



**Hallandale Beach**  
PROGRESS. INNOVATION. OPPORTUNITY.

400 South Federal Hwy  
Hallandale Beach, FL 33009

## City of Hallandale Beach City Commission Agenda Cover Memo

<b>Meeting Date:</b>	November 13, 2017		<b>Item Type:</b> <i>(Enter X in box)</i>	<b>Resolution</b>	<b>Ordinance</b>	<b>Other</b> <b>X</b>	
<b>Fiscal Impact:</b> <i>(Enter X in box)</i>	<b>Yes</b>	<b>No</b>	<b>Ordinance Reading:</b> <i>(Enter X in box)</i>	<b>1st Reading</b>		<b>2nd Reading</b>	
		<b>X</b>		<b>Public Hearing:</b> <i>(Enter X in box)</i>	<b>Yes</b>	<b>No</b>	<b>Yes</b>
<b>Funding Source:</b>	<b>N/A</b>		<b>Advertising Requirement:</b> <i>(Enter X in box)</i>	<b>Yes</b>		<b>No</b>	
						<b>X</b>	
<b>Account Balance:</b>	<b>N/A</b>		<b>Quasi Judicial:</b> <i>(Enter X in box)</i>	<b>Yes</b>		<b>No</b>	
						<b>X</b>	
<b>Project Number :</b>	<b>N/A</b>		<b>RFP/RFQ/Bid Number:</b>				
<b>Contract/P.O. Required:</b> <i>(Enter X in box)</i>	<b>Yes</b>	<b>No</b>	<b>Strategic Plan Priority Area:</b> <i>(Enter X in box)</i>  <b>Safety</b> <input type="checkbox"/> <b>Quality</b> <input checked="" type="checkbox"/> <b>Vibrant Appeal</b> <input type="checkbox"/>				
		<b>N/A</b>					
<b>Sponsor Name:</b>	Roger M. Carlton City Manager		Department: Finance		Celeste Lucia, Finance Director		

**Short Title:**

**PRESENTATION BY PFM ASSET MANAGEMENT, LLC, OF THE ANNUAL INVESTMENT RESULTS FOR AVAILABLE FUNDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017.**

## **Staff Summary:**

### **Background:**

The City's has available funds which are funds in the unassigned Fund Balance not required for current operations which are invested in various types of investment instruments to aid in maintaining a diversified portfolio. These investments include funds in demand deposit (bank) accounts, the State Board of Administration investment pool (SBA), and mutual funds; US Treasuries and Agencies, and Commercial Paper holdings. These funds are managed by our investment advisors, PFM Asset Management, LLC, (PFM), pursuant to the City's investment policy (Exhibit 1). With the issuance of the General Obligation Bonds, Series 2016 and the Capital Improvement Refunding Revenue Bonds, Series 2016, the investment portfolio has been expanded to include these bond proceeds. Investments for the bond proceeds are the same as those for the City's available funds with maturities that conform to the construction payment draw down schedules. In other words, a major portion of the City's invested funds will be needed in the short term which must be considered when the type and term of the investment is determined.

While the amount changes frequently, on September 30, 2017 the City had assets with a total market value of \$108,888,436 invested with various qualified entities as directed by PFM. The average balance during FY 16/17 was \$117,067,800. The combined interest earnings for the FY 16/17 were \$1,262,389 resulting in 1.16 percent earnings. The City remains in compliance with its adopted investment policy.

Since PFM receives a fee of approximately .0007% (7 basis points) of the average portfolio value which equates to approximately \$76,503 for FY 16/17. It is important to assess their performance in relation to similar communities in order to understand how this performance relates to certain recognized indices, and most importantly, how the Finance, Budget and Program Monitoring, and Capital Improvement Departments' staff predict cash flow needs. All of this is a combination of crystal balls, for instance who could predict Hurricane Irma and the need for cash to pay for storm related costs, and science based on realistic projections of the need to draw down as capital projects are designed and built. PFM will describe their process and results in order to create an understanding of available resources in relation to total reserves.

On an annual basis, PFM Asset Management, LLC, presents the investment portfolio performance to the City Commission and the public of the investment results and to receive further direction by the City Commission on investment strategies as might be needed. Accordingly, a representative of PFM, will be making a presentation of the results of the investments of the City's available funds for FY 16/17.

## **Proposed Action:**

Staff recommends that the City Commission accept the annual investment report and provide any direction related to investment guidelines.

<b>Attachment(s):</b>
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Exhibit 1 - City of Hallandale Beach Investment Policy

Exhibit 2 - PFM investment Performance Review for the Fiscal Year Ended September 30,2017

Prepared by:

*Celeste Lucia*

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Celeste Lucia, Finance Director