



HB 0603

2003
CS

CHAMBER ACTION

The Committee on State Administration 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.



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

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

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

38 (4)~~(5)~~ Beneficiary.--Person so designated in writing by a
39 member of the general pension plan who may become entitled to
40 receive a refund of contributions made by a member of the plan.

41 (5)~~(6)~~ Best 2 years.--Two separate periods of 365
42 consecutive days.

43 (6)~~(7)~~ Board of trustees, the board, or the general
44 pension board.--The pension board, consisting of six members as
45 provided in this act.

46 (7)~~(8)~~ City.--The City of Pensacola.

47 (8)~~(9)~~ City council.--The city council of the City of
48 Pensacola.

49 (9)~~(10)~~ Code.--Internal Revenue Code of 1986, as amended.

50 (10)~~(11)~~ Credited service years or credited years of
51 service.--A period of service years credited to a member of the
52 plan in which the member has contributed an amount to the
53 General Pension and Retirement Fund, as provided in this act.

54 (11)~~(12)~~ Dependent.--The spouse or dependent children
55 under the age of 18 of a member of the plan.



HB 0603

2003
CS

56 (12)~~(13)~~ Dependent children.--A son or daughter under 18
57 years of age who is born in wedlock to a member of the plan;
58 and/or a child under 18 years of age adopted by a member of the
59 plan; and/or a child under 18 years of age dependent upon a
60 member of the plan for support whose dependency is proven to the
61 satisfaction of the board or, in the alternative, whose
62 dependency has been established by a final court order.

63 (13)~~(14)~~ Disability.--Physical or mental impairment which
64 renders an employee partially and permanently or totally and
65 permanently unable to perform the duties of his or her
66 employment or unable to perform any substantial gainful
67 employment.

68 (14)~~(15)~~ ECUA.--Escambia County Utilities Authority.

69 (15)~~(16)~~ General Pension and Retirement Fund, general
70 pension plan, or the plan.--The special fund created exclusively
71 for the purposes provided in this act.

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

75 (16)~~(18)~~ Line of duty.--Within the scope of employment as
76 an employee of the city during such times as such employee was
77 rendering services to the city.

78 (17)~~(19)~~ Major fraction of a year.--For calculation of
79 benefits in this act, 6 months and 1 day.

80 (18)~~(20)~~ Member of the plan.--An individual who has been
81 credited with a period of service under the plan and has
82 contributed an amount to the plan, as provided in this act.



83 | ~~(19)(21)~~ Nonemployment.--Any period of time an individual
84 | is not employed in any capacity by the City of Pensacola.

85 | ~~(20)(22)~~ Normal retirement and early retirement.-- Any
86 | retirement not based upon a disability, illness, or injury.

87 | ~~(21)(23)~~ Plan.--The General Pension and Retirement Fund.

88 | ~~(22)(24)~~ Plan administrator.--The Director of Finance of
89 | the City of Pensacola.

90 | ~~(23)(25)~~ Pensioner.--A member of the plan who has drawn or
91 | is drawing a pension under the provisions of this act.

92 | ~~(24)(26)~~ Permanent full-time employee.--A person employed
93 | by the city, working an established work period set forth by
94 | city policy, and not employed on a part-time, temporary, or
95 | specified timeframe basis.

96 | (25) Professional money manager.--An investment management
97 | firm that is registered as an investment advisor with the
98 | Securities and Exchange Commission pursuant to the Investment
99 | Advisors Act of 1940, which firm shall acknowledge in writing
100 | its fiduciary duty to the Board of Trustees.

101 | ~~(26)(27)~~ Refund of contributions.--The distribution of
102 | funds contributed by a member of the plan.

103 | ~~(27)(28)~~ Retiree.--A member of the plan, or a dependent of
104 | a member, who has drawn or is drawing a pension under the
105 | provisions of this act.

106 | ~~(28)(29)~~ Salary.--The total cash remuneration paid to the
107 | member of the plan by the city for services rendered before all
108 | pretax, salary deferral, or salary reduction contributions made
109 | to the General Pension and Retirement Fund on behalf of the
110 | general pension plan member under section 404(h)(2) of the



HB 0603

2003
CS

111 Internal Revenue Code and any code section 457 plan and section
112 125 plan of the city. Unless otherwise provided by the city
113 council, "salary" shall exclude any educational incentive pay,
114 field training pay, certificate pay, specialized duty pay,
115 pistol qualifications pay, clothing allowance, education
116 benefit, accumulated sick leave pay at retirement, accumulated
117 vacation pay at retirement, shift differential pay,
118 nonsubstantiated business expenses, noncash benefits such as
119 employer-provided vehicles, or any other city-provided benefit,
120 severance pay, or similar lump-sum payment made upon separation
121 of service, and any other pay excluded by the city council.

122 (29)~~(30)~~ Service under the plan.--A period of service
123 years credited to a member of the plan, during which the member
124 has contributed an amount to the General Pension and Retirement
125 Fund, as provided in this act.

126 (30)~~(31)~~ Spouse.--Under the laws of the State of Florida,
127 the legally married husband or wife of the member of the plan.

128 (31)~~(32)~~ Surviving spouse.--The legally married husband or
129 wife of a member of the plan who outlives the member of the
130 plan.

131 (32)~~(33)~~ Vested member or vesting right.--A member of the
132 plan who has a right, or the right itself, to future pension
133 benefits as provided in this act.

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

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



HB 0603

2003
CS

138 (1) The pension board shall have the power and authority
139 to invest and reinvest the assets of the General Pension and
140 Retirement Fund in:

141 (a) Time or savings accounts of a national bank, a state
142 bank insured by the Federal Deposit Insurance Corporation, or a
143 savings and loan association insured by the Federal Savings and
144 Loan Insurance Corporation.

145 (b) Obligations of the United States Government or
146 obligations guaranteed as to principal and interest by the
147 United States Government.

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

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



165 corporate securities exceed 80 percent of the assets of the
166 fund.

167 (e) Commingled bank and insurance company temporary
168 investment, stock, and bond funds without regard to the quality
169 restrictions for individual securities contained in paragraph
170 (d).

171 (f) Commingled bank and insurance company real estate
172 funds up to the maximum of 15 percent of assets at market value.
173 Direct ownership and operation of real estate properties are
174 prohibited.

175 (g) Guaranteed insurance contracts.

176 (h) Foreign securities, provided that the aggregate market
177 value of such investments does not exceed 25 percent of the
178 assets of the fund.

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

189 (b) The city and the board, for the purpose of contracting
190 with one or more professional money managers ~~an investment bank~~
191 ~~or banks~~ to invest all or any portion of the fund, shall enter
192 into agreements between themselves providing for procedures for



HB 0603

2003
CS

193 selecting, entering into contracts with, and terminating
 194 contracts with any such professional money manager or managers
 195 ~~investment bank or banks.~~

196 (3) In order to accomplish the purpose outlined in
 197 subsection (2), the pension board may direct the plan
 198 administrator of the city to act as the board's agent in
 199 handling the administrative details concerning contracting with
 200 any professional money manager or managers ~~the investment bank;~~
 201 however, the plan administrator or his or her designee shall
 202 report the status of the pension funds to the pension board on a
 203 quarterly basis or with greater frequency as requested by the
 204 board, and the pension board shall review same and give
 205 directions to the plan administrator with respect to the
 206 continued contract status of the professional money manager or
 207 managers ~~investment bank.~~

208 Section 3. This act shall take effect upon becoming a law.
 209
 210