



**CITY OF FORT LAUDERDALE
OPEB Trust Board Agenda Memo
SPECIAL MEETING**

#24-0459

TO: Honorable Chairman of the Board & Trustees of the
City of Fort Lauderdale Other Post-Employment Benefits Trust

FROM: Susan Grant, Acting City Manager

DATE: July 2, 2024

TITLE: Other Post-Employment Benefits Trust Quarterly Investment Report for
Period Ending March 31, 2024 - (**Commission Districts 1, 2, 3 and 4**)

On September 16, 2014, the Other Post-Employment Benefits (“OPEB”) Trust was established to provide benefits to eligible former City employees. By resolution, the City Commission was established as the Board of Trustees and the Finance Director as the Trust Administrator. The OPEB Trust operates in a manner similar to a pension plan whereby the City makes annual contributions to the OPEB Trust and the City’s contributions together with interest earnings, fund future OPEB benefits. Similar to pension plans, one of the OPEB Trust’s goals is to provide a return on investment to minimize required City contributions.

On December 4, 2018, the City Commission passed Ordinance C-18-40 creating Section 20-84 of the City’s Code of Ordinances. The new Section provides certain post-retirement pay to certain City Police and Firefighters’ Retirement System member retirees, the provision of which is an essential governmental function pursuant to Section 115 of the Internal Revenue Code.

The City Commission adopted Resolution No. 19-154 on August 20, 2019, amending Schedule One to the City of Fort Lauderdale OPEB Trust to include the Post-Retirement Pay Steps Plan. The OPEB Post-Retirement Pay Steps Plan is governed by the same investment strategy as depicted in the OPEB Trust Investment Policy.

The OPEB Trust Investment Policy (“Policy”) was developed to embrace a passive investment strategy. The last revision to the Policy was adopted on June 19, 2018. The Policy allows for equity investments of no more than 75% of the total fund and the Trust Administrator receives monthly portfolio statements.

Based on a recommendation from the City’s Investment Advisor, the portfolio was rebalanced in September 2019, as follows:

- Domestic Equity -40%

- International Equity - 17%
- Fixed Income - 40%
- Real Estate (Alternative Investments) - 3%

The attached investment report compares the portfolio’s rate of return for the quarter to the corresponding benchmark, which is a blended rate of 40% Russell 3000 Index/40% Bloomberg Barclays U.S. Aggregate/17% MSCI AC World ex USA(Net)/3% FTSE NAREIT Equity REIT Index.

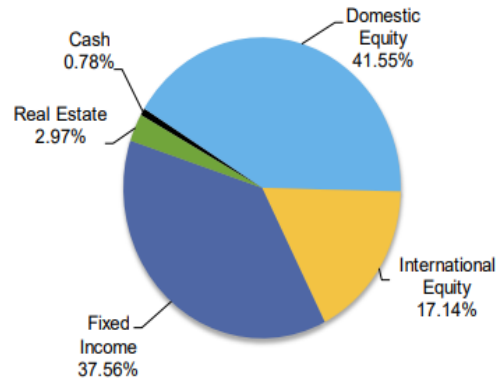
The OPEB Trust’s portfolio gained approximately \$1.83 million in its return on investment over the quarter and gained approximately \$5.57 million this fiscal year. The OPEB Post Retirement Pay Steps Plan gained approximately \$393,000 in return on investment over the quarter and gained approximately \$955,000 this fiscal year.

Below is a summary of the quarterly performance:

Current Asset Allocation

Asset Class	Market Value	Pct (%)
Cash	\$411,823	0.78%
Domestic Equity	21,895,408	41.55%
International Equity	9,032,292	17.14%
Fixed Income	19,791,870	37.56%
Real Estate	1,563,062	2.97%
Total	\$52,694,455	100.0%

Current Asset Allocation



Performance (%)

	Market Value (\$)	Current Quarter	Year To Date	Fiscal Year To Date
Total Fund - OPEB Trust	43,673,456	4.34	4.34	14.38
Blended Benchmark		4.43	4.43	14.57
Total Fund - Post Retirement Pay Steps	9,020,999	4.54	4.54	12.52
Blended Benchmark		4.43	4.43	14.57

Attachment

Exhibit 1 – Quarterly OPEB Trust Investment Report

Prepared by: Pamela Harrell, Treasurer, Finance
 Lucretia Penrow, Senior Accountant, Finance
 Shamori Aldridge, Senior Administrative Assistant, Finance

Department Director: Linda Short, Finance