



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

**#20-0424**

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

**FROM:** Chris Lagerbloom, ICMA-CM, City Manager

**DATE:** June 2, 2020

**TITLE:** Quarterly Investment Report for Period Ending March 31, 2020 -  
**(Commission Districts 1, 2, 3 and 4)**

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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 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")

Portfolios	Market Value	Current Quarter	Fiscal Year To Date	Trailing 12 Months	Assumed Rate of Return
<b>City Operating Funds - Self-Directed<sup>1</sup></b>	<b>\$ 268,370,977</b>	<b>0.25%</b>	<b>0.69%</b>	<b>1.77%</b>	
S&P GIP Govt 30 Day Gross Yield Index		0.38%	0.83%	2.02%	
<b>CRA Funds</b>	<b>\$ 75,541,663</b>	<b>0.28%</b>	<b>0.70%</b>	<b>1.90%</b>	
S&P GIP Govt 30 Day Gross Yield Index		0.38%	0.83%	2.02%	
<b>Fixed Income Investment Portfolio - PFM</b>	<b>\$ 306,993,983</b>	<b>2.23%</b>	<b>2.70%</b>	<b>5.57%</b>	
BofA Merrill Lynch 1-5 Year Treasury Index		3.80%	4.16%	6.86%	
<b>Total City of Fort Lauderdale Funds<sup>2</sup></b>	<b>\$ 650,906,623</b>	<b>1.19%</b>	<b>1.64%</b>	<b>3.58%</b>	
City of Fort Lauderdale Blended Benchmark		1.99%	2.40%	4.30%	
<b>Bond Proceeds<sup>3</sup></b>	<b>\$ 347,807,409</b>	<b>0.31%</b>	<b>0.75%</b>	<b>1.86%</b>	
<b>OPEB Trust Funds</b>	<b>\$ 34,155,388</b>	<b>-12.16%</b>	<b>-7.46%</b>	<b>-4.21%*</b>	<b>7.00%</b>
Benchmark		-12.36%	-7.85%	-3.08%	
<b>Cemetery Trust Fund<sup>5</sup></b>	<b>\$ 26,651,847</b>	<b>-12.45%</b>	<b>-9.47%</b>	<b>-5.76%</b>	<b>5.00%</b>
Benchmark		-8.23%	-3.98%	0.98%	
<b>General Employees Retirement System<sup>5</sup></b>	<b>\$ 588,472,406</b>	<b>-15.50%</b>	<b>-10.00%</b>	<b>-7.10%</b>	<b>7.20%</b>
Benchmark		-14.50%	-9.00%	-6.00%	
<b>Police &amp; Fire Retirement System<sup>5</sup></b>	<b>\$ 881,666,255</b>	<b>-12.44%</b>	<b>-8.08%</b>	<b>-4.86%</b>	<b>7.35%</b>
Benchmark		-12.33%	-7.42%	-3.35%	

## Notes:

1. City Operating Funds – Self-Directed performance is calculated based on the weighted average return of the City Self – Directed Account portfolio and all of the self-directed bank accounts.

2. Total City of Fort Lauderdale Funds calculated as the weighted average return of City Operating Funds - Self Directed, CRA Funds, and Fixed Income Investment Portfolio - PFM

3. Bond Proceeds balance includes all bond proceeds portfolios, but yield is estimated by 2018 Water & Sewer bond yield data.

4. OPEB Trust Funds Trailing 12 Month Performance does not take into account the Pay Steps Plan, as it does not have 12 months of return data.

5. Performance and Market Values from Fixed Income Investment Portfolio – PFM, OPEB Trust Funds, Cemetery Trust Funds, General Employees Retirement System ("GERS"), and Police & Fire Retirement System ("P&F") are derived from their manager reports as of March 31, 2020.

The performance of the Total City of Fort Lauderdale Funds is up from .60% for the quarter ended December 31, 2019 to 1.19% for the quarter ended March 31, 2020. The first quarter performance is below the benchmark of 1.99%, as the City was starting to accumulate cash liquidity in late March as a result of COVID19 and the anticipated approval on April 7, 2020 of the two Local Government Investment Pools as authorized investments of surplus cash. The detailed investment activities related to the OPEB, Cemetery Trust Fund, GERS, and PFRS are included as exhibits; however, those portfolios and their assumed rates of return 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 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*.

### **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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