



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

#18-1083

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: December 4, 2018

TITLE: Other Post-Employment Benefits Trust Quarterly Investment Report for
the Period Ending September 30, 2018

On September 16, 2014, the Other Post-Employment Benefits Trust (“OPEB Trust”) was established to provide benefits to eligible former City employees. By resolution, the City Commission was established as the Board of Trustees and the Finance Director as the Trust Administrator. The Trust operates in a manner similar to a pension plan whereby the City makes annual contributions to the Trust and the City’s contributions together with interest earnings, fund future OPEB benefits. Similar to pension plans, one of the Trust’s goals is to provide a return on investment to minimize required City contributions.

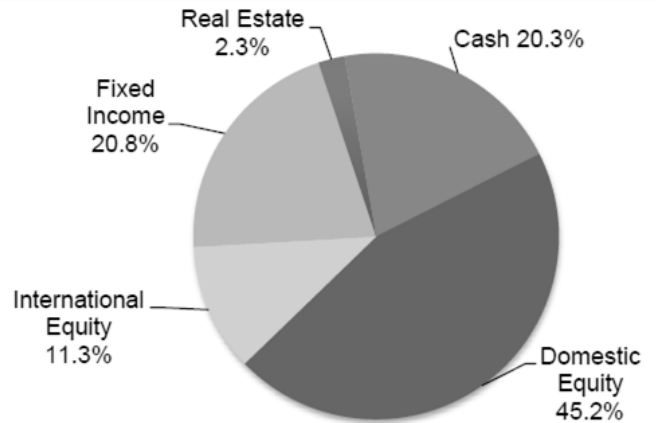
The OPEB Trust Investment Policy (“Policy”) was developed to embrace a passive investment strategy. The last revision to the Policy was adopted on June 19, 2018. The Policy allows for equity investments no more than 75% of the total fund and the Trust Administrator (“TA”) receives monthly portfolio statements.

On April 26, 2017, a provisional 70/30 equity to fixed income portfolio composition was implemented. It was anticipated once rate volatility in the market dissipated that the Trust Administrator would decelerate equity investments to between 50-60% of the total OPEB Trust portfolio.

In July 2018, the portfolio was rebalanced to 60/40 equity to fixed income portfolio composition. The attached investment report compares the portfolio’s rate of return for the quarter to the corresponding benchmark, which is a blended rate of 55% Russell 3000 Index/45% Barclays Aggregate Bond Index.

Below is a summary of the quarterly performance:

Asset Class	Market Value	Pct (%)
Cash	\$5,424,342	20.3%
Domestic Equity	12,066,426	45.2%
International Equity	3,018,646	11.3%
Fixed Income	5,546,741	20.8%
Alternative Investments	621,022	2.3%
Total	\$26,677,176	100.0%



	Market Value (\$)	Performance(%)		
		Current Quarter	Year To Date	Fiscal Year To Date
Total Fund	26,677,176	2.85	3.86	8.14
Blended Benchmark		3.89	5.02	8.84

Attachment

Exhibit 1 – Quarterly OPEB Trust Investment Report

Prepared by: Pamela Winston, Finance
 Linda Logan-Short, Finance
 Linda Blanco, Finance

Department Director: Kirk Buffington, Finance