

ORDINANCE NUMBER 2026 - _____

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.

WHEREAS, the City of Ocala, Florida has a pension plan for certain of its former employees which was initially developed in or about January 1, 1955, and, though not offered as a benefit for current employees, remains a benefit for certain former employees; and

WHEREAS, the regulations governing said pension plan are codified at Section 43, *Code of Ordinances, City of Ocala, Florida*, and provide for oversight of said pension plan by a Board of Trustees of the Ocala General Employees' Retirement System (hereinafter "Board of Trustees"); and

WHEREAS, in accordance with the provisions of Section 43-67(b)(8)(b)(4), *Code of Ordinances, City of Ocala, Florida*, the Board of Trustees initiated an actuarial experience study which was conducted by Foster & Foster Actuaries and Consultants and the results of which were presented to the Board of Trustees of the Ocala General Employees' Retirement System (hereinafter "Board of Trustees") on or about November 10, 2025; and

WHEREAS, contained within the product of said actuarial experience study were certain recommended adjustments to the City of Ocala, Florida's current pension plan regulations in Section 43, *Code of Ordinances, City of Ocala, Florida*; and

WHEREAS, the Board of Trustees reviewed said study and the accompanying proposed amendments to the current pension plan regulations in Section 43, *Code of Ordinances, City of Ocala, Florida*, and recommends that the City of Ocala adopt all the recommended changes contained in the experience study; and

WHEREAS, said recommended assumption changes require approval by City Council and some of the recommended assumption changes require an amendment to the *Code of Ordinances, City of Ocala, Florida* so as to update Section 43-67 accordingly; and

WHEREAS, this ordinance amends Section 43-67, *Code of Ordinances, City of Ocala, Florida*, so as to implement the recommended changes to the current pension plan regulations as suggested in the actuarial experience study; and

WHEREAS, the City Council of the City of Ocala, Florida finds and determines that this ordinance and the amendment to Section 43-67, *Code of Ordinances, City of Ocala, Florida*, contained herein serves a public purpose and furthers the protection of the health, safety and welfare of the citizens of Ocala, Florida; and

WHEREAS, the City Council of the City of Ocala, Florida finds and determines that this ordinance and the amendment to Section 43-67, *Code of Ordinances, City of Ocala, Florida*, contained herein are in the best interest of the City of Ocala, Florida and its citizens.

NOW THEREFORE, be it ordained, by the City Council of the City of Ocala, Florida, in regular session, as follows:

Section 1. Ratification, Adoption and Incorporation of Recitals.

The City Council of the City of Ocala, Florida ratifies the above-outlined recitals as true and correct; adopts and incorporates them herein as part and parcel of this ordinance.

Section 2. Purpose and Authority for Ordinance.

This ordinance is adopted for the purpose of amending and revising Section 43-67 of the *Code of Ordinances, City of Ocala, Florida* so as to adopt the recommended assumption changes to the City of Ocala's General Employees' Retirement System.

Section 3. Amendment of Section 43-67 Code of Ordinances, City of Ocala, Florida.

Section 43-67(b) of the *Code of Ordinances, City of Ocala, Florida* is hereby amended by removing the ~~stricken through~~ text and inserting the underlined text as follows:

Sec. 43-67. Benefit amounts and eligibility

(b) *Variable benefit and contribution program.*

(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 investment return (net of investment related expenses) assumption shall be approved by Council following negotiations between city staff and the Pension Board. 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 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 normal 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 4. Direction to Staff.

The City Council of the City of Ocala, Florida directs staff to take any and all other steps necessary to effectuate the adoption and implementation of this ordinance; and all other matters as provided for above and herein as well as to ensure the orderly and effective administration and implementation of the intent of this ordinance and the specific matters outlined herein.

Section 5. Direction to the Codifier.

It is the intention of the City Council of the City of Ocala, Florida that (1) this ordinance shall become and be made a part of the *Code of Ordinances, City of Ocala, Florida*, (2) the sections and paragraphs of this ordinance may be renumbered or relettered in order to accomplish said intention; (3) terms or headings not affecting the intent of this ordinance may be changed to further accomplish said intention; and (4) any scrivener's error(s) contained herein which do not affect the intent of this ordinance be corrected with the authorization of the City Manager or their designee and without the need for additional public hearings or consideration by the City Council.

Section 6. Repealing Inconsistent and/or Conflicting Provisions.

The City Council of the City of Ocala, Florida hereby specifically repeals, to the extent of any such conflict, any and all ordinances, resolutions, policies, procedures and/or other articles which are conflicting and/or inconsistent with this ordinance and the intent and direction provided by the City Council herein.

Section 7. Severability of Ordinance Provisions.

If any section, phrase, sentence or portion of this ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, it is the intent of the City Council of the City of Ocala, Florida that (1) such portion shall be deemed a separate, distinct and independent provision; (2) such holding shall not affect the validity of the remaining portions hereof; and (3) this ordinance be adopted as though any such provision was not included herein.

Section 8. Modifications Arising from Consideration at a Public Hearing.

It is the intention of the City Council of the City of Ocala, Florida that (1) the provisions of this ordinance may be modified as a result of its consideration by the City Council of matters that may arise during the public hearing(s) at which this ordinance is considered; and (2) any such modifications shall be incorporated into the final version of this ordinance.

Section 9. Effective Date of Ordinance.

This ordinance shall become effective immediately upon approval by the Mayor or becoming law without such approval.

PASSED AND ADOPTED, in a regular session with a quorum present and voting, by the City Council of the City of Ocala, Florida this ____ day of March 2026.

CITY OF OCALA, FLORIDA

By: IRE J. BETHEA, SR., as
President of the City Council

ATTEST:

APPROVED AS TO FORM AND LEGALITY:

By: ANGEL JACOBS, as
City Clerk

By: WILLIAM E. SEXTON, as
City Attorney

APPROVED / DENIED by me, as Mayor of the City of Ocala, Florida this ____ day of February 2026.

By: BENJAMIN MARCIANO, as
Mayor

ORDINANCE NUMBER: _____
INTRODUCED: _____
ADOPTED: _____

LEGAL AD NUMBER: _____