



HB 0603

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CHAMBER ACTION

The Committee on Local Government & Veterans' Affairs recommends the following:

**Committee Substitute**

Remove the entire bill and insert:

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 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.



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

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

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

39           (4)~~(5)~~ Beneficiary.--Person so designated in writing by a  
40 member of the general pension plan who may become entitled to  
41 receive a refund of contributions made by a member of the plan.

42           (5)~~(6)~~ Best 2 years.--Two separate periods of 365  
43 consecutive days.

44           (6)~~(7)~~ Board of trustees, the board, or the general  
45 pension board.--The pension board, consisting of six members as  
46 provided in this act.

47           (7)~~(8)~~ City.--The City of Pensacola.

48           (8)~~(9)~~ City council.--The city council of the City of  
49 Pensacola.

50           (9)~~(10)~~ Code.--Internal Revenue Code of 1986, as amended.

51           (10)~~(11)~~ Credited service years or credited years of  
52 service.--A period of service years credited to a member of the  
53 plan in which the member has contributed an amount to the  
54 General Pension and Retirement Fund, as provided in this act.

55           (11)~~(12)~~ Dependent.--The spouse or dependent children  
56 under the age of 18 of a member of the plan.



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57 |        (12)~~(13)~~ Dependent children.--A son or daughter under 18  
58 | years of age who is born in wedlock to a member of the plan;  
59 | and/or a child under 18 years of age adopted by a member of the  
60 | plan; and/or a child under 18 years of age dependent upon a  
61 | member of the plan for support whose dependency is proven to the  
62 | satisfaction of the board or, in the alternative, whose  
63 | dependency has been established by a final court order.

64 |        (13)~~(14)~~ Disability.--Physical or mental impairment which  
65 | renders an employee partially and permanently or totally and  
66 | permanently unable to perform the duties of his or her  
67 | employment or unable to perform any substantial gainful  
68 | employment.

69 |        (14)~~(15)~~ ECUA.--Escambia County Utilities Authority.

70 |        (15)~~(16)~~ General Pension and Retirement Fund, general  
71 | pension plan, or the plan.--The special fund created exclusively  
72 | for the purposes provided in this act.

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

76 |        (16)~~(18)~~ Line of duty.--Within the scope of employment as  
77 | an employee of the city during such times as such employee was  
78 | rendering services to the city.

79 |        (17)~~(19)~~ Major fraction of a year.--For calculation of  
80 | benefits in this act, 6 months and 1 day.

81 |        (18)~~(20)~~ Member of the plan.--An individual who has been  
82 | credited with a period of service under the plan and has  
83 | contributed an amount to the plan, as provided in this act.



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84 |        (19)~~(21)~~ Nonemployment.--Any period of time an individual  
85 | is not employed in any capacity by the City of Pensacola.

86 |        (20)~~(22)~~ Normal retirement and early retirement.-- Any  
87 | retirement not based upon a disability, illness, or injury.

88 |        (21)~~(23)~~ Plan.--The General Pension and Retirement Fund.

89 |        (22)~~(24)~~ Plan administrator.--The Director of Finance of  
90 | the City of Pensacola.

91 |        (23)~~(25)~~ Pensioner.--A member of the plan who has drawn or  
92 | is drawing a pension under the provisions of this act.

93 |        (24)~~(26)~~ Permanent full-time employee.--A person employed  
94 | by the city, working an established work period set forth by  
95 | city policy, and not employed on a part-time, temporary, or  
96 | specified timeframe basis.

97 |        (25)~~(27)~~ Refund of contributions.--The distribution of  
98 | funds contributed by a member of the plan.

99 |        (26)~~(28)~~ Retiree.--A member of the plan, or a dependent of  
100 | a member, who has drawn or is drawing a pension under the  
101 | provisions of this act.

102 |        (27)~~(29)~~ Salary.--The total cash remuneration paid to the  
103 | member of the plan by the city for services rendered before all  
104 | pretax, salary deferral, or salary reduction contributions made  
105 | to the General Pension and Retirement Fund on behalf of the  
106 | general pension plan member under section 404(h)(2) of the  
107 | Internal Revenue Code and any code section 457 plan and section  
108 | 125 plan of the city. Unless otherwise provided by the city  
109 | council, "salary" shall exclude any educational incentive pay,  
110 | field training pay, certificate pay, specialized duty pay,  
111 | pistol qualifications pay, clothing allowance, education



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112 benefit, accumulated sick leave pay at retirement, accumulated  
 113 vacation pay at retirement, shift differential pay,  
 114 nonsubstantiated business expenses, noncash benefits such as  
 115 employer-provided vehicles, or any other city-provided benefit,  
 116 severance pay, or similar lump-sum payment made upon separation  
 117 of service, and any other pay excluded by the city council.

118 (28)~~(30)~~ Service under the plan.--A period of service  
 119 years credited to a member of the plan, during which the member  
 120 has contributed an amount to the General Pension and Retirement  
 121 Fund, as provided in this act.

122 (29)~~(31)~~ Spouse.--Under the laws of the State of Florida,  
 123 the legally married husband or wife of the member of the plan.

124 (30)~~(32)~~ Surviving spouse.--The legally married husband or  
 125 wife of a member of the plan who outlives the member of the  
 126 plan.

127 (31)~~(33)~~ Vested member or vesting right.--A member of the  
 128 plan who has a right, or the right itself, to future pension  
 129 benefits as provided in this act.

130 Section 2. Section 36 of chapter 99-474, Laws of Florida,  
 131 is amended to read:

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

134 (1) The pension board shall have the power and authority  
 135 to invest and reinvest the assets of the General Pension and  
 136 Retirement Fund in:

137 (a) Time or savings accounts of a national bank, a state  
 138 bank insured by the Federal Deposit Insurance Corporation, or a



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139 savings and loan association insured by the Federal Savings and  
140 Loan Insurance Corporation.

141 (b) Obligations of the United States Government or  
142 obligations guaranteed as to principal and interest by the  
143 United States Government.

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

150 (d) Bonds, stocks, or other evidences of indebtedness  
151 issued or guaranteed by a corporation organized under the laws  
152 of the United States, any state or organized territory of the  
153 United States, or the District of Columbia; however, the board  
154 shall not invest more than 5 percent of its assets in the common  
155 stock or capital stock of any one issuing company, nor shall the  
156 aggregate investment in any one issuing company exceed 5 percent  
157 of the outstanding capital stock of the company, nor shall the  
158 aggregate market value of the fund's investments in common  
159 stocks exceed 75 percent of the assets of the fund, nor shall  
160 the aggregate market value of the fund's investments in all  
161 corporate securities exceed 80 percent of the assets of the  
162 fund.

163 (e) Commingled bank and insurance company temporary  
164 investment, stock, and bond funds without regard to the quality  
165 restrictions for individual securities contained in paragraph  
166 (d).



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167 (f) Commingled bank and insurance company real estate  
 168 funds up to the maximum of 15 percent of assets at market value.  
 169 Direct ownership and operation of real estate properties are  
 170 prohibited.

171 (g) Guaranteed insurance contracts.

172 (h) Foreign securities, provided that the aggregate market  
 173 value of such investments does not exceed 25 percent of the  
 174 assets of the fund.

175 (2)(a) The pension board and the City of Pensacola are  
 176 hereby authorized to contract with one or more professional  
 177 money managers ~~investment banks of national repute~~ to act as  
 178 agents ~~and corporate trustees~~ of all or any portion of the  
 179 assets of the fund. Such professional money manager or managers  
 180 ~~The investment bank or banks~~ shall have full investment powers  
 181 with respect to said assets subject to the provisions of  
 182 subsection (1) which limit the types of investments which may be  
 183 made, and subject to such further restrictions as may be imposed  
 184 by the board.

185 (b) The city and the board, for the purpose of contracting  
 186 with one or more professional money managers ~~an investment bank~~  
 187 ~~or banks~~ to invest all or any portion of the fund, shall enter  
 188 into agreements between themselves providing for procedures for  
 189 selecting, entering into contracts with, and terminating  
 190 contracts with any such professional money manager or managers  
 191 ~~investment bank or banks~~.

192 (3) In order to accomplish the purpose outlined in  
 193 subsection (2), the pension board may direct the plan  
 194 administrator of the city to act as the board's agent in



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195 | handling the administrative details concerning contracting with  
196 | any professional money manager or managers ~~the investment bank~~;  
197 | however, the plan administrator or his or her designee shall  
198 | report the status of the pension funds to the pension board on a  
199 | quarterly basis or with greater frequency as requested by the  
200 | board, and the pension board shall review same and give  
201 | directions to the plan administrator with respect to the  
202 | continued contract status of the professional money manager or  
203 | managers ~~investment bank~~.

204 |           Section 3. This act shall take effect upon becoming a law.  
205 |