

1 Introduced by the Council President at the Request of the Mayor:
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4 **RESOLUTION 2019-508-A**

5 A RESOLUTION ADOPTING THE ANNUAL GROWTH RATE
6 AS RECOMMENDED BY THE ADMINISTRATION FOR THE
7 FUTURE PENSION LIABILITY SURTAX PROCEEDS;
8 PROVIDING AN EFFECTIVE DATE.
9

10 **WHEREAS**, the Florida legislature enacted F.S. §212.055(9)
11 establishing a Pension Liability Surtax not to exceed 0.50% which
12 counties may levy to fund defined benefit retirement plans which
13 are below 80% of actuarial funding if certain other criteria as
14 described in the law are met; and

15 **WHEREAS**, such law requires the county to apply the present
16 value of the total projected proceeds of the Pension Liability
17 Surtax to reduce the unfunded liability of the defined benefit
18 retirement plans; and

19 **WHEREAS**, citizens of Duval County approved a local referendum
20 on August 30, 2016, to enact the Pension Liability Surtax if all
21 the criteria set forth by the law are met; and

22 **WHEREAS**, the City of Jacksonville enacted Ord. 2017-257-E to
23 meet all of the requirements of the law and levy the Pension
24 Liability Surtax; and

25 **WHEREAS**, Ordinance 2017-257-E included Sec. 776.105, *Ordinance*
26 *Code*, which established that the present value of future Pension
27 Liability Surtax proceeds shall be calculated assuming a 4.25%
28 annual growth rate, and that the City Council shall approve by
29 legislation the assumed growth rate by October 31 of each year; and

30 **WHEREAS**, once any change to the assumed growth rate is
31 approved by City Council each year, the rate shall be used by the

1 defined benefit plan actuaries in determining the present value
2 amount of future Pension Liability Surtax proceeds and consider
3 that amount as an asset in the fund when determining the City's
4 required contributions for the following fiscal year; and

5 **WHEREAS**, the Administration has reviewed various relevant
6 economic indicators and has determined that no change is necessary
7 to the previously established annual growth rate of 4.25%, and
8 recommends the City Council approve using the established rate
9 without changes to calculate the present value of future Pension
10 Liability Surtax proceeds as of the October 1, 2019 actuarial
11 valuation, which will affect the City's Fiscal Year 2020/21
12 required contributions to defined benefit plans; now therefore

13 **BE IT RESOLVED** by the Council of the City of Jacksonville:

14 **Section 1. Adopting Annual Growth Rate.** Based on the
15 review and recommendation of the Administration, no change is
16 necessary to the previously established annual growth rate of
17 4.25%. The City's defined benefit plan actuaries shall use this
18 rate to calculate the present value of future Pension Liability
19 Surtax proceeds as of the October 1, 2019 actuarial valuation when
20 determining the City's required contributions to defined benefit
21 plans for Fiscal Year 2020/21.

22 **Section 2. Effective Date.** This resolution shall become
23 effective upon signature by the Mayor or upon becoming effective
24 without the Mayor's signature.

25 Form Approved:

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27 /s/ *Margaret M. Sidman*

28 Office of General Counsel

29 Legislation Prepared By: Margaret M. Sidman

30 GC-#1278528-v1-2019-508_Adopting_Sales_Tax_Growth_Rate