

viewpoint

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How Curry's pension plan helps now



Ron Littlepage
times-union columnist

Mayor Lenny Curry's plan to use a sales tax to pay off the city's staggering pension debt is complicated.

The first problem is defining the sales tax he wants to use.

Curry is calling it an extension of the half-cent sales tax voters approved in 2000 as part of the Better Jacksonville Plan.

That's a misnomer because by law that tax has to end once the BJP debt is paid off or by no later than 2030.

A better description of Curry's proposal is a replacement sales tax or new sales tax that would kick in once the BJP tax ends.

Another difference is the Legislature limited the local option sales tax used for BJP to infrastructure. Curry's plan will require legislative approval to allow sales tax revenue to be used to pay down pension debt.

Another question being asked is how a tax that won't go into effect until perhaps as late as 2030 will help the city's budget now.

As with much of this proposal, the answer is complicated.

When actuaries determine the unfunded liabilities for the city's three public employee pension plans — currently estimated at \$2.6 billion — they don't just look at the present.

They look at future costs as far out as, say, 2050.

Knowing that by at least 2030 there will be a big annual infusion of cash going into the plans — a half-cent sales tax produces about \$60 million today and that should grow — would significantly reduce the projected pension debt.

And that would reduce the payments we are having to make now from the general fund since there is no overall plan in place to reduce those liabilities.

The general fund money — during the current budget year about \$150 million is going in the Police and Fire Pension Fund alone — could then be used for other underfunded needs, such as public safety, infrastructure improvements, libraries and parks.

Another question is how long the new sales tax would stay in place.

The answer is no later than 2060 or until the pension plans are fully funded.

We have no choice but to pay down the pension debt, and a sales tax increase is the fairest course.

The latter would have to be defined as well. Some consider plans that are 80 percent funded to be healthy. The Police and Fire Pension Plan is currently 46 percent funded.

Curry will head to Tallahassee next week to begin selling his idea to the Legislature and Gov. Rick Scott.

One of the first hurdles he is likely to encounter besides changing the traditional use of local option sales taxes is his proposal to have the tax approved by the City Council instead of by a vote of the people.

The history of sales tax increases in Jacksonville has been to put the proposals on the ballot. That happened with BJP and with the sales tax that replaced tolls.

Legislators are likely to be reluctant to set a precedent that bypasses a popular vote.

Another sticking point is going to be putting all new hires on a 401(k)-type plan instead of the current defined benefit plan.

That's not a popular idea with some of the city's unions, but it has consistently been a requirement when legislators, especially in the House, have looked at pension reform.

No plan is perfect, but this is a problem that will only worsen and drag down the city if it's not solved.

We have no choice but to pay down the pension debt, and a sales tax is the fairest course since everyone, not just property owners, benefits from public safety and infrastructure improvements.

The task force that studied pension reform recommended a sales tax increase, but that proposal required a convoluted series of steps that would have been difficult to explain.

This proposal is cleaner and wouldn't require a sales tax increase now but would simply continue the current sales tax rate beyond 2030.

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How to restore our American values



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Year-end surveys convey a picture of disillusionment and cynicism among Americans about their government and their country.

According to the Pew Research Center, only 19 percent say

they "trust the federal government to do what is right always or most of the time."

This is close to the lowest it has been in the last 50 years. Consider that in 1964, 80 percent expressed trust in the federal government.

In recent Gallup polling, 69 percent of Americans say big government is the "biggest threat" to the nation's future.

This deep cynicism about government and the direction of the country comes at a time when Americans have never had so much government in their lives.

Prior to 1970, less than 30 percent of the federal budget consisted of payments to individuals. Today it is 70 percent.

ELECTION ISSUES

With the voting season about to be formally launched in Iowa, what should we be thinking about?

First, dissatisfaction, and in particular the concerns about big government, bode well for the prospects of putting a Republican in the White House.

Second, Republicans should view this time of protracted dissatisfaction as an opportunity for recapturing and crystallizing vision and meaning for our nation.

We need a leader, a statesman.

Concerns about the country's direction should be answered with renewed vision for our free country and its meaning. Concerns about government should be answered by proposing to restore government to its original and proper place as defined in our Constitution.

Negative campaigning, campaigns focused on attacking others, campaigns focused on exploiting what is making voters unhappy, can, if done well, pave the way to getting elected. But this does not pave the way to getting our nation on a positive course, which is what is needed.

I am thinking of how writer Herman Wouk defined heroism. He said heroes

DISTRUST OF GOVERNMENT

Those who say government is the biggest threat to the nation:

■ 88 percent of Republicans, 53 percent of Democrats.

■ The share of Democrats has risen from 32 percent to 53 percent since 2009.

■ Only 20 percent overall express satisfaction with the "way things are going in the United States at this time."

Source: Gallup December poll.

"are good men who embody — by the cast of destiny — the virtue of their whole people in a great hour."

Americans today are looking for heroic leadership in this sense.

The welfare state is like drugs. The quick fix solves nothing and leads ultimately to bankruptcy.

American virtue is about a free and responsible people where individuals have their own lives under control by living according to traditional, godly laws. Government protects individual freedom and does not impede it.

HOW TO RESTORE VALUES

Here are my five principles for restoring America:

■ Recommending to traditional values that protect life, property and family.

■ Minimizing government interference so that individuals may maximize personal opportunity through work.

■ Focusing on the importance of education and control of parents to choose where to educate their children.

■ Supporting a culture where individuals build wealth through savings and investing, not looking to government.

■ Creating a culture of caring for others, particularly through local charitable giving.

The many things bothering Americans today — slow economic growth, immigration policy, urban crime, pointless and deadly violence, international chaos and threats of terrorism — are all symptoms of the absence of American vision and leadership.

This election should be about statesmanship and the revival of American principles.

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