9.29	yes	4	0.3	Operations/Trades
4323566	WASHER LOCK 5/8 PLATED	BOX	4	\$0.00000	\$0.00	yes	0	0	Operations/Trades
4323568	WASHER LOCK 3/4 PLATED	BOX	28	\$0.00000	\$0.00	yes	0	0	Operations/Trades
4333396	STAPLES FENCE 3/4 INCH	BOX	2	\$6.27500	\$12.55	yes	0	0	Operations/Trades
4333399	STAPLES FENCE 1 1/2 IN	BOX	2	\$5.41300	\$10.83	yes	2	0.1	Operations/Trades
4341001	SCREWS GALVANIZED #6	BOX	10	\$2.08167	\$20.82	yes	0	0	Ops./Maint./CS Committee
4341002	SCREWS GALVANIZED #6 B	BOX	0	\$2.07800	\$0.00	yes	0	0	Ops./Maint./CS Committee
4341003	SCREWS GALVANIZED #6 B	BOX	12	\$2.07804	\$24.94	yes	0	0	Ops./Maint./CS Committee
4341004	SCREWS GALVANIZED #8 B	BOX	10	\$2.11697	\$21.17	yes	2	0.1	Ops./Maint./CS Committee
4341005	SCREWS GALVANIZED #8 B	BOX	6	\$4.64400	\$27.86	yes	4	0.3	Ops./Maint./CS Committee
4362691	SANDPAPER GARNET FINE	SHEET	118	\$0.30248	\$35.69	yes	10	0.8	Operations/CS Committee
4362694	SANDPAPER GARNET MEDIUM	SHEET	48	\$0.50611	\$24.29	yes	15	1.2	Operations/CS Committee
4362697	SANDPAPER GARNET COARSE	SHEET	9	\$0.60000	\$5.40	yes	0	0	Operations/CS Committee
4622880	TAPE PLUMBERS	ROLL	18	\$2.15000	\$38.70	yes	19	1.5	Operations/Trades
4641000	DRINKING FOUNTAIN PUSH BUTTON	EACH	0	\$0.00000	\$0.00	yes	11	0.9	Operations
4641002	DRINKING FOUNTAIN VALVE	EACH	0	\$122.09667	\$0.00	yes	12	1	Operations
4641003	DRINKING FOUNTAIN VALVE	EACH	2	\$93.40833	\$186.82	yes	15	1.2	Operations
4641004	DRINKING FOUNTAIN BUBBLER	EACH	13	\$73.66787	\$957.68	yes	0	0	Operations
4641005	DRINKING FOUNTAIN VALVE	EACH	4	\$104.88436	\$419.54	yes	0	0	Operations
4641006	DRINKING FOUNTAIN PART	FOOT	67	\$0.25971	\$17.40	yes	33	2.7	Operations
4641007	DRINKING FOUNTAIN PART	EACH	46	\$0.03000	\$1.38	yes	24	2	Operations
4641008	DRINKING FOUNTAIN PART	EACH	27	\$0.05401	\$1.46	yes	24	2	Operations
4641009	DRINKING FOUNTAIN PART	SET-2	7	\$1.35278	\$9.47	yes	3	0.2	Operations
4641010	DRINKING FOUNTAIN PART	EACH	10	\$1.29457	\$12.95	yes	7	0.5	Operations
4641011	DRINKING FOUNTAIN PART	EACH	9	\$3.59000	\$32.31	yes	3	0.2	Operations
4641012	DRINKING FOUNTAIN PART	EACH	10	\$13.36667	\$133.67	yes	15	1.2	Operations
4641013	DRINKING FOUNTAIN PART	EACH	43	\$0.95705	\$41.15	yes	0	0	Operations
4641014	DRINKING FOUNTAIN PART	EACH	27	\$0.88636	\$23.93	yes	25	2	Operations
4641015	DRINKING FOUNTAIN PART	EACH	29	\$0.27764	\$8.05	yes	0	0	Operations
4641016	DRINKING FOUNTAIN PART	EACH	32	\$0.29208	\$9.35	yes	0	0	Operations
4641017	DRINKING FOUNTAIN PART	EACH	26	\$0.29363	\$7.63	yes	0	0	Operations
4641018	DRINKING FOUNTAIN PART	EACH	23	\$0.52045	\$11.97	yes	0	0	Operations
4641019	DRINKING FOUNTAIN PART	EACH	29	\$2.66270	\$77.22	yes	0	0	Operations
4641020	DRINKING FOUNTAIN PART	EACH	72	\$0.30542	\$21.99	yes	25	2	Operations
4641021	DRINKING FOUNTAIN PART	ROLL	14	\$0.89345	\$12.51	yes	0	0	Operations
4641022	REPAIR KIT FOR PUSH BUTTON	EACH	13	\$36.86000	\$479.18		8	0.6	Operations
4641023	REPAIR KIT FOR FOUNTAIN VALVE	EACH	23	\$50.52000	\$1,161.96		0	0	Operations
4641024	REPAIR KIT FOR FOUNTAIN VALVE	EACH	6	\$39.86000	\$239.16		23	1.9	Operations

PROD ID	Description	Units	Quantity	Unit Cost		Remove	LTM USAGE	Avg Mth Usage	Distribute to
4642006	DRINKING FOUNTAIN VALVE	EACH	4	\$272.25500	\$1,089.02	yes	25	2	Operations
4711200	CHAIN SASH PLATED	FOOT	219	\$0.26000	\$56.94	yes	0	0	Operations/CS Committee
4721225	CHAIN REPAIR LAP LINK	EACH	0	\$1.67800	\$0.00	yes	20	1.6	Operations/CS Committee
4721235	CHAIN REPAIR LINK 5/16	EACH	82	\$0.77703	\$63.72	yes	0	0	Operations/CS Committee
4721280	CLEVIS SHACKLE 3/8	EACH	9	\$4.49900	\$40.49	yes	0	0	Operations/CS Committee
4721380	HOOK GRAB 5/16 CLEVIS	EACH	0	\$2.75583	\$0.00	yes	0	0	Operations/CS Committee
4721385	HOOK GRAB 3/8 CLEVIS	EACH	12	\$7.99958	\$95.99	yes	12	1	Operations/CS Committee
4911455	ROPE MANILA 5/8 INCH	FOOT	600	\$0.23057	\$138.34	yes	0	0	Operations/Trades
4914565	TWINE BINDING 5 LB SPO	EACH	5	\$7.45800	\$37.29	yes	1	0	Operations/Interpretive
5401480	TRAPS GOPHER MAC ABIE	EACH	24	\$6.65200	\$159.65	yes	4	0.3	Operations
6012180	GLUE CARTERS RUBBER CEMENT	BOTTLE	4	\$1.72073	\$6.88	yes	1	0	Naturalists/Vistor Centers
6161020	CALENDAR STAND SUCCESS	EACH	25	\$0.00000	\$0.00	yes	4	0.3	EBRPD all/Clerical
6201130	BINDER ACCOPRESS BLACK	EACH	12	\$2.61083	\$31.33	yes	6	0.5	Clerical/Operations
6201140	BINDER ACCOPRESS RED	EACH	7	\$0.99600	\$6.97	yes	0	0	Clerical/Operations
6201310	CARDS INDEX 3x5 WHITE	PACKAGE	9	\$0.85500	\$7.70	yes	7	0.5	Clerical/Vistor Centers
6201320	CARDS INDEX 3x5 BLUE U	PACKAGE	11	\$0.51179	\$5.63	yes	0	0	Clerical/Vistor Centers
6201400	CARDS SET ALPHABETICAL	SET	6	\$0.73000	\$4.38	yes	0	0	Clerical
6202200	GUIDE A TO Z FOR LETTER	SET	11	\$18.60869	\$204.70	yes	15	1.2	Clerical
6202550	PAPER PUNCH 2 HOLE ACC	EACH	3	\$10.71667	\$12.50	yes	3	0.2	Clerical/Operations
6204400	TRAY DESK ELDON # 1570	EACH	1	\$12.88167	\$12.88	yes	6	0.5	Operations/Clerical
6204410	TRAY SUPPORTS ELDON #1	PACKAGE	8	\$5.26566	\$42.13	yes	2	0.1	Operations/Clerical
6301001	ACCIDENT REPORT SUPERVISOR	EACH	1,075	\$0.12000	\$129.00	yes	155	12.9	Recycle
6301010	BUDGET TRANSFER REQUEST	EACH	408	\$0.27063	\$110.42	yes	583	48.5	Recycle
6306060	CENTRAL STORES REQUISITION	PACKAGE	33	\$11.73994	\$387.42	yes	22	1.8	Recycle
6309050	TAIL GATE SAFETY MEETING	PACKAGE	19	\$11.05473	\$210.04	yes	10	0.8	Recycle
6309072	DAILY REVENUE REPORT PART B	PACKAGE	25	\$13.80169	\$345.04	yes	4	0.3	Recycle
6309073	DAILY REVENUE REPORT PART A	PACKAGE	7	\$16.19613	\$113.37	yes	2	0.1	Recycle
6351002	LABELS FILE FOLDER ASSORTED	BOX	2	\$19.55667	\$39.11	yes	1	0	Clerical/CS Committee
6351008	LABELS FILE FOLDER RED	BOX	3	\$1.87907	\$5.64	yes	1	0	Clerical/CS Committee
6351009	LABELS FILE FOLDER BLUE	BOX	5	\$1.87841	\$9.39	yes	1	0	Clerical/CS Committee
6351010	LABELS FILE FOLDER GREEN	BOX	4	\$1.87841	\$7.51	yes	0	0	Clerical/CS Committee
6351011	LABELS FILE FOLDER YELLOW	BOX	7	\$1.87841	\$13.15	yes	0	0	Clerical/CS Committee
6401643	CLIPS PANEL WALL CLIP	PACKAGE	9	\$2.37083	\$21.34	yes	0	0	Clerical
6401645	PIN T - PIN #24	BOX	1	\$3.17500	\$3.18	yes	2	0.1	Clerical
6401720	CHALK WHITE DUSTLESS	BOX	10	\$0.51056	\$5.11	yes	8	0.6	Vistor Centers
6401930	ERASER BLACKBOARD FEL	EACH	6	\$0.87667	\$5.26	yes	0	0	Vistor Centers
6402320	MOISTENER FINGERTIP TACKY	EACH	13	\$12.67000	\$164.71	yes	8	0.6	Clerical/Safety Fair
6403660	PENCIL SHARPENER	EACH	1	\$15.58000	\$15.58	yes	3	0.2	Clerical/EBRPD all
6704294	TAPE CASSETTE MICRO AU	PACKAGE	0	\$0.00000	\$0.00	yes	0	0	Clerical/Public Safety
6801725	DATE STAMP	EACH	2	\$3.59429	\$7.19	yes	1	0	Clerical/Vistor Centers

PROD ID	Description	Units	Quantity	Unit Cost		Remove	LTM USAGE	Avg Mth Usage	Distribute to
6802250	INK FOR STAMP PAD BLAC	BOTTLE	2	\$1.72083	\$3.44	yes	2	0.1	Clerical/Vistor Centers
7012280	HANDLE EYE HOE PLANTER	EACH	6	\$14.19167	\$85.15	yes	6	0.5	Ops./Trades/Maint.
7012305	HANDLE FOR 5 LB. PICK	EACH	13	\$11.82649	\$153.74	yes	0	0	Ops./Trades/Maint.
7012315	HANDLE SHOVEL CURVED	EACH	8	\$7.96353	\$63.71	yes	6	0.5	Ops./Trades/Maint.
7012325	HANDLE FOR AXE EYE	EACH	19	\$5.76150	\$109.47	yes	0	0	Ops./Trades/Maint.
7012330	HANDLE SLEDGE	EACH	5	\$5.95398	\$29.77	yes	2	0.1	Ops./Trades/Maint.
7012355	HOE EYE OR PLANTERS AMES	EACH	3	\$14.58167	\$43.75	yes	6	0.5	Ops./Trades/Maint.
7012855	SHEARS HEDGE 10 INCH BLADE	EACH	7	\$43.82721	\$306.79	yes	2	0.1	Operations
7012900	SHOVEL IRRIGATION	EACH	3	\$20.27460	\$60.82	yes	6	0.5	Operations
7101340	CHISEL WOOD 1/2 INCH	EACH	3	\$7.33517	\$22.01	yes	0	0	Operations/Trades
7101345	CHISEL WOOD 3/4 INCH	EACH	6	\$6.83478	\$41.01	yes	1	0	Operations/Trades
7101350	CHISEL WOOD 1 INCH	EACH	4	\$8.21776	\$32.87	yes	0	0	Operations/Trades
7101385	CLAMP C OPENS TO 6 INCH	EACH	6	\$9.30574	\$55.83	yes	1	0	Operations/Trades
7101950	FILE WOOD RASP 10 INCH	EACH	2	\$10.58000	\$21.16	yes	1	0	Operations/Trades
7102760	SAW HAND CROSS CUT 26 INCH	EACH	6	\$25.48167	\$152.89	yes	0	0	Ops./Trades/Maint.
7102765	SAW KEYHOLE 10 INCH	EACH	1	\$8.93000	\$8.93	yes	0	0	Ops./Trades/Maint.
7102980	SQUARE COMBINATION METAL	EACH	0	\$13.09071	\$0.00	yes	2	0.1	Ops./Trades/Maint.
7201765	DRILL HI-SPEED 1/16 INCH	EACH	14	\$0.92542	\$12.96	yes	0	0	Ops./Trades/Maint.
7201770	DRILL HI-SPEED 5/16 INCH	EACH	12	\$2.34467	\$28.14	yes	0	0	Ops./Trades/Maint.
7201775	DRILL HI-SPEED 3/32 INCH	EACH	7	\$0.79286	\$5.55	yes	0	0	Ops./Trades/Maint.
7201785	DRILL HI-SPEED 1/8 INCH	EACH	9	\$1.14670	\$10.32	yes	0	0	Ops./Trades/Maint.
7201790	DRILL HI-SPEED 9/64 INCH	EACH	12	\$0.71533	\$8.58	yes	0	0	Ops./Trades/Maint.
7201795	DRILL HI-SPEED 5/32 INCH	EACH	8	\$0.74453	\$5.96	yes	0	0	Ops./Trades/Maint.
7201800	DRILL HI-SPEED 11/64 INCH	EACH	13	\$1.02799	\$13.36	yes	0	0	Ops./Trades/Maint.
7201805	DRILL HI-SPEED 3/16 INCH	EACH	8	\$0.92000	\$7.36	yes	0	0	Ops./Trades/Maint.
7201815	DRILL HI-SPEED 7/32 INCH	EACH	23	\$1.33000	\$30.59	yes	1	0	Ops./Trades/Maint.
7201825	DRILL HI-SPEED 1/4 INCH	EACH	11	\$1.75902	\$19.35	yes	0	0	Ops./Trades/Maint.
7201835	DRILL HI-SPEED 9/32 INCH	EACH	13	\$1.66000	\$21.58	yes	0	0	Ops./Trades/Maint.
7201845	DRILL HI-SPEED 5/16 INCH	EACH	37	\$1.35000	\$49.95	yes	0	0	Ops./Trades/Maint.
7201850	DRILL HI-SPEED 11/32 INCH	EACH	16	\$3.06417	\$49.03	yes	0	0	Ops./Trades/Maint.
7201855	DRILL HI-SPEED 3/8 INCH	EACH	5	\$3.70222	\$18.51	yes	0	0	Ops./Trades/Maint.
7201860	DRILL HI-SPEED 7/16 INCH	EACH	9	\$4.20571	\$37.85	yes	0	0	Ops./Trades/Maint.
7201885	DRILL HI-SPEED 3/4 INCH	EACH	2	\$15.17306	\$30.35	yes	0	0	Ops./Trades/Maint.
7201895	DRILL HI-SPEED 3/8 INCH	EACH	2	\$26.69021	\$53.38	yes	0	0	Ops./Trades/Maint.
7202010	FILE THREE CORNER	EACH	7	\$7.06900	\$49.48	yes	0	0	Ops./Trades/Maint.
7202110	FUNNEL 5 INCH	EACH	1	\$4.24885	\$4.25	yes	4	0.3	Ops./Maint.
7202245	HANDLE FILE SMALL	EACH	12	\$2.58750	\$31.05	yes	0	0	Operations/Trades
7202250	HANDLE FILE MEDIUM	EACH	8	\$1.32766	\$10.62	yes	0	0	Operations/Trades
7202255	HANDLE FILE LARGE	EACH	7	\$1.90410	\$13.33	yes	0	0	Operations/Trades
7202400	KNIFE PUTTY 1 1/4 INCH	EACH	10	\$3.31311	\$33.13	yes	1	0	Trades/Maint.

PROD ID	Description	Units	Quantity	Unit Cost		Remove	LTM USAGE	Avg Mth Usage	Distribute to
7202405	KNIFE PUTTY 3 INCH BLADE	EACH	9	\$4.41885	\$39.77	yes	0	0	Trades/Maint.
7202450	LEVEL, LINE	EACH	8	\$1.95917	\$15.67	yes	0	0	Trades/Maint.
7202455	LEVEL 24 INCH ALUMINUM	EACH	2	\$13.43333	\$26.87	yes	1	0	Trades/Maint.
7202456	LEVEL 48 INCH ALUMINUM	EACH	3	\$22.89600	\$68.69	yes	3	0.2	Trades/Maint.
7202710	TAPE MEASURE 12'	EACH	5	\$10.85743	\$54.29	yes	2	0.1	Ops./Trades/Maint.
7202730	TAPE MEASURE 100'	EACH	3	\$16.68167	\$50.05	yes	1	0	Ops./Trades/Maint.
7202750	SAW, HACKSAW FRAME	EACH	5	\$18.78167	\$93.91	yes	3	0.2	Trades/Maint.
7203165	WRENCH SET ALLEN 15 PI	EACH	1	\$8.93659	\$8.94	yes	1	0	Ops./Equip. Shop
7203185	WRENCH SET BOX & OPEN	SET	1	\$64.73190	\$64.73	yes	1	0	Ops./Equip. Shop
7401297	CHALK LINE BOX	EACH	2	\$5.94333	\$11.89	yes	1	0	Ops./Trades/Maint.
7501930	EASY-OUT FOR PIPE	SET	3	\$59.80833	\$179.42	yes	0	0	Ops./Trades/Maint.
8008000	4" TINTED FIRE HELMET	EACH	16	\$25.55625	\$408.90	yes	0	0	Fire
9009040	CALIFORNIA OAK FOUNDATION	EACH	253	\$0.00000	\$0.00	yes	0	0	Vistor Centers
9011077	BROCHURE CUSTOM OUTDOOR	EACH	108	\$0.00000	\$0.00	yes	11	0.9	Operations
					\$13,990.93				



EAST BAY REGIONAL PARK DISTRICT
BOARD FINANCE COMMITTEE
AGENDA STATEMENT
MEETING DATE – FEBRUARY 23, 2010

SUBJECT: Revised Approval to Write Off 2009 Infrastructure Assets
Report Prepared by: Deborah Spaulding, Assistant Finance Officer

ATTACHMENTS: Recommended Equipment & Infrastructure Assets to be Deleted from District Fixed Asset Records (**Exhibit A**).

RECOMMENDATION: Direct Finance staff to prepare a report of the accounting adjustment for consideration and acceptance by the Board of Directors.

DESCRIPTION:

At the January Finance Committee meeting, staff provided a report related to the recommended deletions from the District's fixed asset records. Some of infrastructure items, which were replaced in 2009, were inadvertently not included on the original report. Therefore the report is being revised and brought back to the Finance Committee for review, with the request to recommend both the January and the February Finance Committee items for acceptance by the Board of Directors. The additional items are highlighted in **Exhibit A**.

This revised report includes the following adjustments for the five infrastructure items, destroyed or replaced in 2009, that were inadvertently not included on the previous list.

Asset Description	Net Book Value	Original Value	Purchase Date	Comment
Tilden - Steam Train Restroom	48,949.44	50,989.00	12/31/2006	replaced
Redwood - Fern Dell Huts	56,400.00	60,000.00	12/31/2005	replaced
Redwood - Canyon Meadow Chemical Toilet	19,594.81	27,992.58	12/31/1993	replaced
Crown Beach - Memory Lane Lift Station	37,209.60	62,016.00	12/31/1988	replaced
Point Pinole - Service Yard Office Building	97,908.20	122,385.24	12/31/1998	derelict

The five infrastructure items are recommended for write-off for the following reasons:

- The Steam Train restrooms were previously replaced in 2009 (this is the old asset number being removed from inventory).
- The Fern Dell Huts at Redwood were replaced in 2009 (this is the old asset number being removed from inventory).
- The Canyon Meadow Chemical Toilet was replaced in 2009 (this is the old asset number being removed from inventory).

- The Memory Lane Lift Station at Crown Beach was replaced in 2009 (this is the old asset number being removed from inventory).
- The Service Yard Office Building at Point Pinole was destroyed in 2009 because it was not usable.

Minor corrections, totaling \$5,603.30 were also made to the Original Cost column, for certain deleted equipment. The correct Original Costs will be included in the Board of Directors packet.

Finance staff recommends that the list of fixed assets items in **Exhibit A** be written off and reflected in the 2009 financial statements, and that the Finance Committee review the proposed adjustment and direct Finance staff to prepare the item for favorable consideration at a future Board of Directors meeting.

**EAST BAY REGIONAL PARK DISTRICT
2009 FIXED ASSET INVENTORY
RECOMMENDED ASSETS TO BE DELETED FROM DISTRICT RECORDS**

NO. ASSET #	DESCRIPTION	NET BOOK VALUE	ORIGINAL AMOUNT	PURCHASE DATE	Notes (sold for)	
<i>INFRASTRUCTURE DETERMINED TO HAVE NO VALUE TO DISTRICT & NOT AUCTIONABLE (2 Items)</i>						
1	281SC9620001	Park Office Trailer	6,844.22	28,517.57	12/31/1970	derelict
2	105SC9830002	Steam Train Restroom	48,949.44	50,989.00	12/31/2006	replaced
3	112SC9750001	Fern Dell Huts	56,400.00	60,000.00	12/31/2005	replaced
4	112SC9830001	Canyon Meadow Chemical Toilet	19,594.81	27,992.58	12/31/1993	replaced
5	409LC3160001	Memory Lane Lift Station	37,209.60	62,016.00	12/31/1988	replaced
6	496SC9620001	Service Yard Office Building	97,908.20	122,385.24	12/31/1998	derelict
7	465UC3020001	Lagoon Saltwater Pump	0.00	154,386.65	12/31/1981	replaced
Total no value and not auctionable			266,906.27	506,287.04		
Total Infrastructure written off 2009			266,906.27	506,287.04		



EAST BAY REGIONAL PARK DISTRICT
BOARD FINANCE COMMITTEE
AGENDA STATEMENT
MEETING DATE – FEBRUARY 23, 2010

SUBJECT: Authorization to Accept Stimulus II Funds and Appropriate District Matching Funds, District-Wide Pavement Rehabilitation

Report Prepared by: Jeff Rasmussen, Grants Manager, and Dave Collins, AGM, Finance and Management Services

ATTACHMENTS: None.

RECOMMENDATION: Staff requests the Finance Committee recommend to the full Board the appropriation of funds to the Stimulus II projects.

DESCRIPTION:

On February 2, 2010, the Board of Directors approved the submission of seven paving rehabilitation projects to Caltrans for 2010 Economic Stimulus package (Stimulus II) funding (Resolution 2010-2-031). Approval was sought to pursue this significant new funding for District trail rehabilitation despite the fact that the timeline for completion of these projects (environmental clearance and construction in 90 days) may not be achievable and the policies for implementation of the program (including matching fund requirements) had not been yet defined by Caltrans.

Caltrans reviewed all projects submitted and on February 9, 2010, informed the District that three projects (Alameda Creek Trail, Delta De Anza Trail and Contra Costa Canal Trail) were ineligible for funding due to historical resource concerns that could not be addressed in the time allowed. The following four projects, the projects with maximum grant amounts, remain in consideration for funding:

Trail	Length (Mi.)	Grant	Match	Total
Oyster Bay	1.7	\$448,000	\$112,000	\$560,000
Coyote Hills Bay View	2.4	\$633,000	\$158,250	\$791,250
Lafayette/Moraga Trail	6.2	\$2,992,000	\$748,000	\$3,740,000
Iron Horse Trail	1.9	\$506,000	\$126,500	\$632,500
Total	12.2	\$4,579,000	\$1,144,750	\$5,723,750

In anticipation of moving forward rapidly on the four remaining projects, the District must be prepared with an appropriation of matching funds for these projects. Caltrans has not yet set the matching requirements for the program, but it could be up to 20%, or \$1,144,750. Further, the program may only fund construction costs and not include staff resources needed to implement the projects. Finding sources of matching funds in this amount is challenging, and

staff has reviewed available funds and funds currently committed to projects that could be re-directed to determine possible match sources.

1. General Fund-Sourced Capital Projects: The District technically has the ability to cancel existing District General Fund-sourced projects and transfer funds for use as matching funds for these paving projects. The Capital Projects group annually reviews projects with appropriations and makes recommendations to the Board on project revisions or cancellations. In 2009, the Capital Projects Group examined the existing project list determined that, after repeated review, there were no dormant or completed projects with General Fund sourced appropriations that could be re-directed. Most funds were already serving as required matches for other grants, were for critical infrastructure projects, or had already been exhausted. *Staff does not recommend cancellation of existing General Fund-sourced projects to provide a match to this grant.*
2. General Fund: The District also has the ability to appropriate General Fund annual operating budget appropriations to projects. In consideration of the significant operating cost reductions required to balance the 2010 Budget, transfer of General Fund monies to these projects, and further reductions of staff and other operating expenditures, is not a practical solution. *Staff does not recommend the transfer of annual general fund operating appropriations as a source of matching funds for this grant.*
3. District Wide Paving Program Project Account: \$1,076,269 in District funds are currently appropriated in the District Wide Paving Program project account. These funds are allocated for existing paving projects over the next twelve to twenty-four months. These funds form the basis of the District's long-term pavement maintenance program and its commitment to programmatic pavement preservation. Loss of these funds would seriously disrupt the District's pavement management program and force the cancellation of projects already in development. *Staff does not recommend the use of District Wide Paving funds as a match for these paving projects.*
4. Prop 40: The pavement rehabilitation project is technically an eligible use of these grant funds; however, all Prop 40 funds are completely appropriated to projects and expire at the end of 2010. The only two projects remaining to be completed are the Kennedy Grove Restroom Renovation and Big Break Regional Trail which are scheduled for construction this year. While it is theoretically possible for us to abandon these projects and re-direct these funds, amending our Prop. 40 applications and combining the State Parks grant requirements with those of the Caltrans grants would make compliance extremely difficult, and could ultimately be unattainable. *Staff does not recommend the use of Prop 40 funds as a match for these paving projects.*
5. Measure CC: Paving maintenance is a permissible use of Measure CC funds. However, none of the projects are in the Measure CC area, precluding use of allocated or contingency funds from this program. *Staff does not recommend the use of CC funds as a match for these paving projects.*
6. Un-appropriated Measure AA Project Funds: \$659,916 in Bond funds from the Oyster Bay Development allocation area are available and currently unappropriated, and improvements to the trails at Oyster Bay are an eligible use of AA Bond funds. *Staff recommends appropriation of up to \$112,000; if necessary, from the Oyster Bay Measure AA funds as a match for the Oyster Bay trail rehabilitation project.*
7. Un-appropriated Measure WW Project Funds: \$3,525,000 in Measure WW Bond funds for Coyote Hills are available and have not been appropriated to projects. The WW project description at Coyote Hills includes improvement of the Bay Trail. *Staff*

recommends appropriation of up to \$15,250 in Coyote Hills Measure WW funds as a match for the Coyote Hills trail rehabilitation project.

8. **Un-appropriated WW Contingency funds:** The Board has not previously appropriated any of the 7% Measure WW Contingency. Based on the above review, these are the only eligible funds available for the Iron Horse and Lafayette-Moraga Trail projects. The Iron Horse Trail does not have any remaining AA Bond funds, and Measure WW Bond funds were allocated only for the purposes of extending the trail north and south. No Measure AA or Measure WW Bond funds were allocated by the original expenditure plan to the Lafayette-Moraga Trail. One of the objectives in establishing the Measure WW Contingency funds was the ability to take advantage of funding opportunities; the chance to leverage district funds at 5 to 1 and attract nearly \$3.5 million to these trails is a significant opportunity. *Staff recommends the appropriation of up to \$874,500 of WW Bond Contingency funds as a match for the Iron Horse and Lafayette Moraga Trail projects.*

Summary and recommendation: In consideration of this review, staff requests the Finance Committee recommend to the full Board the appropriation of funds up to the following amounts as necessary to match the Stimulus II projects as follows:

Trail	Maximum Match	Source
Oyster Bay	\$112,000	Unappropriated AA, Oyster Bay
Coyote Hills Bay View	\$158,250	Unappropriated WW, Coyote Hills
Lafayette/Moraga Trail	\$748,000	Unappropriated WW, Contingency
Iron Horse Trail	\$126,500	Unappropriated WW Contingency
Total	\$1,144,750	



EAST BAY REGIONAL PARK DISTRICT
BOARD FINANCE COMMITTEE
AGENDA STATEMENT
MEETING DATE – February 24, 2010

SUBJECT: 4th Quarter Investment Report
Report Prepared by: Cinde Rubaloff, CFO/Controller

ATTACHMENT: December 31, 2009 Investment Report

RECOMMENDATION: Review the investment report and direct staff to prepare the information for acceptance by the Board of Directors.

DESCRIPTION:

In accordance with State law and the District's Investment Policy, the attached report has been prepared on the District's cash and investments. The grand total of all cash and investments at December 31, 2009 was \$276,543,431.

Pooled cash managed by CFO/Controller has increased by \$14 million from the prior quarter. The increase is due to December property tax receipts of approximately \$47 million and other revenue of \$16 million, less approximately \$28 million in operating expenditures, an additional \$13 in capital expenditures and the \$8 million payoff of the CalPERS side fund loan.

Pooled cash managed by CFO/Controller is approximately \$6 million less than 2008 amount due to elimination of helicopter escrow account, payoff of CalPERS side fund loan and timing of capital expenditures.

Funds managed by trustees have increased by \$101 million from the prior quarter. This increase is due to the receipt of:

2009 Measure WW bond project proceeds of \$80 million,
2009 Measure WW capitalized interest proceeds of \$6 million, and
December debt service property tax receipts of \$15 million.

Funds managed by trustees (less the amount received from the 2009 Measure WW bonds) is consistent with the prior year balance.

The investment of the District's cash and investments is budgeted in 2009 to generate \$3 million of interest revenue. As reported, current year to date earnings are \$3.5 million.

Comparison of investment revenue earned by the end 2009 and the end of 2008 is included in the report. Due to the decline in interest rates, 2009 investment revenue has decreased by \$2.4 million (40%) from the 2008 amount, from \$5.9 million to \$3.5 million. This is in spite of the increase (40%) in the total amount invested, which rose from \$196 million to \$276.

The annualized return for 2009 short-term investments was less than one half a percent (.43%). In contrast, the annualized returns for mid-term investments was an impressive 3.79%, due to

the investments purchased in 2006, 2007 and 2008 when rates were much higher. But as these investments mature during 2009, 2010 and 2011, the proceeds will be reinvested in much lower yielding instruments, so interest revenue will continue to decline.

Also important is the comparison of the District's returns against the benchmark returns. The short-term benchmark is the US 91 day T-bill, and the mid-term benchmark is the ML 1-3 year UST index. The District continued to outperform both benchmarks, the short term by .05% and mid-term by .93%.

This report is being provided to the Finance Committee for review and recommendation to the Board of Directors for acceptance.

RECOMMENDATION:

Staff requests that the Finance Committee recommend to the full Board of Directors acceptance of the December 31, 2009 Investment Report.

**EAST BAY REGIONAL PARK DISTRICT
INVESTMENT REPORT**

for quarter ending
December 31, 2009

District Cash and Investment Balances:

	Fair Value*	Book Value	Book Value	Book Value
	December 31, 2009	December 31, 2009	September 30, 2009	December 31, 2008
Pooled Investments Managed by CFO/Controller				
Checking	\$ (375,435)	\$ (375,435)	\$ (824,019)	\$ (94,484)
<i>Short-term investments</i>				
Sweep	2,593,874	2,593,874	5,315,326	15,991,663
LAIF	40,037,913	40,000,000	40,000,000	39,999,451
CAMP	35,589,634	35,589,634	17,046,119	-
Sub-total	<u>77,845,986</u>	<u>77,808,073</u>	<u>61,537,426</u>	<u>55,896,630</u>
<i>Mid-term securities (amortized cost basis)</i>				
US Treasuries	6,159,669	6,017,582	8,026,492	8,986,535
US Agencies	51,668,271	50,449,517	50,888,858	75,079,794
Corporate Bonds	2,078,606	1,972,442	1,969,241	1,959,742
Sub-total	<u>59,906,545</u>	<u>58,439,541</u>	<u>60,884,591</u>	<u>86,026,071</u>
Total Pooled Investments	<u>137,752,531</u>	<u>136,247,614</u>	<u>122,422,017</u>	<u>141,922,702</u>
Bond Funds Managed by Trustees				
<i>Short-term investments</i>				
Deutsche Bank (helicopter escrow)	-	-	990,769	3,628,788
Highmark US govern MM fund (2002 Refunding)	3	3	0	-
Highmark US govern MM fund (Measure AA)	52,269,404	52,269,404	37,142,578	49,585,060
Highmark US govern MM fund (Measure WW)	24,264	24,264	-	-
CAMP (Measure WW)	66,956,558	66,956,558	-	-
<i>Mid-term securities (amortized cost basis)</i>				
US Agencies (Measure WW)	19,993,750	19,985,084	-	-
<i>Long-term investment</i>				
Societe Generale GIC (2002 limited reserve fund)	1,060,503	1,060,503	1,060,500	1,060,695
Total Bond Funds Managed by Trustees	<u>140,304,484</u>	<u>140,295,818</u>	<u>39,193,848</u>	<u>54,274,543</u>
Grand Total District Cash/Investments	<u>\$ 278,057,015</u>	<u>\$ 276,543,431</u>	<u>\$ 161,615,865</u>	<u>\$ 196,197,244</u>

*fair value furnished by State of California (LAIF), MBIA (securities), PFM Asset Management, Societe Generale MV pledged (GIC)

Investment Earnings (accrual basis):

	quarter ended	year-to-date at	year-to-date at
	December 31, 2009	December 31, 2009	December 31, 2008
Short-term investments	\$ 123,267	\$ 783,205	\$ 2,090,316
Mid-term investments	564,706	2,710,420	3,829,018
Long-term investments	14,096	56,698	56,709
Total Investment Earnings	<u>\$ 702,069</u>	<u>\$ 3,550,323</u>	<u>\$ 5,976,043</u>

Quarterly Book Return on Investment (Annualized)

Short-term investments	0.43%
Mid-term investments	3.79%
Long-term investments	5.32%

Quarterly Book Return Net of Fees (Annualized) 1.55%

Quarterly Total Return Compared to Benchmark

	Benchmark	December 31, 2009	Difference
Short-term investments (Benchmark-US T-bill 91 day yield)	0.06%	0.11%	0.05%
Mid-term investments (Benchmark-ML 1-3 year UST index)	0.03%	0.95%	0.93%

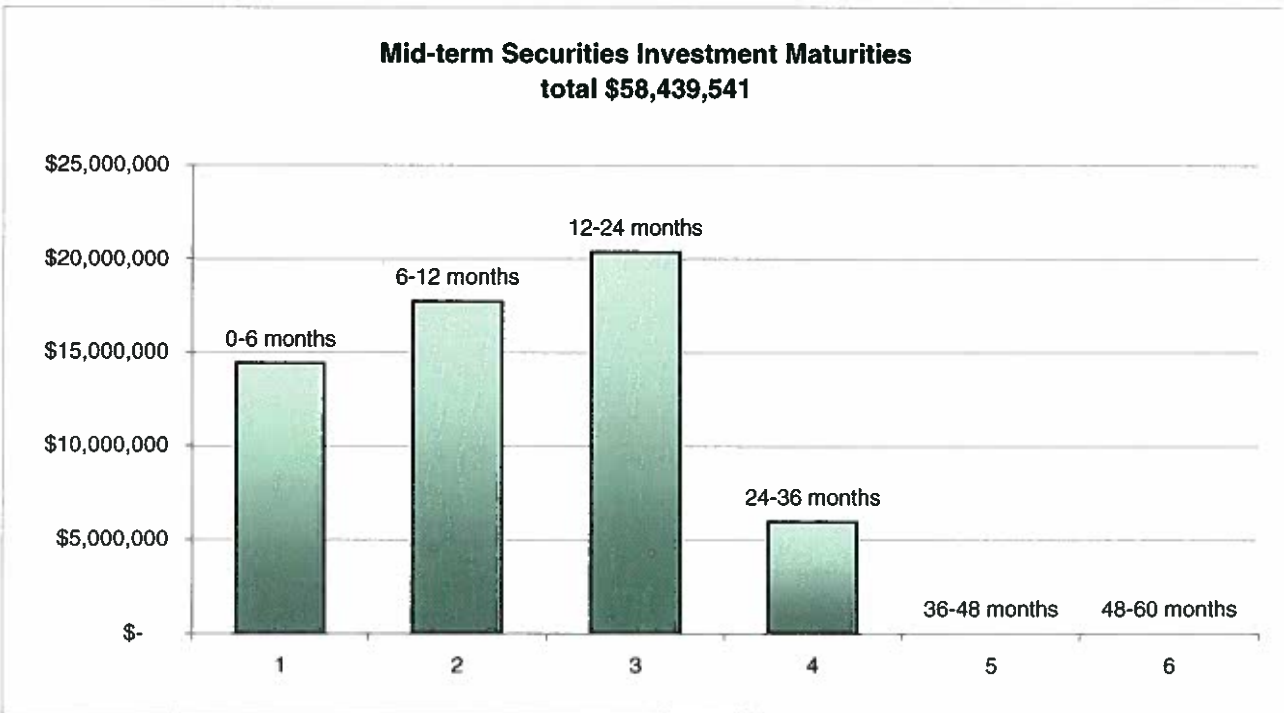
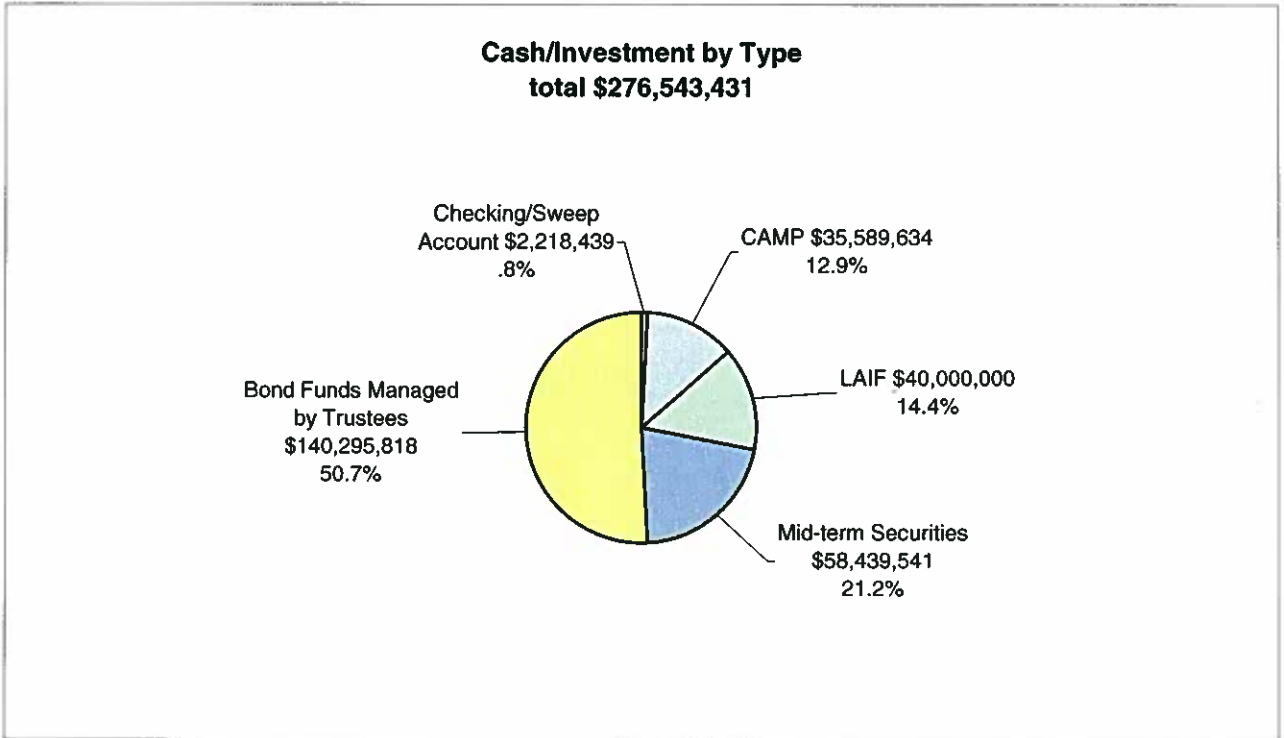
Investment (YTD) Fees:

Bank of America account and sweep fees	\$ 7,192
PFM investment advisory fees/BNY custodial fees	\$ 5,718
MBIA investment advisory fees/Union Bank custodial fees	10,709
Total	<u>\$ 23,619</u>

I certify that this report contains the total amounts of cash and investments at December 31, 2009. The investments are in conformity with the Investment Policy as state in Resolution # 2009-2-021, dated February 3, 2009. The District's cash management program provides sufficient liquidity to meet expenditure requirement for the next six months, in conformity with the Investment Policy.

Cinde R. Balloff, CFO/Controller

**EAST BAY REGIONAL PARK DISTRICT
INVESTMENT REPORT
for quarter ending December 31, 2009**





EAST BAY REGIONAL PARK DISTRICT
BOARD FINANCE COMMITTEE
AGENDA STATEMENT
MEETING DATE – February 24, 2010

SUBJECT: OPEB Annual Performance Report
Report Prepared by: Cinde Rubaloff, CFO/Controller

ATTACHMENTS: PARS Fourth Quarter 2009 Investment Performance Report

RECOMMENDATION: None, information item only

DESCRIPTION:

The District's Other Post Employment Benefit Trust was established in 2007 and is administered by PARS. Plan assets are invested with Union Bank as trustee and HighMark Capital Management as the investment manager. The HighMark Plus Moderate Objective has an investment asset allocation strategy and 12/31/09 asset mix as follows:

	<u>STRATEGY</u>	<u>12/31/09</u>
Cash	5%	6%
Domestic fixed income	45%	41%
Large cap domestic equity	35%	35.5%
Small cap domestic equity	7.5%	8%
International	7.5%	7.5%
Real Estate	0%	1.5%

In August, 2007, approximately \$6 million dollars was contributed to the OPEB trust. By the end of 2009 the District's contributions to the trust totaled \$16.5 million. As of 12/31/09 investment returns since inception of trust, year to date for 2009 and 4th quarter of 2009 were -2.53%, 21.28% and 3.52% respectively.

During 2009 the District contributed \$4,423,000 to the trust and paid \$1,166,000 benefits from the trust.

During 2009 the following operating costs were incurred in relation to the OPEB trust:

Bartel actuarial services	\$31,975
PARS administrator fees	\$25,382
HighMark investment management	\$42,095 (which includes 2008 fees also)

Mitch Barker, Senior Vice President and Andrew Brown, Senior Portfolio Manager, Union Bank-HighMark will discuss 2009 investment performance and future strategies.

PARS: East Bay Regional Park District

Fourth Quarter 2009

DISCUSSION HIGHLIGHTS

- The asset allocation as of the end of the fourth quarter was 53% stocks, 41% bonds, and 6% cash.
- During the fourth quarter, the PRHCP HighMark Plus Moderate Objective posted a return of 3.5%. Our investments in the domestic large cap and international stock sectors helped performance this quarter. Our fixed income investments outperformed the Barclays Aggregate Index for the quarter (1.1% vs. 0.2%).
- We have an equal weight of 7.5% to international stocks. This move was based on the premise that due to the exceptional global monetary and fiscal stimulus that has taken place, we are witnessing a re-synchronizing of global economic growth. This global economic recovery is being led by emerging economies. The continued growth of industrialization, combined with the emergence of a new wave of consumers, offers attractive investment opportunities. For the quarter, our international stocks returned 3.7%, outpacing the MSCI-EAFE Index return of 2.2%.
- At the end of the quarter, we initiated a 1.5% position in real estate. While we have been underweight REITs for the entire year (0% allocation), we are beginning to add to this asset class. In the first quarter of 2009, REITs suffered on concerns over the general economy, a dramatic decline in asset values, along with fears that many REITs were not adequately capitalized. During the second quarter, many REITs began to raise new capital, which helped bolster investor confidence that REIT's balance sheets were strong enough to both honor debt maturities, and to potentially take advantage of opportunities in the market due to current depressed prices. As we enter 2010, we believe the recovery in the economy will continue, and this could create a favorable risk/reward environment for REITs.
- Domestic equities. The U.S. economy confirmed its exit from the recession by posting a 2.2% GDP growth rate during the prior quarter (3Q09) and many economists are expecting anywhere between a 3.0 to 4.5% rate of growth for the fourth quarter as stimulus programs (cash for clunkers), industrial activity, moderating credit conditions, profit margins, and productivity gains continue to propel domestic companies. Furthermore, the weak dollar has supported global competitiveness for larger export oriented companies. Certainly the steep rise in the S&P500 this year is welcomed, but for some, it does appear that the market is getting slightly ahead of itself. Based on HighMark's expected S&P500 operating earnings for 2010 (\$77.5), the market is currently trading at roughly 15X. This does not represent either an overvalued or undervalued market. Based on 2011 earning estimates of \$95 however, the market could be in store for continued upside going forward. That said, there are certainly hurdles that could potentially inhibit this upside. Unemployment is uncomfortably high. Additionally, it would be nice to see sustained growth based on true demand, rather than on governmental stimulus programs. And, down the road we will likely have to pay for these programs through potentially higher taxes.

DISCUSSION HIGHLIGHTS

- While the fourth quarter was not as strong as the previous two quarters, the S&P500 Index did register a 6.0% return. The continuation of the rally was broad-based as nine of the ten economic sectors posted gains. The only sector that was negative for the quarter was financials (-3.3%). Technology was the leading sector (+10.7%), with both consumer discretionary and health care both posting (+9.1%) returns for the quarter. In the domestic large cap sector of the Plan, our two large cap growth funds turned in strong performance with the T. Rowe Price Growth Stock Fund up 9.2% and the Rainier Growth Fund up 7.2% for the quarter. Technology shares paced the performance for both of these funds. On the other hand, our two large cap value funds limped to the finish line of 2009. The Eaton Vance Large Cap Value Fund returned 5.5% and the Highmark Large Cap Value Fund was up 4.8% for the quarter – both less than the S&P500 Index return of 6.0%. An overweight in financial stocks was the primary factor inhibiting performance for these two funds.
- Small Cap. One dynamic that held true across the market cap spectrum, was the outperformance of growth vs. value during 2009. While HighMark maintained a slight tilt to value over growth from 2Q09 to 4Q09, we still benefited from the absolute performance of our growth funds. The T. Rowe Price New Horizons Fund posted a 5.1% return in the fourth quarter, which capped a great year for the fund (43.9% 2009 return). This was our strongest performing domestic stock fund in 2009.

DISCUSSION HIGHLIGHTS

- Our fixed income return of 1.1% outpaced the Barclays Aggregate Index which gained 0.2% in the fourth quarter. Investment-grade corporate bonds and agency mortgage-backed securities posted positive returns, while U.S. Treasuries underperformed. Three-month Treasury-bill yields remained close to the lowest levels in post-World War II history at 0.07% as the Federal Reserve continued its policy of maintaining short-term interest rates near 0%. Treasury returns were negative across the curve during the quarter, while all risk sectors posted positive performance. The U.S. Treasury index posted a loss of -1.3% for the quarter, while investment-grade corporate bonds advanced 1.4%. Ten-year Treasury yields rose 53 basis points for the quarter and 162 basis points for the year, resulting in a loss of -9.7%, the worst annual performance on record. The thirty-year Treasury also posted its worst ever annual performance, a loss of 26% during 2009, as long-term yields increased 197 basis points for the year.
- Agency mortgage-backed securities gained 0.60% in the fourth quarter, outperforming equivalent-duration Treasuries by +76 basis points. For 2009, mortgages returned 5.9% for an excess return of +480 basis points, their best performance in at least 20 years. The agency mortgage-backed index ended the quarter at a spread of +14 basis points over Treasuries, a significant improvement from spread levels at year-end 2008 and at the tightest level on record since its 1997 inception.
- All corporate quality rating categories outperformed relative to Treasuries, as Double-A rated and above securities posted +121 basis points of out-performance, while BBB rated issues fared the best at +383 basis points of excess return.
- The bond segment of the portfolio continued to perform well this quarter on a relative basis, with all three bond funds outperforming the benchmark. While all funds outperformed the benchmark, returns ranged from 0.61% for the HighMark Bond Fund to 1.32% for the Vanguard Short-Term Investment Grade Bond Fund.

INVESTMENT STRATEGY AS OF December 31, 2009

TACTICAL ASSET ALLOCATION

<u>Asset Class</u>	<u>% Portfolio Weighting</u>			<u>Rationale</u>
	Strategy (potential) Target	Current Portfolio	Over/Under Weighting	
Cash	5	6	1	Slight overweight.
Domestic Fixed Income	45	41	(4)	We continue to underweight fixed income in anticipation of the end of quantitative easing as well as a potential rise in interest rates in 2010.
Large Cap Domestic Equity	35	35.5	.5	GDP rose 2.2% in 3Q, and likely by 4% in 4Q. The recovery in our economy continues. Industrial activity, surging exports, increasing profit margins, and a recovery in earnings all point towards potentially increasing our allocation.
Small Cap Domestic Equity	7.5	8	.5	A potential rise in interest rates may pressure small caps. Additionally, smaller companies have yet to increase their payrolls. This could be indicative of a slower recovery in small caps.
International Equity	7.5	7.5	0	We have moved to an equal weight. The global economic recovery is being led by emerging economies. Growth of urbanization and industrialization should support new consumers.
Real Estate	0	1.5	1.5	We initiated a position in real estate this quarter. Property values and fundamentals are stabilizing. The recover in the economy should provide a favorable risk/reward environment for REITs.

ASSET ALLOCATION

As of Fourth Quarter 2009

Current Asset Allocation		Investment Vehicle	
Equity			53.07%
Large Cap Core	DNVYX	Davis New York Venture Fund Y	6.61%
	EXEYX	Manning and Napier Equity Fund	6.57%
Large Cap Value	HMIEX	HighMark Large Cap Value	5.87%
	EILVX	Eaton Vance Large Cap Value Fund I	5.89%
Large Cap Growth	RLGIX	John Hancock Rainier Large Cap Growth Fund	5.32%
	PRGFX	T. Rowe Price Growth Stock Fund	5.39%
Real Estate	FARCX	Frist American Real Estate Sec Y	1.48%
Small Cap Value	NSVAX	Columbia Small Cap Value Fund II	4.78%
Small Cap Growth	PRNHX	T. Rowe Price New Horizons Fund	3.39%
International Core	HIOFX	HighMark International Opportunity Fund	2.60%
International Value	DODFX	Dodge & Cox International Stock Fund	1.86%
International Growth	MQGIX	MFS International Growth Fund	1.88%
Emerging Markets	LZEMX	Lazard Emerging Markets Instl Fund	1.42%
Fixed Income			41.21%
Short-Term	VFSUX	Vanguard Short-Term Corp Adm Fund	8.04%
Intermediate-Term	HMBDX	HighMark Bond Fund	16.59%
	PTTRX	PIMCO Total Return Instl Fund	16.58%
Cash			5.72%
	HMDXX	HighMark Diversified MM Fund	5.72%
TOTAL			100.00%

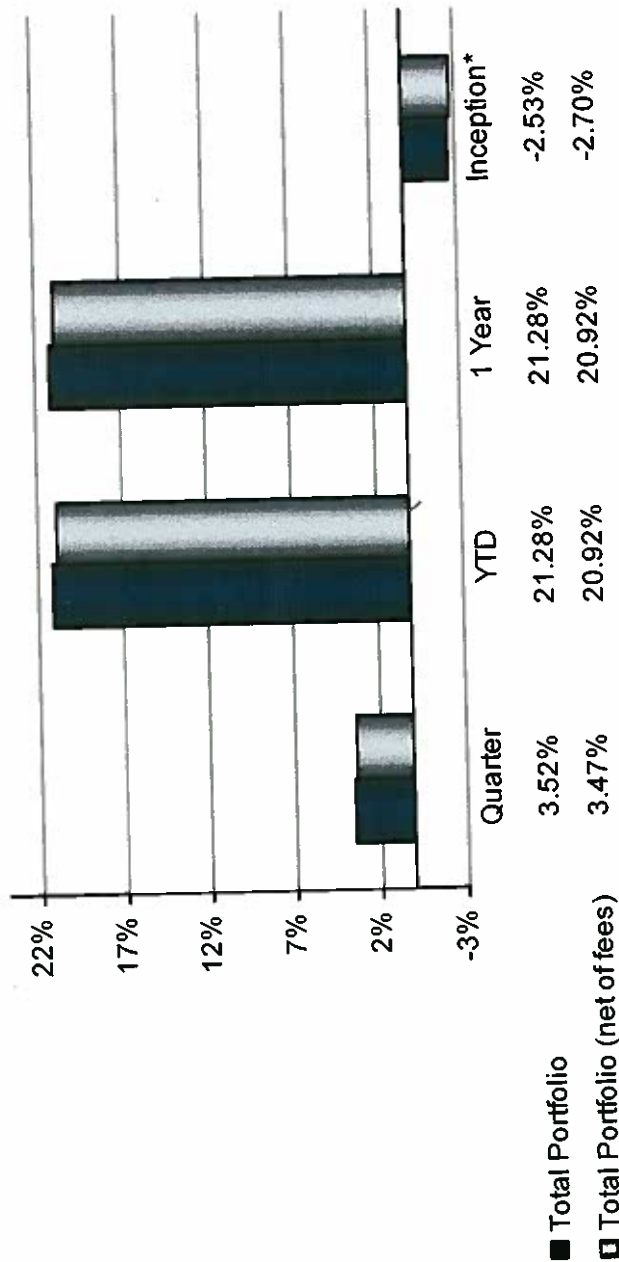


December 31, 2009 PARS: East Bay Regional Park District

ANNUALIZED INVESTMENT RETURNS

PRHCP HighMark Plus Moderate

As of Fourth Quarter 2009



*Inception Date: 7/01/2008

**Benchmark: 35% Russell 1000 Index, 35% Barclays Aggregate Index, 10% Russell 2000 Index, 10% MSCI EAFE Index, 5% DJ Wilshire REIT Index, 5% 3 Month T-Bill
 Past performance is not indicative of future returns. The information presented has been obtained from sources believed to be accurate and reliable. Securities are not FDIC insured, have no bank guarantee and may lose value. Please note that the original report of this investment performance page is included in the back of this portfolio.



December 31, 2009 PARS: East Bay Regional Park District

INVESTMENT RETURNS: Equities and Fixed Income

PRHCP HighMark Plus Moderate

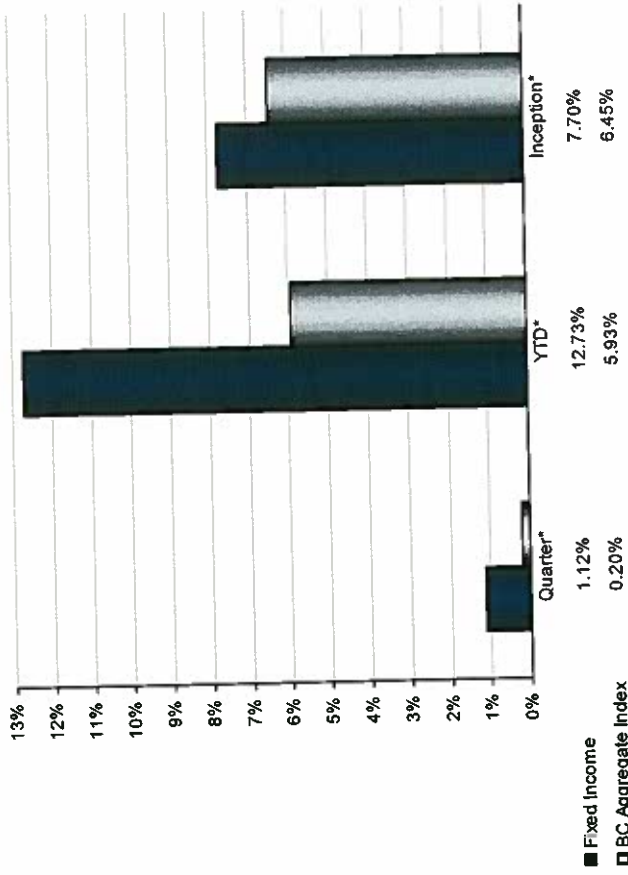
As of Fourth Quarter 2009

Equities

Domestic Equities	Quarter	YTD	Since Inception*
PARS: EBRPD	6.10%	30.40%	-9.19%
Large Cap	6.57%	30.04%	-9.47%
S&P 500 Index	6.04%	26.45%	-9.17%
Small Cap	4.18%	32.32%	-7.83%
Russell 2000 Index	3.88%	27.19%	-8.28%

International Equities	Quarter	YTD	Since Inception*
PARS: EBRPD	3.67%	39.74%	-8.00%
MSCI EAFE Index	2.18%	31.78%	-10.48%

Fixed Income



*Inception Date: 7/01/2008

Returns less than one year are not annualized. Past performance is not indicative of future returns. The information presented has been obtained from sources believed to be accurate and reliable. Securities are not FDIC insured, have no bank guarantee and may lose value.



December 31, 2009 PARS: East Bay Regional Park District

MUTUAL FUND PERFORMANCE

As of December 31, 2009

PARS PRHCP HighMark Plus Moderate

For Periods Ending December 31, 2009

Fund Name	LARGE CAP EQUITY FUNDS					10-Year Return	
	1-Month Return	3-Month Return	Year-to-Date	1-Year Return	3-Year Return		5-Year Return
Davis NY Venture Y	1.92	5.84	31.32	31.32	-5.97	1.27	2.64
Eaton Vance Large-Cap Value I	1.15	5.53	17.26	17.26	-5.25	2.51	4.73
HighMark Large Cap Value Fid	1.62	4.80	16.25	16.25	-8.34	0.19	0.36
JHancock3 Rainier Growth I	3.57	7.15	32.29	32.29	-3.46	1.50	---
Manning & Napier Equity Fd	4.60	6.30	39.58	39.58	-2.67	4.20	5.22
T. Rowe Price Growth Stock	3.22	9.15	43.25	43.25	-2.99	2.10	1.12
S&P 500 Index	1.93	6.04	26.46	26.46	-5.63	0.42	-0.95
SMALL CAP EQUITY FUNDS							
Columbia Small Cap Value II Z	7.40	3.58	25.14	25.14	-5.08	1.75	---
Russell 2000 Value Index	7.57	3.63	20.58	20.58	-8.22	-0.01	8.27
T. Rowe Price New Horizons	6.38	5.07	43.87	43.87	-2.19	2.37	3.31
Russell 2000 Growth Index	8.56	4.14	34.47	34.47	-4.00	0.87	-1.37
INTERNATIONAL EQUITY FUNDS							
Dodge & Cox Intl Stock	2.29	2.13	47.46	47.46	-4.24	5.59	---
HighMark Int'l Opportunities Fid	1.47	2.87	29.73	29.73	-5.35	5.42	2.18
Lazard Emerging Mkt Inst	3.86	5.82	69.82	69.82	5.60	16.76	11.54
MFS International Growth I	1.85	4.96	38.07	38.07	-1.19	6.84	4.32
MSCI EAFE Index	1.44	2.18	31.78	31.78	-6.04	3.54	1.17
BOND FUNDS							
HighMark Bond Fid	-1.04	0.61	11.00	11.00	6.22	4.86	5.93
Pimco Total Return Inst'l	-0.86	0.99	13.83	13.83	9.18	6.85	7.65
Vanguard Short-Term Investment-Grade Adm	-0.35	1.32	14.17	14.17	4.88	4.40	5.00
BarCap US Aggregate Bond	-1.56	0.20	5.93	5.93	6.04	4.97	6.33

Source: SEI Investments, Morningstar Investments

Returns less than one year are not annualized. Past performance is no indication of future results. The information presented has been obtained from sources believed to be accurate and reliable. Securities are not FDIC insured, have no bank guarantee and may lose value



December 31, 2009 PARS: East Bay Regional Park District



EAST BAY REGIONAL PARK DISTRICT
BOARD FINANCE COMMITTEE
AGENDA STATEMENT
MEETING DATE – February 24, 2010

SUBJECT: East Bay Regional Park District Retirement
Plans (formerly Transamerica) Annual Performance Report-
Milliman, Inc.
Report Prepared by: Cinde Rubaloff, CFO/Controller

ATTACHMENTS: December 31, 2009 Investment Performance Analysis Report

RECOMMENDATION: None. This is an informational item only.

DESCRIPTION:

The District's retirement plans include not only CalPERS, but also continued participation by some current and former staff in the East Bay Regional Park District General Employees Retirement Plan and Sworn Safety Retirement Plans (formerly Transamerica).

The Investment Policy for the EBRPD Retirement Plans states that annually the Board Finance Committee will receive a report on investment status and performance. Included in the Policy is the requirement that there is a quarterly investment performance review and evaluation by the independent investment advisor and the CFO. Finally, the Investment Policy requires that the annual report include a detailed statement of expenses related to the operation of the retirement plans.

In compliance with the Investment Policy, 2009 total plan operational expenses were \$89,342, (accrual basis) and included the following:

- Transamerica (plan administrator): \$14,673
- State Premium Tax: \$13,419
- Milliman (investment advisor): \$30,000
- Bartel and Associates (actuarial services): \$31,750 (which includes calculation of benefits as well as Section 415 plan amendment work).

These costs are paid from the short-term investments/cash asset class of funds held by Transamerica.

The District employs Milliman, Inc., an independent investment advisor, to assist with the review and analysis of the pension investments. Milliman staff reports annually to the Finance Committee on investment status and performance, as required by the Investment Policy. Bob Helliesen and Tim Price of Milliman, Inc., will provide the Finance Committee with an overview of the portfolio Performance Analysis Report for December 31, 2009. Additionally, they will discuss recent modifications to investments and recommended changes for the District to consider.

As required by Investment Policy, additional services provided by Milliman include: analysis of the quarterly investment report, reviewing asset allocations targets, monitoring portfolio manager performance, and quarterly communication with the CFO about status and recommendation.

Performance Analysis Report
for
**EAST BAY
REGIONAL PARK DISTRICT**
For the Period Ending December 31, 2009

Milliman

February 9, 2010

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San Francisco, CA 94108

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Page 30 of 59
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Introduction

Market Overview

Domestic Equity Markets

Domestic equities continued to climb off their lows of March 2009. The S&P 500 was up 6.0% in the fourth quarter to end the year up 26.5%. Small cap stocks also advanced as the Russell 2000® Index returned 3.9% in the quarter and ended the year up 27.2%.

Nine of the ten S&P 500 sectors had positive returns during the fourth quarter. Information Technology led (up 10.8%), followed by Telecom Services (9.8%), Consumer Discretionary (8.9%), Health Care (8.7%), Materials (7.3%), Utilities (7.3%), Energy (5.6%), Industrials (5.4%) and Consumer Staples (5.0%). Only the Financials sector had a negative return at -3.2%.

In the quarter, Value stocks trailed Growth-oriented securities in both the large cap and small cap market segments. In the domestic large capitalization area, the Russell 1000® Value Index returned 4.2%, compared to the Russell 1000® Growth Index return of 7.9%. In the small cap arena, the Russell 2000® Value Index returned 3.6% while the Growth Index returned 4.1%.

International Equity Markets

International equity markets were up during the quarter, with the MSCI EAFE Index returning 2.2%. The MSCI EAFE return prior to translation into US\$ was 3.4%. The Europe portion of EAFE had a return of 3.3%, out-pacing the MSCI Asia Index return of 1.2% in US\$.

Domestic Bond Markets

The Barclays Capital Aggregate Index returned a modest 0.2% during the quarter. In a reversal of last quarter, Longer-duration bonds trailed shorter-duration bonds. The Barclays Capital Long Government/Credit Index returned -2.6% while the shorter Barclays Capital 1-3 Year Government/Credit Index returned 0.4%. Credit issues again led Government issues in the quarter as investors continued to reverse their flight to safety that had been the dominant theme last autumn through early March. The Barclays Capital Credit Index returned 1.0% compared to -1.3% for the Barclays Capital Treasury Index. The agency bond market sector returned -0.1%. High yield continued its strong recovery with the Merrill Lynch High Yield Master II Index returning 6.0%.

Real Estate

The domestic real estate market, as measured by the NCREIF ODCE Index, returned -3.4% for the fourth quarter of 2009. Leveraged funds performed worse. Real estate markets are soft and property prices are falling. We expect further difficult real estate returns in the months ahead. The FTSE NAREIT Equity Index, which measures the domestic public REIT market, was up 9.4% (following its third quarter return of 33.3%). Global real estate securities, as measured by the FTSE EPRA/NAREIT Global Developed Markets Index, returned 4.4%.

EBRPD Investment Summary

Combined Performance of Market Value-Based Assets

The fourth quarter total fund return for the East Bay Regional Park District (EBRPD) market value assets was 3.5%, slightly better than the median total fund return of 3.1%.

Domestic Equity Performance

The Transamerica Equity Fund, which has a core-growth orientation, returned 8.0% for the fourth quarter, outperforming both the 7.0% return of the median large cap growth manager and the 7.9% return of the Russell 1000® Growth Index

The Vanguard Value Index Fund, in its third full quarter at EBRPD, returned 4.5%, underperforming the median large value manager return of 5.2%, but slightly outperforming the 4.2% return of the Russell 1000® Value Index return and the 4.4% of the MSCI U.S. Prime Market Value Index..

Currently, EBRPD US equity investments are allocated 46.1% growth (Transamerica) and 53.9% to value (Vanguard), compared to the target 50-50 split. U.S. equities in total are 42.7% of the fund, below the 48% target.

International Equity Performance

The EuroPacific Growth Fund posted a 3.6% return for the fourth quarter, outperforming the 2.2% return of the EAFE and the 2.7% return of the international median manager.

Fixed Income Performance

The PIMCO Bond Fund returned 1.1% for the quarter, above the 0.2% of the Barclays U.S. Aggregate Index return and the 0.8% return for the median fixed income manager return.

The Transamerica Bond Fund returned 2.2% for the fourth quarter, above the 0.2% return of the Index and the 0.8% return of the median fixed income manager return.

Total market value-based fixed income returned 1.5% in the quarter, above both the 0.2% of the Barclays U.S. Aggregate and the 0.8% of the median fixed income manager.

The EBRPD Transamerica Fixed Dollar Fund returned 1.0% for the fourth quarter. This fund is now being kept at a low level consistent with its use in paying benefits. This fund, which used to be the entire plan some years ago, US equities are 5.0% below target, while US fixed income is 5.0% above target. carried at adjusted book value. Currently, it is quite small (used as a cash substitute) and is close to market value.

Asset Allocation

As of December 31, 2009, EBRPD's total assets (market plus fixed value investments) amounted to \$27.8 million, above the \$27.1 million of September 30, 2009. At the end of the fourth quarter, 42.7% of the EBRPD total fund was allocated to domestic equities, 48.8% to fixed income carried at market value, 4.8% to international equity and 3.6% to the Fixed Dollar fund.

Cumulative Performance Statistics Gross of Fees

Through Fourth Quarter, 2009

The table below displays the manager's/composite's before-fee cumulative performance and differences from the appropriate index. Note that recent performance – good or bad – can have a dramatic impact on longer term results. Performance returns for periods greater than one year are annualized. (All medians are cited from Wilshire CO-OP.)

Market Value Based Assets

	<u>3 Mo</u>	<u>6 Mo</u>	<u>9 Mo</u>	<u>1 Yr</u>	<u>2 Yr</u>	<u>3 Yr</u>	<u>4 Yr</u>	<u>5 Yr</u>	<u>7 Yr</u>
DOMESTIC EQUITY									
Vanguard Value Index Fund	4.5 %	22.7 %	43.3 %	-	-	-	-	-	-
Transamerica Equity Fund	8.0	21.0	44.6	30.7 %	-15.3 %	-5.3 %	-2.0 %	1.6 %	7.7 %
Total Domestic Equity	5.2	20.8	42.6	28.1	-14.3	-7.5	-3.4	-0.6	5.8
Russell 3000®	5.9	23.2	43.9	28.3	-10.3	-5.4	-0.5	0.8	6.2
S&P 500 Index	6.0	22.6	42.1	26.5	-10.7	-5.6	-0.7	0.4	5.5
Russell 1000® Growth	7.9	23.0	43.1	37.2	-8.1	-1.9	0.8	1.6	5.9
Russell 1000® Value	4.2	23.2	43.8	19.7	-13.1	-9.0	-2.0	-0.3	5.9
MSCI U.S. Prime Market Value	4.4	22.6	43.0	19.5	-12.5	-8.5	-1.6	0.1	6.0
FIXED INCOME									
PIMCO	1.1	7.3	12.5	14.3	9.7	9.7	8.3	7.3	-
Transamerica Bond Fund	2.2	9.1	15.6	16.0	6.5	6.1	5.6	5.1	5.4
Total Fixed Income	1.5	8.0	13.8	15.0	8.2	7.9	7.0	6.2	6.2
Barclays U.S. Aggregate	0.2	4.0	5.8	5.9	5.6	6.0	5.6	5.0	4.8
INTERNATIONAL EQUITY									
EuroPacific Growth Fund	3.6	24.1	52.1	40.4	-8.3	0.3	5.5	8.6	-
MSCI EAFE	2.2	22.2	53.8	32.5	-13.2	-5.6	1.7	4.0	10.8
COMBINED FUND (market value based assets)									
EBRPD Combined Fund	3.5	13.6	24.8	21.0	-2.3	1.2	3.0	4.0	6.8
CPI + 400 bp/yr	1.0	2.1	4.6	6.9	5.5	6.4	6.5	6.7	6.8
Median Total Fund	3.1	13.4	24.1	18.4	-4.4	-0.8	2.5	3.2	5.9

Non-Market Value Based Assets

	<u>3 Mo</u>	<u>6 Mo</u>	<u>9 Mo</u>	<u>1 Yr</u>	<u>2 Yr</u>	<u>3 Yr</u>	<u>4 Yr</u>	<u>5 Yr</u>	<u>7 Yr</u>
FIXED INCOME									
Transamerica Fixed Dollar	1.0 %	2.0 %	2.9 %	3.7 %	4.2 %	4.5 %	4.4 %	4.6	4.6 %
91-Day T-Bill	0.0	0.1	0.2	0.2	1.1	2.4	2.5	2.6	2.2

Note: Returns for periods longer than one year are annualized.

Cumulative Performance Statistics Net of Fees

Through Fourth Quarter, 2009

The table below displays the manager's/composite's after-fee cumulative performance and differences from the appropriate index. Note that recent performance – good or bad – can have a dramatic impact on longer term results. Performance returns for periods greater than one year are annualized. (All medians are cited from Wilshire CO-OP.)

Market Value Based Assets

	<u>3 Mo</u>	<u>6 Mo</u>	<u>9 Mo</u>	<u>1 Yr</u>	<u>2 Yr</u>	<u>3 Yr</u>	<u>4 Yr</u>	<u>5 Yr</u>	<u>7 Yr</u>
DOMESTIC EQUITY									
Vanguard Value Index Fund	4.4 %	22.6 %	43.1 %	-	-	-	-	-	-
Transamerica Equity Fund	7.8	20.6	43.8	29.7 %	-15.9 %	-5.9 %	-2.7 %	0.9 %	6.9 %
Total Domestic Equity	5.1	20.6	42.1	27.4	-14.9	-8.1	-4.1	-1.2	5.1
Russell 3000®	5.9	23.2	43.9	28.3	-10.3	-5.4	-0.5	0.8	6.2
S&P 500 Index	6.0	22.6	42.1	26.5	-10.7	-5.6	-0.7	0.4	5.5
Russell 1000® Growth	7.9	23.0	43.1	37.2	-8.1	-1.9	0.8	1.6	5.9
Russell 1000® Value	4.2	23.2	43.8	19.7	-13.1	-9.0	-2.0	-0.3	5.9
MSCI U.S. Prime Market Value	4.4	22.6	43.0	19.5	-12.5	-8.5	-1.6	0.1	6.0
FIXED INCOME									
PIMCO	1.0	7.1	12.2	13.8	9.2	9.2	7.9	6.9	-
Transamerica Bond Fund	2.0	8.8	15.0	15.2	5.8	5.4	4.9	4.4	4.8
Total Fixed Income	1.4	7.8	13.3	14.4	7.6	7.3	6.4	5.7	5.7
Barclays U.S. Aggregate	0.2	4.0	5.8	5.9	5.6	6.0	5.6	5.0	4.8
INTERNATIONAL EQUITY									
EuroPacific Growth Fund	3.5	23.7	51.5	39.6	-8.8	-0.3	4.9	8.0	-
MSCI EAFE	2.2	22.2	53.8	32.5	-13.2	-5.6	1.7	4.0	10.8
COMBINED FUND (Market value based assets)									
EBRPD Combined Fund	3.4	13.3	24.3	20.3	-2.9	0.6	2.4	3.4	6.2
CPI + 400 bp/yr	1.0	2.1	4.6	6.9	5.5	6.4	6.5	6.7	6.8
Median Total Fund (Gross)	3.1	13.4	24.1	18.4	-4.4	-0.8	2.5	3.2	5.9

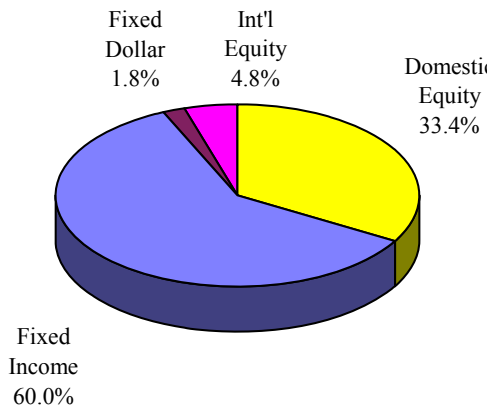
Non-Market Value Based Assets

	<u>3 Mo</u>	<u>6 Mo</u>	<u>9 Mo</u>	<u>1 Yr</u>	<u>2 Yr</u>	<u>3 Yr</u>	<u>4 Yr</u>	<u>5 Yr</u>	<u>7 Yr</u>
FIXED INCOME									
Transamerica Fixed Dollar	1.0 %	2.0 %	-2.8 %	-2.1 %	0.7 %	1.9 %	2.2 %	2.3	2.8 %
91-Day T-Bill	0.0	0.1	0.2	0.2	1.1	2.4	2.5	2.6	2.2

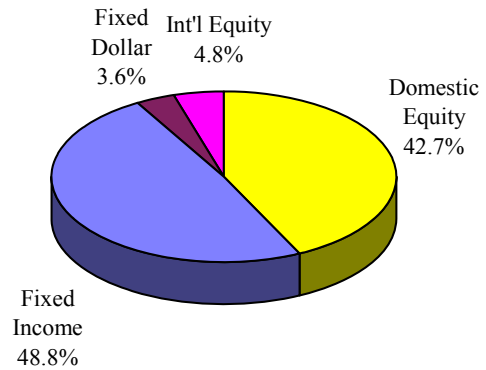
Note: Returns for periods longer than one year are annualized.

Allocation of Assets

EBRPD Total Fund
September 30, 2009
\$27.1 million



EBRPD Total Fund
December 31, 2009
\$27.8 million



Asset Allocation Table As of December 31, 2009

	<u>Value</u>	<u>Percent of Total Assets</u>	<u>Target % of Market Value Assets</u>
DOMESTIC EQUITY			
Vanguard Value Index	6,393,256	23.0 %	24.0 %
Transamerica Equity Fund	5,468,917	19.7	24.0
TOTAL DOMESTIC	\$ 11,862,173	42.7 %	48.0 %
FIXED INCOME			
PIMCO Total Return Fund	\$ 9,231,184	33.2 %	22.8 %
Transamerica Bond Fund	4,327,629	15.6	22.8
Transamerica Fixed Dollar	1,003,454	3.6	1.4
TOTAL FIXED INCOME	\$ 14,562,267	52.4 %	47.0 %
INT'L EQUITY			
EuroPacific Growth Fund	\$ 1,345,121	4.8 %	5.0 %
TOTAL INT'L EQUITY	\$ 1,345,121	4.8 %	5.0 %
TOTAL ASSETS	\$ 27,769,561	100.0 %	100.0 %

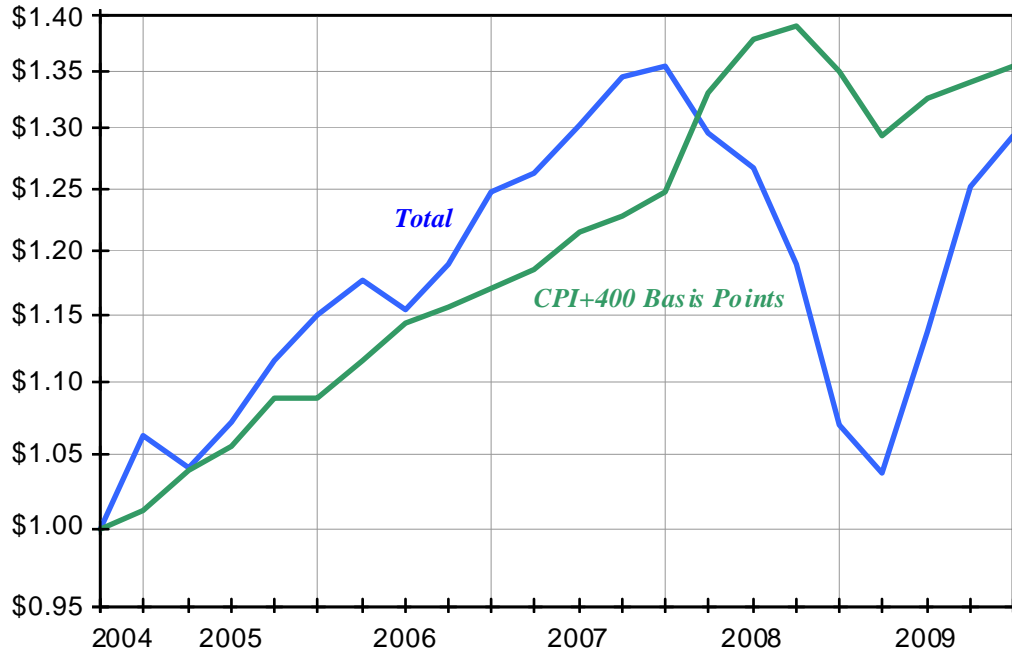
Sources of Portfolio Growth For the Quarter Ended December 31, 2009

	<u>Beginning Market Value</u>	<u>Other Net Contributions/ Withdrawals</u>	<u>Investment Gain/Loss</u>	<u>Ending Market Value</u>
DOMESTIC EQUITY				
Vanguard Value Index	\$ 4,829,123	\$ 1,297,666	\$ 266,467	\$ 6,393,256
Transamerica Equity Fund	\$ 4,182,861	\$ 901,269	\$ 384,787	\$ 5,468,917
TOTAL DOMESTIC	\$ 9,011,984	\$ 2,198,935	\$ 651,254	\$ 11,862,173
FIXED INCOME				
PIMCO Total Return Fund	\$ 9,140,462	\$ (9,940)	\$ 100,662	\$ 9,231,184
Transamerica Bond Fund	\$ 7,099,733	\$ (2,889,997)	\$ 117,893	\$ 4,327,629
Transamerica Fixed Dollar	\$ 500,345	\$ 498,186	\$ 4,923	\$ 1,003,454
TOTAL FIXED INCOME	\$ 16,740,540	\$ (2,401,751)	\$ 223,478	\$ 14,562,267
INT'L EQUITY				
EuroPacific Growth Fund	\$ 1,300,170	\$ (1,908)	\$ 46,859	\$ 1,345,121
TOTAL INT'L EQUITY	\$ 1,300,170	\$ (1,908)	\$ 46,859	\$ 1,345,121
TOTAL ASSETS	\$ 27,052,694	\$ (204,724)	\$ 921,591	\$ 27,769,561

Total Fund Performance

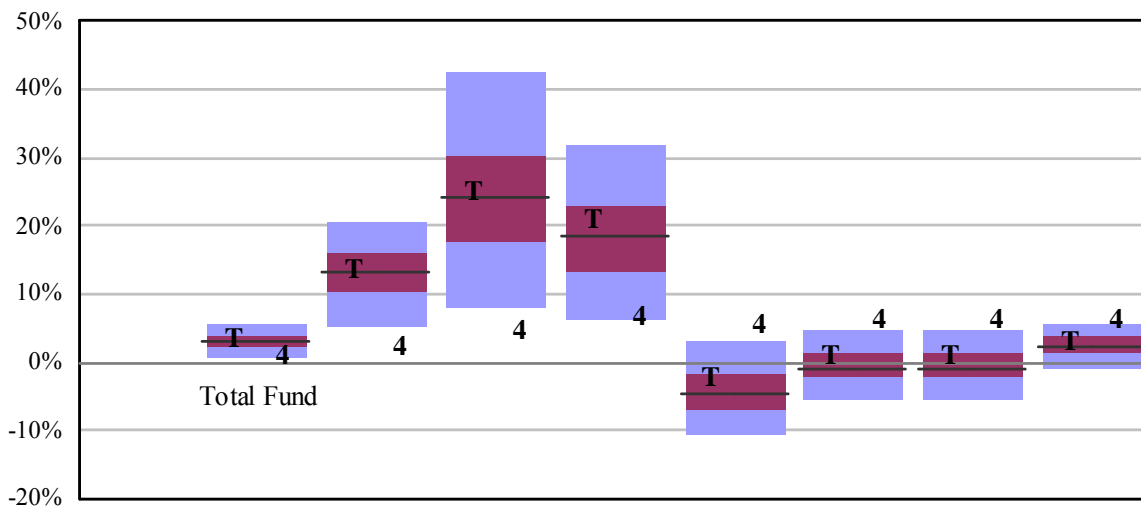
The graph below depicts EBRPD's total fund performance showing the growth of \$1 given the total fund and appropriate index returns, since the fund became primarily invested in market value based assets.

Total Fund vs. CPI +400 Basis Points



Total Fund Performance

The chart below shows EBRPD's total fund and the relative indexes' performance over the past quarter and over longer periods since the fund became primarily invested in assets carried at market value.



	Last <u>Qtr</u>	Last 2 <u>Qtrs</u>	Last 3 <u>Qtrs</u>	One <u>Year</u>	Two <u>Years</u>	Three <u>Years</u>	Four <u>Years</u>	Five <u>Years</u>
Total Fund (T)	3.5	13.6	24.8	21.0	-2.3	1.2	3.0	4.0
Rank v. Total	37	47	46	37	29	26	38	28
CPI + 4% (4)	1.0	2.1	4.6	6.9	5.5	6.4	6.5	6.7
Total Fund Median	3.1	13.4	24.1	18.4	-4.4	-0.8	2.5	3.2

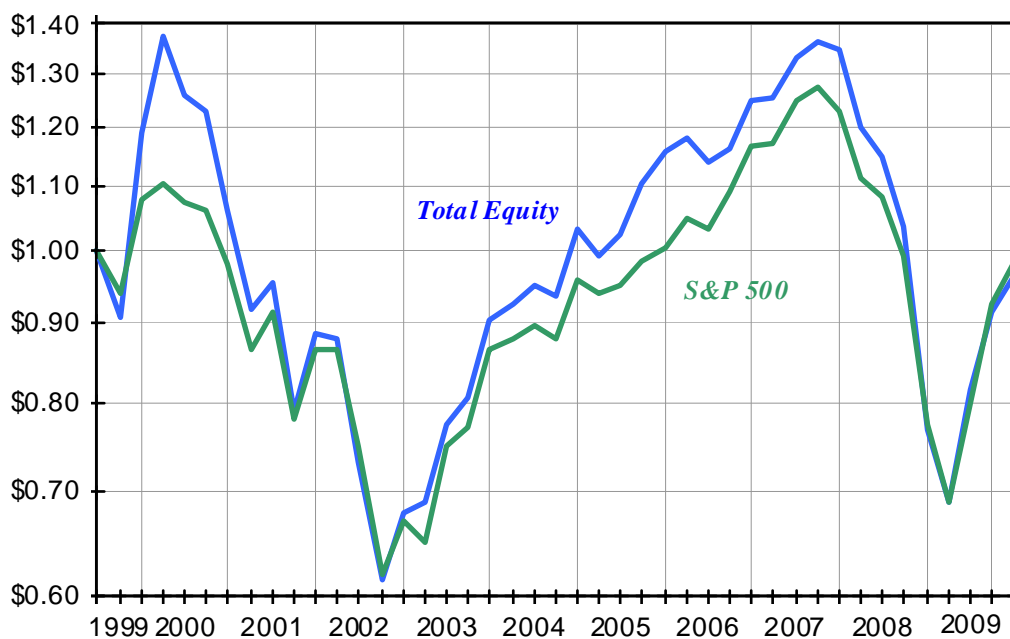
Quarterly Summary & Commentary

- The EBRPD total fund return of 3.5% (before fees) for the fourth quarter was slightly higher than the 3.1% return of the total fund median and ranked in the 37th percentile in the total fund universe.
- The fourth quarter of 2004 marked the first time that EBRPD's allocation was comparable to that of other funds. Earlier, EBRPD's allocation was influenced by a large allocation to the insurance contract, which was/is not marked to market.
- Over the past year, the total fund returned 21.0% and substantially outperformed the CPI+400 return of 6.9% and the median total fund return of 18.4%, and ranked in the 37th percentile of total funds.
- Over the past two years, the total fund returned -2.3% per year, below the CPI+400 return of 5.5%, but above the median fund return of -4.4%, and ranked in the 29th percentile.
- Over the past four years the fund returned 3.0%, underperforming the 6.5% return of the CPI+400, and ranked in the 38th percentile of total funds.
- Over the past five years the total fund returned 4.0% underperforming the 6.7% return of the CPI+400, but outperforming the 3.2% return of the median total fund and ranking in the 28th percentile of total funds.

Total Domestic Equity Performance

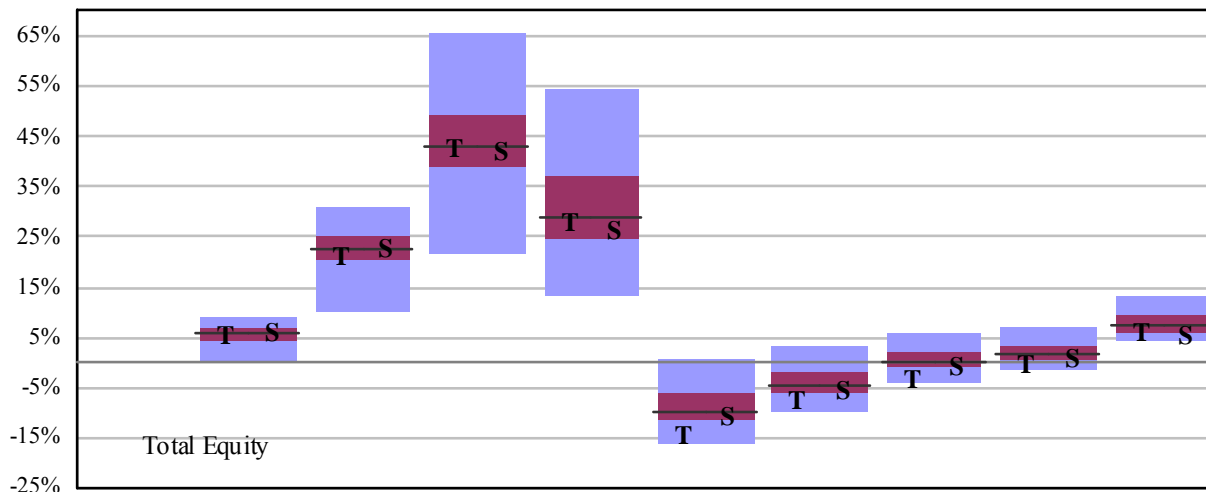
The graph below depicts EBRPD's total equity performance showing the growth of \$1 given the domestic equity and appropriate index returns.

Total Equity vs. S&P 500



Total Domestic Equity Performance

The chart below shows EBRPD's total equity and the relative indices' cumulative performance over the past five years. The composite's performance is also ranked in the total equity universe.



	Last <u>Qtr</u>	Last 2 <u>Qtrs</u>	Last 3 <u>Qtrs</u>	One <u>Year</u>	Two <u>Years</u>	Three <u>Years</u>	Four <u>Years</u>	Five <u>Years</u>	Seven <u>Years</u>
Total Equity (T)	5.2	20.8	42.6	28.1	-14.3	-7.5	-3.4	-0.6	5.8
Rank v. Total Eq	62	71	52	54	90	87	93	92	74
S&P 500 (S)	6.0	22.6	42.1	26.5	-10.7	-5.6	-0.7	0.4	5.5
Total Equity Med	5.8	22.6	43.2	29.0	-9.7	-4.5	-0.0	1.7	7.6

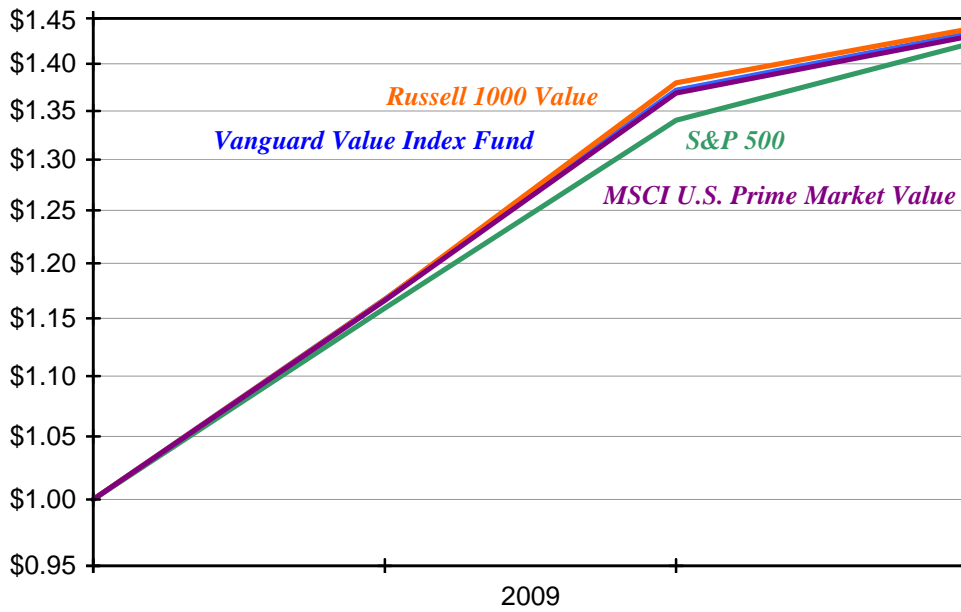
Quarterly Summary & Commentary

- EBRPD's total equity composite returned 5.2% for the fourth quarter, below the 6.0% return of the S&P 500 and the 5.8% return of the total equity median manager. This return ranked in the 62nd percentile in the total equity universe.
- Over the past one year the composite returned 28.1%, outperforming the 26.5% return of the S&P500, underperforming the 29.0% return of the total equity median.
- The composite has underperformed the median and the S&P 500 over most periods.
- Harris Associates was replaced by the Vanguard value index fund in the first quarter of 2009.

Vanguard Equity Performance

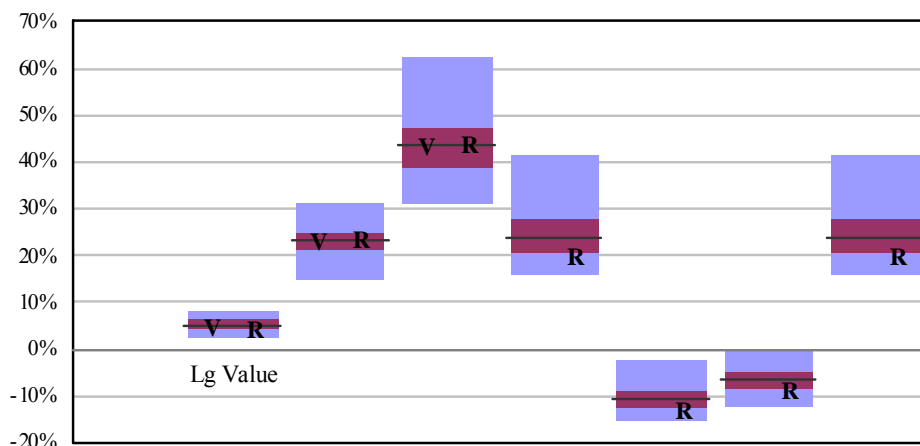
The graph below depicts Vanguard's performance, illustrating the growth of \$1 given Vanguard and appropriate index returns.

Vanguard vs. Russell 1000 Value



Vanguard Equity Performance

The chart below shows Vanguard and the relative indices' cumulative performance. The fund's performance is also ranked in the equity universe.



	Last <u>Qtr</u>	Last 2 <u>Qtrs</u>	Last 3 <u>Qtrs</u>	Last 3 <u>Qtrs</u>	Last 3 <u>Qtrs</u>	Last 3 <u>Qtrs</u>	Four <u>Years</u>
Vanguard (V)	4.5	22.7	43.3	-	-	-	-
Rank v. Lg Value	68	56	53	-	-	-	-
S&P 500 (S)	6.0	22.6	42.1	26.5	-10.7	-5.6	-0.7
Ru 1000 Value (R)	4.2	23.2	43.8	19.7	-13.1	-9.0	-2.0
MSCI U.S. Prime Market Value (M)	4.4	22.6	43.0	19.5	-12.5	-8.5	-1.6
Lg Value Median	5.2	23.2	43.8	23.9	-10.9	-6.7	-0.7

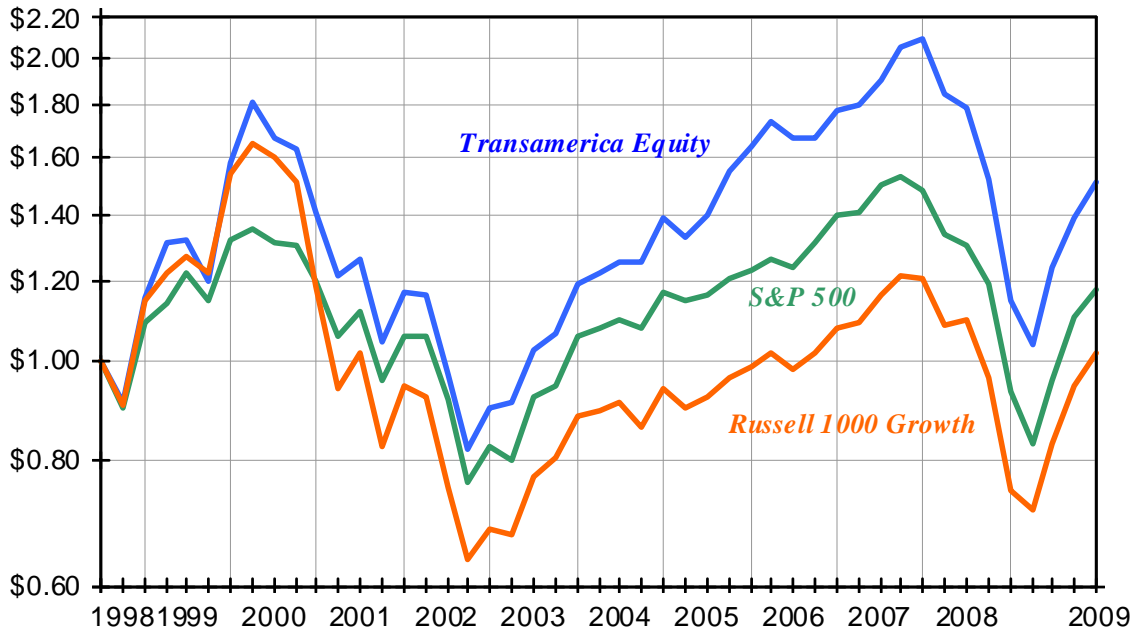
Quarterly Summary & Commentary

- In its third full quarter the Vanguard value index fund return of 4.5% outperformed both the Russell 1000® Value Index return of 4.2% and the 4.4% of the MSCI U.S. Prime Market Value, but underperforming the median large value manager return of 5.2% and ranking in the 68th percentile of large value managers.
- As of December 31, 2009, Vanguard had an average market cap of \$40.0 billion and a price-to-earnings ratio of 30.8x, while the S&P 500 had a weighted average market cap of \$81.9 billion and a price-to-earnings ratio of 30.8x.

Transamerica Equity Performance

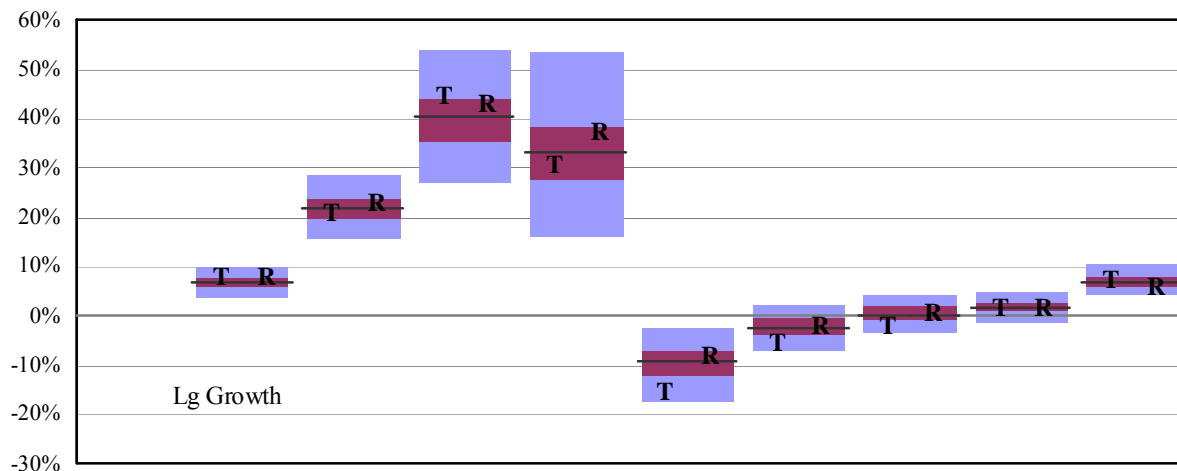
The graph below depicts the Transamerica Equity Fund's performance illustrating the growth of \$1 given the Transamerica equity and appropriate index returns.

Transamerica Equity vs. Market Indexes



Transamerica Equity Performance

The chart below shows the Transamerica Equity Fund and the relative indices' cumulative performance. The Fund's performance is also ranked in the equity universe.



	Last <u>Qtr</u>	Last 2 <u>Qtrs</u>	Last 3 <u>Qtrs</u>	One <u>Year</u>	Two <u>Years</u>	Three <u>Years</u>	Four <u>Years</u>	Five <u>Years</u>	Seven <u>Years</u>
Transamerica Eq (T)	8.0	21.0	44.6	30.7	-15.3	-5.3	-2.0	1.6	7.7
Rank v. Lg Growth	23	59	21	64	90	87	85	55	34
S&P 500 (S)	6.0	22.6	42.1	26.5	-10.7	-5.6	-0.7	0.4	5.5
Ru 1000 Growth (R)	7.9	23.0	43.1	37.2	-8.1	-1.9	0.8	1.6	5.9
Lg Growth Medium	7.0	22.2	40.5	33.3	-9.1	-2.5	0.2	1.8	7.0

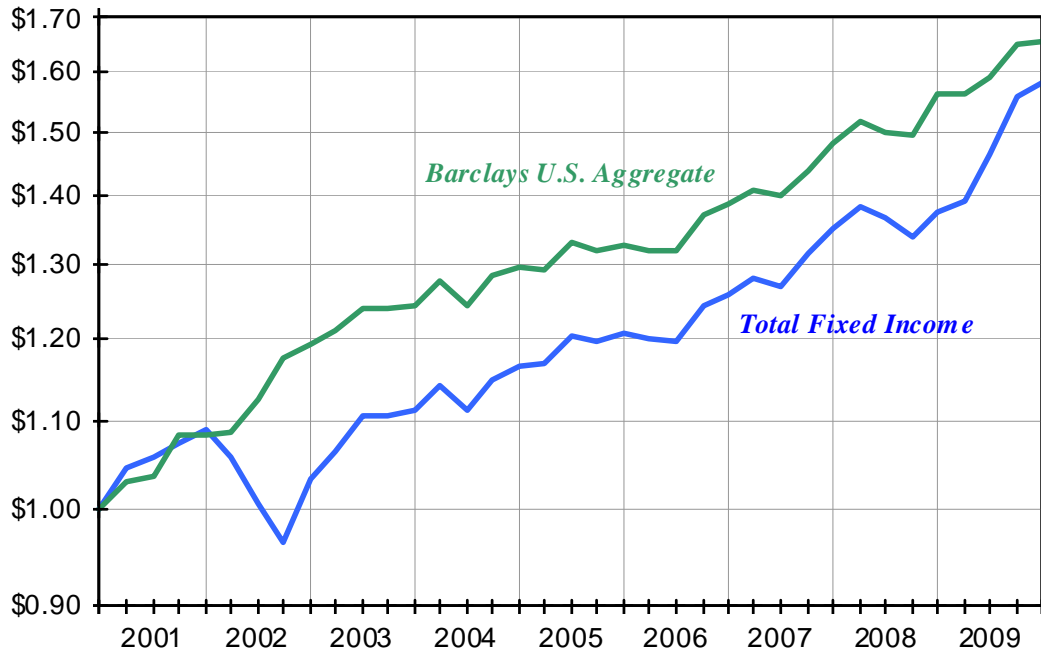
Quarterly Summary & Commentary

- The Transamerica Equity Fund returned 8.0% for the fourth quarter, outperforming the 6.0% return of the S&P 500, the 7.9% of the Russell 1000 Growth Index, and the 7.0% of the large growth median, and ranking in the 23rd percentile in the large growth universe.
- The portfolio has had mixed performance compared to benchmarks.
- The San Francisco-based portfolio managers who were most responsible for managing this fund left Transamerica in March 2005 and were replaced by a group in Los Angeles led by long-time contributor Gary Rollé, who has recently announced his plan to retire at the end of 2010. Kirk Kim has been approved s Chief Investment Officer as of June 30, 2010. The EBRPD Board moved a portion of the existing Transamerica equity account to Delaware in December 2005, but then ended the Delaware investment in mid-2007.
- As of December 31, 2009, the Transamerica Equity Fund had a beta of 1.12x, a weighted average market cap of \$74.1 million, and a price-to-earnings ratio of 33.6x. The S&P 500 had a beta of 1.00x, a weighted average market cap of \$81.9 billion and a price-to-earnings ratio of 30.8x.

Total Fixed Income Performance

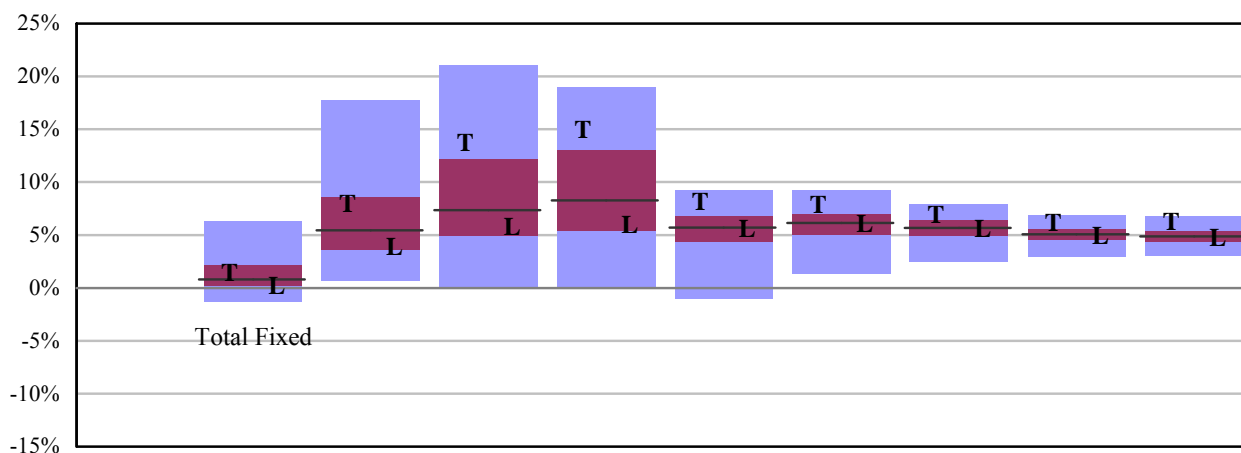
The graph below depicts EBRPD's total fixed income performance showing the growth of \$1 given the total fixed income and appropriate index returns.

Total Fixed Income vs. Barclays U.S. Aggregate



Total Fixed Income Performance

The chart below shows the total fixed income and the relative indices' cumulative performance over the past five years. The composite's performance is also ranked in the fixed income universe.



	Last Qtr	Last 2 Qtrs	Last 3 Qtrs	One Year	Two Years	Three Years	Four Years	Five Years	Seven Years
Total Fixed (T)	1.5	8.0	13.8	15.0	8.2	7.9	7.0	6.2	6.2
Rank v. Fixed	33	28	18	13	10	11	12	13	11
Barclays Agg (L)	0.2	4.0	5.8	5.9	5.6	6.0	5.6	5.0	4.8
Fixed Income Med	0.8	5.4	7.4	8.3	5.7	6.1	5.7	5.1	4.9

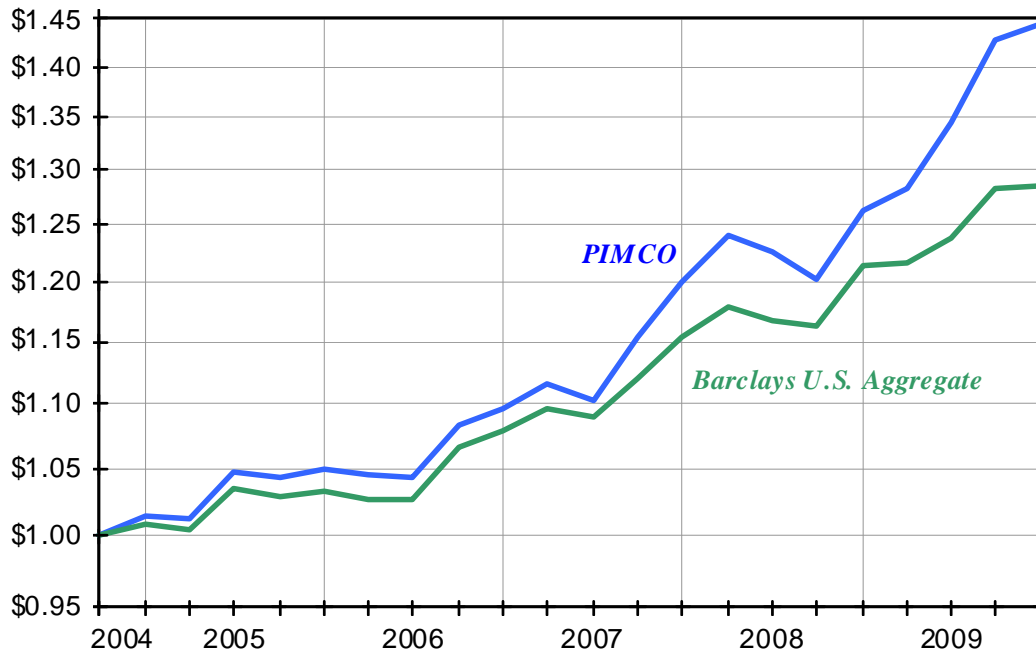
Quarterly Summary & Commentary

- EBRPD's total fixed income composite returned 1.5% for the fourth quarter, outperforming the 0.2% return of the Barclays U.S. Aggregate Index and the 0.8% return of the median fixed income manager. The composite ranked in the 33rd percentile in the fixed income universe during the period.
- The total fixed income composite has outperformed both the benchmark and median fixed income manager over the one through seven- year periods. For the one year period the composite returned 15.0% vs. 5.9% for the Barclays U.S. Aggregate and 8.3% for the median fixed income manager ranking in the 13th percentile of fixed income managers.
- For the seven year period the total fixed income composite returned 6.2% vs. 4.8% for the Barclays U.S. Aggregate and 4.9% for the median fixed income manager and ranked in the 11th percentile of fixed income managers.

PIMCO Fixed Income Performance

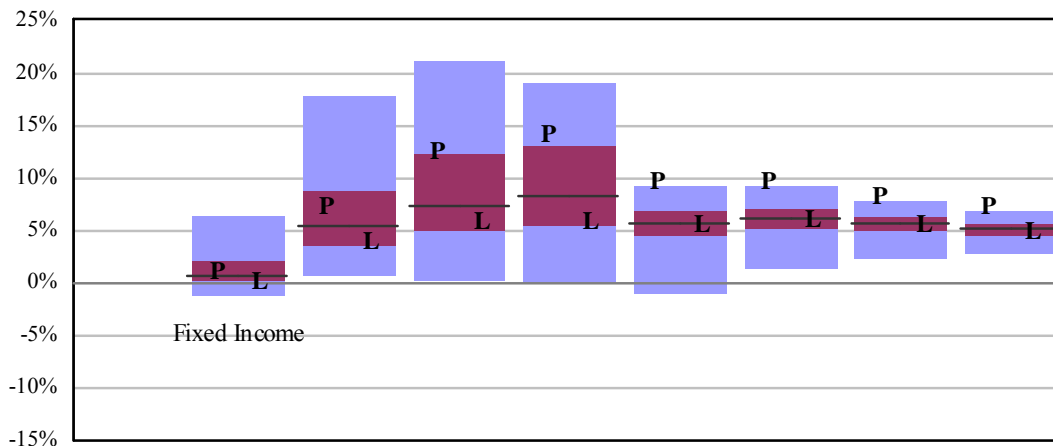
The data below depicts the PIMCO's fixed income performance showing the growth of \$1 given the PIMCO and appropriate index returns.

PIMCO vs. Barclays U.S. Aggregate



PIMCO Fixed Income Performance

The chart below shows PIMCO and the relative indices' cumulative performance over the past five years. The fund's performance is also ranked in the fixed income universe.



	Last <u>Qtr</u>	Last 2 <u>Qtrs</u>	Last 3 <u>Qtrs</u>	One <u>Year</u>	Two <u>Years</u>	Three <u>Years</u>	Four <u>Years</u>	Five <u>Years</u>
PIMCO (P)	1.1	7.3	12.5	14.3	9.7	9.7	8.3	7.3
Rank v. Fixed	40	32	23	14	3	2	2	3
Barclays Agg (L)	0.2	4.0	5.8	5.9	5.6	6.0	5.6	5.0
Fixed Income Med	0.8	5.4	7.4	8.3	5.7	6.1	5.7	5.1

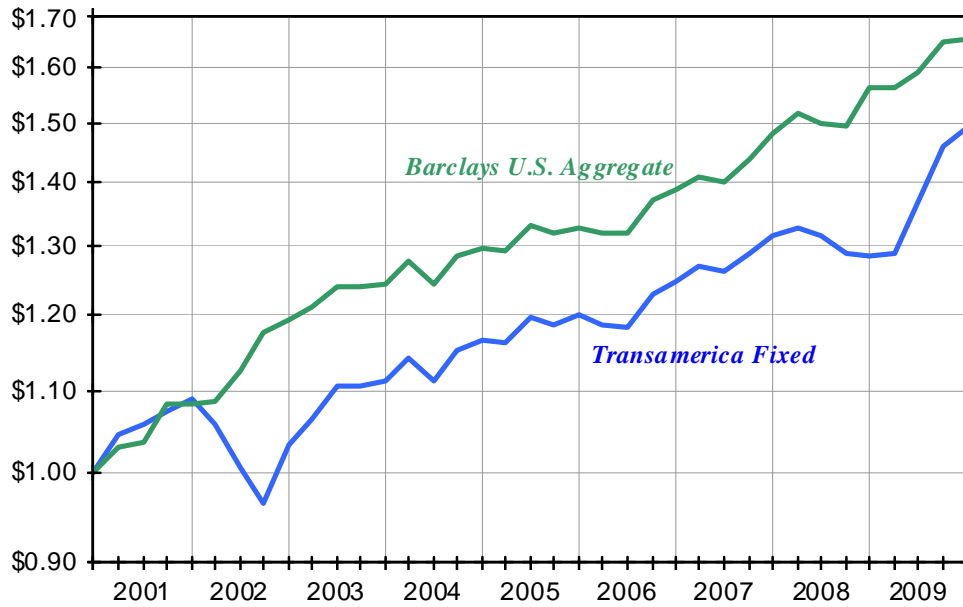
Quarterly Summary & Commentary

- PIMCO returned 1.1% for the fourth quarter, outperforming the 0.2% return of the benchmark (Barclays U.S. Aggregate) and the 0.8% return for the median fixed income manager. PIMCO ranked in the 40th percentile in the fixed income universe for the period.
- PIMCO outperformed both the Barclays U.S. Aggregate and the median fixed income manager over the one-year period, returning 14.3% vs. 5.9% return of the Barclays U.S. Aggregate and 8.3% for the median fixed income manager. The fund ranked in the 14th percentile over the one-year period. Sector, yield curve and duration bets all outperformed.
- Over the past five years, PIMCO returned 7.3%, again outperforming the Barclays U.S. Aggregate return of 5.0% and the median fixed income manager return of 5.1%, and ranked in the 3rd percentile.
- As of December 31, 2009, the PIMCO fund quality was AA. The fund had an effective duration of 4.7 years and an average coupon of 3.4%. The Barclays U.S. Aggregate Index had a quality of AA1/AA2, duration of 4.6 years and coupon of 4.7%.

Transamerica Fixed Income Performance

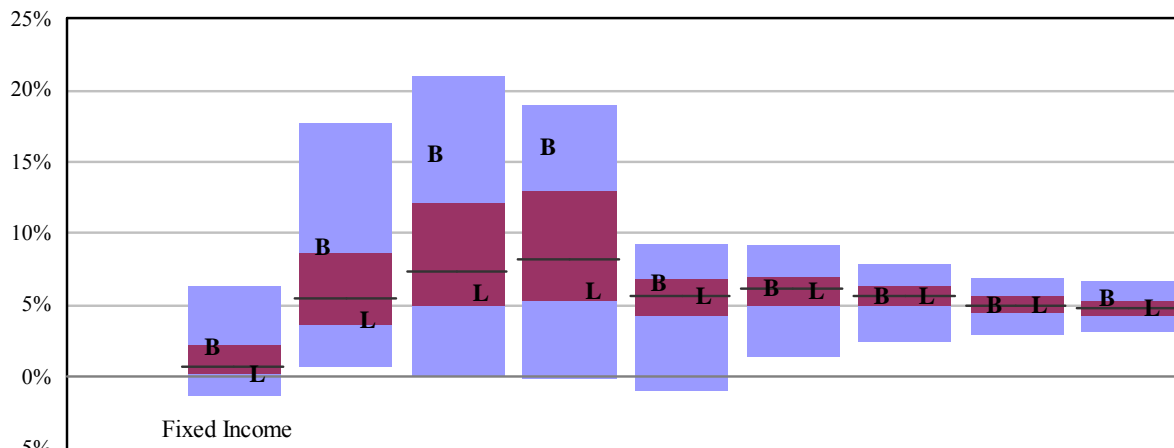
The data below depicts the Transamerica Bond Fund's performance showing the growth of \$1 given the Transamerica fixed income and appropriate index returns.

Transamerica Fixed Income vs. Barclays U.S. Aggregate



Transamerica Fixed Income Performance

The chart below shows the Transamerica Bond Fund and the relative indices' cumulative performance over the past five years. The Fund's performance is also ranked in the fixed income universe.



	Last Qtr	Last 2 Qtrs	Last 3 Qtrs	One Year	Two Years	Three Years	Four Years	Five Years	Seven Years
Trans Bond (B)	2.2	9.1	15.6	16.0	6.5	6.1	5.6	5.1	5.4
Rank v. Fixed	25	23	14	10	32	51	54	51	23
Barclays Agg (L)	0.2	4.0	5.8	5.9	5.6	6.0	5.6	5.0	4.8
Fixed Income Med	0.8	5.4	7.4	8.3	5.7	6.1	5.7	5.1	4.9

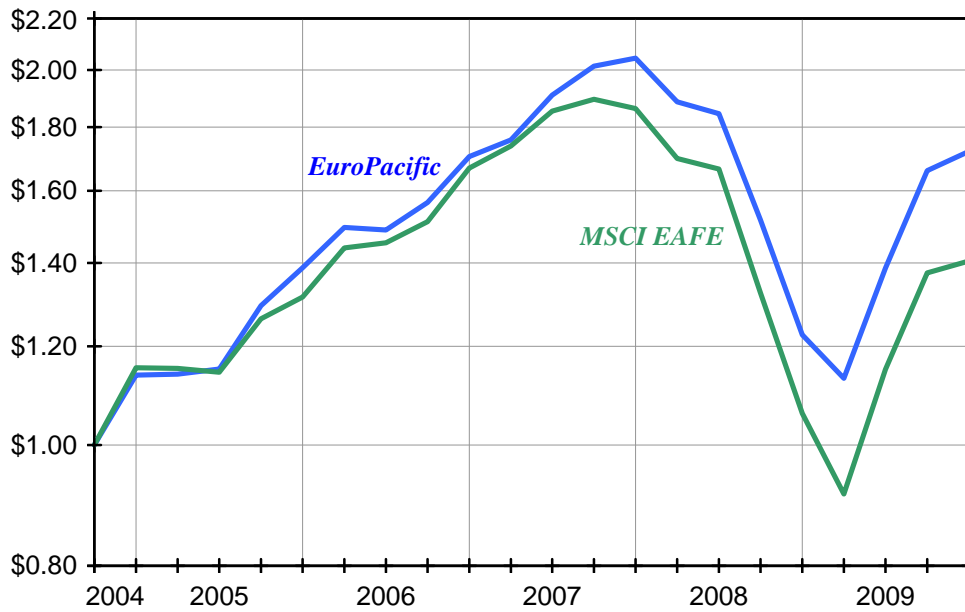
Quarterly Summary & Commentary

- The Transamerica Bond Fund returned 2.2% for the quarter, above both the 0.2% return of the Barclays U.S. Aggregate Index and the 0.8% fixed income universe median. The Fund's credit emphasis was the major contributor. The fund ranked in the 25th percentile of fixed income manager returns.
- Over the past year, the Bond Fund returned 16.0%, outperforming the 5.9% return of the Barclays U.S. Aggregate Index and the 8.3% return of the median fixed income manager. The fund ranked in the 10th percentile. Over the past three years the 6.1% return of the fund slightly outperformed the index return of 6.0% and matched that of the median fixed income manager. Over the past seven years the Bond Fund return of 5.4% outperformed both the benchmark return of 4.8% and the median fixed income manager return of 4.9%. There was a portfolio manager change at the end of 2002 and again in the fall of 2008.
- As of December 31, 2009, the Transamerica Bond Fund had a quality of AA-, an effective duration of 4.0 years, an average coupon of 5.7% and a yield to maturity of 15.6%. The Barclays U.S. Aggregate Index had a quality of AA1/AA2, duration of 4.6 years and coupon of 4.7%.

EuroPacific International Equity Performance

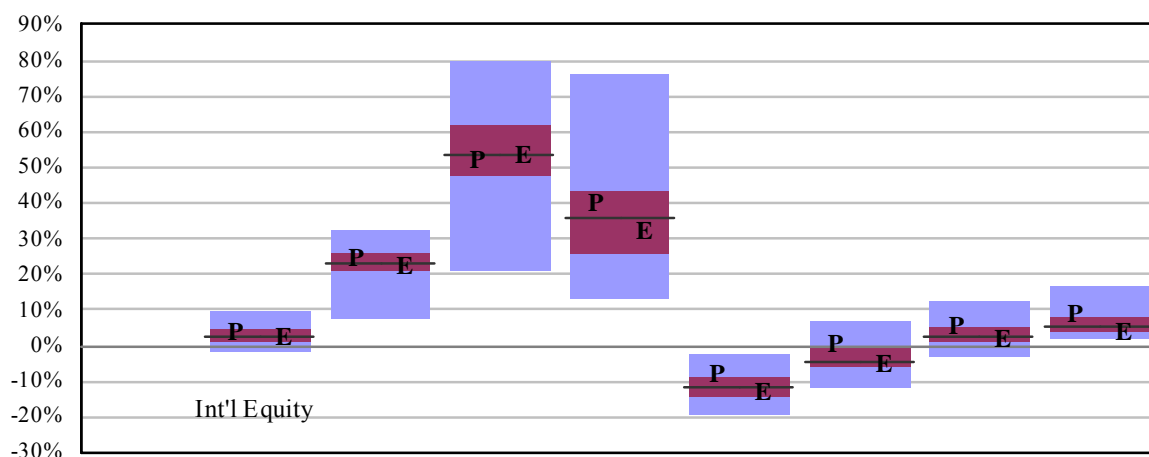
The data below shows the EuroPacific Fund's performance illustrating the growth of \$1 given the international equity and appropriate index returns.

EuroPacific vs. MSCI EAFE



EuroPacific International Equity Performance

The chart below shows EuroPacific and the relative indices' cumulative performance over the past five years. The fund's performance is also ranked in the international equity universe.



	Last <u>Qtr</u>	Last 2 <u>Qtrs</u>	Last 3 <u>Qtrs</u>	One <u>Year</u>	Two <u>Years</u>	Three <u>Years</u>	Four <u>Years</u>	Five <u>Years</u>
EuroPacific (P)	3.6	24.1	52.1	40.4	-8.3	0.3	5.5	8.6
Rank v. Int'l Eq	34	36	54	31	19	17	23	20
EAFE (E)	2.2	22.2	53.8	32.5	-13.2	-5.6	1.7	4.0
Int'l Equity Med	2.7	23.0	53.4	36.1	-11.9	-4.3	2.6	5.1

Quarterly Summary & Commentary

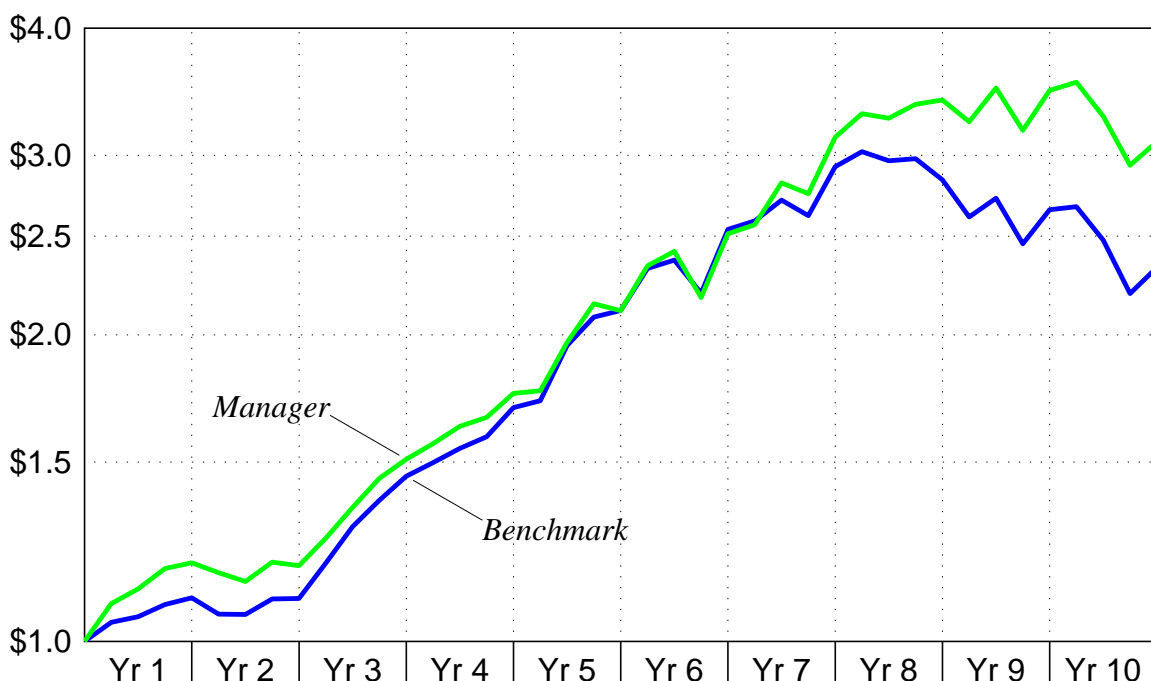
- The EuroPacific Fund fourth quarter return of 3.6% outperformed both the 2.2% return of the EAFE Index and the 2.7% return of the international equity median. The fund's performance ranked in the 34th percentile in the international equity universe.
- Over the past year, the fund outperformed the EAFE benchmark (40.4% vs. 32.5%) and ranked in the 31st percentile.
- Over the past five years, the EuroPacific Fund returned 8.6% outperforming the EAFE return of 4.0% and the median international equity manager return of 5.1%, ranking in the 20th percentile.
- The fund has outperformed the EAFE over the one- through four- year periods.

Appendix – Example Charts

How to Read the Cumulative Return Chart:

Manager vs. Benchmark

Cumulative Value of \$1

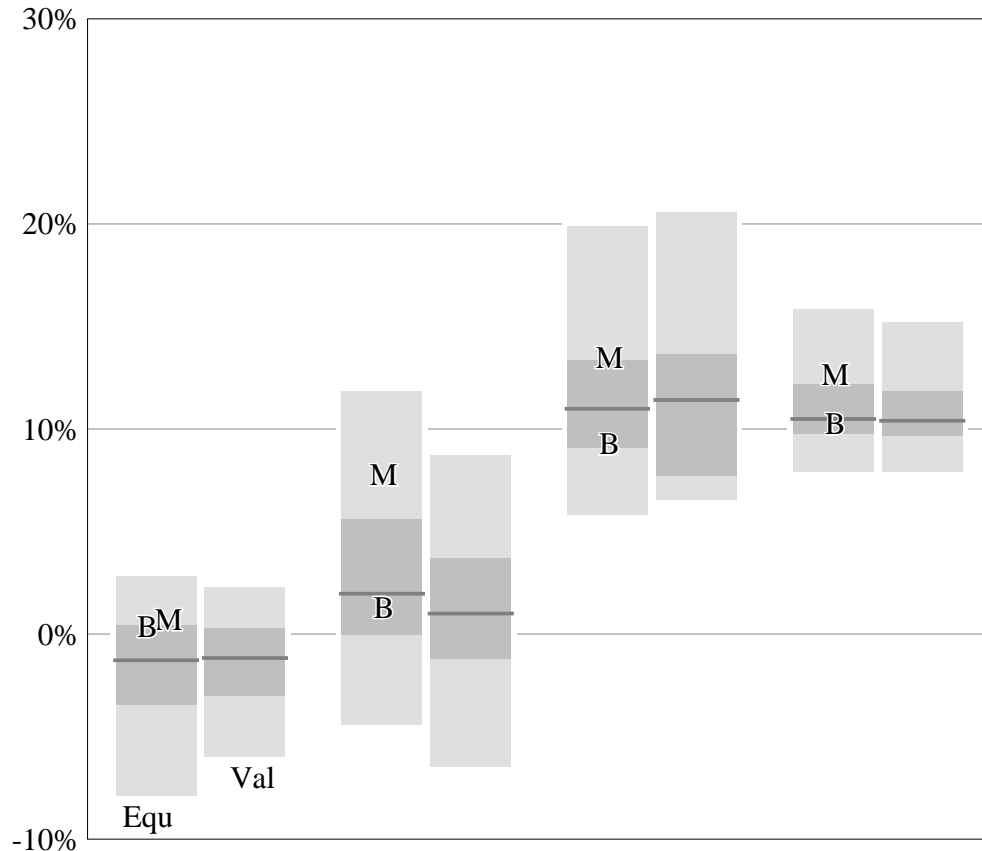


This chart shows the growth of \$1 invested in the 1st quarter of Year 1 with the manager vs. \$1 in the benchmark. Manager returns are the green line. Benchmark performance is the blue line. For example, in the above graph if \$1 had been invested with the manager at the beginning of the 1st quarter of 1985, it would have grown to approximately \$2 by the fourth quarter of Year 5 and would be above \$3 by the end of Year 10. Similarly, \$1 invested in the benchmark would have been worth near \$3 by the end of Year 7 and would be above \$2 by the end of the Year 10.

This is a semi-logarithmic or “log” graph. This is to show equal percentage moves with an equal slope at any place on the graph. For example, with equal scaling a manager who consistently returns 2% every quarter would show a return line which would steepen through time even though the growth rate is the same. With log scaling, a constant growth rate results in a straight line.

An advantage to using log graphs is that it is possible to compare managers more fairly to the benchmark. If the manager appears to be catching up to or losing ground to the benchmark on the log graph, then this is what is actually happening. This may not be the case with an arithmetic chart, where distortions are possible.

How to Read the Floating Bar Chart:



	<u>Last Qtr</u>	<u>1 Yr</u>	<u>3 Yrs</u>	<u>5 Yrs</u>
Manager (M)	0.8	7.8	13.5	12.7
<i>Rank v. Equity</i>	18	13	23	19
<i>Rank v. Value</i>	15	10	25	12
Benchmark (B)	0.4	1.3	9.3	10.3
Equity Median	-1.3	2.0	11.0	10.5
Value Median	-1.2	1.0	11.4	10.4

This chart shows Manager **M**'s cumulative performance for each of four time periods: the last quarter and one, three and five years. The time period is printed below the graph. Each **M** on the chart is performance for a different time period; the first **M** is the return for last quarter: 0.8%.

The benchmark index and two manager universes are presented for comparison. **B** is the benchmark's return, 0.4% for last quarter. The universes are labeled "Equ" for all equity and "Val" for value. Each universe for each period is shown as a shaded box divided into 4 portions. The box top is the return of the manager at the 5th percentile of the universe (better than 95% of managers), while the box bottom is the return at the 95th percentile. The shading changes at the 25th and 75th percentiles. The 50th percentile is the horizontal line drawn through the center of the box. The manager's return and ranking in each database for each period is shown in the table underneath the graph, as is return for the benchmark index and the median manager in each database.

Definitions

Alpha – Alpha is a measure of value added after adjusting for risk. Beta is the measure of risk used in the calculation of alpha, so the accuracy of alpha is dependent on the accuracy of beta. Alpha is the difference between the manager's return and what one would expect the manager to return after adjusting for the amount of risk taken. Mathematically, $\text{Alpha} = \text{Portfolio Return} - \text{Risk Free Rate} - \text{Beta} * (\text{Market Return} - \text{Risk Free Rate})$; $\alpha = r_p - r_f - \beta(r_m - r_f)$. A positive alpha is an indication of value added.

Asset Backed Security (ABS) – A fixed income security that has specifically pledged collateral such as car loans, credit card receivables, lease loans, etc.

Average Capitalization – Average capitalization is the sum of the capitalization of each stock in a portfolio divided by the number of stocks in that portfolio.

Barbell – A barbell yield curve strategy is a portfolio made up of long-term and short-term bonds with nothing (or very little) in between. This strategy performs well during periods when the yield curve flattens.

Beta – Beta is a measure of risk for domestic equities. The market has a beta of 1. A manager with a beta above 1 exhibits more risk than the market, while a manager with a beta below 1 is less risky than the market.

Bullet – A bullet yield curve strategy focuses on the intermediate area of the yield curve. This strategy performs well during periods when the yield curve steepens.

Collateralized Mortgage Obligation (CMO) – A CMO is a security backed by a pool of pass through securities and/or mortgages. Since CMOs derive their cash flow from the underlying mortgage collateral, they are referred to as derivatives. CMOs are structured so there are several classes of bondholders with varying stated maturities and varying certainty of the timing of cash flows.

Consumer Price Index – The Consumer Price Index is an indicator of the general level of prices. It attempts to compare the cost of purchasing a market basket of goods, purchased by a typical consumer during a specific period, with the cost of purchasing the same market basket of goods during an earlier period.

Coupon – The coupon rate is the annual coupon (i.e. interest) payment value divided by the par value of the bond.

Diversifiable Risk – Diversifiable risk – also known as specific risk, non-market risk and residual risk – is the risk of a portfolio that can be diversified away.

Duration – Duration is a weighted average maturity, expressed in years. All coupon and principal payments are weighted by the present value term for the expected time of payment. Duration is a measure of sensitivity to changes in interest rates with a longer duration indicating a greater sensitivity to changes in interest rates.

Dividend Yield – Dividend yield is calculated on common stock holdings, and is the ratio of the last twelve months’ dividend payments as a percentage of the most recent quarter-ending stock market value.

Growth Sector – Growth sectors are referred to in the Portfolio Profile Report (PPR) in our quarterly reports. The market is divided into five growth sectors based on the forecast of the fifth year growth rate in earnings per share. The PPR reports what portion of a manager's (or the composite's) portfolio is invested in stocks in each growth sector.

Interest Only Strip (IO) – An IO is a type of CMO that gets its cash flows from interest payments only. IOs benefit from a slowing in prepayments (i.e. interest rates rise) and under-perform in an accelerating prepayment environment (i.e. interest rates decline). IOs can be very volatile, but can offset volatility in the overall portfolio.

Market Capitalization - Market capitalization is a company's market value, or closing price times the number of shares outstanding.

Maturity – The maturity for an individual bond is calculated as the number of years until principal is paid. For a portfolio of bonds, the maturity is a weighted average maturity, where the weighting factors are the individual security's percentage of the total portfolio.

Median Manager – The median manager is the manager with the middle return when returns are ranked from high to low. Half of the managers will have a higher return and half will have a lower return.

Mortgage Pass Through – A mortgage pass through is a security that “passes through” to the holder the interest and principal payments on a group of mortgages.

Percentile Rank – A manager's rank signifies the percentage of managers in the universe performing better than the manager. For example, a manager with a rank of 10 means that only 10% of managers had returns greater than the manager over the period of measurement. Likewise, a rank of 50 (i.e. the median manager) indicates that 50% of managers in the universe did better and 50% did worse.

Planned Amortization Class (PAC) – A PAC is a type of CMO with the cash flows set up to be fairly certain. PACs appeal to investors who want more certain cash flow payments from a mortgage security than are provided by the underlying collateral.

Price/Book Value – The price/book value for an individual common stock is the stock's price divided by book value per share. Book value per share is the company's common stockholders equity divided by the number of common shares outstanding.

Price/Earnings Ratio (P/E) – The P/E ratio of a common stock's price divided by earnings per share. The ratio is used as a valuation technique employed by investment managers.

Principal Only Strip (PO) – A PO is a type of CMO which gets its cash flows from principal payments only. POs are sold at a discount and perform well if prepayments come in faster than expected (i.e. interest rates decrease) and extend and perform poorly if prepayments come in slower than expected (i.e. interest rates rise).

Quality – Quality relates to the credit risk of a bond (i.e. the issuer's ability to pay). Quality is most relevant for corporate bonds. Several rating organizations publish ratings of bonds including Moody's and Standard & Poor's. AAA is the highest quality rating, followed by AA+, AA, AA-, A+, A, A- and then BBB+, BBB, BBB-, BB+, BB, BB-, etc. Bonds rated above BBB- are said to be of investment grade.

R² (R Squared) – R² is a measure of how well a manager moves with the market. If a manager's performance closely tracks that of the market, the R² will be close to 1. Broadly diversified managers have an R² of 0.90 or greater, while the R² of undiversified managers will be lower.

Return On Equity – The return on equity for a common stock is the annual net income divided by total common stockholders' equity.

Standard Deviation – Standard deviation is the degree of variability of a time series, such as quarterly returns, relative to the average. Standard deviation measures the volatility of the time series.

Weighted Capitalization – Weighted capitalization is the sum of the capitalization of each stock in the portfolio weighted by its percentage of the portfolio.

Yield to Maturity – The yield to maturity is the discount rate that equates the present value of cash flows (coupons and principal) to the market price taking into account the time value of money.