

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF HOLLYWOOD, FLORIDA, AMENDING THE SUBCHAPTER OF CHAPTER 33 OF THE CODE OF ORDINANCES TITLED "POLICE OFFICER'S RETIREMENT SYSTEM"; REPEALING SPECIFIC RESTRICTIONS ON INVESTMENT OF POLICE OFFICER'S PENSION FUND; AUTHORIZING BOARD OF TRUSTEES OF POLICE OFFICER'S PENSION FUND TO ACQUIRE INVESTMENTS WHICH PRUDENT PERSONS ACQUIRE FOR THEIR OWN ACCOUNTS.

WHEREAS, Section 33.135 of the Code of Ordinances of the City of Hollywood, Florida imposes specific restrictions on the investment of the Police Officer's Pension Fund;

WHEREAS, the City Commission wishes to repeal such restrictions and substitute therefor a general rule authorizing investments consistent with those which persons of prudence, discretion and intelligence make for their own accounts;

WHEREAS, Section 33.138 of the Code of Ordinances provides that the subchapter establishing and regulating the Police ~~Officer's~~ Retirement System may be amended by a 5/7 vote of the City Commission and 50% plus one of the active members of the Police Officer's Retirement System; and

WHEREAS, this ordinance has been approved by a minimum of 50% plus one of the active members of the Police ~~Officer's~~ Retirement System;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA:

Section 1: That Section 33.135 of the Code of Ordinances is hereby amended to read as follows:

TITLE III. ADMINISTRATION

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CHAPTER 33: CITY EMPLOYEES

(Coding: Words underscored are additions to existing law; words in ~~struck-through~~ type are deletions; ~~shaded~~ portions have been changed between first and second reading.)

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POLICE OFFICER'S RETIREMENT SYSTEM

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§ 33.135 INVESTMENT OF FUNDS.

(A) Money shall be withdrawn from the Pension Fund created by this subchapter only upon warrants executed or authorized by a majority of the Board of Trustees. The Board shall have exclusive charge of the investment of any assets in accordance with the written investment policy adopted by the Board pursuant to subsection (B) below. Board members must discharge their duties with respect to the plan solely in the interest of the participants and beneficiaries and (i) for the exclusive purpose of providing benefits to participants and their beneficiaries and defraying reasonable expenses of administering the plan; (ii) with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims; and (iii) by diversifying the investments of the plan so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so monies and assets whatsoever in said fund not needed for the current obligations thereof by investment of same in the following:

~~(1) Bonds, notes, securities or other evidence of indebtedness which are the direct obligations of the United States Government, and agencies of the United States Government;~~

~~(2) Mortgage loans, insured or guaranteed as to principal and interest by the Government of the United States or by any agency or instrumentality thereof, to the extent of such insurance or guaranty;~~

~~(3) Bonds, stocks or other evidences issued or guaranteed by a corporation organized under the laws of the United States, any state, or organized territory of the United States of the District of Columbia;~~

~~(4) Bonds, notes or other interest-bearing obligations of any solvent corporation organized under the laws of the United States, or of any state, territory or possession of the United States;~~

~~(5) Shares or savings accounts of Federal Savings and Loan Associations, to the extent that they are insured by an agency or instrumentality of the Government of the United States;~~

~~(6) Monies for meeting current obligations may be deposited in a depository recognized by law for the deposit of funds of the state and upon posting of similar security to that required for state deposits.~~

(B) The Board shall adopt and periodically update a written investment policy in accordance with Section 112.661, Florida Statutes, as such statute may be amended in the future. Within the limitations of the foregoing standards and investment policy, the Board is authorized to acquire and retain in the fund every kind of investment, specifically including, but not limited to, stocks, bonds, securities, debentures, real estate, mutual funds, trusts other obligations which persons of prudence, discretion and intelligence acquire or retain for their own account.

(C) The intent of subsections (A) and (B) above is to exclude any and all restrictions on investments otherwise imposed by Chapter 185, Florida Statutes, but only if subsections (A) and (B), with the exclusion of such restrictions, are in compliance with the provisions of Chapter 185. If subsections (A) and (B), with the exclusion of the restrictions imposed by Chapter 185, are deemed not to be in compliance with Chapter 185, then such restrictions shall be incorporated herein in their entirety.

(D) In carrying out its investment duties, the board shall engage such custodial, investment management, and other professional consultants as the board deems necessary and prudent. The city or such entity as may be designated by the Board shall have custody of and responsibility for any funds, stocks, bonds or other indebtedness; and such custody shall be for the purpose of safekeeping only, without discretion in the city or other entity appointed by the Board regarding propriety of any withdrawal or transfer of such funds, stocks, bonds or other indebtedness.

~~(E B) The Board of Trustees shall not invest more than 50% of its assets in common or capital stock. Money withdrawn from the fund for investments, or otherwise, on warrants executed or authorized by the Board pursuant to this subchapter and rules and regulations prescribed by the Board of Trustees, shall be by draft. All such drafts shall be consecutively numbered, and be signed by the Chairman and Secretary manually, or by facsimile, or such administrative function may be delegated so that authorized drafts may be signed by the City Manager for the Chairman, and the Director of Finance for the Secretary, manually or by facsimile. All such drafts shall state upon their faces the purpose for which they were drawn.~~

Section 2: That it is the intention of the City Commission that the provisions of this ordinance shall become and be made a part of the Code of Ordinances of the City of Hollywood, Florida, and the provisions of this ordinance may be renumbered to accomplish such intention.

Section 3: That if any word, phrase, clause, subsection or section of this ordinance is for any reason held unconstitutional or invalid, the invalidity thereof shall not affect the validity of any remaining portions of this ordinance.

(ORDINANCE – INVESTMENT OF POLICE OFFICER'S PENSION FUND

Section 4: That all sections or parts of sections of the Code of Ordinances, all ordinances or parts of ordinances, and all resolutions or parts of resolutions in conflict herewith be and the same are hereby repealed to the extent of such conflict.

Section 5: That this ordinance shall be in full force and effect immediately upon its passage and adoption .

ADVERTISED on _____, 2003.

PASSED on first reading this ____ day of _____, 2003.

PASSED AND ADOPTED on second reading this ____ day of _____, 2003.

MARA GIULIANTI, MAYOR

ATTEST:

PATRICIA A. CERNY, CMC/AE
CITY CLERK

APPROVED AS TO FORM & LEGALITY
for the use and reliance of the
City of Hollywood, Florida only:

DANIEL L. ABBOTT, CITY ATTORNEY