



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

**#18-1272**

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

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

**DATE:** December 4, 2018

**TITLE:** Quarterly Investment Report for Period Ending September 30, 2018

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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.

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:

- City Operating Funds (self-directed investments)
- City Surplus Funds (fixed income investments)
- 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 Trust Fund, Cemetery Trust Fund, GERS, and PFRS are based on the assumed actuarial rate of return.

<u>Portfolios</u>	<u>Market Value</u>	<u>Current Quarter</u>	<u>Fiscal Year To Date</u>	<u>Trailing 12 Months</u>	<u>Fiscal Year Projected Rate of Return</u>
<b>City Operating Funds - Self-Directed</b>	\$ 174,730,687	0.56%	1.01%	1.01%	
<b>Total Bond Proceeds</b>	\$ 195,287,095	0.46%	0.85%	0.85%	
<i>Fixed Income Investment Portfolio - AndCo</i>	\$ -	N/A	0.36%*	0.36%*	
<i>City of Fort Lauderdale - PFM</i>	282,104,225	0.35%	N/A	N/A	
<b>Fixed Income Investment Portfolio - Combined</b>	\$ 282,104,225	0.35%	0.71%	0.71%	
<i>BofA Merrill Lynch 1-5 Year Treasury Index</i>		0.05%	-0.58%	-0.58%	
<b>CRA Funds</b>	\$ 69,529,936	0.46%	1.34%	1.34%	
<i>BofA Merrill Lynch 1-3 Year Treasury Index</i>		0.19%	0.04%	0.04%	
<b>Total City of Fort Lauderdale Funds</b>	\$ 439,547,718	0.72%	1.45%	1.45%	0.83%
<i>BofA Merrill Lynch 1-3 Year Treasury Index</i>		0.19%	0.04%	0.04%	
<b>OPEB Trust Fund</b>	\$ 26,677,176	2.85%	8.14%	8.14%	7.00%
<i>Russell 3000 55% / Barclays Agg Bond Index 45%</i>		3.89%	8.84%	8.84%	
<b>Cemetery Trust Funds</b>	\$ 30,688,468	2.43%	4.59%	4.59%	5.00%
<i>Benchmark</i>		3.82%	8.07%	8.07%	
<b>General Employees Retirement System</b>	\$ 686,996,169	3.10%	8.90%	8.90%	7.50%
<i>Benchmark</i>		3.30%	8.90%	8.90%	
<b>Police &amp; Fire Retirement System</b>	\$ 947,981,804	2.92%	7.36%	7.36%	7.50%
<i>Benchmark</i>		3.43%	8.37%	8.37%	

Notes: Performance and market value for the Cemetery Trust Funds, General Employee Retirement System and Police & Fire Retirement System portfolios are derived from their manager reports. PFM calculated the performance for the OPEB Trust Fund from the data provided on the custody statements. The performance for the CRA Funds is calculated as a weighted average of the yield over the period. The Fixed Income Investment Portfolio return is calculated from the custody statements. The Bond Proceeds returns are calculated as a weighted average of the return from the FMIT portfolios. The City Operating Funds return is calculated as a weighted average of their respective yields derived from the custody statements.

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

### **Attachment**

#### **Exhibit 1 – Quarterly Investment Performance Review**

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