



Finance Committee Regular Meeting Agenda

Tuesday, June 10, 2025 at 12:00 PM

City Commission Chambers – 105 S. 2ND Street, Flagler Beach, FL 32136



All meeting items will be continued until meeting is complete.

1. **Call the meeting to order**
2. **Pledge of Allegiance**
3. **Approve Minutes**
 - a. Approve Minutes of March 11, 2025.
4. **Financial Update**
5. **New Business**
 - a. BS&A Cloud Conversion Presentation.
 - b. FY26 City Insurance Options.
 - c. FMIvT Presentation from Jeff Blomeley.
6. **Old Business**
 - a. PNC Bank Transition Status Update.

7. **Adjournment**

RECORD REQUIRED TO APPEAL: In accordance with Florida Statute 286.0105 if you should decide to appeal any decision the Commission makes about any matter at this meeting, you will need a record of the proceedings. You are responsible for providing this record. You may hire a court reporter to make a verbatim transcript. The City is not responsible for any mechanical failure of the recording equipment. In accordance with the Americans with Disabilities Act, persons needing assistance to participate in any of these proceedings should contact the City Clerk at (386) 517-2000 ext 233 at least 72 hours prior to the meeting. The City Commission reserves the right to request that all written material be on file with the City Clerk when the agenda item is submitted.



Finance Committee Meeting Agenda
Tuesday, March 11, 2025 at 12:00 PM
City Commission Chambers – 105 S. 2ND Street,
Flagler Beach, FL 32136
DRAFT MEETING MINUTES

PRESENT: Chair Boyd Venable, Jacqueline Terry, Jane Mealy, Patti King

EX-OFFICIO: City Manager Dale Martin, Finance Director Hollie Harlan, Assistant Finance Director Rhonda Allen and HR Director Liz Mathis

1. CALL THE MEETING TO ORDER: Boyd Venable called the meeting to order at 12:01 p.m.
2. APPROVE THE MINUTES FROM DECEMBER 10, 2024: Commissioner Mealy asked that the minutes be amended to reflect the correct time for adjournment. Ms. Settle reported it was a typo the meeting ended at 2:12 p.m. Motion by Mr. Venable, seconded by Commissioner Mealy to approve the minutes as amended. The agenda moved to item 10.
3. FY26 BUDGET CALENDAR: Hollie Harlan distributed and reviewed budget calendar. The budget is built on the Strategic Plan and the calendar is posted online.
4. FY25 QUARTERLY FINANCIALS – QUARTER 1: Ms. Harlan reviewed the first quarter but was distributed as more informational for the committee members.

The second quarter report will go before the Commission at the second meeting in April. She reviewed the cash investments and the actual cash at the end of the first.
5. PNC BANK TRANSITION STATUS UPDATE: The update is moving along, and everything is in place for PNC. BS&A is still working on building the scripts. Ms. Harlan was very pleased with PNC's customer service.
6. RFP FOR NEW AUDITORS - 3 YEAR CONTRACT: Ms. Harlan reviewed the Summary RFP with the Committee Members and stressed that the cost cannot be the main driver. She stressed that cost cannot be the main driver. The Audit Committee will be meeting on May 14, 2025.
7. CONSOLIDATE SBA CASH ACCOUNTS + INCREASE TO FMIvT: Ms. Harlan reported the City has a number of cash accounts. For staff, there is a lot to reconcile every month. Her goal is to consolidate the number of cash accounts into one account. She plans to consolidate it all to one account and hoped to have it completed by May.
8. POINT AND PAY – TRUSTLY SERVICE: Ms. Harlan information everyone that the City will be changing their provider for ACH from Trustly to Point and Pay. With Trustly, the City was paying the ACH fees. With Trustly, the fee falls to the client. The 700 utility account holders will be notified of the change tomorrow.
9. FY25 CAPITAL PLAN STATUS UPDATE: Mr. Martin and Ms. Harlan updated the Committee on

the progress of the Wastewater Plant. Mr. Martin reported on the challenge the City has with the aging infrastructure, particularly on the beachside, and the possible strategies to fund the project.

10. PAID TIME OFF (PTO) AND PAYOUT DISCUSSION: Ms. Harlan discussed that members of staff had been discussed adjusting the accrual rate and looking at PTO as one bucket. She explained the city now has vacation, sick, and personal holiday. There have also been discussions in lieu of merit pay, employees would receive a week of vacation. The item will be brought before the Commission in June.

Mr. Martin explained since the hire of new employees, coming from various backgrounds with different benefit packages, he would like the City to consider more flexibility for employee benefits. Commissioner Mealy spoke of her benefits package as a teacher in New York. Mr. Martin also would like to consider a four-day week for employees.

Mayor King wanted to know if this change would create a paperwork tracking issue or will the change be across the board for everyone. Possible exceptions were discussed, Fire, Police, Water and Wastewater employees. Ms. Allen clarified that most of the payroll and timesheets are automated through BSNA. Mr. Martin explained the City would no longer have to pay for Monday holidays. He also hoped more doctor's appointments, etc. needed by staff could be scheduled on a Monday.

Liz Mathis spoke with staff and received feedback. Overall staff thought it was a good idea. There are some employees with school-aged children that might need special accommodations.

Discussion included sending out a survey to employees (anonymously) in order for the employees to be more honest with their answers. The agenda moved to Item 3.

11. OTHER BUSINESS: None.
12. ADJOURNMENT: Motion by Mayor King to adjourn the meeting at 1:22 p.m.

BS&A Cloud Conversion – City of Flagler Beach



BS&A Cloud Benefits



Ease of Access

Work from anywhere with an Internet connection across a range of devices.



Security & Stability

Secure Cloud environment with 99.99% up time and Multi Factor Authentication.



Disaster Recovery

Geo-redundant backups occur automatically at regular intervals to two different regions in the United States



Future-Proof

Inherit future versions of BS&A Cloud, included in your annual subscription



Reduce Liability

Eliminate, or reduce, physical servers and we'll handle securing BS&A in cooperation with Microsoft Azure.



Cohesion

With a single BS&A database, our customers can achieve a deeper level of integration.

Security Responsibilities

Category	On-Premise	Cloud
Infrastructure Management	Municipality	Vendor
User Permissions & Access Control	Municipality	Shared
Incident Response Preparedness	Municipality	Shared
Offsite Backups	Municipality	Vendor
Endpoint Security	Municipality	Municipality
Secure and Redundant Internet	Municipality	Municipality
Firewalls & Network Segmentation	Municipality	Vendor
Intrusion Detection and Prevention Systems (IDPS)	Municipality	Vendor
Web Application Firewalls (WAF)	Municipality	Vendor
Secure Remote Access	Municipality	Shared
Data Protection (Encryption, Backups)	Municipality	Shared
Patch Management	Municipality	Vendor
Continuous Monitoring (SIEM)	Municipality	Shared
Audits & Penetration Testing	Municipality	Shared
Regulatory Compliance	Municipality	Shared
Security Awareness Training	Municipality	Municipality
Backup & Disaster Recovery	Municipality	Vendor
Monitoring & Threat Detection	Municipality	Vendor
Scalability	Municipality	Vendor
Software Updates	Municipality	Vendor
Performance Monitoring	Municipality	Vendor
Disaster recovery	Municipality	Vendor
Support and Maintenance	Municipality	Vendor
Vulnerability Management	Municipality	Shared
DDoS Mitigation	Municipality	Vendor
Penetration Testing	Municipality	Shared
Secure Application Development	Municipality	Shared

Confidential and Proprietary © B5&A Software

Cost

- Current Annual License Cost: \$14K

Cloud Conversion Cost:

- \$68,100 – Upgrade Implementation (one-time only)
- \$14,535 – Community Development (Business Licensing/ Building Department) in person 16 day training – post go live
- \$36,030 – 1st Annual License Fee (covers from go live date through one year. Ex: go live July 1st, 2025, license would be due for renewal again in July 2026)
 - Will receive a pro-rated credit for any renewals we have currently paid this FY.

Annual Cost

There is an annual license cost each year, and it will increase by 5% each FY.

➤ The annual fee for Cloud is more than .NET because:

1. Cybersecurity and Disaster Recovery are managed by BS&A in Cloud
2. Cloud subscription includes Unlimited Users, Unlimited Storage, and free upgrades
3. Cloud subscription eliminates future infrastructure purchases i.e. Servers, licenses, storage, etc.

Timeline

- Once the contract is signed, it will take about 4-6 months to go live.
- Following go live, there is a 2-week training included for all city staff (this is included in the implementation portion of total upgrade cost.)

Why should the city pursue this migration?

- Current platform is maintenance mode only
 - No new features can be added
- Business continuity
- Productivity
 - Elimination of 7-8 different modules
 - VPN access not required – all cloud based
- Accessibility (anywhere / any device)
 - Example – flood damage to servers @ Police department
- Cyber Security
 - Moving to the cloud / multi – tier data center
- Benefits to outside users
 - Job applicants
 - Utility billing applicants
 - Business Permit applicants

Questions?

Health Benefits Summary

As part of the City's commitment to offering comprehensive and competitive health care, we are reviewing potential changes to our employee health plans. While renewing our current coverage with Florida Health Care and Florida Blue remains an option, we are also exploring new offerings through **United Health Care** and **Curative**.

These new options provide potential **cost savings for the City** and **enhanced benefits for employees**, including:

- Broader provider networks
- Lower or no out-of-pocket costs
- Better access to mental health services
- Expanded wellness and preventive care programs

Curative features:

- No copays or deductibles for in-network care after a required Baseline Visit
- Focus on preventive care and affordability
- Virtual mental health and early cancer detection services
- No referrals needed for specialists
- Personalized support via a Care Navigator

United Health Care features:

- Large national provider network
- Similar plan structure to our current model with improved cost-sharing
- Lower maximum out-of-pocket limits and copays
- Options for two HMOs and one PPO
- No specialist referrals required

Our goal is to provide employees with health care plans that improve well-being and deliver greater value for all.

Executive Summary of Medical & Prescription Drug Coverage

City of Flagler Beach
 October 1, 2025 - September 30, 2026

Current | Renewal | Revised Renewal

Vendor	BlueCross BlueShield			Florida Health Care Plans			Florida Health Care Plans					
Plan Name	BlueOptions 03559			T66			TL6					
Network	Blue Options			FHCP			FHCP					
Plan Type	PPO			HMO			HMO					
Plan Details	Network			Network			Network					
	Single	Family		Single	Family		Single	Family				
Plan Deductible	\$500	\$1,500		\$250	\$750		\$500	\$1,000				
Embedded Deductible:	Yes			Yes			Yes					
Calendar or Policy Year:	Calendar			Calendar			Calendar					
Coinsurance:	20%			10%			20%					
Maximum Out-of-Pocket: (Includes Deductible, Copay, Rx)	\$2,500	\$5,000		\$3,000	\$6,000		\$4,000	\$8,000				
Physician Services	Yes, Yes, Yes			Yes, Yes, Yes			Yes, Yes, Yes					
Office Visit Copay:	\$20			\$20			\$25					
Specialist Copay:	\$40			\$35			\$50					
Chiropractic Copay:	\$40			\$20			\$25					
Virtual Visits:	\$0 (PCP) \$40 (Specialist)			\$0 (PCP) \$30 (Mental Health)			\$0 (PCP) \$30 (Mental Health)					
Hospital / Emergency Services												
Inpatient Hospital Per Admission Copay:	\$600			Deductible + Coinsurance			\$500 per day (\$2,500 max)					
Emergency Room ER Physician:	\$100 Ded. + Coins.			\$100			\$350					
Urgent Care Copay:	\$45			\$50			\$100					
Outpatient Surgical Facility Copay:	\$200			Deductible + Coinsurance			\$500					
Ambulatory Surgery Center:	\$100			Deductible + Coinsurance			\$300					
Diagnostic Services												
Lab & X-Ray Outpatient:	\$0 (Lab) \$50 (X-Ray)			\$0 (Lab) \$35 (X-Ray)			\$0					
Advanced Imaging Services (MRI, MRA, PET, CT):	\$150			\$150			\$150					
Prescription Drug												
Pharmacy Network:	BlueCross BlueShield			FHCP			FHCP					
Prescription Drug List:	Blue Script			FHCP			FHCP					
Deductible:	N/A			N/A			N/A					
Prescription Tier:	\$10 \$30 \$50			\$3 \$10 \$30 \$55 15% 25%			\$3 \$10 \$30 \$55 15% 25%					
Prescription Tier: Walgreens	N/A			\$15 \$15 \$35 \$60			\$15 \$15 \$35 \$60					
Mail Order Prescription (90 Day Supply):	2.5x's copay			\$6 \$27 \$87 \$162			\$6 \$27 \$87 \$162					
Non-Network Plan Details	Non-Network			Non-Network			Non-Network					
Plan Deductible	\$750	\$2,250		N/A			N/A					
Coinsurance:	40%			N/A			N/A					
Maximum Out-of-Pocket:	\$5,000	\$10,000		N/A			N/A					
Per Occurrence Deductible (Inpatient/Outpatient):	N/A			N/A			N/A					
Plan Rates Current Enrollment	Current	Renewal	Revised	Current	Renewal	Revised	Current	Renewal	Revised			
Employee:	5	\$1,252.78	\$1,405.14	\$1,271.32	36	\$1,019.13	\$1,161.54	\$1,019.13	44	\$997.52	\$1,135.44	\$997.52
Employee + Spouse:	0	\$2,856.32	\$3,203.71	\$2,898.59	2	\$2,180.92	\$2,485.67	\$2,180.92	0	\$2,134.68	\$2,429.83	\$2,134.68
Employee + Child(ren):	0	\$2,505.55	\$2,810.27	\$2,542.63	0	\$2,079.01	\$2,369.52	\$2,079.01	0	\$2,034.94	\$2,316.30	\$2,034.94
Family:	0	\$4,008.88	\$4,496.44	\$4,068.20	0	\$3,118.52	\$3,554.28	\$3,118.52	0	\$3,052.40	\$3,474.43	\$3,052.40
Estimated Monthly Premiums:	5	\$6,264	\$7,026	\$6,357	36	\$41,051	\$46,787	\$41,051	44	\$43,891	\$49,959	\$43,891
Estimated Annual Premiums:		\$75,167	\$84,308	\$76,279		\$492,606	\$561,441	\$492,606		\$526,691	\$599,512	\$526,691
Rate Change from Current (%):			12.2%	1.5%			14.0%	0.0%			13.8%	0.0%
	Current	Renewal	Revised									
Estimated Grand Total Annual Premiums:		\$1,094,464	\$1,245,262	\$1,095,576								
PEPY		\$12,580	\$14,313	\$12,593								
Rate Change from Current (%):			13.8%	0.1%								
Rate Change from Current (\$):			\$150,798	\$1,112								

Rates subject to final enrollment and underwriting

Illustrative

\$0 Plan for any employee that completes a Baseline Visit within 120 days of plan start date. If Baseline visit is not completed, member is automatically moved to the \$5,000 plan.

Vendor
 Plan Name
 Network
 Plan Type

Plan Details

Plan Deductible
 Embedded Deductible:
 Calendar or Policy Year:
 Coinsurance:
 Maximum Out-of-Pocket:
 (Includes Deductible, Copay, Rx)
 Physician Services
 Office Visit Copay:
 Specialist Copay:
 Chiropractic Copay:
 Virtual Visits:
 Hospital / Emergency Services
 Inpatient Hospital Per Admission Copay:
 Emergency Room | ER Physician:
 Urgent Care Copay:
 Outpatient Surgical Facility Copay:
 Ambulatory Surgery Center:
 Diagnostic Services
 Lab & X-Ray Outpatient:
 Advanced Imaging Services (MRI, MRA, PET, CT):
 Prescription Drug
 Pharmacy Network:
 Deductible:
 Prescription Tier (Preferred - Generic, Brand & Specialty):
 Prescription Tier (Non-Preferred - Generic & Brand):
 Prescription Tier (Non-Preferred - Specialty):
 Mail Order Prescription (30 Day Supply):
 Non-Network Plan Details
 Plan Deductible
 Coinsurance:
 Maximum Out-of-Pocket:

Option 8					
Curative					
PPO First Health PPO					
Curative w/ Compliant Baseline Visit			Curative w/ Non-Compliant Baseline Visit		
Network			Network		
Single	Family		Single	Family	
\$0		\$0	\$5,000		\$10,000
	N/A			Yes	
	Policy			Policy	
	0%			20%	
\$0		\$0	\$7,500		\$15,000
	N/A			Yes Yes Yes	
	\$0			Deductible + \$25	
	\$0			Deductible + \$50	
	\$0			Deductible + Coinsurance	
	\$0			Ded + \$25 (PCP) Ded + \$50 (Specialist)	
	\$0			Deductible + Coinsurance	
	\$0			Deductible + Coinsurance	
	\$0			Deductible + Coinsurance	
	\$0			Deductible + Coinsurance	
	\$0			Deductible + Coinsurance	
	\$0			Deductible + Coinsurance	
	\$0			Deductible + Coinsurance	
	CapRx Optum			CapRx Optum	
	N/A			Policy Year Deductible	
	\$0			Deductible + \$50	
	\$50			Deductible + \$100	
	\$250			Deductible + 25%	
	1x's Copay			1x's Copay	
		Non-Network			
	\$10,000			\$20,000	
		50%			
	\$15,000			\$30,000	

Plan Rates | Current Enrollment
 Employee: 85
 Employee + Spouse: 2
 Employee + Child(ren): 0
 Family: 0
 Monthly Premiums: 87

Option 8	
	\$986.08
	\$2,110.18
	\$1,972.15
	\$3,056.83
	\$88,037

Estimated Grand Total Annual Premiums:
 PEPY
 Rate Change from Current (%):
 Rate Change from Current (\$):

Option 9	W/Transition Credit
\$1,056,446	\$1,041,446
\$12,143	\$11,971
-3%	-4.8%
-\$38,018	

Notes:

Publix is the designated pharmacy for members located in FL, if Publix is not chosen the employee will receive their medication shipped next day.
 CapRx Wrap Network for Out of State Members: Includes Walgreens, CVS, RiteAid & Walmart
 Deductible Credits are Not Available
\$15,000 Transition Credit Included

Rates subject to final enrollment and underwriting

Executive Summary of Medical & Prescription Drug Coverage
 City of Flagler Beach
 October 1, 2025 - September 30, 2026

Option 2

Vendor	United Healthcare		United Healthcare		United Healthcare	
Plan Name	EKNU RX 570		EKWB RX NH21		EKY2 RX NH21	
Network	Choice Plus		NHP		NHP	
Plan Type	POS		HMO		HMO	
Plan Details	Network		Network		Network	
	Single	Family	Single	Family	Single	Family
Plan Deductible	\$500	\$1,000	\$500	\$1,000	\$500	\$1,000
Embedded Deductible:	Yes		Yes		Yes	
Calendar or Policy Year:	Calendar		Calendar		Calendar	
Coinsurance:	0%		0%		0%	
Maximum Out-of-Pocket: (Includes Deductible, Copay, Rx)	\$1,500	\$3,000	\$1,500	\$3,000	\$3,500	\$7,000
Physician Services	Yes, Yes, Yes		Yes, Yes, Yes		Yes, Yes, Yes	
Office Visit Copay:	\$25, \$0 under age 19		\$15, \$0 under age 19		\$25, \$0 under age 19	
Specialist Copay:	\$50		\$30		\$45	
Chiropractic Copay:	\$25		\$15		\$25	
Virtual Visits:	\$0		\$0		\$0	
Hospital / Emergency Services						
Inpatient Hospital Per Admission Copay:	Deductible		Deductible		Deductible	
Emergency Room ER Physician:	\$350		\$350		Deductible	
Urgent Care Copay:	\$50		\$75		\$75	
Outpatient Surgical Facility Copay:	Deductible		Deductible		Deductible	
Ambulatory Surgery Center:	Deductible		Deductible		Deductible	
Diagnostic Services						
Lab & X-Ray Outpatient:	\$0, Ded. + 50% Non DDP (Lab), \$0 (X-Ray)		\$0		\$0	
Advanced Imaging Services (MRI, MRA, PET, CT):	Ded. + Coins. Ded. + 50% (Non-DDP)		Deductible Ded. + 50% (Non-DDP)		\$100 Ded. + 40% (Non-DDP)	
Prescription Drug						
Pharmacy Network:	National		National		National	
Prescription Drug List:	Advantage		Advantage		Advantage	
Deductible:	N/A		N/A		N/A	
Prescription Tier:	\$10 \$35 \$70		\$10 \$35 \$70		\$10 \$35 \$70	
Mail Order Prescription (90 Day Supply):	2.5x's Copay		2.5x's Copay		2.5x's Copay	
Non-Network Plan Details	Non-Network		Non-Network		Non-Network	
Plan Deductible	\$1,000	\$2,000	N/A		N/A	
Coinsurance:	30%		N/A		N/A	
Maximum Out-of-Pocket:	\$6,250	\$12,500	N/A		N/A	
Per Occurrence Deductible (Inpatient/Outpatient):	N/A		N/A		N/A	
Plan Rates Current Enrollment	Current	Option 2	Current	Option 2	Current	Option 2
Employee:	5	\$1,252.78	36	\$1,019.13	44	\$997.52
Employee + Spouse:	0	\$2,856.32	2	\$2,180.92	0	\$2,134.68
Employee + Child(ren):	0	\$2,505.55	0	\$2,079.01	0	\$2,034.94
Family:	0	\$4,008.88	0	\$3,118.52	0	\$3,052.40
Estimated Monthly Premiums:	5	\$6,264	38	\$41,051	44	\$43,891
Estimated Annual Premiums:		\$75,167		\$492,608		\$526,691
Rate Change from Current (%):				-11.4%		-15.4%
	Current	Option 2	W/ Premium Credit			
Estimated Grand Total Annual Premiums:	\$1,094,464	\$931,058	\$921,058			
PEPY	\$12,580	\$10,702	\$10,587			
Rate Change from Current (%):		-14.9%	-15.8%			
Rate Change from Current (\$):		-\$163,406	-\$173,406			

Notes:

\$10,000 Premium Credit Included

Rates subject to final enrollment and underwriting

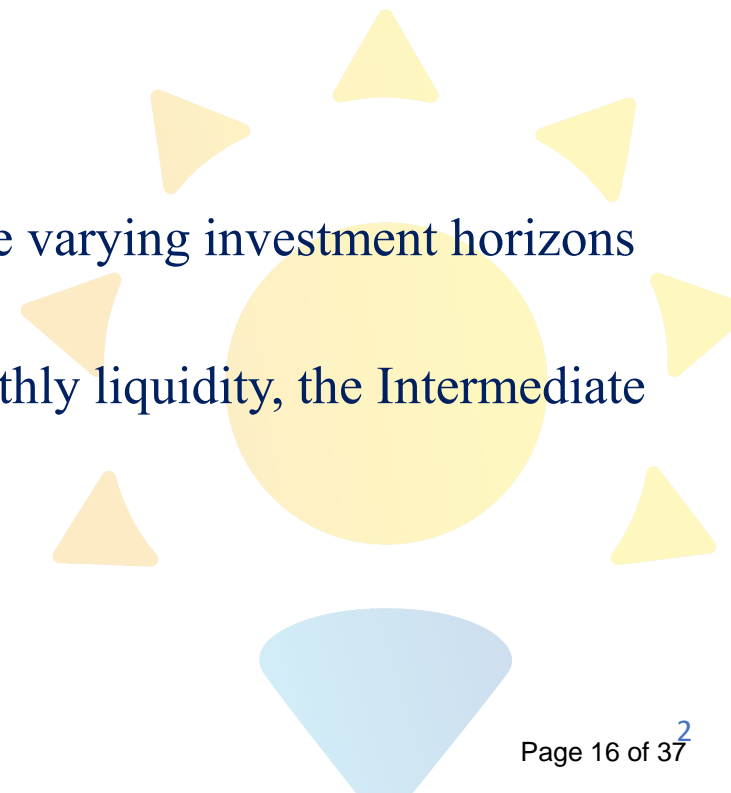


FMIvT FLORIDA
MUNICIPAL
INVESTMENT TRUST

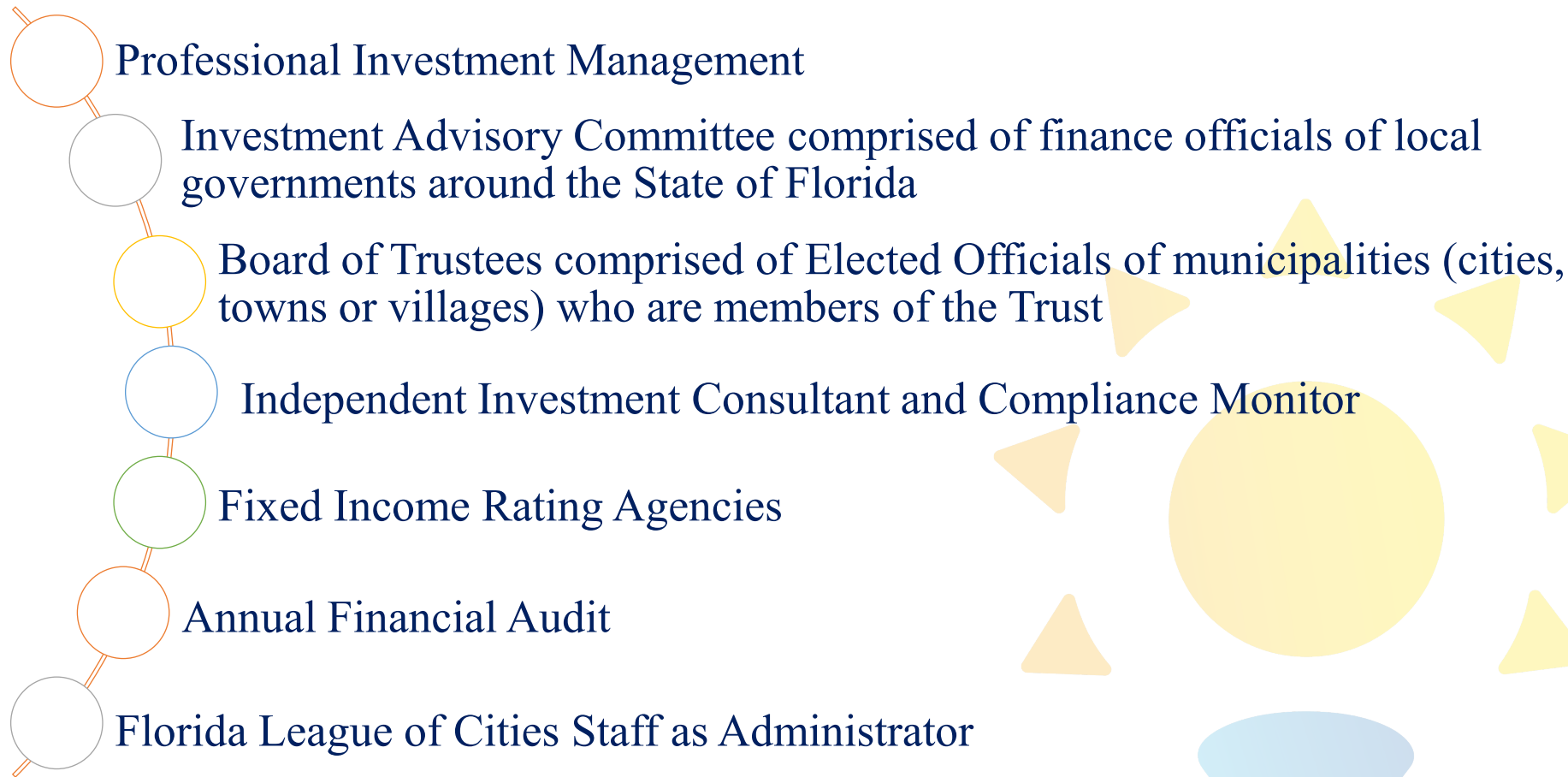
City of Flagler Beach
June 10, 2025

The Florida Municipal Investment Trust (FMIvT)

- Created in 1995, and authorized under Florida statutes
- Three Funds designed specifically for surplus operating reserves
- Each formally rated by Fitch Ratings
- Differing maturity profiles accommodate varying investment horizons and risk tolerances
- Both short duration Funds have twice monthly liquidity, the Intermediate Fund has monthly liquidity
- There are no redemption fees



Incorporating Multiple Levels of Oversight



Investment Advisory Committee

▶ **Joseph Lo Bello (Chairperson)**

- Town Manager
Town of Lake Clarke Shores

▶ **James Zervis**

- Deputy City Manager
City of Boca Raton

▶ **Christopher McCullion**

- Chief Financial Officer
Orlando Utilities Commission

▶ **Francine Ramaglia**

- Town Manager
Town of Loxahatchee Groves

▶ **Bob Miracle**

- Deputy Town Manager
Town of Palm Beach

▶ **Darrel Thomas**

- Assistant City Manager/CFO
City of Weston

▶ **Bonnie Wise**

- County Administrator
Hillsborough County

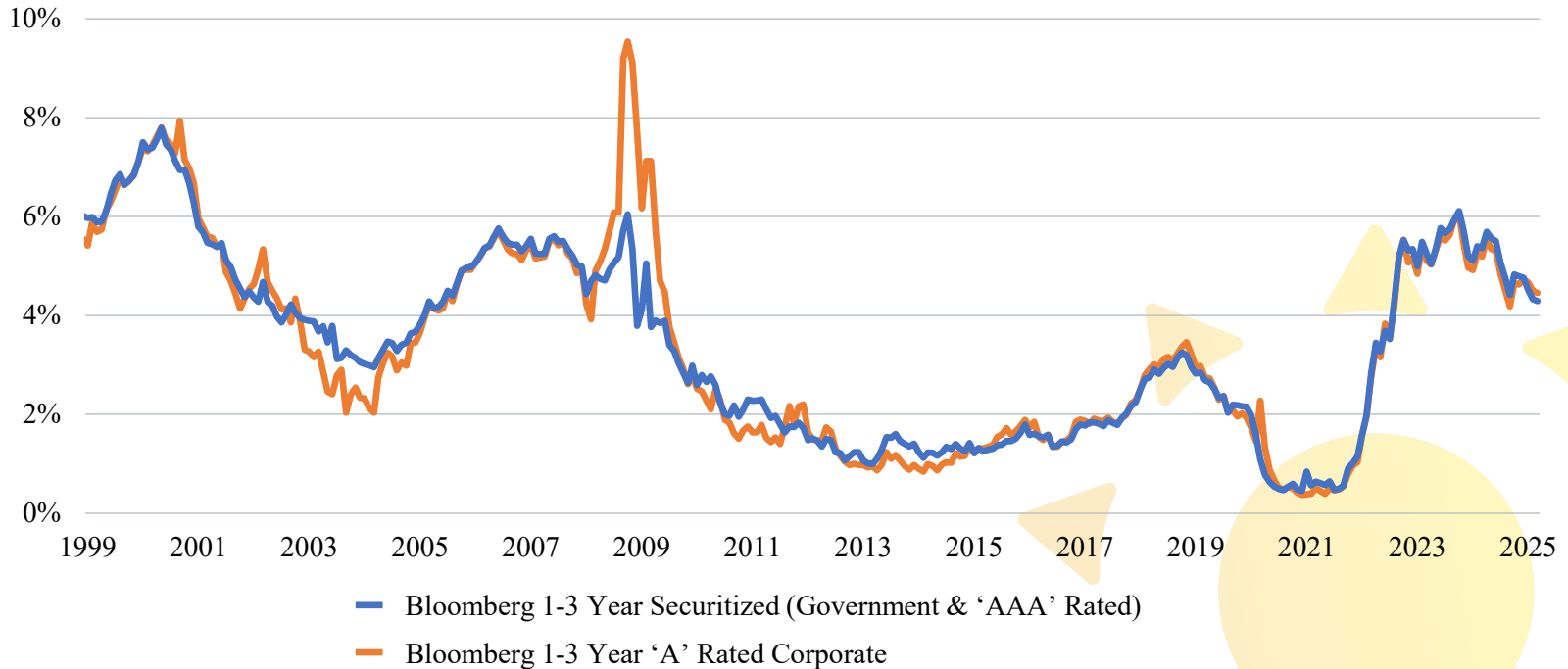
▶ **William Ackerman, CPA**

- Budget & Finance Director
Town of Davie

Securitized Bonds vs. Corporate Credit

Similar Yields Over Time, But With Much Higher Credit Quality

Yield to Worst
25 Years Ending March 31, 2025



Source: Bloomberg as of March 31, 2025.

The Bloomberg 1-3 Year Securitized (Government & 'AAA' Rated) Index measures the AAA-rated component of the Bloomberg 1-3 Year Securitized Index and includes mortgage-backed, asset-backed and collateralized mortgage-backed securities. The Bloomberg 1-3 Year 'A' Rated Corporate Index measures the A-rated component of the Bloomberg 1-3 Year Corporate Index and includes only corporate industrial, utility and financial issuers. Indexes are unmanaged and do not incur management fees, transaction costs or other expenses associated with managed accounts. It is not possible to directly invest in an index. Past performance does not predict future results.

The FMIvT High Quality 1-3 Year Bond Fund

Investment Strategy

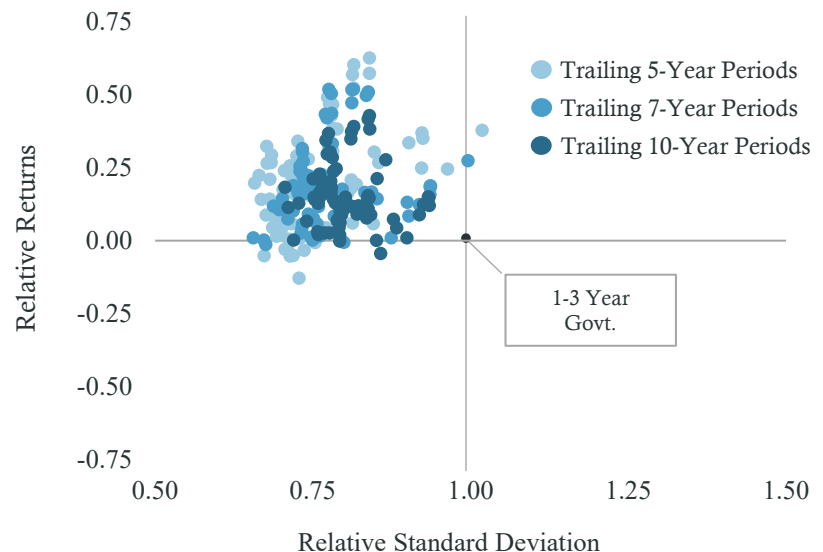
- Add value through issue selection & yield curve management
- Emphasize low-volatility securitized debt to enhance yield
- Exclude corporate bonds in short duration portfolios to minimize credit & event risk

Investment Objective

- To seek higher return alternatives to low yielding money market funds and government debentures
- Seek to obtain income and credit stability through high quality securitized debt instruments
- Seek to provide liquidity in all market conditions

Rolling Returns Since Inception

September 30, 1996 – March 31, 2025 – Gross of Fees

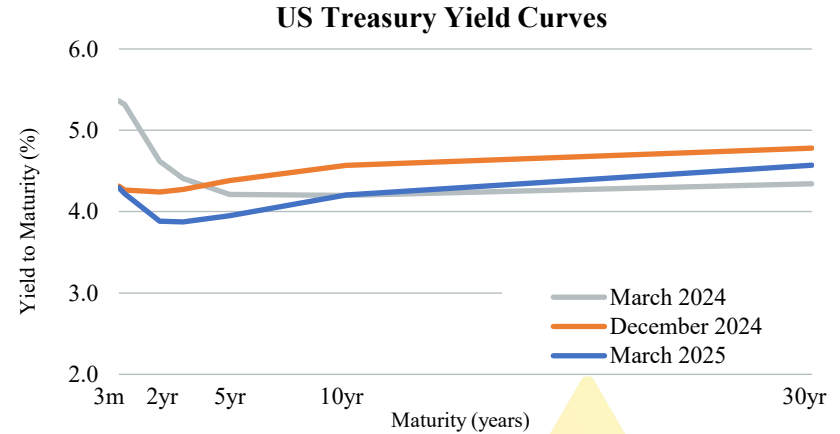


Source: ICE BofA, Asset Consulting Group

Fixed Income Market Review

As of March 31, 2025

Treasury Bellwethers	Yield	3-Month Yield Change	3-Month Total Return	12-Month Yield Change	12-Month Total Return
Maturity					
3-Month T-Bill	4.29%	-2 bps	1.04%	-107 bps	5.02%
1-Year T-Bill	4.02%	-12 bps	1.08%	-100 bps	5.26%
2-Year T-Note	3.88%	-36 bps	1.59%	-74 bps	5.20%
3-Year T-Note	3.87%	-40 bps	2.12%	-53 bps	5.52%
5-Year T-Note	3.95%	-43 bps	3.00%	-26 bps	5.05%
10-Year T-Note	4.21%	-36 bps	3.99%	+1 bps	3.93%
30-Year T-Note	4.57%	-21 bps	4.28%	+23 bps	-0.11%



Excess Return vs. Treasuries	3-Month	12-Month
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Return Premium by Sector

Agencies	0.00%	0.24%
Asset-Backed Securities	-0.29%	0.68%
Mortgage-Backed Securities	-0.07%	0.47%
Commercial MBS	-0.07%	1.26%
Credit	-0.76%	0.66%

Return Premium by Quality

AAA Rated	-0.13%	0.47%
AA Rated (includes U.S. Gov't)	-0.05%	0.17%
A Rated	-0.74%	0.50%
BBB Rated	-0.90%	1.05%

Market Total Returns	3-Month	12-Month
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Fixed Income Indices

ICE BofA 1-Year Treasury Note Index	1.05%	4.98%
ICE BofA 1-3 Year Government Index	1.59%	5.43%
ICE BofA 1-5 Year Treasury Index	2.00%	5.50%
Bloomberg Intermediate G/C Index	2.42%	5.65%
Bloomberg Intermediate Agg. Index	2.61%	5.58%
Bloomberg Aggregate Index	2.78%	4.88%

Source: Bloomberg and ICE® BofA® as of March 31, 2025. Excess Return data are represented by the corresponding sectors within the Bloomberg Aggregate Index. Indexes are unmanaged and do not incur management fees, transaction costs or other expenses associated with managed accounts. It is not possible to directly invest in an index. This data is shown for informational use only and is subject to change at any time. Past performance does not predict future results.

**Florida Municipal Investment Trust
City of Flagler Beach as of April 30, 2025**

	1 Mth. (%)	FYTD (%)	1 Yr (%)	3 Yrs* (%)	5 Yrs* (%)	7 Yrs* (%)
FMIvT 0-2 Year HQ Bond Fund (03/31/09)⁽¹⁾	0.40	2.53	5.53	4.24	2.56	2.68
ICE BofA 1-Year Treasury Note Index	0.44	2.21	5.21	3.63	1.98	2.29
FMIvT 1-3 Year HQ Bond Fund (06/30/96)⁽¹⁾	0.72	2.49	6.77	3.91	2.02	2.59
ICE BofA 1-3 Year Government Index	0.78	2.33	6.59	3.28	1.32	2.12
FMIvT Intermediate HQ Bond Fund (06/30/96)⁽¹⁾	0.97	1.67	8.70	2.95	0.58	2.21
Bloomberg Int. G/C +MBS +ABS ex Baa Index	0.76	1.21	8.39	2.57	0.01	1.85

Investments	Market Value	Percent Assets
FMIvT 0-2 Year HQ Bond Fund	\$ 3,002,894	34.3%
FMIvT 1-3 Year HQ Bond Fund	\$ 4,036,746	46.1%
FMIvT Int. HQ Bond Fund	\$ 1,716,048	19.6%
Total as of April 30, 2025	\$ 8,755,688	100.0%

(1) Annualized returns, returns provided by ACG, Bloomberg and ICE BofA.

Fiscal Year End: September 30

*Time periods greater than one year are annualized.

Performance reflects reinvestment of all income and capital gains (realized and unrealized).

Results are based on the accrual method of accounting as well as trade date valuation.

Returns are gross of fees unless otherwise noted.

Gross of fee returns do not reflect the deduction of management and custodial fees. Net of fee returns reflect the deduction of the management fee accrued on a monthly basis.

Returns are based on the total assets of the client's account, calculated on a daily basis, and geometrically linked to calculate returns for longer periods of time.

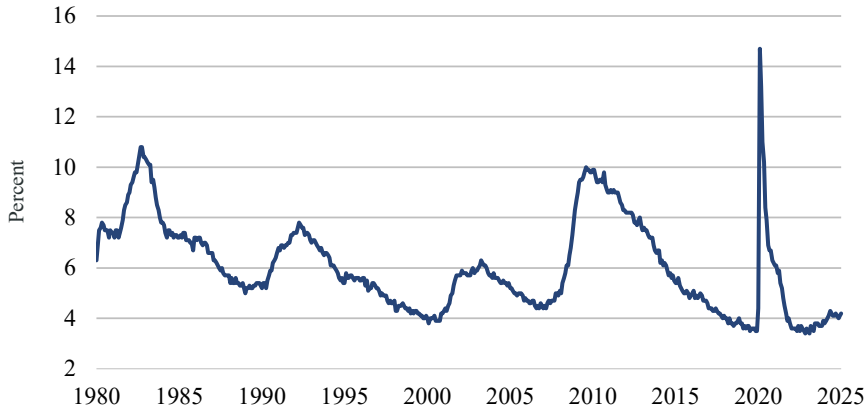
The unmanaged indexes shown for comparative purposes do not reflect the subtraction of any fees or transaction costs. It is not possible to directly invest in an index.

Past performance does not guarantee or predict future results.

Economic Review and Outlook

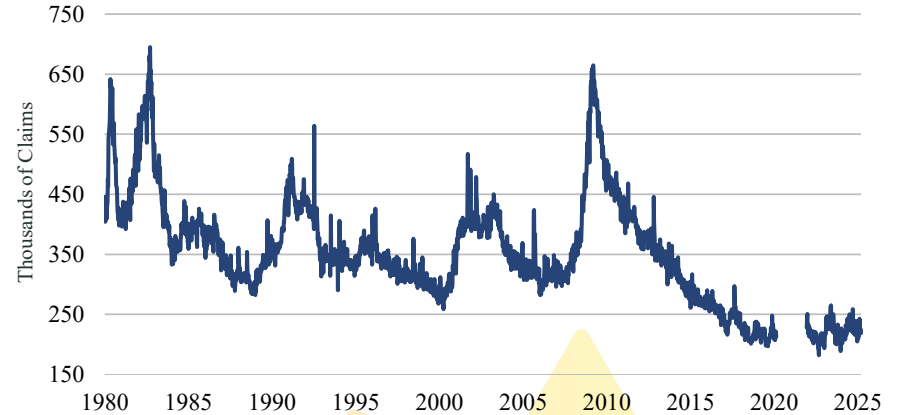
The Labor Market Is Still Holding Up, But No Longer What Markets Are Focused On

US Unemployment Rate



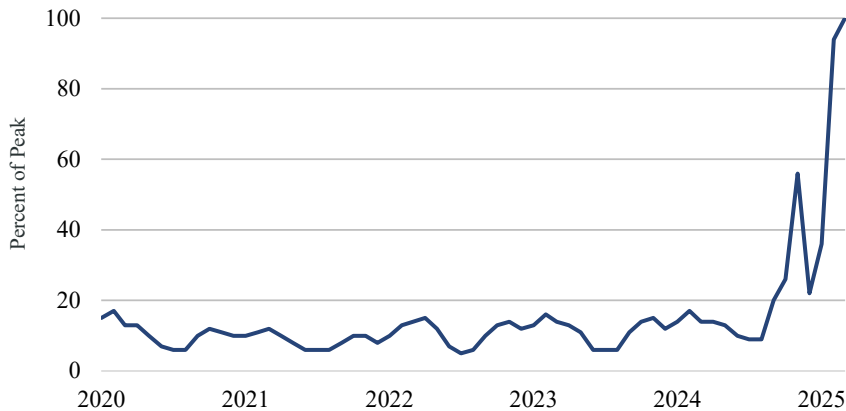
Source: Haver, Bureau of Labor Statistics. Data as of March 31, 2025.

US Weekly Initial Jobless Claims



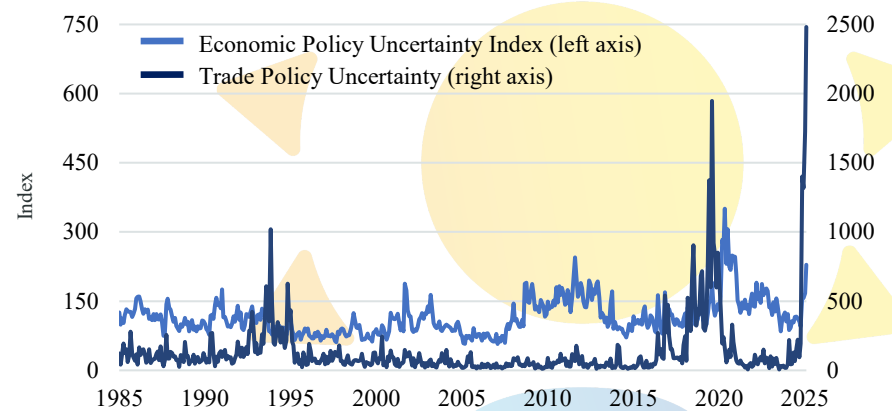
Source: Haver, Bureau of Labor Statistics. Data as of March 31, 2025.

US Google Searches for “Tariffs” (Relative to Peak %)



Source: Google. Data as of March 31, 2025.

US Economic & Trade Policy Uncertainty Index

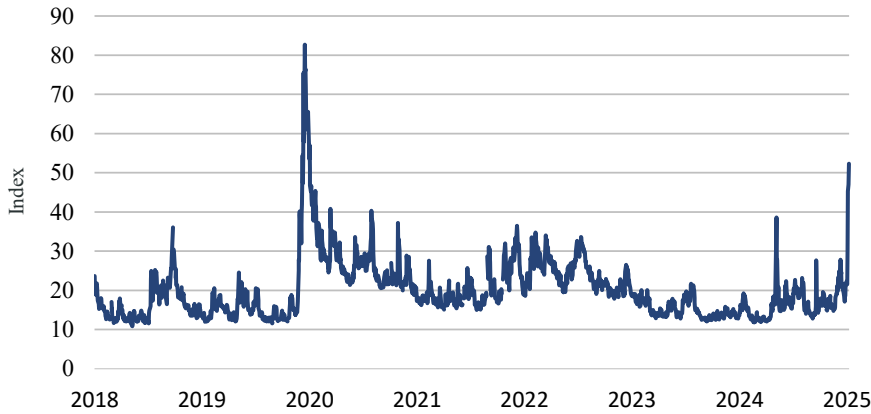


Source: Haver, Baker Bloom & Davis. Data as of March 31, 2025.

Economic Review and Outlook

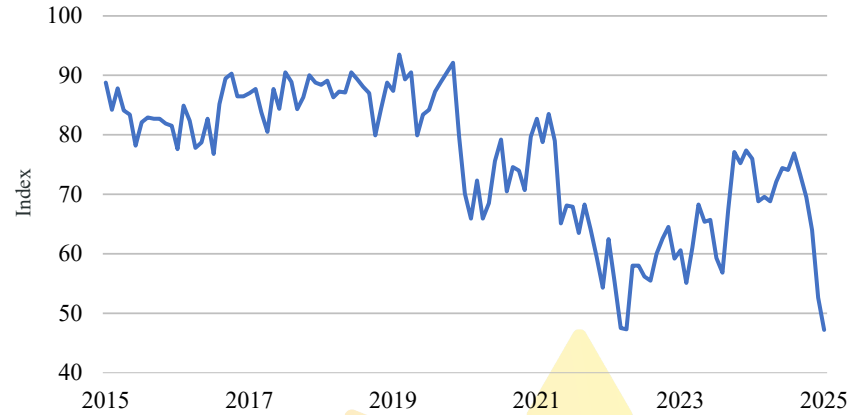
Tariffs Driving Markets Down Recession Fears Up... US Is Less Exposed Than Trading Partners

CBOE Volatility Index (VIX)



Source: Haver. Data as of April 8, 2025

Consumer Expectations



Source: Haver, University of Michigan. Data as of April 11, 2025

Trade as Percent of GDP by Country (Imports + Exports, % GDP)

World Ranking	Country	Percent of GDP
1	Sudan	2%
2	Ethiopia	21%
3	United States	25%
17	China	37%
29	Japan	45%
56	United Kingdom	64%
63	Italy	66%
66	Canada	67%
74	France	71%
80	Mexico	73%
91	Germany	83%

Source: Haver, World Bank. Data as of December 31, 2023

US Imports by Country

Rank	Country	Imports (Billions)	% of Total Imports
1	Mexico	\$476	12%
2	China	\$427	11%
3	Canada	\$421	11%
4	Germany	\$160	4%
5	Japan	\$147	4%
6+		\$2,196	57%
Total		\$3,827	

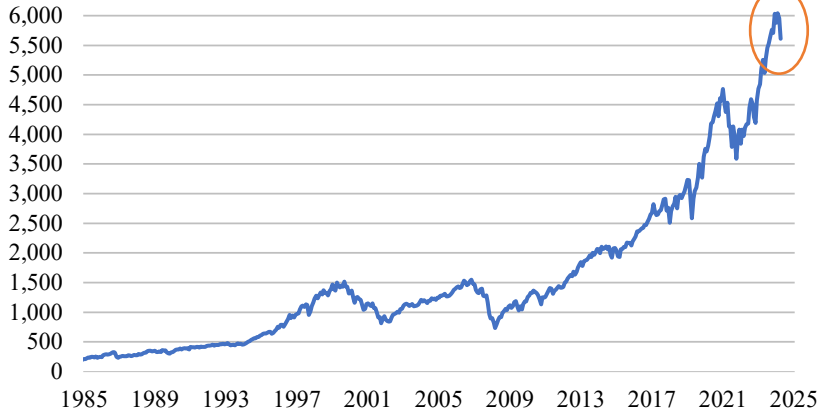
Total Imports = 14% of US Economy

Source: Haver, World Bank. Data as of December 31, 2023.

Economic Review and Outlook

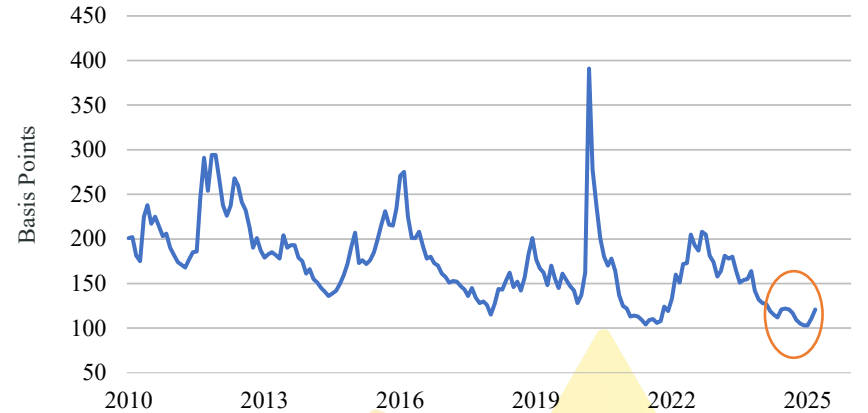
First Quarter Pullback Still Leaves Valuations Elevated... Swift Tariff Resolution Is Key

Standard & Poor's 500 Index (Monthly)



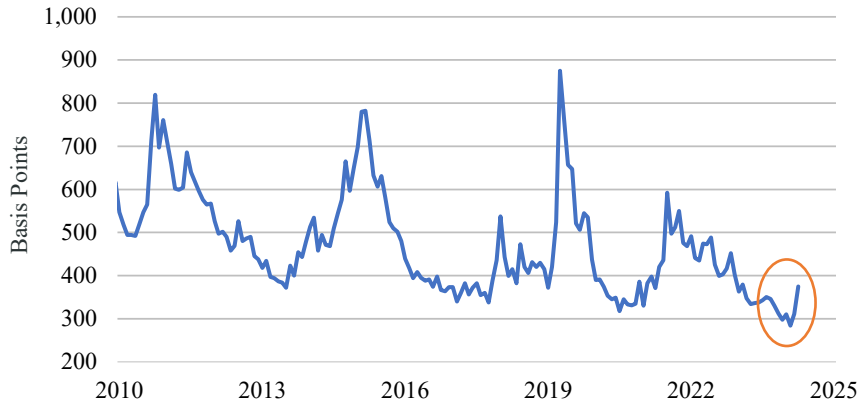
Source: Haver, Standard & Poor's. Data as of March 31, 2025.

US Investment Grade Credit Spends (ICE BofA BBB Corporate Index)



Source: Haver, ICE BofA Indices. Data as of March 31, 2025.

US High Yield Credit Spreads (ICE BofA High Yield Index)



Source: Haver, ICE BofA Indices. Data as of March 31, 2025.

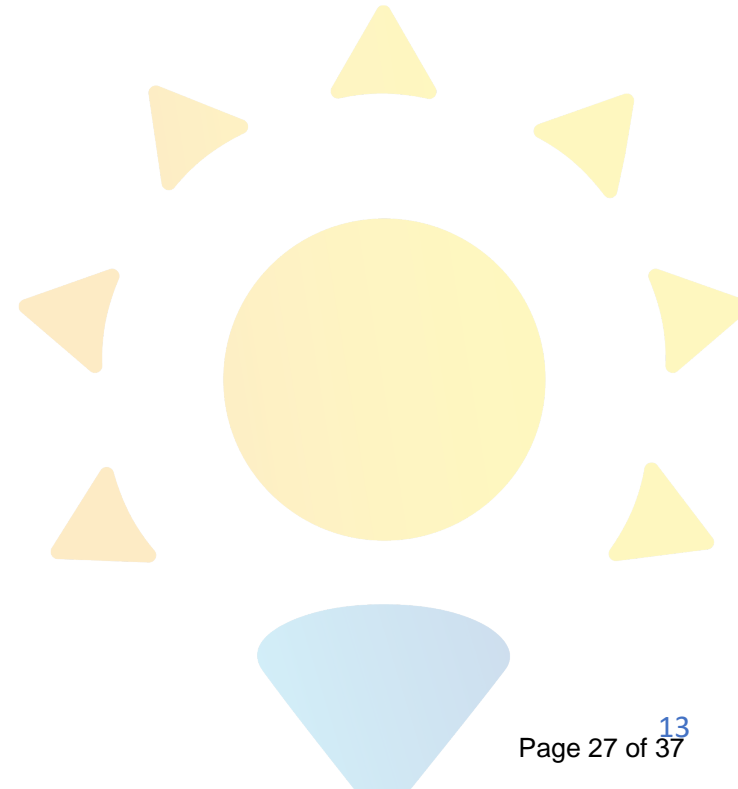
Bitcoin Price (US Dollars, Coinbase)



Source: Haver, CoinGecko. Data as of March 31, 2025.

- **Rapidly changing US fiscal and trade policies, and mounting geopolitical risks, are boosting recession fears.** Look for volatility within risk assets to persist. Periods such as these have historically signaled market leadership changes and/or inflection points.
- **US credit spreads are beginning to widen from their lows,** a sign of investor skittishness toward the capital markets and US economy.
- **The Fed says they will hold rates steady until there is more evidence inflation will slow sustainably to 2%.** Time will tell if market volatility pushes them to cut rates sooner.
- **Unified governments produce the greatest wholesale policy shifts.** This time, besides trade policy, a key focus is to cut federal spending. This creates another headwind for growth at a time when monetary policy is already restrictive.
- **Low unemployment (4.2%) and low weekly initial jobless claims (below 250k) belies a steady decline in the hiring rate.** Any uptick in layoffs could quickly translate into higher unemployment.
- With valuations and uncertainty elevated, we believe security selection has never been more vital. **We remain focused on adding yield and minimizing risk within the ABS and Agency MBS sectors.**
- **Regardless if the current economic environment persists or deteriorates, high credit quality should protect fixed income investors.**

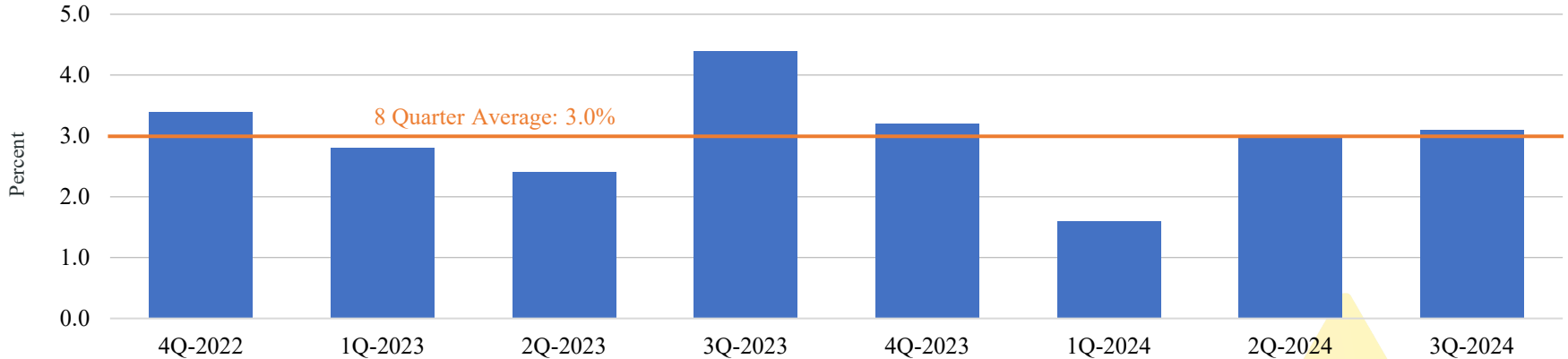
Appendix



Economic Review and Outlook

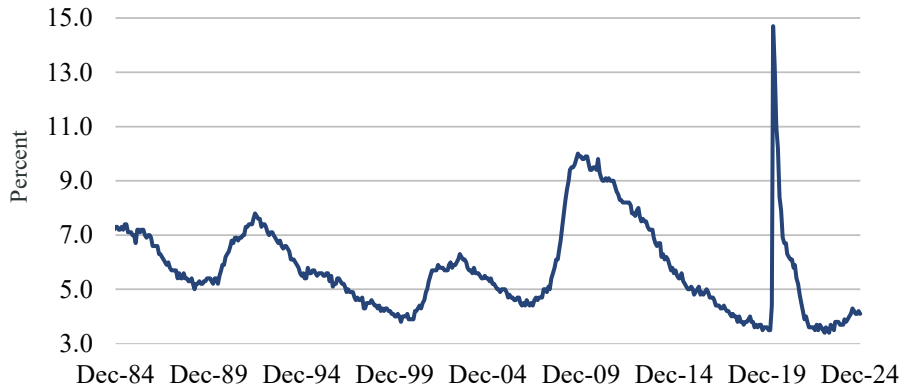
Economic Momentum... It's Too Strong For the Fed to Cut Rates Again Soon

US Real GDP Growth (Quarter-Over-Quarter, Seasonally Adjusted Annual Rate)



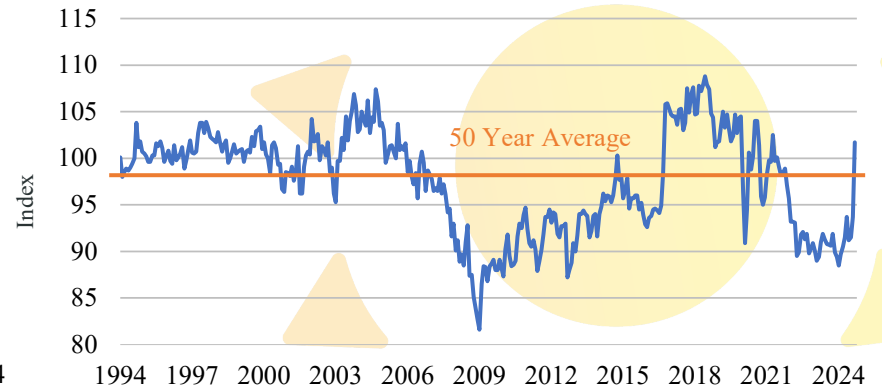
Source: Haver, Bureau of Economic Analysis data as of September 30, 2024

US Unemployment Rate



Source: Haver, Bureau of Labor Statistics data as of December 31, 2024.

US Small Business Optimism

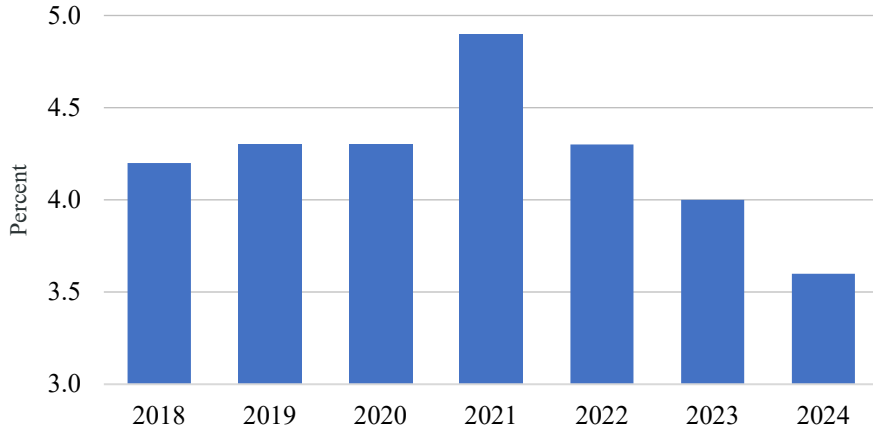


Source: Haver, National Federation of Independent Business data as of November 30, 2024.

Economic Review and Outlook

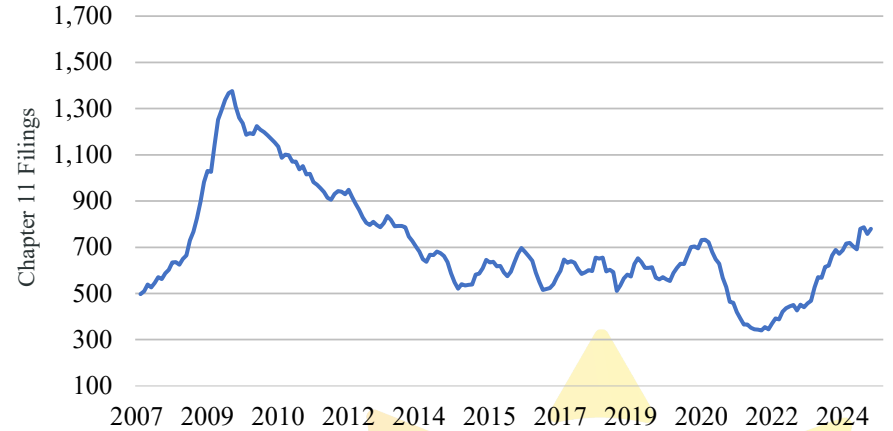
But It's Complicated... Signs of Weakness Are Being Met with Sticky Inflation

Hires Rate (As Percent of Total Employment)



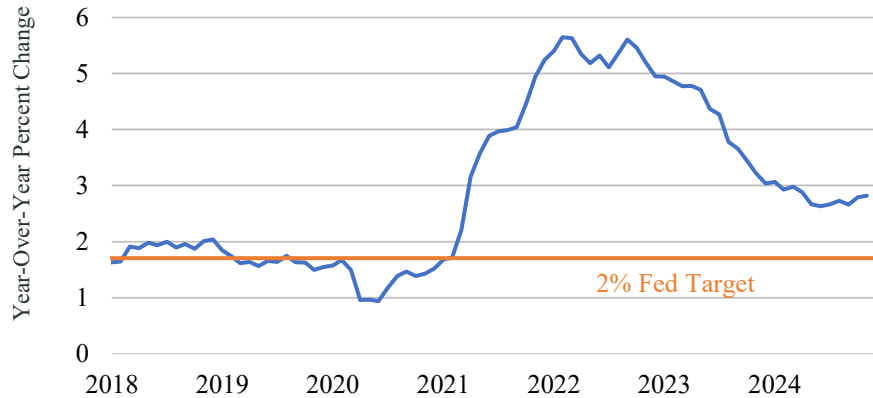
Source: Haver, Bureau of Labor Statistics data as of December 31, 2023.

US New Chapter 11 Bankruptcy Filings (6 Month Average)



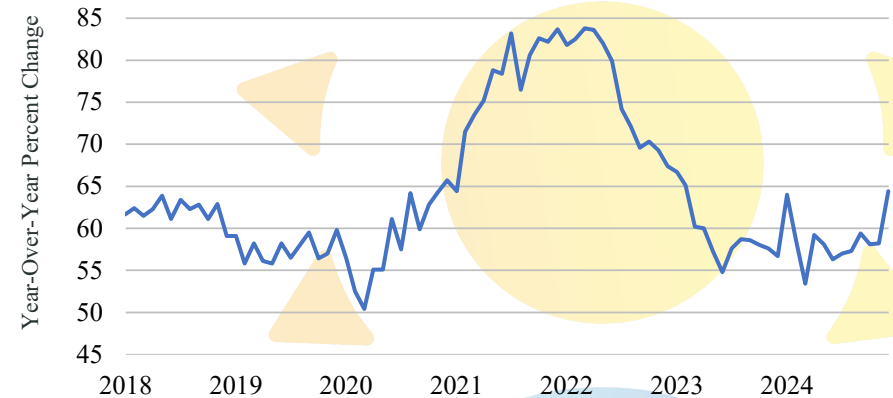
Source: Haver, Administrative Offices of US Courts data as of September 1, 2024.

Core Inflation (Core PCE Price Index, Excludes Food & Energy)



Source: Haver, U.S. Bureau of Economic Analysis data as of November 30, 2024.

ISM Business Services Price Index (Diffusion Index)

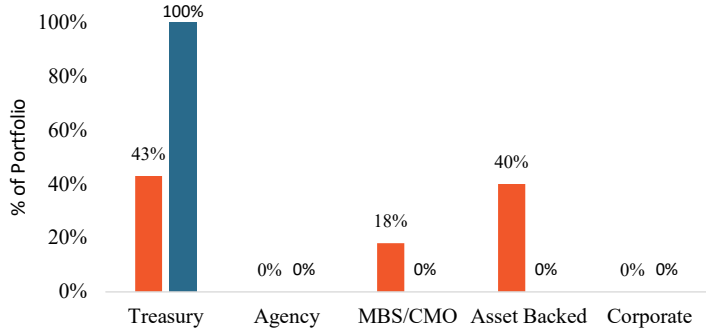


Source: Haver, Institute for Supply Management data as of December 31, 2024.

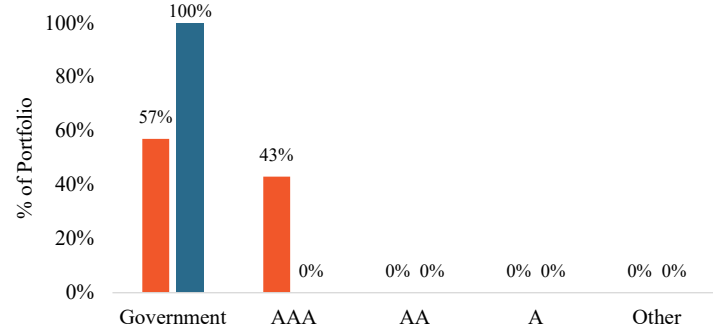
Portfolio Structure

0-2 Year High Quality Bond Fund

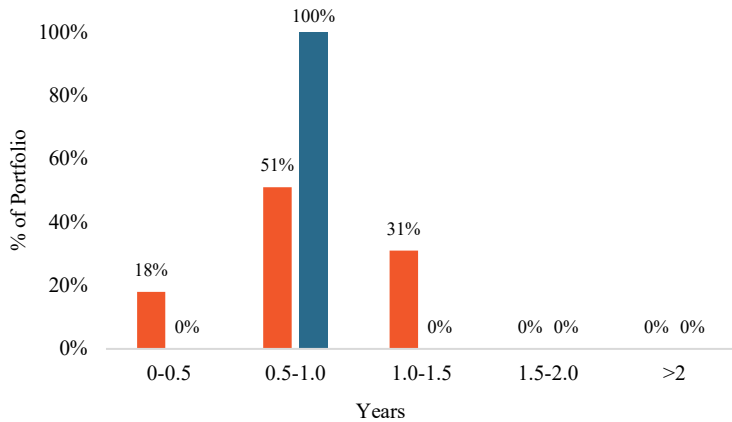
Sector Allocation



Quality Distribution



Duration Distribution



Additional Characteristics

Weighted Average Maturity	0.9 Years
Modified Duration	0.8 Years
Yield-to-Maturity	4.4%
Benchmark* Maturity	1.0 Years
Benchmark* Modified Duration	1.0 Years
Benchmark* Yield-to-Maturity	4.1%

As of March 31, 2024

Source: ICE BofA, Bloomberg, Atlanta Capital

* Benchmark: ICE BofA 1-Year T-Note

■ Portfolio ■ Benchmark*

Portfolio Structure

0-2 Year High Quality Bond Fund

- Portfolios are well diversified among ‘AAA’ rated and Government backed issues to minimize security specific risk.
- Stable and predictable cash flows, and low credit and event risk results in a significant allocation to securitized debt instruments.

	Typical Allocation	As of 03/31/2025
Securitized*	30 - 70%	56.8%
Treasury	10 - 60%	43.1%
Agency	0 - 30%	0.0%
Corporate	0 - 0%	0.0%

Preferred Habitat

- collateralized mortgage obligations (CMOs)
- asset-backed securities (ABSs)
- out-of-the-money, seasoned mortgage pass-throughs (MBS)

Advantages of Securitized Debt

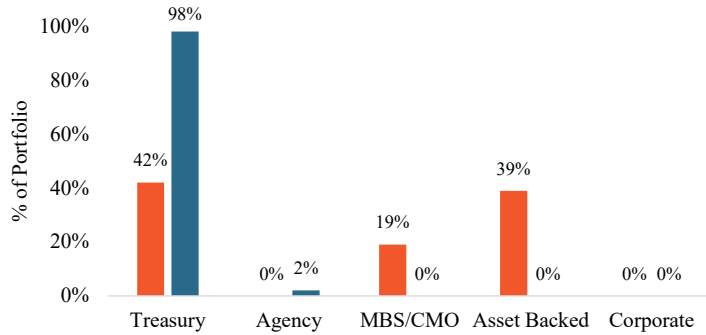
- attractive relative yields
- monthly coupon / principal payments
- bonds backed by many borrowers
- greater average life stability vs. other callable debt

*Securitized instruments includes mortgage-backed, asset-backed and collateralized mortgage obligations.

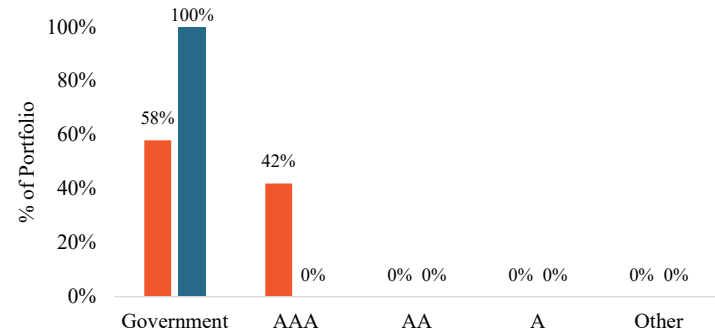
Portfolio Structure

1-3 Year High Quality Bond Fund

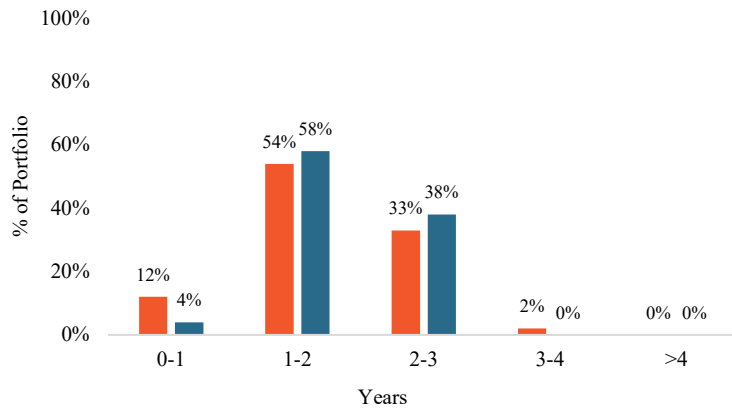
Sector Allocation



Quality Distribution



Duration Distribution



Additional Characteristics

Weighted Average Maturity	1.8 Years
Modified Duration	1.7 Years
Yield-to-Maturity	4.2%
Benchmark* Maturity	1.9 Years
Benchmark* Modified Duration	1.8 Years
Benchmark* Yield-to-Maturity	3.9%

As of March 31, 2025

Source: ICE BofA, Bloomberg, Atlanta Capital

* Benchmark: ICE BofA 1-3 Year Govt

■ Portfolio ■ Benchmark*

Portfolio Structure 1-3 Year High Quality Bond Fund

- Portfolios are well diversified among ‘AAA’ rated and Government backed issues to minimize security specific risk.
- Stable and predictable cash flows, and low credit and event risk results in a significant allocation to securitized debt instruments.

	Typical Allocation	As of 03/31/2025
Securitized*	30 - 70%	57.4%
Treasury	10 - 60%	42.4%
Agency	0 - 30%	0.0%
Corporate	0 - 0%	0.0%

Preferred Habitat

- collateralized mortgage obligations (CMOs)
- asset-backed securities (ABSs)
- out-of-the-money, seasoned mortgage pass-throughs (MBS)

Advantages of Securitized Debt

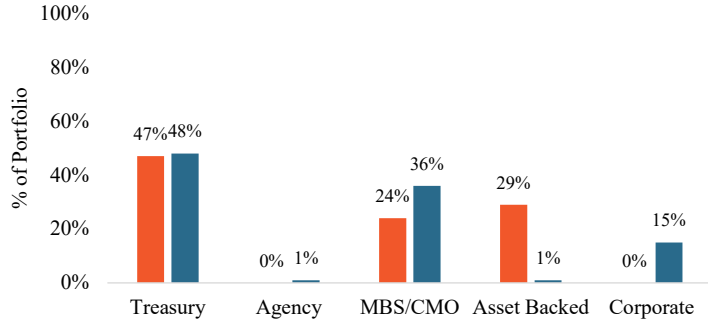
- attractive relative yields
- monthly coupon / principal payments
- bonds backed by many borrowers
- greater average life stability vs. other callable debt

*Securitized instruments includes mortgage-backed, asset-backed and collateralized mortgage obligations.

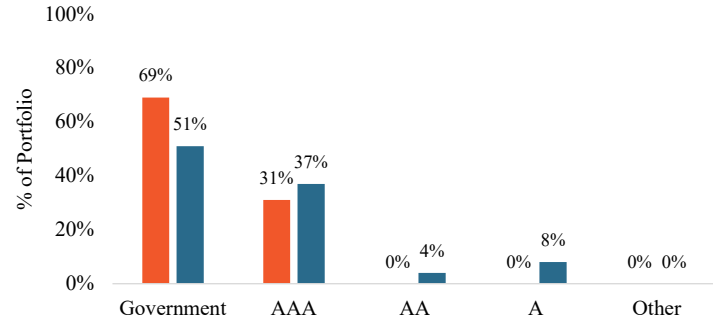
Portfolio Structure

Intermediate High Quality Bond Fund

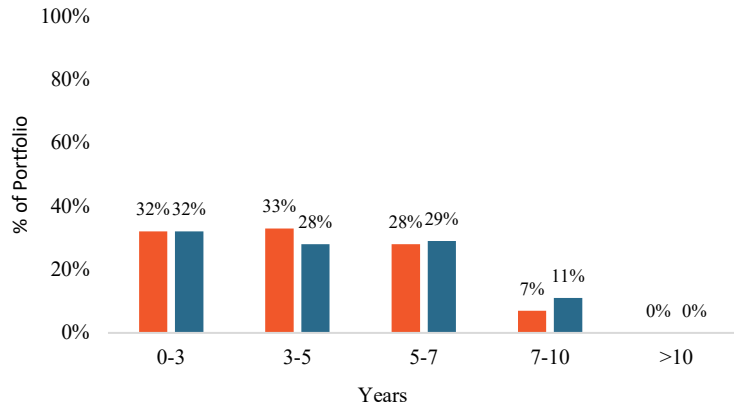
Sector Allocation



Quality Distribution



Duration Distribution



Additional Characteristics

Weighted Average Maturity	4.8 Years
Modified Duration	4.2 Years
Yield-to-Maturity	4.3%
Benchmark* Maturity	5.3 Years
Benchmark* Modified Duration	4.3 Years
Benchmark* Yield-to-Maturity	4.4%

As of March 31, 2025

Source: ICE BofA, Bloomberg, Atlanta Capital

* Benchmark: Bloomberg Intermediate Govt/Credit ex Baa+ABS+MBS

■ Portfolio ■ Benchmark*

Portfolio Structure Intermediate High Quality Bond Fund

- Portfolios are well diversified among ‘AAA’ rated and Government backed issues to minimize security specific risk.
- Stable and predictable cash flows, and low credit and event risk results in a significant allocation to securitized debt instruments.

	Typical Allocation	As of 03/31/2025
Securitized*	30 - 70%	52.9%
Treasury	10 - 60%	47.0%
Agency	0 - 30%	0.0%
Corporate	0 - 10%	0.0%

Preferred Habitat

- collateralized mortgage obligations (CMOs)
- asset-backed securities (ABSs)
- out-of-the-money, seasoned mortgage pass-throughs (MBS)

Advantages of Securitized Debt

- attractive relative yields
- monthly coupon / principal payments
- bonds backed by many borrowers
- greater average life stability vs. other callable debt

*Securitized instruments includes mortgage-backed, asset-backed and collateralized mortgage obligations.

FMIvT Professional Team

- **Investment Management**
 - Atlanta Capital Management
 - Hotchkis & Wiley
 - State Street
 - Oaktree Capital Management
 - Ninety One/Wells Fargo
 - Amundi/Pioneer
 - Morgan Stanley
- **Investment Consultant**
 - Asset Consulting Group
- **Rating Agency**
 - Fitch Ratings
- **Compliance Monitoring**
 - Asset Consulting Group
- **Auditor**
 - Shorstein & Shorstein
- **Administrator & Support Staff**
 - Florida League of Cities

Contacts

Jeff Blomeley

Manager, Investment &
Retirement Services

Florida League of Cities, Inc.

PO Box 1757

Tallahassee, FL 32302

(850) 701-3614

jblomeley@flcities.com

Jeremy Langley

Account Executive,
Financial Services

Florida League of Cities, Inc.

PO Box 1757

Tallahassee, FL 32302

(407) 367-1792

jlanglely@flcities.com