



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
CONFERENCE MEETING

#24-0181

TO: Honorable Mayor & Members of the Fort Lauderdale City Commission

FROM: Greg Chavarria, City Manager

DATE: March 19, 2024

TITLE: Quarterly Investment Report for Period Ending December 31, 2023 - **(Commission Districts 1, 2, 3 and 4)**

The City's Investment Policy states that the Investment Advisor shall provide the City with quarterly investment reports. This report includes all cash and investments of the City's operating, capital, and bond reserve funds.

The objectives of the City's Investment Policy are:

- safety of principal;
- maintenance of liquidity; and
- return on investment.

The portfolios are managed to meet anticipated cash flow requirements and specific benchmarks on returns.

The attached investment report (Exhibit 1) compares each portfolio's rate of return for the quarter to the corresponding benchmark. In accordance with the City's Investment Policy, funds designated as short-term funds and other funds that must maintain a high degree of liquidity will be compared to the S&P Rated GIP All Index 30-Day Gross of Fees Yield as a benchmark. The ICE Bank of America Merrill Lynch 1-5 Year Treasury Index is the benchmark for longer term investments.

Below are the investment portfolio summaries including:

- Combined City Funds (operating and surplus)
- Bond Proceeds (restricted)
- Community Redevelopment Agency ("CRA")
- Other Post-Employment Benefits ("OPEB") Trust Fund
- OPEB Post-Retirement Pay Step Plan ("OPEB-PPS") Trust Fund
- Cemetery Trust Fund
- General Employees' Retirement System ("GERS")
- Police and Fire Retirement System ("PFRS")

<u>Portfolios</u>	<u>Market Value</u>	<u>Current Quarter</u>	<u>Fiscal Year To Date</u>	<u>Trailing 12 Months</u>	<u>Assumed Rate of Return</u>
City Operating Funds - Self-Directed¹ <i>S&P GIP All 30 Day Gross Yield Index</i>	\$ 532,819,040	5.27% 5.33%	5.27% 5.33%	4.81% 4.44%	
CRA Funds <i>S&P GIP All 30 Day Gross Yield Index</i>	\$ 91,060,581	5.31% 5.33%	5.31% 5.33%	5.08% 4.44%	
Fixed Income Investment Portfolio - PFMAM⁴ <i>ICE BofA 1-5 Year U.S. Treasury Index</i>	\$ 391,825,641	3.42% 3.10%	3.42% 3.10%	5.11% 4.30%	
Total City of Fort Lauderdale Funds² <i>City of Fort Lauderdale Blended Benchmark</i>	\$ 1,015,705,262	4.56% 4.47%	4.56% 4.47%	4.95% 4.39%	
Bond Proceeds³	\$ 879,578,265	1.13%	1.13%	3.05%	
OPEB Trust Fund⁴ <i>Benchmark</i>	\$ 42,614,306	9.62% 9.71%	9.62% 9.71%	15.41% 15.48%	7.00%
OPEB Post Retirement Pay Steps Plan Fund⁴ <i>Benchmark</i>	\$ 8,629,338	7.63% 9.71%	7.63% 9.71%	13.52% 15.48%	7.00%
Cemetery Trust Fund⁴ <i>Benchmark</i>	\$ 32,524,840	8.71% 9.30%	8.71% 9.30%	10.40% 15.88%	5.00%
General Employees Retirement System⁴ <i>Benchmark</i>	\$ 726,062,043	7.00% 6.80%	7.00% 6.80%	10.60% 11.20%	6.75%
Police & Fire Retirement System⁴ <i>Benchmark</i>	\$ 1,149,605,891	6.53% 7.30%	6.53% 7.30%	10.53% 10.90%	7.20%

Notes:

1. City Operating Funds – Self-Directed performance is calculated based on the weighted average yield of the Florida CLASS and FL PALM Holdings, as well as \$263,783,425 of Funds Held for Liquidity in the City's bank accounts.
2. Total City of Fort Lauderdale Funds calculated as the weighted average return of City Operating Funds - Self Directed, CRA Funds, and Fixed Income Investment Portfolio – PFMAM
3. Bond Proceeds balance includes all bond proceeds portfolios. Current quarter yields estimated based on all bond proceeds holdings. Fiscal Year to Date and Trailing 12 Month yields are estimated based on current quarter yields and 2018 Water & Sewer bond yield data.
4. Performance and Market Values from Fixed Income Investment Portfolio – PFMAM, OPEB Trust Fund, OPEB Post Retirement Pay Steps Plan Fund, Cemetery Trust Fund, General Employees Retirement System ("GERS"), and Police & Fire Retirement System ("P&F") are derived from their manager reports as of December 31, 2023.

The detailed investment activities related to the OPEB, Cemetery Trust Fund, GERS, and PFRS are included as exhibits; however, those portfolios and their assumed rates of return are the responsibility of their respective boards.

The Fuel Price Risk Management Program ("FPRMP") requires that the Director of Finance provide a written report to the City Manager and City Commission regarding the status of all related transactions on at least a quarterly basis. The FPRMP Quarterly Report is included as Exhibit 2.

Strategic Connections

This item supports the *Press Play Fort Lauderdale 2029* Strategic Plan, specifically advancing:

- The Guiding Principle: Fiscal Responsibility

This item advances the *Fast Forward Fort Lauderdale 2035* Vision Plan: We Are United.

Attachments

- Exhibit 1 - City of Fort Lauderdale Investment Performance Review
- Exhibit 2 - City of Fort Lauderdale FPRMP Quarterly Report
- Exhibit 3 - OPEB Performance Review
- Exhibit 4 - Cemetery Performance Review

Exhibit 5 - GERS Performance Review
Exhibit 6 - PFRS Performance Review

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