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## INVESTMENT REPORT

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### Objectives

City investment objectives are in order; *safety, liquidity, and income*. The City's Investment policy stipulates the type of investments and maximum percentage of portfolio permissible for each type of investment.

Investments are diversified to the extent practicable to control the risk of loss resulting from overconcentration of assets in a specific maturity, issuer, instrument, dealer, or bank.

Investment decisions are made with judgment and care, which persons of prudence, discretion, and intelligence exercise. Investment maturity dates are based on cash-flow needs and prevailing market conditions.

### Overview

In order to meet City expenditures and stated investment objectives, the City uses multiple liquidity tiers to match expected timeframes to the use of funds. The first liquidity tier is the Truist bank checking account, which aims to maintain a balance equal to a few months of average monthly expenses.

The second tier is with the Local Government Investment Pool, Florida Short Term Asset Reserve Governmental Fund (FL STAR). FL STAR invests entirely in US Government Treasuries and Agency bonds with a weighted average maturity of 46 days. The City expects this investment to provide stable liquidity to replenish the first liquidity tier as is necessary.

The third liquidity tier is composed of the Local Government Investment Pool, Florida Cooperative Liquid Assets Securities System (FL CLASS) and the

Local Government Surplus Funds Trust Fund (Florida PRIME), administered by the State Board of Administration (SBA) of Florida as established in the State of Florida's constitution.

FL CLASS and Florida PRIME have similar investment profiles. Each invests in a diversity of investments and has an average weighted maturity of 81 and 84 days, respectively. These investments primarily consist of US Treasuries, US Agency Bonds, Asset Backed Commercial Paper, CD's, and Money-Market Mutual funds.

All City investment pools are AAA rated, the highest principal stability fund rating assigned by Standard & Poor's (S&P) Global Ratings.

### Economic Updates

The consumer price index (CPI) increased by 3.4% annualized and was boosted by auto insurance and gasoline prices. It is the slowest pace of inflation since the end of 2022.

The Fed has maintained its current target rate at 5.50% in an effort to reach its 2% stated inflation target. Recent data indicated the economy is moving towards a soft landing. The Federal Open Market Committee (FOMC) expressed further rate hikes are unlikely.

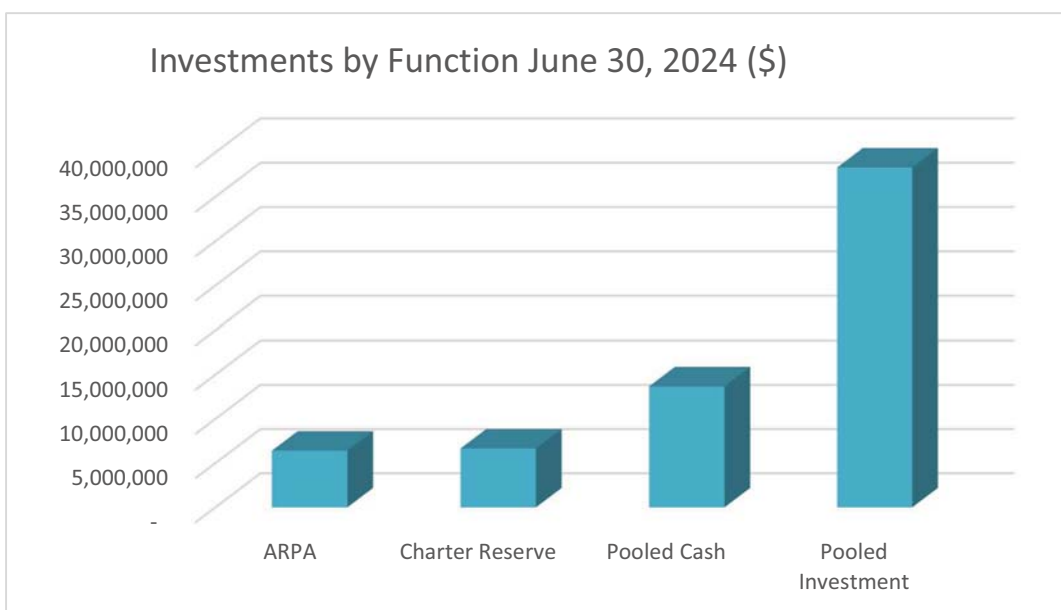
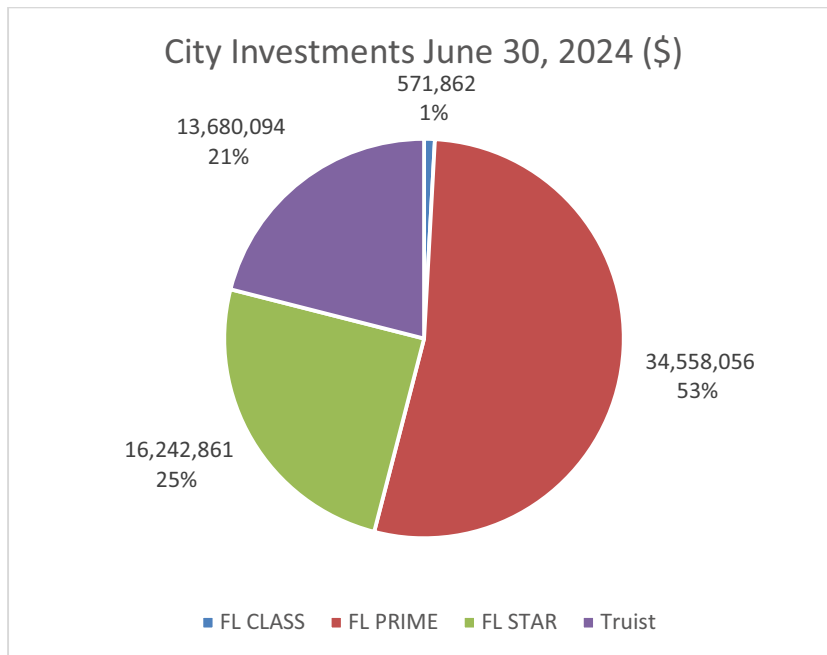
The Consumers Sentiment index declined to its lowest level in six months. Consumers increasingly relied on credit cards and savings for spending as the savings rate was 3.6%, below pre-pandemic norms.

The Unemployment rate continued to increase slightly to 4.0%. Wage growth has moderated to 3.9% year-over-year, the softest increase in wages since June 2021. Job openings decreased to 8.06 million, bringing the ratio of job openings to unemployed to pre-Covid levels.

Gross Domestic Product (GDP) increased 1.3% versus 3.4% the prior quarter. The Fed has announced a slowing of Quantitative tightening and announced inflation is heading in the right direction.

# Finance Department 3rd Quarter Report | 2024

	Investment Type	Market Value	Book Value	Ending Yield	Benchmark Yield*	Earned Month End	Earned Quarter End
FL CLASS	LGIP	564,339	564,184	5.40%	5.12%	2,578	7,574
FL PRIME	LGSFTF	34,087,211	34,087,178	5.52%	5.33%	136,855	406,198
FL STAR	LGIP	16,031,435	16,028,838	5.34%	5.12%	72,359	211,734
Truist	Checking	12,225,504	12,225,504	0.75%	N/A	45,635	134,300
		<b>\$ 62,908,489</b>	<b>\$ 62,905,704</b>			<b>\$ 257,427</b>	<b>\$ 759,807</b>



\* Benchmarks: FL Class, S&P Treasury Bill 3-6 Month Index; FL Prime, S&P AAA/AA Rated GIP All 30 Day Net Index; FL STAR, S&P AAAM Money Fund Rated GIP Net 7 day Index/All.