

By: Representatives Deweese, Hawkins

To: Local and Private
Legislation

HOUSE BILL NO. 1827

1 AN ACT TO AMEND CHAPTER 938, LOCAL AND PRIVATE LAWS OF 2011,
2 AS LAST AMENDED BY CHAPTER 937, LOCAL AND PRIVATE LAWS OF 2021, TO
3 CLARIFY EARNINGS COMPONENT DEFINITION AND AUTHORIZED
4 DISTRIBUTIONS; TO AUTHORIZE CERTAIN EXPENDITURES FROM CORPUS, AS
5 NEEDED AND TO ESTABLISH CERTAIN LIMITATIONS ON EARNINGS
6 DISTRIBUTIONS REGARDING THE CITY OF OXFORD MUNICIPAL RESERVE AND
7 TRUST FUND; AND FOR RELATED PURPOSES.

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

9 **SECTION 1.** Chapter 938, Local and Private Laws of 2011, as
10 amended by Chapter 942, Local and Private Laws of 2012, as amended
11 by Chapter 924, Local and Private Laws of 2013, as amended by
12 Chapter 921, Local and Private Laws of 2014, as amended by Chapter
13 912, Local and Private Laws of 2020, as amended by Chapter 937,
14 Local and Private Laws of 2021, is amended as follows:

15 Section 1. It is hereby determined and declared that for the
16 benefit of the people of the City of Oxford, Mississippi, and the
17 continued improvement and maintenance of the City of Oxford, and
18 for providing for the fiscal security and sustained revenue for
19 the city and its citizens, that it is the purpose of this act to
20 establish an alternative method to make funds available to fulfill



21 these obligations and important and prudent purposes by
22 authorizing the creation, operation, administration and governance
23 of the City of Oxford Municipal Reserve and Trust Fund, through
24 which the ongoing needs of the city shall be met and ongoing
25 improvements to the city be made and through which the quality and
26 welfare of all residents of the City of Oxford will be increased,
27 all to the public benefit and good, as more fully provided herein.
28 This act shall apply only to the funds creating the City of Oxford
29 Municipal Reserve and Trust Fund as more fully provided herein.

30 Section 2. As used in this act, unless a different meaning
31 clearly appears in the context, the following terms shall have the
32 following meaning:

33 (a) "City" means the City of Oxford, Mississippi,
34 acting by and through its mayor and board of aldermen.

35 (b) "Clerk" means the then clerk of the city.

36 (c) "Governing authorities" means the mayor and board
37 of aldermen of the city.

38 (d) "Mayor" means the then mayor of the city.

39 (e) "Mayor Pro Tem" means the then mayor pro tempore of
40 the city.

41 (f) "Board of aldermen" means the then board of
42 aldermen of the city.

43 (g) "Fund" means the City of Oxford Municipal Reserve
44 and Trust Fund established under this act for the deposit of the
45 sales proceeds received by the city as a result of the termination



of lease and for the sale of the real and personal property related to the existing Baptist Memorial Hospital-North Mississippi facilities.

(h) "Trustees" mean the persons chosen in accordance with this act to perform in a manner so as to safeguard the interests of the people of the city, the administrative and management duties necessary to fulfill the purposes of the City of Oxford Municipal Reserve and Trust Fund. If the city assumes administration of the fund as provided in this act, then the trustees shall refer to the mayor and board of aldermen of the city acting in the position of trustees of the fund.

(i) "Income" means all interest, dividends and capital gains derived from the investment of monies in the fund.

Section 3. The governing authorities are authorized to establish the City of Oxford Municipal Reserve and Trust Fund. The governing authorities are authorized to fund and deposit into the fund all proceeds received by the city as a result of the termination of the lease and for the sale of the real and personal property related to the Baptist Memorial Hospital-North Mississippi facilities located on Lamar Avenue in the city and any income from the investment of those funds.

Section 4. (1) There is established the Board of Trustees of the City of Oxford Municipal Reserve and Trust Fund. The fund shall be administered, managed, invested and governed by the board of trustees.



71 (2) The governing authorities of the city is authorized to
72 delegate the administration and management of the fund to the
73 trustees, to be chosen in the manner provided in this section, and
74 the trustees are hereby authorized to manage and invest the fund
75 as provided in this act.

76 (3) The board of trustees shall consist of nine (9) members
77 as follows:

78 (a) One (1) member shall be the mayor;

79 (b) One (1) member shall be the mayor pro tem;

80 (c) One (1) member shall be an alderman appointed by
81 the mayor with the advice and consent of the board of aldermen;
82 and

83 (d) Six (6) members shall be appointed by the mayor
84 with the advice and consent of the board of aldermen.

85 (4) The initial term of office of the six (6) nonaldermen
86 members shall be for one (1) year, two (2) years, three (3) years,
87 four (4) years, five (5) years and six (6) years, respectively, as
88 designated by the mayor.

89 (5) The term of office for the appointed alderman member
90 shall be two (2) years.

91 (6) Notwithstanding the day on which the appointment began,
92 all terms of the appointed trustees shall end on the first day of
93 August of the year in which their term ends. After the initial
94 appointments, each new trustee shall be appointed for a term of
95 office of two (2) years, beginning on the first day of August.



Members shall be eligible for reappointment. Vacancies shall be filled for the remainder of the unexpired term in the same manner as regular appointments.

(7) Each member appointed by the mayor shall possess knowledge, skill and experience in business or financial matters commensurate with the duties and responsibilities of the board of trustees in administering the fund.

(8) Nongovernmental trustees shall serve without compensation, but shall be reimbursed for travel and lodging expenses as established by Section 25-3-41, Mississippi Code of 1972. The expenses of the board of trustees in carrying out its duties and responsibilities shall be paid from income from the fund. The mayor, mayor pro tem and appointed board of aldermen shall serve as trustees without compensation.

(9) The mayor pro tem shall be the chairman of the board of trustees. The board of trustees shall annually elect one (1) member to serve as vice chairman of the board of trustees. The vice chairman shall act as chairman in the absence of or upon the disability of the chairman or if there is a vacancy in the office of the chairman.

(10) The board of trustees shall conduct one (1) annual meeting at the call of the chairman. It is anticipated that the board shall conduct at least three (3) other meetings each calendar year. The board shall also hold such special meetings at such time and place as may be called by the chairman. All



meetings of the board shall be open to the public in accordance with Section 25-41-5(1), Mississippi Code of 1972, except as provided by Section 25-41-7, Mississippi Code of 1972, as interpreted by the courts and the Attorney General of the State of Mississippi. Notice of each meeting shall be given in accordance with Section 25-41-13, Mississippi Code of 1972, and notice of each meeting shall be provided to each trustee. A quorum shall be necessary to conduct business. Any trustee may attend any meeting via electronic means provided that such electronic attendance complies with all applicable laws.

(11) The City of Oxford Municipal Reserve and Trust Fund shall be considered a "political subdivision" as that term is defined in Section 11-46-1(i), and the trust fund, its board of trustees, and its employees, including officers, servants, trustees and any other individual who or entity which serves as an "employee" as defined in Section 11-46-1(f), Mississippi Code of 1972, shall be entitled to all rights, immunities and obligations provided by the Mississippi Tort Claims Act pursuant to Section 11-46-1 et seq., Mississippi Code of 1972.

(12) The board of trustees may be dissolved at any time by the governing authorities if, by majority vote, the governing authorities finds such dissolution to be in the best interest of the public. In the case of dissolution, the governing authorities shall administer the fund directly, acting always in accordance with the provisions of this act, until such time, if any, as the



governing authorities elects to reestablish a board of trustees in accordance with the procedures for appointment in as provided in of this section.

(13) The trustees shall administer and manage the fund and manage the principal and income of the fund, and establish a comprehensive investment plan for the purposes of this act. The comprehensive investment plan shall specify the policies to be utilized by the board of trustees in its administration of the fund. The board of trustees shall invest the fund in accordance with the Mississippi Uniform Prudent Investor Act under Section 91-9-601 et seq., Mississippi Code of 1972.

(14) In furtherance of the powers granted under subsection (13) of this section, the board of trustees shall have such powers as necessary or convenient to carry out the purposes and provisions of this act, including, but not limited to, the following express powers:

(a) To contract for necessary goods and services, to employ necessary personnel, and to engage the services of consultants for administrative and technical assistance in carrying out its duties and responsibilities in administering the fund;

(b) To administer the fund in a manner that is sufficiently actuarially sound to meet the obligations of this act;



(c) Subject to the terms, conditions, limitations and restrictions specified in Section 91-9-601, et seq. and subsection (13) of this section, the board of trustees shall have power to sell, assign, transfer and dispose of any of the securities and investments of the fund, and shall have the authority to delegate this power to investment advisors, provided that any such sale, assignment or transfer or delegation has the majority approval of the entire board of trustees; and

(d) To annually prepare, or cause to be prepared, a report setting forth in appropriate detail an accounting of the fund and a description of the financial condition of the fund at the close of each fiscal year. The report shall be submitted to the governing authorities on or before July 1 of each fiscal year. In addition, at all times, the governing authorities shall have the right upon reasonable notice to review, inspect and/or audit fund records and accounts maintained by the trustees.

Section 5. The fund shall be invested and disbursed as follows:

(a) The fund shall be divided into two (2) components:
(i) the corpus component, and (ii) the earnings component.

(b) The corpus component of the funds shall consist of the initial deposit as described above, and additional subsequent deposits from the annual income earned from the investment of the fund. Except as otherwise provided in this act, the corpus shall



194 be inviolate and maintained and used to generate income and shall
195 not be invaded or used by the trustees.

196 (c) The earnings component shall be defined and
197 available for distribution by the trustees as described in the
198 following subsections.

199 (d) Every fiscal year after the fund is established,
200 the earnings component shall be considered an amount equal to
201 three percent (3%) of the amount of the full fund balance
202 calculated based on a rolling 12-quarter average of quarter-end
203 market values of the fund ending with the most recent fiscal year
204 end value, whether or not the corpus component has generated any
205 income in that fiscal year. All remaining portions of the annual
206 income earned from the investment of the fund shall remain in the
207 fund as part of the corpus component.

208 (e) On or before July 1 of each year, the trustees
209 shall determine the portion of the earnings component of the trust
210 fund, and shall report to the governing authorities as set out in
211 Section 4 of this act. Trustees are specifically given the power
212 to expend from the earnings component amounts required in
213 connection with the management by the trustees of the fund,
214 including, but not limited to, payments for accounting fees, legal
215 fees and investment advisor or fund management fees. Trustees are
216 specifically given the power to expend from the corpus component
217 amounts required to pay the amounts required in connection with
218 the management by the trustees of the fund if the earnings



219 component is insufficient to pay the amounts required in
220 connection with the management of the fund. These expenditures
221 shall be included in the full report as required in Section 4 of
222 this act.

223 (f) Funds comprising the earnings component shall be
224 transferred from the fund to the general fund of the city at the
225 direction of the clerk and shall be available for appropriation
226 and spending by the governing authorities; provided, however,
227 there shall be no distribution of the earnings component if the
228 full fund balance at fiscal year end values falls below an amount
229 equal to the initial deposit of the fund.

230 Section 6. (1) Upon a three-fourths (3/4) majority vote of
231 the board of aldermen and with approval by the mayor, the
232 governing authorities are authorized to withdraw monies from the
233 corpus component and have the monies disbursed to the city for
234 appropriation and spending, in the event of the following:

235 (a) A state of emergency or local emergency has been
236 declared under federal, state, or local law; or

237 (b) Overall budgeted collections of the city are more
238 than five percent (5%) below that fiscal year's budgeted estimates
239 for at least three (3) consecutive calendar months. In this
240 instance, corpus monies may be withdrawn by the city to meet up to
241 ninety-eight percent (98%) of projected budget shortfalls.

242 (2) In the event of withdrawal of any portion of the corpus
243 component by the city pursuant to subsection (1)(a) or (1)(b) of



244 this section, annual disbursements by the trustees of the earnings
245 components authorized in Section 5 of this act shall cease and all
246 income shall be retained by the trustees and repaid to the corpus
247 until such time as the corpus component equals its full
248 prewithdrawal amount, at which time, disbursement of earning
249 components in accordance with Section 5 of this act may continue.

250 (3) In addition to the authority to withdraw as provided in
251 subsection (1) of this section, upon a unanimous vote of the board
252 of aldermen and with approval by the mayor, the governing
253 authorities are authorized to withdraw monies from the corpus
254 component and have them disbursed to the city for appropriation
255 and spending. The withdrawal by the governing authorities
256 pursuant to this subsection, shall be limited in the following
257 manner:

258 (a) No such vote or withdrawal may occur without the
259 governing authorities first conducting a full public, open
260 municipal hearing on consideration of the matter for which such
261 appropriation and spending would be made;

262 (b) Withdrawal pursuant to this subsection may occur
263 only one time during each four-year term of the then board of
264 aldermen and mayor;

265 (c) Withdrawal shall not exceed ten percent (10%) of
266 the corpus component of the fund, as determined by the trustees;
267 and



268 (d) The withdrawal must be repaid to the fund as
269 provided in subsection (2) of this section before a withdrawal
270 under this subsection could be authorized within a subsequent
271 four-year term.

272 **SECTION 2.** This act shall take effect and be in force from
273 and after its passage.

