

Legislation Text

File #: 100497, **Version:** 0

Amending Title 22 of The Philadelphia Code, entitled “Public Employees Retirement Code,” by adding provisions under which local firms will be given a preference to manage the investment of Retirement System assets and to execute trades, all under certain terms and conditions.

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. Title 22 of The Philadelphia Code is hereby amended to read as follows:

TITLE 22. PUBLIC EMPLOYEES RETIREMENT CODE.

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CHAPTER 22-1000. INVESTMENTS; ASSUMPTIONS; AND GUARANTEE.

§ 22-1001. Investments.

(1) In general. All monies and funds held under all and any provisions of the Retirement System shall be invested in accordance with the regulations for the investment of similar State funds as set forth in the Act of March 1, 1974, (P.L. 125, No. 31), as amended (71 Pa. C.S. Section 5931), and as the same may be amended from time to time, *and in accordance with the provisions of this Chapter*. The members of the Board shall be the trustees of the fund and shall have exclusive control and management of the fund and full power to invest and preserve the same, subject, however, to the exercise of that degree of judgment, skill and care under the circumstances then prevailing which persons of prudence, discretion and intelligence, who are familiar with such matters, would use in the conduct of an enterprise of a like character and with like aims. Subject to like terms, conditions, limitations and restrictions, said trustees shall have the power to hold, purchase, sell, lend, assign, pledge, transfer or dispose of any of the securities and investments in which any of the moneys of the fund shall have been invested as well as the proceeds of said investments and of any moneys belonging to said fund.

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§22-1005. *Local Preference for Money Managers and Brokerages.*

(1) The members of the Board shall exercise their discretion to invest the monies and funds held under all and any provisions of the Retirement System in accordance with the following policies:

(a) To the maximum feasible extent, all trades shall be executed with Philadelphia brokerages. The Board shall include this requirement in all of its contracts with entities retained to manage Retirement System assets. For purposes of this provision, a “Philadelphia brokerage” is a brokerage firm domiciled in Philadelphia.

(b) At least ten percent of Retirement System assets placed under the investment management of outside firms shall be placed under the investment management of Philadelphia firms. For purposes of this provision, a “Philadelphia firm” is a firm with an office in Philadelphia that uses exclusively investment professionals headquartered in Philadelphia to carry out its activities in managing Retirement System assets.

(c) Exceptions. The requirements of subsections (a) or (b) shall not apply if:

(i) The Board determines that the fees that would be charged by Philadelphia brokerages or Philadelphia firms exceed the fees that would be charged in the aggregate by non-Philadelphia brokerages or non-Philadelphia firms by more than 5%. Any such determination shall be made by the Board adopting written findings that support its conclusion. A copy of such written findings shall be provided to the President and Chief Clerk of City Council, and made publicly available on the Board’s official website.

(d) The provisions of Chapter 17-1400 (relating to the award of non-competitively bid contracts) shall apply to the award of contracts to Philadelphia brokerages and Philadelphia firms.

(e) Any goals for the participation of disadvantaged owned business enterprises set forth in law, ordinance, regulation or policy shall also apply to the award of contracts to Philadelphia brokerages and Philadelphia firms under the provisions of this Section.

Explanation:

Italics indicate new matter added.