

House Bill No. 1309

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

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

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

ARTICLE 22. JACKSONVILLE POLICE AND FIRE PENSION BOARD OF TRUSTEES

Section 22.02. Membership

(a) The membership of the Jacksonville Police and Fire Pension Board of Trustees shall consist of five members, of whom two shall be legal residents of the City of Jacksonville appointed by the city council; one shall be a police officer elected by a majority vote of the police officers who are members of the pension fund, one shall be a firefighter elected by a majority of the firefighters who are members of the pension fund, and the last shall be chosen by a majority of the previous ~~previous~~ four members. The fifth member's name shall be submitted to the City Council, which shall, as a ministerial act, appoint such person as the fifth member of the board. Effective for all new appointments after July 1, 2005, each resident member shall serve as a trustee for a period of 4 2 years, unless sooner replaced by the City Council at whose pleasure he or she shall serve, and may succeed himself or herself as a trustee. Effective for all elections after July 1, 2005, the police officer and firefighter members shall serve as trustees for a period of 4 2 years, unless they shall sooner leave the employment of the city as a police officer or firefighter, whereupon the class of employees whose elected representative has left office shall elect a successor to fill the unexpired term of office as provided for in this section. Each employee member may succeed himself or herself in office. Effective for all new appointments after July 1, 2005, the fifth member shall serve a term of 4 2 years and may succeed himself or herself in office. Members shall continue to serve until their respective successors are appointed, elected, or selected.

(d) The provisions of chapters 175 and 185, Florida Statutes, the provisions of s. 286.012, Florida Statutes, and the provisions of ss. 112.311-112.3175 and chapter 112, part VII ss.112.60-112.66, Florida Statutes, ~~inclusive~~, and as the same may be amended in the future, shall apply to each member of the board. The board shall have the authority to invest and

reinvest the assets of the plan without regard to any limitation in chapters 175 and 185, Florida Statutes, and shall be bound by the provisions of chapter 112, part VII, Florida Statutes, and the applicable provisions of s. 215.47, Florida Statutes. Prior to the adoption of any change in asset allocation or the introduction of a new asset class, the board shall give written notice of the meeting at which the proposed change shall be considered to the City Council Finance Committee.

Section 22.04. General powers.—The board shall have the power to:

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

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

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

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

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

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

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

~~(5) At no time shall the investment in real estate and real estate related securities exceed 10 percent of the book value of the fund. Such investment must be recommended by either a competent nationally recognized investment counseling firm or a corporate trustee who is nationally recognized in pension fund investments.~~

(3)(6) Investment plan.

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

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

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

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

(v) For each illiquid investment (an investment for which a generally recognized market is not available or for which there is no consistent or generally accepted pricing mechanism) the investment plan shall: include the criteria set forth in s. 215.47(6), Florida Statutes; require a statement as to the additional expected yield anticipated to compensate the plan for the additional risk of such investment which additional yield is not available from an investment for which there is a generally recognized market; require the board to verify the determination of the fair market value for each such investment as of each date as of which an actuarial valuation is prepared and that the determination complies with all applicable state and federal requirements; and require the board to disclose to the Division of Retirement and the plan's sponsor each such investment as of each date as of which an actuarial valuation is prepared for which the fair market value is not provided.

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

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

- (a) Chapter 185, Florida Statutes, as amended.
- (b) Chapter 175, Florida Statutes, as amended.
- (c) Section 14, Article X of the State Constitution.

(d) Chapter 112, part VII, Florida Statutes, as amended.

(e) Section 215.47, Florida Statutes, as amended.

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

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

Approved by the Governor June 8, 2005.

Filed in Office Secretary of State June 8, 2005.