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A bill to be entitled
An act relating to the General Pension and Retirement Fund of the City of Pensacola, Escambia County; amending chapter 99-474, Laws of Florida, as amended by chapter 2000-470, Laws of Florida; revising definitions; revising provisions for investments of funds; providing for repeal of conflicting laws; providing an effective date.

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

Section 1. Section 2 of chapter 99-474, Laws of Florida, as amended by chapter 2000-470, Laws of Florida, is amended to read:

Section 2. Definitions.--The words and phrases as used in this act shall have the following meanings unless a different meaning is plainly required by the context:

(1) Act.--The General Pension and Retirement Fund Special Act.

(2) Actuary.--The person, firm, or corporation, one of whose officers shall be a member of the Society of Actuaries and an enrolled actuary, as defined by the Employee Retirement Income Security Act of 1974, authorized by the board of trustees of the fund to render actuarial services to the fund.

(3) Average monthly salary.--One twenty-fourth of the salary of the 2 best years of the last 5 years of credited service prior to retirement or death.

~~(4) Bank of national repute.--See investment bank of national repute.~~

(4)~~(5)~~ Beneficiary.--Person so designated in writing by a member of the general pension plan who may become entitled to



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31 receive a refund of contributions made by a member of the plan.

32 (5)~~(6)~~ Best 2 years.--Two separate periods of 365
33 consecutive days.

34 (6)~~(7)~~ Board of trustees, the board, or the general
35 pension board.--The pension board, consisting of six members as
36 provided in this act.

37 (7)~~(8)~~ City.--The City of Pensacola.

38 (8)~~(9)~~ City council.--The city council of the City of
39 Pensacola.

40 (9)~~(10)~~ Code.--Internal Revenue Code of 1986, as amended.

41 (10)~~(11)~~ Credited service years or credited years of
42 service.--A period of service years credited to a member of the
43 plan in which the member has contributed an amount to the
44 General Pension and Retirement Fund, as provided in this act.

45 (11)~~(12)~~ Dependent.--The spouse or dependent children
46 under the age of 18 of a member of the plan.

47 (12)~~(13)~~ Dependent children.--A son or daughter under 18
48 years of age who is born in wedlock to a member of the plan;
49 and/or a child under 18 years of age adopted by a member of the
50 plan; and/or a child under 18 years of age dependent upon a
51 member of the plan for support whose dependency is proven to the
52 satisfaction of the board or, in the alternative, whose
53 dependency has been established by a final court order.

54 (13)~~(14)~~ Disability.--Physical or mental impairment which
55 renders an employee partially and permanently or totally and
56 permanently unable to perform the duties of his or her
57 employment or unable to perform any substantial gainful
58 employment.

59 (14)~~(15)~~ ECUA.--Escambia County Utilities Authority.

60 (15)~~(16)~~ General Pension and Retirement Fund, general



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61 pension plan, or the plan.--The special fund created exclusively
62 for the purposes provided in this act.

63 ~~(17) Investment bank of national repute.-- A bank having~~
64 ~~trust powers or a trust company which is experienced in the~~
65 ~~fiduciary investment of pension funds from more than one state.~~

66 (16)~~(18)~~ Line of duty.--Within the scope of employment as
67 an employee of the city during such times as such employee was
68 rendering services to the city.

69 (17)~~(19)~~ Major fraction of a year.--For calculation of
70 benefits in this act, 6 months and 1 day.

71 (18)~~(20)~~ Member of the plan.--An individual who has been
72 credited with a period of service under the plan and has
73 contributed an amount to the plan, as provided in this act.

74 (19)~~(21)~~ Nonemployment.--Any period of time an individual
75 is not employed in any capacity by the City of Pensacola.

76 (20)~~(22)~~ Normal retirement and early retirement.-- Any
77 retirement not based upon a disability, illness, or injury.

78 (21)~~(23)~~ Plan.--The General Pension and Retirement Fund.

79 (22)~~(24)~~ Plan administrator.--The Director of Finance of
80 the City of Pensacola.

81 (23)~~(25)~~ Pensioner.--A member of the plan who has drawn or
82 is drawing a pension under the provisions of this act.

83 (24)~~(26)~~ Permanent full-time employee.--A person employed
84 by the city, working an established work period set forth by
85 city policy, and not employed on a part-time, temporary, or
86 specified timeframe basis.

87 (25)~~(27)~~ Refund of contributions.--The distribution of
88 funds contributed by a member of the plan.

89 (26)~~(28)~~ Retiree.--A member of the plan, or a dependent of
90 a member, who has drawn or is drawing a pension under the



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91 provisions of this act.

92 (27)~~(29)~~ Salary.--The total cash remuneration paid to the
93 member of the plan by the city for services rendered before all
94 pretax, salary deferral, or salary reduction contributions made
95 to the General Pension and Retirement Fund on behalf of the
96 general pension plan member under section 404(h)(2) of the
97 Internal Revenue Code and any code section 457 plan and section
98 125 plan of the city. Unless otherwise provided by the city
99 council, "salary" shall exclude any educational incentive pay,
100 field training pay, certificate pay, specialized duty pay,
101 pistol qualifications pay, clothing allowance, education
102 benefit, accumulated sick leave pay at retirement, accumulated
103 vacation pay at retirement, shift differential pay,
104 nonsubstantiated business expenses, noncash benefits such as
105 employer-provided vehicles, or any other city-provided benefit,
106 severance pay, or similar lump-sum payment made upon separation
107 of service, and any other pay excluded by the city council.

108 (28)~~(30)~~ Service under the plan.--A period of service
109 years credited to a member of the plan, during which the member
110 has contributed an amount to the General Pension and Retirement
111 Fund, as provided in this act.

112 (29)~~(31)~~ Spouse.--Under the laws of the State of Florida,
113 the legally married husband or wife of the member of the plan.

114 (30)~~(32)~~ Surviving spouse.--The legally married husband or
115 wife of a member of the plan who outlives the member of the
116 plan.

117 (31)~~(33)~~ Vested member or vesting right.--A member of the
118 plan who has a right, or the right itself, to future pension
119 benefits as provided in this act.

120 Section 2. Section 36 of chapter 99-474, Laws of Florida,



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121 is amended to read:

122 Section 36. Investing funds; custodian of securities,
123 contracts with professional money managers ~~investment banks~~.--

124 (1) The pension board shall have the power and authority
125 to invest and reinvest the assets of the General Pension and
126 Retirement Fund in:

127 (a) Time or savings accounts of a national bank, a state
128 bank insured by the Federal Deposit Insurance Corporation, or a
129 savings and loan association insured by the Federal Savings and
130 Loan Insurance Corporation.

131 (b) Obligations of the United States Government or
132 obligations guaranteed as to principal and interest by the
133 United States Government.

134 (c) Obligations of municipal authority issued pursuant to
135 the laws of this state; however, for each of the 5 years next
136 preceding the date of investment, the income of such authority
137 available for fixed charges shall have been not less than 1 1/2
138 times its average annual fixed-charges requirement over the life
139 of its obligations.

140 (d) Bonds, stocks, or other evidences of indebtedness
141 issued or guaranteed by a corporation organized under the laws
142 of the United States, any state or organized territory of the
143 United States, or the District of Columbia; however, the board
144 shall not invest more than 5 percent of its assets in the common
145 stock or capital stock of any one issuing company, nor shall the
146 aggregate investment in any one issuing company exceed 5 percent
147 of the outstanding capital stock of the company, nor shall the
148 aggregate market value of the fund's investments in common
149 stocks exceed 75 percent of the assets of the fund, nor shall
150 the aggregate market value of the fund's investments in all



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151 corporate securities exceed 80 percent of the assets of the
 152 fund.

153 (e) Commingled bank and insurance company temporary
 154 investment, stock, and bond funds without regard to the quality
 155 restrictions for individual securities contained in paragraph
 156 (d).

157 (f) Commingled bank and insurance company real estate
 158 funds up to the maximum of 15 percent of assets at market value.
 159 Direct ownership and operation of real estate properties are
 160 prohibited.

161 (g) Guaranteed insurance contracts.

162 (h) Foreign securities, provided that the aggregate market
 163 value of such investments does not exceed 25 percent of the
 164 assets of the fund.

165 (2)(a) The pension board and the City of Pensacola are
 166 hereby authorized to contract with one or more professional
 167 money managers ~~investment banks of national repute~~ to act as
 168 ~~agents and corporate trustees~~ of all or any portion of the
 169 assets of the fund. Such professional money manager or managers
 170 ~~The investment bank or banks~~ shall have full investment powers
 171 with respect to said assets subject to the provisions of
 172 subsection (1) which limit the types of investments which may be
 173 made, and subject to such further restrictions as may be imposed
 174 by the board.

175 (b) The city and the board, for the purpose of contracting
 176 with one or more professional money managers ~~an investment bank~~
 177 ~~or banks~~ to invest all or any portion of the fund, shall enter
 178 into agreements between themselves providing for procedures for
 179 selecting, entering into contracts with, and terminating
 180 contracts with any such professional money manager or managers



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181 ~~investment bank or banks.~~

182 (3) In order to accomplish the purpose outlined in
183 subsection (2), the pension board may direct the plan
184 administrator of the city to act as the board's agent in
185 handling the administrative details concerning contracting with
186 any professional money manager or managers ~~the investment bank~~;
187 however, the plan administrator or his or her designee shall
188 report the status of the pension funds to the pension board on a
189 quarterly basis or with greater frequency as requested by the
190 board, and the pension board shall review same and give
191 directions to the plan administrator with respect to the
192 continued contract status of the professional money manager or
193 managers ~~investment bank~~.

194 Section 3. All laws or parts of laws in conflict with the
195 provisions of this act are repealed.

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