HOUSE OF REPRESENTATIVES LOCAL BILL STAFF ANALYSIS

BILL #: HB 971 Jacksonville/Employee Pensions
SPONSOR(S): Kravitz
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Local Government & Veterans' Affairs		Nelson	Cutchins
2)			
3)			
4)			
5)			

SUMMARY ANALYSIS

This bill amends the charter for the City of Jacksonville and provides that any employee of the city who becomes employed by the First Coast Metropolitan Planning Organization on or before July 1, may elect to retain their membership in the City of Jacksonville General Employees' Pension Plan.

According to the Economic Impact Statement, this bill has no anticipated negative fiscal impact.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. DOES THE BILL:

1. Reduce government?	Yes[]	No[]	N/A[x]
2. Lower taxes?	Yes[]	No[]	N/A[x]
3. Expand individual freedom?	Yes[]	No[]	N/A[x]
4. Increase personal responsibility?	Yes[]	No[]	N/A[x]
5. Empower families?	Yes[]	No[]	N/A[x]

For any principle that received a "no" above, please explain:

B. EFFECT OF PROPOSED CHANGES:

Background

Federal law requires that every urbanized area with a population of 50,000 or more, including all contiguous urban areas with a population of 1,000 or more per square mile, have a Metropolitan Planning Organization. The First Coast Metropolitan Planning Organization (FCMPO) was officially designated in 1978, by Florida Governor Reuben Askew. An interlocal agreement between the City of Jacksonville, the Jacksonville Transportation Authority, the Jacksonville Planning and Development Department, Clay County, St. Johns County and the Florida Department of Transportation formerly established the FCMPO. The FCMPO covers nearly 1,118 square miles which includes Duval County, northern St. Johns County and northeast Clay County, and serves approximately 900,000 people.

The First Coast Metropolitan Planning Organization currently is staffed by the City of Jacksonville's Department of Planning and Development. The nine-member FCMPO board, comprised of officials from the three participating counties, has moved to create an independent staff that works exclusively for the group in light of a perception that the City of Jacksonville controls the FCMPO's decision-making process because the city's mayor appoints the top administrators in the planning department. It is anticipated that current planning department staff will become employed by the FCMPO.

HB 971

This bill amends the charter for the City of Jacksonville and provides that any employee of the city who is a member of the general employees' retirement and pension system and becomes employed by the First Coast Metropolitan Planning Organization on or before July 1, may elect to remain in the city pension system. The bill provides the First Coast Metropolitan Planning Organization will make all appropriate employer contributions. According to the city, this bill affects seven employees with approximately 3 to 28 years of service.

C. SECTION DIRECTORY:

Section 1: Amends section 16.04 of article 16 of section 1 of ch. 92-341, L.O.F., as amended (the charter for the City of Jacksonville) to provide that an employee of the city who is a member of the general employees' retirement and pension system and becomes employed by the First Coast Metropolitan Planning Organization on or before July 1, may elect to remain in the pension system.

Section 2: Provides an effective date of upon becoming law.

II. NOTICE/REFERENDUM AND OTHER REQUIREMENTS

A. NOTICE PUBLISHED? Yes [x] No []

IF YES, WHEN? November 25, 2003

WHERE? *The Financial News and Daily Record*, a daily newspaper, Duval County, Florida

B. REFERENDUM(S) REQUIRED? Yes [] No [x]

IF YES, WHEN?

C. LOCAL BILL CERTIFICATION FILED? Yes, attached [x] No []

D. ECONOMIC IMPACT STATEMENT FILED? Yes, attached [x] No []

According to the Economic Impact Statement, this bill has no anticipated negative fiscal impact. It provides for the continuation of city pension coverage for employees of the First Coast Metropolitan Planning Organization who remain with the FCMPO when it transitions to an independent entity.

The city has indicated that new hires of the FCMPO will receive benefits through the Florida Retirement System (FRS). The city retirement plan will require an employer's match of 10.18 percent of the employee's compensation, but does not require the employer to pay into the social security system. This amount is estimated to be less that the FRS employer contribution.

III. COMMENTS

A. CONSTITUTIONAL ISSUES: None.

B. RULE-MAKING AUTHORITY: None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

According to the "Actuarial Statement of Fiscal Soundness" provided by the Division of Retirement, this bill:

- affects neither the Florida Retirement System nor the System's Trust Fund;
- is neither affected by the requirements of art. X, s. 14, of the State Constitution nor by the provisions of ch. 112, part VII, F.S..

The statement also provides that there are no actuarial or benefit issues associated with this bill.

IV. AMENDMENT/COMMITTEE SUBSTITUTE CHANGES

None.