



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
CONFERENCE MEETING

#18-1047

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

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

DATE: October 9, 2018

TITLE: Quarterly Investment Report for Period Ending June 30, 2018

The City of Fort Lauderdale's Investment Policy, effective May 1, 2018, 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.

On June 19, 2018, the City Commission contracted with PFM Asset Management LLC ("PFM") to provide City investment advisory services. The results contained in this report were derived from the prior advisor, AndCo Consulting LLC, and are being presented by PFM.

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 90-day Treasury Bill Rate 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 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
- 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.

For the Quarter Ended June 30, 2018

CITY OF FORT LAUDERDALE, FLORIDA

Investment Performance Review

Portfolios	Market Value	Current Quarter	Fiscal Year To Date	Trailing 12 Months	Fiscal Year Projected Rate of Return
City Operating Funds	\$ 474,963,927	0.42%	0.64%	0.86%	
Total Bond Proceeds	\$ 202,316,318	0.37%	0.08%	0.33%	
CRA Fund	\$ 80,933,389	0.48%	0.87%	1.16%	
BofA Merrill Lynch 1-3 Year Treasury Index		0.22%	-0.16%	0.08%	
Total City of Fort Lauderdale Funds	\$ 758,213,634	0.41%	0.47%	0.70%	0.83%
BofA Merrill Lynch 1-3 Year Treasury Index		0.22%	-0.15%	0.08%	
OPEB Trust Fund	\$ 25,932,715	1.55%	5.12%	8.65%	7.00%
Russell 3000 55% / Barclays Agg Bond Index 45%		2.06%	4.77%	7.80%	
Cemetery Trust Funds	\$ 29,898,912	0.80%	2.10%	4.74%	5.00%
Benchmark		1.63%	4.09%	6.86%	
General Employees Retirement System	\$ 674,428,757	1.10%	5.60%	9.90%	7.50%
Benchmark		1.20%	5.30%	9.90%	
Police & Fire Retirement System	\$ 921,881,706	1.75%	4.26%	7.54%	7.50%
Benchmark		1.93%	4.77%	8.30%	

Notes: Returns, projected returns, and market values are derived from the AndCo Quarterly report as of June 30, 2018 and from the City. Returns are calculated as a weighted average of all funds held for liquidity, investment, and bond proceeds.

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

Attachments

Exhibit 1 – City Operating Funds Investment Performance Review - PFM

Exhibit 2 – AndCo Consulting Report

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