

By Representative Rayson

1 A bill to be entitled
2 An act relating to the North Broward Hospital
3 District, Broward County, amending chapter
4 27438, Laws of Florida, 1951, as amended,
5 relating to the powers of the Board of
6 Commissioners of the North Broward Hospital
7 District to enter into interest rate swap
8 agreements and certain other derivative
9 instruments; to invest available funds of the
10 pension plan in accordance with certain
11 provisions of state law; providing
12 severability; providing an effective date.

13
14 Be It Enacted by the Legislature of the State of Florida:

15
16 Section 1. Paragraph (g) is added to subsection (2) of
17 section 4 of chapter 27438, Laws of Florida, 1951, as amended,
18 to read:

19 Section 4.

20 (2) In addition to any investment authorized by
21 general law, and to the extent created by the Constitution of
22 this state, the Board of Commissioners shall be and is hereby
23 authorized and empowered to invest any funds in its control or
24 possession in accordance with an investment policy approved by
25 the board which mandates prudent investment practices which
26 shall include, among other items, the investment objectives
27 and permitted securities of the policy. Such investment
28 policy shall be designed to maximize the financial return to
29 the fund consistent with the risks incumbent in each
30 investment and shall be designed to preserve the appropriate

31

1 diversification of the portfolio. Accordingly, the following
2 instruments are authorized for investment:

3 (g) The Board of Commissioners of the North Broward
4 Hospital District shall have the power to enter into and
5 execute:

6 1. Any contract known as or referred to or which
7 performs the function of an interest rate swap agreement,
8 forward payment conversion agreement, or futures contract:

9 2. Any contract providing for payments based on levels
10 of, or changes or differences in, interest rates;

11 3. Any contract to exchange cash flows or payments or
12 series of payments;

13 4. Any type of contract called, or designed to perform
14 the function of, interest rate floors or caps, options, puts,
15 or calls, to hedge or minimize any type of financial risk,
16 including, without limitation, payment, rate, or other
17 financial risk; and

18 5. Any other type of contract or arrangement that the
19 Board of Commissioners of the North Broward Hospital District
20 determines is to be used, or is intended to be used, to manage
21 or reduce the cost of indebtedness, to convert any element of
22 indebtedness from one form to another, to maximize or increase
23 investment return, to minimize investment return risk, or to
24 protect against any type of financial risk or uncertainty.

25 Section 2. Section 31A of chapter 27438, Laws of
26 Florida, 1951, as amended by chapter 61-1937, Laws of Florida,
27 is amended to read:

28 Section 31. (1) The Board of Commissioners of the
29 North Broward Hospital District shall authorize and establish
30 one (1) medical staff for the direction and control of the
31 practitioners, and to insure the performance of necessary

1 professional services, in the hospitals and facilities
2 operated by the North Broward Hospital District. The Board of
3 Commissioners is hereby authorized and empowered to establish
4 reasonable by-laws, rules and regulations thereof, and to
5 prescribe and establish in said by-laws, rules and regulations
6 reasonable professional duties and responsibilities for the
7 staff, and members thereof, so that the welfare and health of
8 the patients and the best interest of the hospitals may at all
9 times be served. The North Broward Hospital District is
10 authorized and empowered to create an employees' pension fund
11 so as to provide for life and disability and medical insurance
12 for all or any of its employees or officers on a group
13 insurance, or other acceptable plan, approved by said Board of
14 Commissioners of North Broward Hospital District, and to
15 establish and create by resolution an employees' pension,
16 annuity, and retirement plan for any and all groups of
17 officers and employees employed by the North Broward Hospital
18 District and qualifying for such plan, and to pay all or such
19 portion of the cost of any such employees' pension, annuity,
20 and retirement plan from funds available to the District from
21 its authorized sources, with the employees defraying the
22 balance thereof, if any, as said Board of Commissioners by
23 resolution may determine for any and all groups of officers
24 and employees employed by said North Broward Hospital
25 District. The Board of Commissioners of the North Broward
26 Hospital District is authorized to invest and reinvest
27 available funds of the pension fund in accordance with the
28 provisions of ss. 215.44-215.53, Florida Statutes.

29 Section 3. If any provisions of this act or the
30 application thereof to any person or circumstance is held
31 invalid, the invalidity shall not affect the other provisions

1 or applications of the act that can be given effect without
2 the invalid provision or application, and to this end the
3 provisions of this act are declared severable.

4 Section 4. This act shall take effect upon becoming a
5 law.

6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31