

HB 1409

2007

1 A bill to be entitled

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

12
13 Be It Enacted by the Legislature of the State of Florida:

14
15 Section 1. Section 6 of chapter 23559, Laws of Florida,
16 1945, as amended, is amended to read:

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

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CODING: Words ~~stricken~~ are deletions; words underlined are additions.

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29 | the candidates from the same department shall be elected. The
30 | Director of Finance shall be the seventh member of this Board.
31 | The three members of this Board to be appointed by the Mayor or
32 | Executive Head of the City, shall be appointed immediately after
33 | the passage of this Act, and they shall qualify within 30 days
34 | thereafter. One member appointed by the Mayor or Executive Head
35 | of the City shall serve for a period of 3 years, one member for
36 | a period of 2 years, and one member for a period of 1 year.
37 | Three members of this Board shall be elected by the Employees
38 | who are beneficiaries of this Fund. One member elected shall
39 | serve for a period of 3 years, one member for a period of 2
40 | years, and one member for a period of 1 year. At the expiration
41 | of the term of office of each member appointed, the Mayor or
42 | Executive Head of the City shall appoint his or her successor to
43 | serve for a term of 3 years. Thirty days prior to the expiration
44 | of the term of office of each member elected, a successor shall
45 | be elected by the Employees and shall take office upon the
46 | expiration of his or her predecessor's term and shall serve for
47 | a term of 3 years. Vacancies on the pension or retirement board
48 | before the expiration of the term of office shall be filled in
49 | the same manner as prescribed for members replacing those whose
50 | term of office expires for the period of the unexpired time. The
51 | Board shall have the power to adopt and prescribe reasonable
52 | rules, regulations, and orders necessary and proper for
53 | effective administration and enforcement of this Act and for the
54 | election of Trustees. The Director of Finance of the City shall
55 | be the treasurer of the Board and he or she shall give bond as
56 | may be prescribed by the board. The city attorney shall be the

57 | legal advisor of the Board. The compensation of all persons
58 | engaged by the City for the Board of Trustees and all other
59 | expenses of the Board of Trustees necessary for the
60 | administration of the Plan shall be paid out of the Fund at such
61 | rates and in such amounts as the Board of Trustees shall
62 | approve, but in no case shall the expenditures for such
63 | compensation and administration exceed .5 percent of the maximum
64 | of the Fund each fiscal year. The funds shall be managed by said
65 | Trustees and shall be invested by the Trustees in accordance
66 | with the following:

67 | (A) That the investments of the Fund shall be consistent
68 | with a written investment policy adopted by the Board of
69 | Trustees pursuant to section 112.661, Florida Statutes, and
70 | subject to the limitations in section 215.47(1)-(8), (10), and
71 | (16), Florida Statutes. In making each and all of such
72 | investments, the Board of Trustees shall exercise the judgment
73 | and care under the circumstances then prevailing that men or
74 | women of ordinary prudence, discretion, and intelligence
75 | exercise in the management of their own affairs, not in regard
76 | to speculation but in regard to the permanent disposition of
77 | their funds, considering the probable income therefrom as well
78 | as probable safety of their capital.

79 | (B)-(A) That the Board of Trustees shall retain the
80 | services of one or more recognized professional investment
81 | counselors or state or national banks in the State of Florida
82 | offering qualified and competent investment advisory services.
83 | Said banks must be capitalized at not less than \$10 million,

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84 having trust assets aggregating not less than \$150 million in
85 value, and having not less than 500 trust accounts.

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

90 ~~(C) That the portfolio, representing the principal or~~
91 ~~surplus funds of the pension Fund may be invested in the~~
92 ~~following securities or other property, real or personal,~~
93 ~~including, but without being limited to bonds, notes, or other~~
94 ~~evidences of indebtedness issued, or assumed or guaranteed in~~
95 ~~whole or in part by the United States or any of its agencies or~~
96 ~~instrumentalities, or by any foreign government or political~~
97 ~~subdivisions or agencies thereof, or by the State of Florida, or~~
98 ~~by any county, city, school district, municipal corporation, or~~
99 ~~other political subdivision of the State of Florida, both~~
100 ~~general and revenue obligations; in mortgages and other~~
101 ~~interests in realty and shares or certificates of real estate~~
102 ~~investment trusts, or in such corporation bonds, notes, or other~~
103 ~~evidences of indebtedness, and corporation stocks including~~
104 ~~common and preferred stocks, or any corporation created or~~
105 ~~existing under the laws of the United States, of any of the~~
106 ~~States of the United States or of any foreign government or~~
107 ~~political subdivisions or agencies thereof, provided:~~

108 (D)1. That the Board of Trustees shall cause actuarial
109 surveys of the Plan to be made from time to time as deemed
110 necessary or as required by state law, by a competent actuary to
111 be selected by the Board of Trustees.

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112 ~~2.— In making each and all of such investments the Board of~~
113 ~~Trustees shall exercise the judgement and care under the~~
114 ~~circumstances then prevailing which men or women of ordinary~~
115 ~~prudence, discretion, and intelligence exercise in the~~
116 ~~management of their own affairs, not in regard to speculation~~
117 ~~but in regard to the permanent disposition of their funds,~~
118 ~~considering the probable income therefrom as well as probable~~
119 ~~safety of their capital. However, not more than 65 percent of~~
120 ~~said Fund, based on the total book value of all investments~~
121 ~~held, shall be invested at any time in common and/or preferred~~
122 ~~stocks, and not more than 10 percent of said Fund shall be~~
123 ~~invested at any given time in the preferred and/or common stock~~
124 ~~of any one corporation and its affiliates; and not more than 5~~
125 ~~percent of the outstanding stock of any one corporation and its~~
126 ~~affiliates shall be held by the Fund at any given time; and that~~
127 ~~corporation bonds, notes, or other evidences of indebtedness~~
128 ~~commonly referred to as "fixed income investments," must hold a~~
129 ~~rating in one of the four highest classifications by a major~~
130 ~~rating service and corporation bonds, notes, or other evidences~~
131 ~~of indebtedness with an equity conversion provision used as an~~
132 ~~equity substitute are not required to hold a rating in one of~~
133 ~~the four highest classifications by a major rating service.~~

134 ~~3.— Anything in this chapter to the contrary~~
135 ~~notwithstanding, the Board of Trustees may also invest the~~
136 ~~principal or surplus funds of the pension Fund, without~~
137 ~~limitations, in appropriate contracts of life insurance or group~~
138 ~~annuities, with insurers duly licensed to do business in~~
139 ~~Florida, including any such contract or contracts which provide~~

140 ~~for the placement of funds in separate accounts maintained by~~
 141 ~~any such insurer in accordance with the laws of Florida~~
 142 ~~controlling such accounts.~~

143 Section 2. Section 8 of chapter 23559, Laws of Florida,
 144 1945, as amended, is amended to read:

145 Section 8. Longevity Retirement Benefits.

146 (A) Division A Employees: An Employee in Division A whose
 147 employment terminates on or after his or her Normal Retirement
 148 Date shall receive a monthly pension benefit equal to 2 percent
 149 of his or her Average Monthly Salary multiplied by his or her
 150 Service, plus an additional .5 percent of his or her Average
 151 Monthly Salary for each additional year of Service for
 152 employment after 15 years for years served on or after January
 153 1, 1975, until a maximum of 30 years of Service is reached.

154 (B) Division B Employees:

155 1. An Employee in Division B whose employment terminates
 156 on or after his or her Normal Retirement Date shall receive a
 157 monthly pension benefit equal to 1.25 ~~1.20~~ percent of his or her
 158 Average Monthly Salary multiplied by his or her Service.

159 2. An Employee in Division B who was previously a member
 160 of Division A whose employment terminates on or after his or her
 161 Normal Retirement Date shall receive a pension calculated as in
 162 subsection (B) 1. of this section subject to the following
 163 minimum benefits: said Employee shall not receive less than his
 164 or her Accrued Pension in Division A (calculated as in (A)
 165 above), plus 1.25 ~~1.20~~ percent of his or her Average Monthly
 166 Salary multiplied by his or her Service after his or her Date of
 167 Election. For the purposes of determining an Employee's Accrued

168 Pension in Division A under this subsection, his or her Average
 169 Monthly Salary shall be calculated as of the Date of Election
 170 and his or her Service shall be Service prior to the Date of
 171 Election."

172 Section 3. Section 16 of chapter 23559, Laws of Florida,
 173 1945, as amended, is amended to read:

174 Section 16. Reemployment of Retired Employee.--Upon the
 175 employment of any person in Division A or Division B who shall
 176 have retired under the pension or retirement Plan and shall be
 177 receiving pension payments, such person shall resume his or her
 178 participation in the Plan, shall not be entitled to receive
 179 pension payments during or for the period of such additional
 180 Service, the period of such retirement shall not constitute a
 181 break in Service, and the period of such retirement shall not be
 182 allowed as creditable Service. The monthly pension payable when
 183 such officer or person is eligible to receive a pension shall
 184 consist of the sum of (A) and (B) below, provided that the total
 185 pension shall not be less than \$100 per month after 25 years of
 186 Service.

187 (A) The monthly pension he or she was receiving
 188 immediately prior to the commencement of his or her additional
 189 Service; plus

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

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