

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 #4
August 18, 2017

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

PROPOSED BUDGET BOOK - Page # 134-135

BACKGROUND:

The Downtown Investment Authority (DIA) was created by Ordinance 2012-364-E to revitalize Jacksonville's urban core by utilizing community redevelopment area (CRA) resources to spur economic development. The agency has oversight for the development of the existing Downtown Northbank CRA and the Southside CRA. This portion of the department's budget only includes the General Fund – GSD (S/F 011) activities.

REVENUE:

1. Miscellaneous Revenue

- This amount totaling \$39,820 includes revenue for the rental of City facilities for the River City Brewing Company lease payment and fees for applications that are submitted to the Downtown Development Review Board.

EXPENDITURES:

1. Salaries:

- The increase of \$41,042 is mainly due to pay increases related to the recent collective bargaining changes, along with separate pay increases for three (3) employees that were approved in the current year.

2. Pension Costs:

- The net increase of \$6,509 is due to a \$16,788 increase in pension contributions for the City's defined contribution pension plan as a result of the salary increases noted above. The increase was partially offset by a decrease of \$10,702 in contributions to the City's defined benefit pension plan that resulted from the 2017 pension reform.

3. Employee Benefits:

- The net decrease of \$7,595 is mainly due to a decrease of \$9,297 in health insurance resulting from the five contribution "holidays" proposed for the City and participants in the plan.

4. Internal Service Charges:

- The net increase of \$38,312 is mainly attributable to increases of \$19,828 in legal fees to align with actual usage and \$17,162 in IT allocations for the maintenance of additional wireless access points that were installed downtown, the DIA website, and GIS maps.

5. Other Operating Expenses:

- The decrease of \$2,001 is due to a reduction in the cost of advertising and promotion that is based on actual usage.

6. Supervision Allocation:

- This amount of \$43,605 represents the administrative cost of the Department for two (2) employees to supervise Public Parking (S/F 412) activities. The increase of \$5,233 is due to an overall increase in the salaries and benefits costs for those two employees.

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

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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	DIAD011DIA	\$750	DIA Public Meetings	Water, coffee, tea associated with holding Public Meetings.

EMPLOYEE CAP CHANGES:

There are no changes to the authorized position cap.

SERVICE LEVEL CHANGES:

None.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2017/18 BUDGET
DOWNTOWN INVESTMENT AUTHORITY
PUBLIC PARKING (S/F 412)**

PROPOSED BUDGET BOOK - Page # 136-138

The Office of Public Parking is a part of the Downtown Investment Authority. The agency manages city owned parking lots (Bay Street, Courthouse/Liberty Street, Forsyth Street, and JEA) and garages (City Hall Annex, Ed Ball, Main Library, St. James Building, Water Street and Yates Building). Revenues are generated through daily and monthly parking fees, as well as other fines and forfeitures.

REVENUE

1. Licenses and Permits

- The reduction of \$2,397 is due to actual decreases in collections of wrecker and towing fees in the current year.

2. Charges for Services

- The net decrease of \$170,173 is due to:
 - a decrease of \$156,253 in monthly parking fees based on current year collections
 - a decrease of \$22,948 in parking fees for special events due to fewer special events being held
 - a decrease of \$20,415 in 40% collection fees related to late fees for parking based on current year collections that the City receives from the collection agency for the City's administrative costs
 - a decrease of \$15,403 in late fees based on based on current year collections

The decrease is partially off-set by increases of:

- \$35,972 in daily parking fees based on current year collections
- \$8,704 out of service rentals based on current year collections (\$6 per day fee for when meters are taken out of service)

3. Fines and Forfeits

- The decrease of \$6,698 is due to decreases of \$4,515 in vehicle immobilization and \$3,118 in parking fines based on current year collections.

4. Investment Pool / Interest Earnings

- The increase of \$1,264 is based on anticipated increased earnings on investments.

5. Miscellaneous Revenue

- This revenue is understated by \$15,276 due to an indexcode for one of the parking lots not being included in the proposed budget. See recommendation below.

6. Transfer from Fund Balance

- The increase of \$120,492 is due to enhancements of \$66,800 for pressure washing of parking garages, \$30,647 for striping of parking spaces and lines for parking garages, and \$22,000 for an Automated License Plate Recognition System (ALPR). There is sufficient fund balance for the transfer.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2017/18 BUDGET
DOWNTOWN INVESTMENT AUTHORITY
PUBLIC PARKING (S/F 412)**

PROPOSED BUDGET BOOK - Page # 136-138

EXPENDITURES

1. Salaries

- The net increase of \$65,089 is mostly due to an increase of \$62,601 in salaries related to collective bargaining and pension reform and an increase of \$4,000 in special pay due to current year actual expenditures. The increase is partially off-set by a decrease of \$3,168 in leave rollback/sellback due to current year actuals.

2. Salary & Benefit Lapse

- The decrease of \$22,255 is due to a change in the FY 2017/18 base cost which excludes pension. The salary and benefit lapse is based on the average turnover ratio and the estimated number of vacancies anticipated in FY 2017/18.

3. Pension Costs

- The net decrease of \$67,015 is mostly due to an \$88,076 decrease in defined benefit pension contributions due to the 2017 pension reform. The decrease is partially off-set by an increase of \$20,218 in defined contribution pension cost which is due to increased contribution rates also related to the 2017 pension reform.

4. Employer Provided Benefits

- The net reduction of \$40,808 is mostly due to a decrease of \$51,559 for health insurance which is mainly the result of the five contribution "holidays" proposed for the City and participants in the health insurance plan. The decrease is partially off-set by a \$8,502 increase in workers' compensation insurance (due to increased salaries and updated risk rating) and an increase of \$1,777 in Medicare taxes (related to the salary increase discussed above).

5. Internal Service Charges

- The net increase of \$197,755 is due to increases of:
 - \$74,890 in computer system maintenance/security allocation mostly to initiate a new project for the Parker Accounts Receivable Information System (PARIS), which is an online billing system, and to maintain the Parking Facilities Enforcement Division (PFED) system.
 - \$46,406 in utilities allocation due to increased electricity costs and changes to the allocation model
 - \$38,341 in fleet vehicle replacement allocation for the addition of one (1) F-150 pickup truck
 - \$18,701 in the citywide building maintenance allocation due to increased allocable costs
 - \$18,264 in fleet parts/oil/gas allocation for the addition of one (1) F-150 pickup truck

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2017/18 BUDGET
DOWNTOWN INVESTMENT AUTHORITY
PUBLIC PARKING (S/F 412)**

PROPOSED BUDGET BOOK - Page # 136-138

- \$8,120 in tech refresh & pay-go for one time payments in FY 2017/18 to purchase two (2) desktops and four (4) laptops

The increase is partially off-set by decreases of:

- \$10,172 in radio allocation due to a decrease in debt repayment for previously replaced radios
- \$2,325 in copy center allocation based on current year usage
- \$2,086 in office of general counsel allocation based on current year usage

6. Insurance Costs and Premiums

- The decrease of \$8,206 is mainly due to a \$6,939 decrease in general liability insurance due to lower overall costs for the city and the history of claims for the garages, and a \$1,267 decrease in miscellaneous insurance due to lower overall costs for the city.

7. Professional and Contractual Services

- The increase of \$274,999 is due to the planned purchase of Parking Revenue and Access Control Systems (PRACS) equipment.

8. Other Operating Expenses

- The net decrease of \$290,373 is primarily due to:
 - a removal of \$379,614 in repairs to buildings and equipment (there are no expenditures in the current year).

The decrease is offset by increases of:

- \$44,839 in hardware/software maintenance & licenses due to increases of
 - \$22,839 to purchase 331 additional wireless parking meters that accept credit cards
 - \$22,000 for the automated license plate recognition system,
- \$37,453 in credit card fees due to a 38% increase in usage for payment by customers in the current year

9. Supervision Allocation

- This amount represents the share of the departmental administration costs from the Downtown Investment Authority which are allocated to this fund.

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
 DOWNTOWN INVESTMENT AUTHORITY
 PUBLIC PARKING (S/F 412)**

PROPOSED BUDGET BOOK - Page # 136-138

11. Contingencies

- The proposed contingency amount of \$139,622 is part of the overall pension reform reserves being set aside as funds to be available to cover future salary increases if there is a decrease in revenues.

12. Cash Carryover

- A cash carryover is not needed in FY 2017/18 because the proposed revenues equal proposed expenditures.

CAPTIAL OUTLAY CARRYFORWARD:

Other Operating Expenses	Public Parking	Amount
On Street Parking - Specialized Equipment	412 - DIPP412ON - 06429	\$147,841

EMPLOYEE CAP CHANGES:

There are no changes to authorized employee cap.

SERVICE LEVEL CHANGES:

None.

DEPARTMENT REQUEST:

The department has requested that \$275,000 in contractual services be added to the capital outlay carryforward schedule for the purchase of Parking Revenue and Access Control Systems (PRACS) equipment. The department needs a total of \$550,000 to purchase the equipment, but only \$275,000 is in the proposed budget for contractual services for FY 2017/18.

RECOMMENDATION:

We recommend increasing tenant revenue and decreasing a transfer from fund balance by \$15,276 to align with actual revenues. This will have no impact on the Special Council Contingency.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2017/18 BUDGET
DOWNTOWN HISTORIC PRESERVATION AND REVITALIZATION
TRUST FUND (S/F 75A)**

PROPOSED BUDGET BOOK - Page # 139-140

BACKGROUND:

This trust fund was created by Ordinance 2002-395-E and is utilized for preserving and restoring the historic architectural fabric of downtown Jacksonville and bringing underutilized or abandoned historic buildings back into use. This is an "all years" subfund.

REVENUE:

1. Investment Pool / Interest Earnings:

- The \$173,559 represents appropriating \$113,559 of existing revenue and an additional \$60,000 in anticipated interest earnings related to FY 2017/18.

EXPENDITURES:

1. Grants Aids & Contributions:

- The \$173,559 represents funding for smaller historic rehabilitation projects. The Downtown Investment Authority has not yet identified the specific projects that these funds will be used for.

EMPLOYEE CAP CHANGES:

There are no authorized positions in this subfund.

SERVICE LEVEL CHANGES:

None.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
CITY OF JACKSONVILLE
DOWNTOWN NORTHBANK EAST TAX INCREMENT DISTRICT USD1C (SUB-FUND 181)
2017/18 MAYOR'S PROPOSED BUDGET**

BUDGET BOOK REFERENCE - Page #95-96

	2017/18 DIA APPROVED BUDGET	2017/18 MAYOR'S PROPOSED BUDGET	INCREASE/ (DECREASE)	Footnote
REVENUE				
Ad Valorem Taxes - General Fund/GSD	\$ 2,422,072	\$ 2,337,509	\$ (84,563)	(A)
Carling repayment	506,487	506,487	-0-	(B)
Lynch/11E repayment	416,397	416,397	-0-	(C)
Loan from General Fund/GSD	709,068	292,132	(416,936)	
Transfer from Northside West TID	2,053,846	2,435,533	381,687	
Transfer from Fund Balance	-0-	86,813	86,813	(D)
Total Revenue	\$ 6,107,870	\$ 6,074,871	\$ (32,999)	
EXPENDITURES				
Professional Services	\$ 5,000	\$ 2,500	\$ (2,500)	(E)
Other Operating Expenses:				
Vestcor (Lynch Building) - Payback	1,294,313	800,000	(494,313)	(F)
MPS Arena and Sports Complex Garages	1,830,500	1,830,500	-0-	(G)
Commercial Revitalization Program	7,000	7,000	-0-	
Kraft Food/Maxwell House REV grant	95,000	95,000	-0-	
Subtotal Other Operating Expenses	3,226,813	2,732,500	(494,313)	
Debt Service:				
2006C ETR, Carling	2,136,129	2,133,378	(2,751)	
Transfers to Other Funds:				
Contribution to Community Development (Subfund 1A1)	75,000	75,000	-0-	(H)
Transfer Out to General Fund - GSD (Subfund 011)	664,928	1,131,493	466,565	(I)
Subtotal	739,928	1,206,493	466,565	
Total Expenditures	\$ 6,107,870	\$ 6,074,871	\$ (32,999)	

**COUNCIL AUDITOR'S OFFICE
CITY OF JACKSONVILLE
DOWNTOWN NORTHBANK EAST TAX INCREMENT DISTRICT USD1C (SUB-FUND 181)
2017/18 MAYOR'S PROPOSED BUDGET**

Revenue

(A) The Mayor's proposed ad valorem tax revenue is calculated as follows:

Base Year	1984
Preliminary Taxable Values	\$ 416,789,647
Less Taxable Value in Base Year	201,743,546
Taxable Value Incremental Increases	\$ 215,046,101
Taxable Value Percentage Changes	106.6%
Operating Millage Rates	11.4419 mills
Collection Rate	95.0%
Total Ad Valorem Revenue	\$ 2,337,509

(B) This amount represents the repayment for the Carling/Roosevelt Building redevelopment loan pursuant to the amortization schedule approved by Ord. 2014-280-E.

(C) This amount represents the repayment for the Lynch/11E Building redevelopment loan pursuant to the amortization schedule approved by Ord. 2014-280-E. Section 10.10 of the proposed budget Ordinance 2017-504 includes a waiver of Ord. 2000-1079-E and 2001-795-E in order to deposit this revenue in Subfund 181. See recommendation #1.

(D) The FY 17/18 Mayor's proposed fund balance transfer represents the projected budgetary balance available at 9/30/17. See recommendation #2.

Expenditures

(E) The Mayor's proposed budget amount of \$2,500 represents funding for the CRA's annual independent audit. See recommendation #3.

(F) This amount represents the annual loan repayment to the Self-Insurance fund (Subfund 561) for the Lynch Building/11E redevelopment project. The City borrowed \$17,816,000 from the City's Self-Insurance fund to finance the project. The loan is scheduled to be paid off on 10/1/2021 with a balloon payment of \$8,290,401 due at the last payment. The proposed budget Ordinance 2017-504 includes a proposed revision to the amortization schedule which reduces the annual interest rate from 6% to 3% beginning in FY 17/18 and extends the payoff until 7/1/2033. The reduction in the FY 17/18 budgeted repayment is due to this proposed restructuring. If the loan is not restructured as proposed, the General Fund loan will need to increase by \$494,313 and there will be a negative impact of \$494,313 to Special Council Contingency.

(G) The City has an agreement with MPS in which the City guarantees a return on MPS' investment in three downtown parking garages. The City makes semi-annual loans to MPS in order to insure cash flows sufficient to cover all operating and ownership expenses, required reserves, a 6.75% return on the \$3 million ownership equity (8.75% if performance goals are met) and a Debt Service Coverage Ratio of 1.0.

(H) The Contribution to Community Development is the annual payment on the CDBG loan for the Museum of Contemporary Art. This is an interest-free loan of \$1,500,000 to be repaid in twenty annual installments of \$75,000. The FY 2017/18 payment is the 18th installment.

(I) The transfer to the General Fund - GSD represents repayment of the General Fund - GSD loan received in the previous year. The Mayor's proposed amount of \$1,131,493 represents full repayment of the FY 16/17 General Fund - GSD loan.

Recommendations

1. We recommend increasing the Lynch/11E repayment revenue by \$178,850 to \$595,247 in order to budget the amount due to the City per the amortization schedule approved by Ord. 2014-280-E and decreasing the General Fund/GSD loan by \$178,850. This will have a positive impact of \$178,850 to Special Council Contingency.
2. We recommend eliminating the transfer from fund balance and increasing the General Fund - GSD loan by \$86,813. Any budgetary balances expected at 9/30/17 will be addressed by the amended FY 16/17 budget. This will have a negative impact of \$86,813 to Special Council Contingency.
3. We recommend decreasing the amount budgeted for professional services from \$2,500 to \$0 and increasing the Transfer to the General Fund - GSD by \$2,500 to be consistent with the FY 16/17 accounting for the cost of the audit. This will be offset with an increase to the line item where the City's external audit is paid from in the General Fund/GSD. This will have no impact on Special Council Contingency.
4. We recommend the FY 16/17 budget amounts be removed from Budget Ordinance Schedule V.
5. We recommend that Budget Ordinance Schedule V be revised and all necessary entries be made to the budget to reflect the approved budget.

The net impact the recommendations above will have a positive impact of \$92,037 to Special Council Contingency and reduce the General Fund - GSD loan by \$92,037.

**COUNCIL AUDITOR'S OFFICE
CITY OF JACKSONVILLE
SOUTHBANK TAX INCREMENT DISTRICT USD1 A (SUB-FUND 182)
2017/18 MAYOR'S PROPOSED BUDGET**

BUDGET BOOK REFERENCE - Page #97-98

	2017/18 DIA APPROVED BUDGET	2017/18 MAYOR'S PROPOSED BUDGET	INCREASE/ (DECREASE)	Footnote
REVENUE				
Ad Valorem Taxes - General Fund/GSD	\$ 4,073,619	\$ 4,069,537	\$ (4,082)	(A)
Transfer from Fund Balance	-0-	779,622	779,622	(B)
Total Revenue	\$ 4,073,619	\$ 4,849,159	\$ 775,540	
EXPENDITURES				
Professional Services	\$ 100,000	\$ 150,000	\$ 50,000	(C)
Other Operating Expenses	3,388,253	4,114,201	725,948	(D)
Debt Service:				
2014 Special Revenue, Strand	178,004	178,004	-0-	
Transfers to Other Funds:				
Transfer Out to General Fund/GSD	407,362	406,954	(408)	(E)
Total Expenditures	\$ 4,073,619	\$ 4,849,159	\$ 775,540	

**COUNCIL AUDITOR'S OFFICE
CITY OF JACKSONVILLE
SOUTHBANK TAX INCREMENT DISTRICT USD1 A (SUB-FUND 182)
2017/18 MAYOR'S PROPOSED BUDGET**

Revenue

(A) The Mayor's proposed ad valorem tax revenue is calculated as follows:

Base Year	1980
Preliminary Taxable Values	\$ 463,516,872
Less Taxable Value in Base Year	89,127,781
Taxable Value Incremental Increases	\$ 374,389,091
Taxable Value Percentage Changes	420.1%
Operating Millage Rates	11.4419 mills
Collection Rate	95.0%
Total Ad Valorem Revenue	\$ 4,069,537

(B) The Mayor's proposed fund balance transfer of \$779,622 represents the projected budgetary balance available at 9/30/17. See recommendation #1.

Expenditures

(C) The Mayor's proposed budget includes \$2,500 for the annual independent audit and \$147,500 for consulting services for the Southbank portion of the consolidated downtown Development of Regional Impact (DRI). See recommendation #2.

(D) Other Operating Expenses includes the following items:

	DIA Approved 2017/18	Mayor's Proposed 2017/18	Increase/ (Decrease)	
San Marco Place (REV grant)	185,000	185,000	-0-	
Strand (REV grant)	375,000	375,000	-0-	
Peninsula (REV grant)	675,000	675,000	-0-	
SunGard (REV grant)	8,000	8,000	-0-	
Ernst & Young Parking Incentive	-0-	-0-	-0-	
JEA Southside Generating Station Public Infrastructure	2,045,253	2,771,201	725,948	
Southbank Retail Enhancement	-0-	-0-	-0-	
One Call Commercial Revitalization Incentive	100,000	100,000	-0-	(F)
Total	\$ 3,388,253	\$ 4,114,201	\$ 725,948	

(E) This transfer represents administrative and overhead costs pursuant to Ord. 2012-364-E.

(F) This is a grant for relocation to 841 Prudential Drive, in an amount not to exceed \$1,000,000 paid in annual installments of \$100,000.

Recommendations

1. We recommend eliminating the transfer from fund balance of \$779,622 and decreasing the JEA Southside Generating Station Public Infrastructure appropriation by the same amount. Any budgetary balances expected at 9/30/17 will be addressed by the amended FY 16/17 budget. This will have no impact on Special Council Contingency.
2. We recommend decreasing the amount budgeted for professional services by \$2,500 and increasing the Transfer to the General Fund - GSD by \$2,500 to be consistent with the FY 16/17 accounting for the cost of the audit. This will be offset with an increase to the line item where the City's external audit is paid from in the General Fund/GSD. This will have no impact on Special Council Contingency.
3. We recommend the FY 16/17 budget amounts be removed from Budget Ordinance Schedule V.
4. We recommend that Budget Ordinance Schedule V be revised and all necessary entries be made to the budget to reflect the approved budget.

**COUNCIL AUDITOR'S OFFICE
CITY OF JACKSONVILLE
DOWNTOWN NORTHBANK WEST TAX INCREMENT DISTRICT USD1B (SUB-FUND 183)
2017/18 MAYOR'S PROPOSED BUDGET**

BUDGET BOOK REFERENCE - Page #99-100

	2017/18 DIA APPROVED BUDGET	2017/18 MAYOR'S PROPOSED BUDGET	INCREASE/ (DECREASE)	Footnote
REVENUE				
Ad Valorem Taxes - General Fund/GSD	\$ 4,582,340	\$ 5,036,527	\$ 454,187	(A)
EXPENDITURES				
Professional Services	\$ 5,000	\$ 2,500	\$ (2,500)	(B)
Other Operating Expenses:				
MPS Urban Core Garage	1,825,000	1,900,000	75,000	(C)
JTA/Fidelity Parking Lease	13,494	13,494	-0-	
Hallmark/220 Riverside REV grant	360,000	360,000	-0-	
Pope & Land/Brooklyn REV grant	325,000	325,000	-0-	
Subtotal Other Operating Expenses	<u>2,523,494</u>	<u>2,598,494</u>	<u>75,000</u>	
Transfers to Downtown East TID	2,053,846	2,435,533	381,687	(D)
Total Expenditures	\$ 4,582,340	\$ 5,036,527	\$ 454,187	

**COUNCIL AUDITOR'S OFFICE
CITY OF JACKSONVILLE
DOWNTOWN NORTHBANK WEST TAX INCREMENT DISTRICT USD1B (SUB-FUND 183)
2017/18 MAYOR'S PROPOSED BUDGET**

Revenue

(A) The Mayor's proposed ad valorem tax revenue is calculated as follows:

Base Year	1981
Preliminary Taxable Values	\$ 677,986,690
Less Taxable Value in Base Year	214,636,423
Taxable Value Incremental Increases	\$ 463,350,267
Taxable Value Percentage Changes	215.9%
Operating Millage Rates	11.4419 mills
Collection Rate	95.0%
Total Ad Valorem Revenue	\$ 5,036,527

Expenditures

- (B) The Mayor's proposed budget amount of \$2,500 represents funding for the CRA's annual independent audit. See recommendation #1.
- (C) The City has an agreement with MPS in which the City guarantees a return on MPS's investment in three downtown parking garages. The City makes semi-annual loans to MPS in order to insure cash flows sufficient to cover all operating and ownership expenses, required reserves, a 6.75% return on the \$3 million ownership equity (8.75% if performance goals are met) and a Debt Service Coverage Ratio of 1.0.
- (D) This transfer represents a subsidy to the Downtown East TID (Subfund 181) in order to balance revenues and expenditures within that TID.

Recommendations

1. We recommend decreasing the amount budgeted for professional services by \$2,500 and budgeting a Transfer to the General Fund - GSD of \$2,500 to be consistent with the FY 16/17 accounting for the cost of the audit. This will be offset with an increase to the line item where the City's external audit is paid from in the General Fund/GSD. This will have no impact on Special Council Contingency.
2. We recommend the FY 16/17 budget amounts be removed from Budget Ordinance Schedule V.
3. We recommend that Budget Ordinance Schedule V be revised and all necessary entries be made to the budget to reflect the approved budget.

**COUNCIL AUDITOR'S OFFICE
CITY OF JACKSONVILLE
JACKSONVILLE BEACH TAX INCREMENT DISTRICTS USD2 A&B (SUB-FUND 184)
2017/18 MAYOR'S PROPOSED BUDGET**

BUDGET BOOK REFERENCE - Page #101-102

	2017/18 PROPOSED BUDGET
TAXABLE VALUES & RATES	
Base Years	1983 & 1986
Preliminary Taxable Values	\$ 942,421,869
Less Taxable Value in Base Years	48,790,640
Taxable Value Incremental Increases	\$ 893,631,229
Taxable Value Percentage Increases	1831.6%
Operating Millage Rates	8.1512 mills
Collection Rate	95.0%
REVENUE	
Ad Valorem Taxes - GF / GSD	\$ 6,919,959
EXPENDITURES	
Contribution to Jacksonville Beach	\$ 6,919,959

Percentage of USD2 Taxes Received by City of Jacksonville

	Countywide Levy	USD2 Levy	
2017/18 Beaches Preliminary Taxable Values	\$ 3,347,191,563	\$ 3,347,191,563	
Levy (A)	11.4419 mills	8.1512 mills	
Collection Rate	95.5%	95.5%	
Taxes	\$ 36,574,811	\$ 26,055,865	
Less TIF	-	6,919,959	
Net Revenue to City	\$ 36,574,811	\$ 19,135,906	
	100.00%	52.32%	- Percentage of countywide levy collected from USD2 after TIF and Interlocal Agreement reductions.
FOOTNOTES			

(A) 8.1512 mills is 3.2907 mills less than the General Service District millage. Per the interlocal agreement, Jacksonville Beach's millage rate shall be 3.2907 mills less than the General Service District rate. The USD2 levy is 71.24% of the 11.4419 mill rate levied county-wide.

RECOMMENDATIONS: None.

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**JACKSONVILLE INTERNATIONAL AIRPORT AREA REDEVELOPMENT
TAX INCREMENT DISTRICT GSA (SUB-FUND 185)
2017/18 CRA BOARD APPROVED BUDGET**

BUDGET BOOK REFERENCE - Page #103-104

	2017/18 APPROVED BUDGET		(Ref.) (Not on Sched.)
REVENUE			
Ad Valorem Taxes - General Fund/GSD	9,751,559		(A)
Interfund Transfer In	-		
Transfer from Fund Balance	-		
Total Revenue	9,751,559		
EXPENDITURES			
Operating Expenses			
Internal Service/OGC Legal	18,798		
Professional and Contractual Services	2,000		
Travel	500		
Advertising and Promotion	3,000		
Office Supplies	667		
Employee Training	300		
Dues, subscriptions	342		
Supervision Allocation	65,881		
Non-Departmental Expenditures			
Professional Services	-		
REV Grants	934,000		(B)
QTI Grants	18,000		(C)
Grants			
I-95/Airport Road Interchange Project	4,500,000		(D)
Debt Service			
2014 Special Revenue, RAMCO	342,381		(E)
Transfers to Other Funds			
Transfers Out to TID Capital Projects SF32T	3,300,000	(1)	(F)
Transfers Out to General Fund	2,500	(2)	(G)
Escrow to Later Reduce Indebtedness of Prior Pledge	-		
Plan Authorized Projects (designated-TBD)	563,190		(H)
Total Expenditures	9,751,559		

(1) Armsdale Road/Duval Road Improvement

(2) Annual Independent Audit

**COUNCIL AUDITOR'S OFFICE
CITY OF JACKSONVILLE
JACKSONVILLE INTERNATIONAL AIRPORT AREA REDEVELOPMENT
TAX INCREMENT DISTRICT GSA (SUB-FUND 185)
2017/18 CRA BOARD APPROVED BUDGET**

Revenue

A. Ad valorem tax revenue is calculated as follows:

Base Year		1993
Preliminary Taxable Values	\$	1,086,323,886
Less Taxable Value in Base Year		189,200,262
Taxable Value Incremental Increases	\$	897,123,624
Taxable Value Percentage Increases		474.2%
Operating Millage Rates		11.4419 mills
Collection Rate		95.0%
Total Revenue	\$	9,751,559

Expenditures

B. REV grant payments include the following:

RAMCO	\$	730,000
Ecolab		46,000
River City Crossing REV grant		158,000
Total	\$	934,000

C. QTI payments include the following:

Mercedes Benz QTI	\$	14,400
Safariland QTI		3,600
Total	\$	18,000

D. The \$4,500,000 for Grants represents funding for the I-95/Airport Road Interchange project approved by Board Resolution 2016-06 and Ord. 2017-176-E.

E. The budgeted debt service includes a reduction of \$134,424, which represents the escrow to later reduce indebtedness of prior pledge included in the 2016/17 amended budget approved by Resolution 2017-06.

F. The transfer of \$3,300,000 to Subfund 32T represents funding for the Armsdale Road/Duval Road improvement project approved by Resolution 2017-01.

G. The transfer to the General Fund - GSD represents funding for the CRA's annual independent audit.

H. The Plan Authorized Projects funding is equal to budgeted revenue in excess of budgeted expenditures.

Recommendation:

We recommend that Budget Ordinance Schedule U and all necessary entries be made to the Budget to reflect the CRA Board approved budget as shown on page 16.

**KING SOUDEL TAX INCREMENT DISTRICT GSK (SUB-FUND 186)
2017/18 CRA BOARD APPROVED BUDGET**

BUDGET BOOK REFERENCE - Pages #105-106

	2017/18 APPROVED BUDGET	(Ref.) (Not on Schd.)
REVENUE		
Ad Valorem Taxes - General Fund/GSD	611,672	(A)
Transfer from Fund Balance	-	
Total Revenue	611,672	
EXPENDITURES		
Operating Expenses		
Internal Service/OGC Legal	2,453	
Professional and Contractual Services	2,000	
Travel	500	
Advertising and Promotion	3,000	
Office Supplies	667	
Employee Training	300	
Dues, subscriptions	342	
Supervision Allocation	52,795	
Transfers to Other Funds		
Transfers Out to General Fund	2,500	(1) (B)
Plan Authorized Projects (TBD)	547,115	(C)
Total Expenditures	\$ 611,672	

(1) Annual Independent Audit

**COUNCIL AUDITOR'S OFFICE
CITY OF JACKSONVILLE
KING SOUDEL TAX INCREMENT DISTRICT GSK (SUB-FUND 186)
2017/18 CRA BOARD APPROVED BUDGET**

Revenue

(A) Ad valorem tax revenue is calculated as follows:

Base Year		<u>2008</u>
Preliminary Taxable Values		127,337,503
Less Taxable Value in Base Year		<u>71,064,917</u>
Taxable Value Incremental Increases		<u>\$ 56,272,586</u>
Taxable Value Percentage Increases		79.2%
Operating Millage Rates		11.4419 mills
Collection Rate		95.0%
Total Revenue	\$	611,672

Expenditures

(B) The transfer to the General Fund - GSD represents funding for the CRA's annual independent audit.

(C) The Plan Authorized Projects funding is equal to budgeted revenue in excess of budgeted expenditures.

Recommendation:

We recommend that Budget Ordinance Schedule T and all necessary entries be made to the Budget to reflect the CRA Board approved budget as shown on page 18.

**RENEW ARLINGTON TAX INCREMENT DISTRICT GSRA (SUB-FUND 187)
2017/18 CRA BOARD APPROVED BUDGET**

BUDGET BOOK REFERENCE - Page #107-108

	2017/18 APPROVED BUDGET	(Ref.) (Not on Sched.)
REVENUE		
Ad Valorem Taxes - General Fund/GSD	554,283	(A)
Transfer from Fund Balance	-	
Total Revenue	554,283	
EXPENDITURES		
Operating Expenses		
Internal Service/OGC Legal	2,689	
Professional and Contractual Services	2,000	
Travel	900	
Advertising and Promotion	3,000	
Office Supplies	667	
Employee Training	700	
Dues, subscriptions	342	
Supervision Allocation	52,795	
Transfers to Other Funds		
Transfers Out to General Fund	2,500	(1) (B)
Stormwater Management Plan	-	
Traffic Study	-	
Façade Grant Program	50,000	(C)
Complete Streets Projects (additional phases)	438,690	(D)
Plan Authorized Projects (designated - TBD)	-	
Total Expenditures	554,283	

(1) Annual independent audit

**COUNCIL AUDITOR'S OFFICE
CITY OF JACKSONVILLE
RENEW ARLINGTON TAX INCREMENT DISTRICT GSRA (SUB-FUND 187)
2017/18 CRA BOARD APPROVED BUDGET**

Revenue

(A) Ad valorem tax revenue is calculated as follows:

Base Year	2015
Preliminary Taxable Values	\$ 261,335,276
Less Taxable Value in Base Year	210,342,375
Taxable Value Incremental Increases	\$ 50,992,901
 Taxable Value Percentage Increases	 24.2%
 Operating Millage Rates	 11.4419 mills
 Collection Rate	 95.0%
 Total Revenue	 \$ 554,283

Expenditures

- (B) The budgeted transfer to the General Fund - GSD represents funding for the CRA's annual independent audit.
- (C) The budgeted amount of \$50,000 for the Façade Grant Program represents funding to provide commercial or retail façade funding assistance for existing businesses for renovation on the front and sides of buildings visible to public streets.
- (D) The budgeted amount of \$438,690 represents funding for Complete Streets projects in accordance with the redevelopment plan.

Recommendation:

We recommend that Budget Ordinance Schedule S and all necessary entries be made to the Budget to reflect the CRA Board approved budget as shown on page 20.

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

PROPOSED BUDGET BOOK - Page # 244-245

BACKGROUND:

The Office of Economic Development serves as the economic development agency for the City of Jacksonville, implementing policies that result in sustainable job growth, raising personal incomes and creating a broader tax base for the community. The office also oversees the administration of local and state incentives, redevelopment at the Cecil Commerce Center and provides staff support to three Community Redevelopment Areas.

EXPENDITURES:

1. Salaries:
 - The increase of \$31,944 is primarily due to anticipated pay increases to be effective October 1st related to collective bargaining.
2. Pension Costs:
 - The decrease of \$79,111 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 \$15,898 is mainly due to a decrease in health insurance attributable to the five contribution "holidays" proposed for the City and participants in the plan.
4. Internal Service Charges:
 - The net increase of \$74,410 is driven by an increase of \$49,797 in legal costs based on prior year actuals and an increase of \$30,935 in computer system maintenance/security costs attributable to an increase in agency specific application maintenance charges and service desk charges.
5. Insurance Costs and Premiums:
 - The decrease of \$570 is due to an overall decrease in general liability insurance cost City-wide.
6. Grants, Aids & Contributions:
 - This funding is a grant for the UNF Small Business Development Center.
7. Supervision Allocation:
 - This amount represents administrative costs that are being allocated to the Cecil Field Trust Fund (S/F 1DE) and three Community Redevelopment Areas (CRA) funds in which the department provides staff support. The CRAs include the Jacksonville International Airport CRA (S/F 185), Moncrief Soutel CRA (S/F 186) and the Renew Arlington CRA (S/F 187). The increase in supervision allocation is due to a transfer in of one (1) position from Cecil Field Trust fund and instead billing out staff-related expenditures associated with the operations of the fund via a supervision allocation.

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

PROPOSED BUDGET BOOK - Page # 244-245

EMPLOYEE CAP CHANGES:

The authorized position cap is unchanged. However, one (1) position is being deleted and one (1) position is being transferred from the Cecil Field Trust Fund (S/F 1DE). As a result, the cap remains at twelve (12) positions.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
 COMMENTS AND RECOMMENDATIONS
 MAYOR'S PROPOSED FY 2017/18 BUDGET
 CECIL FIELD TRUST FUND (S/F 1DE)**

PROPOSED BUDGET BOOK - Page # 246-247

BACKGROUND:

Established per Ordinance 98-1052-E, all revenues received or earned by the City from the development and operation of the Cecil Commerce Center are deposited into this trust fund. The funds are used for the improvements, repairs, or maintenance costs of City's facilities at Cecil Commerce Center or other costs of undertaking City obligations, goals and objectives at Cecil Commerce Center. The Office of Economic Development manages most of the operations except for a portion of the forestry-related activities that are managed by Parks, Recreation, and Community Services Department. This is an "all years" subfund, which means once dollars are appropriated, the appropriation stays in place from year to year rather than lapsing. A schedule that shows a true year-to-year budget without any "all years" adjustment is below.

	FY 2016/17 Appropriation of Prior Years Revenue	FY 2016/17 Approved Current Year Activity	FY 2017/18 Appropriation of Prior Years Revenue	FY 2017/18 Proposed Current Year Activity	Change
REVENUE					
NON-DEPARTMENTAL / FUND LEVEL ACTIVITIES					
Investment Pool / Interest Earnings	-	132,484	-	79,937	(52,547)
Transfers From Other Funds	-	-	-	315,496	315,496
	-	132,484	-	395,433	262,949
OFFICE OF ECONOMIC DEVELOPMENT					
Charges for Services	-	-	(2,184)	-	-
Miscellaneous Revenue	2,809,699	700,729	471,700	878,697	177,968
Transfers From Component Units	-	-	5,470	-	-
	2,809,699	700,729	474,986	878,697	177,968
PARKS, RECREATION & COMMUNITY SVCS					
Charges for Services	-	-	9,120	-	-
Miscellaneous Revenue	437,007	100,800	-	150,000	49,200
	437,007	100,800	9,120	150,000	49,200
TOTAL REVENUE	3,246,706	934,013	484,106	1,424,130	490,117
EXPENDITURES					
NON-DEPARTMENTAL / FUND LEVEL ACTIVITIES					
Transfers to Other Funds	-	2,300,000	-	-	(2,300,000)
OFFICE OF ECONOMIC DEVELOPMENT					
Salaries	-	69,620	-	-	(69,620)
Pension Costs	-	16,694	-	-	(16,694)
Employer Provided Benefits	-	9,581	-	-	(9,581)
Internal Service Charges	-	730	-	794	64
Insurance Costs and Premiums	-	101,761	-	99,834	(1,927)
Professional and Contractual Services	-	1,578,387	-	1,566,529	(11,858)
Other Operating Expenses	-	2,050	-	2,047	(3)
Supervision Allocation	-	-	-	106,258	106,258
Indirect Cost	-	49,471	-	67,437	17,966
	-	1,828,294	-	1,842,899	14,605
PARKS, RECREATION & COMMUNITY SVCS					
Professional and Contractual Services	-	52,425	-	65,337	12,912
TOTAL EXPENDITURES	-	4,180,719	-	1,908,236	(2,272,483)

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2017/18 BUDGET
CECIL FIELD TRUST FUND (S/F 1DE)**

PROPOSED BUDGET BOOK - Page # 246-247

REVENUE:

Non-Departmental / Fund Level Activities

1. Investment Pool / Interest Earnings:
 - The decrease of \$52,547 in interest earnings is due to an anticipated lower pool cash balance in FY 2017/18 for this subfund.

2. Transfer From Other Funds:
 - This represents a subsidy from the General Fund / General Services District (S/F 011) to balance the subfund.

Office of Economic Development

3. Miscellaneous Revenue:
 - The increase of \$177,968 is due to an increase in rental revenue from leasing of City facilities located at Cecil Commerce Center to align with the actual revenues being collected in the current year.

Parks, Recreation & Community Services

4. Miscellaneous Revenue:
 - This amount represents anticipated revenue from timber sales.

EXPENDITURES:

Non-Departmental / Fund Level Activities

1. Transfers to Other Funds:
 - The decrease of \$2,300,000 is due to a one-time interfund transfer to Authorized Capital Projects (S/F 32E) to fund the construction of a new covered practice rink over the existing practice area at the Equestrian Center and to fund the graveling of a road to the Cecil Mega Site in FY 2016/17. This was done during the budget review last year by appropriating revenue already earned from the sale of real property in prior years.

Office of Economic Development

2. Salaries, Pension Costs, Employer Provided Benefits:
 - The elimination of these line items is due to a change on how employee related expenses are allocated to this subfund. These expenditures are budgeted via a supervision allocation in FY 2017/18.

3. Professional and Contractual Services:
 - The decrease of \$11,858 is due to a decrease in forestry management services by the Florida Forest Service.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2017/18 BUDGET
CECIL FIELD TRUST FUND (S/F 1DE)**

PROPOSED BUDGET BOOK - Page # 246-247

4. Supervision Allocation:

- This amount represents the administrative costs of Office of Economic Development staff for the time they spend on activities related to Cecil Field. This addition replaces the salaries, pension costs and employer provided benefits described above.

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.

Parks, Recreation & Community Services

6. Professional and Contractual Services:

- The increase of \$12,912 is due to an increase in forestry management services provided by the Florida Forest Service in connection with the part of the City's preservation properties managed by Parks, Recreation, and Community Services Department.

SERVICE LEVEL CHANGES:

There are no significant service level changes.

AUTHORIZED POSITION CAP:

This subfund no longer has an authorized position. One position was transferred back to the Office of Economic Development's budget within the General Fund / General Services District (S/F 011).

RECOMMENDATION:

1. We recommend eliminating the transfer of \$315,496 from the General Fund / General Services District (S/F 011). This reduction in subsidy to the Cecil Field Trust (S/F 1DE) will be offset by an "all years" reduction of \$315,496 in miscellaneous services and charges within the OED – Cecil Field Trust activity by reducing excess budgeted expenditures appropriated in prior years. This will have a positive impact of \$315,496 on the Special Council Contingency.
2. We recommend that timber product revenue be decreased by \$80,000 in order to more accurately reflect projected revenue. This will be offset by a decrease of \$50,000 in professional services and \$30,000 in miscellaneous services and charges within the OED – Cecil Field Trust activity by de-appropriating excess budgeted expenditures from prior years. This will have no impact on the Special Council Contingency.

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

PROPOSED BUDGET BOOK – Page #258-259

BACKGROUND:

The Office of Sports and Entertainment enhances the region's economy by attracting special events and sports organizations to the City of Jacksonville. The department was created by Ordinance 2014-289-E and includes the Office of Film and Television and the Office of Special Events. This portion of the department's budget only includes the General Fund / General Services District (S/F 011) activities.

EXPENDITURES:

1. Salaries:

- The increase of \$34,452 is mainly due to a position being re-classed and the 5% increase in salaries. Also, there was a recent new hire that was hired at less than the proposed budgeted amount.

2. Pension Costs:

- The increase of \$18,598 is due to more participants in the defined benefit plan than the prior year. This was offset partially with the decrease in pension costs due to the 2017 pension reform.

3. Employer Provided Benefits:

- The decrease of \$7,280 is primarily due to the result of the five contribution "holidays" proposed for the City and participants in Group Hospitalization Insurance.

4. Internal Service Charges:

- The decrease of \$19,197 is primarily due to a decrease of \$25,205 in the legal cost allocation based on actual utilization of legal services.

5. Other Operating Expenses:

- The decrease of \$28,687 is primarily due to a decrease of \$30,000 for Event Contribution. On the following page is a list of the Event Contributions.

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

PROPOSED BUDGET BOOK – Page #258-259

Event Contributions	FY 2016-17 Approved	FY 2017-18 Proposed
The Players Championship	75,000	75,000
Florida-Georgia Hall of Fame (busts, merchandise, luncheon)	12,500	52,500
Jacksonville Jaguar Suite Tickets	-	21,000
P1 Powerboat Races	15,000	10,000
26.2 with Donna	-	10,000
Gator Bowl Sports	-	6,600
Annual Film & Television Award Industry Reception	7,500	2,500
TaxSlayer Bowl	-	2,400
Florida vs Florida State Baseball	60,000	-
Florida Basketball Doubleheader	15,000	-
Navy vs. Notre Dame Football Game	15,000	-
SEC Gymnastic	10,000	-
Total	\$ 210,000	\$ 180,000

SERVICE LEVEL CHANGES:

There are no significant service level changes.

EMPLOYEE CAP CHANGES:

There are no changes to the authorized position cap.

RECOMMENDATION:

Because an employee was hired at a lower rate than the amount included in the proposed budget, we recommend that Salaries be reduced by \$15,710, include Special Pay of \$300 and reduce Medicare Tax by \$227. This will have a positive impact of \$15,637 to Special Council Contingency.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2017/18 BUDGET
SPECIAL EVENTS (S/F 01A)**

PROPOSED BUDGET BOOK – Page # 260-262

BACKGROUND:

Special Events is an activity under the Office of Sports and Entertainment. It has its own subfund (S/F 01A) that is project driven to provide transparency to better track revenues and costs for individual events.

REVENUE:

1. Charges for Services:

- This amount represents the anticipated revenue from the sale of 1,000 tickets for the Florida/Georgia game that the City is contractually obligated to purchase. The decrease of \$30,000 is due to tickets being allocated to sponsors along with a projection of unsold tickets.

2. Miscellaneous Revenue:

- This amount represents the Jaguars portion for the cost of the risers for the temporary seating for the Florida/Georgia game due to the Club Improvements approved by Amendment #14 to the Jaguar Lease. The reduction is due to not having to purchase the folding chairs for the club section due to the improvements approved by Amendment #14 of the Jaguar Lease.

3. Transfer From Other Funds:

- There is a \$6,133,226 transfer from the General Fund / General Services District (S/F 011) to support operations within the Office of Special Events.

EXPENDITURES:

1. Salaries:

- The increase of \$57,651 in salaries is due to the 5% increase in salaries consistent with the recently approved collective bargaining agreements. The increase also includes salary increases made during this current fiscal year.

2. Pension Costs:

- The decrease of \$25,675 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. Internal Service Charges:

- The increase of \$140,805 is primarily due to an increase of \$124,291 in computer system maintenance/security due to agency specific application services in connection with the development of the Special Events website and mobile app.

4. Professional and Contractual Services:

- The increase of \$25,000 is an enhancement request for increased security at City events.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2017/18 BUDGET
SPECIAL EVENTS (S/F 01A)**

PROPOSED BUDGET BOOK – Page # 260-262

5. Other Operating Expenses:

- The increase of \$418,714 is due to the following:
 - An increase of \$250,000 in event contribution attributable to the Florida/Georgia contract. The City is contractually obligated to pay each school a guarantee of \$250,000. For the game in 2016 the guarantee was \$125,000 to each team.
 - An increase of \$131,500 in miscellaneous services and charges mainly due to an enhancement request in the amount of \$117,000 for the Jazz Festival.

6. Capital Outlay:

- The \$800,000 in fiscal year 2016/2017 was for the purchase of the temporary folding chairs for the club sections due to the club improvements approved by Amendment #14 of the Jaguar lease. The folding chairs have been purchased.

7. Grants, Aids & Contributions:

- This amount includes a contribution of \$470,000 to other governments for travel related expenses for the Florida/Georgia game and a contribution of \$84,875 to the Bob Hayes Track event.

Below is the cost for each proposed event:

Events Proposed FY 2017/18	Equipment Rentals	Advertising	Event Contribution	Misc. Services & Charges	Subsidies & Contributions To Other Gov	Subsidies & Contributions To Private Org	Total
4TH OF JULY/NYE CELEBRATION	12,500			48,600			61,100
BLESSING OF THE FLEET							-
BOB HAYES TRACK						84,875	84,875
FLORIDA / GEORGIA GAME *	2,020,322		600,000	175,000	470,000		3,265,322
JAX BEACH FIREWORKS SUBSIDY				25,000			25,000
JAX HAPPENINGS	2,000	4,000		8,000			14,000
JAZZ FESTIVAL	15,000	4,500		394,174			413,674
MAYOR'S INITIATIVES	8,000	8,000		45,000			61,000
MEMORIAL WALL/SEA & SKY	34,800			165,200			200,000
MLK JR BREAKFAST/ACTIVITIES	5,000	5,000		46,711			56,711
MUSIC FESTIVALS	2,500	3,000		20,000			25,500
VETERANS DAY PARADE	3,000	2,000		15,000			20,000
WORLD OF NATIONS	15,000	5,000		85,000			105,000
Total	\$ 2,118,122	\$ 31,500	\$ 600,000	\$ 1,027,685	\$ 470,000	\$ 84,875	\$ 4,332,182

*Notes on Florida/Georgia game:

- 1.) \$2,020,322 in equipment rental is mostly to install additional temporary seating for the game.
- 2.) \$600,000 in event contributions are contractual obligations. Per the contract, the City will provide a guarantee payment of \$250,000 to each team and purchase 1,000 tickets estimated at \$100,000.
- 3.) \$470,000 in subsidies and contributions to other governments includes \$350,000 for University of Georgia airfare and \$60,000 to each team for travel and lodging.

**COUNCIL AUDITOR'S OFFICE
 COMMENTS AND RECOMMENDATIONS
 MAYOR'S PROPOSED FY 2017/18 BUDGET
 SPECIAL EVENTS (S/F 01A)**

PROPOSED BUDGET BOOK – Page # 260-262

8. Contingencies:

- The proposed contingency amount of \$74,154 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.

FOOD AND BEVERAGE EXPENDITURES:

Description of each Service/Event that requires the purchase of food/beverage	Amount	Explanation that the Service/Event serves a public purpose
Jazz Festival	\$ 15,000	Event is a signature City event; expenditure supports event volunteers and hospitality
FL/GA Game	\$ 6,650	Event is a signature City event; expenditure supports event volunteers and hospitality
Sea and Sky	\$ 6,000	Event is a signature City event; expenditure supports event volunteers and hospitality
Environmental Awards	\$ 4,072	Event is a signature City event; expenditure supports event volunteers and hospitality
World of Nations	\$ 2,700	Event is a signature City event; expenditure supports event volunteers and hospitality
	\$ 34,422	

SERVICE LEVEL CHANGES:

There are no significant service level changes.

EMPLOYEE CAP CHANGES:

There are no changes to the authorized position cap.

RECOMMENDATION:

None

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2017/18 BUDGET
OFFICE OF SPORTS AND ENTERTAINMENT
CITY VENUES – CITY (4K1)**

PROPOSED BUDGET BOOK – Page #263-265

BACKGROUND:

SMG has been retained by the City to manage six public facilities which include Everbank Field, the Memorial Arena, Jacksonville Baseball Stadium, Times Union Center for the Performing Arts, Prime Osborn Convention Center, and the Ritz Theatre and Museum. The Office of Sports and Entertainment is the contract manager of the SMG contract. A new contract between the City and SMG was approved by Ordinance 2017-375-E. The contract has a term of April 1, 2017 to March 31, 2022 with two additional one-year renewal periods. This sub-fund contains the City's costs related to the venues.

REVENUE:

1. Taxes:

- The taxes include the 2 Cent Tourist Development Tax budgeted at \$7,900,000 and the State Sales Tax Rebate budgeted at \$2,000,004. The increase of \$557,693 is due to a projected increase in the 2 Cent Tourist Development Tax collections based on prior years' growth rates.

2. Charges for Services:

- The increase of \$1,011,157 in Charges for Services is primarily due to an increase of \$968,563 in Facility Fees (Ticket User Fee). Ordinance 2016-729-E increased the Ticket User Fee charged to \$2.50. The fee is to increase by 3% each year.
- Charges for Services also includes the NFL Ticket surcharge budgeted at \$1,583,800 and Parking Fees of \$213,688 which have been adjusted by CPI pursuant to the Jaguar Lease.

HANDOUT CONTINUES ON NEXT PAGE

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2017/18 BUDGET
OFFICE OF SPORTS AND ENTERTAINMENT
CITY VENUES – CITY (4K1)**

PROPOSED BUDGET BOOK – Page #263-265

3. Investment Pool/Interest Earnings:
 - The budgeted amount of \$50,000 is the projected Investment Pool Earnings for fiscal year 2017/2018 based on available cash and the interest rate projected by Treasury.
4. Miscellaneous Revenue:
 - The Jaguar supplemental rent payment per Amendment 8 of the Jaguar Lease for fiscal year 2017/2018 is \$4,734,719, which is a decrease of \$14,907.
 - There is a decrease of \$93,575 in Rental of City Facilities for the Baseball Stadium due to not budgeting for soccer operations at the baseball stadium.
5. Transfers from Other Funds:
 - The transfer of \$15,431,545 is from the General Fund/General Services District (S/F 011) to balance revenues and expenditures. This represents an increase of \$3,822,892 from fiscal year 2016/2017.

EXPENDITURES:

1. Internal Service Charges:
 - The increase of \$35,495 is primarily due to an increase \$75,195 in Computer System Maintenance/Security.
 - The increase is partially offset by a decrease of \$25,463 for Fleet Vehicle Rental for Everbank Field due to paying off vehicles that were replaced in prior years.
2. Insurance Costs and Premiums:
 - There is a small decrease of \$18,924 in the Miscellaneous Insurance allocation.
3. Professional and Contractual Services:
 - The decrease of \$488,185 is due to a decrease of \$700,000 due to not needing to budget for any soccer operations at the baseball stadium.
 - The decrease was partially offset due to the City side will now including the expense of \$211,815 for the SMG contract for fiscal year 2017/2018, which includes the management fee and incentive fee.
4. Other Operating Expenses:
 - The decrease of \$80,900 is primarily due to:
 - A slight decrease of \$91,072 for Electricity.
 - A decrease of \$24,000 in Miscellaneous Services and Charges due to not budgeting for any soccer operations at the baseball stadium.
 - The decrease is partially offset by a small increase of \$27,392 for Water.

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 CITY VENUES – CITY (4K1)**

PROPOSED BUDGET BOOK – Page #263-265

5. Capital Outlay:

- Capital Outlay for Other Heavy Equipment includes the following:

	Everbank Field	Memorial Arena	Baseball Stadium	Performing Arts Center	Convention Center	Ritz Theatre	Total
Audio/Visual Equipment	\$ 10,000	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ 15,000
Event Equipment	\$ 10,000	\$10,000	\$ -	\$ -	\$ 10,000	\$ -	\$ 30,000
Housekeeping Equipment	\$ 10,000	\$10,000	\$10,000	\$ 10,000	\$ 10,000	\$ -	\$ 50,000
Landscape and Turf Equipment	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,000
Operations Equipment	\$ 10,000	\$10,000	\$10,000	\$ 20,000	\$ 50,000	\$10,000	\$110,000
Parking Equipment	\$ 10,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ 15,000
Technical Equipment	\$ 10,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ -	\$ -	\$ 25,000
Total	\$ 80,000	\$40,000	\$25,000	\$ 35,000	\$ 75,000	\$10,000	\$265,000

6. Debt Service:

- This is a transfer to subfund 4K6 City Venues – Debt for Everbank Field and Performing Arts bond payments:
 - \$450 for Fiscal Agent Fees
 - \$5,992,000 in Principal payments
 - \$4,533,453 in Interest payments

7. Transfers to Other Funds:

- The transfer of \$15,462,501 includes the following:
 - \$848,000 for a payback of a \$5,000,000 loan from subfund 322 approved by Ordinance 2004-338-E which was Amendment #7 to the Jaguar Lease for improvements to the stadium.
 - \$100,000 for a payback of a \$2,115,000 loan from subfund 322 approved by the fiscal year 2003/2004 Budget Ordinance 2003-876-E
 - \$11,112,138 transfer to City Venues – SMG (4K2) which is an increase of \$4,771,708 mainly due to increases in Repairs and Maintenance and JSO/JFRD services
 - \$3,402,363 transfer to Capital Projects – City Venues Surcharge (4K3) which is an increase of \$983,049. This is the total of the budgeted NFL Ticket Surcharge and Facility Fees.

8. Debt Management Fund Repayments:

- This is the principal payment of \$250,000 and interest payment of \$12,709 for the Stadium Wi-Fi approved by Ordinance 2014-455-E, which is the Amended and Restated Amendment #12 to the Jaguar Lease.

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CITY VENUES – CITY (4K1)**

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EMPLOYEE CAP CHANGES:

There are no City employees associated with this sub-fund.

DEPARTMENT REQUEST:

1. The department requests that the \$300,000 appropriated by Ordinance 2017-422-E be placed on the Schedule of Capital Outlay Projects Not Lapsed (Schedule AF). The \$300,000 will be used for the improvements to the Memorial Arena in regards to the Jacksonville IceMen contract.

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OFFICE OF SPORTS AND ENTERTAINMENT
CITY VENUES – SMG (4K2)**

PROPOSED BUDGET BOOK – Page #266-268

BACKGROUND:

SMG has been retained by the City to manage six public facilities which include Everbank Field, the Memorial Arena, Jacksonville Baseball Stadium, Times Union Center for the Performing Arts, Prime Osborn Convention Center, and the Ritz Theatre and Museum. The Office of Sports and Entertainment is the contract manager of the SMG contract. A new contract between the City and SMG was approved by Ordinance 2017-375-E. The contract has a term of April 1, 2017 to March 31, 2022 with two additional one-year renewal periods. This sub-fund contains SMG's costs related to the operation and management of the venues.

REVENUE:

1. Charges for Services:

- The decrease of \$74,028 is primarily due to the following:
 - A decrease of \$268,155 in contractual services revenue and a decrease of \$70,715 in parking fees mainly due to the Armada not anticipated playing any games at the baseball stadium.
 - An increase of \$100,408 in other ticket surcharge-club/suites primarily at the Arena based on current year collections.
 - There is an increase of \$71,400 in other ticket surcharge-incentives fees primarily due to the hockey games at the arena.
 - Additionally, there is an increase of \$93,034 in parking fees for Met Park events. There was no revenue included in the FY 2016/17 Budget due to possible development. There is revenue in FY 2017/18 since events are scheduled through May 31, 2018.

2. Investment Pool/Interest Earnings:

- The amount of \$16,025 is SMG's projected investment earnings for fiscal year 2017/2018.

3. Miscellaneous Revenue:

- The increase of \$349,715 is primarily due to an increase in rental of city facilities of \$231,958 and an increase of \$124,300 in concession sales which is primarily due to the addition of hockey at the Memorial Arena.

4. Transfers from Other Funds:

- The transfer of \$11,112,138 is from City Venues – City (4K1), which is ultimately from the General Fund/GSD. The increase of \$4,771,708 is primarily due to increased costs in repairs and maintenance and JSO/JFRD contractual services.

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CITY VENUES – SMG (4K2)**

PROPOSED BUDGET BOOK – Page #266-268

EXPENDITURES:

1. Salaries:

- The increase of \$588,866 is primarily due to an enhancement request of \$405,071 to have salaries in line with City increases, which includes the one-time 3% lump sum payment and a 5% salary increase. The remaining increase is due to the addition of two Ice Technicians and increases in stadium and amphitheater security.

2. Pension Costs:

- For fiscal year 2017/2018 SMG would like to reinstate the matching 401K contributions.

3. Professional and Contractual Services:

- There is an increase of \$2,560,698 which is primarily due to:
 - Contractual services expense – JSO/JFRD increasing by \$2,952,761 from \$466,415 to \$3,419,176 due to paying the actual cost of overtime for all SMG events. There is corresponding revenue in the Sheriff's Office budget in the amount of \$2,913,816 and an amount of \$505,360 in Fire's budget.
 - There is an increase of \$309,344 in professional services for design engineering plans at the Performing Arts Center, pressure washing for Everbank Field and an energy savings initiative at the Arena and Everbank Field. Also, there is an increase in security.
- The increase is offset by a decrease of \$494,557 in contractual services expense primarily due to not having any Armada games at the Baseball Stadium and a decrease of \$206,850 due to moving the SMG contract expense to subfund 4K1.

4. Other Operating Expenses:

- The increase of \$1,661,193 is primarily due to:
 - An increase of \$1,482,393 in repairs and maintenance. The budgeted amount is incorrect and needs to be reduced by \$300,000. See recommendation below. The true increase will be \$1,182,393, which is due to new contractual obligations, an increase in sod costs for Everbank Field due to new NFL requirements and the aging of the facilities.
 - An increase in other utilities of \$62,100 at the Arena for gas attributable to the hockey season.
 - An increase in advertising and promotion of \$66,400 for the Arena and Ritz Theatre.

EMPLOYEE CAP CHANGES:

There are no City employees associated with this sub-fund.

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CITY VENUES – SMG (4K2)**

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ENHANCEMENTS (in Proposed Budget):

The Proposed Budget includes two enhancements that SMG requested:

1. An increase of \$405,071 in salaries to mirror the increases in salaries for City employees. The increase is an 8% increase from fiscal year 2016/2017 which includes the 3% lump sum payment and a 5% increase.
2. An increase of \$128,742 in pension contribution to reinstate the matching contribution to employees' 401Ks.

RECOMMENDATION:

We recommend that repairs and maintenance be reduced by \$300,000 due to a budget error. This will reduce the transfer from City Venues – City (4K1) and reduce the transfer out of the General Fund/ GSD to the City Venues – City (4K1). This will have a positive impact to Special Council Contingency.

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OFFICE OF SPORTS AND ENTERTAINMENT
CAPITAL PROJECTS – CITY VENUES SURCHARGE (S/F 4K3)**

PROPOSED BUDGET BOOK – Page #91-92

BACKGROUND:

This sub-fund includes the budgeted ticket surcharges authorized by Ordinance Code Section 123.102(i) which can only be used for capital expenditures and capital maintenance. The facilities that have a ticket surcharge include Everbank Field, the Baseball Stadium, the Veterans Memorial Arena and the Times Union Center for the Performing Arts.

REVENUE:

1. Transfers from Other Funds:
 - The transfer amount of \$3,402,363 includes:
 - The NFL Ticket Surcharge in the amount of \$1,583,800.
 - The Facility Fees (Ticket User Fees) in the amount of \$1,818,563 from Everbank Field, Memorial Arena, Baseball Stadium and the Performing Arts Center.
 - Ordinance 2017-279-E approved increases in the surcharges. All surcharges were increased to \$2.50, except the NFL Ticket Surcharge, starting in Fiscal Year 2016/2017. Each year the surcharges are to increase by 3%.

EXPENDITURES:

1. Capital Outlay:
 - The capital funding for each of the venues is listed on the following page, which is based on the projected surcharge revenue for each venue.

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 CAPITAL PROJECTS – CITY VENUES SURCHARGE (S/F 4K3)**

PROPOSED BUDGET BOOK – Page #91-92

<u>Description</u>	<u>Amount</u>
<u>Everbank Field</u>	
Audio/Visual/Scoreboard/Broadcast Bud, Terrace IPTV, NEZ and Upper Concourse TVs, Scala	\$ 325,000
Building Systems Emergency sport lights, elevator drives, misc. building systems	\$ 550,000
Exterior Finishes NEZ Cabanas, escalator canopy	\$ 437,550
Furniture, Fixtures and Equipment ADA cart, grounds carts	\$ 50,000
Interior Finishes Comm. center relocate, guest services booths finishes	\$ 150,000
Network and Computer Systems Servers, switches, routers	\$ 90,000
Waterproofing Continued waterproofing	\$ 200,000
Total	\$ 1,802,550
<u>Baseball Stadium</u>	
Audio/Visual/Scoreboard/Broadcast Control room equipment	\$ 20,000
Interior Finishes LR Carpeting	\$ 50,425
Security and Access Controls Security cameras	\$ 20,000
Total	\$ 90,425
<u>Memorial Arena</u>	
Audio/Visual/Scoreboard/Broadcast Control room equipment, marketing inventory	\$ 90,000
Building Systems Ice plant retrofit, elevator drives, OH duct, safety, misc. building systems	\$ 350,000
Exterior Finishes Exterior steel painting	\$ 75,000
Furniture, Fixtures and Equipment Premium furniture	\$ 100,000
Food Service Equipment	\$ 86,000
Interior Finishes Lobby flooring, carpeting	\$ 175,000
Network and Computer Systems Servers, switches, routers	\$ 30,000
Security and Access Controls Security upgrades to IP based	\$ 50,000
Total	\$ 956,000
<u>Performing Arts</u>	
Building Systems Cooling tower fill, water heaters, BAS, aisle lighting, misc.	\$ 208,388
Food Service Misc. concessions equipment	\$ 20,000
Interior Finishes First floor restrooms, misc. carpet	\$ 275,000
Network and Computer Systems Replace servers	\$ 20,000
Security and Access Controls Access control	\$ 30,000
Total	\$ 553,388
Total Requested Projects	\$ 3,402,363

EMPLOYEE CAP CHANGES:

There are no City positions associated with this sub-fund.

RECOMMENDATIONS:

None

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CITY VENUES – DEBT SERVICE (S/F 4K6)**

PROPOSED BUDGET BOOK – Page #119-120

BACKGROUND:

This subfund is for the debt payments related to each venue managed by SMG.

REVENUE:

1. Investment Pool/Interest Earnings:
 - The budgeted amount of \$68,729 is the projected Investment Pool Earnings for fiscal year 2017/2018 based on available cash and the interest rate projected by Treasury.
2. Transfers from Other Funds:
 - The transfer of \$2,040,849 is a transfer from the Sports Complex Capital Maintenance sub-fund (4G1).
3. Transfer In to Pay Debt Service:
 - The transfer of \$19,372,656 includes:
 - \$5,712,258 from the Better Jacksonville Trust Fund (1I1) for the Memorial Arena and Baseball Stadium debt
 - \$3,134,495 from the Sports Complex Capital Maintenance sub-fund (4G1) for the Scoreboard electronics and infrastructure
 - \$10,525,903 from the City Venues – City (4K1) for Everbank Field and the Performing Arts Center

EXPENDITURES:

1. Debt Management Fund Repayments:
 - The \$2,040,849 is the principal (\$259,056) and interest (\$1,781,793) payments to the Debt Management Fund for the Amphitheater and Covered Flex Field approved through Amendment #14 of the Jaguar Lease.
2. Fiscal and Other Debt Fees:
 - The debt service payments include principal and interest costs and fiscal agent fees, which are based on a repayment schedule that was established at the time the bonds were issued. See the table on the following page for fiscal year 2017/2018 payments.

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 CITY VENUES – DEBT SERVICE (S/F 4K6)**

PROPOSED BUDGET BOOK – Page #119-120

Everbank Field				
Account Title	Principal	Interest	Fiscal Agent Fee	Total
2012 Capital Improvement Revenue Refunding Bonds	\$5,705,000	\$ 4,560,500	\$ 450	\$ 10,265,950
Short-term Debt - Scoreboard (Electronics)	\$ 925,000	\$ 327,500	\$ 1,000	\$ 1,253,500
Proposed: 2017A Special Revenue Bonds	\$1,135,000	\$ 759,011	\$ -	\$ 1,894,011
Total	\$7,765,000	\$ 5,647,011	\$ 1,450	\$ 13,413,461
Memorial Arena				
Account Title	Principal	Interest	Fiscal Agent Fee	Total
2012 Better Jacksonville Sales Tax Revenue Refunding Bonds	\$ -	\$ 1,611,335	\$ -	\$ 1,611,335
2012A Better Jacksonville Sales Tax Revenue Refunding Bonds	\$ -	\$ 2,918,500	\$ -	\$ 2,918,500
Total	\$ -	\$ 4,529,835	\$ -	\$ 4,529,835
Baseball Stadium				
Account Title	Principal	Interest	Fiscal Agent Fee	Total
2012 Better Jacksonville Sales Tax Revenue Refunding Bonds	\$ -	\$ 425,490	\$ -	\$ 425,490
2012A Better Jacksonville Sales Tax Revenue Refunding Bonds	\$ -	\$ 771,250	\$ -	\$ 771,250
Total	\$ -	\$ 1,196,740	\$ -	\$ 1,196,740
Performing Arts Center				
Account Title	Principal	Interest	Fiscal Agent Fee	Total
2012C Special Revenue Refunding Bonds	\$ 287,000	\$ 14,350	\$ -	\$ 301,350
Total Debt Payments for City Venues	\$8,052,000	\$11,387,936	\$ 1,450	\$ 19,441,386

EMPLOYEE CAP CHANGES:

There are no City positions associated with this sub-fund.

RECOMMENDATIONS:

None

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SPORTS COMPLEX CAPITAL MAINTENANCE (4G1)**

PROPOSED BUDGET BOOK – Page #89-90

BACKGROUND:

Ordinance 2009-817-E mandates that the Convention Development Tax collected pursuant to Municipal Code Chapter 764, be allocated to the Sports Complex Capital Maintenance Enterprise Fund. The 4G1 sub-fund was established for this purpose. These funds are to be used exclusively to construct, extend, enlarge, remodel, repair, improve or maintain the Sports Complex which includes Everbank Field, Memorial Arena and the Jacksonville Baseball Stadium.

Pursuant to Section 6(d) of Amendment #12 and Section 9(d) of Amendment #14 to the Jaguar Lease, the City will use part of the Convention Development Tax revenues to make the principal and interest payments on the \$43,109,000 City share of the North End Zone and Video Board Improvements and the \$45,000,000 City share of the 2015 Stadium Improvements, respectively. This is an “all years” fund.

REVENUES:

1. Taxes:

- The budgeted amount of \$8,767,591 includes:
 - \$7,328,160 budgeted for the Convention Development Tax, which is an increase of \$408,534.
 - An appropriation of excess revenues over budget in the amount of \$1,439,431 since this is an “all years” fund.

2. Investment Pool/Interest Earnings:

- The decrease of \$78,501 is due to the projected interest rate by Treasury and projected available cash once the special revenue bonds approved by Ordinance 2017-411-E are issued.

EXPENDITURES:

1. Capital Outlay:

- The Capital Funding for each of the venues is listed in detail on the following page.

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 SPORTS COMPLEX CAPITAL MAINTENANCE (4G1)**

PROPOSED BUDGET BOOK – Page #89-90

	Description	Amount
<u>Everbank Field</u>		
Audio/Visual/Scoreboard/Broadcast	SEZ video displays, sound system expansion	\$ 465,000
Furniture, Fixtures and Equipment	Terrace suite furniture	\$ 350,000
Interior Finishes	Suite, restroom finishes	\$ 550,000
Network and Computer Systems	Concessions point of sale replacement, IDF Cleanup	\$ 1,190,000
	Total	\$ 2,555,000
<u>Baseball Stadium</u>		
Building Systems	Sports lighting, misc. building systems, backstop net extension	\$ 695,000
	Total	\$ 695,000
<u>Memorial Arena</u>		
Building Systems	Misc. building systems contingency	\$ 200,000
Interior Finishes	Premium loge boxes/VIP lounge	\$ 200,000
	Total	\$ 400,000
	Total Requested Projects	\$ 3,650,000

2. Debt Service:

- The \$3,134,495 is a transfer to City Venues – Debt (4K6) for the Scoreboard electronics and infrastructure.

3. Transfers to Other Funds:

- The transfer of \$2,040,849 is a transfer to the City Venues – Debt (4K6) for the principal and interest payments to the Debt Management Fund for the Amphitheater and Covered Flex Field approved through Amendment #14 of the Jaguar Lease.

EMPLOYEE CAP CHANGES:

There are no City employees associated with this sub-fund.

RECOMMENDATIONS:

None

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OFFICE OF SPORTS AND ENTERTAINMENT
SMG BUDGET ORDINANCE LANGUAGE**

BUDGET ORDINANCE LANGUAGE CHANGE:

We recommend that the Chapter 126, *Ordinance Code*, waiver in regard to the SMG Contract be amended as follows:

Section 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~~ April 1, 2017, 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~~ \$250,000 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~~ \$250,000/\$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 Ordinance 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.