

ORDINANCE NO. 2022-\_\_\_\_

AN ORDINANCE OF THE CITY OF OCALA,  
AMENDING THE CITY OF OCALA GENERAL  
EMPLOYEES' RETIREMENT SYSTEM, ADOPTED  
PURSUANT TO ORDINANCE NO. 5988, AS  
SUBSEQUENTLY AMENDED; IS HEREBY FURTHER  
AMENDED BY AMENDING SECTION 43-67,  
BENEFIT AMOUNTS AND ELIGIBILITY; PROVIDING  
FOR SEVERABILITY OF PROVISIONS; PROVIDING  
FOR CODIFICATION; REPEALING ALL  
ORDINANCES IN CONFLICT AND PROVIDING AN  
EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COUNCIL AND THE CITY OF OCALA,  
FLORIDA;

**Section 1:** That the City of Ocala General Employees' Retirement System adopted pursuant to Ordinance No. 5988, as subsequently amended, is hereby further amended by amending Section 43-67, Benefit amounts and eligibility, to read as follows:

**Sec. 43-67. Benefit amounts and eligibility**

\*\*\*

(8) *Assumptions and methods.*

- a. The actuarially determined employer contributions used for the target total employer contribution percentage and for the preliminary and final total employer contribution percentage shall be developed using the following actuarial assumptions and methods.

b. *Actuarial assumptions:*

1. The **Beginning with the actuarial valuation as of October 1, 2021,** the investment return (net of investment related expenses) assumption shall be **reduced from** seven **(7)** percent per annum compounded annually **to six and one-half (6.5) percent per annum compounded annually. To accomplish this reduction, the assumed rate will be reduced each fiscal year by ten (10) basis points until the six and one-half (6.5%) percent is reached. The schedule of changes will be as follows:**
  - i. **For the actuarial valuation as of October 1, 2021, the assumed rate will be six and nine tenths (6.9) percent per annum compounded annually.**

- ii. For the actuarial valuation as of October 1, 2022, the assumed rate will be six and eight tenths (6.8) percent per annum compounded annually.
  - iii. For the actuarial valuation as of October 1, 2023, the assumed rate will be six and seven tenths (6.7) percent per annum compounded annually.
  - iv. For the actuarial valuation as of October 1, 2024, the assumed rate will be six and six tenths (6.6) percent per annum compounded annually.
  - v. For the actuarial valuation as of October 1, 2025, the assumed rate will be six and one-half (6.5) percent per annum compounded annually.
2. The price inflation assumption shall be 2.5 percent per annum compounded annually.
3. The mortality rate assumption for non-disabled members shall be the ~~RP2000 Combined Healthy Participant Mortality Tables, by gender, with generational projection by Scale AA~~ mortality tables used in either of the two most recently published actuarial valuation reports of the Florida Retirement System, as set forth in Florida Statutes §112.63(1)(f), including any adjustments permitted therein.
4. Except as provided in subparagraphs (8)b.1. through (8)b.3. above, the assumptions used in the October 1, 2013 actuarial valuation shall be the same as used in the October 1, 2012 actuarial valuation report accepted by the board. Thereafter, the assumptions used in the October 1, 2012 actuarial valuation report other than investment return, price inflation and mortality shall continue to apply until revised in accordance with recommendations of the pension board as approved by the city council. The pension board shall have an experience study prepared no less frequently than every five years, and based on the experience study may recommend changes in assumptions, which shall be implemented as approved by the city council. Upon approval of revised assumptions, this subsection shall be amended to reflect the revisions.

c. *Actuarial methods:*

- 1. The actuarial cost method shall be the traditional entry age cost method, as prescribed by GASB Statement Nos. 67 and 68.

2. The actuarial value of assets shall be based upon a five-year straight line recognition of the difference between expected earnings on the net market value of assets and actual earnings on the net market value of assets. The net market value of assets shall be the total fiduciary net position of the plan as defined by GASB Statement Nos. 67 and 68, excluding any reserves held which are not designated for currently adopted plan benefits valued as part of the plan liabilities. After adjusting the current market value of assets for this delayed recognition, the resulting actuarial asset value shall neither exceed 120 percent, nor fall below 80 percent, of the net market value of assets. For the first four valuation dates commencing October 1, 2012 (for the revised contribution applicable to the year beginning October 1, 2013), the actuarial value of assets are determined assuming that this same five-year recognition method applies to the differences between the expected and actual investment returns for the years ending September 30, 2009 and later.
- d. *Amortization methods.* The annual actuarial valuations prepared as of October 1, 2012 (for the revised contribution applicable to the year beginning October 1, 2013) and following shall utilize the same schedule of amortization bases and periods utilized in the October 1, 2012 actuarial valuation report dated February 22, 2013, but all amortized as level dollar amounts under the new interest rate assumption. The amortization base(s) created as of October 1, 2012 to accommodate the change in assumptions, change in asset valuation method and change in benefits are amortized over 20 years using level dollar amounts. For all actuarial valuation dates, commencing on October 1, 2013 and following, all changes in the entry age unfunded actuarial accrued liability resulting from asset and liability actuarial gains or losses, and from any associated benefit changes in accordance with subsection 43-67(6), shall be amortized over layered ten-year periods as level dollar amounts.

**Section 2:** If any section, subsection, sentence, clause, phrase of this ordinance, or the particular application thereof shall be held invalid by any court, administrative agency, or other body with appropriate jurisdiction, the remaining section, subsection, sentences, clauses, or phrases under application shall not be affected thereby.

**Section 3:** Specific authority is hereby granted to codify and incorporate this Ordinance in the existing Code of Ordinances of the City of Ocala.

**Section 4:** All Ordinances or parts of Ordinances in conflict herewith be and the same are hereby repealed.

**Section 5:** That this Ordinance shall become effective upon adoption.

**ATTEST:**

**CITY OF OCALA**

By: \_\_\_\_\_  
Angel B. Jacobs  
City Clerk

By: \_\_\_\_\_  
Ire Bethea, Sr.  
President, Ocala City Council

Approved/Denied by me as Mayor of the City of Ocala, Florida, on \_\_\_\_\_,  
2022.

By: \_\_\_\_\_  
Kent Guinn  
Mayor

Approved as to form and legality:

By: \_\_\_\_\_  
Robert Batsel, Jr.  
City Attorney