

CHAMBER ACTION

1 The Local Government Council recommends the following:

2
3 **Council/Committee Substitute**

4 Remove the entire bill and insert:

5 A bill to be entitled

6 An act relating to the City of Jacksonville; amending
7 chapter 92-341, Laws of Florida, as amended; revising
8 provisions of Article 22 of the charter of the City of
9 Jacksonville, relating to the Jacksonville Police and Fire
10 Pension Board of Trustees; revising trustees' terms of
11 office; providing authority of the board with regard to
12 assets of the plan; revising provisions relating to the
13 investment and reinvestment of assets in the pension fund;
14 providing for applicability of state law; providing
15 severability; providing an effective date.

16
17 Be It Enacted by the Legislature of the State of Florida:

18
19 Section 1. Sections 22.02(a) and (d), 22.04(b), and 22.08
20 of Article 22 of the charter of the City of Jacksonville as
21 readopted in chapter 92-341, Laws of Florida, as amended, are
22 amended to read:

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23 ARTICLE 22. JACKSONVILLE POLICE AND FIRE PENSION BOARD OF
24 TRUSTEES

25 Section 22.02. Membership

26 (a) The membership of the Jacksonville Police and Fire
27 Pension Board of Trustees shall consist of five members, of whom
28 two shall be legal residents of the City of Jacksonville
29 appointed by the city council; one shall be a police officer
30 elected by a majority vote of the police officers who are
31 members of the pension fund, one shall be a firefighter elected
32 by a majority of the firefighters who are members of the pension
33 fund, and the last shall be chosen by a majority of the previous
34 ~~pervious~~ four members. The fifth member's name shall be
35 submitted to the City Council, which shall, as a ministerial
36 act, appoint such person as the fifth member of the board.
37 Effective for all new appointments after July 1, 2005, each
38 resident member shall serve as a trustee for a period of 4 ~~2~~
39 years, unless sooner replaced by the City Council at whose
40 pleasure he or she shall serve, and may succeed himself or
41 herself as a trustee. Effective for all elections after July 1,
42 2005, the police officer and firefighter members shall serve as
43 trustees for a period of 4 ~~2~~ years, unless they shall sooner
44 leave the employment of the city as a police officer or
45 firefighter, whereupon the class of employees whose elected
46 representative has left office shall elect a successor to fill
47 the unexpired term of office as provided for in this section.
48 Each employee member may succeed himself or herself in office.
49 Effective for all new appointments after July 1, 2005, the fifth
50 member shall serve a term of 4 ~~2~~ years and may succeed himself

51 | or herself in office. Members shall continue to serve until
52 | their respective successors are appointed, elected, or selected.

53 | (d) The provisions of chapters 175 and 185, Florida
54 | Statutes, the provisions of s. 286.012, Florida Statutes, and
55 | the provisions of ss. 112.311–112.3175 and chapter 112, part VII
56 | ~~ss. 112.60–112.66~~, Florida Statutes, ~~inclusive~~, and as the same
57 | may be amended in the future, shall apply to each member of the
58 | board. The board shall have the authority to invest and reinvest
59 | the assets of the plan without regard to any limitation in
60 | chapters 175 and 185, Florida Statutes, and shall be bound by
61 | the provisions of chapter 112, part VII, Florida Statutes, and
62 | the applicable provisions of s. 215.47, Florida Statutes. Prior
63 | to the adoption of any change in asset allocation or the
64 | introduction of a new asset class, the board shall give written
65 | notice of the meeting at which the proposed change shall be
66 | considered to the City Council Finance Committee.

67 | Section 22.04. General powers.--The board shall have the
68 | power to:

69 | (b) Invest and reinvest the assets of pension fund in:

70 | (1) Any lawful investment as provided in applicable
71 | provisions of s. 215.47, Florida Statutes, provided the
72 | investment is permitted in the written investment policy adopted
73 | by the board as provided in chapter 112, part VII, Florida
74 | Statutes.

75 | (2) Notwithstanding anything to the contrary in the
76 | applicable provisions of s. 215.47, Florida Statutes,
77 | investments in fixed real estates assets shall not exceed 10
78 | percent of the assets of the plan, at cost.

79 ~~(1) Time or savings accounts of a national bank, a state~~
 80 ~~bank insured by the Federal Deposit Insurance Corporation, or a~~
 81 ~~savings and loan association insured by the Federal Savings and~~
 82 ~~Loan Insurance Corporation.~~

83 ~~(2) Obligations of the United States or obligations~~
 84 ~~guaranteed as to principle and interest by the United States.~~

85 ~~(3) Bonds issued by the State of Israel.~~

86 ~~(4) Bonds, stocks, or other evidences of indebtedness~~
 87 ~~issued or guaranteed by a corporation organized under the laws~~
 88 ~~of the United States, any state or organized territory of the~~
 89 ~~United States, or the District of Columbia, provided the stock~~
 90 ~~of the corporation is listed on any one or more of the national~~
 91 ~~stock exchanges and the bonds hold a rating in one of the three~~
 92 ~~highest classifications by a major rating service; and the board~~
 93 ~~of trustees shall not invest more the 5 percent of its assets in~~
 94 ~~the common stock or capital stock of any one issuing company,~~
 95 ~~nor shall the aggregate investment in any one issuing company~~
 96 ~~exceed 5 percent of the outstanding capital stock of the~~
 97 ~~company, nor shall the aggregate of its investments under this~~
 98 ~~paragraph exceed 50 percent of the fund's assets in bonds, or 60~~
 99 ~~percent of the fund's assets in common stocks, or investments~~
 100 ~~authorized by chapter 175 and 185, F.S. for public pension~~
 101 ~~funds. Such investments must be recommended by either a~~
 102 ~~competent nationally recognized investment counseling firm or a~~
 103 ~~corporate trustee who is nationally recognized in pension fund~~
 104 ~~investments.~~

105 ~~(5) At no time shall the investment in real estate and~~
 106 ~~real estate related securities exceed 10 percent of the book~~

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107 ~~value of the fund. Such investment must be recommended by either~~
 108 ~~a competent nationally recognized investment counseling firm or~~
 109 ~~a corporate trustee who is nationally recognized in pension fund~~
 110 ~~investments.~~

111 (3)~~(6)~~ Investment plan.

112 (i) In making investments for the plan, the board shall
 113 make no investment after June 30, 1996, which is not in
 114 conformance with the plan's investment plan. The investment plan
 115 must include, among other items: the investment objectives;
 116 permitted types of securities in which the board may not invest;
 117 the criteria to measure annual investment performance; and any
 118 other applicable criteria established by the board.

119 (ii) The investment plan shall be developed by the plan
 120 administrator and shall be approved by the board. Upon adoption
 121 by the board, the investment plan and any amendments shall be
 122 promptly filed with the Division of Retirement, and the plan's
 123 sponsor and plan actuary.

124 (iii) The effective date of the investment plan shall be
 125 the 31st calendar day following the filing date with the plan
 126 sponsor. Investments permitted by the investment plan shall not
 127 be made prior to the effective date of the investment plan.

128 (iv) The investment plan may be amended at any time
 129 subject to paragraphs (ii) and (iii).

130 (v) For each illiquid investment (an investment for which
 131 a generally recognized market is not available or for which
 132 there is no consistent or generally accepted pricing mechanism)
 133 the investment plan shall: include the criteria set forth in s.
 134 215.47(6), Florida Statutes; require a statement as to the

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135 additional expected yield anticipated to compensate the plan for
 136 the additional risk of such investment which additional yield is
 137 not available from an investment for which there is a generally
 138 recognized market; require the board to verify the determination
 139 of the fair market value for each such investment as of each
 140 date as of which an actuarial valuation is prepared and that the
 141 determination complies with all applicable state and federal
 142 requirements; and require the board to disclose to the Division
 143 of Retirement and the plan's sponsor each such investment as of
 144 each date as of which an actuarial valuation is prepared for
 145 which the fair market value is not provided.

146 (vi) Immediately prior to the date as of which each
 147 actuarial valuation is prepared, the board shall determine the
 148 total expected annual rate of return for the plan's assets for
 149 the year beginning with the date as of which the actuarial
 150 valuation is prepared, for each of the next several years and
 151 for the long-term thereafter. This determination shall be
 152 promptly filed with the Division of Retirement, and the plan's
 153 sponsor and plan actuary.

154 Section 22.08. Applicability of state law.--Except as
 155 otherwise provided herein, the board shall be bound in its
 156 actions by the applicable provisions of:

- 157 (a) Chapter 185, Florida Statutes, as amended.
- 158 (b) Chapter 175, Florida Statutes, as amended.
- 159 (c) Section 14, Article X of the State Constitution.
- 160 (d) Chapter 112, part VII, Florida Statutes, as amended.
- 161 (e) Section 215.47, Florida Statutes, as amended.

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162 Section 2. If any part of this act shall be held void,
163 voidable, or otherwise unenforceable by any court of law or
164 equity, nothing contained in this act shall limit the
165 enforceability of any other part.

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