

RESOLUTION No. 2008-38-725

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MIAMI GARDENS, FLORIDA, IMPLEMENTING A POLICY INCORPORATING THE STATE OF FLORIDA'S "PROTECTING FLORIDA'S INVESTMENT ACT," (CHAPTER 2007-88, LAWS OF FLORIDA), PROHIBITING THE INVESTMENT OF PUBLIC FUNDS MANAGED BY THE CITY IN ANY "SCRUTINIZED COMPANIES" WITH ACTIVE BUSINESS OPERATIONS IN SUDAN OR IRAN, AS LISTED BY THE STATE BOARD OF ADMINISTRATION (SBA) ON A QUARTERLY BASIS, IN ACCORDANCE WITH THE PROVISIONS OF THE ACT; PROVIDING FOR THE ADOPTION OF REPRESENTATIONS; PROVIDING AN EFFECTIVE DATE.

WHEREAS, Senate Bill 2142, which created Sections 215.442 and 215.473, Florida Statutes, referred to as the "Protecting Florida's Investment Act" ("Act"), provides a series of legislative findings relative to current conditions in the countries of Sudan and Iran, and

WHEREAS, the Act describes, in detail, declarations by the U.S. Congress, U.S. Secretary of State and the U.S. President regarding the genocide and atrocities against the citizens of regions of Sudan, and

WHEREAS, it also recognizes that Iran has failed to suspend its uranium-enrichment activities; that the United Nations Security Council and the United States have imposed sanctions against Iran; and that the United Nations has imposed an embargo on Iranian arms exports which is a freeze on assets abroad of an expanded list of individuals and companies involved in Iran's nuclear and ballistic missile programs, and

WHEREAS, the Act states that it is the responsibility of the State of Florida to decide how, where and by whom financial resources in its control should be invested, and

WHEREAS, moreover, it is the prerogative of the State not to participate in ownership or capital-providing capacity with entities that provide significant practical support for genocide, including certain non-U.S. companies presently doing business in Sudan, and

WHEREAS, the Act also recognizes that there are financial risks with investments in publicly traded companies that have business activities in and ties to Iran's petroleum-energy sector, and

WHEREAS, the Act requires the SBA to perform certain tasks related to the "Public Fund", which is defined as all funds, assets, trustees and other designates under the SBA, and

WHEREAS, the SBA is required to make its best efforts to identify all scrutinized companies in which the Public Fund has direct or indirect holdings, or could possibly have such holdings in the future, and

WHEREAS, the definition of "scrutinized company" as to Sudan, includes a company with business operations in Sudan with revenues or assets linked to oil-related or power-production activities under certain circumstances; or a company that is complicit in the Darfur genocide; or a company that supplies military equipment within Sudan under certain conditions, and

WHEREAS, the definition of "scrutinized company" as to Iran, includes a company with business operations that involve the government of Iran or certain companies, and have revenues or assets linked to Iran and involve oil-related or mineral-extraction under certain conditions, and

WHEREAS, the Act requires the SBA to assemble a list of "scrutinized companies" and update it quarterly, and

WHEREAS, the Public Fund is prohibited from acquiring securities of any companies on the scrutinized companies list which have active business operations in Sudan or Iran, with certain exceptions, and

WHEREAS, in response to the financial risk posed by investments in companies doing business with countries that sponsor terrorists, the Securities and Exchange Commission established its Office of Global Security Risk to provide for enhanced disclosure of material information regarding such companies, and

WHEREAS, the current Sudan divestment movement encompasses nearly 100 universities, municipalities, states and private pension plans, and

WHEREAS, companies facing such widespread divestment present further material risk to remaining investors, and

WHEREAS, it is a fundamental responsibility of the City of Miami Gardens to decide where, how and by whom financial resources in its control should be invested, taking into account numerous pertinent factors, and

WHEREAS, divestiture should be considered with the intent to improve investment performance and, by the rules of prudence, fiduciaries must take into account all relevant substantive factors in arriving at an investment decision, and

WHEREAS, it is the prerogative and desire of the City of Miami Gardens, with respect to investment resources in its control and to the extent reasonable, with due consideration for return on investment on behalf of the City and its investment beneficiaries, not to participate in an ownership or capital-providing capacity with

entities that provide significant practical support for genocide, including certain non-United States companies presently doing business in Sudan, and

WHEREAS, the City of Miami Gardens is seriously concerned about investments in publicly traded companies with business activities in and ties to Iran's petroleum-energy sector as a financial risk to the shareholders, and

WHEREAS, by investing in publicly traded companies having ties to Iran's petroleum-energy sector, the City of Miami Gardens is putting the funds it oversees at substantial financial risk, and

WHEREAS, divestiture from markets that are vulnerable to embargo, loan restrictions and sanctions from the United States and the international community, including the United Nations Security Council, is consistent with the rules of prudence, and

WHEREAS, to protect the City of Miami Gardens' assets, it is in the best interest of the City to implement a policy to prohibit the investment of public funds managed by the City in any "scrutinized companies" with active business operations in Sudan or in Iran, as listed by the SBA on a quarterly basis, in accordance with the provisions of the Act,

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MIAMI GARDENS, FLORIDA, AS FOLLOWS:

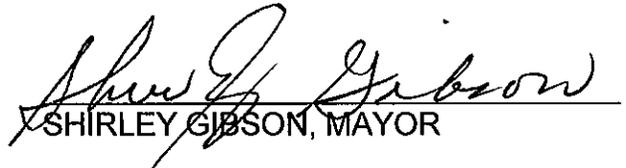
Section 1. ADOPTION OF REPRESENTATIONS: The foregoing Whereas paragraphs are hereby ratified and confirmed as being true, and the same are hereby made a specific part of this Resolution.

Section 2. ADOPTION OF POLICY: The City Council of the City of Miami Gardens hereby adopts a policy to incorporate the State of Florida's "Protecting Florida's Investment Act," (Chapter 2007-88, Laws of Florida), prohibiting the investment of public funds managed by the City in any "scrutinized companies" with active business operations in Sudan or Iran, as listed by the State Board of Administration (SBA) on a quarterly basis, in accordance with the provisions of the Act.

Section 3. EFFECTIVE DATE: This Resolution shall take effect immediately upon its final passage.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF MIAMI GARDENS AT ITS REGULAR MEETING HELD ON MARCH 12, 2008.

ATTEST:


SHIRLEY GIBSON, MAYOR


RONETTA TAYLOR, CMC, CITY CLERK

PREPARED BY: SONJA KNIGHTON DICKENS, ESQ.
City Attorney

SPONSORED BY: COUNCILMAN ANDRE' WILLIAMS

MOVED BY: Councilman Campbell
SECONDED BY: Councilman Bratton

VOTE: 5-1

Mayor Shirley Gibson	<u> x </u> (Yes)	<u> </u> (No)
Vice Mayor Barbara Watson	<u> x </u> (Yes)	<u> </u> (No)
Councilman Melvin L. Bratton	<u> x </u> (Yes)	<u> </u> (No)
Councilman Aaron Campbell	<u> x </u> (Yes)	<u> </u> (No)
Councilwoman Sharon Pritchett	<u> </u> (Yes)	<u> x </u> (No)
Councilman André Williams	<u> x </u> (Yes)	<u> </u> (No)

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City of Miami Gardens

1515-200 NW 167th Street
Miami Gardens, Florida 33169



Mayor Shirley Gibson
Vice Mayor Barbara Watson
Councilman Melvin L. Bratton
Councilman Aaron Campbell Jr.
Councilman André Williams
Councilwoman Sharon Pritchett

Agenda Cover Page

Date: March 12, 2008

Fiscal Impact: No Yes

(If yes, explain in Staff Summary)

Funding Source:

Contract/P.O. Requirement: Yes No

Sponsor Name/Department:

Councilman André Williams

Public hearing

Ordinance

1st Reading

Advertising requirement: Yes No

RFP/RFQ # _____

Quasi-Judicial

Resolution

2nd Reading

Yes No

Yes No

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Staff Summary

Florida in following suite with the United Nations Security Council and the United States who imposed sanctions against Iran, have created Sections 215.442 and 215.473 as part of Senate Bill 2142. This Bill referred to as the "Protecting Florida's Investment Act" ("Act") was created to protect public funds from being invested in entities which support both Iran and Sudan.

The SBA is required by law to identify all companies in which the Public Fund has direct or indirect holdings or possible future holdings; assemble a list of such companies and update it quarterly; provide enhanced disclosure of material information regarding such companies.

In that respect, it is in the best interest of the City of Miami Gardens to implement a policy to prohibit the investment of Public Funds managed by the City in any "scrutinized companies" with active business operations in Sudan or Iran as

J-2) CONSENT AGENDA RESOLUTION

Implementing a Policy Incorporating
The State of Florida's "Protecting Florida's
Investment Act"