

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 #2
August 11, 2017

**COUNCIL AUDITOR’S OFFICE
TABLE OF CONTENTS
MEETING #2**

Public Libraries	1
Library Conference Facilities Trust	5
Finance and Administration- Information Technologies	7
Finance and Administration – Radio Communications	9
Finance and Administration - Technical System Development.....	12
Finance and Administration - Technology Equipment Refresh.....	13
Finance and Administration - Radio Equipment Refresh	15
Finance and Administration – IT System Development	16
Five-Year IT Plan	18
Finance and Administration - Copy Center/Central Mailroom.....	19
Finance and Administration - Fleet Management.....	21
Finance and Administration - Fleet Management-Vehicle Replacement	23
Finance and Administration - Fleet Management-Direct Replacement.....	26
Group Health.....	27
Health Wellness Fund	30
Office of Ethics, Compliance, & Oversight.....	34
Office of the Inspector General.....	35
Public Health.....	37
Housing Finance Authority.....	39
Medical Examiner.....	43
Military Affairs and Veterans	45
Emergency Contingency	47
Emergency Incidents.....	48

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

PROPOSED BUDGET BOOK - Page # 317-319

BACKGROUND:

The Jacksonville Public Library system consists of a main library and twenty regional, community and neighborhood branch libraries. The system services the needs of Duval County as well as neighboring areas, Baker, Clay, Nassau and St. Johns Counties. As part of the FY 2017/18 budget, the Library Enhanced Access Program (LEAP) was moved from the Jacksonville Journey into the Public Libraries Department. The LEAP program budget was \$266,210 in FY 2016/17 and is budgeted at \$262,252 in FY 2017/18.

REVENUES:

1. Charges for Services

- The decrease of \$20,223 is primarily due to a decrease in revenues for library fees - internet printing to align with actual revenues.

2. Miscellaneous Revenue

- The decrease of \$1,300 is due to reduced collections of fees for using library copiers in FY 2016/17.

EXPENDITURES:

1. Salaries

- The net increase \$873,245 is mainly due to:
 - an increase of \$737,659 in permanent and probationary salaries mostly due to increases of:
 - \$534,306 related to collective bargaining
 - \$144,704 due to the addition of four (4) LEAP employees
 - \$58,649 due to personnel turnover, end of probation, and equity raises
 - an increase of \$138,991 in part-time salaries due to increases of:
 - \$73,032 related to collective bargaining
 - \$42,640 related to the addition of 2,600 part-time hours for the LEAP program
 - \$23,319 related to hourly wage increases

2. Pension Costs

- The net decrease of \$724,821 is mainly the result of the \$965,376 reduction in contributions for the City's defined benefit pension plans as a result of the 2017 pension reform. The decrease is partially off-set by an increase of \$276,577 in contributions to the defined contribution pension plan due to newly hired employees being placed in the defined contribution pension plan and changes in choice of pension plan by existing employees.

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

PROPOSED BUDGET BOOK - Page # 317-319

3. Employer Provided Benefits

The net decrease of \$458,795 is mainly the result of a \$478,896 reduction in health insurance costs related to the five contribution "holidays" proposed for the City and participants in the health insurance plan. The decrease is partially off-set by an increase of \$14,822 in Medicare tax related to the increases in salaries discussed above.

4. Internal Service Charges

- The net increase of \$937,586 is due primarily to increases of \$320,090 in IT tech equipment refresh for previously refreshed computers, \$317,745 in IT computer system maintenance/security allocation based on current year usage, \$208,730 in building maintenance costs due to increased allocable costs, \$68,098 in utilities allocation due to increased electricity costs, and \$14,923 in legal services allocation due to current year usage.

5. Insurance Costs and Premiums

- The decrease of \$24,363 is mainly due to a \$18,868 decrease in general liability insurance due to lower overall costs for the city and the history of claims for the libraries, and a \$5,495 decrease in miscellaneous insurance due to lower overall costs for the city.

6. Professional Services

- The increase of \$120,684 is mostly due to increases of \$69,200 in contractual services due to increases in the cost to transfer library materials between the branches and the cost for more frequent armored car pick-ups, \$41,485 in security guard services based on anticipated increases in cost, and \$9,999 in professional services for an inventory of library materials that is conducted every 4 years.

7. Other Operating Expenses

- The net increase of \$86,511 is mainly due to increases of \$69,911 in hardware and software maintenance and licenses due to replacement of scheduling software that is no longer supported and increased cost for virtual content, \$14,235 in other operating supplies for consumable supplies, \$5,413 in other office supplies based on current year usage, and \$2,200 in local mileage based on current year usage. The increase is partially off-set by a decrease of \$10,000 in credit card fees due to switching to a lower cost provider.

8. Library Materials

- The decrease of \$485,696 is primarily due to a one time increase of \$500,000 in library materials passed during the FY 2016/17 budget process that was not included in the FY 2017/18 budget. The decrease was slightly off-set by moving in \$14,304 of LEAP program funding that was previously in Jacksonville Journey.

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

PROPOSED BUDGET BOOK - Page # 317-319

**FY 2017/18 LIBRARY MATERIALS
BUDGETED EXPENDITURES**

<u>MATERIALS</u>	<u>COST</u>
Print (Adult, Teen, Juvenile)	1,634,759
Electronic Databases	416,935
Electronic Books	376,504
Electronic Audio, Video, Music Other E Formats	325,167
Magazines (Adult, Teen, Juvenile)	26,234
Spoken Audio (Adult, Teen, Juvenile)	155,250
LEAP Program	14,304
TOTAL:	<u>\$2,949,153</u>

9. 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.

STATE AID:

In addition to City funding, the Public Library Department receives a State Grant. For FY 2017/18, the estimated State Grant is \$874,255. The library has not yet finalized the budget for this grant.

SERVICE LEVEL CHANGES:

None.

CAPITAL OUTLAY CARRYFORWARD:

None.

EMPLOYEE CAP CHANGES:

The authorized position cap increased by four positions and 2,600 part-time hours due to moving the LEAP program from the Jacksonville Journey to the Public Libraries.

RECOMMENDATION:

None.

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

PROPOSED BUDGET BOOK - Page # 317-319

The proposed hours of operation remain the same as they were in FY 2016/17.

JPL Proposed Hours of Operation for 2017/18								
Branch	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Total Hours
Argyle	Closed	Closed	1:00 - 9:00	10:00 - 6:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	40
Beaches	Closed	Closed	1:00 - 9:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	40
Bradham - Brooks	Closed	10:00 - 6:00	10:00 - 6:00	1:00 - 9:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	48
Brentwood	Closed	12:00 - 8:00	10:00 - 6:00	10:00 - 6:00	12:00 - 8:00	10:00 - 6:00	10:00 - 6:00	48
Brown Eastside	Closed	12:00 - 8:00	12:00 - 8:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	48
Graham	Closed	10:00 - 6:00	12:00 - 8:00	10:00 - 6:00	12:00 - 8:00	10:00 - 6:00	10:00 - 6:00	48
Highlands	1:00 - 5:00	1:00 - 9:00	1:00 - 9:00	10:00 - 6:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	52
Mandarin	Closed	10:00 - 6:00	1:00 - 9:00	1:00 - 9:00	10:00 - 6:00	Closed	10:00 - 6:00	40
Maxville	Closed	10:00 - 6:00	12:00 - 8:00	10:00 - 6:00	12:00 - 8:00	Closed	10:00 - 6:00	40
Murray Hill	Closed	Closed	1:00 - 9:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	40
Pablo Creek	1:00 - 5:00	1:00 - 9:00	10:00 - 6:00	1:00 - 9:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	52
Regency Square	Closed	10:00 - 6:00	10:00 - 6:00	1:00 - 9:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	48
San Marco	Closed	Closed	1:00 - 9:00	10:00 - 6:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	40
South Mandarin	Closed	Closed	10:00 - 6:00	1:00 - 9:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	40
Southeast	1:00 - 5:00	1:00 - 9:00	1:00 - 9:00	10:00 - 6:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	52
University Park	Closed	10:00 - 6:00	1:00 - 9:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	48
Webb Wesconnett	1:00 - 5:00	1:00 - 9:00	10:00 - 6:00	1:00 - 9:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	52
West Regional	Closed	Closed	1:00 - 9:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	40
Westbrook	Closed	10:00 - 6:00	12:00 - 8:00	10:00 - 6:00	12:00 - 8:00	10:00 - 6:00	10:00 - 6:00	48
Willowbranch	Closed	Closed	10:00 - 6:00	1:00 - 9:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	40
Main	1:00 - 5:00	10:00 - 6:00	11:00 - 7:00	11:00 - 7:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	52

Total Weekly Service Hours 956

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2017/18 BUDGET
PUBLIC LIBRARIES
LIBRARY CONFERENCE FACILITIES TRUST (S/F 15W)**

PROPOSED BUDGET BOOK - Page # 320-321

BACKGROUND:

The Library Conference Facility Trust was established per Ordinance 2006-237-E and is governed by Municipal Section 111.830. The Main Library charges a fee for the use of the conference facilities in order to cover the cost associated with operating and leasing conference facilities for business, recreational and social purposes. This is an “all years” fund and as such, during the budget process the amounts budgeted may include de-appropriating unused balances in both expense and revenue from the prior fiscal year (FY 2016/17). The clean-up of an all years fund, as part of the annual budget, may cause negative totals. The upcoming fiscal year budget needs are netted against the all year’s balances to determine the FY 2017/18 proposed “change” to the all year’s appropriation.

REVENUES:

1. Investment Pool/Interest Earnings
 - The increase of \$2,364 is due to an increase in anticipated investment pool earnings in FY 2017/18 based on the estimated cash balance and the expected interest rate.
2. Miscellaneous Revenue
 - The increase of \$50,000 is due to anticipated increases in rental revenue for city facilities in FY 2017/18 based on recent activity.

EXPENDITURES:

1. Salaries
 - The increase of \$26,406 is due to increases of \$11,862 necessary to fill a recently vacated position, \$11,245 caused by filling a vacancy and a hiring a new employee at higher salaries than previously budgeted, \$4,500 related to collective bargaining, and \$600 in part-time salaries related to collective bargaining. This increase is partially offset by a \$552 decrease in special pay – pensionable due to employee turn-over.
2. Pension Costs
 - The decrease of \$14,371 is mainly the result of \$20,954 in reduced contributions for the City’s defined benefit pension plans as a result of the 2017 pension reform which is partially offset by an increase of \$6,511 in defined contribution due to employee pension plan selections.
3. Employer Provided Benefits
 - The increase of \$666 is due to increases associated with higher salaries and employee insurance elections. The increase is partially off-set by the five contribution “holidays” proposed for the City and participants in the health insurance plan.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2017/18 BUDGET
PUBLIC LIBRARIES
LIBRARY CONFERENCE FACILITIES TRUST (S/F 15W)**

PROPOSED BUDGET BOOK - Page # 320-321

4. Professional and Contractual Services

- The increase of \$14,999 is due to a \$12,500 increase in security/guard services based on the use of previously authorized capacity in FY 2016/17 and an increase of \$2,500 in contractual services for janitorial service based on anticipated increased rentals of the conference center.

5. Other Operating Expenses

- The increase of \$13,629 is due to a \$14,000 increase in hardware/software maintenance & licenses necessary to replace the room scheduling/reservation software which is no longer supported and a \$4,000 increase in purchases of furniture & equipment under \$1,000 for anticipated replacements. The increases are partially offset by decreases of \$1,998 in miscellaneous charges, \$1,774 in dues and subscriptions, and \$599 in other operating supplies due to the use of existing budget capacity that was previously authorized.

6. Capital Outlay

- The decrease of \$4,763 is due to the conference trust using existing budgetary capacity that was previously authorized.

7. Contingencies

- The proposed contingency amount of \$15,785 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.

EMPLOYEE CAP CHANGES:

There are no changes to position cap.

SERVICE LEVEL CHANGES:

None

RECOMMENDATION:

None

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2017/18 BUDGET
FINANCE AND ADMINISTRATION
ITD OPERATIONS (S/F 531)**

PROPOSED BUDGET BOOK – Page #170-172

BACKGROUND:

This internal service fund accumulates and allocates current application maintenance costs of computer software and/or equipment owned, leased or operated by the City and selected independent agencies and records management (archive) functions.

REVENUE:

1. Charges for Services:

- This revenue consists of internal service revenues from charges billed to other departments and agencies. The increase is a result of higher expenditures for IT described below.

EXPENDITURES:

1. Salaries:

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

2. Salary & Benefit Lapse:

- This reflects an estimated salary and benefit lapse based on the average turnover ratio and estimated number of vacancies in FY 2017/18.

3. Pension Costs:

- The decrease of \$441,387 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 is mainly due to a decrease of \$200,708 in group hospitalization insurance which was somewhat offset by an increase of \$15,876 in workers' compensation insurance. The decrease in health insurance is mainly the result of the five contribution "holidays" proposed for the City and participants in the plan.

5. Internal Service Charges:

- The net increase is due to an increase of \$157,614 in IT system development project costs associated with the ERP Financial Resource Management System and an increase of \$100,575 in the IT equipment refresh allocation due to more IT equipment being replaced than in prior years.

6. Insurance Costs and Premiums:

- The increase is due to an increase in miscellaneous insurance cost in connection with the direct billing of the Cyber Liability Insurance to ITD.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2017/18 BUDGET
FINANCE AND ADMINISTRATION
ITD OPERATIONS (S/F 531)**

PROPOSED BUDGET BOOK – Page #170-172

7. Professional and Contractual Services:

- The increase is due to an additional \$108,153 in funding for IT contract employees in connection with the Fire Inspection System and Disaster Recovery projects in the IT Five-Year Plan, \$735,377 in software hosting services for projects in the IT Five Year Plan, and \$100,000 in contractual services in connection with the Emtec employee that provides audio visual and desktop services for the Courts.

8. Other Operating Expenses:

- The net increase of \$155,288 is mainly due to the purchase of additional software and licenses.

9. Supervision Allocation:

- This amount represents the administrative cost of the Division which is allocated to each activity within Information Technologies based on employee count.

10. 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.

11. Contingencies:

- The proposed contingency amount of \$1,017,931 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.

EMPLOYEE CAP CHANGES:

None.

CAPITAL OUTLAY CARRYFORWARDS:

Per Schedule AF, there is a capital carryforward of \$5,414 in computer equipment and software.

SERVICE LEVEL CHANGES:

None.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2017/18 BUDGET
FINANCE AND ADMINISTRATION
RADIO COMMUNICATIONS (S/F 534)**

PROPOSED BUDGET BOOK – Page #173-175

BACKGROUND:

This internal service fund accumulates and allocates the cost for radio communications including installs, upgrades and repairs for the general government as well as JEA, JTA and JAA.

REVENUE:

1. Charges for Services:
 - This represents the costs billed to departments and government agencies and is directly related to the budgeted expenditures in this fund. The decrease of \$2,459,982 is primarily due to the repayment of debt associated with the P25 Radio System project in FY 2016/17.
2. Investment Pool / Interest Earnings:
 - The decrease of \$24,878 in interest income is based on current year actuals.
3. Transfers from Other Funds
 - The reduction is due to the fact that no transfer from other funds was needed to cover budgeted expenditures for FY 2017/18.

EXPENDITURES:

1. Salaries:
 - The net increase is primarily due to anticipated pay increases to be effective October 1st related to collective bargaining as well as special pay increases approved during FY 2016/17.
2. Salary & Benefit Lapse:
 - This reflects an estimated salary and benefit lapse based on the average turnover ratio and estimated number of vacancies in FY 2017/18.
3. Pension Costs:
 - The decrease of \$34,347 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 net decrease is primarily due to a decrease of \$25,843 in group hospitalization insurance which was somewhat offset by an increase of \$6,637 in workers' compensation insurance. The decrease in health insurance is mainly the result of the five contribution "holidays" proposed for the City and participants in the plan.
5. Internal Service Charges:
 - The net increase of \$164,971 is mainly due to an increase of \$111,861 in the IT equipment refresh allocation for the replacement of 63 desktop computers in the radio communication activity. The increase is also attributable to an increase of \$31,190 in

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2017/18 BUDGET
FINANCE AND ADMINISTRATION
RADIO COMMUNICATIONS (S/F 534)**

PROPOSED BUDGET BOOK – Page #173-175

computer system maintenance and security charges and an increase of \$13,897 in building maintenance cost citywide.

6. Professional and Contractual Services:

- This funding is for the installation of uninterruptible power supply (UPS) equipment at various radio tower sites.

7. Other Operating Expenses:

- The increase of \$171,208 is primarily due to the purchase of (1) Motorola parts and two-way radio accessories for police officers, (2) radio equipment for Rescue #73, fire stations #63 and #61, and (3) batteries.

8. Capital Outlay:

- This funding has been provided for the replacement of radio tower UPS replacements at various radio towers, and to purchase radios for 80 additional police officers and 42 additional firefighters.

9. Supervision Allocation:

- This amount represents the administrative cost of the Division which is allocated to each activity within Information Technology based on employee count.

10. 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.

11. Contingencies:

- The proposed contingency amount of \$63,531 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.

12. Debt Management Fund Repayments:

- The table below compares the FY 2016/17 and FY 2017/18 debt management fund repayments by project. The reduction is due to the repayment of the debt for the P25 Radio System in the prior year. There are no new radio communication projects being funded by the debt management fund in FY 2017/18.

**COUNCIL AUDITOR'S OFFICE
 COMMENTS AND RECOMMENDATIONS
 MAYOR'S PROPOSED FY 2017/18 BUDGET
 FINANCE AND ADMINISTRATION
 RADIO COMMUNICATIONS (S/F 534)**

PROPOSED BUDGET BOOK – Page #173-175

Project	FY 2016/17		FY 2017/18		Change
	Principal	Interest	Principal	Interest	
First Coast Radio Buyout (2011-756-E)	1,007,748	55,689	1,022,969	42,064	1,596
P25 Radio - Fire Station Paging	-	-	585,000	30,000	615,000
P25 Radio System - CIP Project	4,396,470	247,629	-	-	(4,644,099)
	5,404,218	303,318	1,607,969	72,064	(4,027,503)

EMPLOYEE CAP CHANGES:

There are no changes to the employee cap.

CAPITAL OUTLAY CARRYFORWARDS:

There are two line items on the Schedule of Capital Outlay Projects Not Lapsed for the P25 Radio – Fire Station Paging project at a combined \$392,101.

SERVICE LEVEL CHANGES:

None.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2017/18 BUDGET
FINANCE AND ADMINISTRATION
TECHNOLOGY SYSTEM DEVELOPMENT (S/F 536)**

PROPOSED BUDGET BOOK – Page #176-177

BACKGROUND:

In prior years, this internal service fund housed IT system development projects. Projects in the IT 5 year plan cross fiscal years so as part of proposed budget for FY 2017/18, this fund is being replaced with an all-years fund (S/F 53A). This fund will continue to pay the debt payments for loans issued prior to FY 2017/18.

REVENUE:

1. Transfers from Fund Balance:

- Fund balance is being appropriated to pay debt service for loans issued in prior years.

EXPENDITURES:

1. Debt Management Fund Repayments:

- This amount represents the anticipated FY 2017/18 interest and principal payback for projects authorized in prior years.

SERVICE LEVEL CHANGES:

None.

CAPITAL OUTLAY CARRYFORWARDS:

The following is a list of items requested to be carried over and moved to a new all-years subfund (S/F 53A) for FY 2017/18.

Requested Project	Requested Amount
911 Call System Replacement	\$135,809
Unified CAD System – JSO/JFRD	\$2,751,627
Enterprise Document Management Solution	\$253,204
Enterprise Financial/Resource Mgmt. Solution	\$9,403,525

EMPLOYEE CAP CHANGES:

There are no positions in this subfund.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
 COMMENTS AND RECOMMENDATIONS
 MAYOR'S PROPOSED FY 2017/18 BUDGET
 FINANCE AND ADMINISTRATION
 TECHNOLOGY EQUIPMENT REFRESH (S/F 537)**

PROPOSED BUDGET BOOK – Page #178-179

BACKGROUND:

This internal service fund accounts for the refresh and replacement of the City's technology equipment and infrastructure including computers, servers, network equipment and uninterrupted power supply equipment. All proposed equipment will be purchased with pay-go funds derived from customer repayments from current and prior year equipment refresh items.

REVENUE:

1. Charges for Services:

- This amount represents the customer billings for both the FY 2017/18 proposed refresh and previously approved equipment replacement.

EXPENDITURES:

1. Professional and Contractual Services:

- This amount represents the cost of deploying Emtec (the City's desktop service provider) to conduct technology refresh activities. The increase is due to more computers being refreshed in FY 2017/18 than in prior year.

2. Other Operating Expenses:

- This amount represents the purchase of network equipment, uninterrupted power supply (UPS) equipment, and personal computers that do not meet the \$1,000 capital threshold. The increase is mainly due to the purchase of 363 personal computers totaling \$342,672 for the Jacksonville Public Libraries and an additional \$80,014 in network equipment over FY 2016/17.

Equipment	FY 2017/18
Network equipment	\$ 87,708
Network UPS	16,775
Desktops / Laptops	345,393
	\$ 449,876

3. Capital Outlay:

- This amount represents the purchase of servers, network equipment, UPS equipment, and personal computers that meet the \$1,000 capital threshold.

Equipment	FY 2017/18
Rescue #73 MDT	\$ 5,260
Desktops / Laptops – Fire Inspection System	60,358
Servers	106,600
Network equipment	228,682
Desktops / Laptops	291,039
Desktop / Laptop – Building Inspection	297,628
	\$ 989,567

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2017/18 BUDGET
FINANCE AND ADMINISTRATION
TECHNOLOGY EQUIPMENT REFRESH (S/F 537)**

PROPOSED BUDGET BOOK – Page #178-179

4. Cash Carryover:

- This represents the excess of FY 2017/18 budgeted revenues over expenditures and is being placed here to cover any cash deficits that may exist in this fund at the end of FY 2016/17. These funds must be appropriated by City Council before they can be used.

SERVICE LEVEL CHANGES:

None.

CAPITAL OUTLAY CARRYFORWARDS:

None.

EMPLOYEE CAP CHANGES:

There are no positions in this subfund.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
 COMMENTS AND RECOMMENDATIONS
 MAYOR'S PROPOSED FY 2017/18 BUDGET
 FINANCE AND ADMINISTRATION
 RADIO EQUIPMENT REFRESH (S/F 538)**

PROPOSED BUDGET BOOK – Page #180-181

BACKGROUND:

This is a subfund that accounts for the refresh and replacement of the City's radio equipment.

REVENUE:

1. Charges for Services:

- This amount represents customer billings for the previous and proposed radio purchases. During FY 2016/17 customers were billed for 50% of radios purchased in year one of a two-year repayment cycle. FY 2017/18 will be the first year of billing for two years of radio purchases.

2. Transfers from Fund Balance:

- This transfer from fund balance is necessary as customer billings alone will be insufficient to cover the proposed radio purchases.

EXPENDITURES:

1. Capital Outlay:

- This amount represents the mobile radios and radio dispatch consoles which are slated for purchase in FY 2017/18.

	Mobile	Radio	Total	Total Cost
Department	Radios	Dispatch Consoles	Count	Total Cost
Office of the Sheriff	232	21	253	\$ 990,628
Fire and Rescue	71	4	75	\$ 208,900
	303	25	328	\$ 1,199,528

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

There are no positions in this subfund.

CAPITAL OUTLAY CARRYFORWARDS:

None.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
 COMMENTS AND RECOMMENDATIONS
 MAYOR'S PROPOSED FY 2017/18 BUDGET
 FINANCE AND ADMINISTRATION
 IT SYSTEM DEVELOPMENT (S/F 53A)**

PROPOSED BUDGET BOOK – Page #182-183

BACKGROUND:

This new all-year internal service fund will house the IT system development projects for FY 2017/18 and onward. This fund is all-years and project driven to allow multi-year tracking, transparency and accountability related to IT projects. This internal service fund accumulates and allocates the cost of IT system development for the City of Jacksonville and various independent agencies.

REVENUE:

1. Charges for Services:

- This revenue consists of charges billed to departments and agencies for proposed FY 2017/18 projects and previously approved projects on the annual budget ordinance schedule B4a.

2. Other Sources:

- This represents the proposed borrowing for projects in FY 2017/18. See table of IT System Development Capital Projects below. The detail by project is also presented in Ordinance 2017-507.

EXPENDITURES:

1. Capital Outlay:

- This amount represents the capital funding for the FY 2017/18 proposed projects. The detail by project, including operating costs, can be found in ordinance 2017-507.

Project Title	Capital Outlay		Total	Other Expenses*	Total
	Pay-Go	Borrowed Funds	Capital Outlay		
Unified CAD - 911 Call System Replacement	\$ -	\$1,539,009	1,539,009	\$ 129,805	1,668,814
JFRD Mobile Data Terminals Replacement	-	552,300	552,300	-	552,300
CARE System Upgrade / Replacement	-	575,000	575,000	125,000	700,000
Case Management System - Medical Examiner	-	617,514	617,514	-	617,514
Enterprise Permit / Land Use Management	562,500	-	562,500	125,000	687,500
PBX: Telecommunications Upgrade	-	668,860	668,860	44,440	713,300
Security Upgrades - Technology / ITD	-	190,000	190,000	100,550	290,550
	\$562,500	\$4,142,683	\$4,705,183	\$ 524,795	\$5,229,978

*These are other expenses such as software maintenance and licenses, professional services and software hosting services associated with these IT projects that are budgeted under Information Technology (S/F 531).

2. Cash Carryover:

- The FY 2017/18 estimated revenues over expenses is being placed in a cash carryover.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2017/18 BUDGET
FINANCE AND ADMINISTRATION
IT SYSTEM DEVELOPMENT (S/F 53A)**

PROPOSED BUDGET BOOK – Page #182-183

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

None.

CAPITAL OUTLAY CARRYFORWARDS:

None.

RECOMMENDATION:

None.

FISCAL YEAR 2018 - 2022 IT SYSTEM DEVELOPMENT PROJECTS

Projects by Funding Source

	Prior Years	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
Debt Management Funds	21,739,122	2,051,374	9,821,633	6,217,924	4,535,921	2,147,260
Safer Neighborhoods Investment Plan Debt Mgmt Funds	-	2,091,309	-	-	-	-
Pay- Go: Equipment/Radio Refresh	2,195,734	2,362,980	3,907,826	3,922,880	3,931,140	3,931,140
On-Going Operating Cost		1,692,008	2,634,780	2,771,661	2,935,023	2,869,944
Pay-Go: Other	93,980	562,500	159,714	159,714	159,714	159,714
Total Per Year	24,028,836	8,760,171	16,523,953	13,072,179	11,561,798	9,108,058

Previously Appropriated Amounts include activity B4/B4a projects

Functional Area	Program Area	Project Title	Previous Capital Appropriation	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
Citywide	Application - Citywide	Microsoft Office 365	-	138,924	534,696	471,696	471,696	471,696
Fleet Mgmt	Application - Department Specific	Fleet Management System - Replacement	-	-	590,000	40,000	40,000	40,000
Grants Office	Application - Department Specific	Grants Management Software	-	-	109,007	88,985	88,985	88,985
JFRD	Application - Department Specific	Fire Inspection System	-	236,671	80,830	80,830	80,830	80,830
ME Office	Application - Department Specific	Case Management System - Medical Examiner	-	617,514	66,000	66,000	66,000	66,000
ITD	Backup and Recovery	Disaster Recovery / Data Redundancy	-	159,000	109,000	109,000	109,000	109,000
Citywide	Enterprise Solution	Enterprise Auto Vehicle Locator	463,864	-	-	-	-	-
Citywide	Enterprise Solution	Enterprise Document Management Solution	1,123,164	75,050	25,695	26,980	28,329	29,745
Citywide	Enterprise Solution	Enterprise Financial / Resource Mgmt Solution	12,225,400	-	-	-	-	-
Citywide	Enterprise Solution	Enterprise Permit / Land Use Management	14,248	687,500	2,406,250	2,406,250	500,000	500,000
Citywide	Infrastructure / Equipment	Computer, Laptop and Tablet Equipment Refresh	-	1,016,670	2,741,846	1,953,534	1,968,191	-
ITD	Infrastructure / Equipment	Network Equipment Refresh	1,040,384	316,390	340,000	340,000	340,000	340,000
ITD	Infrastructure / Equipment	Network UPS Replacement	-	16,775	-	-	-	-
ITD	Infrastructure / Equipment	PBX: Telecommunications Upgrade	-	713,300	551,042	634,225	774,256	856,708
ITD	Infrastructure / Equipment	Security Upgrades - Technology / ITD	-	290,550	101,350	310,350	159,350	168,350
ITD	Infrastructure / Equipment	Server Equipment Refresh	456,255	106,600	130,000	130,000	130,000	130,000
Citywide	Radio System	P25 Radio - Radio Site Expansion	-	-	1,517,260	1,517,260	1,517,360	1,517,360
Citywide	Radio System	P25 Radio - Radio Tower UPS Replacement	165,536	264,585	-	-	-	-
Citywide	Radio System	Radio - Microwave Network Radio Sites	-	-	159,714	159,714	159,714	159,714
Citywide	Radio System	Radio - Mobile Radio Refresh	2,381,658	1,199,528	1,199,088	1,199,088	1,199,088	1,199,088
Citywide	Radio System	Radio - Portable Radio Refresh	-	-	2,238,738	2,253,792	2,262,052	2,262,052
Citywide	Radio System	Radio - Redundant Backup System	-	-	1,961,994	362,477	12,874	13,386
JFRD	Radio System	P25 Radio - Fire Station Paging	3,000,000	-	57,064	58,493	116,047	119,420
JFRD	Safer Neighborhoods Investment Plan	JFRD Mobile Data Terminals (MDT) Replacement	46,700	552,300	-	-	646,980	52,600
JFRD / JSO	Safer Neighborhoods Investment Plan	Unified CAD - 911 Call System Replacement	3,001,627	1,668,814	264,379	323,505	351,046	363,124
Citywide	System Upgrade / Expansion	CARE System Upgrade / Replacement	110,000	700,000	1,340,000	540,000	540,000	540,000

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2017/18 BUDGET
FINANCE AND ADMINISTRATION
COPY CENTER / CENTRAL MAILROOM (S/F 521)**

PROPOSED BUDGET BOOK - Page # 167-169

BACKGROUND:

This internal service fund accumulates and allocates the cost of the City's centralized mailroom, centralized copy center/print shop and copier consolidation program. This internal service fund recovers its costs via charges to its users/customers.

REVENUE:

1. Charges for Services:

- This amount of \$2,528,595 represents costs billed to other departments and government agencies and is directly related to the budgeted expenditures in this fund.

2. Investment Pool / Interest Earnings:

- This amount represents anticipated interest earnings for FY 2017/18 based on the projected available cash balance.

EXPENDITURES:

1. Salaries:

- The net increase of \$4,501 is primarily due to scheduled pay increases effective October 1, 2017 that are related to collective bargaining agreements.

2. Pension Costs:

- The net decrease of \$21,800 is primarily 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 \$5,477 is primarily due to a decrease of \$5,897 for health insurance resulting from the five contribution "holidays" proposed for the City and participants in the plan. The offset is due to slight increases in Medicare tax, group dental, group life, and workers' compensation insurance.

4. Internal Service Charges:

- The increase of \$4,266 is primarily due to a \$3,335 increase in computer system maintenance and security allocation related to application services. There was also a \$931 increase in the building cost allocation for St. James that is due to an overall increase in the total cost for building maintenance.

5. Professional and Contractual Services:

- The net increase of \$16,075 is primarily due to a \$19,976 increase in the City's copier consolidation contract due to the addition of 40 devices and the increased volume that those devices are expected to generate. The offset is a \$3,901 decrease

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2017/18 BUDGET
FINANCE AND ADMINISTRATION
COPY CENTER / CENTRAL MAILROOM (S/F 521)**

PROPOSED BUDGET BOOK - Page # 167-169

in professional services related to mail courier delivery in order to better align with actual costs.

6. Other Operating Expenses:

- The increase of \$5,000 is for other operating supplies and due to the rising cost of paper and the increased usage of envelopes.

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 \$18,594 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.

EMPLOYEE CAP CHANGES:

There are no changes to the overall employee cap.

SERVICE LEVEL CHANGES:

None.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2017/18 BUDGET
FLEET MANAGEMENT DIVISION
FLEET MANAGEMENT OPERATIONS (S/F 511)**

PROPOSED BUDGET BOOK – Page #159-161

BACKGROUND:

This internal service fund accumulates and allocates the costs of the operation of the City's Motor Pool and recovers its costs via charges to its users/customers. Fleet Management is responsible for all of the maintenance and fueling of the entire City owned vehicle fleet including most independent authorities.

REVENUE:

1. Charges for Services:
 - This represents the costs billed to other departments and government agencies and is directly related to the budgeted expenditures in this fund.
2. Miscellaneous Revenue:
 - The net increase of \$19,000 is mainly due to an expected increase in revenue collected from the third-party insurances based on actuals.

EXPENDITURES:

1. Salaries:
 - The net increase of \$153,432 is mainly due to anticipated 5% pay increases to be effective October 1st related to collective bargaining. This was partially offset by employee turnover which resulted in some positions being filled at lower amounts.
2. Salary & Benefit Lapse:
 - This reflects an estimated salary and benefit lapse based on the average turnover ratio and estimated number of vacancies in FY 2017/18.
3. Pension Costs:
 - The decrease of \$296,354 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 net decrease of \$138,290 is primarily due to a decrease of \$188,640 in health insurance attributable to the five contribution "holidays" proposed for the City and participants in the plan. This is somewhat offset by a \$47,186 increase in workers compensation insurance due to an overall increase Citywide.
5. Internal Service Charges:
 - The net decrease of \$398,914 is mainly due to the removal of self-billings within this fund for the cost of fleet repair, maintenance services, parts, oil, gas and lube.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2017/18 BUDGET
FLEET MANAGEMENT DIVISION
FLEET MANAGEMENT OPERATIONS (S/F 511)**

PROPOSED BUDGET BOOK – Page #159-161

6. Other Operating Expenses:

- The decrease of \$130,395 is mainly due to a decrease of \$100,000 in tire costs based on prior year actuals, a decrease of \$89,452 in fuel cost caused by a slight reduction in fuel consumption and a decrease of \$57,000 in environmental services. This was partially offset by an increase of \$100,000 in sublet repairs based on prior year actuals and an increase of \$16,000 in equipment rental for special events.

7. Supervision Allocation:

- This amount represents the administrative cost of the Division that is allocated to the Vehicle Replacement Fund (S/F 512).

8. 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.

9. Contingencies:

- The proposed contingency amount of \$492,591 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:

None.

EMPLOYEE CAP CHANGES:

None.

CAPITAL OUTLAY CARRYFORWARD:

None.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2017/18 BUDGET
FLEET MANAGEMENT DIVISION
VEHICLE REPLACEMENT (S/F 512)**

PROPOSED BUDGET BOOK – Page #162-164

BACKGROUND:

This is an internal service fund that accounts for the replacement of City owned vehicles. Vehicles purchased in this subfund are purchased with borrowed funds.

REVENUE:

1. Charges for Services:

- The increase of \$5,006,382 is due to larger vehicle replacement in FY 2016/17 and the new proposed budget in comparison to earlier years which are being paid off. This revenue represents the charges billed to other departments and agencies for both prior and current year vehicle replacements.

2. Investment Pool / Interest Earnings:

- No interest earnings are being budgeted in FY 2017/18 due to the expected cash balance for this subfund.

3. Miscellaneous Revenue:

- The increase of \$594,252 is attributable to an increase of \$494,252 in anticipated revenue from the sale of surplus vehicles and an increase of \$100,000 in revenue from third party insurances based on prior year actuals.

4. Other Sources:

- This represents the amount of borrowed funds required to purchase the FY 2017/18 proposed vehicle replacements.

5. Transfer from Fund Balance:

- Available fund balance is being appropriated in FY 2017/18 to assist in purchasing vehicles with cash.

EXPENDITURES:

1. Salaries:

- The net increase of \$8,276 is mainly due to anticipated pay increases to be effective October 1st related to collective bargaining.

2. Pension Costs:

- The decrease of \$14,970 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 \$4,997 is mainly due to a decrease in health insurance attributable to the five contribution "holidays" proposed for the City and participants in the plan.

**COUNCIL AUDITOR'S OFFICE
 COMMENTS AND RECOMMENDATIONS
 MAYOR'S PROPOSED FY 2017/18 BUDGET
 FLEET MANAGEMENT DIVISION
 VEHICLE REPLACEMENT (S/F 512)**

PROPOSED BUDGET BOOK – Page #162-164

4. Internal Service Charges:
 - The increase is due to a \$5,572 increase in the IT computer system maint / security allocation.
5. Capital Outlay:
 - This amount represents the purchase of vehicles in the proposed budget with borrowed funds which will be used to finance the Safe Neighborhood Investment Plan in FY 2017/18. The increase of \$2,257,190 is due to more vehicles being purchased with borrowed funds instead of being purchased with cash in the Direct Vehicle Replacement Fund (S/F 513).

Source	FY 2016/17 Approved	FY 2017/18 Proposed	Change
Pay-As-You-Go (pay-go)	20,127,470	22,356,239	2,228,769
Borrowing (Debt Management Fund)	7,452,810	9,710,000	2,257,190
Total Vehicle Replacement	\$ 27,580,280	\$ 32,066,239	\$ 4,485,959

6. Supervision Allocation
 - This amount represents the administrative cost of the Division which is allocated to each activity within Fleet Management.
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 \$17,093 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.
9. Transfers to Other Funds:
 - This amount represents the excess revenue over expenditure total in this subfund that is available to fund a portion of the FY 2017/18 vehicle replacements and is being transferred to the Direct Vehicle Replacement fund (S/F 513).
10. Debt Management Fund Repayments:
 - This amount represents the interest and principal payback for debt management fund borrowing. The increase of \$1,081,422 is due to the increase in vehicle replacements in recent years with corresponding increases in borrowing.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2017/18 BUDGET
FLEET MANAGEMENT DIVISION
VEHICLE REPLACEMENT (S/F 512)**

PROPOSED BUDGET BOOK – Page #162-164

EMPLOYEE CAP CHANGE:

There are no changes to the overall employee cap.

SERVICE LEVEL CHANGES:

None.

CAPITAL OUTLAY CARRYFORWARD:

There is a total capital outlay carryforward of \$789,485 associated with the FY 2016/17 vehicle replacements that might not be purchased by the end of the fiscal year.

CONCERN:

We are concerned that borrowing funds to purchase vehicles in the FY 2017/18 budget increases the City's reliance on borrowed funds for vehicle purchases. This is counter to the City's efforts to eliminate reliance on borrowing to purchase vehicles. Section 10.4 of the FY 2017/18 Proposed Budget Ordinance waives the requirement to purchase vehicles with cash.

RECOMMENDATION:

We recommend removing five (5) Public Works vehicles (Vehicle Number: 4841-10, 4759-20, 3186-20, 8565-10, 3188-20) from the Vehicle Replacement list (Schedule B4c). Funding for these vehicles was removed but the vehicles were erroneously kept on the Vehicle Replacement list. This will have no impact on the Special Council Contingency.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2017/18 BUDGET
FLEET MANAGEMENT DIVISION
DIRECT REPLACEMENT (S/F 513)**

PROPOSED BUDGET BOOK – Page #165-166

BACKGROUND:

This internal service fund represents the spending by Fleet Management on direct vehicle replacements (pay-go), rather than through borrowing.

REVENUE:

1. Investment Pool / Interest Earnings:
 - The decrease of \$80,846 in interest income is to better reflect actual revenues.
2. Transfers From Other Funds:
 - The increase of \$2,844,835 is due to an increase of \$6,344,835 in the pay-go transfer from Vehicle Replacement (S/F 512) which was partially offset by the elimination of a one-time \$3,500,000 interfund transfer from the General Fund / General Services District.
3. Transfers from Fund Balance:
 - The transfer of \$900,000 from fund balance is being utilized to reduce the use of borrowed funds for the purchase of vehicles.

EXPENDITURES:

1. Capital Outlay:
 - The increase of \$2,228,769 is due to more vehicles being purchased in comparison with prior year.
2. Transfer to Other Funds:
 - The decrease is due to the elimination of a one-time interfund transfer to Radio Communication (S/F 534) in FY 2016/17 to purchase mobile and portable radios and antennas related to the replacement of vehicles for the Fire and Rescue Department.

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

None.

CAPITAL OUTLAY CARRYFORWARD:

There is a capital outlay carryforward of \$2,046,923 associated with the FY 2016/17 vehicle replacements that might not be purchased by the end of the fiscal year.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2017/18 BUDGET
EMPLOYEE SERVICES DEPARTMENT
GROUP HEALTH (S/F 571)**

PROPOSED BUDGET BOOK - Page # 143 - 145

BACKGROUND:

This Internal Service Fund provides for the costs of group health, life insurance and other types of employee insurances. On January 1, 2015, the City moved to being partially self-insured for group health pursuant to Ordinance 2014-546-E. The City's specific stop loss coverage is anticipated to remain at \$600,000 per claim. The City remains fully insured for the other insurances.

Group health, vision and dental premiums are not projected to change at the start of the calendar year.

REVENUE:

1. Charges for Services

- The net decrease of \$17,348,243 is primarily due to a \$16,982,119 reduction in health insurance premiums related to the five (5) contribution "holidays" proposed for the City and participants in the plan. There are also budgeted decreases of \$287,073 in Dental Insurance Premiums and \$82,362 in Life Insurance Premiums based on recent participation.

2. Investment Pool / Interest Earnings

- The increase of \$5,589 is due to an increase in projected investment pool earnings based on expected available cash and the interest rate projected by the Treasury Division.

3. Transfers from Fund Balance

- There is a proposed \$17,765,818 transfer from fund balance in FY2017/18. This transfer is being used primarily to cover the short fall in health insurance premiums associated with the five (5) contribution "holidays" referenced above.

EXPENDITURES:

1. Salaries

- The increase of \$79,715 is primarily due to the proposed addition of one (1) Accountant Senior position and the anticipated pay increases, effective October 1st, related to the recently approved collective bargaining agreements.

2. Salary & Benefit Lapse

- This reflects an estimated salary and benefit lapse based on the average turnover ratio and estimated number of vacancies in FY 2017/18.

3. Pension Costs

- The net decrease of \$32,204 is mainly the result of the reduced contribution for the City's defined benefit pension plans as a result of the 2017 pension reform. That decrease is partially offset by an increase in the defined contribution plan due to elections by existing employees as well as the new employee.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2017/18 BUDGET
EMPLOYEE SERVICES DEPARTMENT
GROUP HEALTH (S/F 571)**

PROPOSED BUDGET BOOK - Page # 143 - 145

4. Employer Provided Benefits
 - The net increase of \$973 is being driven by the increased benefits costs associated with the proposed additional position mentioned above. The majority of this increase is offset by the five (5) contribution “holidays” referenced above.

5. Internal Service Charges
 - The net increase of \$17,716 is due primarily to a \$20,649 increase in legal charges for work related to summary health plan descriptions, contracts with outside agencies and the UF Health Direct Care program. There is also a \$5,257 increase in Tech Refresh for the purchase of five (5) laptops. These increases are somewhat offset by a \$11,035 decrease in IT computer system maintenance/security costs resulting from a reduction in service costs associated with the human resource management system.

6. Insurance Costs and Premiums
 - The net increase of \$217,708 is due in part to a budgeted increase of \$780,400 in claims paid. This increase is being offset by decreases of \$291,816 in dental premiums, \$186,213 third party admin charges and a net \$103,348 in group life premiums, which are all based on recent activity.

7. Professional and Contractual Services
 - The increase of \$105,000 is due to increased costs for the City's benefits consultant (\$45,000) and COBRA administrator (\$60,000).

8. Other Operating Expenses
 - There is a proposed \$7,000 decrease in Miscellaneous Non-Departmental Expenditures based on actuals.

9. Supervision Allocation
 - This amount represents the allocation of a portion of the costs associated with the Accountant Senior position that is proposed to be added. This amount is being allocated out to Employee Services Office of the Director (General Fund/GSD) for activity associated with the expanded defined contribution pension plan.

10. 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.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2017/18 BUDGET
EMPLOYEE SERVICES DEPARTMENT
GROUP HEALTH (S/F 571)**

PROPOSED BUDGET BOOK - Page # 143 - 145

11. Contingencies

- The proposed contingency amount of \$53,100 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.

EMPLOYEE CAP CHANGES:

There is a proposed increase of one (1) position, an Accountant Senior, for which a portion of the associated expenses are being allocated to the General Fund/GSD.

SERVICE LEVEL CHANGES:

None.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2017/18 BUDGET
EMPLOYEE SERVICES DEPARTMENT
CITY WELLNESS AND FITNESS (S/F 64H)**

PROPOSED BUDGET BOOK - Page # 146 - 147

BACKGROUND:

This subfund was established by 2016-8-E to replace the City Wellness and Fitness Fund (S/F 1H9) which was put in place to account for annual contributions to fund the City's Wellness and Fitness Program. Pursuant to Sec. 111.471 of the municipal code, the funding can be used for fitness activities, wellness programs, equipment, biometric testing services, rewards programs, and all other products and services deemed necessary, including the services of an independent contractor to manage the programs.

REVENUE:

1. Miscellaneous Revenue:

- The \$200,000 is the contribution from Florida Blue for the city wellness and fitness program pursuant to the City's health insurance contract.

2. Transfers From Other Funds:

- There is no proposed transfer from other funds.

3. Transfers from Fund Balance:

- There is no proposed transfer from fund balance.

EXPENDITURES:

1. Professional and Contractual Services:

- The proposed funding is being appropriated to fund wellness and fitness program expenditures.

EMPLOYEE CAP CHANGES:

There are no positions in this subfund.

SERVICE LEVEL CHANGES:

There are no service level changes.

CONCERN:

The fund is expected to spend \$500,000 in FY 2017/18. This will be using \$300,000 from prior years and \$200,000 from the Proposed Budget. At the current use rate, the reserves in this subfund will be depleted within two (2) to three (3) years without an increase in annual revenue.

RECOMMENDATION:

None.

This Page Intentionally Left
Blank

This Page Intentionally Left
Blank

This Page Intentionally Left
Blank

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2017/18 BUDGET
OFFICE OF ETHICS, COMPLIANCE, & OVERSIGHT
OFFICE OF ETHICS, COMPLIANCE, & OVERSIGHT (S/F 011)**

PROPOSED BUDGET BOOK - Page # 249-250

BACKGROUND:

This accounts for the Office of Ethics, Compliance, and Oversight which addresses citywide ethics, compliance, and oversight challenges.

REVENUES:

Transfers From Component Units:

- This represents revenue from various Independent Authorities (JEA, JAA, JPA and JTA) for ethics training provided by the office.

EXPENDITURES:

1. Salaries:

- The net increase of \$8,480 is due to pay increases included as part of the 2017 pension reform.

2. Pension Costs:

- The net decrease of \$10,985 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 \$6,592 is mainly due to a decrease in Group Hospitalization Insurance of \$3,360 due to the result of the five contribution "holidays" proposed for the City and participants in the plan, and a decrease in Workers' Compensation Insurance of \$3,631 due to changes to the risk rating for full time employees in the Ethics Office.

4. Internal Service Charges:

- The net increase of \$5,461 is mainly due to an increase in charges from OGC of \$2,361 due to an increase in usage, and an increase in Computer System Maintenance Allocation of \$1,299 due to an anticipated usage of application projects and service type expenses.

SERVICE LEVEL CHANGES:

There is no change in service level.

EMPLOYEE CAP CHANGES:

There is no change in the employee cap.

RECOMMENDATION:

None

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

PROPOSED BUDGET BOOK – Page #256-257

BACKGROUND:

Ordinance 2014-519-E created an independent Office of Inspector General, which provides increased accountability, integrity, and oversight of the executive and legislative branches of the City of Jacksonville, to assist in promoting economy and efficiency, improving agency operations, and deterring and identifying waste, fraud, and abuse. Ordinance 2014-747-E expanded this authority to include the City Constitutional Offices and Independent Authorities.

REVENUE:

1. Transfers from Component Units:

- This revenue represents contributions made to the Office of Inspector General from JAA, JEA, JPA and JTA.

EXPENDITURES:

1. Salaries:

- The increase of \$27,134 is mainly due to an anticipated increase in salaries as a result of the collective bargaining agreements. (See Recommendation #1).

2. Pension Costs:

- The net increase of \$29,016 is mainly due to the increase of \$26,184 in the General Employees DC Contribution as a result of the 2017 pension reform.

3. Employer Provided Benefits:

- The increase of \$5,198 is mainly due to increased benefits cost associated with the hiring of the Inspector General in FY 2016/17 and an increase in workers compensation insurance.

4. Internal Service Charges:

- The overall increase of \$8,765 is mainly due to the following:
 - An increase in building cost allocation –Yates of \$6,709 due to an overall increase in total building costs.
 - An increase in copy center charges of \$1,378 based on usage.

5. Other Operating Expenses:

- The overall decrease of \$8,197 is mainly due to the following:
 - A decrease in travel expenses of \$3,204 due to reduced out of town travel for training.
 - A decrease in other operating supplies of \$3,080 to match current actuals.
 - A decrease of \$772 in dues, subscriptions & memberships due to one of the office's accreditation renewals occurring every 3rd year.

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

PROPOSED BUDGET BOOK – Page #256-257

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

None.

DEPARTMENTAL REQUEST:

The Inspector General has requested the following be added to the Office of Inspector General budget for FY 2017/18:

1. The Inspector General is requesting the addition of one Executive Assistant position to the division employee cap with a projected start date of October 1, 2017. The Inspector General is also requesting that this position be partially funded from the division's part time salaries amount of \$26,001. The salary including benefits for this position would be \$53,144. This would have a net negative impact of \$27,143 on Special Council Contingency.

RECOMMENDATION:

1. We recommend increasing the Permanent and Probationary Salaries amount by \$5,775, increasing the Medicare amount by \$84, and increasing the Group Life amount by \$20 to correct an error of salary and benefits amounts for an employee of the Office of Inspector General. This has a negative impact on Special Council Contingency of \$5,879.

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

PROPOSED BUDGET BOOK – Page # 315-316

BACKGROUND:

The Duval County Health Department is a partnership between the State of Florida and the City of Jacksonville. The funding for the Duval County Health Department comes from the State of Florida, the City of Jacksonville, and from county fees for vital statistics, communicable disease, primary care, and environmental health.

EXPENDITURES:

1. Internal Service Charges:

- The net decrease of \$54,827 is mostly due to decreases of \$30,112 and \$22,667 in building maintenance and radio cost allocations, respectively. The decrease in allocation of the building maintenance cost is to reflect the prior year's actual cost, while the decrease in radio allocation is due to paying off all debt associated with the purchase of the P25 radios in the prior year.

2. Grants, Aids & Contributions:

- City funding has been provided for four programs, as listed below. The chart also includes funding that was provided by the State.

Program Name	FY2016/17		FY2017/18	
	State	City	State	City
Sexually Transmitted Diseases	\$ 373,215	\$ 147,000	\$ 386,518	\$ 147,000
Immunization	\$ 132,674	\$ 258,292	\$ 128,674	\$ 258,292
Hospital Emergency Room Alternatives	\$ 331,200	\$ 150,243	\$ 262,499	\$ 150,243
Wesconnett - Westside Area	N/A	N/A	\$ 360,452	\$ 150,000
Total	\$ 837,089	\$ 555,535	\$ 1,138,143	\$ 705,535

- The increase of \$150,000 is due to Duval County Health Department expanding service to the Wesconnett – Westside Area.

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

PROPOSED BUDGET BOOK – Page # 315-316

SERVICE LEVEL CHANGES:

Duval County Health Department will expand services to the Wesconnett – Westside Area. They will provide comprehensive pediatric services, walk-in sexually transmitted disease (STD) testing and treatment as well as walk-in immunization services.

EMPLOYEE CAP CHANGES:

There are no City funded positions for this Department.

RECOMMENDATION:

We recommend a revised Schedule B6 be attached to the Budget Ordinance to reflect the correct amounts for each program.

Program Name	Schedule B6	Revised Schedule B6
Sexually Transmitted Diseases	\$ 147,000	\$ 147,000
Immunization	\$ 150,000	\$ 258,292
Hospital Emergency Room Alternatives	\$ 258,292	\$ 150,243
Wesconnett - Westside Area	\$ 150,243	\$ 150,000

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2017/18 BUDGET
JACKSONVILLE HOUSING FINANCE AUTHORITY
HOUSING FINANCE AUTHORITY (S/F 721)**

BACKGROUND:

The Jacksonville Housing Finance Authority (JHFA) provides funds to support the development of housing for low-to-moderate income families through the issuance of tax exempt bonds. The bond proceeds are utilized to make low interest loans. Ordinance 2014-185-E, enacted on August 12, 2014, classified the JHFA as an independent authority of the City of Jacksonville.

ESTIMATED REVENUES:

Significant changes in revenue are as follows:

1. Miscellaneous Sales:
 - The increase of \$30,000 is based on current actual revenues that are anticipated to continue to increase due to expense reimbursements received in conjunction with the closing of bond transactions.
2. Bond Issuer Fees:
 - The decrease of \$49,200 is due to the redemption of older bond transactions for which the JHFA will no longer receive issuer fees, and the change in the structure of recent issuer fee payments on short term bond issues. Those issues will pay off when the bonds are redeemed in fiscal year 2018/2019.
3. Investment Proceeds:
 - The increase of \$15,000 is based on due to increasing cash balances.

ESTIMATED EXPENDITURES:

Significant changes in expenditures are as follows:

1. Salaries:
 - The salaries amount of \$59,199 is an error. See recommendation below.
2. Pension Contributions and Unfunded Pension Liability:
 - The decrease of \$17,044 in Pension Contributions and the increase of \$11,588 in Unfunded Pension Liability 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. Group Hospitalization:
 - The group hospitalization amount of \$10,723 is an error. See recommendation below.
4. Professional Services:
 - The decrease of \$2,493 is based on current actual expenditures.
5. Miscellaneous Services and Charges:
 - The increase of \$1,417 is based on current actual expenditures. This expenditure is related to mortgage satisfaction fees and computer and software purchases.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2017/18 BUDGET
JACKSONVILLE HOUSING FINANCE AUTHORITY
HOUSING FINANCE AUTHORITY (S/F 721)**

6. Indirect Costs:

- The indirect cost amount of \$18,494 is an error. See recommendation below.

SERVICE LEVEL CHANGES:

There is no change in service level.

AUTHORIZED POSITION CAPS:

There is no change in the authorized position cap.

RECOMMENDATION:

1. We recommend that Schedule N be revised to reflect the following correction. JHFA requests that miscellaneous services and charges be increased by \$7,523, to correct the three errors mentioned above:
 - The FY 2017/18 proposed amount for salaries of \$59,199 should be increased by \$2,960, to \$62,159 to reflect the pay increase included as part of the 2017 pension reform.
 - The FY 2017/18 proposed amount for group hospitalization of \$10,723 should be decreased by \$2,234, to \$8,489 to reflect the five contribution “holidays” proposed for the City and participants in the plan.
 - The FY 2017/18 proposed amount for indirect costs of \$18,494 should be decreased by \$8,249, to \$10,245. This amount 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.

There is no impact to Special Council Contingency.

**Jacksonville Housing Finance Authority
2017/18 Proposed Budget**

	<u>FY 2016/2017</u>	<u>FY 2017/2018</u>	<u>Change From FY17</u>	
	<u>Approved</u>	<u>Proposed</u>	<u>Percent</u>	<u>Dollar</u>
Estimated Revenues:				
36142 Realized Gain/Loss on Sale	\$ 55,000	\$ 55,000	0.0%	\$ -
36907 Miscellaneous Sales	45,000	75,000	66.7%	30,000
36936 Mortgage Interest	30,000	30,000	0.0%	-
38502 Bond Issuer Fees	174,200	125,000	(28.2%)	(49,200)
361101 Investment Proceeds	20,000	35,000	75.0%	15,000
Total Estimated Revenues	\$ 324,200	\$ 320,000	(1.3%)	\$ (4,200)

Estimated Expenditures:

Personnel *

01201 Salaries	\$ 59,199	\$ 59,199	0.0%	\$ -
01401 Salaries Overtime	1	-		(1)
01511 Special Pay	615	870	41.5%	255
02101 Payroll Taxes	-	-		-
02102 Medicare Taxes	867	872	0.6%	5
02201 Pension Contributions	22,006	4,962	(77.5%)	(17,044)
02201B Unfunded Pension Liability	-	11,588		11,588
02207 Disability Trust Fund	179	181	1.1%	2
02303 Group Life Insurance	131	209	59.5%	78
02304 Group Hospitalization	8,691	10,723	23.4%	2,032
Total Personnel	\$ 91,689	\$ 88,604	(3.4%)	\$ (3,085)

Operating Expenses

03109 Professional Services	\$ 147,493	\$ 145,000	(1.7%)	\$ (2,493)
04002 Travel Expenses	10,000	10,000	0.0%	-
04203 ITD Replacement	-	-		-
04205 OGC Legal	31,261	31,261	0.0%	-
04211 Copy Center	39	-		(39)
04217 Fleet Management	-	-		-
04221 Mailroom	409	409	0.0%	-
04223 Computer Data Center	2,359	2,359	0.0%	-
04404 Lease Purchase	-	-		-
04603 Repairs and Maintenance	1	1	0.0%	-
04801 Advertising	1,000	1,000	0.0%	-
04938 Miscellaneous	7,452	8,869	19.0%	1,417
05101 Office Supplies	1,500	1,500	0.0%	-
05206 Food & Beverage	1,000	1,000	0.0%	-
05216 Other Operating Expenses	1	1	0.0%	-
05401 Employee Training	7,500	7,500	0.0%	-
05402 Dues, Subscriptions, Memberships	4,000	4,000	0.0%	-
Total Operating Expenses	\$ 214,015	\$ 212,900	(0.5%)	\$ (1,115)

Other Expenses

06302 Improvements Other Than Buildings	\$ 1	\$ 1	0.0%	\$ -
06402 Other Heavy Equipment	1	1	0.0%	-
09904 Indirect Costs	18,494	18,494	0.0%	-
Total Other Expenses	\$ 18,496	\$ 18,496	0.0%	\$ -
Total Estimated Expenditures	\$ 324,200	\$ 320,000	(1.3%)	\$ (4,200)

* The JHFA utilizes Housing & Community Development Division staff on a cost-reimbursement basis as authorized in Section 52.105, *Municipal Code*. The monetary amount budgeted represents 50% of the Director - Finance position and 35% of the Contract Compliance Manager position.

**Jacksonville Housing Finance Authority
2017/18 Budget**

Estimated Revenues:

36142	Realized Gain/Loss on Sale	\$	55,000
36907	Miscellaneous Sales		75,000
36936	Mortgage Interest		30,000
38502	Bond Issuer Fees		125,000
361101	Investment Proceeds		35,000
Total Estimated Revenues			\$ 320,000

Estimated Expenditures:

Personnel *

01201	Salaries	\$	62,159
01401	Salaries Overtime		-
01511	Special Pay		870
02101	Payroll Taxes		-
02102	Medicare Taxes		872
02201	Pension Contributions		4,962
02201B	Unfunded Pension Liability		11,588
02207	Disability Trust Fund		181
02303	Group Life Insurance		209
02304	Group Hospitalization		8,489
Total Personnel			\$ 89,330

Operating Expenses

03109	Professional Services	\$	145,000
04002	Travel Expenses		10,000
04205	OGC Legal		31,261
04221	Mailroom		409
04223	Computer Data Center		2,359
04603	Repairs and Maintenance		1
04801	Advertising		1,000
04938	Miscellaneous		16,392
05101	Office Supplies		1,500
05206	Food & Beverage		1,000
05216	Other Operating Expenses		1
05401	Employee Training		7,500
05402	Dues, Subscriptions, Memberships		4,000
Total Operating Expenses			\$ 220,423

Other Expenses

06302	Improvements Other Than Buildings	\$	1
06402	Other Heavy Equipment		1
09904	Indirect Costs		10,245
Total Other Expenses			\$ 10,247

Total Estimated Expenditures **\$ 320,000**

* The JHFA utilizes Housing & Community Development Division staff on a cost-reimbursement basis as authorized in Section 52.105, *Municipal Code*. The monetary amount budgeted represents 50% of the Director - Finance position and 35% of the Contract Compliance Manager position.

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

PROPOSED BUDGET BOOK - Page # 214-215

BACKGROUND:

The Medical Examiner provides autopsies, toxicological examinations, and histopathological preparations of tissues, autopsy reports, depositions, scene investigations, and expert witness testimony to Duval County, Nassau County, Clay County, the Department of Corrections of Union County (District IV), and parts of District III, which includes service to Columbia and Hamilton Counties.

REVENUE:

1. Charges for Services:
 - The net increase of \$181,508 is primarily due to an increase of \$88,772 in Medical Examiner Services due to an increase in anticipated earnings resulting from changes in the fee schedule pursuant to Ordinance 2017-370-E. Also, there was an increase of \$107,731 due to an increase of actual collections for providing out of County services to District IV.

EXPENDITURES:

1. Salaries:
 - The net increase of \$330,629 is primarily due to the addition of two positions that are being proposed as enhancements for FY 2017/18, several pay raises approved during the year, and partly due to the anticipated 5% pay increases to be effective October 1.
2. Pension Cost:
 - The decrease of \$18,779 is mainly the result of the reduced contribution for the City's defined benefit pension plans as a result of the 2017 pension reform. This was partially offset by the increased pension costs of adding two employees.
3. Employer Provided Benefits:
 - The net decrease of \$16,258 is primarily due to a decrease of \$28,696 for health insurance which is mainly the result of the five contribution "holidays" proposed for the City and participants in the plan. This is offset by a \$6,242 increase in Workers Compensation Insurance due to an overall increase in workers compensation Citywide, and a \$4,834 increase in Medicare Tax associated with the salary increases mentioned above.
4. Internal Services:
 - The net increase of \$119,407 is mainly due to the following increases:
 - \$33,000 in Ergonomic Assessment/Equipment for repayment of monies spent on purchasing new furniture in FY 16/17.
 - \$29,597 in Tech Refresh & Pay-Go IS Allocation due to the purchase of 18 laptops and docking stations.

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

PROPOSED BUDGET BOOK - Page # 214-215

- \$19,878 in Utilities Allocation – Public Works due to an increase of electricity charges based on previous year's actuals.
- \$19,181 in Computer System Maintenance and Security Allocation which was primarily due to an increase in infrastructure services such as WIFI and WAN network.
- \$11,483 in Building Maintenance which is a result of an overall increase in maintenance cost Citywide.

5. Professional and Contractual Services:

- The net increase of \$11,898 is primarily due to an increase of \$10,898 in Professional Services due to a change in specialty consultant service providers used for determining the cause and manner of deaths.

6. Other Operating Expenses:

- The net increase of \$62,370 is primarily due to an increase of \$23,957 in Other Operating Supplies. This increase is primarily due to an increase workload, resulting in an increase need for additional supplies. There was an increase of \$21,504 in Lease-Purchase (Equipment Agreements) due to an enhancement request for an additional x-ray machine, and an increase of \$10,125 in Travel Expenses for six employees to attend training out of state in FY 2017/18.

EMPLOYEE CAP CHANGES:

The authorized position cap went from 26 to 28 to include a proposed Autopsy Tech Supervisor and a Forensic Photographer position.

RECOMMENDATION:

None

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

PROPOSED BUDGET BOOK – Page # 216-217

BACKGROUND:

The Military Affairs and Veterans Department focuses its efforts to advocate for our local military personnel and veterans and works closely with military, business, community, and elected leaders at the local, state, and national levels to deliver a compelling message that Jacksonville is the most military-friendly city in the United States. Also, the department oversees and maintains the Jobs-For-Vets website, an initiative designed to connect job seeking Veterans to Veteran-Friendly employers in the Jacksonville region.

REVENUE:

Miscellaneous Revenue:

- The \$500 is expected from the sale of a software program that manages client appointments and information. The program is sold directly to county veterans' service offices throughout the State.

EXPENDITURES:

1. Salaries:

- The net increase of \$48,019 is mostly due to a 5% increase in permanent and probationary salaries pursuant to the recently approved collective bargaining agreements. The rest was mainly attributed to the filling of a vacant position.

2. Pension Costs:

- The decrease of \$22,850 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 decrease of \$10,740 for health insurance is mainly the result of the five contribution "holidays" proposed for the City and participants in the plan.

4. Grants, Aids & Contributions:

- The category consists of the cost for the Active Military Combat Duty Grant Program, which provides assistance for the families and homes of qualified military personnel that have served in combat duty.

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

PROPOSED BUDGET BOOK – Page # 216-217

FOOD AND BEVERAGE EXPENDITURES:

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	MVOD011	\$650	Bottled Water-Memorial Day and Purple Heart events.	Serves approximately 3,000 attendees at the Memorial Day Observance in May and at the Purple Heart Trail Walk in August.
011	MVOD011	\$650	Working lunch meetings every fourth month with Base Commanding Officers.	Serves approximately 20 attendees at each Area Base Commanding Officers Luncheons.

SERVICE LEVEL CHANGES:

A part-time receptionist will be employed to better serve the needs of the Veterans by providing assistance at the front desk with telephone calls and clients.

EMPLOYEE CAP CHANGES:

1,040 part-time hours (without funding) have been added for the employment of a receptionist.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2017/18 BUDGET
NON-DEPARTMENTAL/FUND LEVEL ACTIVITIES
EMERGENCY CONTINGENCY(S/F 018)**

PROPOSED BUDGET BOOK - Page # 111-112

BACKGROUND:

This fund is the General Fund/General Services District's Emergency Contingency. It was moved to a separate fund pursuant to Ordinance 2005-807-E which established section 106.106 of the Municipal Code. The Budget Ordinance proposes to amend section 106.107 to state that the goal for this fund is to be between six and eight percent of the total General Fund/General Services District budgeted revenue.

REVENUES:

Investment Pool/Interest Earnings:

- This amount is made up of anticipated interest earnings for FY 2017/18.

Transfers from Fund Balance:

- This represents the estimated FY 2016/17 ending cash balance.

Transfers from other Funds:

- The \$10,368,097 is a transfer from the General Fund – General Services District to increase the reserve level and assist in meeting the target levels.

EXPENDITURES:

Cash Carryover:

- This amount is the estimated FY 2017/18 ending cash balance.

EMPLOYEE CAP CHANGES:

There are no employees associated with this subfund.

COMMENT:

The Budget office utilized the FY 2016/17 Council Approved budget instead of the 2017/18 Proposed Budget. Based on the proposed budgeted revenues for fiscal year end 2017/18 of \$1,168,423,914, less \$22,368,097 in transfers from fund balance, the fund would need a year end balance of \$68,763,349 to be in compliance with the six to eight percent proposed target. That is an additional \$3.1 million over what is proposed.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2017/18 BUDGET
EMERGENCY INCIDENTS (S/F 165)**

PROPOSED BUDGET BOOK - Page # 115-116

BACKGROUND:

This subfund houses the City's costs, and FEMA and State reimbursements for emergency incidents such as a hurricane, tornado, other major weather related events, and/or other massive infrastructure failures or other disasters, whether man made or caused by nature.

REVENUE:

1. Transfers From Other Funds

- This represents a transfer from the General Fund – GSD (SF 011) for the City's estimated non-reimbursable costs related to Hurricane Matthew. JFRD's July 21 estimate of costs related to Hurricane Matthew total approximately \$49.9 million. Only 87.5% of the total allowable expenses are subject to reimbursement, leaving the City to fund the remainder.

EXPENDITURES:

1. Contingencies

- The funding discussed above is being placed in a contingency until the final costs and offsetting Federal/State reimbursement amounts are known. Any residual balance will be returned to the General Fund – GSD.

AUTHORIZED POSITION CAP

There are no authorized positions in this subfund.

RECOMMENDATIONS:

None