

By Senators Joyner, Justice, Crist and Storms

18-1968-07

See HB 1409

1                                   A bill to be entitled  
2           An act relating to the City of Tampa,  
3           Hillsborough County; amending chapter 23559,  
4           Laws of Florida, 1945, as amended; revising  
5           investment policy provisions to conform with  
6           general law; increasing the percentage of  
7           average monthly salary used to calculate  
8           monthly pension benefits for Division B  
9           employees; increasing the percentage used to  
10          calculate the monthly pension for Division B  
11          employees who have retired under a previous  
12          City of Tampa pension plan and subsequently  
13          been rehired; providing an effective date.

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

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17           Section 1. Section 6 of chapter 23559, Laws of  
18 Florida, 1945, as amended, is amended to read:

19           Section 6. Administration.--The Administration of this  
20 Fund shall be in charge of a pension or retirement board,  
21 consisting of seven members who shall be designated as  
22 trustees of the pension or retirement fund ("Board of  
23 Trustees"). Three members of this Board shall be appointed by  
24 the Mayor or Executive Head of the City of Tampa. Three  
25 members of this Board shall be Employees participating in this  
26 Fund elected by the members of this Fund. However, not more  
27 than one Employee member shall be elected from the same  
28 department of the Employer. In the event that two or more  
29 candidates from the same department should receive sufficient  
30 number of votes for election, then only the candidate  
31 receiving the highest number of votes among the candidates

1 from the same department shall be elected. The Director of  
2 Finance shall be the seventh member of this Board. The three  
3 members of this Board to be appointed by the Mayor or  
4 Executive Head of the City, shall be appointed immediately  
5 after the passage of this Act, and they shall qualify within  
6 30 days thereafter. One member appointed by the Mayor or  
7 Executive Head of the City shall serve for a period of 3  
8 years, one member for a period of 2 years, and one member for  
9 a period of 1 year. Three members of this Board shall be  
10 elected by the Employees who are beneficiaries of this Fund.  
11 One member elected shall serve for a period of 3 years, one  
12 member for a period of 2 years, and one member for a period of  
13 1 year. At the expiration of the term of office of each member  
14 appointed, the Mayor or Executive Head of the City shall  
15 appoint his or her successor to serve for a term of 3 years.  
16 Thirty days prior to the expiration of the term of office of  
17 each member elected, a successor shall be elected by the  
18 Employees and shall take office upon the expiration of his or  
19 her predecessor's term and shall serve for a term of 3 years.  
20 Vacancies on the pension or retirement board before the  
21 expiration of the term of office shall be filled in the same  
22 manner as prescribed for members replacing those whose term of  
23 office expires for the period of the unexpired time. The Board  
24 shall have the power to adopt and prescribe reasonable rules,  
25 regulations, and orders necessary and proper for effective  
26 administration and enforcement of this Act and for the  
27 election of Trustees. The Director of Finance of the City  
28 shall be the treasurer of the Board and he or she shall give  
29 bond as may be prescribed by the board. The city attorney  
30 shall be the legal advisor of the Board. The compensation of  
31 all persons engaged by the City for the Board of Trustees and

1 all other expenses of the Board of Trustees necessary for the  
2 administration of the Plan shall be paid out of the Fund at  
3 such rates and in such amounts as the Board of Trustees shall  
4 approve, but in no case shall the expenditures for such  
5 compensation and administration exceed .5 percent of the  
6 maximum of the Fund each fiscal year. The funds shall be  
7 managed by said Trustees and shall be invested by the Trustees  
8 in accordance with the following:

9       (A) That the investments of the Fund shall be  
10 consistent with a written investment policy adopted by the  
11 Board of Trustees pursuant to section 112.661, Florida  
12 Statutes, and subject to the limitations in section  
13 215.47(1)-(8), (10), and (16), Florida Statutes. In making  
14 each and all of such investments, the Board of Trustees shall  
15 exercise the judgment and care under the circumstances then  
16 prevailing that men or women of ordinary prudence, discretion,  
17 and intelligence exercise in the management of their own  
18 affairs, not in regard to speculation but in regard to the  
19 permanent disposition of their funds, considering the probable  
20 income therefrom as well as probable safety of their capital.

21       ~~(B)(A)~~ That the Board of Trustees shall retain the  
22 services of one or more recognized professional investment  
23 counselors or state or national banks in the State of Florida  
24 offering qualified and competent investment advisory services.  
25 Said banks must be capitalized at not less than \$10 million,  
26 having trust assets aggregating not less than \$150 million in  
27 value, and having not less than 500 trust accounts.

28       ~~(C)(B)~~ That not less than once every 6 months a  
29 written opinion shall be obtained from the investment  
30 counselor or counselors as to the overall condition and  
31 composition of the investment portfolio.

1           ~~(C) That the portfolio, representing the principal or~~  
2 ~~surplus funds of the pension Fund may be invested in the~~  
3 ~~following securities or other property, real or personal,~~  
4 ~~including, but without being limited to bonds, notes, or other~~  
5 ~~evidences of indebtedness issued, or assumed or guaranteed in~~  
6 ~~whole or in part by the United States or any of its agencies~~  
7 ~~or instrumentalities; or by any foreign government or~~  
8 ~~political subdivisions or agencies thereof; or by the State of~~  
9 ~~Florida, or by any county, city, school district, municipal~~  
10 ~~corporation, or other political subdivision of the State of~~  
11 ~~Florida, both general and revenue obligations; in mortgages~~  
12 ~~and other interests in realty and shares or certificates of~~  
13 ~~real estate investment trusts; or in such corporation bonds,~~  
14 ~~notes, or other evidences of indebtedness, and corporation~~  
15 ~~stocks including common and preferred stocks, or any~~  
16 ~~corporation created or existing under the laws of the United~~  
17 ~~States, of any of the States of the United States or of any~~  
18 ~~foreign government or political subdivisions or agencies~~  
19 ~~thereof; provided:~~

20           ~~(D)1.~~ That the Board of Trustees shall cause actuarial  
21 surveys of the Plan to be made from time to time as deemed  
22 necessary or as required by state law, by a competent actuary  
23 to be selected by the Board of Trustees.

24           ~~2. In making each and all of such investments the~~  
25 ~~Board of Trustees shall exercise the judgement and care under~~  
26 ~~the circumstances then prevailing which men or women of~~  
27 ~~ordinary prudence, discretion, and intelligence exercise in~~  
28 ~~the management of their own affairs, not in regard to~~  
29 ~~speculation but in regard to the permanent disposition of~~  
30 ~~their funds, considering the probable income therefrom as well~~  
31 ~~as probable safety of their capital. However, not more than 65~~

1 ~~percent of said Fund, based on the total book value of all~~  
2 ~~investments held, shall be invested at any time in common~~  
3 ~~and/or preferred stocks, and not more than 10 percent of said~~  
4 ~~Fund shall be invested at any given time in the preferred~~  
5 ~~and/or common stock of any one corporation and its affiliates;~~  
6 ~~and not more than 5 percent of the outstanding stock of any~~  
7 ~~one corporation and its affiliates shall be held by the Fund~~  
8 ~~at any given time; and that corporation bonds, notes, or other~~  
9 ~~evidences of indebtedness commonly referred to as "fixed~~  
10 ~~income investments," must hold a rating in one of the four~~  
11 ~~highest classifications by a major rating service and~~  
12 ~~corporation bonds, notes, or other evidences of indebtedness~~  
13 ~~with an equity conversion provision used as an equity~~  
14 ~~substitute are not required to hold a rating in one of the~~  
15 ~~four highest classifications by a major rating service.~~

16 ~~3. Anything in this chapter to the contrary~~  
17 ~~notwithstanding, the Board of Trustees may also invest the~~  
18 ~~principal or surplus funds of the pension Fund, without~~  
19 ~~limitations, in appropriate contracts of life insurance or~~  
20 ~~group annuities, with insurers duly licensed to do business in~~  
21 ~~Florida, including any such contract or contracts which~~  
22 ~~provide for the placement of funds in separate accounts~~  
23 ~~maintained by any such insurer in accordance with the laws of~~  
24 ~~Florida controlling such accounts.~~

25 Section 2. Section 8 of chapter 23559, Laws of  
26 Florida, 1945, as amended, is amended to read:

27 Section 8. Longevity Retirement Benefits.

28 (A) Division A Employees: An Employee in Division A  
29 whose employment terminates on or after his or her Normal  
30 Retirement Date shall receive a monthly pension benefit equal  
31 to 2 percent of his or her Average Monthly Salary multiplied

1 | by his or her Service, plus an additional .5 percent of his or  
2 | her Average Monthly Salary for each additional year of Service  
3 | for employment after 15 years for years served on or after  
4 | January 1, 1975, until a maximum of 30 years of Service is  
5 | reached.

6 | (B) Division B Employees:

7 | 1. An Employee in Division B whose employment  
8 | terminates on or after his or her Normal Retirement Date shall  
9 | receive a monthly pension benefit equal to 1.25 ~~1.20~~ percent  
10 | of his or her Average Monthly Salary multiplied by his or her  
11 | Service.

12 | 2. An Employee in Division B who was previously a  
13 | member of Division A whose employment terminates on or after  
14 | his or her Normal Retirement Date shall receive a pension  
15 | calculated as in subsection (B) 1. of this section subject to  
16 | the following minimum benefits: said Employee shall not  
17 | receive less than his or her Accrued Pension in Division A  
18 | (calculated as in (A) above), plus 1.25 ~~1.20~~ percent of his or  
19 | her Average Monthly Salary multiplied by his or her Service  
20 | after his or her Date of Election. For the purposes of  
21 | determining an Employee's Accrued Pension in Division A under  
22 | this subsection, his or her Average Monthly Salary shall be  
23 | calculated as of the Date of Election and his or her Service  
24 | shall be Service prior to the Date of Election."

25 | Section 3. Section 16 of chapter 23559, Laws of  
26 | Florida, 1945, as amended, is amended to read:

27 | Section 16. Reemployment of Retired Employee.--Upon  
28 | the employment of any person in Division A or Division B who  
29 | shall have retired under the pension or retirement Plan and  
30 | shall be receiving pension payments, such person shall resume  
31 | his or her participation in the Plan, shall not be entitled to

1 receive pension payments during or for the period of such  
2 additional Service, the period of such retirement shall not  
3 constitute a break in Service, and the period of such  
4 retirement shall not be allowed as creditable Service. The  
5 monthly pension payable when such officer or person is  
6 eligible to receive a pension shall consist of the sum of (A)  
7 and (B) below, provided that the total pension shall not be  
8 less than \$100 per month after 25 years of Service.

9 (A) The monthly pension he or she was receiving  
10 immediately prior to the commencement of his or her additional  
11 Service; plus

12 (B) One and one-quarter ~~one-tenth~~ percent of his or  
13 her Average Monthly Salary at the end of his or her period of  
14 additional Service multiplied by the number of years of  
15 additional Service, provided, however, that this additional  
16 benefit shall not be payable before the age of 62 years.

17 Section 4. This act shall take effect October 1, 2007.

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