

ORDINANCE NO. 1307

AN ORDINANCE OF THE CITY OF PANAMA CITY BEACH FURTHER AMENDING THE CITY OF PANAMA CITY BEACH POLICE OFFICERS' RETIREMENT PLAN, ADOPTED PURSUANT TO ORDINANCE NO. 1159, AS SUBSEQUENTLY AMENDED; AMENDING SECTION 4, FINANCES AND FUND MANAGEMENT; REPEALING ALL ORDINANCES IN CONFLICT HEREWITH AND PROVIDING FOR AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PANAMA CITY BEACH, FLORIDA;

SECTION 1: That the City of Panama City Beach Police Officers' Retirement Plan, adopted by ordinance number 1159, as subsequently amended, is hereby further amended by amending Section 4, Finances and Fund Management, subsection 6.B., to read as follows:

* * *

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 Panama City Beach 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:
 - ~~(a) Except as provided in paragraph (b), 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.~~
 - ~~(b) Up to twenty five percent (25%) of the assets of the Fund at market value may be invested in foreign securities.~~
 - ~~(c) The Board shall not invest more than five percent (5%) of its assets in the common stock, capital stock, or convertible securities of any one (1) issuing company, nor shall the aggregate investment in any one (1) issuing company exceed five percent (5%) 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 percent 70% of the assets of the Fund.~~~~
- ~~(6) Real Estate Investment Trusts (REITS) that are traded on a major exchange, provided the Board shall not invest more than fifteen percent (15%) of the value of the fund at market.~~

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 subject to the following:

- (1) Notwithstanding any limitation provided for in Chapter 185, Florida Statutes to the contrary (unless such limitation may not be amended by local ordinance) or any limitation in prior city ordinances to the contrary, all monies paid into or held in the Fund may be invested and reinvested in such securities, investment vehicles or property wherever situated and of whatever kind, as shall be approved by the Board, including but not limited to common or preferred stocks, bonds, and other evidences of indebtedness or ownership. In no event, however, shall more than twenty-five percent of the assets of the Fund at market value be invested in foreign securities.
- (2) The Board shall develop and adopt a written investment policy statement setting forth permissible types of investments, goals and objectives of investments and setting quality and quantity limitations on investments in accordance with the recommendations of its investment consultants. The investment policy statement shall be reviewed by the Board at least annually.
- (3) In addition, the Board may, upon recommendation by the Board's investment consultant, make investments in group trusts meeting the requirements of Internal Revenue Service Revenue Ruling 81-100

and Revenue Ruling 2011-1 or successor rulings or guidance of similar import, and operated or maintained exclusively for the commingling and collective investment of monies, provided that the funds in the group trust consist exclusively of trust assets held under plans qualified under Section 401(a) of the Code, individual retirement accounts that are exempt under Section 408(e) of the Code, eligible governmental plans that meet the requirements of Section 457(b) of the Code, and governmental plans under 401(a)(24) of the Code. For this purpose, a trust includes a custodial account that is treated as a trust under Section 401(f) or under Section 457(g)(3) of the Code. While any portion of the assets of the Fund are invested in such a group trust, such group trust is itself adopted as a part of the System or Plan.

* * *

SECTION 2: All Ordinances or parts of Ordinances in conflict herewith be and the same are hereby repealed.

SECTION 3: That this Ordinance shall become effective upon its adoption.

PASSED, APPROVED AND ADOPTED at the regular meeting of the City Council of the City of Panama City Beach, Florida, this 10th day of April, 2014.


MAYOR

ATTEST:


CITY CLERK

EXAMINED AND APPROVED by me this 10th day of April, 2014.


MAYOR

POSTED AT:

PCB City Hall

Dated: April 11, 2014

PCB Public Library

Dated: April 11, 2014

W PCB Post Office

Dated: April 11, 2014



March 5, 2014

Ms. Holly White
City Clerk
City of Panama City Beach, Florida
110 South Arnold Road
Panama City Beach, Florida 32407

Re: Pension Plans – Actuarial Impact Statements

Dear Holly:

Through Kristin Hill, Lee Dehner has requested that I provide the appropriate actuarial analysis of the changes to the Firefighters, General Employees, and Police Officers' Pension Plans to be enacted by proposed ordinances. Lee sent me a copy of the proposed ordinance for the Firefighters Plan with his email dated February 27. He and I had a subsequent conversation about the wording for the Supplemental Benefit, and together we worked out some improved language. Then Kristin Hill in her email of March 3 sent copies of final draft ordinances for all three Plans, numbered 1305, 1306, and 1307.

The proposed ordinances would each make changes to the Finances and Fund Management Sections of the plan documents. These changes would have no direct, if any, impact on members' benefits. Therefore, I have concluded that there should be no significant impact on the City's funding requirements due to the Finance and Fund Management changes and no formal Actuarial Impact Statements are required for these changes.

Ordinance 1305 for the Firefighters also makes changes to the Supplemental Benefits for the active Members. The Actuarial Impact Statement for these changes has already been provided.

Sincerely yours,

John A. Lessl, ASA, EA, MAAA

cc: Jo Smith
H. Lee Dehner, Esq
Sarah Carr
Douglas Beckendorf