ORDINANCE NO. 1041

AN ORDINANCE OF THE CITY OF ARCADIA, AMENDING CHAPTER 2, ARTICLE V, DIVISION 2, OF THE CODE OF ORDINANCES OF THE CITY OF ARCADIA, AMENDING THE CITY OF ARCADIA POLICE OFFICERS' AND FIREFIGHTERS' RETIREMENT SYSTEM; AMENDING SECTION 2-184, FINANCES AND FUND MANAGEMENT; PROVIDING FOR CODIFICATION; PROVIDING FOR SEVERABILITY OF PROVISIONS; REPEALING ALL ORDINANCES IN CONFLICT HEREWITH AND PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ARCADIA, FLORIDA;

SECTION 1: That Chapter 2, Article V, Division 2, of the Code of Ordinances of the City of Arcadia, The City of Arcadia Police Officers' and Firefighters' Retirement System, is hereby amended by amending Section 2-184, Finances and Fund Management, subsection (f)(2), to read as follows:

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(f) (2) 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:

a. 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.

b. 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.

c. 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.

d. Bonds issued by the State of Israel.

e. Stocks, commingled funds ~~administered by national or state banks~~, mutual funds <u>or other investment vehicles approved by the Board</u> and bonds or other evidences of indebtedness, provided that:

1. Except as provided in sub-subsection 2., all individually held securities and all securities in a commingled or mutual fund <u>other investment vehicles approved by the Board</u> 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.

2. Up to 25% of the assets of the fund at market value may be invested in foreign securities.

3. ~~The board shall not invest more than five 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 shall not exceed five 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 ~~cost~~ exceed 70 ~~66~~ percent of the assets of the fund.

f. Real estate investments in an amount not to exceed, at cost value, ten percent (10%) of the assets of the Fund. The Board may invest in real estate directly or through an investment vehicle approved by the Board.

g. The board may, subject to the restrictions in a. through f. above, upon recommendation by the board's investment consultant, make investments in group trusts meeting the requirements of Internal Revenue Service Revenue Ruling 81-100, Revenue Ruling 2011-1 IRS Notice 2012-6 and Revenue Ruling 2014-24, 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 or separate tax-favored account maintained by an insurance company 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.

1. Any collective or common group trust to which assets of the fund are transferred pursuant to subsection g. shall be adopted by the board as part of the plan by executing appropriate participation, adoption agreements, and/or trust agreements with the group trust's trustee.

2. The separate account maintained by the group trust for the plan pursuant to subsection g. shall not be used for, or diverted to, any purpose other than for the exclusive benefit of the members and beneficiaries of the plan.

3. For purposes of valuation, the value of the separate account maintained by the group trust for the plan shall be the fair market value of the portion of the group trust held for the plan, determined in accordance with generally recognized valuation procedures.

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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 Arcadia.

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 take effect immediately upon adoption.

PASSED ON FIRST READING, this 5th day of June, 2018.

PASSED ON SECOND READING, this 3rd day of July, 2018.

Judy Wertz Strickland

Judy Wertz-Strickland, Mayor

ATTEST:

Penny Delaney

Penny Delaney, City Clerk

Approved as to form:

Thomas J. Wohl, City Attorney

dm/arc/pf/05-08-18.ord/rev 05-18-18