

OFFICE OF THE COUNCIL AUDITOR

FY 2017/2018 PROPOSED BUDGET

FINANCE COMMITTEE MEMBERS

Garrett Dennis – Chair
Danny Becton – Vice Chair
Lori Boyer
Katrina Brown
Reggie Brown
Reggie Gaffney
Matt Schellenberg



Meeting #1
August 10, 2017

**COUNCIL AUDITOR’S OFFICE
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MEETING #1**

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2017/18 BUDGET LEGISLATION

- 2017-315-E Property Appraiser’s 2017/18 Budget Recommendations**
Due to the timing of when the property appraiser’s budget is submitted and approved by the Florida Department of Revenue, this ordinance provides City Council input prior to submittal.
- 2017-500 Rolled Back Rate Resolution**
Informs the Property Appraiser of the “rolled back” millage rates and the proposed millage rates for notices to be sent to all property owners.
- 2017-501 Millage Levy Ordinance**
Establishes the millage rates to be levied by the consolidated government for the General Services District, not including Urban Services Districts 2, 3, 4, or 5 (Jacksonville Beach, Atlantic Beach, Neptune Beach, and Baldwin).
- 2017-502 Millage Levy Ordinance**
Establishes the millage rates to be levied by the consolidated government for Urban Services Districts 2, 3, and 4 (Jacksonville Beach, Atlantic Beach, Neptune Beach, and Baldwin).
- 2017-503 Millage Levy Ordinance**
Establishes millage rates to be levied by the consolidated government for Urban Services District 5 (Baldwin).
- 2017-504 Budget Ordinance**
Approves the budgets for the City and its Independent Agencies.
- 2017-505 Five Year Capital Improvement Plan (CIP)**
Adopts the five year (2018-2022) CIP.
- 2017-506 Shands Agreement**
Authorizes the Mayor, or his designee, and Corporation Secretary to execute and deliver an agreement with Shands Jacksonville Medical Center, Inc., and to take action as may be necessary to effectuate the purpose of the ordinance.
- 2017-507 Five Year IT System Development Capital Program (“ITECH Projects”)**
Adopts the five year (2018-22) inclusive IT System Development Capital Program (“ITECH Projects”).
- 2017-508 Adopting the Sales Tax Growth Rate**
Adopts the annual growth rate as recommended by the administration for the future pension liability surtax proceeds.

(Continued on Next Page)

2017/18 BUDGET LEGISLATION

2017-509 Ryan White Budget Appropriation

Approving the appropriation of a \$6,000,000 continuation grant (without a City match required) from the Department of Health and Human Services Ryan White HIV/AIDS Grant Funds. The purpose of the appropriation is to provide HIV-related health and support services to persons living with HIV and residing in the Jacksonville Transitional Grant Area (TGA).

2017-510 Jacksonville Chamber of Commerce Appropriation

Approving the appropriation of \$200,000 from a designated special council contingency to provide funding for the City of Jacksonville's contribution to the Jacksonville Chamber of Commerce.

2017/2018 BUDGET TIMELINE OVERVIEW

2017

- January 1 This is the effective date of property valuation.
- If a home under construction is not complete on this date, it is not taxed.
 - Taxpayer must reside in home on this date to be eligible for homestead exemption.
- June 1 On or before June 1, the Property Appraiser submits their budget to the Department of Revenue (DOR) for the ensuing fiscal year beginning October 1.
- July 1 Property Appraiser certifies to taxing authorities the preliminary valuation totals, via the top portion of forms DR-420 Certification of Taxable Value, for computation of the proposed budget.
- July 15 On or before July 15, the DOR shall notify the Property Appraiser and the Board of County Commissioners of its tentative budget amendments and changes to the Property Appraiser's budget.
- July 17 Ordinance Code Section 106.201 requires the Mayor to submit the annual budget proposal no later than July 15, unless July 15 falls on a weekend day or national holiday, then the filing shall occur the first business day thereafter.
- August 4 Within 35 days of the Property Appraiser certification, City completes and files form DR-420 (Certification of Taxable Value) with the following information:
- Proposed millage rate
 - Current year rolled-back rate pursuant to Florida Statute (F.S.) 200.065
 - Date, time and place of the tentative budget hearing
- August 15 Prior to August 15, the Property Appraiser and the Board of County Commissioners may submit additional information to the DOR regarding the Property Appraiser Budget.
- On or before August 15, the DOR shall make its final budget amendments to the Property Appraiser budget and shall provide notice thereof to the Property Appraiser and the Board of County Commissioners.
- August 24 Within 55 days of the Property Appraiser certification, the Notice of Proposed Property Taxes (TRIM Notice) is mailed out pursuant to F.S. 200.065.
- September 12 Within 65 to 80 days of the Property Appraiser certification, usually the first Council meeting in September, hold a public hearing and adopt a tentative millage.
- September 23 Within 15 days of the tentative budget hearing, advertise the intent to adopt a final millage and budget pursuant to F.S. 200.065.

2017/2018 BUDGET TIMELINE OVERVIEW

- September 26 Within 2 to 5 days of the advertisement, usually the second Council meeting in September, hold a public hearing and adopt the final millage and budget.
- September 29 Within 3 days after the final hearing, the City sends the ordinance adopting the final millage to the Property Appraiser, the Tax Collector and the DOR.
- October 1 Fiscal year that is funded by this ad valorem tax cycle begins.
- October Property Appraiser informs taxing authority of final adjusted tax roll via top portion of forms DR-422 Certification of Final Taxable Value.
- October Within 30 days of passage, the City/Finance Department sends certified copies of the Millage Levy Ordinance and the Annual Budget Ordinance and other required documents and forms to the DOR, Tax Collector and the Property Appraiser.
- October Within 30 days of passage, the City sends TRIM compliance package to the DOR including form DR-487, Certification of Compliance. The following is included in the package:
- Certification of Taxable Value, Forms DR-420
 - Legislation adopting the millage and the budget
 - Entire newspaper pages for all advertisements
 - Proof of publication from the newspaper for all advertisements
 - Certification of Final Taxable Value, Forms DR-422
- November Tax bills are sent out. Pursuant to Statutes, discounts for early payment are:
- | | |
|----------------------|----------------------|
| 4 percent - November | 3 percent - December |
| 2 percent - January | 1 percent - February |
- December Council Auditor staff calculates the required tax increment contributions based on the Property Appraiser's final certification. Contributions must be made by January 1.

2018

- March 31 Taxes are due without any discount or penalty.
- August Errors and Insolvencies for the 2017 tax roll are certified, including the total discounts granted. The Tax Collector sends a recapitulation (form 502) to the DOR.

When Complete

Notice of Tax Impact of the Value Adjustment Board is published in the Times-Union. The Council Secretary sends an affidavit from the Times-Union and newspaper clippings to DOR.

CITY OF JACKSONVILLE
SUMMARY OF AD VALOREM TAX CALCULATIONS
MAYOR'S PROPOSED MILLAGE RATES
2017/18 BUDGET

		GF/GSD excluding USDs 2 thru 5, Beaches & Baldwin	GF/GSD within USDs 2-4, Jacksonville Beach, Atlantic Beach & Neptune Beach	GF/GSD within USD 5, Baldwin	Total
2016/17 Preliminary Taxable Values		\$ 49,880,900,053	\$ 5,380,384,727	\$ 43,986,470	\$ 55,305,271,250
Operating Millage Rates		11.4419	8.1512	9.6312	
Council Approved Total Estimated Revenues at . . .	95.5%	\$ 545,049,318	\$ 41,883,045	\$ 404,579	\$ 587,336,942
<u>FY 2017/18 BUDGET</u>					
2017/18 Preliminary Taxable Values		\$ 53,066,837,512	\$ 5,770,461,163	\$ 45,012,850	\$ 58,882,311,525
Less New Construction		(841,502,303)	(93,453,155)	(325,108)	(935,280,566)
Taxable Value of Property Existing Last Year		\$ 52,225,335,209	\$ 5,677,008,008	\$ 44,687,742	\$ 57,947,030,959
Operating Millage Rate		11.4419	8.1512	9.6312	
Estimated Revenues at . . .	95.5%				
BEFORE NEW CONSTRUCTION		\$ 570,666,995	\$ 44,192,078	\$ 411,029	\$ 615,270,102
Increased Revenue on Property Existing Last Year		\$ 25,617,677	\$ 2,309,033	\$ 6,450	\$ 27,933,160
Change in budgeted Ad Valorem Revenues, as a percent.					4.76%
Estimated Revenues at . . .	95.5%				
ON NEW CONSTRUCTION		\$ 9,195,108	\$ 727,476	\$ 2,990	\$ 9,925,575
Change in budgeted Ad Valorem Revenues from new construction, as a percent.					1.69%
Total Estimated Revenues Increase		\$ 34,812,785	\$ 3,036,509	\$ 9,440	\$ 37,858,735
Change in budgeted Ad Valorem Revenues, as a percent.					6.45%
Total Proposed Estimated Revenues at	95.5%	\$ 579,862,103	\$ 44,919,555	\$ 414,019	\$ 625,195,677
Net to the General Fund GSD					
Total Proposed Estimated Revenues at	95.5%	\$ 579,862,103	\$ 44,919,555	\$ 414,019	\$ 625,195,677
Less Tax Increment Amounts at	95.0%	\$ (22,361,087)	\$ (6,919,959)	\$ -	\$ (29,281,046)
Net to the General Fund GSD		\$ 557,501,016	\$ 37,999,596	\$ 414,019	\$ 595,914,631
2017/18 ROLLED BACK RATES		10.9028	7.7324	9.5030	
2017/18 RATES AS PRESENTED ABOVE		11.4419	8.1512	9.6312	
PERCENTAGE ABOVE (BELOW) ROLLED BACK		4.94%	5.42%	1.35%	
DIFFERENCE FROM GSD MILLAGE RATE			(3.2907)	118.8%	
MINIMUM PER INTERLOCAL AGREEMENT			(3.2907)	118.8%	

GENERAL SERVICES DISTRICT
SAMPLE RESIDENTIAL AD VALOREM TAX CALCULATION
COMPARING 2016 RATES TO THE MAYOR'S PROPOSED 2017 RATE

TAXABLE VALUE CALCULATION	2016 Tax Rates	2017 Proposed Tax Rates	Change from 2016 to 2017	
(1) Median Assessed Value	\$ 115,404	\$ 118,775	\$ 3,371	2.92%
Less Original Homestead Exemption	(25,000)	(25,000)	-	0.00%
(2) Value Before Additional Homestead Exemption	\$ 90,404	\$ 93,775	\$ 3,371	3.73%
Value Not Subject to the Additional Homestead Exemption (A)	\$ (50,000)	\$ (50,000)	-	N/A
Value Subject to Additional Homestead Exemption	\$ 40,404	\$ 43,775	\$ 3,371	N/A
Additional Homestead Exemption	\$ (25,000)	\$ (25,000)	-	N/A
Remaining After Additional Exemption (B)	\$ 15,404	\$ 18,775	\$ 3,371	N/A
(3) (A) Plus (B) Equals Taxable Value	\$ 65,404	\$ 68,775	\$ 3,371	N/A

MILLAGE RATES

Local Government, GSD	11.4419	11.4419	0.0000	0.00%
Duval County School Board	6.8020	6.4850	(0.3170)	-4.66%
St John's Water Mgmt. District	0.2885	0.2724	(0.0161)	-5.58%
Florida Inland Navigation District	<u>0.0320</u>	<u>0.0320</u>	<u>0.0000</u>	0.00%
Total Millage	<u>18.5644</u>	<u>18.2313</u>	<u>(0.3331)</u>	<u>-1.79%</u>

AD VALOREM TAXES

Local Government, GSD	\$ 748.35	\$ 786.92	\$ 38.57	5.15%
Duval County School Board	\$ 614.93	\$ 608.13	\$ (6.80)	-1.11%
St John's Water Mgmt. District	\$ 18.87	\$ 18.73	\$ (0.14)	-0.71%
Florida Inland Navigation District	\$ 2.09	\$ 2.20	\$ 0.11	5.16%
Total Tax Bill	\$1,384.24	\$ 1,415.98	\$ 31.74	2.29%
Less Four Percent Discount for Payment in November	(55.37)	(56.64)	1.27	2.29%
Net Tax Bill	<u>\$1,328.87</u>	<u>\$ 1,359.34</u>	<u>\$ 30.47</u>	<u>2.29%</u>

Footnotes:

1. The *median* assessed value of single family homesteaded property is \$118,775 for the 2017 tax year. The median assessed value is the value whereby an equal number of homesteaded properties are valued higher and lower.
2. This value is used to calculate the ad valorem taxes due to the Duval County School Board only.
3. This value is used to calculate the ad valorem taxes due to the GSD, St. John's Water Management District, and the Florida Inland Navigation District.

**COUNCIL AUDITOR'S OFFICE
CITY OF JACKSONVILLE
AND ITS INDEPENDENT AGENCIES
BUDGET SUMMARY**

	2016/17		2017/18	
	ORIGINAL BUDGET		MAYOR'S PROPOSED BUDGET	
	TOTAL AGENCY BUDGET (see footnote A)	CONTRIBUTION TO (FROM) CITY	TOTAL AGENCY BUDGET (see footnote A)	CONTRIBUTION TO (FROM) CITY
Jacksonville Aviation Authority				
Operations	93,610,286		95,970,906	
Capital	38,911,939		42,944,176	
Total Jacksonville Aviation Authority	<u>\$ 132,522,225</u>	<u>\$ -</u>	<u>\$ 138,915,082</u>	<u>\$ -</u>
Jacksonville Port Authority				
Excess Telecommunications Contribution		(2,996,070)		(2,438,391)
Operations	63,227,714		65,990,389	
Capital	127,120,500		82,010,032	
Total Jacksonville Port Authority	<u>\$ 190,348,214</u>	<u>\$ (2,996,070)</u>	<u>\$ 148,000,421</u>	<u>\$ (2,438,391)</u>
Police and Fire Pension Fund	<u>\$ 11,376,255</u>	<u>\$ -</u>	<u>\$ 12,306,945</u>	<u>\$ -</u>
Business Improvement District	<u>\$ 1,188,133</u>	<u>\$ (311,660)</u>	<u>\$ 1,393,379</u>	<u>\$ (458,491)</u>
Jacksonville Housing Finance Authority	<u>\$ 324,200</u>	<u>\$ -</u>	<u>\$ 320,000</u>	<u>\$ -</u>
Jacksonville Transportation Authority				
General Fund for Community Trans Coordinator		(1,372,217)		(1,410,864)
Local Option Gas Tax per Interlocal Agreement		(25,380,556)		(30,413,360)
Local Option Sales Tax Fund		(82,581,972)		(83,131,515)
Mayport Ferry Capital				(312,500)
Operations	224,621,907		120,189,370	
Capital	74,703,410		42,100,306	
Total Jacksonville Transportation Authority	<u>\$ 299,325,317</u>	<u>\$ (109,334,745)</u>	<u>\$ 162,289,676</u>	<u>\$ (115,268,239)</u>
J E A				
Electric Operations	1,285,965,741	92,270,692	1,268,533,999	91,471,795
Electric Capital	170,000,000		205,195,000	
Water & Sewer Operations	439,378,058	23,552,258	516,796,507	25,148,020
Water & Sewer Capital	225,500,000		236,511,000	
District Energy System Operations	9,247,921		9,125,828	
District Energy System Capital	3,071,000		3,241,000	
Total JEA	<u>\$ 2,133,162,720</u>		<u>\$ 2,239,403,334</u>	
Total Contribution to City General Fund		<u>\$ 115,822,950</u>		<u>\$ 116,619,815</u>
Total of City Independent Agencies	\$ 2,768,247,064	\$ 3,180,475	\$ 2,702,628,837	\$ (1,545,306)
Contribution to Shands Jacksonville		(26,275,594)		(26,275,594)
Net General Government Contributions		\$ (23,095,119)		\$ (27,820,900)
Total of Jacksonville General Government Budget	\$ 2,194,312,280		\$ 2,454,177,248	
Total Budget, General Government and Independent Agencies	\$ 4,962,559,344		\$ 5,156,806,085	

A Interfund and interagency transfers have not been eliminated.

CITY OF JACKSONVILLE
SUMMARY OF BUDGETS

	FY 16-17 COUNCIL APPROVED	FY 17-18 MAYOR'S PROPOSED	FY 17-18 COUNCIL APPROVED
GENERAL FUND			
011 GENERAL FUND - GSD	1,101,477,909	1,168,423,914	
012 MOSQUITO CONTROL - STATE 1	51,666	44,632	
015 PROPERTY APPRAISER	10,286,143	10,204,833	
016 CLERK OF THE COURT	3,836,080	5,074,258	
017 TAX COLLECTOR	16,310,238	17,421,319	
018 EMERGENCY CONTINGENCY - SEC 106.107	54,691,309	65,732,316	
019 JACKSONVILLE JOURNEY	4,232,992	-	
01A SPECIAL EVENTS	6,733,353	6,509,556	
TOTAL GENERAL FUND	1,197,619,690	1,273,410,828	
SPECIAL REVENUE FUNDS			
110 PLANNING, ECONOMIC DEV. & CONCUR MNGT	2,701,241	1,591,055	
120 AIR POLLUTION CONTROL & MONITORING	1,676,694	1,659,675	
130 SPORTS, CONVENTION & TOURISM DEV	7,387,307	9,410,000	
140 TRANSPORTATION	117,936,751	134,492,314	
150 GENERAL GOVERNMENT	20,985,883	22,230,535	
160 PUBLIC SAFETY	-	7,000,000	
170 EMERGENCY 9-1-1	4,421,002	4,761,990	
180 TAX INCREMENT DISTRICTS	31,086,774	33,959,546	
190 JCC / JAX JOURNEY	24,311,728	27,098,069	
1A0 COMMUNITY DEVELOPMENT BLOCK GRANT	195,000	195,000	
1D0 MAINTENANCE, PARKS AND RECREATION	8,484,289	6,202,961	
1F0 OTHER FEDERAL, STATE & LOCAL GRANTS	200,000	450,000	
1H0 GENERAL GOVERNMENT	1,357,942	1,531,702	
1I0 BETTER JACKSONVILLE	70,341,627	74,402,754	
1L0 SPECIAL ASSESSMENT	294,702	1,009,000	
1S0 GENERAL GOVERNMENT	1,510,014	1,088,503	
TOTAL SPECIAL REVENUE FUNDS	292,890,954	327,083,104	
CAPITAL PROJECT FUNDS			
310 BOND PROJECTS	-	26,084	
320 GENERAL PROJECTS	51,228,163	120,495,909	
330 GRANT PROJECTS	(300,000)	1,650,000	
340 RIVER CITY RENAISSANCE PROJECT	-	25,758	
360 BOND PROJECTS	-	111,028	
TOTAL CAPITAL PROJECT FUNDS	50,928,163	122,308,779	
ENTERPRISE FUNDS			
410 PUBLIC PARKING SYSTEM	4,090,616	4,034,053	
430 MOTOR VEHICLE INSPECTION	464,419	466,524	
440 SOLID WASTE DISPOSAL	83,596,354	81,974,466	
460 STORMWATER SERVICES	42,144,410	41,913,031	
4F0 EQUESTRIAN CNT/NEFL EQUESTRIAN SOCIETY	402,553	405,126	
4G0 SPORTS COMPLEX CAPITAL MAINT	7,055,880	8,825,344	
4K0 CITY VENUES	76,224,462	89,183,043	
TOTAL ENTERPRISE FUNDS	213,978,694	226,801,587	
INTERNAL SERVICE FUNDS			
510 FLEET MANAGEMENT	79,106,497	90,796,738	
520 PURCHASING	2,449,152	2,537,364	
530 INFORMATION TECHNOLOGIES	36,626,155	41,666,241	
550 OFFICE OF GENERAL COUNSEL	9,498,003	10,809,722	
560 SELF INSURANCE	39,460,061	40,828,524	
570 GROUP HEALTH	94,260,698	94,683,862	
580 INSURED PROGRAMS	7,802,077	7,894,597	
590 DEBT MANAGEMENT FUNDS	106,431,682	153,367,515	
5A0 PUBLIC WORKS	46,198,326	46,433,631	
TOTAL INTERNAL SERVICE FUNDS	421,832,651	489,018,194	

CITY OF JACKSONVILLE
SUMMARY OF BUDGETS

	FY 16-17 COUNCIL APPROVED	FY 17-18 MAYOR'S PROPOSED	FY 17-18 COUNCIL APPROVED
TRUST AND AGENCY FUNDS			
610 GENERAL EMPLOYEES PENSION TRUST	13,971,655	15,140,403	
640 EXPENDABLE TRUST FUND	1,582,604	240,794	
TOTAL TRUST AND AGENCY FUNDS	15,554,259	15,381,197	
COMPONENT UNITS			
750 OFFICE OF ECONOMIC DEVELOPMENT	891,059	173,559	
TOTAL COMPONENT UNITS	891,059	173,559	
TOTAL FOR ALL GENERAL GOVERNMENT FUNDS	2,193,695,470	2,454,177,248	

CITY OF JACKSONVILLE, FLORIDA
SUMMARY OF EMPLOYEE CAPS BY SUBFUND

	FY 16-17 COUNCIL APPROVED	FY 17-18 MAYOR'S PROPOSED	FY 17-18 COUNCIL APPROVED	CHANGE FROM FY17
GENERAL FUND				
011 GENERAL FUND - GSD	5,919	6,085		166
015 PROPERTY APPRAISER	118	116		(2)
016 CLERK OF THE COURT	32	35		3
017 TAX COLLECTOR	226	226		0
019 JACKSONVILLE JOURNEY	4	0		(4)
01A SPECIAL EVENTS	14	14		0
TOTAL GENERAL FUND	6,313	6,476		163
SPECIAL REVENUE FUNDS				
112 CONCURRENCY MANAGEMENT SYSTEM	6	6		0
121 AIR POLLUTION TAG FEE	6	6		0
127 AIR POLLUTION EPA - SEC 111.750	11	11		0
132 TDC - SEC 111.600 FS 125.104	1	1		0
154 HAZARDOUS WASTE PROGRAM	5	5		0
159 BUILDING INSPECTION	136	144		8
15F TREE PROTECTION FUND - SEC 111.760	0	1		1
15V TEEN COURT PROGRAMS TRUST - SEC 111.375	6	6		0
15W LIBRARY CONF FACILITY TRUST-SEC 111.830	3	3		0
171 9-1-1 EMERGENCY USER FEE - SEC 111.320	5	5		0
191 JAX CHILDRENS COMMISSION/JOURNEY	38	38		0
1D1 HUGUENOT PARK - SEC 111.125	9	10		1
1D2 KATHRYN A. HANNA PARK - SEC 111.125	15	15		0
1DA CECIL FIELD COMMERCE CENTER	6	6		0
1DE CECIL FIELD TRUST - SEC 111.625	1	0		(1)
1H2 SPAY & NEUTER REBATE TRUST SEC 111.450	1	1		0
1S1 COURT COSTS \$65 FEE FS: 939.185	9	9		0
TOTAL SPECIAL REVENUE FUNDS	258	267		9
ENTERPRISE FUNDS				
412 PUBLIC PARKING	36	36		0
431 MOTOR VEHICLE INSPECTION - SEC 110.407	7	7		0
441 SOLID WASTE DISPOSAL	116	116		0
461 STORMWATER SERVICES	54	50		(4)
TOTAL ENTERPRISE FUNDS	213	209		(4)
INTERNAL SERVICE FUNDS				
511 FLEET MGMT - OPERATIONS	108	108		0
512 FLEET MGMT - VEHICLE REPLACEMENT	3	3		0
521 COPY CENTER / CENTRAL MAILROOM	5	5		0
531 ITD OPERATIONS	121	121		0
534 RADIO COMMUNICATIONS	10	10		0
551 OFFICE OF GENERAL COUNSEL	64	69		5
561 SELF INSURANCE	22	22		0
571 GROUP HEALTH	8	9		1
581 INSURED PROGRAMS	6	7		1
5A1 PUBLIC BUILDING ALLOCATIONS	59	59		0
TOTAL INTERNAL SERVICE FUNDS	406	413		7
TRUST AND AGENCY FUNDS				
611 GENERAL EMPLOYEES PENSION	5	5		0
TOTAL TRUST AND AGENCY FUNDS	5	5		0
TOTAL EMPLOYEE CAP FOR ALL SUBFUNDS	7,195	7,370		175

**Council Auditor's Office
 Mayor's FY 2017/2018 Proposed Budget
 Overall Employee Cap Reconciliation**

FY 2016/2017 Council Approved Employee Cap (City-Wide)	7,195	
Net Change in Positions during FY 2016/2017	14 *	
	7,209	
Sub-total FY 2016/2017		
Positions Added in Mayor's Proposed FY 2017/2018 Budget	164 **	
Positions Eliminated in Mayor's Proposed FY 2017/2018 Budget	(3) ***	
	7,370	
Proposed FY 2017/2018 Employee Cap (City-Wide)		7,370

Notes:

* The net change in positions during fiscal year 2016/17 is due to following changes:

- Added nine (9) positions for Building Inspection (Non-General Fund/GSD) as approved by Ordinances 2016-734-E and 2017-267-E.
- Added five (5) positions in the Office of General Counsel (Non-General Fund/GSD) as approved by Ordinances 2017-181-E and 2017-282-E.

** The positions being added in the proposed budget for FY 2017/2018 are:

- One Hundred (100) in the Sheriff's Office (General Fund/GSD), of which eighty (80) are funded for 6 months and twenty (20) are unfunded.
- Forty two (42) in the Fire and Rescue (General Fund/GSD), of which eighteen (18) are fully funded, seventeen (17) are funded for 3 months and seven (7) for 2 months.
- Eight (8) in Parks, Recreation and Community Service (General Fund/GSD).
- Four (4) in Neighborhoods (General Fund/GSD).
- Three (3) in Clerk of Court (Non-General Fund/GSD).
- Two (2) in Medical Examiner (General Fund/GSD).
- One (1) in Advisory Boards & Commissions (General Fund/GSD).
- One (1) in Human Rights Commission (General Fund/GSD).
- One (1) in Tree Protection Fund (Non-General Fund/GSD).
- One (1) in Group Health (Non-General Fund/GSD).
- One (1) in Insured Programs (Non-General Fund/GSD).

*** The positions being eliminated in the proposed budget for FY 2017/2018 are:

- Two (2) vacant positions in Property Appraiser (Non-General Fund/GSD).
- One (1) vacant position in Office of Economic Development (General Fund/GSD).

CITY OF JACKSONVILLE, FLORIDA
GENERAL FUND - GENERAL SERVICES DISTRICT
EMPLOYEE CAPS BY DEPARTMENT

	FY 16-17 Council Approved	FY 17-18 Mayor's Proposed	FY 17/18 Council Approved	Change From FY 17
FULL TIME EMPLOYEE POSITIONS				
ADVISORY BOARDS & COMMISSIONS	4	5		1
CITY COUNCIL	81	81		0
COURTS	2	2		0
DOWNTOWN INVESTMENT AUTHORITY	5	5		0
EMPLOYEE SERVICES	42	42		0
FINANCE AND ADMINISTRATION	104	103		(1)
FIRE AND RESCUE	1,298	1,340		42
HUMAN RIGHTS COMMISSION	6	7		1
MAYOR'S OFFICE	28	28		0
MEDICAL EXAMINER	26	28		2
MILITARY AFFAIRS AND VETERANS	14	14		0
NEIGHBORHOODS	204	209		5
OFFICE OF ECONOMIC DEVELOPMENT	12	12		0
OFFICE OF ETHICS, COMPLIANCE&OVERSIGHT	1	1		0
OFFICE OF GENERAL COUNSEL	2	2		0
OFFICE OF INSPECTOR GENERAL	8	8		0
OFFICE OF SPORTS & ENTERTAINMENT	5	5		0
OFFICE OF THE SHERIFF	3,177	3,277		100
PARKS, RECREATION & COMMUNITY SVCS	247	254		7
PLANNING AND DEVELOPMENT	32	32		0
PUBLIC LIBRARIES	293	297		4
PUBLIC WORKS	297	302		5
SUPERVISOR OF ELECTIONS	31	31		0
TOTAL FULL TIME EMPLOYEE POSITIONS				
GENERAL FUND - GENERAL SERVICES DISTRICT	5,919	6,085		166

Overall Explanation:

Within each department review, employee cap changes will be addressed. However, from an overall standpoint, main changes were as follows:

Advisory Boards & Commissions: The proposed budget includes adding one (1) positions.

Finance and Administration: One (1) position was transferred to the Neighborhoods Department during FY 2016/17.

Fire and Rescue: The proposed budget includes adding forty-two (42) positions, of which eighteen (18) are fully funded, seventeen (17) are funded for 3 months and seven (7) for 2 months.

Human Rights Commission: The proposed budget includes adding one (1) positions.

Medical Examiner: The proposed budget includes adding two (2) positions.

Neighborhoods: The proposed budget includes adding two (4) positions and one (1) position was transferred from the Finance and Administration Department during FY 2016/17.

Office of the Sheriff: One hundred (100) positions are proposed to be added in the FY 2017/18 budget, of which eighty (80) are funded for 6 months and twenty (20) are unfunded.

Parks, Recreation & Community Services: The proposed budget includes adding (8) positions and transferring out one (1) position from the General Fund/GSD (S/F 011) to Huguenot Park (S/F 1D1).

Public Libraries: The proposed budget includes the transfer of four (4) positions to the General Fund/GSD (S/F 011) from the Jacksonville Journey (S/F 019) related to the LEAP Program.

Public Works: The proposed budget includes transferring four (4) positions to the General Fund/GSD from Stormwater Services (S/F 461). Also, one (1) position was transferred from the Planning and Development Department (General Fund/GSD - S/F 011) during FY 2016/17.

**POSITION REDLINES
FISCAL YEAR 2017 - 2018**

Subfund	Activity	Jobcode	Position Title	Total
011	SHCO011HS	04891	Medical Physician	1
011	SHCO011HS	04893	Nursing Operations Manager - JSO	1
011	SHCO011HS	04957	JSO Manager - Health Services Administrator	1
011	SHCO011HS	04896	Senior Manager of Health Services - JSO	1
011	SHCO011HS	04897	AMIO - JSO Health Management Analyst	1
011	SHCO011HS	P0036	Health Services Technician	1
011	SHCO011HS	P0041	Licensed Practical Nurse	24
011	SHCO011HS	P0042	Clinic Associate	4
011	SHCO011HS	P0043	Medical Clerk	2
011	SHCO011HS	P0044	Health Information Specialist	3
011	SHCO011HS	P0045	Mental Health Counselor	6
011	SHCO011HS	P0046	Registered Nurse - Charge Nurse	7
011	SHCO011HS	P0047	Registered Nurse	8
011	SHCO011HS	P0055	Dental Assistant	2
011	SHCO011HS	P0059	Medical Supply Technician	1
011	SHCO011HS	P0060	Phlebotomist	1
011	SHCO011HS	P0499	Pharmacy Clerk	1
011	SHCO011HS	Y0101	Social Services Specialist	1
				66

RECOMMENDATION:

We recommend that this schedule be revised to remove 04957-JSO Manager - Health Service Administrator and replace it with 04899-Mental Health Services Manager - JSO, as requested by the Office of the Sheriff.

**COUNCIL AUDITOR'S OFFICE
GENERAL FUND - GSD PERSONNEL EXPENSES
PROPOSED FY 2017/18 BUDGET**

	2016/2017 Council Approved	2017/2018 Mayor's Proposed	\$ Change	% Change
(A) SALARIES	\$ 356,447,721	\$ 384,779,108	\$ 28,331,387	7.95%
(B) EMPLOYER PROVIDED BENEFITS	\$ 302,754,894	\$ 221,870,731	\$ (80,884,163)	-26.72%
(C) SALARIES/ BENEFITS LAPSES	\$ (10,389,818)	\$ (5,469,459)	\$ 4,920,359	-47.36%
TOTAL PERSONNEL	<u>\$ 648,812,797</u>	<u>\$ 601,180,380</u>	<u>\$ (47,632,417)</u>	-7.34%

(A) Overall, salary expenses within the General Fund-GSD increased by \$28,331,387, or 7.95%. Regular salaries increased by \$18,316,038, overtime salaries increased by \$9,817,668 and part-time salaries increased by \$1,254,032.

Regular salaries are increasing by \$18,316,038, primarily due to increases of \$8,186,196 in the Office of the Sheriff and \$6,322,281 in Fire and Rescue. These increases, for the most part, are due to planned general wage increases included in their recently approved collective bargaining agreements. The proposed budget also includes the addition of eighty (80) partially funded Police Officers, six (6) months, and twenty (20) unfunded Police Officers to the Office of the Sheriff and forty-two (42) positions to Fire and Rescue, of which eighteen (18) are fully funded, seventeen (17) are funded for three (3) months and seven (7) for two (2) months. Additionally, there are salary increases of \$875,047 for the Parks, Recreation & Community Services Department, \$737,659 for Public Libraries, \$571,420 for the Neighborhoods Department and \$486,998 for the Finance Department. These increases can be attributed to salary increases from recent collective bargaining, employee turnover and the net addition of 15 FTE's.

Overtime salaries are increasing by \$9,817,668 primarily due to an increase of \$4,961,790 for Fire and Rescue and \$4,687,817 for the Office of the Sheriff based on current activity levels and the salary increases from the recently approved collective bargaining agreements. These increases are in addition to the 100 new positions in the Office of the Sheriff and 42 new positions in Fire and Rescue.

Part-Time Salaries are increasing by \$1,254,032 primarily due to increases of \$613,080 in Parks, Recreation and Community Service primarily attributable to increases in aquatics, \$231,558 in Fire & Rescue for life guards at ocean front parks, \$150,290 in Supervisor of Elections, and \$138,991 in Public Libraries.

Leave sell back is decreasing by \$782,257 primarily due to a decrease of \$930,744 for Fire and Rescue which is partially offset by an increase of \$135,911 for the Office of the Sheriff. These amounts are based on estimates provided by Human Resources.

(B) Overall, Employer Provided Benefits is decreasing by \$80,884,163, or 26.72%. In total, defined benefit pension plan contributions are decreasing by \$79,068,294 while defined contribution plans are increasing by \$4,606,906. Also, Group Hospitalization charges are decreasing by \$9,994,311.

The City's pension contribution for all defined benefit plans are decreasing from last year. Furthermore, the City is no longer using a greater of, percentage or dollar amount, approach. The City's pension contribution will be solely based on the dollar amounts identified in the actuarial report. This results in a net savings of \$10 - \$11million to the General Fund/GSD, once the salary and benefits lapse is factored in. Note that the budgeted Police & Fire Pension contribution is being supplemented by \$20 million of available funds within the plan to bring the total contribution to \$134,594,514.

Pension Plan	FY 2016/17		FY 2017/18	
	Rate	Amount	Rate	Amount
General Employees' Pension Plan - DB	37.09%	\$ 26,796,438	n/a	\$ 17,451,072
Corrections Officers' Pension Plan - DB	67.73%	\$ 19,860,841	n/a	\$ 13,945,229
Police & Fire Pension Plan - DB	119.60%	\$ 178,668,273	n/a	\$ 114,594,514
General Employees' Pension Plan - DC	8.00%	\$ 1,317,592	12.00%	\$ 3,438,427
Public Safety Pension Plan - DC	n/a	\$ -	25.00%	\$ 2,502,631

There is a decrease of \$9,994,311 in Group Hospitalization due to the City's use of available funds built up by the switch to self insured health insurance. The budget is proposed with the employee and employer taking five (5) contribution "holidays" throughout the year. This is partially offset by an increase of \$3,108,557 in Workers' Compensation (including Heart and Hypertension) which is mainly caused by increases to Fire and Rescue of \$1,523,237 and the Office of the Sheriff of \$1,289,077. These increases are based on the annual actuarial study and how interest earned and administrative expenses of Workers' Compensation are allocated amongst the users.

(C) The decrease of \$4,920,359 in salaries and benefits lapse is due to the exclusion of pension contributions from the lapse calculation. The decrease also includes the removal of a special lapse for Fire and Rescue which was put in place by the Finance Committee, at the suggestion of the Department, during the prior year's budget process.

**COUNCIL AUDITOR'S OFFICE
MAYOR'S PROPOSED FY 2017/18 BUDGET
SALARY AND BENEFITS LAPSE SCHEDULE**

<u>SF</u>	<u>Department</u>	<u>FY 16/17 Council Approved</u>	<u>FY 17/18 Proposed</u>	<u>Change</u>
GSD Salary and Benefits Lapse¹				
011	Non-Departmental ¹	(3,975,011)	(2,572,757)	1,402,254
011	Office of the Sheriff ²	(5,218,288)	(2,896,702)	2,321,586
011	Fire Department ³	(1,196,519)	-	1,196,519
Total General Fund/GSD		(10,389,818)	(5,469,459)	4,920,359
Salary and Benefits Lapse by Non-GSD Subfund				
015	Property Appraiser	(151,336)	(151,336)	-
016	Clerk of the Court	(66,514)	(47,305)	19,209
017	Tax Collector	(390,570)	(231,928)	158,642
01A	Special Events	(15,122)	(13,246)	1,876
159	Building Inspection	(152,274)	(111,985)	40,289
15V	Teen Court Programs Trust	(17,859)	(12,556)	5,303
191	Jacksonville Children's Commission	(71,061)	-	71,061
1D1	Huguenot Park	(9,836)	(8,108)	1,728
1D2	Kathryn A. Hanna Park	(17,061)	(13,932)	3,129
1DA	Cecil Field Commerce Center	(10,266)	(7,332)	2,934
412	Off-Street Parking	(52,023)	(29,768)	22,255
431	Motor Vehicle Inspection	(17,455)	(8,945)	8,510
441	Solid Waste Disposal	(177,701)	(115,812)	61,889
511	Fleet Management - Operations	(281,208)	(182,503)	98,705
531	ITD Operations	(439,567)	(313,832)	125,735
534	Radio Communications	(13,029)	(9,474)	3,555
551	Office of General Counsel	(308,901)	(255,739)	53,162
561	Self Insurance	(22,659)	(16,382)	6,277
571	Group Health	(15,989)	(13,737)	2,252
581	Insured Programs	(15,840)	(10,093)	5,747
5A1	Public Building Allocations	(92,256)	(33,859)	58,397
Total Lapse for Other Sub-funds		(2,338,527)	(1,587,872)	750,655
Total Budgeted Lapse		(12,728,345)	(7,057,331)	5,671,014

Overall Comment - The lapse calculations for FY 2017/18 do not include the pension amounts per employee since these will now be budgeted at the actuarial dollar amount. Also, health insurance was excluded from the calculation for FY 2017/18 to account for the contribution holidays.

¹ Non-Departmental GSD Lapse

The personnel lapse is generally applied to the non-departmental index code as opposed to the individual departments in the General Services District. Per the Administration, the reason it is applied to non-departmental is to establish a more defined personnel lapse that is based on true historical vacancy rates rather than an arbitrary percentage that forced departments to keep the same positions vacant year after year.

² Office of the Sheriff Non-Departmental Lapse

The salary and benefits lapse is included in the budget of the Sheriff's Office since "savings" from prior years have been transferred from one year to the next in the past.

³ Fire Department Non-Departmental Lapse

The separate salary and benefits lapse for the Fire Department was included specifically for FY 2016/17 due to an inability to hire due to a backlog in training. This additional lapse is not proposed on top of their portion of the non-departmental salary and benefits lapse in FY 2017/18.

CITY OF JACKSONVILLE, FLORIDA
GENERAL FUND/GENERAL SERVICES DISTRICT (011)
SCHEDULE OF REVENUES

	FN	FY 16/17 COUNCIL APPROVED	FY 17/18 MAYOR'S PROPOSED	INCREASE/ (DECREASE)	RECOMMENDATION REFERENCE
NON-DEPARTMENTAL REVENUES					
AD VALOREM TAXES	A	\$ 587,336,942	\$ 625,195,677	\$ 37,858,735	
DISTRIBUTIONS TO TAX INCREMENT DISTRICTS		(26,753,080)	(29,281,046)	(2,527,966)	
NET AD VALOREM TAXES		\$ 560,583,862	\$ 595,914,631	\$ 35,330,769	
COMMUNICATIONS SERVICES TAX		31,726,133	30,062,599	(1,663,534)	1
CONTRIBUTIONS FROM OTHER FUNDS	B	5,715,783	6,107,948	392,165	
CONTRIBUTIONS FROM OTHER LOCAL UNITS	C	115,822,950	116,619,815	796,865	
DISPOSITION OF FIXED ASSETS		71,000	125,000	54,000	
FEDERAL GRANTS	D	449,649	322,103	(127,546)	
FEDERAL PAYMENTS IN LIEU OF TAXES		25,119	25,119	-	
FRANCHISE FEES	E	39,731,812	40,634,300	902,488	
INTEREST, INCL PROFITS ON INVESTMENTS	F	3,287,614	2,702,077	(585,537)	
LOCAL BUSINESS TAX	G	7,055,810	7,106,286	50,476	
NON OPERATING SOURCES	H	13,011,047	22,368,097	9,357,050	
OTHER CHARGES FOR SERVICES	I	9,985,059	13,337,627	3,352,568	
OTHER FINES AND/OR FORFEITS	J	1,189,328	1,162,386	(26,942)	2
OTHER MISCELLANEOUS REVENUE	K	5,676,015	5,615,311	(60,704)	3, 4, 5
RENTS AND ROYALTIES	L	100,000	100,000	-	
SALES AND USE TAXES		1,083,630	1,159,338	75,708	
STATE SHARED REVENUES	M	167,270,581	173,100,499	5,829,918	6, 7, 8, 9
UTILITY SERVICE TAXES		88,519,503	91,763,077	3,243,574	
VIOLATIONS OF LOCAL ORDINANCES		500	500	-	
TOTAL NON-DEPARTMENTAL REVENUES		\$ 1,051,305,395	\$ 1,108,226,713	\$ 56,921,318	
ADVISORY BOARDS AND COMMISSIONS		\$ 238,500	\$ 88,500	-\$ 150,000	
CITY COUNCIL		353,062	342,586	(10,476)	
DOWNTOWN INVESTMENT AUTHORITY		39,820	39,820	-	
EMPLOYEE SERVICES		1,500	1,300	(200)	
FINANCE AND ADMINISTRATION		91,076	90,982	(94)	
FIRE AND RESCUE		30,817,911	36,211,579	5,393,668	
HUMAN RIGHTS COMMISSION		75,400	66,850	(8,550)	
MAYOR'S OFFICE		98,500	65,000	(33,500)	
MEDICAL EXAMINER		1,546,225	1,727,733	181,508	
MILITARY AFFAIRS AND VETERANS		500	500	-	
NEIGHBORHOODS		1,536,017	1,543,839	7,822	
OFFICE OF ECONOMIC DEVELOPMENT		120	120	-	
OFFICE OF ETHICS, COMPLIANCE AND OVERSIGHT		20,000	20,000	-	
OFFICE OF INSPECTOR GENERAL		115,000	115,000	-	
OFFICE OF THE SHERIFF		8,553,974	12,218,570	3,664,596	
PARKS, RECREATION & COMMUNITY SERVICES		766,410	761,575	(4,835)	
PLANNING AND DEVELOPMENT		1,142,114	1,159,125	17,011	
PUBLIC LIBRARIES		298,248	276,725	(21,523)	
PUBLIC WORKS		4,453,137	5,442,397	989,260	
SUPERVISOR OF ELECTIONS		25,000	25,000	-	
TOTAL DEPARTMENTAL REVENUES	N	\$ 50,172,514	\$ 60,197,201	\$ 10,024,687	
TOTAL GENERAL FUND/GENERAL SERVICES DISTRICT (011) REVENUES		\$ 1,101,477,909	\$ 1,168,423,914	\$ 66,946,005	

CITY OF JACKSONVILLE, FLORIDA
GENERAL FUND/GENERAL SERVICES DISTRICT (011)
SCHEDULE OF REVENUES

	FN	FY 16/17 COUNCIL APPROVED	FY 17/18 MAYOR'S PROPOSED	INCREASE/ (DECREASE)	RECOMMENDATION REFERENCE
CONTRIBUTIONS FROM OTHER FUNDS					
TRANSFER FR NE CRA - PR YR LOAN REPAYMENT (SF 181)	O	\$ 759,218	1,131,493	372,275	
TRANSFER FROM SOUTHSIDE TID (SF 182)	P	360,572	406,954	46,382	
TRANSFER FROM COMMUNITY DEV (SF 1A1)	Q	120,000	120,000	-	
TRANSFER FROM GEN CAP PROJ (SF 322)	R	964,000	948,000	(16,000)	10
TRANSFER FROM PUBLIC BUILDINGS (SF 5A1)	S	2,666,356	2,966,257	299,901	
TRANSFER FROM RED LIGHT CAMERA REVENUE (SF 64C)	T	845,637	535,244	(310,393)	
TOTAL CONTRIBUTIONS FROM OTHER FUNDS		\$ 5,715,783	\$ 6,107,948	\$ 392,165	
CONTRIBUTIONS FROM OTHER LOCAL UNITS					
CONTRIBUTION FROM JEA ELECTRIC		\$ 92,270,692	\$ 91,471,795	\$ (798,897)	
CONTRIBUTION FROM JEA WATER & SEWER		23,552,258	25,148,020	1,595,762	
TOTAL CONTRIBUTIONS FROM OTHER LOCAL UNITS	U	\$ 115,822,950	\$ 116,619,815	\$ 796,865	
STATE SHARED REVENUE DETAIL					
1/2 CENT SALES TAX	V	\$ 94,138,150	\$ 96,686,645	\$ 2,548,495	
ALCOHOLIC BEVERAGE LICENSE		699,918	720,500	20,582	
GASOLINE TAXES 7TH CENT		4,004,105	4,245,630	241,525	
INSURANCE AGENTS LICENSES		184,404	191,151	6,747	
MOBILE HOME LICENSES		233,606	243,872	10,266	
MOTOR FUEL USE TAX-COUNTY		14,802	15,028	226	
MUNICIPAL FUEL TAX REFUND		169,020	169,020	-	
REV SHARED-1/17 CIGARETTE TAX		388,270	349,739	(38,531)	
REV SHARED-8TH CENT GAS TAX		7,665,015	8,173,739	508,724	6
REV SHARED-COUNTY SALES		24,655,028	25,172,634	517,606	7
REV SHARED-MUNICIPAL SALES		24,920,141	26,443,094	1,522,953	8
SPECIAL FUEL & MOTOR FUEL USE TAX		2,500	4,248	1,748	
REV SHARED-POPULATION(6.24) FS248.23(2)		5,646,763	5,759,476	112,713	
SURPLUS GAS TAX		4,548,859	4,925,723	376,864	9
TOTAL STATE SHARED REVENUE		\$ 167,270,581	\$ 173,100,499	\$ 5,829,918	

**COUNCIL AUDITOR'S OFFICE
GENERAL FUND/GENERAL SERVICES DISTRICT (011)
REVENUE FOOTNOTES AND RECOMMENDATIONS**

FOOTNOTES:	
A.	The Mayor's proposed budget includes the proposed rate of 11.4419 mills for the General Fund/General Services District (GF/GSD), 8.1512 for the Beaches and 9.6312 for Baldwin and are the same rates levied in the current fiscal year. These rates will generate an estimated \$625,195,677 in Ad Valorem Taxes and are in accordance with the interlocal agreements.
B.	A breakdown of Contributions from Other Funds can be seen on the Supporting Revenue Detail page.
C.	A breakdown of Contributions from Other Local Units can be seen on the Supporting Revenue Detail page.
D.	This represents an interest rebate on the Build America Bonds (BABs) from the American Recovery and Reinvestment Act received from the United States Treasury. The decrease is due to a reduction in principal outstanding.
E.	Franchise Fees include payments from JEA and other businesses for the sale of water/sewer, electric and gas.
F.	This includes Investment Pool Earnings and Interest Income. The FY 16/17 approved budget included an assumed interest rate of approximately 2.05%. The Mayor's proposed budget of approximately \$2.7 million uses the Treasury Division's projected interest rate of 1.51% for FY 17/18.
G.	The Local Business Taxes are those fees paid by businesses that are located in Duval County. The projected increase is based on year-to-date and historical revenue.
H.	This represents a transfer from fund balance. Of the total proposed FY 17/18 transfer amount, \$7.0 million will be transferred out to Subfund 165 for Hurricane Matthew expenses, \$5.0 million will be transferred to the pension reforms reserve, and the remaining \$10,368,097 will be transferred to Subfund 018 in an attempt to increase the Emergency Reserve from 5% to 6%.
I.	Other Charges for Services represents the indirect cost recovery, which represents allocations to non-general funds for administrative services and overhead costs used by those activities. The increase is mostly due to an improved methodology used to allocate indirect costs, as recommended in our audit of the Indirect Cost Allocation Report (Report #747).
J.	The City receives 50.8% of Civil Traffic Citations of which 70% go to the GF/GSD and 30% go to the Police and Fire Pension Fund. See recommendation #2 below.
K.	Other Miscellaneous Revenue consists primarily of a Payment in Lieu of Taxes by Florida Power and Light, fees received for the inmate pay telephone system and payphones residing on City property, the Hyatt (formerly Adam's Mark) hotel 1% surcharge, indirect cost recovered from grant subfunds, and miscellaneous services and charges. The decrease is a mostly the result of a decrease in phone fee revenue. See recommendations #3 - #5 below.
L.	Rents and Royalties represents the Jacksonville Landing annual rent payment.
M.	A breakdown of State-Shared revenue can be seen on the Supporting Revenue Detail Page.
N.	Departmental Revenues will be discussed with the departmental budgets.
O.	The FY 17/18 proposed transfer represents repayment of the FY16/17 budgeted GF/GSD contribution to Subfund 181.
P.	The FY 17/18 proposed transfer will be used for administrative costs per Code Sec. 111.640 (c).
Q.	This represents a transfer of grant funding from Community Development Block Grant (Subfund 1A1) to the GF/GSD to partially offset the costs of the Independent Living Program, which is part of the Parks, Recreation and Community Services Department within the GF/GSD.
R.	Subfund 4K1 (City Venues) transfers funds to Subfund 322 annually as part of two loan repayments. Beginning in FY 15/16, Subfund 322 has transferred these repayments back to the GF/GSD to offset the General Fund subsidy to the venues. See recommendation #10 below.
S.	This represents a transfer from Public Buildings (Subfund 5A1) to pay the debt service costs of the Ed Ball and the Haverty's buildings, which must be paid from the GF/GSD since that is where the assets are recorded.
T.	This represents projected revenue from red light camera fines for the period of July 2017 through December 2017. The GF/GSD receives a transfer of the revenue remaining after the State is paid their portion of the fines and the vendor is paid their contracted fee. If Red Light Camera fines are not enough to pay the contracted amount to Red Flex, Red Flex will receive whatever fines are received. The City is not liable for the difference. The contract with Redflex ends 12/31/2017 and at this time, the Sheriff's Office does not anticipate the program continuing after expiration of the contract.
U.	The budgeted contribution from JEA Electric and Water & Sewer reflects the revised calculation for the annual contribution to the City pursuant to Ordinance 2015-764-E, which is based on a percentage of JEA's gross revenue with a guaranteed minimum.
V.	The FY 17/18 proposed budget for half-cent sales tax revenue is more conservative than the State's estimate of \$97,887,714. We concur with this approach.

RECOMMENDATIONS:	
1.	We recommend that the Communication Services Tax (CST) revenue be increased by \$2,793,767 to \$32,856,366. The proposed budget does not take into account a one-time \$2.2 million negative adjustment that occurred in FY 16/17. This recommended amount is a more conservative estimate than the State's projection for FY 17/18 of \$34,442,482 as actuals have come in under the State estimate since at least FY 10/11. This increase in CST will be slightly offset by an increase of \$501,895 in the non-departmental expenditure transfer to JPA. The net impact to Special Council Contingency will be a positive \$2,291,872.
2.	We recommend decreasing Court Fines - Traffic by \$64,177 to \$1,098,209 based on the current year projected revenue and the average annual growth over the last five years. This will have a negative impact of \$64,177 to Special Council Contingency.
3.	We recommend decreasing the Payment in Lieu of Taxes - FPL by \$30,615 to \$2,856,226 in order to reflect current assessed values in progress and the proposed millage rates. This will have a negative impact of \$30,615 to Special Council Contingency.

**COUNCIL AUDITOR'S OFFICE
GENERAL FUND/GENERAL SERVICES DISTRICT (011)
REVENUE FOOTNOTES AND RECOMMENDATIONS**

4.	We recommend decreasing Unclaimed Tax Deed Sale revenue by \$50,000 to \$0. The City must remit unclaimed tax deed sale revenue to the State pursuant to Florida Statute 197.473. This will have a negative impact of \$50,000 to Special Council Contingency.
5.	We recommend decreasing Telephone/Laundry/Concession Commissions by \$155,321 to \$1,705,562 based on current year revenue and the average annual growth. This will have a negative impact of \$155,321 to Special Council Contingency.
6.	We recommend increasing the 8th Cent Gasoline Tax revenue by \$351,691 to \$8,525,430 based on current year revenue and the average annual growth. This will have a positive impact of \$351,691 to Special Council Contingency.
7.	We recommend decreasing the County Sales Tax revenue by \$1,880,940 to \$23,291,694 based on current year revenue and the average annual growth. This will have a negative impact of \$1,880,940 to Special Council Contingency.
8.	We recommend increasing the Municipal Sales Tax revenue by \$1,817,517 to \$28,260,611 based on current year revenue and the average annual growth. This will have a positive impact of \$1,817,517 to Special Council Contingency.
9.	We recommend increasing the Surplus Gasoline Tax revenue by \$325,546 to \$5,251,269 based on current year revenue and the average annual growth. This will have a corresponding increase to non-departmental expenditure as these funds are transferred to the fiscal agent. These combined adjustments will have no impact to Special Council Contingency.
10.	The transfer of \$948,000 from General Capital Projects (Subfund 322) is being used to offset a GF/GSD subsidy to the fund (City Venues) that makes loan repayments to Subfund 322; however, the source of the original loans were funds residing within Subfund 322. Therefore, funds available to be spent on capital projects are being used to balance the budget in the GF/GSD. We recommend eliminating this transfer and placing the funds in cash carryover within Subfund 322 until the CIP budget hearing. This will have a negative impact of \$948,000 on Special Council Contingency.

The net effect of these recommendations results in a positive impact of \$1,332,027 to Special Council Contingency.

**CITY OF JACKSONVILLE, FLORIDA
GENERAL FUND / GENERAL SERVICES DISTRICT (S/F 011)
SCHEDULE OF EXPENDITURES**

	FY 16-17 COUNCIL APPROVED	FY 17-18 MAYOR'S PROPOSED	CHANGE FROM ORIGINAL BUDGET	CHANGE (%)
DEPARTMENTAL EXPENSES				
ADVISORY BOARDS & COMMISSIONS	423,679	478,997	55,318	13.06%
CITY COUNCIL	9,785,244	9,937,512	152,268	1.56%
COURTS	4,071,611	3,791,370	(280,241)	-6.88%
DOWNTOWN INVESTMENT AUTHORITY	1,190,244	1,261,119	70,875	5.95%
EMPLOYEE SERVICES	6,967,346	6,877,655	(89,691)	-1.29%
FINANCE AND ADMINISTRATION	11,394,822	12,993,237	1,598,415	14.03%
FIRE AND RESCUE	220,588,136	217,112,278	(3,475,858)	-1.58%
HUMAN RIGHTS COMMISSION	597,156	753,555	156,399	26.19%
MAYOR'S OFFICE	4,088,424	4,168,856	80,432	1.97%
MEDICAL EXAMINER	4,037,394	4,531,630	494,236	12.24%
MILITARY AFFAIRS AND VETERANS	1,177,519	1,199,889	22,370	1.90%
NEIGHBORHOODS	19,173,015	19,381,472	208,457	1.09%
OFFICE OF ECONOMIC DEVELOPMENT	1,675,852	1,589,404	(86,448)	-5.16%
OFFICE OF ETHICS, COMPLIANCE & OVERSIGHT	312,203	308,689	(3,514)	-1.13%
OFFICE OF GENERAL COUNSEL	309,784	290,702	(19,082)	-6.16%
OFFICE OF INSPECTOR GENERAL	931,822	993,731	61,909	6.64%
OFFICE OF SPORTS & ENTERTAINMENT	871,176	867,116	(4,060)	-0.47%
OFFICE OF THE SHERIFF	423,110,925	410,505,112	(12,605,813)	-2.98%
PARKS, RECREATION & COMMUNITY SVCS	41,695,144	44,446,513	2,751,369	6.60%
PLANNING AND DEVELOPMENT	4,633,554	4,378,428	(255,126)	-5.51%
PUBLIC DEFENDER	1,894,296	2,164,001	269,705	14.24%
PUBLIC HEALTH	1,025,580	1,120,112	94,532	9.22%
PUBLIC LIBRARIES	31,677,323	32,128,717	451,394	1.42%
PUBLIC WORKS	42,331,364	43,258,153	926,789	2.19%
STATE ATTORNEY	1,690,261	1,707,646	17,385	1.03%
SUPERVISOR OF ELECTIONS	5,804,419	5,924,669	120,250	2.07%
TOTAL DEPARTMENTAL EXPENSES	841,458,293	832,170,563	(9,287,730)	-1.10%
NON-DEPARTMENTAL EXPENSES				
CITYWIDE ACTIVITIES	104,488,463	99,382,828	(5,105,635)	-4.89%
CONTINGENCIES	8,289,809	57,291,977	49,002,168	591.11%
DEBT FEES - BOND RELATED	142,375	69,275	(73,100)	-51.34%
DEBT SERVICE TRANSFERS - FISCAL AGENT	404,847	273,651	(131,196)	-32.41%
DEBT SERVICE TRANSFERS - INTEREST	22,290,592	20,755,208	(1,535,384)	-6.89%
DEBT SERVICE TRANSFERS - PRINCIPAL	43,010,553	44,631,614	1,621,061	3.77%
INTER-LOCAL AGREEMENTS	2,351,254	2,395,483	44,229	1.88%
SUBFUND LEVEL ACTIVITIES	3,063,674	3,918,195	854,521	27.89%
TRANSFER OUT TO OTHER FUNDS	75,978,049	107,535,120	31,557,071	41.53%
TOTAL NON-DEPARTMENTAL EXPENSES	260,019,616	336,253,351	76,233,735	29.32%
TOTAL GENERAL FUND - GSD EXPENSES	1,101,477,909	1,168,423,914	66,946,005	6.08%

* - Departmental expenses will be discussed within the departmental budgets.

** - Breakdown of each category of non-departmental expenses can be seen in the pages that follow.

**CITY OF JACKSONVILLE, FLORIDA
GENERAL FUND / GENERAL SERVICES DISTRICT (S/F 011)
SCHEDULE OF NON-DEPARTMENTAL EXPENDITURES**

	FY 16-17 COUNCIL APPROVED	FY 17-18 MAYOR'S PROPOSED	CHANGE FROM ORIGINAL BUDGET	% CHANGE	FOOT NOTE
CITYWIDE ACTIVITIES					
415 LIMIT PENSION COST	49,903	32,760	(17,143)	-34.35%	A
ALCOHOL REHABILITATION PROGRAM	399,989	399,989	-	0.00%	
ALLOCATIONS - VACANT BUILDINGS	983,832	526,805	(457,027)	-46.45%	B
ANNUAL INDEPENDENT AUDIT	291,500	307,050	15,550	5.33%	
ART IN PUBLIC PLACES		3,582	3,582	NA	C
BUSINESS IMPRV DISTRICT-DOWNTOWN VISION	311,660	458,491	146,831	47.11%	D
CIP DEBT SERVICE REPAYMENT	23,584,042	28,361,614	4,777,572	20.26%	E
CONSTITUTIONAL GAS TAX TO FISCAL AGENT	4,548,859	4,925,723	376,864	8.28%	F
DEBT SERVICE - ED BALL BUILDING	1,193,287	1,289,954	96,667	8.10%	
DEBT SERVICE - HAVERTY BUILDING	1,473,069	1,676,303	203,234	13.80%	G
ECON DEV TRAINING GRANT	446,000		(446,000)	-100.00%	H
ECON DEV TRAINING GRANT -AMAZON 2		200,000	200,000	NA	H
ECON DEV TRAINING GRANT -GE		200,000	200,000	NA	H
ECONOMIC GRANT PROGRAM	4,688,000	3,001,000	(1,687,000)	-35.99%	I
FILING FEE LOCAL ORD-PUBLIC DEF FS27.54	20,000	23,000	3,000	15.00%	J
FILING FEE LOCAL ORD-ST ATTORNEY FS27.34	52,000	52,000	-	0.00%	K
JACKSONVILLE LANDING	291,807	244,716	(47,091)	-16.14%	L
JUVENILE JUSTICE	3,465,953	4,288,167	822,214	23.72%	M
LICENSE AGREEMENTS AND FEES	18,847	19,340	493	2.62%	N
LOBBYIST FEES	150,000	150,000	-	0.00%	
MANATEE STUDY	90,000	90,000	-	0.00%	O
MEDICAID PROGRAM F.S. 409.915	16,164,215	15,165,000	(999,215)	-6.18%	P
MUNICIPAL DUES & AFFILIATION	237,584	14,885	(222,699)	-93.73%	Q
MUNICIPAL DUES/AFFILIATION SEC 10.109		200,650	200,650	NA	Q
N. FL TPO (TRANSPORTATION PLANNING ORG)	222,517	230,748	8,231	3.70%	R
NE FL REGIONAL TRANSPORTATION COMMISSION	96,751	96,751	-	0.00%	S
NON DEPARTMENTAL IS ALLOCATIONS	778,930	555,921	(223,009)	-28.63%	T
NORTH FLORIDA REGIONAL COUNCIL	371,286	378,696	7,410	2.00%	U
PFPF ADDITIONAL PAYMENT (121.114 C)	10,000,000		(10,000,000)	-100.00%	V
PSG - CULTURAL COUNCIL	2,846,580	2,846,580	-	0.00%	W
PUBLIC SAFETY DC PLAN ADMINISTRATION		73,765	73,765	NA	X
PUBLIC SERVICE GRANTS	2,624,196	2,624,196	-	0.00%	Y
QUALIFIED TARGET INDUSTRIES	609,575	766,975	157,400	25.82%	Z
REFUND - TAXES OVERPD/ERROR/CONTROVERSY	3,000	4,000	1,000	33.33%	
SHANDS JAX MEDICAL CENTER CONTRIBUTION	26,275,594	26,275,594	-	0.00%	AA
SMG - NAVY V NOTRE DAME	350,000		(350,000)	-100.00%	
SMG - TAXSLAYER BOWL AMENDMT#3	350,000	835,102	485,102	138.60%	BB
STORMWATER 501C3/LOW INCOME SUBSIDY		1,563,732	1,563,732	NA	CC
SUBSIDIZED PENSION FUNDS	16,987	17,239	252	1.48%	
TAX DEED PURCHASES	200,000	200,000	-	0.00%	DD
ZOO CONTRACT	1,282,500	1,282,500	-	0.00%	
TOTAL CITYWIDE ACTIVITIES	104,488,463	99,382,828	(5,105,635)	-4.89%	
CONTINGENCIES					
CONTINGENCY - COLL. BARGAINING REOPENER		2,000,000	2,000,000	NA	EE
CONTINGENCY-PENSION UAAL	3,500,000		(3,500,000)	-100.00%	FF
CONTINUATION GRANT MATCH(B1-B)	441,120	501,309	60,189	13.64%	GG
EXECUTIVE OP CONTINGENCY - COUNCIL	55,000	100,000	45,000	81.82%	
EXECUTIVE OP CONTINGENCY - MAYOR	100,000	100,000	-	0.00%	
F.I.N.D GRANT MATCH		1,581,000	1,581,000	NA	HH
FEDERAL MATCHING GRANT	985,014	250,000	(735,014)	-74.62%	II
PENSION REFORM RESERVES	2,983,675	52,559,668	49,575,993	1661.57%	JJ
SP COUNCIL CONTINGENCY-SWIMMING LESSONS	25,000		(25,000)	-100.00%	
SPECIAL COUNCIL CONTING - JAX CHAMBER	200,000	200,000	-	0.00%	
TOTAL CONTINGENCIES	8,289,809	57,291,977	49,002,168	591.11%	
DEBT FEES - BOND RELATED					
FISCAL AGENT FEES GF-GSD	142,375	69,275	(73,100)	-51.34%	
TOTAL DEBT FEES - BOND RELATED	142,375	69,275	(73,100)	-51.34%	

**CITY OF JACKSONVILLE, FLORIDA
GENERAL FUND / GENERAL SERVICES DISTRICT (S/F 011)
SCHEDULE OF NON-DEPARTMENTAL EXPENDITURES**

	FY 16-17 COUNCIL APPROVED	FY 17-18 MAYOR'S PROPOSED	CHANGE FROM ORIGINAL BUDGET	% CHANGE	FOOT NOTE
DEBT SERVICE TRANSFERS - FISCAL AGENT					
TRF FR 011 GF TO 22U - FISCAL AGENT FEES	496	1,000	504	101.61%	
TRF FR 011 GF TO 255 - FISCAL AGENT FEES	2,950	450	(2,500)	-84.75%	
TRF FR 011 GF TO 256 - FISCAL AGENT FEES	450		(450)	-100.00%	
TRF FR 011 GF TO 259 - FISCAL AGENT FEES	397,225	268,331	(128,894)	-32.45%	
TRF FR 011 GF TO 25A - FISCAL AGENT FEES	900	900	-	0.00%	
TRF FR 011 GF TO 25F -FISCAL AGENT FEES	450	450	-	0.00%	
TRF FR 011 GF TO 25G -FISCAL AGENT FEES	450	450	-	0.00%	
TRF FR 011 GF TO 25H - FISCAL AGENT FEES	450	450	-	0.00%	
TRF FR 011 GF TO 4F6 -FISCAL AGENT FEES	1,476	1,620	144	9.76%	
TOTAL DEBT SERVICE TRANSFERS - FISCAL AGENT	404,847	273,651	(131,196)	-32.41%	KK
DEBT SERVICE TRANSFERS - INTEREST					
TRF FR 011 GF TO 22H-06C ETR/CARLING	166,620	161,849	(4,771)	-2.86%	
TRF FR 011 GF TO 22U-01 RCR SALES TAX	767,836	374,966	(392,870)	-51.17%	
TRF FR 011 GF TO 255-06C ETR	92,908	62,545	(30,363)	-32.68%	
TRF FR 011 GF TO 256-07 ETR	1,518,477		(1,518,477)	-100.00%	
TRF FR 011 GF TO 259-08 A&B (97'S&02)	2,213,929	2,132,997	(80,932)	-3.66%	
TRF FR 011 GF TO 25A-09 AB&C	1,755,820	1,614,817	(141,003)	-8.03%	
TRF FR 011 GF TO 25B-09C SPEC REV	510,228	272,835	(237,393)	-46.53%	
TRF FR 011 GF TO 25C-COURTHOUSE DEBT	1,241,801	752,434	(489,367)	-39.41%	
TRF FR 011 GF TO 25D-COURTHOUSE DEBT	1,889,114	1,850,397	(38,717)	-2.05%	
TRF FR 011 GF TO 25E-2012B SPEC REV	31,717		(31,717)	-100.00%	
TRF FR 011 GF TO 25F-2012C SPEC REV	7,220,930	6,489,832	(731,098)	-10.12%	
TRF FR 011 GF TO 25G-2012D SPEC REV	354,325	316,420	(37,905)	-10.70%	
TRF FR 011 GF TO 25H-2012E SPEC REV	516,578	419,813	(96,765)	-18.73%	
TRF FR 011 GF TO 25I 2013A SPEC (INT)	1,374,792	1,374,792	-	0.00%	
TRF FR 011 GF TO 25K 2014 SPEC (INT)	2,407,566	2,407,566	-	0.00%	
TRF FR 011 GF TO 25L 2016A SPEC (INT)		2,338,195	2,338,195	NA	
TRF FR 011 GF TO 4F6 DEBT SVC	96,739	96,385	(354)	-0.37%	
TRF FR 011 GF TO 561-ADAM'S MARK	131,212	89,365	(41,847)	-31.89%	
TOTAL DEBT SERVICE TRANSFERS - INTEREST	22,290,592	20,755,208	(1,535,384)	-6.89%	
DEBT SERVICE TRANSFERS - PRINCIPAL					
TRF FR 011 GF TO 22H-06C CARLING	337,757	342,516	4,759	1.41%	
TRF FR 011 GF TO 22U-01 RCR SALES TAX	7,125,000	7,520,000	395,000	5.54%	
TRF FR 011 GF TO 255-06C ETR	585,900	615,553	29,653	5.06%	
TRF FR 011 GF TO 256-2007 ETR	1,390,000		(1,390,000)	-100.00%	
TRF FR 011 GF TO 259-08A&B (97'S&02)	3,905,436	3,686,253	(219,183)	-5.61%	
TRF FR 011 GF TO 25A-09AB&C ETR	3,250,000	3,395,000	145,000	4.46%	
TRF FR 011 GF TO 25B-09C SPEC REV	1,375,000	1,420,000	45,000	3.27%	
TRF FR 011 GF TO 25C-COURTHOUSE DEBT	1,097,000	1,136,000	39,000	3.56%	
TRF FR 011 GF TO 25D-COURTHOUSE DEBT	772,500	810,300	37,800	4.89%	
TRF FR 011 GF TO 25F-2012C SPEC REV	14,532,000	15,795,000	1,263,000	8.69%	
TRF FR 011 GF TO 25G-2012D SPEC REV	945,000	985,000	40,000	4.23%	
TRF FR 011 GF TO 4F6 DEBT SVC	14,564	13,748	(816)	-5.60%	
TRF FR 011 GF TO 561-ADAM'S MARK	940,396	982,244	41,848	4.45%	
TRF FR 011 TO GF TO 25H-2012E SPEC REV	6,740,000	7,080,000	340,000	5.04%	
TRF FR 011 TO GF TO 25L 2016A SPEC (PR)		850,000	850,000	NA	
TOTAL DEBT SERVICE TRANSFERS - PRINCIPAL	43,010,553	44,631,614	1,621,061	3.77%	

**CITY OF JACKSONVILLE, FLORIDA
GENERAL FUND / GENERAL SERVICES DISTRICT (S/F 011)
SCHEDULE OF NON-DEPARTMENTAL EXPENDITURES**

	FY 16-17 COUNCIL APPROVED	FY 17-18 MAYOR'S PROPOSED	CHANGE FROM ORIGINAL BUDGET	% CHANGE	FOOT NOTE
INTER-LOCAL AGREEMENTS					
ATLANTIC & NEPTUNE BCH FIRE SERVICE	279,043	287,414	8,371	3.00%	
ATLANTIC BCH LG/BCH-CAPITAL ONLY	9,000	9,000	-	0.00%	
ATLANTIC BCH LIFEGUARD/BCH CLEAN-UP	222,583	229,260	6,677	3.00%	
BEACHES-SOLID WASTE DISPOSAL CHARGES	905,034	906,147	1,113	0.12%	
JACKSONVILLE BCH LIFEGUARD/BCH CLEAN-UP	712,794	734,178	21,384	3.00%	
NEPTUNE BCH LIFEGUARD/BCH CLEAN-UP	222,800	229,484	6,684	3.00%	
TOTAL INTER-LOCAL AGREEMENTS	2,351,254	2,395,483	44,229	1.88%	
SUBFUND LEVEL ACTIVITY					
DEBT SERVICE - ASH SETTLEMENT	2,640,398	2,611,697	(28,701)	-1.09%	LL
JPA - CONTRIBUTIONS TO/FROM	2,996,070	2,438,391	(557,679)	-18.61%	MM
JTA - CONTRIBUTIONS TO/FROM	1,372,217	1,410,864	38,647	2.82%	NN
PROPERTY LEASE W/ WJCT-JAZZ FESTIVAL	30,000	30,000	-	0.00%	OO
SALARY & BENEFIT LAPSE	(3,975,011)	(2,572,757)	1,402,254	-35.28%	PP
TOTAL SUBFUND LEVEL ACTIVITY	3,063,674	3,918,195	854,521	27.89%	
TRANSFER OUT TO OTHER FUNDS					
GEN FUND-GSD LOAN TO NE DWNTN CRA	1,131,493	292,132	(839,361)	-74.18%	
GEN FUND-GSD LOAN TO SOLID WASTE DISPOS.		3,058,842	3,058,842	NA	QQ
GEN FUND-GSD LOAN TO STORMWATER OPS	1,561,770	2,329,009	767,239	49.13%	QQ, RR
GEN FUND-GSD LOAN TO VEHICLE INSPECTION		78,371	78,371	NA	QQ
GEN FUND-GSD TRANSFER TO 15V TEEN COURT		55,000	55,000	NA	
GEN FUND-GSD TRANSFER TO AIR POLL EPA	424,272	424,273	1	0.00%	
GEN FUND-GSD TRANSFER TO BCH EROSION LOC	200,000	450,000	250,000	125.00%	
GEN FUND-GSD TRANSFER TO CECIL COMM CTR	1,222,856	1,144,279	(78,577)	-6.43%	
GEN FUND-GSD TRANSFER TO CECIL FIELD		315,496	315,496	NA	
GEN FUND-GSD TRANSFER TO CIP FUND 32E	4,027,372	16,000,000	11,972,628	297.28%	
GEN FUND-GSD TRANSFER TO CITY VENUES	11,608,653	15,431,545	3,822,892	32.93%	
GEN FUND-GSD TRANSFER TO COURTHOUSE TRST	252,116	526,056	273,940	108.66%	
GEN FUND-GSD TRANSFER TO DIRECT VEH RPL	3,500,000		(3,500,000)	-100.00%	
GEN FUND-GSD TRANSFER TO EMERG.INCIDENTS		7,000,000	7,000,000	NA	
GEN FUND-GSD TRANSFER TO EMERGENCY RESV	2,000,000	10,368,097	8,368,097	418.40%	
GEN FUND-GSD TRANSFER TO HANNA PARK		24,525	24,525	NA	
GEN FUND-GSD TRANSFER TO HUGUENOT PARK	198,380	356,282	157,902	79.60%	
GEN FUND-GSD TRANSFER TO ITD-RADIO COMM	699,280		(699,280)	-100.00%	
GEN FUND-GSD TRANSFER TO JAX JOURNEY	4,232,992		(4,232,992)	-100.00%	
GEN FUND-GSD TRANSFER TO JCC/JOURNEY	23,189,689	26,983,544	3,793,855	16.36%	
GEN FUND-GSD TRANSFER TO PROP APPRAISER	9,801,582	9,817,904	16,322	0.17%	
GEN FUND-GSD TRANSFER TO SPECIAL EVENTS	6,218,353	6,133,226	(85,127)	-1.37%	
GEN FUND-GSD TRANSFER TO TAX COLLECTOR	5,709,241	6,746,539	1,037,298	18.17%	
TOTAL TRANSFER OUT TO OTHER FUNDS	75,978,049	107,535,120	31,557,071	41.53%	
TOTAL NON-DEPARTMENTAL EXPENDITURES	260,019,616	336,253,351	76,233,735	29.32%	

CITY OF JACKSONVILLE, FLORIDA
GENERAL FUND / GENERAL SERVICES DISTRICT (S/F 011)
SCHEDULE OF NON-DEPARTMENTAL EXPENDITURES

- A** - The City is required to pay to eligible payees of the Retirement System certain benefits that exceed, and otherwise would be reduced by, the limitations on benefits imposed by Section 415(b) of the Internal Revenue Code. Actual payments to payees are periodically adjusted for COLA and IRS changes and have decreased thus causing a decrease in the amount budgeted for FY 2017/18. There was an error in calculation. See Recommendation #1.
- B** - The allocation for vacant buildings expenditures relates to utilities of \$126,477, security of \$3,584, building maintenance allocation of \$154,829 and property insurance charges of \$241,915 for the former City Hall and Courthouse buildings. The decrease of \$457,027 is mostly due to a decrease of \$417,263 in utilities allocation caused by a decrease in usage in past two years. The City needs to reevaluate allocation of various costs for those buildings. For example, building maintenance allocation is a charge for maintaining buildings that are used by the City, and it should not be charged to vacant buildings. However, if those buildings are demolished, this issue will disappear.
- C** - This amount is solely for the insurance related to the art in public places activity.
- D** - Per Ordinance 2005-785-E, the City shares in the cost of the community enhancements provided by Downtown Vision, Inc. (DVI). More details can be found at Schedule AD. The increase is due to the City contributing an amount equivalent to 1.1 mills consistent with private businesses instead of a historic flat amount of \$311,660.
- E** - The increase is due to new loans resulting from debt management project spending in the current fiscal year (FY 2016/17).
- F** - This amount represents 50% of the Surplus Gas Tax Revenues that are transferred to the fiscal agent based on the interlocal agreement with JTA.
- G** - The debt service for the Haverty's Building was moved to the GF/GSD in FY 2015/16 because the assets are booked within the General Fund (GSD). Through a series of transfers, the Public Defender will continue to pay its share of the building's cost as part of the Public Building's internal service allocation. The increase is due to a scheduled increase in the principal payment.
- H** - The contractual payments for EDME/training grants totaling \$446,000 to General Electric (\$200,000 per year for 15 years totaling \$3M) and to Macquarie for (\$246,000 one-time payment) were approved for the current fiscal year (FY 2016/17). In the proposed budget, the payment to General Electric is shown on a separate line. Also, a new grant to Amazon (\$200,000 per year) is budgeted as a separate line item in the proposed budget.
- I** - The contractual payments for economic grant program incentives are listed below:

Company name	FY 2016/17 Budget Approved	FY 2017/18 Budget Proposed
Ameristeel/Gerdau	\$ 278,000	\$ 272,000
City Facilities Management	\$ -	\$ 29,000
Deutsche Bank (2012)	\$ 29,000	\$ 25,000
Deutsche Bank (2013)	\$ 28,000	\$ 30,000
Deutsche Bank (2015)	\$ 110,000	\$ 109,000
Fanatics	\$ 48,000	\$ 49,000
Fidelity National Financial*	\$ 289,000	\$ -
Fidelity Global	\$ 20,000	\$ 20,000
Flagler Interchange**	\$ 1,950,000	\$ 400,000
General Electric	\$ 359,000	\$ 295,000
Greencore	\$ 26,000	\$ 38,000
JA-RU	\$ 42,000	\$ 42,000
Johnson and Johnson (2013)	\$ 679,000	\$ 508,000
Johnson and Johnson (2015)	\$ -	\$ 438,000
Kaman Aerospace Corp*	\$ 49,000	\$ -
KLS Martin	\$ 26,000	\$ 26,000
Medtronic	\$ 58,000	\$ 42,000
Saft	\$ 380,000	\$ 393,000
Southeast Toyota	\$ 280,000	\$ 285,000
Volvo Parts North America*	\$ 37,000	\$ -
Total	\$ 4,688,000	\$ 3,001,000

* - Project was paid off in FY 2016/17 and does not need any future funding.

** - Flagler Interchange project is in its last year. Per Office of the Economic Development, \$21.6M of \$22M (max) was paid out through the years limiting payment in the proposed budget to \$400,000.

- J** - The City is contractually required to reimburse Public Defender for defending violations of special laws or county ordinances. The amount is estimated by the Public Defender Office and was increased to align budgeted amounts with actual expenditures.

CITY OF JACKSONVILLE, FLORIDA
GENERAL FUND / GENERAL SERVICES DISTRICT (S/F 011)
SCHEDULE OF NON-DEPARTMENTAL EXPENDITURES

- K** - The City is contractually required to reimburse State Attorney for prosecuting violations of special laws or county ordinances. The amount is limited to \$52,000 per year but may change based upon the State Attorney's estimate of the hours required to handle the projected workload.
- L** - This amount mostly represents allocation for the security costs for Jacksonville Landing. The decrease is due to a decrease in the utilities allocation.
- M** - The City is required to contribute funding to the State for the operation of Department of Juvenile Justice detention centers. The costs are estimated by the State of Florida. The increase is due to an increase in the State's estimate of the total costs to be allocated and due to an increase in the usage by Duval County in the current year.
- N** - Funding is needed for additional licenses for public performance of musical works to the copyright owners.
- O** - This is to fund a contract with Jacksonville University for the continuing manatee protection studies. In FY 2017/18, the last one-year renewal option of the current contract will be exercised.
- P** - This amount represents the county's share of costs for Medicaid recipients as estimated by the State of Florida. The decrease is mostly due to FY 2016/17 being a fifth and final year in a series of Medicaid Settlement Agreement payments to the State and also due to flat total costs for Medicaid as estimated by the State of Florida.
- Q** - Funding for membership in the Florida Association of Counties, Florida League of Cities, National Association of Counties and National League of Cities is now budgeted in a separate line from other municipal dues and affiliations. 10% of that amount is also budgeted for travel in the City Council's budget based on Ord. 2017-97-E (Sec. 10.109 of the Municode). In total, the Municipal Dues and Affiliation budget includes dues and payments to the following organizations:

Organization	FY 2016/17 Budget Approved	FY 2017/18 Budget Proposed
Government Finance Officers Association	\$ 3,200	\$ 3,050
Jacksonville Black Chamber of Commerce	\$ 10,000	\$ 10,000
Sister Cities International	\$ 1,800	\$ 1,835
US Conference of Mayors	\$ 26,216	\$ -
Subtotal	\$ 41,216	\$ 14,885

Organization / Municode Section 10.109	FY 2016/17 Budget Approved	FY 2017/18 Budget Proposed
Florida Association of Counties	\$ 110,238	\$ 112,443
Florida League of Cities	\$ 42,424	\$ 44,501
National Association of Counties	\$ 17,285	\$ 17,285
National League of Cities	\$ 26,421	\$ 26,421
Subtotal	\$ 196,368	\$ 200,650
Total	\$ 237,584	\$ 215,535

- R** - This amount represents a contribution for the Metropolitan Planning Organization established by the interlocal agreement between FDOT and various parties. The City pays 25 cents per capita for the Duval County population.
- S** - This amount represents a contribution to the Northeast Florida Regional Transportation Commission established by the State of Florida for up to five years. The payment in the proposed budget is the fifth payment by Duval County that pays up to 30 cents per capita (capped at 45% of the total commission's budget).
- T** - This is an allocation mostly for the internal service charges for various items (utility consumption, building maintenance, security, etc.). The allocation for costs that are not specifically identifiable to a specific occupant (common areas, unoccupied buildings, bridges, etc.) are budgeted in the non-departmental expenditures. The decrease is mostly due to a decrease of \$158,560 in computer system maintenance and security allocation.
- U** - This amount represents a contribution to North Florida Regional Council. The City pays 41 cents per capita for the Duval County population.
- V** - As a part of 2015-304-E, which reformed the Police and Fire Pension Plan, there was a series of payments from the City to the fund to assist in reducing Unfunded Actuarial Accrued Liability. The recent pension reform eliminated the additional payments.
- W** - A lump sum is appropriated to the Cultural Council for administration of the Cultural Service Grant (CSG) program. The CSG Committee makes recommendations for allocation of the lump sum appropriation to the CSG Board of Directors who make a final determination. Included in the total is an appropriation of \$53,000 to the Cultural Council for administration of the City's Art in Public Places Program.

**CITY OF JACKSONVILLE, FLORIDA
GENERAL FUND / GENERAL SERVICES DISTRICT (S/F 011)
SCHEDULE OF NON-DEPARTMENTAL EXPENDITURES**

- X** - In the most recent round of negotiations the City agreed to pay for the administration costs of the DC plan for new police officers and firefighters hired after October 1, 2017. The annual administrative fees are estimated at 0.25% of the accounts balance.
- Y** - The Public Service Grant (PSG) Council makes an annual PSG funding recommendation to the Mayor for inclusion in the proposed budget. Pursuant to Ordinance 2016-56-E, final allocations for FY 17/18 public service grants will be determined by the PSG Council on November 1.
- Z** - The contractual payments for qualified target industries incentives are listed below:

Company name	FY 2016/17 Budget Approved	FY 2017/18 Budget Proposed
Adecco (MPS)*	\$ 1,500	\$ -
Adecco	\$ 45,000	\$ 55,500
Advent	\$ 14,000	\$ 13,300
Bruss	\$ 19,375	\$ 21,325
Centene	\$ 18,750	\$ 18,750
City Facilities Management	\$ -	\$ 3,750
Deutsche Bank (2008)*	\$ 94,500	\$ -
Deutsche Bank (2012)	\$ 65,000	\$ 65,000
Deutsche Bank (2013)	\$ 15,000	\$ 37,500
Deutsche Bank (2015)	\$ -	\$ 52,500
Digital Risk*	\$ 3,750	\$ -
Embraer	\$ 7,500	\$ 7,500
Ernst and Young	\$ -	\$ 18,750
Everbank 2011	\$ 52,500	\$ 91,875
Fidelity Global	\$ -	\$ 10,500
General Electric	\$ 8,750	\$ 75,000
Jax Apex Technology	\$ 4,500	\$ 4,500
Kaman	\$ 97,125	\$ 73,500
Macquarie	\$ -	\$ 25,800
Medtronic Xomed	\$ 52,500	\$ 52,500
Resource Solution	\$ -	\$ 3,750
Safariland**	\$ 3,600	\$ -
SAFT	\$ 32,725	\$ 47,175
Selene Finance Corp.	\$ 17,500	\$ 17,500
Sungard Avantgard/FIS (2013)	\$ 36,000	\$ 51,000
Website Pro's	\$ 20,000	\$ 20,000
Total	\$ 609,575	\$ 766,975

* - Project was paid off or terminated in FY 2016/17 and does not need any future funding.

** - The remaining Safariland project payments were moved to JIA CRA (s/f 185) for FY 2017/18 through FY 2019/20.

- AA** - This is the annual contribution to Shands Medical Center for indigent care for Duval County citizens. The last increase was in FY 2013/14 for \$2,500,000. There have been no other increases since FY 2001/02.
- BB** - The increase in funding for Tax Slayer Bowl is mostly due to budgeting additional \$415,313 to install 2,054 seats due to the renovations at the stadium. This amount matches the actual spent during FY 2016/17 that was appropriated via Ordinance 2016-736-E in December of 2016. Also, there is an increase of \$69,789 in professional and contractual services to match the contractual maximum obligation.
- CC** - This amount represents a stormwater fees subsidy to low income residents and 501(c)(3) organizations. It was moved to the non-departmental expenditures from the transfers-out in the proposed budget for better accounting.
- DD** - This is a payment for the title search fees on City-held tax certificates. Title search is a mandatory requirement during the tax deed application process.
- EE** - The City collective bargaining agreements address only wages and pension benefits. The parties agree to reopen negotiations during the first year of the agreement to negotiate other terms and conditions of employment.
Note: It is also our understanding that it was agreed to discuss correctional officers salaries when negotiations are reopened.
- FF** - The Administration's intent in FY 2016/17 was to set aside as much funding as possible to help pay for the FY2017/18 PFPF additional payment of \$15 million to assist in reducing Unfunded Actuarial Accrued Liability. The recent pension reform eliminated these additional payments.
- GG** - This amount is to provide the local match for State and Federal continuation grants listed on Schedule B1b.

CITY OF JACKSONVILLE, FLORIDA
GENERAL FUND / GENERAL SERVICES DISTRICT (S/F 011)
SCHEDULE OF NON-DEPARTMENTAL EXPENDITURES

- HH** - This amount represents City's match for the FIND grant (Resolution 2017-112-A). The waterways projects funded by this grant can be found on Schedule B1c.
- II** - This amount is to provide the local match for the provisional State and Federal grants.
- JJ** - This is the pension reform contingency set aside to cover future pay increases if there are revenue shortfalls. The \$2,983,675 that was budgeted for the current fiscal year was for collective bargaining negotiations (\$2.3M) and for the 2% salary cut restoration for the remaining appointed employees (\$683,675).
- KK** - Fiscal agent fees are banking fees incurred in the process of issuance and payment of bonds.
- LL** - This is a payment on \$25,000,000 borrowed to pay the settlement approved by Ordinance 2005-998-E.
- MM** - Pursuant to interlocal agreement, the City provides a contribution to JPA each year consisting of \$800,000, a portion of telecommunications tax monies, and a quarter mill from JEA's electric contribution to the City. These funds are first used to pay debt service on the revenue bonds issued by the City on behalf of the JPA. The JPA used the proceeds from these bonds for port expansion and capital items. The \$2,438,391 contribution to JPA included in the Mayor's Proposed Budget is the estimated excess communication services tax remaining after all debt service obligations have been met. The recommendation to increase the telecommunications tax was made in the non-departmental revenues schedule which would increase the contribution to JPA to \$2,940,286.
- NN** - This is a contribution to JTA for the Community Transportation Coordinator (CTC) program, pursuant to local agreement.
- OO** - This is a payment to WJCT per the contract approved by Resolution 2002-975-A.
- PP** - The personnel lapse represents the savings in each department's budget resulting from turnover in personnel based on the average number of terminations, days position are vacant and average salary for all GSD departments except JSO.
- QQ** - See the next page for the concerns related to the loans to the enterprise funds.
- RR** - The FY 2016/17 amount is not an actual loan. Instead it was a transfer out to cover the subsidy to low income residents and 501(c)(3) organizations. As noted in note CC above, this amount was moved into a citywide activity expenditure line item.

RECOMMENDATION:

We recommend increasing the funding for 415 Limit Pension Cost by \$13,023 to better align with the projected costs. This will have a negative impact on the Special Council Contingency of \$13,023.

**COUNCIL AUDITOR'S OFFICE
MAYOR'S PROPOSED BUDGET FY 2017/18
CONCERN: LOANS TO ENTERPRISE FUNDS**

Background

Enterprise Funds charge a user fee to the customers for a service provided. The fees should cover the cost of providing the service. If the fee is not covering the cost then efforts need to be made to reduce the overall cost and/or increase the billing rate(s). The City has a process in place for many fees to be increased by the Chief Financial Officer based on an annual fee analysis required by the Municipal Code. The Solid Waste fee is an example of a fee that is part of this annual review. While the Stormwater fee is not specifically mentioned, the City should still be performing a constant review of the fee like all others to make sure that it is properly recovering costs. The Proposed Budget Ordinance contains a provision to waive the requirement for the analysis to be performed and implemented in the current year (FY 2016/17). By doing this the City opens itself up to the risk that fees and costs get out of alignment. Generally speaking it is easy to determine if revenues and expenses are out of alignment by looking to see whether there is a transfer from fund balance (or from another fund) or a cash carryover in the Budget. A transfer in occurs when revenue is not projected to cover costs and a cash carryover is utilized when revenues are projected to more than cover costs. Solid Waste, Stormwater Services, and the Motor Vehicle Inspection Funds each have budgeted contributions from the General Fund/GSD to balance their revenues and expenditures. Specifically,

- Solid Waste (Loan from GF/GSD of \$3,058,842) – This was caused by a few different issues:
 - Increase in residential recycling contract cost
 - Added residential bulk waste pick-up routes which increased cost
 - Increase in cost based on residential haulers rate review
 - Increase in residential yard trash processing cost
 - Increase in landfill leachate disposal cost
- Stormwater Services (Loan from GF/GSD of \$2,329,009) – The shortfall is mainly caused by finding and correcting an issue with double budgeting of the 501(c)3/Low Income Subsidy exemption revenues (\$1,563,732) in the past.
- Motor Vehicle Inspection (\$78,371) – This is attributable to the moratorium on the vehicles for hire charges. The budget is presented with the moratorium being extended into FY 2017/18. The recommendation below does not specifically apply to this activity, but it does need to be closely monitored and adjustments may be needed in future budgets.

Recommendation

We recommend that the fees be increased for Solid Waste and Stormwater to eliminate the need for loans from the General Fund. This will have a positive effect on the Special Council Contingency of \$5,387,851. A waiver of Ordinance Code Section 106.112 may be required to increase these fees above the outlined 85% threshold; however, given that enterprise funds are designed to operate as business-type activities, the costs of providing these services should be covered by user fee charges.

Post budget, the Council should also consider examining the requirements of the annual fee review as it relates to timing, application, and fee adjustments.

**COUNCIL AUDITOR'S OFFICE
CITY OF JACKSONVILLE
ANALYSIS OF BUDGETED DEBT SERVICE REQUIREMENTS
FY 2017/18 MAYOR'S PROPOSED BUDGET**

S/F	Account Title	FY 2016/17 Council Approved Budget	FY 2017/18 Mayor's Proposed Budget	Change From FY 2016/17	Explanation
GENERAL FUND - GSD (Subfund 011):					
22H	2006C ETR/CARLING	\$ 504,377	\$ 504,365	\$ (12)	
22U	2001 RCR Sales Tax Bonds,	\$ 7,892,836	\$ 7,894,966	2,130	
255	2006C ETR	\$ 678,808	\$ 678,098	(710)	
256	2007 ETR	\$ 2,908,477	\$ -	(2,908,477)	Partially refunded by 2016A Spec Rev. Remaining bonds will be paid off 10/1/2017
259	2008A Cap Proj (97s&02) 2008B Cap Proj (97s&02)	\$ 6,119,365	\$ 5,819,250	(300,115)	Decrease due to decrease in principal payment
25A	2009A ETR 2009B ETR	\$ 5,005,820	\$ 5,009,817	3,997	
25B	2009C Spec Rev	\$ 1,885,228	\$ 1,692,835	(192,393)	Partially refunded by 2016A Spec Rev.
25C	2010A Spec Rev - Courthouse Debt	\$ 2,338,801	\$ 1,888,434	(450,367)	Partially refunded by 2016A Spec Rev.
25D	2011A Spec Rev - Courthouse Debt	\$ 2,661,614	\$ 2,660,697	(917)	
25E	2012B Spec Rev (ref 2009C MTN)	\$ 31,717	\$ -	(31,717)	Wholly refunded by 2016A Sec Rev.
25F	2012C Spec Rev(ref ETR-01B, ETR-02B, GUAR ENT-02, LGST 1996, LGST 2002)	\$ 21,752,930	\$ 22,284,832	531,902	Increase due to scheduled increase in principal payment
25G	2012D Spec Rev (ref ETR 2003A)	\$ 1,299,325	\$ 1,301,420	2,095	
25H	2012E Spec Rev (ref ETR 2003C)	\$ 7,256,578	\$ 7,499,813	243,235	Increase due to scheduled increase in principal payment
25I	2013A Spec Rev (ref '09C / '10A MTN)	\$ 1,374,792	\$ 1,374,792	-	Interest only until FY 2026/27
25K	2014 Spec Rev (ref ETR 2005A and 2005B)	\$ 2,407,566	\$ 2,407,566	-	Interest only until FY 2019/20
25L	2016A Spec Rev (ref SRB 2009C, SRB 2010A, SRB 2012B)	\$ -	\$ 3,188,195	3,188,195	New issue used for refunding various other bond issues noted above.
4F6	2008A Cap Proj (ref 97s & 02) 2008B Cap Proj (ref 97s & 02) 2014 Spec Rev (ref ETR 2005A)	\$ 111,303	\$ 110,133	(1,170)	
561	Adam's Mark	\$ 1,071,608	\$ 1,071,609	1	Loan will be paid off in FY 2018/19
Total Non-Debt Management Fund - GSD Debt Service		\$ 65,301,145	\$ 65,386,822	\$ 85,677	
Debt Management Fund - GSD Debt Service		30,022,276	35,263,150	\$ 5,240,874	
Fiscal Charges - GSD Debt Service		5,096,081	5,268,649	\$ 172,568	
Total Budgeted - GSD Debt Service		\$ 100,419,502	\$ 105,918,621	\$ 5,499,119	Increase is attributable to a \$4.8 million increase in payments related to CIP debt repayment.
Budgeted Debt Service in All Other Sub-Funds (Principal, Interest and Fiscal Charge)		106,543,928	111,167,188	4,623,260	
Total Budgeted Debt Service		\$ 206,963,430	\$ 217,085,809	\$ 10,122,379	

**SCHEDULE OF CAPITAL OUTLAY PROJECTS NOT LAPSED
FISCAL YEAR 2017 - 2018**

Reference Section 1.3(C)

Subfund	Description	Account	Amount not to exceed
GENERAL FUND			
011	Mosquito Control - Helicopter	011 - ERMCO11 - 06402	800,000 (1)
011	Office of the Sheriff - ITD	011 - SHPP011ISM - 06427	1,827,120
011	Office of the Sheriff - ITD	011 - SHPP011ISM - 06429	2,059,186
017	Westside Relocation.Expansion	017 - TCSG017 - 06403	600,156
SPECIAL REVENUE FUNDS			
159	Fire Plans Review	159 - FRFP159FI - 06427	115,900
ENTERPRISE FUNDS			
412	On Street Parking - Specialized Equipment	412 - DIPP412ON - 06429	212,004 (2)
INTERNAL SERVICE FUNDS			
512	Mobile Equipment	512 - AFFM512 - 06401	52,897 (3)
512	Mobile Equipment - Banking Fund	512 - AFFM512 - 069401	736,588
513	Mobile Equipment	513 - AFFM513 - 06401	2,046,923 (4)
534	P25 Fire Station Paging Project	534 - AFIT534 - 069427	356,690
534	P25 Fire Station Paging Project	534 - AFIT534 - 069509	35,411
531	Network and Datacenter Equipment	531 - AFIT531CSCS - 06427	5,414
536 *	IT Sys Dev - CAD - 911 Call System Replacement	53A - AFIT53A - ITCAD1 01 - 069509	135,809
536 *	IT Sys Dev - Unified CAD System - JSO/JFRD	53A - AFIT53A - ITCAD1 02 - 069427	1,429,577
536 *	IT Sys Dev - Unified CAD System - JSO/JFRD	53A - AFIT53A - ITCAD1 02 - 069509	1,322,050
536 *	IT Sys Dev - Enterprise Document Mgmt Solution	53A - AFIT53A - ITDS01 05 - 069427	224,017
536 *	IT Sys Dev - Enterprise Document Mgmt Solution	53A - AFIT53A - ITDS01 05 - 069509	29,187
536 *	IT Sys Dev - Enterprise Financial / Resource Mgmt Solution	53A - AFIT53A - ITEF01 02 - 069427	1,800,000
536 *	IT Sys Dev - Enterprise Financial / Resource Mgmt Solution	53A - AFIT53A - ITEF01 02 - 069509	7,382,696
536 *	IT Sys Dev - Enterprise Financial / Resource Mgmt Solution	53A - AFIT53A - ITEF01 02 - 069516	220,829
5A1	Public Buildings - City Facilities	5A1 - PWPB5A1MAPR - 06338	53,357
5A1	Public Buildings - Yates Building	5A1 - PWPB5A1YB - 06505	77,927

* All carryover items in subfund 536 will be moved to a new all-years subfund for FY2017/18 (SF 53A)

RECOMMENDATIONS:

- 1) Per the City's accounting system, the balance under Subfund 011 on the account Mosquito Control is \$789,001. Therefore, we recommend that the \$800,000 noted above be reduced to \$789,001.
- 2) Per the City's accounting system, the balance under Subfund 412 on the account On Street Parking is \$147,008. Therefore, we recommend that the \$212,004 noted above be reduced to \$147,008.
- 3) The Fleet Management Motor Pool Division requests that the account Mobile Equipment under the index code AFFM512 be increased from the \$52,897 noted above to \$106,871. This is to be used for the purchase of vehicles for mowing/landscape maintenance.
- 4) Per the City's accounting system, the balance under Subfund 513 on the account Mobile Equipment is \$2,043,188. Therefore, we recommend that the \$2,046,923 noted above be reduced to \$2,043,188.

Council Auditor's Office
Mayor's Proposed Budget 2017/2018
Public Service Grant Funding

	2016/2017 Council Approved Budget	2017/2018 Mayor's Proposed Budget	\$ Change 2016/2017 to 2017/2018	% Change 2016/2017 to 2017/2018	F/N
GENERAL FUND/GSD					
PUBLIC SERVICE GRANTS GENERAL FUND/GSD					
Homeless persons and families	\$ 918,469	\$ 918,469	\$ -	0.00%	
Low-income persons and families	1,049,678	1,049,678	\$ -	0.00%	
Adults with physical, mental, and behavioral disabilities	524,839	524,839	\$ -	0.00%	
Low-income, elderly, and homebound	131,210	131,210	\$ -	0.00%	
TOTAL PUBLIC SERVICE GRANTS GENERAL FUND/GSD NOT CULTURAL COUNCIL	\$ 2,624,196	\$ 2,624,196	\$ -	0.00%	(A)
CULTURAL COUNCIL GRANTS GENERAL FUND/GSD					
Cultural Council of Greater Jacksonville	2,793,580	2,793,580	-	0.00%	
Cultural Council of Greater Jacksonville - Art in Public Places	53,000	53,000	-	0.00%	
TOTAL CULTURAL COUNCIL GRANTS	\$ 2,846,580	\$ 2,846,580	\$ -	0.00%	
TOTAL PSGS AND CULTURAL COUNCIL GRANTS GENERAL FUND/GSD					
	\$ 5,470,776	\$ 5,470,776	\$ -	0.00%	
NON-DEPARTMENTAL GENERAL FUND/GSD					
Gateway Community Services - Alcohol Rehab Program (JXMS011ARP)	\$ 399,989	\$ 399,989	\$ -	0.00%	
TOTAL GENERAL FUND/GSD					
	\$ 5,870,765	\$ 5,870,765	\$ -	0.00%	
SPECIAL REVENUE FUNDS					
Jacksonville Area Legal Aid - Court Costs \$65 Fee Trust	247,891	224,146	(23,745)	-9.58%	
Duval County Public Schools - Driver Education Safety Trust	300,000	293,588	(6,412)	-2.14%	
TOTAL SPECIAL REVENUE FUNDS	\$ 547,891	\$ 517,734	\$ (30,157)	-5.50%	
CONTRACTUAL SERVICES					
Bob Hayes Track & Field (SPET01ASE)	\$ 84,875	\$ 84,875	\$ -	0.00%	
UNF Business Center (JEJE011)	98,940	108,000	9,060	9.16%	
Jacksonville Sister Cities Association (JEJE011)	10,000	10,000	-	0.00%	
Jacksonville Zoological Society (JXMS011ZOO)	1,282,500	1,282,500	-	0.00%	
TOTAL CONTRACTUAL SERVICES	\$ 1,476,315	\$ 1,485,375	\$ 9,060	0.61%	
TOTAL GENERAL FUND GSD, SPECIAL REVENUE FUNDS, and CONTRACTUAL SERVICES					
	\$ 7,894,971	\$ 7,873,874	\$ (21,097)	-0.27%	
FOOTNOTES:					
(A) FY 2017/18 priority populations as approved by Ordinance 2017-233-E are as follows:					
1. Homeless persons and families (35%)					
2. Low-income persons and families (40%)					
3. Adults with physical, mental and behavioral disabilities (20%)					
4. Low-income, elderly, and homebound (5%)					
Pursuant to Ordinance 2016-56-E, final allocations for FY 17/18 public service grants will be determined by the PSG Council on November 1.					

Council Auditor's Office
2017/18 Mayor's Proposed Budget
Food and Beverage Expenditures

Municipal Code Section 106.203(b):

Expenditures of Public Funds. All funds shall be expended for a public purpose. Any request for funds in the budget to be expended on food and beverages shall be identified by the public purpose for the expenditure and the persons who will be served. No public funds shall be expended on food or beverage unless specifically authorized by legislation or ordinance as codified in the Jacksonville Municipal Code.

Municipal Code Section 106.1202:

The expenditure of budgeted funds for food and beverages is authorized for the following activities and events:

- a) All events and activities hosted, sponsored, produced or coordinated by the City's Special Events Office or approved by the Tourist Development Council; except that nothing contained in this subsection shall be construed to authorize expenditures for food and beverages at events and activities hosted, sponsored, produced or coordinated principally for the benefit of City employees.*
- b) All events and activities where the funding of food and beverages has already been approved by specific reference in the budget ordinance, an appropriation ordinance, or any other duly enacted ordinance.*

Council Auditor Recommendations:

Attachment A should be revised to:

1. Reflect \$6,650 for the FL/GA Game consistent with the prior year and the amount budgeted in Special Events instead of the \$66,500 inadvertently reflected on the schedule.
2. Correct the explanation of the Office of General Counsel's food expenditure to, "To facilitate successful resolution of mediations."

The above recommendations have no impact on Special Council Contingency.

FOOD AND BEVERAGE EXPENDITURES
Municode Section 106.203 (b) / Ordinance 2007-1109-E
SUBOBJECT 05206
FISCAL YEAR 2017 - 2018

251,932

SF	Indexcode	FY18 Request	Description of each Service/Event that requires the purchase of food/beverage	Explanation that the Service/Event serves a public purpose
011	CCSS011AD	2,000	agenda, committee and council meetings	open to public
011	COCIO11JS	1,500	Conferences and meetings hosted by the Chief Judge of the Fourth Circuit for distinguished guest of the Judiciary.	To enhance relationships and knowledge between circuit, Appeal and Supreme Courts
011	DIAD011DIA	750	DIA Public Meetings	Water, coffee, tea associated with holding Public Meetings.
011	FRFO011FO	1,000	Food, water, ice at extended stay fires >4 hours in duration	Public safety.
011	JEJE011	200	Coffee for meetings with prospects	To further redevelopment efforts in Jacksonville to promote job creation and private capital investment
011	JHCR011CR	1,400	Events	Light refreshments for volunteers during events, i.e. workshops and community events
011	MVOD011	650	Three (once every 4th month) Working Lunch Meetings with Base Commanding Officers.	Serves approximately 20 attendees each at the Quarterly Area Base Commanding Officers Luncheon
011	MVOD011	650	Bottled Water-Memorial Day and Purple Heart events.	Serves approximately 3000 attendees at the Memorial Day Observance in May and at the Purple Heart Trail Walk in August.
011	RPAH011SP	4,500	More than 700 seniors throughout the community (Senior Centers, Senior residences, church groups, neighborhood associations etc) are invited to these meetings. Seniors have raised their families, owned businesses, worked hard over the years, this is a way to honor them and let them know their city cares about them.	More than 700 seniors throughout the community (Senior Centers, Senior residences, church groups, neighborhood associations etc) are invited to these meetings. Seniors have raised their families, owned businesses, worked hard over the years, this is a way to honor them and let them know their city cares about them.
011	RPCM011PG	500	Joseph Lee Day	Summer playday for approximately 500 kids
011	RPCM011PG	2,000	Annual special events	Food for annual special events
011	RPCM011PG	9,500	After school & summer program	Snacks for summer & after school programs
011	RPCM011SNL	2,500	SNL Nutrition program	Food for annual special events
011	RPCM011SNL	9,600	SNL snacks	Snacks for SNL
011	RPOD011CEXT	3,000	This account funds supplies for the Family & Consumer Sciences program & partial Expanded Food & Nutrition program educational programming which will generate an annual projected average of 25,000 contacts reaching a range of groups including at-risk youth, seniors, limited income adults and general public.	All items are used in educational programming for teaching purposes only. These programs teach how to achieve a healthy lifestyle by using the dietary guidelines and food guide pyramid to establish eating patterns, manage resources and reduce the risk of certain chronic diseases.
011	SEEL011	5,000	Food for Election staff on election day and for visiting foreign delegations	Food for Election staff on election day and for visiting foreign delegations
011	SHPS011SSAD	2,000	Community Meetings	Meetings with the public and/or community stakeholders to discuss Law Enforcement initiatives or concerns (e.g. Sheriff's Watch)
011	SHPS011SSAD	2,000	Food/beverage for Assessors traveling in from other agencies for Accreditation and for Promotional Exams	Law enforcement personnel will be traveling from various agencies to assist JSO with both the promotional examination process and accreditation processes. These funds will provide meals/snacks to these individuals who are volunteering time to assist JSO.
01A	SPET01ASE	2,700	World of Nations	Event is a signature city event; expensiture supports event volunteers and hospitality.
01A	SPET01ASE	4,072	Environmental Awards	Event is a signature city event; expensiture supports event volunteers and hospitality.
01A	SPET01ASE	6,000	Sea and Sky	Event is a signature city event; expensiture supports event volunteers and hospitality.
01A	SPET01ASE	66,500	FL/GA Game	Event is a signature city event; expensiture supports event volunteers and hospitality.
01A	SPET01ASE	15,000	Jazz Festival	Event is a signature city event; expensiture supports event volunteers and hospitality.
135	HNNS135CA	125	HOA Fall Meeting	Free Training for Jacksonville citizens that want to be certified board members for condo associations and HOAs. Snacks & water provided for 8 hour training session. Sandwiches for the trainers.
135	HNNS135CA	125	HOA Spring Meeting	Free Training for Jacksonville citizens that want to be certified board members. Snacks & water provided for 4 hour training session. Sandwiches for the trainers.

SF	Indexcode	FY18 Request	Description of each Service/Event that requires the purchase of food/beverage	Explanation that the Service/Event serves a public purpose
135	HNNS135CA	125	CPAC Fall Meeting (required)	As per the Executive Order that established the CPAC, the chairs and members must be trained in Ethics and Sunshine Law each year
135	HNNS135CA	125	CPAC Spring Meeting (required)	As per the Executive Order that established the CPAC, the chairs and members must be trained in Ethics and Sunshine Law each year
159	PDBZ159AD	300	BOAF Training for CEU's	Maintains job related certifications for staff
191	JCOD191	500	Water for outdoor events	Public events - to avoid liability from heat exhaustion
191	JCOD191CR	100	Water for events and meetings	Public events - to avoid liability from heat exhaustion
192	JCPS192WALL	3,000	Public Event on Quality Out of School Time	Communicate Strategic Goals to Stakeholders & Partners
1A1	ERCD1A1	3,000	Mayor's Walk	Provides for socialization, physical activity and mental stimulation in addition to a nutritious meal.
1A1	ERCD1A1	7,000	Mayor's Fish a Thon	Provides for socialization, physical activity and mental stimulation in addition to a nutritious meal.
1A1	ERCD1A1	1,600	Safety & Security Seminars	Provides for socialization, physical activity and mental stimulation in addition to a nutritious meal.
1A1	ERCD1A1	1,500	Brain Bowl	Provides for socialization, physical activity and mental stimulation in addition to a nutritious meal.
1DA	RPCM1DACF	100	Summer Enrichment Camp	End of the summer celebration/Joseph Lee Day
1DA	RPCM1DACF	100	Homeschool Sports and Fitness Program	End of the year celebration - Recognize Accomplishments
1DA	RPCM1DACF	250	Community Special Events	Quarterly family night out events in Aquatic Center / Community Center
1DA	RPCM1DACF	300	Mommy and Me Toddler Program	Weekly time for parents and toddlers to participate in a structured program (tumbling, art, etc...)
1DA	RPCM1DACF	350	Senior Time Out Program	Bi-weekly social time for neighborhood seniors
1F6	RPAH1F6AS	22,000	Senior Prom	Provides for socialization, physical activity and mental stimulation in addition to a nutritious meal.
1F6	RPAH1F6AS	31,000	Mayor's Holiday Festival for Seniors	Provides for socialization, physical activity and mental stimulation in addition to a nutritious meal.
1F6	RPAH1F6FG	3,000	Recognition/training for Foster Grandparent Program	The Corporation for National & Community Services, funder for the Adult Services Division's Foster Grandparent Program, require senior volunteers be recognized for their service to the program. Senior volunteers are recognized twice annually in which food is provided to sustain them during the event.
1F6	RPAH1F6RE	1,410	Recognition/Training for RELIEF Program	The funder requires that volunteers are recognized for their services to the program. Volunteers are recognized for their hours of service to the program. There are two Volunteer Luncheons which is inclusive of workshops and training and one big end of the year activity. All of these recognition events are catered.
1F6	RPAH1F6RS	500	RSVP Advisory Council Appreciation Luncheon for 25 Advisory council Volunteers	RSVP Advisory Council Volunteers represent and support the program in the community and are responsible for raising funds for the Annual RSVP Volunteer Recognition Event.
1F6	RPAH1F6RS	1,450	Lunch and drinks are provided for 40-50 RSVP Tale teller volunteers who attend 3 day-long in-service sessions.	RSVP Tale Tellers receive on-going training further increase their effectiveness at reading 134 classrooms to 2700 pre-k and kindergarten children from low income families. RSVP's federal funding agency cited the training program as "exceptional".
1F6	RPAH1F6RS	1,550	Food and water are provided at the Annual RSVP volunteer recognition event for 650 volunteers and community representatives and 4 smaller events throughout the year to recognize the special efforts of approximately 100 RSVP volunteers.	775 RSVP volunteers were recognized at the 2011 Annual Recognition Event for their contribution of 158,778 hours of service to over 100 nonprofit and public organizations in Duval County. The dollar value of their volunteer time was over 3 million dollars.
1F6	RPAH1F6SC	900	Recognition/training for Senior Companion Program	DOEA/ElderSource requires that volunteers are recognized for their services to the program. The volunteer recognition activities contribute to the retention efforts of the program. Volunteers are recognized twice annually at a Volunteer / Training Recognition Luncheon and once a year at their End of the Year picnic celebration which is catered.
1F6	RPBH1F6GA	4,000	Ryan White Care Act grant	Provide food for clients and contracted agencies that attend public meetings or events related to the grant program.

SF	Indexcode	FY18 Request	Description of each Service/Event that requires the purchase of food/beverage	Explanation that the Service/Event serves a public purpose
1H8	RPDS1H8	21,000	Events to support the Disabled Services Community	Fund request includes food for events; Annual Fun with the Jacksonville Jumbo Shrimp, Annual Spirit of the ADA at the Jacksonville Zoo, Mayor's Disability Council Annual Training, DPEP Auxiliary Quarterly Training, Annual ADA Symposium, Annual Hiring Abilities Symposium and Job Fair, Annual Information and Technology Symposium, and other disability related events.
551	GCGA551	3,000	Food/beverage for staff and visitors of the Office of General Counsel during mediation, settlement negotiations, and other meetings	To help influence opposing counsel while hosting mediation, negotiations, and other meetings
64G	JCOD64GJKBC	200	Ice Cream for children	National Summer Learning Day
64G	JCOD64GJKBC	100	Water for events and meetings	JaxKids Book Club Community Events
64G	JCOD64GJKBC	200	Snacks for events	JaxKids Book Club Community Events

**COUNCIL AUDITOR'S OFFICE
PROPOSED 2017/18 BUDGET ORDINANCE 2017-504
REVIEW OF MUNICIPAL CODE WAIVER SECTIONS**

10.1 Jacksonville Children's Commission, Waiver of Section 51.102, Ordinance Code.

Section 51.102 (Intent of Council), *Ordinance Code*, requiring that the Jacksonville Children's Commission be funded in the amount set forth therein, is hereby waived. The Jacksonville Children's Commission shall be funded in fiscal year 2017-2018 as set forth herein.

Sec. 51.102. - Intent of Council.

It is the intent of the Council in establishing the Jacksonville Children's Commission (Commission) to provide an autonomous board with the ongoing responsibility of improving the lives of Jacksonville's children by serving as the central focus for the evaluation, planning and distribution of the city's funds for children's services consistent with city programs and goals. This Commission shall also be responsible for applying for state, federal, and private funds related to such programs on behalf of the city through appropriate grant applications. The Council further intends that all city funds, including grants, expended for children's services, regardless of source, shall be distributed and administered by the Commission after appropriation of such funds has been made by the Council. The Council recognizes that in order for the city to experience an on-going program that will successfully and effectively meet the needs of our children, it will be necessary to provide a dedicated source of funding on a year-to-year basis. The Council acknowledges that the Mayor has committed to fund the children's services program from existing city dollars in the amount of \$21,487,959 for the Fiscal Year 2005-2006, of this amount \$5,130,000 shall be directed to the Mayor's literacy initiative, including the funding of a portion (up to 100 percent) of the Don Brewer Center. The amount directed to the Mayor's Literacy Initiative shall be spent in accordance with recommendations from the Mayor, or his designee. Thereafter, these amounts shall increase annually by the average percentage amount of the increase for the particular budget year of all active operating departments within the Executive Branch (excluding the Office of the Sheriff, the Tax Collector, the Property Appraiser, the Supervisor of Elections and the Clerk of Court), not to exceed the equivalent of ½ mill of ad valorem taxes as adjusted by the budgeted collection rate (net of the distributions to the Tax Increment Districts). The Council hereby expresses its support of and commitment to this proposal, and acknowledges the need and the critical necessity to adequately fund the Jacksonville Children's Commission which is so vital to the well being of our community.

(Ord. 94-229-164, § 1; Ord. 2005-807-E, § 10.10; Ord. 2006-788-E, § 10.6)

NOTES

- No change from last year's waiver.
- The equivalent of ½ mill of ad valorem taxes is \$26,711,270.
- The proposed General Fund / GSD contribution to the Jacksonville Children's Commission is \$26,983,544.

No recommendation is offered.

**COUNCIL AUDITOR'S OFFICE
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10.2 Salaries of Council Members for Fiscal Year 2017-2018. Waiver of Section 129.102, Ordinance Code.

Section 129.102 (Salary of members of Council; salary of Council President), *Ordinance Code*, states the City Council annual salary shall be equal to one-half of the salary allowed for a member of the Board of County Commissioners in a county with a population equal to that of Duval County, in accordance with the provisions of F.S. §§145.031(1) and 145.19, is hereby waived. Subject to any limitation set forth in this Part 10, but notwithstanding the provisions of Section 129.102 (Salary of members of Council; salary of Council President), *Ordinance Code*, or of any other ordinance, the base salaries of all Council Members for Fiscal year 2017-2018, shall be the base salaries of Council Members for Fiscal Year 2010-2011. The Council Secretary shall take all such action as is required to affect the intent of this provision. A chart showing the actual amount in salaries that each Council Member is waiving is attached hereto as **Attachment B**.

Sec. 129.102. - Salary of members of Council; salary of Council President.

(a) Each member of the Council, other than the Council President, shall receive an annual salary equal to one-half of the salary allowed for a member of the Board of County Commissioners in a county with a population equal to that of Duval County, in accordance with the provisions of F.S. §§ 145.031(1) and 145.19.

(b) The Council President shall receive a salary equal to the salary allowed for a member of the Council in subsection (a) of this Section plus an additional amount equal to one-third of that salary.

(Ord. 83-532-278, § 3; Ord. 83-591-400, § 1)

NOTES

- The 2016/17 calculations per Municipal Code Section 129.102 are \$47,008 for Council members and \$62,677 for the Council President. The amounts in the Mayor's proposed budget are \$44,100 for Council members and \$58,800 for the Council President. These amounts are shown in the proposed budget ordinance **Attachment B** shown on the next page. The State has not published 2017/18 estimates at this time. They anticipate issuance in late August or early September.
- This amount was reduced in FY 2010/11 when most City employees received a 2% pay cut. With the collective bargaining increase set to take place on 10/1/17, the City Council may want to consider restoring the salary to the ½ authorized in the Ordinance Code during the City Council budget discussion.

Recommendation – approve a Revised Attachment B if information from the State is available before budget ordinance passage.

**COUNCIL AUDITOR'S OFFICE
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Chart of Council Member Salaries Being Waived

Council Members	(A) Proposed FY17-18 Council Member Budgeted Salaries ³	(B) Authorized Council Member Salaries per MC Sect. 129.102¹
CP Brosche ²	\$58,800	\$62,677
Anderson	\$44,100	\$47,008
Becton	\$44,100	\$47,008
Boyer	\$44,100	\$47,008
Bowman	\$44,100	\$47,008
Brown, Katrina	\$44,100	\$47,008
Brown, Reginald	\$44,100	\$47,008
Carter	\$44,100	\$47,008
Crescimbeni	\$44,100	\$47,008
Dennis	\$44,100	\$47,008
Ferraro	\$44,100	\$47,008
Gaffney	\$44,100	\$47,008
Gulliford	\$44,100	\$47,008
Hazouri	\$44,100	\$47,008
Love	\$44,100	\$47,008
Morgan	\$44,100	\$47,008
Newby	\$44,100	\$47,008
Schellenberg	\$44,100	\$47,008
Wilson	\$44,100	\$47,008
TOTALS	\$852,600	\$908,821
TOTAL AMOUNT WAIVED	(\$56,221)	

NOTES:

1 - Per ordinance code sect. 129.102(a), each Council Member's salary, other than the Council President, shall be one-half of the salary allowed for a county commissioner in a county with a population equal to Duval County, in accordance with Florida Statutes 145.031(1) & 145.19. For FY16-17, the calculated county commissioner salary for Duval County was \$94,016.

2 - Per ordinance code sect. 129.102(b), the Council President's salary shall be equal to the salary of a Council Member, plus an additional one-third of that salary.

3 - The salaries in the proposed FY 2016/17 budget reflect a 2% reduction that has been in place since FY 2010/11.

Attachment B

**COUNCIL AUDITOR'S OFFICE
PROPOSED 2017/18 BUDGET ORDINANCE 2017-504
REVIEW OF MUNICIPAL CODE WAIVER SECTIONS**

10.3 Postage and communication expenses of Council members, Waiver of Section 10.105, Ordinance Code.

The provisions of Section 10.105 (Postage and communication expenses of Council members), *Ordinance Code*, establishes the amount allowable for City Council communication and postage. The conflicting provisions are hereby waived to reduce those City Council allowable postage and communication amounts.

Sec. 10.105. - Postage and communication expenses of Council members.

(a) *Postage.* No Council member shall receive any postage allowance for official mail originating from City Hall; the cost of such postage shall be paid from the appropriations for postage generally for the Council. If a Council member is authorized to maintain an office at public expense outside City Hall, the Council Secretary or designee is authorized to procure and furnish United States postage stamps to such Council member in an amount not exceeding \$75 monthly for use on mail originating from such office in connection with his official business. The Council member and any person to whom he entrusts custody of the postage stamps shall be accountable for their safekeeping and use on official business only, and the accountable person shall be subject to audit by the Council Auditor for this purpose.

(b) *Telephone.* No Council member shall receive any allowance for telephone expense for official calls originating from City Hall; the cost of such telephone calls shall be paid from the appropriations for telephone expenses generally for the Council. If a Council member is authorized to maintain an office at public expense outside City Hall, the Information Technology Division, at the request of the Council member, is authorized to have installed at such office one telephone set, which shall be an extension of the City's central telephone exchange and the installation and service charges for which shall be paid from the appropriations for telephone expenses generally for the City. Regardless of whether a Council member is authorized to maintain an office outside City Hall, he may have installed at public expense one telephone line either at his home or at his place of business, with the approval of the Council President. If the request is approved, the Information Technology Division is authorized to have installed at the designated place one telephone set, which shall be an extension of the City's central telephone exchange and the installation and service charges for which shall be paid from the appropriations for telephone expenses generally for the City. For each telephone installed outside City Hall pursuant to this subsection, the Council member on whose behalf it was installed may expend in long-distance telephone tolls no more than \$100 monthly, and he shall maintain a record of long-distance calls on the forms prescribed by the Information Technology Division for use by the Council Secretary. In reconciling telephone charges, long-distance tolls shall be paid from the appropriation for telephone charges by the Council. Only telephone calls in connection with his official business shall be made or authorized by the Council member on whose behalf a telephone line was installed and he shall be accountable for all unofficial telephone calls and charges and for all charges in excess of the monthly allowance provided by this subsection; provided, that, if the monthly toll charges exceed the amount authorized, the Council member may direct that the excess amount be charged against his following month's telephone expense allowance. The monthly allowances herein authorized shall not be cumulative, but shall be available only for one month.

(c) *Emergency, mobile or converged communication device.* Effective July 1, 2005, and notwithstanding anything in Chapter 10 to the contrary, City cellular phones shall not be issued to any elected or appointed official or employee in the legislative branch except as provided herein. Based on an annual request for an emergency mobile communications allowance, City Council Members and appointed officials or employees of the legislative branch as authorized by their Director may receive a monthly allowance not to exceed \$100 for cellular phone service and converged data device service. The use shall be requested and verified. The Personnel Committee is authorized to promulgate the policy and rules for this subsection.

**COUNCIL AUDITOR'S OFFICE
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(d) *Other communications.* All other communications by a Council member in his official capacity shall be paid for by the Council, subject to the general approval of the Council President concerning the use of communication equipment and services and the amounts to be spent thereon. Reimbursement for expenses incurred by or on behalf of a Council member under this subsection shall be requested by the Council member upon his personal certification of the amount and purpose of the communication expense and he shall be accountable for improperly certified expenses.

(e) *Allowances not to be paid in cash.* The allowances authorized by this Section shall not be paid in cash to any person, except for the purchase of the goods or services authorized. No part of any allowance hereunder shall be deemed to be income nor paid as compensation to any Council member or any other person, nor shall any Council member have any right to demand payment in cash of any allowance to which he is entitled under this Section.

(Ord. 83-591-400, § 1; Ord. 1999-418-E, § 2; Ord. 2000-793-E, § 2; Ord. 2005-509-E, § 1; Ord. 2005-943-E, § 1; Ord. 2011-732-E; Ord. 2014-410-E, § 1)

NOTES

- There is no change from last year's waiver.
- The proposed budget includes \$50,000 for mailroom and copy center charges. This is the same total amount as FY 2016/17.
- Proposed communication allowances for cell phones for Council members total \$8,628.
- Section 11.11 of the prior year's budget ordinance (2016-504-E) stated that out of the \$50,000 budgeted for postage and copy center charges, each District Council Member was allotted \$1,000 each and that the remaining \$36,000 shall be distributed at the discretion of the Council President. This section is not included in the proposed budget ordinance. The Committee may want to consider the need for this provision in the proposed budget ordinance.

No recommendation is offered.

**COUNCIL AUDITOR'S OFFICE
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10.4 Replacement of Fleet Vehicles, Waiver of Section 106.216(h) (Replacement of Fleet Vehicles), Ordinance Code.

Section 106.216(h) (Replacement of Fleet Vehicles), *Ordinance Code*, requiring cash funding of vehicle replacement, is hereby waived, in order to purchase fleet vehicles by borrowing.

Sec. 106.216. - Replacement of fleet vehicles.

(h) Beginning with Fiscal Year 2010—2011, the City will not borrow to purchase fleet replacement vehicles, but will return to its past practice of cash funding vehicle replacement.

(Ord. 2003-1105-E, § 1; Ord. 2005-807-E, § 10.12; Ord. 2005-1373-E, § 2; Ord. 2007-813-E, § 10.6; Ord. 2011-732-E)

NOTES

- The intent of the waiver appears unchanged from last year.
- The proposed budget includes \$9,710,000 of borrowing for 25 Fire/Rescue vehicles under the Mayor's Safe Neighborhoods Investment Plan.
 - One (1) Command Post, 3 ladder trucks, 3 pumpers, 2 tankers, and 11 rescue units are replacement vehicles
 - Additionally, 2 pumpers, and 3 rescue units are new vehicles.

Recommendation – the Finance Committee, through its budget deliberations, should pursue the elimination or a reduction in borrowing for vehicles.

**COUNCIL AUDITOR'S OFFICE
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10.5 JSEB and MBE Programs Funding Requirements, Waiver of Section 126.622, Ordinance Code.

The provisions of 126.622, *Ordinance Code*, are hereby waived to allow for funding in an amount other than a minimum of \$500,000 or greater excluding staff to be funded in the FY 2017-18 budget.

Sec. 126.622. - Annual Budget Appropriation.

The JSEB programs, as provided for in this Chapter, shall be funded at a minimum of \$500,000 or greater excluding staff.

(Ord. 2004-602-E, § 4; Ord. 2013-209-E, § 36)

NOTES

- There is no change from last year's waiver.
- The proposed budget is \$200,000.

No recommendation is offered.

10.6 Waiver of Section 111.183 (Tayé Brown Regional Park Improvement Trust Fund), Ordinance Code.

Section 111.183, *Ordinance Code*, requiring trust funds to be used for improvements to Tayé Brown Regional Park, is hereby waived to allow for funds to be used for operational costs at the Equestrian Center.

Sec. 111.183. - Tayé Brown Regional Park Improvement Trust Fund.

There is created the *Tayé Brown Regional Park Improvement Trust Fund*, a permanent, ongoing trust fund of the City, which shall carry forward each fiscal year. The fund is authorized to accept Council appropriations, gifts, fees, and other donations. Monies deposited in the fund, together with any interest accrued thereon, shall carry over fiscal years, to be used for the purposes set forth in Section 380.405, *Ordinance Code*, which is for improvements to Tayé Brown Regional Park. Funds utilized for these purposes are hereby to be appropriated by Council action.

(Ord. 2007-739-E, § 3)

NOTE – no change from last year's waiver.

No recommendation is offered.

**COUNCIL AUDITOR'S OFFICE
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10.7 Waiving conflicting provisions of 117.107(2) (Availability of appropriations under grant programs), Ordinance Code, to accept Clean Air Act, Air Pollution – EPA Grant.

The provisions of Section 117.107(2), *Ordinance Code*, to appropriate a continuation grant in advance of the City receiving the grant award letter is hereby waived in order to appropriate the grant in advance of receipt of the award letter. Presently there is no grant award letter on the Clean Air Act, Air Pollution – EPA grant contract. It is anticipated that the grant will be awarded to the City of Jacksonville in January 2018 and that the letter will be forthcoming at that time.

Sec. 117.107. - Availability of appropriations under grant programs.

(2) Grant funds may not be appropriated prior to receipt of the grant, except in the case of reimbursement grants. Reimbursement grant funds may not be included in any appropriation bill until a grant award letter has been received committing to the disbursement of such funds upon completion of the project.

(Ord. 77-691-638, § 2; Ord. 83-591-400, § 1; Ord. 84-1281-764, § 2; Ord. 93-1214-589, § 1; Ord. 2015-427-E, § 1)

NOTE – no change from last year's waiver.

No recommendation is offered.

**COUNCIL AUDITOR'S OFFICE
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10.8 Chapter 126, Ordinance Code, Waiver in regard to the SMG Management Contract and providing for utilization by SMG of the SMG Management Procurement Policies.

SMG manages certain City owned public assembly facilities (as defined in the Facilities Management Agreement between the City of Jacksonville and SMG Management of Public Assembly Facilities, dated effective April 1, 2013, as amended from time to time, herein, "Agreement"). To effect guidelines acceptable to both parties to the Agreement, the City Council hereby determines that, to the extent that funding is available in the accounts established for the budget related to the Agreement and SMG has received the necessary approvals for expenditures from said accounts from the City's Authorized Representative under the Agreement, said City Authorized Representative is authorized to approve SMG's continued utilization of SMG's competitive procurement policies for the purchase of capital expenditures in the amount of \$100,000 or less and non-capital extraordinary repair and maintenance projects in the amount of \$500,000 or less. Upon said approval by the City's Authorized Representative, the funds required shall carry-forward and shall not lapse, with appropriate notice from the City's Authorized Representative to the City's Accounting Division. For purchases made by SMG above these \$100,000/\$500,000 thresholds, the City's Authorized Representative shall require SMG's utilization of the City Procurement Division's policies (as same are reflected in City Code Chapter 126). The provisions of this Section shall in no way modify the Agreement's requirement that all purchases by SMG are fully accountable to the City pursuant to the Agreement. Excluding Section 126.316 (Contracts to Manage and or Promote Sports and Entertainment Facilities), *Ordinance Code*, the City hereby waives any conflicting provision of Part 2 and Part 3, Chapter 126 (Procurement Code), *Ordinance Code*, relating to SMG's procurement of materials, equipment and services for the operation and maintenance of the City's Public Assembly Facilities pursuant to the Agreement.

NOTE – no change from last year's waiver.

We will have a recommendation to amend this provision to reflect the new agreement when SMG is discussed during meeting #4.

**COUNCIL AUDITOR'S OFFICE
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10.9 Budget Contents, Waiver of Section 106.203(a) (Contents), Ordinance Code

Provisions of Section 106.203(a) (Contents), *Ordinance Code*, prohibiting codification or establishment of new fees in the Budget Ordinance is hereby waived.

Sec. 106.203. - Contents.

(a) The annual budget ordinance of the general government and of the independent agencies shall be limited to recognizing the City's authorized and approved revenues, expenses, contingencies and reserves, and shall not include reorganizations, codifications, or the establishment of new fees, all of which shall be established by separate ordinance. The annual budget proposals of the general government and of the independent agencies shall be composed of two parts, an operating budget and a capital improvement budget. The operating budget part of the general government shall contain an appropriation to the mobile equipment account of the Fleet Management Division and the mobile equipment accounts of the various activities in the Enterprise Funds in a combined amount at least equal to the depreciation and proceeds from surplus sales of mobile equipment of the current fiscal year. The appropriation shall be calculated as an annualized projection based on the current fiscal year's first six months of depreciation and surplus sales of equipment adjusted as necessary. The annual budget proposals shall in all other ways be set forth in such form and detail as the Mayor or each independent agency may determine. The budget shall not be considered a balanced budget if it contains either a two percent overall lapse, or a four percent per department lapse, including Constitutional Officers.

(Ord. 77-691-638, § 2; Ord. 81-351-128, § 1; Ord. 83-591-400, § 1; Ord. 83-706-472, § 1.7; Ord. 2005-1296-E, § 1; Ord. 2007-813-E, § 10.5; Ord. 2013-464-E, § 10.11)

NOTES

- No change from last year's waiver.
- The proposed Budget Ordinance includes two sections, 11.11 and 11.14, that amends sections of the Ordinance Code.
 - Section 11.11 amends Section 25.106 of the Ordinance Code to increase the General Counsel's imprest fund.
 - Section 11.14 amends Section 106.107 of the Ordinance Code to change the City's Emergency Reserve Fund percentage goal.

No recommendation is offered.

**COUNCIL AUDITOR'S OFFICE
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Section 10.10 Waiver of Ordinance 2000-1079-E, as amended by Ordinance 2001-0795-E.

Pursuant to the provisions made in Ordinance 2000-1079-E, as amended by Ordinance 2001-795-E, and related exhibits, funds received for certain loan repayments of VCP-Lynch, Ltd. shall be deposited within the Downtown Economic Development Fund to be utilized for future downtown projects. Those provisions are waived herein to the extent that loan repayments for the 2017/2018 fiscal year shall be deposited into the Northeast Tax Increment District – USD1C, Subfund 181. The purpose of the waiver is to reduce the amount of the General Fund/General Service District subsidy to the Northeast Tax Increment District for the 2017/2018 fiscal year.

NOTE – no change from last year's waiver.

No recommendation is offered.

**COUNCIL AUDITOR'S OFFICE
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Section 10.11 Waiver of Section 106.112 (Annual Review of Fees), Ordinance Code.

Section 106.112 (Annual Review of Fees), Ordinance Code, authorizes the Chief Financial Officer to increase the fees for each existing fee found to be less than 85 percent of the actual cost to the City of providing the service relating to said fee, by up to the annual percentage change in the Consumer Price Index. The provisions of Section 106.112, Ordinance Code, is hereby waived to maintain the fees at the 2016-2017 fiscal year level.

Sec. 106.112. - Annual review of fees.

The Chief Financial Officer of the City shall conduct a review of the fees imposed by the various departments of the City annually, and submit a report of his findings to the Council.

Upon the completion of each annual review of fees, The Chief Financial Officer shall, for each existing fee found to be less than 85 percent of the actual cost to the City of providing the service relating to such fee, increase the fee by the greater amount of one-third of the difference between the existing fee and actual cost to the City of providing the service or the amount of the increase from the previous year resulting from the preceding calculation, but in no event shall the increase result in a fee greater than the actual cost to the City of providing the service relating to such fee.

Upon completion of each annual review of fees, The Chief Financial Officer is authorized, for each existing fee found to be equal to or more than 85 percent of the actual cost to the City of providing the service relating to said fee, increase the fee amount by up to the annual percentage change in the Consumer Price Index. The Consumer Price Index shall mean the Consumer Price Index for all Urban Consumers (CPI-U), U.S. City Average, all items 1982—1984 = 100, or successor reports for the preceding calendar year as initially reported by the United States Department of Labor, Bureau of Labor Statistics.

The Chief Financial Officer shall file any change to the fee structure with the Council Secretary and such increased fee shall become effective upon such filing unless and until the Council enacts an ordinance to the contrary.

(Ord. 2010-216-E, § 1)

NOTE – This waiver is new for FY 2017/18. There was no fee review completed by the Administration this year.

Recommendation – We recommend that the language in the waiver be amended to be consistent with the language in the Ordinance Code, as the language in the waiver does not exactly mirror the code.

Concern – If the Administration decides not to complete a fee review and implement the resulting fee increases in future fiscal years, the City may not be recovering its cost which could ultimately lead to reductions in services.

**COUNCIL AUDITOR'S OFFICE
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**2016/17 BUDGET WAIVERS WHICH ARE NOT REPEATED IN THE
PROPOSED 2017/18 BUDGET ORDINANCE**

The waiver Section 10.9 in last year's budget, regarding the usage of Cecil Gymnasium and Fitness Center Capital Improvement Trust Fund monies for capital improvements to the Cecil Aquatic Center and Equestrian Center, is not repeated because the Trust Fund revenues are not being appropriated at all in the FY 2017/18 Budget.

10.9 Waiver of Section 111.185 (Cecil Gymnasium and Fitness Center Capital Improvement Trust Fund), Ordinance Code.

Section 111.185 (Cecil Gymnasium and Fitness Center Capital Improvement Trust Fund), *Ordinance Code*, requiring trust funds to be used for capital improvements to the Cecil Gymnasium and Fitness Center, is hereby waived to allow for funds to be used for capital improvements to the Cecil Aquatic Center and capital improvements to the Equestrian Center.

Sec. 111.185. - Cecil Gymnasium and Fitness Center Capital Improvement Trust Fund.

There is created the *Cecil Gymnasium and Fitness Center Capital Improvement Trust Fund*, a permanent, ongoing trust fund of the City, which shall carry forward each fiscal year. The fund is authorized to accept gifts, fees, and other donations. Monies deposited in the fund, together with any interest accrued thereon, shall carry over fiscal years to be used for the purposes described herein, and shall be expended only for the specific purpose of financing capital improvements to, and exercise equipment for the Cecil Gymnasium and Fitness Center. Funds utilized for the purchase of exercise equipment are hereby appropriated without the need for further action by Council, and the Director of Finance, or his/her designee, is authorized and directed to make disbursements from the fund upon written requisition of the Director of Recreation and Parks, accompanied by written approval from Cecil Gymnasium and Fitness Center's District Council Member. Subject to appropriation by the Council, the Director of Finance is authorized and directed to make disbursements from the Fund for other capital improvements upon the written direction of the Director of Recreation and Parks. No later than June 30 annually, the Director of Recreation and Community Services shall provide a report of receipts and disbursements to the Cecil Gymnasium and Fitness Center's District Council Member, copy to the Council Auditor.

(Ord. 2004-337-E, § 1; Ord. 2005-371-E, § 4; Ord. 2005-1283-E, § 7; Ord. 2006-422-E, § 109; Ord. 2011-732-E)

**COUNCIL AUDITOR'S OFFICE
PROPOSED 2017/18 BUDGET ORDINANCE 2017-504
REVIEW OF MUNICIPAL CODE WAIVER SECTIONS**

**2016/17 BUDGET WAIVERS WHICH ARE NOT REPEATED IN THE
PROPOSED 2017/18 BUDGET ORDINANCE**

**Deleted - Section 10.12 from last year's budget ordinance - Waiver of Section 754.112
(Annual Budget for Stormwater User Fees), Ordinance Code.**

Section 754.112 (Annual Budget for Stormwater User Fees), Ordinance Code, which requires appropriation for stormwater capital projects from within the revenues received from §754.106 (Authority for service charges, and for the levy, collection, payment and enforcement thereof) and §756.110 (City's obligation to fund Sec. 754.109(a)(1) and (2) user fee reductions), Ordinance Code, is hereby waived to allow for payment from the contribution from JEA BMAP Credits for stormwater projects instead of the referenced stormwater revenues.

Sec. 754.112. - Annual Budget for Stormwater User Fees.

Within the annual budget from the revenues received from § 754.106 and § 754.110, the greater of \$4,000,000 or 15 percent of the total revenue received whichever is higher shall be appropriated for stormwater capital projects, and no less than \$6,000,000 shall be designated Drainage System Rehabilitation.

(Ord. 2015-426-E, § 4)

NOTE – This waiver was not included in the proposed budget ordinance. However, the need for this waiver will be discussed during Budget Hearing #5 on August 23, 2017.

**COUNCIL AUDITOR'S OFFICE
PROPOSED 2017/18 BUDGET ORDINANCE 2017-504
REVIEW OF MUNICIPAL CODE AMENDMENTS**

Section 11.11 Amending Section 25.106 (Litigation Imprest Fund), Ordinance Code, to increase the imprest fund in the Ordinance Code, in the Office of General Counsel to \$2,500 to match the Charter language.

Section 25.106 (Litigation Imprest Fund), Chapter 25 (Office of General Counsel), *Ordinance Code*, is hereby amended to read as follows:

**CHAPTER 25. OFFICE OF GENERAL COUNSEL.
PART 1. GENERAL PROVISIONS.**

Sec. 25.106. Litigation imprest fund.

There is authorized to be established in the Office of General Counsel, in the custody of the General Counsel, a litigation imprest fund of not exceeding two thousand five hundred dollars, which shall be available, without regard to fiscal years, for the expenses of litigation conducted or defended by the Office of General Counsel, including filing fees for actions commenced by the city or an independent agency in a state or federal court and for appeals taken by the city or an independent agency, witness fees required to be tendered to persons subpoenaed on behalf of the city or an independent agency, fees for service of process for designated agents within the city and for the several sheriffs or designated agents in other counties of the state or elsewhere, the reproduction or acquisition of necessary documentary evidence not in the official possession of the city or an independent agency to be used at a deposition, hearing or trial and similar expenses directly related to cases in litigation, but not including fees for special counsels or the payment of a monetary judgment against the city or an independent agency. The litigation imprest fund shall be maintained as a checking account in a bank located in the city and the General Counsel shall prescribe rules for the withdrawal of funds from this checking account, including a requirement that checks be signed by at least two individuals in the Office of General Counsel. Periodically, as determined by the General Counsel, a statement of the disbursements from the litigation imprest fund shall be presented to the City Accountant, with such supporting documents as the City Accountant requires, for reimbursements of the fund. Bank service charges shall be a proper expense item of the litigation imprest fund.

Recommendation – We recommend changing “City Accountant” to “City Comptroller” to be consistent with other sections of the Municipal Code.

**COUNCIL AUDITOR'S OFFICE
PROPOSED 2017/18 BUDGET ORDINANCE 2017-504
REVIEW OF MUNICIPAL CODE AMENDMENTS**

Section 11.14 Amending Section 106.107 (Emergency Reserve Policy and Fund), Ordinance Code.

Section 106.107 (Emergency Reserve Policy and Fund), Chapter 106 (Budget and Accounting Code), *Ordinance Code*, is hereby amended to read as follows:

**CHAPTER 106. BUDGET AND ACCOUNTING CODE.
PART 1. GENERAL PROVISIONS.**

* * *

Sec. 106.107. Emergency Reserve Policy and Fund.

There is hereby established a separate fund (Emergency Reserve) in the City which shall be established as part of the budget beginning with the 2005—2006 budget and which shall annually contain the emergency reserve for the City. The initial goal for the Emergency Reserve shall be up to \$40,000,000. The Emergency Reserve shall not be used except as initiated by the Mayor through written communication to City Council, explaining the emergency, and subsequent approval by two-thirds vote of all City Council members.

The Emergency Reserve can be used to address unanticipated non-reimbursed expenditures arising out of a hurricane, tornado, other major weather related events, and/or other massive infrastructure failures or other disasters, whether man made or caused by nature. Under normal circumstances, the City would first elect to utilize the Operating Reserve before considering use of its Emergency Reserve. In the event the City is entitled to reimbursement of Emergency Reserve expenditures, the City shall take all such actions necessary to secure such reimbursements, and all such reimbursements are hereby appropriated to the Emergency Reserve.

All interest earned in Emergency Reserve in Fiscal Year 2008-2009 and after shall accrue and remain within the Emergency Reserve. The balance in the Emergency Reserve shall be reported to the City Council Finance Committee at least quarterly. The goal for the City Emergency Reserve Fund is to be between six and eight percent ~~equal approximately seven percent (25.5 days average cash flow)~~ of the total General Fund/General Services District budgeted annual revenue ~~expenditures~~. Annually, during the budget process, the Mayor, if the goals are not met shall recommend added contributions to the Emergency Reserve.

Recommendation – We recommend that Section 106.106 of the Ordinance Code be amended as well to reflect the 6-8% target for the Emergency Reserves.

**COUNCIL AUDITOR'S OFFICE
PROPOSED 2017/8 BUDGET ORDINANCE 2017-504
ADDITIONAL PROVISIONS – CHANGES AND ADDITIONS**

Section 9.4 Pension Contributions.

For the Fiscal Year 2017/2018 budget the employer's contribution to the pension funds are hereby set at the below amounts as determined by the plan actuaries:

(i) for the 1937 City Employees Pension Fund, in accordance with the 10/1/16 valuation, the amounts shall be as follows, with an additional 0.3% of payroll for Disability:

- a. From the City - \$33,270,627
- b. From JEA - \$35,459,523
- c. From JHA - \$1,317,293
- d. From NFTPO - \$112,799

(ii) The employer contribution to the Corrections Officers' Retirement Plan is hereby set at \$13,973,105, in accordance with the 10/1/16 valuation with an additional 0.3% of payroll for Disability.

(iii) The employer contribution to the Police and Fire Pension Fund is hereby set at \$135,648,057 as determined by the plan actuary as of the April 19, 2017 Actuarial Impact Statement.

Comment – The proposed budget changes the contribution methodology for the Police and Fire Pension Fund and the Correctional Officers' Retirement Plan from the greater of dollar or percentage method to just the dollar amount in the actuarial report. The General Employees Pension Fund is changing from the percentage to the dollar amount.

Recommendation – Amend the language to correct the City's contribution amount to the City Employees Pension Fund. The contribution amount should be \$33,276,606. This has no impact on Special Council Contingency.

**COUNCIL AUDITOR'S OFFICE
PROPOSED 2017/8 BUDGET ORDINANCE 2017-504
ADDITIONAL PROVISIONS – CHANGES AND ADDITIONS**

Section 11.2 Public Works Charge Back Limitations.

No charge back shall be charged to any City Council appropriations from bonded discretionary District Council funds. In order to properly allocate all costs related to all other capital projects, all requests for project management and/or design services anticipated to exceed \$5,000 per project shall be accompanied by an identified funding source and project number.

Prior to implementation of the \$5,000 Charge Back limitation, the Department shall establish a rate structure, per person hourly rate and tracking mechanism including detailed hourly time sheets broken down by project. Furthermore, the department shall forecast the cost of the average project for a conceptual design, including drawing and cost estimates. Additionally, the Department shall report to the Finance Committee at the mid-year budget review, the breakdown of the use of public works charge back by Department and make a recommendation for full-time employment for planning and design engineers for each department.

Recommendation – Remove the last sentence regarding the Department reporting to the Finance Committee at the mid-year budget review. This review is no longer required by the Municipal Code.

**COUNCIL AUDITOR'S OFFICE
PROPOSED 2017/8 BUDGET ORDINANCE 2017-504
ADDITIONAL PROVISIONS – CHANGES AND ADDITIONS**

The following two provisions are new in the proposed Budget Ordinance for FY 2017/18:

Section 11.12 Emergency Funds from Public Buildings.

In the 2017-2018 budget, \$250,000 has been appropriated to Public Buildings for emergency funds. Prior to expenditures, Public Buildings shall justify the nature of the emergency and obtain authorization from the Chief Financial Officer, or if unavailable, the Chief Administrative Officer.

Section 11.13 Amending the Financing Exhibit to Ordinance 2001-795-E regarding City Self-Insurance repayment for the Lynch Building.

Amending 2001-795-E, an Ordinance regarding the Lynch Building and financing of the same. The Financing Exhibit, dated 9-4-01, attached to Ordinance 2001-795-E, is hereby amended to reflect the following City repayment amendment, and to attach a Revised Attachment 1 to the Financing Exhibit, attached hereto as Exhibit 1:

Financing Exhibit to Ordinance 2001-795 (9-04-01) 3 PAGES

Repayment to Self-Insurance

* * *

The self-insurance fund will be repaid on an annual basis with funds from the Northbank Downtown Tax Increment District. The terms of the repayment will be a 30 year amortization, from July 1, 2003, with a 20 year term at a fixed interest rate of three percent (3%) ~~six percent (6%)~~ per year, commencing October 1, 2017. An illustration is provided under the column titled "Repayment of Self-Insurance Loan" in Revised Attachment I to this Financing Exhibit.

Recommendation – Correct the bill number referenced in the title of the budget ordinance for this section from “2011-795-E” to “2001-795-E”.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2017/18 BUDGET
OFFICE OF THE SHERIFF
GENERAL FUND/GENERAL SERVICES DISTRICT (S/F 011)**

PROPOSED BUDGET BOOK – Page # 269-271

BACKGROUND:

The Jacksonville Sheriff's Office mission is to protect the lives and property of the citizens of this community, to preserve the peace and to prevent crime and disorder while constantly guarding personal liberties as prescribed by law.

- In the 2017/2018 Proposed Budget there are 1,768 sworn police officers, 791 correction officers and 718 civilian positions for a total of 3,277 Sheriff's Office employees in the General Fund/GSD.
- The total number of vehicles currently in the Sheriff's fleet is 2,077, which includes 1,260 Patrol Cars, 31 Motorcycles, 260 Other Vehicles and 526 Unmarked Vehicles.
- The average inmate population for the correctional facilities in 2016 was 3,161, which is down from 3,371 in 2015.
- The Sheriff's Office vacancy count as of July 18, 2017 was 164, which is broken out as follows; 31 Police Officers, 63 Corrections and 70 Civilians.
- The Sheriff's proposed budget is 35% of the General Fund/GSD expenditure budget and 54% of the General Fund/GSD employee cap.

REVENUES:

1. Charges for Services:

- The increase of \$2,269,430 is primarily due to the following increases of:
 - \$2,642,215 for SMG Reimbursement which includes the actual cost of overtime for the Sheriff's office to work all SMG events.
 - \$45,875 in Wrecker Application Fees based on current year collections.
- The increase is being partially offset by decreases of:
 - \$152,746 for Off Duty Reimbursement which is based on current year collections. An administrative fee is charged for secondary employment. A fee of \$5/hour for each hour paid and a fee of \$7/hour where the police vehicle is utilized with the engine running and emergency equipment is in use.
 - \$129,500 in Property Room Fund due to a change in procedure of contacting individuals to pick up their property. If items were never picked up after a case was closed they would be sold and the cash would be deposited into this line item.
 - \$100,766 in revenue due to the number of tax deeds being served is down.
 - \$57,055 in Prisoner's Board – Work Furlough due to a decline in inmates that qualify for the program. This is a \$15/day fee. The inmate is allowed to leave during the day for a job and must return for the night.

2. Revenue from City Agencies – Allocations:

- The budgeted amount of \$2,099,397 includes the reimbursement of call taker salaries from the 911 Emergency User Fee (sub-fund 171) in the amount of \$1,760,233 and an amount of \$339,164 for the Mayor's security. There will be a recommendation on the 911 Emergency User Fee handout that will reduce the allocation amount for the reimbursement of call taker salaries.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2017/18 BUDGET
OFFICE OF THE SHERIFF
GENERAL FUND/GENERAL SERVICES DISTRICT (S/F 011)**

PROPOSED BUDGET BOOK – Page # 269-271

3. Miscellaneous Revenue:

- The increase of \$70,635 is primarily due to:
 - An increase of \$106,290 in Overtime Reimbursement Charges for working events at the Amphitheater with an estimated number of 40 events.
 - A decrease of \$35,259 in Miscellaneous Sales and Charges due to a decline in Social Security Administration incentive payments. This is an incentive payment to the Sheriff's Office for reporting individuals that should not receive Social Security benefits since they are incarcerated.

4. Other Sources:

- The amount of \$1,248,314 is proceeds from the Debt Management Fund related to the Capital Outlay items listed below.

EXPENDITURES:

1. Salaries:

- The increase of \$12,351,002 in salaries is primarily due to the following increases of:
 - \$8,186,196 in Permanent and Probationary Salaries. The increase in salaries includes 80 Police Officers funded for six months at an amount of \$1,625,280 and the 6.5% increase in salaries per the Collective Bargaining agreements for Police Officers and Correction Officers and 5% for the Civilian employees. These increases are offset by a decrease of \$2,511,648 in total Permanent and Probationary Salaries due to outsourcing Health Services.
 - \$4,687,817 in Overtime due to not using on-duty resources to staff special events, bringing the budgeted amount to current levels based on actuals and the 6.5% increase per the Collective Bargaining agreements for Police Officers and Correction Officers.
- The increase is being partially offset by decreases of:
 - \$531,670 in Terminal Leave due to the reduced number of DROP participants scheduled to retire for next fiscal year. There are a total of 89 DROP participants anticipated to retire for Fiscal Year 2017/2018 as compared to 105 for Fiscal Year 2016/2017.
 - \$178,171 in Special Pay due to a younger workforce.
 - \$135,911 for Leave Rollback/Sellback.
 - \$33,484 in Part-Time Salaries is due to the following factors:
 - A Reduction of \$953,797 in the Corrections Division mainly due to Health Services being outsourcing.
 - An increase of \$427,396 in the Investigation and Homeland Security Division.
 - An increase of \$236,030 in Personnel and Professional Services Division.
 - An increase of \$171,421 in Patrol and Enforcement Division.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2017/18 BUDGET
OFFICE OF THE SHERIFF
GENERAL FUND/GENERAL SERVICES DISTRICT (S/F 011)**

PROPOSED BUDGET BOOK – Page # 269-271

2. Salary and Benefit Lapse:

- The imposed Salary Lapse for Fiscal Year 2017/2018 is \$2,896,702 which is a decrease of \$2,321,586. This amount is based on the City's average turnover model. The decrease is mainly attributable to pension being removed from the calculation since it is budgeted at a flat dollar amount.

3. Pension Costs:

- The decrease of \$37,378,853 is primarily due to the reduced contribution for the City's define benefit pension plans as a result of the 2017 pension reform.

4. Employer Provided Benefits:

- The decrease of \$4,111,562 is primarily due to the following decreases of:
 - \$5,531,683 for Group Hospitalization which is mainly the result of the five contribution "holidays" proposed for the City and participants in the plan.
 - \$108,428 in Group Dental Plan based on actuals.
- The decrease is partially offset by increases of:
 - \$929,484 for Workers Compensation – Heart and Hypertension due to actuarial projections.
 - \$359,593 for Workers Compensation Insurance due to actuarial projections.
 - \$193,429 in Medicare Tax due to the increase in Salaries.

5. Internal Service Charges:

- The increase of \$2,790,699 is primarily due to increases of:
 - \$2,583,697 in Fleet Vehicle Rental due to the net impact of vehicles on the proposed replacement list, a full year allocation of the prior year replacements and vehicles that were replaced in prior years being paid off in the current year. The Sheriff's Office is budgeted to receive 461 vehicles in Fiscal Year 2017/2018 with an associated current year cost of \$1,768,942. Vehicles for the 80 funded Police Officers are included on the vehicle replacement list.
 - \$676,737 in Computer System Maintenance/Security for increases in agency specific application services (CAD System Upgrade, EIS Enhancements and JSO Website Upgrades), circuit charges, service desk charges and infrastructure service charges.
 - \$493,928 in Radio Equipment Refresh. This includes the final payment for the radios replaced in Fiscal Year 2016/2017 plus the first of two payments for the replacement 253 radios for Fiscal Year 2017/2018.
- The increase is partially offset by decreases of:
 - \$1,092,265 in the Radio allocation due to paying off the debt on the P25 Radio System in Fiscal Year 2016/2017.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2017/18 BUDGET
OFFICE OF THE SHERIFF
GENERAL FUND/GENERAL SERVICES DISTRICT (S/F 011)**

PROPOSED BUDGET BOOK – Page # 269-271

- \$297,074 for the Pretrial Detention Facility Building Cost Allocation due to a reduction of costs to be allocated driven primarily by lower utility costs.
 - \$107,068 for Fleet Parts, Oil and Gas due to a slight decrease in usage.
6. Insurance Costs and Premiums:
- There is a decrease of \$246,174 for General Liability Insurance due to actuarial projections.
7. Professional and Contractual Services:
- The increase of \$11,713,137 is due to the following:
 - An increase of \$12,002,500 in Contractual Services for the outsourcing of Health Services.
 - There is a decrease of \$241,408 for Security/Guard Service primarily due to a projected decrease in hours for guard services at Shands for times when prisoners are on site.
8. Other Operating Expenses:
- There is an increase of \$364,247 primarily due to the following increases of:
 - \$727,397 in Clothing, Uniforms and Safety Equipment due to the 80 new funded positions and the purchase of 500 additional 9mm Glockes.
 - \$366,362 in Hardware and Software Maintenance and Licenses are increasing mainly for maintenance on network infrastructure and for the new Automated Fingerprint Identification System (AFIS).
 - \$300,692 in Employee Training mainly due to tuition for the 80 new funded positions.
 - \$100,147 in Rentals due to an increase in the Load King Warehouse lease and the new lease approved by 2017-325-E for a JSO Specialized Unit.
 - The increase is being partially offset by a decrease of \$1,215,707 in Chemical and Drugs due to the outsourcing of Health Services.
9. Capital Outlay:
- There is a Capital Outlay budget of \$1,808,993 and consists of the following:
 - Computer Equipment and Software
 - Laptops for the 80 new funded Police Officer positions at an amount of \$162,080
 - Specialized Equipment
 - The replacement of rifles and sniper rifles and a modular shooting range for the NIBIN system at an amount of \$398,595.

**COUNCIL AUDITOR'S OFFICE
 COMMENTS AND RECOMMENDATIONS
 MAYOR'S PROPOSED FY 2017/18 BUDGET
 OFFICE OF THE SHERIFF
 GENERAL FUND/GENERAL SERVICES DISTRICT (S/F 011)**

PROPOSED BUDGET BOOK – Page # 269-271

- Banking Fund-Specialized Equipment

Description	Amount
Funding to replace five bicycles	\$ 10,000
Funding to replace X-Ray machines at entrance to PMB	\$ 80,000
Equipment previously purchased with Trust Fund dollars	\$ 324,314
Replacement of UPS for server room at PMB	\$ 210,000
Replacement of end-of-life storage equipment and expansion of storage for body camera program	\$ 300,000
Replacement of end-of-life servers	\$ 286,000
Replacement of failing audio/visual equipment in Chief's conference room	\$ 38,000
	\$1,248,314

10. Debt Management and Fund Repayments:

- The Banking Fund principal payment amount is \$79,608 and the interest payment amount is \$3,841, which has increased by \$42,031. These payments are for prior years' borrowing and new borrowing of the \$1,248,314. There is budgeted only two months of payments for the new borrowing.

CAPITAL OUTLAY CARRYOVER:

- The following amounts are requested to be carried over:
 - \$1,827,120 for the new AFIS System included in the Fiscal Year 2016/2017 budget
 - \$2,059,186 for the Body Camera network equipment approved by Ordinance 2017-56-E and the Integrated Ballistic Identification System approved by Ordinance 2017-175-E

EMPLOYEE CAP CHANGES:

- The Sheriff's Office cap is proposed to increase by 100 Police Officer positions. Of the 100 positions 80 are funded for six months and 20 are unfunded.
- There are 66 positions on the Redline Schedule (Schedule B2 of the Budget Ordinance) these positions will be removed during Fiscal Year 2017/2018. These positions are associated with the Health Services activity that will be outsourced. The contract is anticipated to begin November 2017.

COMMENT:

In Fiscal Year 2017/2018 the Sheriff's Office will outsource Health Services for an estimated contract cost of \$12,000,000. The contract is anticipated to start in November 2017. There is currently one month of funding for the Health Services activity at an amount of \$1,621,024 in the

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2017/18 BUDGET
OFFICE OF THE SHERIFF
GENERAL FUND/GENERAL SERVICES DISTRICT (S/F 011)**

PROPOSED BUDGET BOOK – Page # 269-271

proposed budget. The budget for Health Services in Fiscal Year 2016/2017 was budgeted at \$8,676,901.

RECOMMENDATION:

1. We recommend that the budgeted amount for the Florida Retirement System Pension Contribution be reduced by \$4,990 due to the erroneous inclusion of the employee's portion of the contribution amount. This will have a positive impact to Special Council Contingency.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2017/18 BUDGET
OFFICE OF THE SHERIFF
911 EMERGENCY USER FEE (S/F 171)**

PROPOSED BUDGET BOOK – Page # 272-274

BACKGROUND:

Pursuant to Florida Statutes Section 365.172 the City established the 911 Emergency User Fee sub-fund. All counties are eligible to receive three separate distributions. Pursuant to section 365.172(8) one is based on the total number of wireless service identifiers in each county and a second is based on the total number of nonwireless service identifiers in each county. Pursuant to section 365.172(9) a third is based on a retail transaction of a prepaid cell phone, which became effective January 1, 2015. According to Section 365.172(10)(b) of the Florida Statutes, "All costs directly attributable to the establishment or provision of E911 service and contracting for E911 services are eligible for expenditure of moneys derived from imposition of the fee authorized by subsections (8) and (9)."

REVENUES:

1. Charges for Services:

- Charges for services include the landline fee of \$0.44 paid each month with a budgeted amount of \$1,360,343 and a monthly wireless fee and a prepaid cellphone fee of \$0.40 with a budgeted amount of \$3,125,000.
- The increase of \$400,410 includes:
 - An increase of \$15,852 in landline revenues which is based on current year collections.
 - There is an increase of \$384,558 for the wireless and prepaid cellphone fee which appears to be overstated. Based on current year collections the amount budgeted should be \$2,808,730 as recommended below, which is \$316,270 less than budgeted.

2. Miscellaneous Revenue:

- Miscellaneous Revenue includes Investment Pool Earnings budgeted at \$41,647.

EXPENDITURES:

1. Salaries:

- There is an increase of \$77,533 for salaries. This amount needs to be adjusted due to three employees needing to be allocated to other activities within the Sheriff's Office. See Recommendation #1.

2. Pension Costs:

- The amount of \$68,441 budgeted for Pension Costs will need to be adjusted due to three employees needing to be allocated to other activities within the Sheriff's Office. See Recommendation #1.

3. Employer Provided Benefits:

- The amount of \$28,792 budgeted for Employer Provided Benefits will need to be adjusted due to three employees being allocated to other activities within the Sheriff's Office. See Recommendation #1.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2017/18 BUDGET
OFFICE OF THE SHERIFF
911 EMERGENCY USER FEE (S/F 171)**

PROPOSED BUDGET BOOK – Page # 272-274

4. Other Operating Expenses:

- The increase of \$31,932 is primarily due to the following:
 - An increase of \$43,670 in Miscellaneous Services and Charges due to increases in telephone translation services, data co-location service and the allocation for the beaches call taker salaries.
 - The budgeted allocation amount for the beaches call taker salaries reimbursement amount is \$338,470, which is an increase of \$35,106. This amount will be reduced based on our recommendations below.
 - The increase is offset by a decrease of \$26,600 in Telephone and Data Line due to a decrease in the cost of database service from AT&T as the number of landline phones have decreased.

5. Intra-Departmental Billing:

- This expense is a revenue item within the Sheriff's Office and the Fire and Rescue Department for reimbursement of call takers salaries. The Sheriff's Office will receive \$1,760,233 and the Fire and Rescue Department will receive \$327,063. These amounts will change based on our recommendation to reduce the budgeted revenue for the wireless and prepaid fee in Recommendation #2.

EMPLOYEE CAP CHANGES:

None

RECOMMENDATIONS:

At the request of the Sheriff's Office we recommend the following two adjustments:

1. Salaries and Benefits for three employees will need to be reduced and allocated by a total of \$93,111. Of the total reduction in Salaries and Benefits, only \$75,688 will need to be allocated to the Sheriff's Office General Fund/GSD. The remaining \$17,423 will be allocated to the Sheriff's Trust Fund account which is appropriated through separate legislation.
2. We recommend the revenue for the wireless and prepaid fee be reduced by \$316,270 based on actual collections.

The net impact of these two items will decrease the allocation amount to cover call takers salaries in the Sheriff's Office (SF 011) by \$165,852, in the Fire Department (SF 011) by \$30,817, and to the beaches for call taker salaries by \$26,490. These changes will have a negative impact of \$272,357 to Special Council Contingency.

**COUNCIL AUDITOR’S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR’S PROPOSED FY 2017/18 BUDGET
OFFICE OF THE SHERIFF
E911 EMERGENCY WIRELESS USER FEES (S/F 173)**

PROPOSED BUDGET BOOK – Page # 275-276

BACKGROUND:

This fund has remained after the landline and wireless fees were combined into one fund in Fiscal Year 2008/2009. The funds remaining are now used for capital purchases. This is an “all years” fund.

REVENUES:

1. Charges for Services:
 - There is a balance of \$832,873 in Wireless Fees that has remained in this fund since February 2011.

EXPENDITURES:

1. Capital Outlay:
 - The appropriation of \$235,000 will be used to purchase the items listed below.

Description	Amount
Servers, Workstation, and Other Equipment for Text-to-911	\$ 110,000.00
Additional Storage at Offsite Location	\$ 60,000.00
Replacement of Servers and Other Equipment	\$ 65,000.00
	\$ 235,000.00

EMPLOYEE CAP CHANGES:

None

RECOMMENDATIONS:

None

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2017/18 BUDGET
FIRE AND RESCUE
GENERAL FUND / GENERAL SERVICES DISTRICT (S/F 011)**

PROPOSED BUDGET BOOK - Page # 197-199

BACKGROUND:

The Jacksonville Fire and Rescue Department (JFRD) is comprised of the Office of the Director and five other divisions. The other divisions are Emergency Preparedness, Fire Operations, Fire Prevention, Fire Training, and Fire Rescue. The primary mission of JFRD is to preserve and protect the lives, property, and environment of our community. JFRD processes calls for emergency assistance quickly and effectively to reduce response times to citizens, administer a community-wide emergency management plan, perform fire and life safety building inspections, review new construction plans for fire code compliance, conduct public safety education programs, deliver the highest quality of pre-hospital care, promote state of the art training, education and certification to all personnel necessary to ensure that JFRD remains competent and efficient in providing citizens and visitors of Duval County the absolute best delivery of emergency services. The Fire Plan Review Section is funded through the Building Inspections fund (S/F 159).

REVENUES:

1. Charges for Services
 - The net increase of \$992,065 is primary due to an increase of \$726,925 in net ambulance revenue and an increase of \$310,545 in the SMG overtime reimbursement revenue to align with the actual revenues in the current year. There is a reciprocal expenditure for this in the SMG budget.
2. Revenue From City Agencies – Allocations
 - This amount represents a repayment of costs from the 9-1-1 Emergency User Fee Subfund (S/F 171) for call taker salaries and estimated by the Sheriff's Office. There is a recommendation to adjust the budget for that subfund which would negatively impact this revenue item for JFRD.
3. Fines and Forfeits
 - The decrease of \$6,091 is due to decreased revenues for fire code violations based on the current year's actual revenues.
4. Miscellaneous Revenue
 - The decrease of \$88,391 is primarily due to a decrease of \$291,514 of the costs of fire services for JIA which have decreased due to overall reductions in operational costs for the department. This decrease is offset by an increase of \$60,870 for overtime reimbursement charges for events held at Daily's Place.
5. Other Sources
 - This represents the borrowed amount for the Safer Neighborhoods Investment Plan (SNIP) to fund the equipment for Fire Stations 61 and 63 and to replace bunker gear to meet new industry standards.

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COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2017/18 BUDGET
FIRE AND RESCUE
GENERAL FUND / GENERAL SERVICES DISTRICT (S/F 011)**

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EXPENDITURES:

1. Salaries

- The net increase of \$10,943,913 is being driven mainly by the following changes:
 - an increase of \$6,322,281 in permanent and probationary salaries mainly due to increases of:
 - approximately \$4.8M for the pay increase of 6.5% on October 1, 2017 related to collective bargaining and pension reform.
 - \$1,147,500 for the addition of 42 positions:
 - a) 18 firefighters will be hired in October 2017 and will be assigned to a new temporary fire station #63 in January 2018 after they complete training (funded for the entire year).
 - b) 17 firefighters will provide relief staffing starting October 2018 after they complete training (funded for three months).
 - c) 7 firefighters will staff a new rescue unit #73 (funded for two months).
 - an increase of \$4,961,790 in overtime to align with the actual expenditures in the current year adjusted for the pay increase discussed above.
 - an increase of \$552,062 in special pay – pensionable based on current year's actuals.
 - an increase of \$231,558 in part-time salaries to extend ocean rescue at Huguenot and Hanna parks for an additional two and a half months.
 - a decrease of \$930,744 in rollback/sellback to align with the projections made by the Employee Services Department.
 - a decrease of \$207,156 holiday buyback to align with the projections made by the Employee Services Department.

2. Salary and Benefits Lapse

- The increase of \$1,196,519 is a removal of the salaries and benefits lapse applied by the Finance Committee during FY 2016/17 budget process.

3. Pension Costs

- The net decrease of \$23,350,478 is due to a decrease of \$23,846,195 in the Police & Fire defined benefit pension costs as a result of the 2017 pension reform. It is offset somewhat by new defined contribution pension costs of \$745,951 for 42 new positions and all new hires to fill expected vacancies in FY 2017/18. Starting October 1, 2017, new hires will participate in the defined contribution pension plan that requires 25% employer contribution.

4. Employer Provided Benefits

- The net decrease of \$632,428 is mostly driven by the following changes:
 - a decrease of \$2,306,571 in health insurance is mainly the result of the five contribution “holidays” proposed for the City and participants in the plan.

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- an increase of \$1,677,019 in workers compensation – heart hypertension due to changes in the actuarial projections.

5. Internal Service Charges

- The net increase of \$2,693,297 is mainly being driven by the following items:
 - an increase of \$1,132,777 in fleet vehicle replacement costs mainly due to buying 56 vehicles with a total purchase price over \$7,558,000 in FY 2016/17 and budgeting expenses only for a small part of the year in FY 2016/17. It is also due to buying 45 more vehicles (see table below) in the proposed budget with the expected payments of \$11,193,000 in FY 2017/18 of which \$9,710,000 will be borrowed as part of the Safe Neighborhood Investment Plan.

Unit Description	Number of Units to be Purchased	Average Price	Average Monthly Use in FY 2017/18	Fleet Replacement Allocation in FY 2017/18 (Partial Year)	Fleet Replacement Allocation (Full Year)
Golf Cart / Utility Vehicle	2	\$ 10,000	9	\$ 3,315	\$ 4,420
JFRD - Chief SUV/Crossover	7	\$ 45,000	6	\$ 34,807	\$ 69,614
JFRD - Command Post	1	\$ 800,000	0	\$ -	\$ 176,799
JFRD - Ladder	3	\$ 1,100,000	0	\$ -	\$ 729,294
JFRD - Pumper	5	\$ 500,000	2	\$ 92,083	\$ 552,496
JFRD - Rescue Unit	18	\$ 175,000	2	\$ 116,024	\$ 696,144
JFRD - Rescue Unit (New Chassis)	3	\$ 85,000	6	\$ 28,177	\$ 56,354
JFRD - Tanker	2	\$ 330,000	0	\$ -	\$ 145,859
Pickup Truck	1	\$ 35,000	6	\$ 3,867	\$ 7,735
Pickup Truck - Utility Body	1	\$ 55,000	6	\$ 6,077	\$ 12,155
Van / Box Truck	2	\$ 51,500	6	\$ 11,381	\$ 22,763
	45			\$ 295,732	\$ 2,473,633

- an increase of \$403,361 in radio allocation due to a Fire Station Paging project beginning repayment in the proposed budget.
- an increase of \$305,899 in computer system maintenance/security allocation due to an increase in direct billings and infrastructure services.

6. Insurance Costs and Premiums

- The net decrease of \$199,387 is mainly due to a decrease of \$204,183 in general liability insurance. The overall cost of general insurance decreased for the City and the department had a large drop in claims in FY 2015/16 which heavily drives the allocated amount.

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7. Professional and Contractual Services

- The increase of \$80,769 is due to an increase in professional services (psychological evaluations, physical exams, immunizations, pulmonary functions tests, ISO and construction consulting, etc.) to align with actual expenditures and to budget for medical examinations for 42 new hires.

8. Other Operating Expenses

- The net increase of \$1,110,692 is mostly driven by the following increases of:
 - \$342,023 in fire hose and bunker gear to align with actual expenditures and also to budget for gear for 42 new hires.
 - \$314,130 in installment purchases for 5-year lease for cardiac monitors (FY 2017/18 will be the first year of the lease).
 - \$278,134 in other operating supplies to align with the actual expenditures in the current fiscal year.
 - \$149,600 in employee training mostly for new recruits training and to pay for Advanced Cardiovascular Life Support (ACLS) / Basic Life Support (BLS) cards and FSCJ encoded courses.

9. Capital Outlay

- The increase of \$4,523,061 is mostly due to a purchase of the following equipment:
 - \$3,340,000 for bunker gear (new industry standard)
 - \$659,880 for replacement equipment
 - \$219,590 fire station #61 (apparatus and equipment)
 - \$219,590 fire station #63 (apparatus and equipment)

10. Debt Management Fund Repayments

- The increase of \$158,184 is mostly due to an additional payment related to the new Safer Neighborhoods Investment Plan (SNIP) as described above. The FY 2017/18 banking fund debt repayments by project are as follows:
 - \$597,049 for Self Contained Breathing Apparatus (SCBA)
 - \$42,730 for CAD replacement
 - \$97,597 for Mobile Data Terminal Refresh
 - \$260,147 - JFRD Equipment (SNIP)\$997,523

**COUNCIL AUDITOR'S OFFICE
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FIRE AND RESCUE
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DIVISIONAL CHANGES:

- The increase in Fire Administration of \$5,141,455 is mostly due to:
 - an increase in banking fund – specialized equipment of \$4,439,060 (new bunker gear, replacement equipment, apparatus and equipment for fire station #61 and #63)
 - an increase in overtime of \$427,498 (to align with actual expenditures)
 - an increase in salaries of \$216,979 (collective bargaining)
- The increase in Emergency Preparedness of \$300,566 is mostly due to:
 - an increase in building maintenance allocation of \$100,059 (due to Citywide increase in costs and better allocation data)
 - an increase in salaries of \$88,314 (collective bargaining)
 - an increase in computer system maintenance allocation of \$50,959 (agency specific application services and infrastructure services)
- The decrease in Fire Operations of \$5,741,850 is mostly due to:
 - a decrease in police and fire pension defined benefit contributions of \$15,322,260 (2017 pension reform)
 - a decrease in group health insurance of \$1,683,726 (five contribution “holidays”)
 - a removal of salaries/benefits lapse of \$1,196,519
 - an increase in salaries of \$3,709,822 (collective bargaining and pension reform and adding 28 positions)
 - an increase in overtime of \$2,437,237 (to align with actual expenditures)
 - an increase in workers compensation heart hypertension allocation of \$1,151,201 (changes in the actuarial projections)
 - an increase in fleet vehicle replacement allocation of \$1,091,347 (adding 56 and 45 vehicles in FY 2016/17 and FY 2017/18)
- The decrease in Fire Prevention of \$277,400 is mostly due to:
 - a decrease in police and fire defined benefit pension contributions of \$171,048 (2017 pension reform)
 - an elimination of terminal leave of \$88,903 (no employees in DROP retiring in FY 2017/18)
 - a decrease in group health insurance of \$183,483 (five contribution “holidays”)
- The decrease in Fire Training of \$18,007 is mostly due to:
 - a decrease in police and fire defined benefit pension contributions of \$246,825 (2017 pension reform)
 - an increase in employee training of \$149,600 (recruit training, ACLS/BLS cards, FSCJ encoded courses)
 - an increase in salaries of \$77,865 (collective bargaining)
- The decrease in Fire Rescue of \$2,880,622 is mostly due to:
 - a decrease in police and fire pension defined benefit contributions of \$8,014,781 (2017 pension reform)

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- an increase in salaries of \$2,218,723 (collective bargaining and pension reform and adding 14 positions)
- an increase in overtime of \$2,061,987 (to align with actual expenditures)
- an increase in workers compensation heart hypertension allocation of \$481,070 (changes in the actuarial projections)

SERVICE LEVEL CHANGES:

The level of emergency services provided the community will be enhanced with the addition of Engine and Rescue 63 and new Rescue 73 later in the fiscal year.

FOOD AND BEVERAGES EXPENDITURES (subobject 05206):

SF	Indexcode	Amount	Description of each Service/Event that requires the purchase of food/beverage	Explanation that the Service/Event serves a public purpose
011	FRFO011FO	\$1,000	Food, water, ice at extended stay fires >4 hours in duration	Public safety

EMPLOYEE CAP CHANGES:

The overall authorized position cap is proposed to increase by 42 positions:

- 18 firefighters will be hired in October 2017 and will be assigned to a new temporary fire station #63 in January 2018 after they complete training (funded for the entire year).
- 17 firefighters will provide relief staffing starting October 2018 after they complete training (funded for three months).
- 7 firefighters will staff a new rescue unit #73 (funded for two months).

Part-time hours were also increased by 18,750 hours to extend ocean rescue at Huguenot and Hanna park for an additional 2 ½ months.

DEPARTMENT REQUEST:

The department requests to modify B4c schedule. Two new tankers marked as a replacement for old tankers (8624-10 and 8640-10) should instead be new additions. The old tankers will be kept and used as foam tankers. There is no impact on the Special Council Contingency.

RECOMMENDATIONS:

- 1) We recommend decreasing FRS pension contribution by \$22,743 due to an error in calculations. It will have a positive impact of \$22,743 on the Special Council Contingency.
- 2) We recommend increasing a contra-revenue account for the fire protection inspection fees revenues by \$276,461 based on the collection rate for the current fiscal year. It is our understanding that in the past, this revenue was reduced for uncollected billings, but starting in September 2016, uncollected billings were recorded into a contra-revenue account that is not budgeted. This will have a negative impact of \$276,461 on the Special Council Contingency.

**COUNCIL AUDITOR'S OFFICE
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MAYOR'S PROPOSED FY 2017/18 BUDGET
FIRE & RESCUE
BUILDING INSPECTIONS (S/F 159)**

PROPOSED BUDGET BOOK - Page # 200-204

BACKGROUND

The fire plans review function of the Fire & Rescue Department is funded within the Building Inspection subfund.

REVENUE

1. Charges for Services

- The increase of \$119,136 is to align the budgeted amount with the current actual revenues for fire plans review and re-inspection fees.

EXPENDITURES

1. Salaries

- The increase of \$76,762 is mainly due to an increase of \$54,970 in salaries due to one (1) inspector position being transferred in August of 2016 from the Planning and Development Department and due to an increase in overtime of \$21,103 to align with the actual expenditures. These amounts are also impacted by the recently approved collective bargaining agreements.

2. Pension Costs

- The net decrease of \$71,011 is mostly due to a decrease of \$64,164 in the Police & Fire defined benefit pension costs as a result of the 2017 pension reform.

3. Employer Provided Benefits

- The net increase of \$2,729 is mostly due to increases of \$3,157 and \$2,568 in workers compensation and workers compensation – heart hypertension, respectively, due to changes in the actuarial projections. They are offset by a decrease of \$3,940 in health insurance mainly due to the five contribution “holidays” proposed for the City and participants in the plan.

4. Internal Service Charges

- The net increase of \$1,045 is mainly due to an increase of \$6,003 in computer system maintenance allocations which is offset by a decreases in fleet vehicle replacement allocation (vehicle was paid off) and a decrease in fleet parts/oil/gas of \$1,257.

5. Insurance Costs and Premiums

- The increase of \$3,534 is due to an increase in general liability insurance. While the overall cost of general insurance decreased for the City, this department had a claim in FY 2015/16 that heavily drives the allocated amount.

6. Other Operating Expenses

- The net increase of \$1,750 is due to an increase of \$1,200 in clothing and shoe allowance and an increase of \$550 in travel expenses to align with the actual expenditures.

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7. Indirect Cost

- This is an allocation of costs to operate central services of the City (e.g. Finance and Administration, Employee Services and City Council) as calculated by the City's independent consulting firm.

CAPITAL OUTLAY CARRYFORWARD:

- There is a capital outlay carryforward of \$115,900 associated with the inspection database upgrades.

EMPLOYEE CAP CHANGES:

The employee cap increased from five (5) to six (6) due to a transfer in of one (1) inspector position in August of 2016 from the Planning and Development Department.

RECOMMENDATION:

The revenue for the fire plans review and re-inspection fees has been underbudgeted by over \$60,000 for the past two years and a favorable variance of \$65,844 is expected for the current fiscal year. For the FY 2017/18, \$769,203 is budgeted while based on the data for the current fiscal year, the annual revenue is up to \$835,047. We recommend increasing the fire plans review and re-inspection fees and cash carryover by \$42,505 to better align it with the current revenues. It will have no impact on the Special Council Contingency.

**COUNCIL AUDITOR'S OFFICE
 COMMENTS AND RECOMMENDATIONS
 MAYOR'S PROPOSED FY 2017/18 BUDGET
 PROPERTY APPRAISER (S/F 015)**

PROPOSED BUDGET BOOK - PAGE #312-314

	FY 16-17 Council Approved	FY 17-18 City Council Adopted and DOR Tentative*	FY 17-18 Mayor's Proposed	FY 17-18 Council Auditor Recommended	Increase/ (Decrease) from FY 16/17 Approved to FY 17/18 Recommended
REVENUE					
Other Revenue	\$ 372,561	\$ 386,929	\$ 386,929	\$ 386,929	\$ 14,368
Transfer from Fund Balance	\$ 112,000	\$ -	\$ -	\$ -	\$ (112,000)
General Fund Contribution	\$ 9,801,582	\$ 9,712,862	\$ 9,817,904	\$ 9,622,651	\$ (178,931)
TOTAL REVENUE	\$ 10,286,143	\$ 10,099,791	\$ 10,204,833	\$ 10,009,580	\$ (276,563)
EXPENDITURES					
Salaries	\$ 5,583,167	\$ 5,815,820	\$ 5,815,820	\$ 5,815,820	\$ 232,653
Salary & Benefit Lapse	\$ (151,336)	\$ (151,336)	\$ (151,336)	\$ (151,336)	\$ -
Employer Provided Benefits	\$ 3,022,386	\$ 2,634,341	\$ 2,652,490	\$ 2,457,237	\$ (565,149)
Internal Service Charges	\$ 532,928	\$ 532,928	\$ 616,140	\$ 616,140	\$ 83,212
Internal Service - IT Operations	\$ 377,559	\$ 377,559	\$ 389,995	\$ 389,995	\$ 12,436
Other Operating Expenses	\$ 921,438	\$ 832,868	\$ 824,113	\$ 824,113	\$ (97,325)
Capital Outlay	\$ 1	\$ 2	\$ 2	\$ 2	\$ 1
Reserves	\$ -	\$ 57,609	\$ 57,609	\$ 57,609	\$ 57,609
TOTAL EXPENDITURES	\$ 10,286,143	\$ 10,099,791	\$ 10,204,833	\$ 10,009,580	\$ (276,563)

* Ordinance 2017-315-E tentatively approved the Property Appraiser's FY 17/18 budget.

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COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2017/18 BUDGET
PROPERTY APPRAISER (S/F 015)**

PROPOSED BUDGET BOOK - PAGE #312-314

Sub-Object	Description	FY 16/17 Council Approved	FY 17/18 City Council Adopted and DOR Tentative	FY 17/18 Mayor's Proposed	FY 17/18 Council Auditor Recommended	Increase/ (Decrease) from FY 16/17 Approved to FY 17/18 Recommended
1201	Salaries	5,417,071	5,627,498	5,627,498	5,627,498	210,427
1306	Salaries - Part Time	39,000	39,000	39,000	39,000	0
1307	Salaries/Benefits Lapse	(151,336)	(151,336)	(151,336)	(151,336)	0
1501	Special Pay	54,250	64,700	64,700	64,700	10,450
1503	Leave Sellback	8,073	19,048	19,048	19,048	10,975
1511	Special Pay - Pensionable	64,773	65,574	65,574	65,574	801
2101	Payroll Taxes (FICA)	17,780	18,991	18,991	18,991	1,211
2102	Medicare Taxes	74,904	77,951	77,951	77,951	3,047
2201	GEPP Pension Contribution Costs	348,546	376,385	376,385	376,385	27,839
2201B	GEPP Contribution - Unfunded Liability	1,310,312	879,109	879,109	879,109	(431,203)
2204	FRS Pension Contribution	64,973	65,217 *	65,217	69,870	4,897
2207	GEPP Disability Contribution	15,486	16,096	16,096	16,096	610
2213	GEPP Defined Contribution	50,255	94,600	94,600	94,600	44,345
2301	Group Dental Plan	120	0	0	0	(120)
2303	Group Life Insurance	18,486	19,557	19,557	19,557	1,071
2304	Group Hospitalization	994,636	959,547	959,547	759,641	(234,995)
2401	Worker's Comp Insurance	126,888	126,888	145,037	145,037	18,149
Personnel Expenses		\$ 8,454,217	\$ 8,298,825	\$ 8,316,974	\$ 8,121,721	\$ (332,496)
3109	Professional Services	186,021	70,803	70,803	70,803	(115,218)
4002	Travel Expense	31,955	29,058	29,058	29,058	(2,897)
4101	Postage	233,030	234,157	234,157	234,157	1,127
4203	IS Alloc-ITD Replacements	30,720	30,720	20,069	20,069	(10,651)
4205	IS Alloc-OGC Legal	126,990	126,990	159,989	159,989	32,999
4207	IS Alloc-Copier Consolidation	36,555	36,555	34,917	34,917	(1,638)
4211	IS Alloc-Copy Center	3,426	3,426	4,258	4,258	832
4213	IS Alloc-Fleet Vehicle Replacement	10,024	10,024	19,748	19,748	9,724
4216	IS Alloc-Fleet Repairs/Maintenance	43,277	43,277	56,685	56,685	13,408
4217	IS Alloc-Fleet Part/Oil/Gas	47,902	47,902	54,054	54,054	6,152
4221	IS Alloc-Mailroom Charge	1,162	1,162	1,469	1,469	307
4223	IS Alloc-Computer Sys Maint. & Security	377,559	377,559	389,995	389,995	12,436
4230	Building Cost Allocation - Yates Bldg	232,872	232,872	264,951	264,951	32,079
4502	General liability Insurance	38,931	38,931	30,176	30,176	(8,755)
4603	Repairs & Maintenance	750	780	780	780	30
4662	Hardware/Software Maintenance & Licenses	268,556	291,932	291,932	291,932	23,376
4721	Printing & Binding	73,630	71,607	71,607	71,607	(2,023)
4801	Advertising & Promotion	800	800	800	800	0
4931	Clothing, Clean, Shoe Allowance	400	0	0	0	(400)
4938	Misc Services & Charges	20,675	22,370	22,370	22,370	1,695
5101	Office Supplies	11,000	11,560	11,560	11,560	560
5208	Furniture and Equipment Under \$1,000	0	5,000	5,000	5,000	5,000
5216	Other Operating Supplies	9,850	9,964	9,964	9,964	114
5229	Software, Computer Items under \$1,000	235	0	0	0	(235)
5401	Employee Training	24,941	24,956	24,956	24,956	15
5402	Dues, Subscriptions, & Memberships	20,664	20,950	20,950	20,950	286
Operating Expenses		\$1,831,925	\$1,743,355	\$1,830,248	\$1,830,248	(\$1,677)
6403	Office Equipment	0	1	1	1	1
6427	Computer Equipment	1	1	1	1	0
Capital Outlay		\$ 1	\$ 2	\$ 2	\$ 2	\$ 1
9910	Reserves	0	57,609	57,609	57,609	57,609
Reserves		\$ -	\$ 57,609	\$ 57,609	\$ 57,609	\$ 57,609
Total		\$ 10,286,143	\$ 10,099,791	\$ 10,204,833	\$ 10,009,580	\$ (276,563)
Employee Cap		118	116	116	116	(2)
Part time Hours		4,160	5,408	5,408	5,408	1,248

*The DOR increased the FRS Pension Contribution from \$65,217 to \$69,870 based on the rate effective July 1, 2017.

**COUNCIL AUDITOR'S OFFICE
 COMMENTS AND RECOMMENDATIONS
 MAYOR'S PROPOSED FY 2017/18 BUDGET
 PROPERTY APPRAISER (S/F 015)**

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A	The FY 17/18 budget for salaries includes increases of 5% for all employees except the Constitutional Officer. Although the increase was approved for union employees through the collective bargaining legislation, 5% increases have been loaded into the proposed budget for appointed employees as well. Additionally, the authorized position cap is being reduced by a net of two positions, from 118 positions to 116 positions. Two vacant positions are being eliminated: one Field Appraiser and one Residential Appraiser.
B	This amount represents incentive pay which is paid to employees who obtain professional certifications. The increase is due to additional employees expected to obtain certifications in FY 17/18.
C	The increase is based on year to date actual expense.
D	The FY 17/18 budgeted amounts are based on the recent pension reform.
E	The increase is a factor of the salaries of participating employees and an increase in the contribution rate from 7.7% to 11.7%.
F	The decrease is due to changes in employee elections and five contribution holidays in FY 17/18. See recommendation #2 below.
G	The final allocations for these subobjects were not calculated at the time Ord. 2017-315-E was enacted by Council. The FY 17/18 Mayor's proposed budget reflects the updated amounts for these subobjects.
H	The decrease is mostly due to not funding aerial photography in the FY 17/18 budget. Aerials were included in the FY 16/17 budget and will be budgeted next in FY 18/19.
I	The increase is mostly due to an increase in the maintenance contract for the computer assisted mass appraisal (CAMA) system.
J	The increase is due to including funding for ergonomic assessments in FY 17/18.
K	Funding in an amount equal to half of the decrease in Professional Services has been placed in a reserve account in order to spread the budgeted cost of aerial photography over two years since it is only required to be done once every two years.

Recommendations:

1	We recommend increasing 02204 - FRS Pension Contribution by \$4,653 to \$69,870 to reflect an adjustment made by the DOR in their tentative approval of the Property Appraiser's FY 17/18 budget based on the contribution rate effective July 1, 2017.
2	We recommend decreasing 02304 - Group Hospitalization by \$199,906 to \$759,641 to budget the five contribution holidays. The Mayor's proposed budget includes five contribution "holidays" proposed for the City and participants in the plan. However, the Property Appraiser's Office proposed budget was not adjusted to reflect the holidays.

The net effect of these two adjustments will decrease the General Fund - GSD transfer in by \$195,253 and have a positive impact of \$195,253 on Special Council Contingency.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2017/18 BUDGET
CITY COUNCIL
GENERAL FUND/GENERAL SERVICES DISTRICT – 011**

PROPOSED BUDGET BOOK – Page #127 - 128

BACKGROUND:

This Department provides for the operation and salary expenditures for the City Council and its staff including the Office of the Council Auditor and the Value Adjustment Board.

REVENUE:

1. Charges for Services

- This amount represents the anticipated Value Adjustment Board protest fee revenue of \$55,000.

2. Miscellaneous Revenue

- This category is mainly made up of a reimbursement from the Duval County School Board for 2/5 of the cost of the Value Adjustment Board as directed by Florida Statute.

EXPENDITURES:

1. Salaries

- The net increase of \$84,474 is due to the following:
 - An increase in salaries of \$99,992 as a result of the 2017 pension reform related to collective bargaining.
 - An increase in part-time salaries of \$16,687 (\$7,088 in Council Staff Services for security and \$9,599 for an internship program in the Council Auditor's Office).
 - These are offset by a decrease in leave rollback/sellback of \$30,798 and a decrease in special pay – pensionable of \$3,747.
 - City Council Members are budgeted to have the same base salary as Council Members in FY 2010-11. Budget Ordinance Section 10.2 waives Section 129.102 of the Ordinance Code, which sets Council Members' salaries to be one-half of the salary allowed for a member of the Board of County Commissioners in a county with the population equal to that of Duval County in accordance with Chapters 145.031(1) and 145.19 Florida Statutes.

2. Pension Costs

- The net decrease of \$239,010 is due to the reduced contribution for the City's defined benefit pension plan as a result of the 2017 pension reform.

3. Employer Provided Benefits

- The net decrease of \$126,964 in employer provided benefits is due primarily to a decrease of \$135,392 for health insurance and is due to the result of the five contribution "holidays" proposed for the City and participants in the plan.

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4. Internal Service Charges

- The net increase of \$412,463 is mainly being driven by an increase in OGC legal charges (\$319,225) based on recent actuals and an increase in computer system maintenance/security (\$73,948) based on higher application service charges, increased service desk charges and increased infrastructure service charges. This is partially offset by a decrease of the copier consolidation allocation (\$4,622) based on usage.

5. Insurance Costs and Premiums

- The decrease of \$2,951 is due to an overall decrease in the cost of general liability insurance based on the actuarial study.

6. Professional and Contractual Services

- The increase of \$5,600 is due to the “Cloud” storage usage for video and audio archives and maintenance of the High Vision screens in Council Chambers.

7. Other Operating Expenses

- The net increase of \$18,656 is primarily due to the following:
 - An increase in miscellaneous services and charges of \$11,600 for new chairs and furniture in the Council Chambers and \$5,150 for the triennial peer review for the Council Auditor’s Office.
 - An increase of \$15,000 for the Council Auditor’s Office new tuition reimbursement program.
 - An increase in employee training of \$11,395 for both Council Staff and the Council Auditor’s Office.
- These increases are partially offset by:
 - A decrease in advertising and promotion of \$11,000 based on usage.
 - A decrease in the communications allowance for City Council and Council Staff Services of \$7,800.
 - A decrease in travel expenses of \$5,451 primarily in the Council Auditor’s Office due to more local training being available in the upcoming fiscal year.

FOOD AND BEVERAGE EXPENDITURES (subobject 05206):

SF	Indexcode	FY18 Request	Description of each Service/Event that requires the purchase of food/beverage	Explanation that the Service/Event serves a public purpose
011	CCSS011AD	2,000	agenda, committee and council meetings	Open to public

SERVICE LEVEL CHANGES:

None

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CAPITAL OUTLAY CARRYFORWARD:

None

EMPLOYEE CAP CHANGES:

None

DIVISIONAL HIGHLIGHTS:

CITY COUNCIL	2016/17	2017/18	\$ CHANGE	% Change	
SERVICE EXPENSES	Adopted	Proposed	from FY 17	from FY 17	
Council Auditor	\$ 2,395,967	\$ 2,222,371	\$ (173,596)	-7.25%	A
Council President Expense Account	\$ 10,000	\$ 10,000	\$ -	0.00%	
Council Staff Services	\$ 5,109,894	\$ 5,379,771	\$ 269,877	5.28%	B
Direct Expenditures	\$ 1,497,527	\$ 1,582,204	\$ 84,677	5.65%	C
Value Adjustment Board	\$ 771,856	\$ 743,166	\$ (28,690)	-3.72%	D
Departmental Total	<u>\$ 9,785,244</u>	<u>\$ 9,937,512</u>	<u>\$ 152,268</u>	<u>1.56%</u>	

- A** The decrease of \$173,596 in the Council Auditor's Office is primarily due to a net decrease of \$34,342 in salaries, \$135,510 in pension costs, and \$33,006 in employer provided benefits.
- B** The increase of \$269,877 in Council Staff Services is primarily due to a net increase of \$104,953 in salaries and \$348,880 in internal service charges, and is offset by a net decrease of \$131,215 in pension costs and a net decrease of \$63,450 in employer provided benefits.
- C** The increase of \$84,677 in Council Direct Expenditures is primarily due to a net increase of \$41,666 in pension costs and \$76,058 in internal service charges and is offset by a net decrease of \$25,403 in employer provided benefits.
- D** The decrease of \$28,690 in the Value Adjustment Board is primarily due to a net decrease of \$13,951 in pension costs, a net decrease of \$22,373 in internal service charges, and is offset by a net increase of \$13,863 in salaries.

DEPARTMENT REQUESTS:

The Council Secretary has requested the following be added to the City Council budget for FY 2017/18:

1. The Council Secretary is requesting the addition of one Research Assistant position to the Council Staff Services employee cap beginning October 1, 2017. The salary and benefits for this position would be \$54,111. This would have a negative impact of \$54,111 on Special Council Contingency.

RECOMMENDATIONS:

1. We recommend removing and replacing Budget Ordinance Attachment B (Chart of Council Member Salaries Being Waived) once the State publishes the salary information of Elected Officials. Per the State of Florida website, the FY 2017-18 reports should be available by September 2017 and Attachment B can be updated at that time.

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2. We recommend reducing the Florida Retirement System (FRS) contribution amount by \$21,609 from \$349,346 to \$327,737 to reflect the correct employer contribution rate. This would have a positive impact on Special Council Contingency of \$21,609.

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TOURIST DEVELOPMENT COUNCIL (S/F 132)**

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BACKGROUND

This fund accounts for the first two-cent (of the total six-cent) tax levy on lodging within Duval County. The Tax Collector collects the Tourist Development Tax and remits it to the City for appropriation by the City Council. The Tourist Development Council (TDC) is the appointed body charged with implementing and administering the Tourist Development Plan adopted by City Council.

REVENUE:

1. Taxes:

- This represents the anticipated two-cent tax levy on lodging for FY 2017/18 as recommended by the TDC. The projected increase appears reasonable based on current collections.

2. Investment Pool / Interest Earnings:

- This is the anticipated interest earnings for FY 2017/18. The decrease is a result of the fund balance being transferred out of this subfund to the Tourist Development Special Revenue fund (S/F 136) by 2016-599-E leaving a smaller cash balance to earn interest.

EXPENDITURES:

1. Salaries:

- The net increase in this category is due to anticipated pay increases to be effective October 1st related to collective bargaining.

2. Pension Costs:

- The net decrease is the result of the reduced contribution for the City's defined benefit pension plans as a result of the 2017 pension reform.

3. Internal Service Charges:

- The net increase is due to increased legal allocations from the Office of General Counsel consistent with current year actuals.

4. Other Operating Expenses:

- The decrease is primarily a result of a transfer to the Tourist Development Special Revenue fund which was created by Ordinance 2016-599-E to (1) set aside funding for the acquisition or improvement of publicly owned facilities and (2) be used for unforeseen opportunities of major significance to tourism in Jacksonville.

5. Indirect Cost:

- This is an allocation of costs to operate central services of the City (e.g. Finance and Administration, Employee Services and City Council) as calculated by the City's independent consulting firm.

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6. Transfers to Other Funds:

- This is a transfer, approved by the TDC, to the Tourist Development special revenue fund (SF 136) for the Development and Contingency accounts.

SERVICE LEVEL CHANGES:

None.

CAPITAL OUTLAY CARRYFORWARD:

None.

EMPLOYEE CAP CHANGES:

None.

RECOMMENDATION:

None.

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TOURIST DEVELOPMENT SPECIAL REVENUE (S/F 136)**

PROPOSED BUDGET BOOK - Page # 132-133

BACKGROUND

The Tourist Development Special Revenue fund was created pursuant to Section 666.108 of the Ordinance Code and the Tourist Development Plan. This fund contains the Development and Contingency accounts of the Plan. The Development account is to be used to acquire, construct, extend, enlarge, remodel or improve publicly owned convention centers, coliseums (e.g., arena) or auditoriums (e.g., performing arts center), or aquariums or museums that are publicly owned and operated or owned and operated by a not for profit organization. The Contingency account is to be used to fund unforeseen opportunities of major significance to tourism in the City. The Development and Contingency accounts are each to be funded at a minimum \$500,000.

REVENUE:

1. Transfers From Other Funds:

- This transfer represents the TDC recommended transfer from the TDC's operating fund (S/F 132) to fund the Development and Contingency accounts.

EXPENDITURES:

1. Contingencies:

- The funding from the TDC operating fund (S/F 132) is being placed in contingency accounts for the Development account (\$1,000,000) and the Contingency account (\$500,000) for future appropriation.

SERVICE LEVEL CHANGES:

None.

CAPITAL OUTLAY CARRYFORWARD:

None.

EMPLOYEE CAP CHANGES:

There are no authorized positions or part-time hours in this subfund.

RECOMMENDATION:

None.

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GENERAL FUND/GENERAL SERVICES DISTRICT (S/F 011)**

PROPOSED BUDGET BOOK – Page # 251-252

BACKGROUND:

The General Fund/General Services District portion of the Office of General Counsel consists of the Duval Legislative Delegation and includes the Public Accountability Office that provides resources to be used for the defense of the City against legal action.

REVENUES:

There are no revenues for the General Fund divisions of this department.

EXPENDITURES:

1. Salaries:

- The net decrease of \$4,721 is due to the filling of a vacancy at a lower salary. This was partially offset with a 5% increase in salaries consistent with the recently approved collective bargaining agreement.

2. Pension Costs:

- The decrease of \$7,577 is mainly the result of the reduced contribution for the City's defined benefit pension plans as a result of the 2017 pension reform.

3. Employer Provided Benefits:

- The net decrease of \$8,280 is mostly due to election changes by employees. This was partially offset by a decrease of \$1,613 for health insurance as a result of the five contribution "holidays" proposed for the City and participants in the plan.

SERVICE LEVEL CHANGES:

There are no significant service level changes.

EMPLOYEE CAP CHANGES:

There are no employee cap changes.

RECOMMENDATION:

None.

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GENERAL COUNSEL (S/F 551)**

PROPOSED BUDGET BOOK - Page # 253-255

BACKGROUND:

This internal service fund accumulates and allocates the cost of the Office of the General Counsel and recovers its costs via charges to its users/customers which include the City, independent authorities, and boards/commissions of the government.

REVENUE:

1. Charges for Services
 - The increase of \$1,339,379 is the result of an increase in operating expenses and the addition of dedicated personnel to the Duval County School Board (DCSB) and the Jacksonville Port Authority (JPA) per Ordinances 2017-181-E and 2017-282-E, respectively.
2. Investment Pool / Interest Earnings
 - The decrease of \$20,660 is due to lower anticipated interest earnings based on the expected cash balance and the interest rate projected by the Treasury Division.
3. Transfers from Fund Balance
 - This amount represents an appropriation of retained earnings of \$196,871.

EXPENDITURES:

1. Salaries
 - The \$722,386 increase in salaries is partially due to anticipated pay increases of 5% to be effective October 1st due to recent collective bargaining as with other areas. Also, the increase in salaries is driven by the additional cost of four positions that will provide legal services support to the DCSB (\$376,307) and one position that will provide legal services support to JPA (\$126,641) as mentioned above.
2. Salary and Benefit Lapse
 - The lapse totaling \$255,739 (a decrease of \$53,162) is based on the average turnover ratio and estimated number of vacancies in FY 2017/18.
3. Pension Costs
 - The decrease of \$318,126 is mainly the result of the reduced contribution for the City's defined benefit pension plans as a result of the 2017 pension reform.
4. Employer Provided Benefits
 - The decrease of \$62,110 is primarily being driven by the reduction of health insurance costs in the amount of \$89,815, resulting from the five contribution "holidays" proposed for the City and participants in the plan. This reduction is

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primarily offset by increases to medicare (\$10,623) due to the salary increases, group life insurance (\$9,998) due to a change in the benefit amount, and worker's compensation insurance (\$6,753) due to an increase in overall costs for the City.

5. Internal Service Charges

- The net increase of \$94,942 is mostly due to an increase in IT computer system maintenance/security allocation of \$73,980 primarily caused by maintenance for the General Counsel's document management program. There are also increases in the building cost allocation of \$9,154, copy center allocation of \$4,285, and mailroom charges of \$1,293.

6. Other Operating Costs

- This category includes hardware and software maintenance licenses, dues, subscriptions, and memberships, and travel expense. There are no significant changes in this category.

7. Indirect Cost

- This is an allocation of costs to operate central services of the City (e.g. Finance and Administration, Employee Services and City Council) as calculated by the City's independent consulting firm.

8. Contingencies

- The proposed contingency amount of \$745,313 is part of the overall pension reform reserves being set aside as funds to be available to offset future salary increases agreed to in the recently approved collective bargaining agreements.

SERVICE LEVEL CHANGES:

As previously stated, four (4) new positions were authorized to provide legal services specifically to DCSB and one (1) position will provide legal services to JPA.

EMPLOYEE CAP CHANGES:

The employee cap increased from 64 to 69 due to the new positions added during FY 2016/17.

FOOD AND BEVERAGES EXPENDITURES (subobject 05206):

Indexcode	FY18 Request	Description of each Service/Event that requires the purchase of food/beverage	Explanation that the Service/Event serves a public purpose
GCCA551	\$ 3,000	Food/beverage for staff and visitors of the Office of General Counsel during mediation, settlement negotiations, and other meetings	To help influence opposing counsel while hosting mediation, negotiations, and other meetings

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RECOMMENDATION:

We recommend that Salaries and Benefits be increased by \$48,442. This is related to the new attorneys being brought on related to the Duval County School Board. The net amount of the salaries and benefits of the new employees is higher than the amounts in the budget due to the budgeted amounts being based on a vacant position which is the salary scale floor plus 5%. This will be offset by an increase to the revenues from Independent Agencies. This will have no impact on the Special Council Contingency.