

**CITY COUNCIL RESEARCH DIVISION  
LEGISLATIVE SUMMARY**



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**Bill Type and Number:** Resolution 2023-508

**Introducer/Sponsor(s):** Council President at the request of the Mayor

**Date of Introduction:** July 25, 2023

**Committee(s) of Reference:** F

**Date of Analysis:** July 27, 2023

**Type of Action:** Adoption of annual growth rate for net present value of future pension liability sales surtax proceeds

**Bill Summary:** The bill declares that the present value of future Pension Liability Surtax proceeds shall be calculated assuming a 4.25% annual growth rate, unchanged from the previously established rate.

**Background Information:** When the City Council enacted Ordinance 2017-250-E to levy a local option sales tax for pension liability amortization, the ordinance provided that the present value of future Pension Liability Surtax proceeds (to be used annually in determining the amount of the City's employer contribution to the pension plans) shall be calculated assuming an initial 4.25% annual growth rate, to be re-evaluated each year in conjunction with the budget adoption process. The City administration has reviewed various economic factors and recommends that 4.25% rate be the rate for the next year.

**Policy Impact Area:** City employer contribution amount to pension plans

**Fiscal Impact:** The City's employer contribution to the three pension plans is budgeted at \$238,788,368 for FY23-24 (excluding contributions to the General Employees' Pension Plan paid by JEA, JHA and Northeast Florida TPO).

**Analyst:** Clements