



1 A bill to be entitled
 2 An act relating to the General Pension and Retirement Fund
 3 of the City of Pensacola, Escambia County; amending
 4 chapter 99-474, Laws of Florida, as amended by chapter
 5 2000-470, Laws of Florida; revising definitions; revising
 6 provisions for investments of funds; providing an
 7 effective date.

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

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

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

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

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

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

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



29 (4)~~(5)~~ Beneficiary.--Person so designated in writing by a
 30 member of the general pension plan who may become entitled to
 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
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) Professional money manager.--An investment management
88 firm that is registered as an investment advisor with the
89 Securities and Exchange Commission pursuant to the Investment
90 Advisors Act of 1940, which firm shall acknowledge in writing
91 its fiduciary duty to the Board of Trustees.

92 ~~(26)(27)~~ Refund of contributions.--The distribution of
93 funds contributed by a member of the plan.

94 ~~(27)(28)~~ Retiree.--A member of the plan, or a dependent of
95 a member, who has drawn or is drawing a pension under the
96 provisions of this act.

97 ~~(28)(29)~~ Salary.--The total cash remuneration paid to the
98 member of the plan by the city for services rendered before all
99 pretax, salary deferral, or salary reduction contributions made
100 to the General Pension and Retirement Fund on behalf of the
101 general pension plan member under section 404(h)(2) of the
102 Internal Revenue Code and any code section 457 plan and section
103 125 plan of the city. Unless otherwise provided by the city
104 council, "salary" shall exclude any educational incentive pay,
105 field training pay, certificate pay, specialized duty pay,
106 pistol qualifications pay, clothing allowance, education
107 benefit, accumulated sick leave pay at retirement, accumulated
108 vacation pay at retirement, shift differential pay,
109 nonsubstantiated business expenses, noncash benefits such as
110 employer-provided vehicles, or any other city-provided benefit,
111 severance pay, or similar lump-sum payment made upon separation
112 of service, and any other pay excluded by the city council.



113 (29)~~(30)~~ Service under the plan.--A period of service
 114 years credited to a member of the plan, during which the member
 115 has contributed an amount to the General Pension and Retirement
 116 Fund, as provided in this act.

117 (30)~~(31)~~ Spouse.--Under the laws of the State of Florida,
 118 the legally married husband or wife of the member of the plan.

119 (31)~~(32)~~ Surviving spouse.--The legally married husband or
 120 wife of a member of the plan who outlives the member of the
 121 plan.

122 (32)~~(33)~~ Vested member or vesting right.--A member of the
 123 plan who has a right, or the right itself, to future pension
 124 benefits as provided in this act.

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

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

129 (1) The pension board shall have the power and authority
 130 to invest and reinvest the assets of the General Pension and
 131 Retirement Fund in:

132 (a) Time or savings accounts of a national bank, a state
 133 bank insured by the Federal Deposit Insurance Corporation, or a
 134 savings and loan association insured by the Federal Savings and
 135 Loan Insurance Corporation.

136 (b) Obligations of the United States Government or
 137 obligations guaranteed as to principal and interest by the
 138 United States Government.

139 (c) Obligations of municipal authority issued pursuant to
 140 the laws of this state; however, for each of the 5 years next



141 preceding the date of investment, the income of such authority
142 available for fixed charges shall have been not less than 1 1/2
143 times its average annual fixed-charges requirement over the life
144 of its obligations.

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

158 (e) Commingled bank and insurance company temporary
159 investment, stock, and bond funds without regard to the quality
160 restrictions for individual securities contained in paragraph
161 (d).

162 (f) Commingled bank and insurance company real estate
163 funds up to the maximum of 15 percent of assets at market value.
164 Direct ownership and operation of real estate properties are
165 prohibited.

166 (g) Guaranteed insurance contracts.



167 (h) Foreign securities, provided that the aggregate market
168 value of such investments does not exceed 25 percent of the
169 assets of the fund.

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

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

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



195 board, and the pension board shall review same and give
196 directions to the plan administrator with respect to the
197 continued contract status of the professional money manager or
198 managers investment bank.

199 Section 3. This act shall take effect upon becoming a law.
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