

INTRODUCED BY:

COUNCILOR WILEY



ORDINANCE NO. 2019-06

A BILL TO BE ENTITLED

AN ORDINANCE OF THE CITY OF NEPTUNE BEACH, FLORIDA, AMENDING CHAPTER 2, ADMINISTRATION, ARTICLE V, EMPLOYEE BENEFITS, DIVISION 4, POLICE OFFICERS' RETIREMENT SYSTEM OF THE CODE OF ORDINANCES OF THE CITY OF NEPTUNE BEACH; AMENDING SECTION 2-348, FINANCES AND FUND MANAGEMENT; EXPANDING PRUDENT INVESTMENT MANDATES; PROVIDING FOR CODIFICATION; PROVIDING FOR SEVERABILITY OF PROVISIONS; REPEALING ALL ORDINANCES IN CONFLICT HERewith AND PROVIDING AN EFFECTIVE DATE.

Whereas, the City Council of the City of Neptune Beach, Florida has determined that it is necessary to amend the following:

Now, Therefore, be it ordained by the City Council of the City of Neptune Beach, Florida;

Section 1: That Chapter 2, Administration, Article V, Employee Benefits, Division 4, Police Officers' Retirement System, of the Code of Ordinances of the City of Neptune Beach is hereby amended by amending Section 2-348(6), Finances and Fund Management, by adding the following underlined language:

Section 2-348 – Finances and Fund Management

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(6) The board shall have the following investment powers and authority:

- a. The board shall be vested with full legal title to said fund, subject, however, and in any event to the authority and power of the city council to amend or terminate this fund, provided that no amendment or fund termination shall ever result in the use of any assets of this

fund except for the payment of regular expenses and benefits under this system, except as otherwise provided herein. All contributions from time to time paid into the fund, and the income thereof, without distinction between principal and income, shall be held and administered by the board or its agent in the fund and the board shall not be required to segregate or invest separately any portion of the fund.

- b. All monies paid into or held in the fund shall be invested and reinvested by the board and the investment of all or any part of such funds shall be limited to:
 - 1. Annuity and life insurance contracts with life insurance companies in amounts sufficient to provide, in whole or in part, the benefits to which all of the members in the fund shall be entitled under the provisions of this system and pay the initial and subsequent premium thereon.
 - 2. Time or savings accounts of a national bank, a state bank insured by the bank insurance fund, or a savings/building and loan association insured by the savings association insurance fund which is administered by the federal deposit insurance corporation or a state or federal chartered credit union whose share accounts are insured by the national credit union share insurance fund.
 - 3. Obligations of the United States or obligations guaranteed as to principal and interest by the Government of the United States or by an agency of the Government of the United States.
 - 4. Bonds issued by the State of Israel.
 - 5. Stocks, commingled funds administered by national or state banks, mutual funds and bonds or other evidences of indebtedness, provided that:
 - (i) Except as provided in subsection (ii) below, all individually held securities and all securities in a commingled or mutual fund must be 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 and, in the case of bonds only, shall hold a rating in one (1) of

the three (3) highest classifications of a major rating service. In addition, investment grade quality bonds may be purchased, but shall be no more than ten (10) percent of the bond holdings.

- (ii) Up to twenty-five (25) percent of the assets of the fund at market value may be invested in foreign securities.
 - (iii) The board shall not invest more than five (5) percent of its assets in the common stock, capital stock, or convertible securities of any one issuing company, nor shall the aggregate investment in any one issuing company exceed five (5) percent of the outstanding capital stock of that company; nor shall the aggregate of its investments in common stock, capital stock and convertible securities at market exceed seventy (70) percent of the assets of the fund.
- 6. Real estate, including Real Estate Investment Trusts (REITS) and private Real Estate, up to ten percent (10%) of the assets of the Fund at cost.
 - 7. Limited partnerships up to five percent (5%) of the total assets of the Fund at cost.

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Section 2: Specific authority is hereby granted to codify and incorporate this Ordinance in the existing Code of Ordinances of the City of Neptune Beach.

Section 3: All Ordinances or parts of Ordinances in conflict herewith be and the same are hereby repealed.

Section 4: If any section, subsection, sentence, clause, phrase of this ordinance, or the particular application thereof shall be held invalid by any court, administrative agency, or other body with appropriate jurisdiction, the remaining section, subsection, sentences, clauses, or phrases under application shall not be affected thereby.

Section 5: That this Ordinance shall become effective immediately upon its passage and adoption by the City Council.

VOTE RESULTS OF FIRST READING:

Mayor Elaine Brown	YES
Vice Mayor Fred Jones	YES
Councilor Kerry Chin	YES
Councilor Josh Messinger	YES
Councilor Scott Wiley	YES

Passed on First Reading this 3rd day of June, 2019.

VOTE RESULTS OF SECOND AND FINAL READING:

Mayor Elaine Brown	YES
Vice Mayor Fred Jones	YES
Councilor Kerry Chin	YES
Councilor Josh Messinger	YES
Councilor Scott Wiley	YES

Passed on Second and Final Reading this 1st day of July 2019.


Elaine Brown, Mayor

ATTEST:


Catherine Ponson, City Clerk

