



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

**#17-1407**

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

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

**DATE:** December 5, 2017

**TITLE:** Quarterly Investment Report for Period Ending September 30, 2017

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The City of Fort Lauderdale's Investment Policy, effective October 1, 2013, 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 the safety of principal, the maintenance of liquidity and the return on investment. The portfolios are managed to meet anticipated cash flow requirements and specific benchmarks on returns. The attached investment report compares each portfolio's rate of return for the quarter to the corresponding benchmark. In accordance with the City's Investment Policy, the Lipper Money Market Fund Index is used as the benchmark for short-term investments. The Total Florida Municipal Investment Trust Policy is used as the benchmark by Florida League of Cities, Inc. for the Florida Municipal Investment Trust. Lastly, the Bank of America Merrill Lynch 1-3 year and 1-5 year Government/Corporate A-Rated and the Treasury Index are the benchmarks for longer term investments.

Below are the investment portfolio summaries including:

- Combined City Funds (operating, surplus and restricted)
- Community Redevelopment Agency (CRA)
- Other Post-Employment Benefits (OPEB) Trust Fund
- Cemetery Trust Fund
- General Employees Retirement System (GERS)
- Police and Fire Retirement System (PFRS)

The projected rate of return (last column in chart below) for combined City funds is estimated based on a blended rate of the total portfolio using historical data. Past financial performance is not a guarantee of future results. The projected rate of return for OPEB, Cemetery Trust Fund, GERS, and PFRS are based on the assumed actuarial rate of return.

Investment Performance Review					
	Market Value	Current Quarter	Fiscal YTD	Trailing 12 Months	Fiscal Year Projected Rate of Return
City Operating Funds *	\$458,776,982	0.33%	0.89%	0.89%	
CRA Fund *	\$76,588,436	0.29%	0.40%	0.40%	
Benchmark		0.30%	0.49%	0.49%	
Total City of Fort Lauderdale Funds *	\$535,367,418	0.32%	0.82%	0.82%	1.10%
Benchmark		0.24%	0.26%	0.26%	
OPEB Trust Fund ^	\$15,828,581	3.37%	5.09%	5.09%	7.00%
Benchmark		2.89%	3.20%	3.20%	
Cemetery Trust Funds	\$29,639,729	2.59%	9.08%	9.08%	5.00%
Benchmark		2.66%	9.04%	9.04%	
General Employee Retirement System (GERS)	\$654,130,259	4.00%	15.10%	15.10%	7.50%
Benchmark		4.30%	15.40%	15.40%	
Police & Fire Retirement System (PFRS)	\$894,489,481	3.08%	11.69%	11.69%	7.50%
Benchmark		3.37%	11.96%	11.96%	

\* returns are shown gross of fees, fees paid outside of accounts.

^ Initial investments purchased 4/26/2017. Benchmark will convert to 55/45 (Russell 3000/Barclays Agg) starting July 1, 2017.

The detailed investment activities related to the Cemetery Trust Fund, GERS, and PFRS are not included in the attached report as those portfolios are the responsibility of their respective boards

### **Resource Impact**

There is no fiscal impact to the City.

### **Strategic Connections**

This item is a *Press Play Fort Lauderdale Strategic Plan 2018* initiative, included within the Internal Support Cylinder of Excellence, specifically advancing:

- Goal 12: Be a leading government organization, managing resources wisely and sustainably.
- Objective 1: Ensure sound fiscal management

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

### **Attachment**

Exhibit 1 – Operating Funds Investment Performance Review

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