



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

**#15-0227**

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

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

**DATE:** March 3, 2015

**TITLE:** Other Post-Employment Benefits Trust Investment Policy

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**Recommendation**

It is recommended that the Board of Trustees adopt the Other Post-Employment Benefits (OPEB) Trust's Investment Policy.

**Background**

On September 16, 2014, the OPEB Trust was established to provide benefits to eligible former City employees. The City Commission by resolution was established as the Board of Trustees and the Finance Director serves as the Trust Administrator. The Trust operates in a manner similar to a pension plan whereby the City makes annual contributions to the Trust to fund future benefits. And like pension plans, one of the goals of the Trust is to provide a return on investment to minimize required City contributions. An actuarial valuation was performed to determine the City's obligation and contribution amounts. The City made its initial contribution to the Trust of \$8,578,116 on September 26, 2014. The FY 2015 contribution of \$3,222,462 was made on February 5, 2015. The balance in the Trust as of February 19, 2015 was \$11,800,981. In order for that and future contributions to be invested in a manner consistent with the goal of the Trust, an investment policy is required by Section 218.415, Florida Statutes. The Policy requires the use of an investment advisor to advise the Trust Administrator and monitor investment performance.

Highlights of the policy include:

**Section II. 1. AUTHORITY AND OVERSIGHT PROCEDURES**

Naming the Board of Trustees as the oversight authority and delegating authority for administration of the investment policy and portfolio to the Trust Administrator.

**Section III. INVESTMENT GUIDELINES**

Places limits on the types of investments to address risk, liquidity, maturities, composition and diversification.

Provides requirements for broker/dealers, custody of assets and transactions.

#### Section IV. INTERNAL CONTROLS

Requires the adoption of internal control policies and procedures.

#### Section V. REPORTING

Requires the presentation of quarterly investment reports to the Board of Trustees.

#### Section VI. CONTINUING EDUCATION

Minimum continuing education requirements for administrators and assigned staff.

#### **Resource Impact**

There is no fiscal impact to the City.

#### **Attachments**

Exhibit 1 - Proposed Investment Policy

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