

Mayor Curry's Pension Solution

Extending the Half-Penny Sales Tax

Upon election in 2015 to serve as Jacksonville's mayor, Lenny Curry committed to citizens that he would address the pension liabilities that have long impacted families and communities throughout the city. With a commitment to improving public safety, increasing youth services, enriching neighborhoods and communities, and growing businesses and economic development opportunities, Mayor Curry recognizes that a key barrier to these priorities and the future of Jacksonville is rooted in a failure to properly address pension obligations.



As owners of 25 percent of the total unfunded pension liability of the more than 400 cities and counties throughout the state, the city of Jacksonville is paying an additional \$160 million a year above its normal pension contribution for its three public pension funds. The city contribution to the three pension funds is nearly 20 percent of city's operating budget. The Police & Fire Pension Fund is currently at a 46 percent funded level with an unfunded liability of over \$1.6 billion; The General Employee Pension Fund is at a 60 percent funded level with an unfunded liability of approximately \$910 million; and the Corrections Officers' Pension Fund is at a 48 percent funded level with an unfunded liability of over \$120 million. The total of the unfunded liabilities of the three public pension funds is more than \$2.7 billion. As a result, the city is seeking an immediate solution to avoid being plunged into a financial crisis, very similarly to the city of Detroit, that would eliminate services, reduce quality of life offerings, and shut down city operations.

"The risk that pension debt poses for our city is one of the greatest threats to our future," said Mayor Curry. "However, it is also our greatest opportunity...we can solve this."

The solution Mayor Curry has proposed does not increase the burden on taxpayers or raise the current ad valorem rate. The solution affords Jacksonville the opportunity to extend its already approved surtax that has a sunset date of 2030 to continue for the sole purpose of addressing the unfunded liabilities of the City's three funds. While the city of Jacksonville would continue to use operating funds to annually contribute to its normal pension costs, the extended surtax would sunset when the City of Jacksonville's pension funds are fully funded or 2060, whichever comes first.

This solution empowers the Jacksonville community to resolve its long-term pension liability challenge, contributing to greater opportunities for improvements in public safety, youth services, neighborhoods and economic development.

One City. One Jacksonville.

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