

**CITY COUNCIL RESEARCH DIVISION
LEGISLATIVE SUMMARY**



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Bill Type and Number: Ordinance 2021-508

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

Date of Introduction: July 27, 2021

Committee(s) of Reference: F

Date of Analysis: July 29, 2021

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 \$214,021,379 for FY21-22 (excluding contributions paid by JEA, JHA and Northeast Florida TPO).

Analyst: Clements