



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
CONFERENCE MEETING

#19-1163

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

FROM: Chris Lagerbloom, ICMA-CM, City Manager

DATE: December 17, 2019

TITLE: Quarterly Investment Report for Period Ending September 30, 2019 -
(Commission Districts 1, 2, 3 and 4)

The City's Investment Policy, effective July 9, 2019, 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:

- safety of principal;
- maintenance of liquidity; and
- return on investment.

The portfolios are managed to meet anticipated cash flow requirements and specific benchmarks on returns.

The attached investment report (Exhibit 1) compares each portfolio's rate of return for the quarter to the corresponding benchmark. In accordance with the City's Investment Policy, funds designated as short-term funds and other funds that must maintain a high degree of liquidity will be compared to the S&P Rated GIP All Index 30-Day Gross of Fees Yield as a benchmark. 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 ICE Bank of America Merrill Lynch 1-5 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
- OPEB Post Retirement Pay Steps Plan
- 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 September 30, 2019

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 - Self-Directed	\$ 186,450,095	0.86%	4.36%	4.36%	
<i>S&P GIP Govt 30 Day Gross Yield Index</i>		0.58%	2.36%	2.36%	
Bond Proceeds	\$ 180,894,306	1.10%	4.88%	4.88%	
CRA Funds	\$ 67,809,086	1.00%	4.41%	4.41%	
<i>S&P GIP Govt 30 Day Gross Yield Index</i>		0.58%	2.36%	2.36%	
Fixed Income Investment Portfolio - PFM	\$ 299,314,087	0.91%	5.86%	5.86%	
<i>BofA Merrill Lynch 1-5 Year Treasury Index</i>		0.75%	5.62%	5.62%	
Total City of Fort Lauderdale Funds	\$ 734,467,574	0.95%	5.10%	5.10%	1.56%
OPEB Trust Fund	\$ 33,896,318	0.78%	3.27%	3.27%	7.00%
<i>Benchmark</i>		1.69%	3.67%	3.67%	
Cemetery Trust Funds	\$ 30,153,366	1.00%	5.00%	5.00%	5.00%
<i>Benchmark</i>		0.94%	4.74%	4.74%	
General Employees Retirement System	\$ 668,703,780	0.00%	2.80%	2.80%	7.30%
<i>Benchmark</i>		0.20%	2.50%	2.50%	
Police & Fire Retirement System	\$ 964,930,392	0.46%	3.49%	3.49%	7.35%
<i>Benchmark</i>		1.02%	4.48%	4.48%	

Notes:

Performance and market value for the Cemetery Trust Funds, General Employees' Retirement System and Police & Fire Retirement System portfolios are derived from their manager reports. The City's investment consultant, PFM, calculated the performance for the OPEB Trust Fund from the data provided on the custody statements. The performance for the CRA Funds and City Self-Directed are calculated from the custody statements. The Bond Proceeds returns are calculated as a weighted average of the return from the FMIT portfolios. The performance of the CRA fund is a weighted average of the Central Beach, Self-Directed, and CRA cash held at Wells Fargo.

The detailed investment activities related to the OPEB, Cemetery Trust Fund, GERS, and PFRS are included as exhibits; however, those portfolios are the responsibility of their respective boards.

The Fuel Price Risk Management Program (“FPRMP”) requires that the Director of Finance provide a written report to the City Manager and City Commission regarding the status of all related transactions on at least a quarterly basis. The FPRMP Quarterly Report is included as Exhibit 2.

Strategic Connections

This item is a *Press Play Fort Lauderdale Strategic Plan 2024* initiative, included within the Internal Support Cylinder of Excellence, specifically advancing:

- The Internal Support Focus Area
- Goal 8: Build a leading government organization that manages all resources wisely and sustainably.
- Objective: Maintain financial integrity through sound budgeting practices, prudent fiscal management, cost effective operations, and long-term planning

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

Attachments

Exhibit 1 – City of Fort Lauderdale Investment Performance Review

Exhibit 2 – City of Fort Lauderdale FPRMP Quarterly Report

Exhibit 3 – OPEB Performance Review

Exhibit 4 – Cemetery Performance Review

Exhibit 5 – GERS Performance Review

Exhibit 6 – PFRS Performance Review

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