



**CITY OF FORT LAUDERDALE  
City Commission Agenda Memo  
REGULAR MEETING**

**#12-2524**

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**TO:** Honorable Mayor & Members  
Fort Lauderdale City Commission

**FROM:** Lee Feldman, ICMA-CM, City Manager

**DATE:** February 19, 2013

**TITLE:** Resolution requesting a commodity account for the Fuel Price Risk Management Program (FPRMP)

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**Recommendation**

It is recommended that the City Commission approve a resolution authorizing the Finance Department to open a commodity account with RBC Capital Markets, LLC d/b/a RBC Wealth Management, who currently utilizes R.J. O'Brien & Associates, LLC to provide clearing services, with facilitation of the FPRMP and authorize proper City officials to execute all necessary documents.

**Background**

The City adopted a Resolution (12-132) on July 10, 2012 (CR-11) approving the FPRMP guidelines. The program is designed to minimize large budget variances resulting from the volatility of fuel prices. The guidelines establish the allowable instruments that may be utilized to implement the FPRMP: Fixed Price Physical Delivery Contracts or Exchange Traded Futures and Options on Futures.

Staff recommends that the City utilize the Exchange Traded Futures and Options on Futures (Exchange Hedges) to implement the FPRMP. According to the guidelines, the City must establish and maintain a futures account with a futures broker to acquire, hold and dispose of positions in exchange-traded futures and options contracts on heating oil, ultra-low sulfur diesel and gasoline. The City will open a commodity account with an initial funding amount of \$300,000.

**Resource Impact**

The fiscal impact to the City is anticipated to be positive. The impact is to stabilize the cost of fuel to the operating budgets at an overall reduced cost over time.

**Attachments**

Exhibit 1 - RBC Capital Markets Commodity Account Application  
Exhibit 2 - Resolution

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