

**CITY COUNCIL RESEARCH DIVISION
LEGISLATIVE SUMMARY**



JEFFREY R. CLEMENTS
Chief of Research
(904) 255-5137

117 West Duval Street
City Hall, Suite 425
Jacksonville, FL 32202
FAX (904) 255-5229

Bill Type and Number: Resolution 2024-508

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

Date of Introduction: July 23, 2024

Committee(s) of Reference: F

Date of Analysis: July 26, 2024

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 \$250,236,700 for FY24-25 (excluding contributions to the General Employees' Pension Plan paid by JEA, JHA and Northeast Florida TPO).

Analyst: Clements