

1 Introduced by the Council President at the Request of the Mayor:
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4 **RESOLUTION 2021-508**

5 A RESOLUTION ADOPTING THE ANNUAL GROWTH RATE AS
6 RECOMMENDED BY THE ADMINISTRATION FOR THE FUTURE
7 PENSION LIABILITY SURTAX PROCEEDS; PROVIDING AN
8 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 are
13 below 80% of actuarial funding if certain other criteria as described
14 in the law are met; and

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

19 **WHEREAS**, citizens of Duval County approved a local referendum
20 on August 30, 2016, to enact the Pension Liability Surtax if all the
21 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 Liability
24 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% annual
28 growth rate, and that the City Council shall approve by legislation
29 the assumed growth rate by October 31 of each year; and

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

1 benefit plan actuaries in determining the present value amount of
2 future Pension Liability Surtax proceeds and consider that amount as
3 an asset in the fund when determining the City's required
4 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 without
9 changes to calculate the present value of future Pension Liability
10 Surtax proceeds as of the October 1, 2021 actuarial valuation, which
11 will affect the City's Fiscal Year 2022/23 required contributions to
12 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 review
15 and recommendation of the Administration, no change is necessary to
16 the previously established annual growth rate of 4.25%. The City's
17 defined benefit plan actuaries shall use this rate to calculate the
18 present value of future Pension Liability Surtax proceeds as of the
19 October 1, 2021 actuarial valuation when determining the City's
20 required contributions to defined benefit plans for Fiscal Year
21 2022/23.

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:

26
27 /s/ Margaret M. Sidman

28 Office of General Counsel

29 Legislation Prepared By: Margaret M. Sidman

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