

OFFICE OF THE COUNCIL AUDITOR

FY2011/2012 PROPOSED BUDGET

FINANCE COMMITTEE MEMBERS

Richard Clark - Chair
Warren A. Jones - Vice Chair
Greg Anderson
Bill Bishop
John R. Crescimbeni
Bill Gulliford
Clay Yarborough



Meeting #4
August 18, 2011

**COUNCIL AUDITOR’S OFFICE
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**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2011/12 BUDGET
CLERK OF THE COURT
CLERK OF THE COURT (016)**

PROPOSED BUDGET BOOK- Page # 187-189

BACKGROUND:

Pursuant to Article 5 of the of the Florida Constitution and Section 28 of the Florida Statutes, the Clerk of the Circuit Court is the official recorder of all instruments that may, by law, be recorded in the county. Examples of these instruments included deeds, marriage licenses, documentary stamps, etc. A fee of \$10 for the first page and \$8.50 for each additional page is charged each time a document is recorded with the Clerk of the Court. The County side of the Clerk (S/F 016) receives \$5.00 for the first page and \$4.00 for each additional page. The rest of the fee goes into various other accounts.

<u>Distributed to/Used for</u>	<u>1st Page</u>	<u>Each Add'l Page</u>	<u>Fund/Subfund</u>
Clerk of the Court (to be used for equip, maint of equip, personnel training, tech assist in modernizing public records system)	\$ 5.00	\$ 4.00	016-Clerk of Court
Clerk of the Court (Public Records Modernization Trust Fund)	\$ 1.00	\$ 0.50	
Clerk of the Court (Public Records Modernization Trust Fund)	\$ 1.90	\$ 1.90	
Florida Association of Court Clerks and Comptroller, Inc.	\$ 0.10	\$ 0.10	
City of Jacksonville (court-related technology for state trial courts, state attorney, and public defender)	\$ 2.00	\$ 2.00	15U-Courts
Total Fee	<u>\$ 10.00</u>	<u>\$ 8.50</u>	

REVENUES:

1. Charges for Services:

- The net increase of \$93,540 is primarily the result of increases in revenue from miscellaneous service fees, documentary stamps, marriage licenses and copy charges.

2. Miscellaneous Revenue

- The decrease of \$7,092 is the result of a decrease in revenue from the Court Cost Compliance fee.

3. Transfers from Other Funds

- The decrease of \$178,915 from the General Fund is due to decreases in expenses and increases in revenues.

EXPENDITURES:

1. Salaries:

- The increase of \$7,975 is primarily due to realizing a 2% reduction in Personnel Services Funding rather than the 3% reduction in Personnel Services Funding anticipated when the FY 2010/11 Budget was adopted.

2. Employer Provided Benefits:

- The net increase of \$7,395 is mainly attributable to increases in group health insurance of \$8,115 and pension of \$1,570. This is offset somewhat with decreases in workers' compensation of \$1,052 and life insurance of \$1,183.

3. Internal Service Charges:

- The net decrease of \$128,077 is attributable to decreases in telecommunication charges of \$83,895, mailroom charges of \$32,305, and legal \$18,783. The mailroom charge was reduced due to postage being moved to Other Operating Expenses section. \$535,882 of the total amount budgeted for internal service charges is for offsite storage.

4. Other Operating Expenses:

- The net increase of \$36,345 is mainly attributable to moving the cost of postage from the mailroom internal service charge line to the postage line.

5. Supervision Allocation:

- The decrease of \$14,481 is a reduction of the Clerks' allocation of administrative staff time paid by the State to the City.

SERVICE LEVEL CHANGES:

There are no significant service level changes.

EMPLOYEE CAP CHANGES:

There are no changes in the number of authorized positions.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2011/12 BUDGET
MEDICAL EXAMINER OFFICE (S/F 011)**

PROPOSED BUDGET BOOK- Page #216

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, Union County, and parts of District III, which includes service to Columbia, Hamilton, Lafayette and Suwannee Counties.

REVENUES:

1. Charges for Services:

- The net increase of \$134,013 is mainly due to an increase in the number of autopsies and other services performed for Counties within District III totaling \$192,028. Other services include inspections and record reviews. The primary offset is a reduction of \$60,129 in autopsies provided to Clay and Nassau Counties and Union County inmates.

EXPENDITURES:

1. Salaries:

- The \$61,966 net decrease is primarily due to two vacant Associate Medical Examiner positions being filled by less experienced employees at a reduced pay rate.

2. Employer Provided Benefits:

- The net decrease of \$15,690 is primarily due to reductions of \$6,693 in pension contributions, \$6,522 in group hospitalization insurance, \$2,876 in group life insurance and \$930 in Medicare. These decreases were slightly offset by an increase of \$1,618 in workers' compensation.

3. Internal Service Charges:

- The net decrease of \$135,521 is primarily the result of a net reduction of \$89,970 in ITD charges due to a new allocation method and an additional decrease in ITD charges of \$47,588 for paying off a case management system project.

4. Other Operating Expenses:

- The net decrease of \$11,874 is primarily due to the reductions of \$6,000 in professional services, \$3,000 in fuel oil and gas-heat/power and \$2,100 for eliminating the clothing allowance of investigators not required to wear uniforms.

SERVICE LEVEL CHANGES:

There are no significant changes.

EMPLOYEE CAP CHANGES:

There are no changes in the cap.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2011/12 BUDGET
PLANNING & DEVELOPMENT
GENERAL FUND (S/F 011)**

PROPOSED BUDGET BOOK - Page #227

BACKGROUND:

The Planning and Development Department manages existing and future development within the City of Jacksonville. Matters pertaining to zoning, the comprehensive plan, concurrency, land use, inspections and building codes fall within the purview of this department.

The general fund portion of the Planning and Development Department consists of the Office of the Director, Community Planning Division, Current Planning Division, and Development Services Division.

Two new activities have been created for FY 12. Downtown Community Economic Empowerment and Jax Sports & Entertainment Corporation have been created within the Office of Director. Information regarding these activities has not been provided by the Administration.

REVENUES:

1. Charges for Services:

- The net decrease of \$214,695 is primarily due to lower projections in the collection of zoning and re-zoning fees (\$134,385) and comprehensive amendment fees (\$69,515).

2. Fines and Forfeits:

- Civil fines and penalties occurring in the City's Historic Preservation Districts are projected to be lower by \$2,764 in FY 12 based on the revenue collected in the current fiscal year.

3. Miscellaneous Revenue:

- The decrease of \$46,075 is attributable to lower collections of filing fees associated with right-of-way permits. This projection is based on lower activity in FY11.

EXPENDITURES:

1. Salaries and Employer Benefits:

- The net change of \$126,936 is primarily due to the creation of (7) positions in the proposed budget with salaries and benefits totaling \$817, 986. Those proposed additional salaries and benefits costs were offset by the elimination of (10) positions in the proposed budget totaling \$569,726, the downgrading of (9) positions in the proposed budget with a combined value of \$25,901, the unfunding of (1) position in the proposed budget with a reduction of \$90,804, and (1) position transferred to Central Operations during FY 11.

2. Lapse:

- The lapse represents savings from the redlining of Deputy Director position within the Office of the Director and will be eliminated once it becomes vacant.

3. Internal Service Charges:

- The net decrease of \$307,193 reflects cost reductions in the areas of: information technology (\$239,066), copy center (\$25,844), legal services (\$23,205), copier consolidation (\$21,456) and fleet management (18,393). These cost reductions were mostly offset by an increase in telecommunication costs (\$24,321).

4. Other Operating Expenses:

- The net increase of \$59,169 is primarily due to the addition of operating budgets for the Downtown Community Economic Empowerment and the Jax Sports & Entertainment Corporation for \$38,000 each totaling \$76,000. Offsetting these increases were reductions in office supplies (\$12,874) and general liability and miscellaneous insurance (\$5,866).

SERVICE LEVEL CHANGES:

The Downtown Community Economic Empowerment and Jax Sports & Entertainment Corp are new activities budgeted within the Office of the Director. We were not provided any additional information by the Administration regarding these activities.

EMPLOYEE CAP CHANGES:

<u>Net Result of Position Adjustments</u>	<u>Cap Changes</u>	<u>Savings</u>	<u>Increase</u>	<u>Net (Savings)/Increase For FY 11/12</u>
Position Transferred Out During FY 10/11	(1)	\$ -	\$ -	\$ -
Elimination of Positions	(10)	\$(569,726)	\$ -	\$ (569,726)
Downgrade of Positions (9)*	N/A	\$ (25,901)	\$ -	\$ (25,901)
Unfunded Position (1)*	N/A	\$ (90,804)	\$ -	\$ (90,804)
Cost of Positions Created for FY 11/12 (Downtown Community Empowerment and JAX Sports and Entertainment)	7	\$ -	\$ 817,986	\$ 817,986
Net Increase/(Decrease)	(4)	\$(686,431)	\$ 817,986	\$ 131,555

* Does Not Affect Employee Cap

A net reduction of four (4) positions is reflected in the FY 12 budget. Ten (10) positions are proposed to be eliminated and nine (9) positions will be reclassified to lower classifications given a reorganization of the department. Additionally, the Chief of Community Planning Division is unfunded. During FY 11, one (1) Planning Business Manager position was transferred from the Office of the Director to the Central Operations Department/Administrative Services Division.

Four (4) positions are proposed to be added to the employee cap in connection with the Downtown Community Economic Empowerment, including a CEO/ President, 2 Vice Presidents, and an Administrative Assistant Senior. The Salaries and Benefits cost associated with adding these four (4) positions is \$460,547. Three (3) positions are proposed to be added in

connection with Jax Sports & Entertainment Corporation, including a CEO/ President, Vice President, and an Administrative Assistant Senior. The Salaries and Benefits cost associated with adding these positions is \$357,439.

RECOMMENDATIONS:

1. Given the duplication of services with the Jacksonville Economic Development Commission, we recommend the deletion of the two new activities: Downtown Community Economic Empowerment and JAX Sports & Entertainment. This will decrease the Employee Cap by 7 positions. All related expenses will also be deleted having a positive impact of \$908,558 on Special Council Contingency.

The allocation of Worker's Compensation Insurance to these new divisions in the proposed budget needs to be reallocated elsewhere in the department. We recommend the total amount allocated of \$6,168 be reallocated to the Planning Department's Office of the Director.

**COUNCIL AUDITOR'S OFFICE
COMMENTS & RECOMMENDATIONS
MAYOR'S PROPOSED FY 2011/12 BUDGET
PLANNING & DEVELOPMENT
CONCURRENCY MANAGEMENT SYSTEM (S/F 112)**

Proposed Budget Book page #230

BACKGROUND:

The Concurrency Management System measures the potential impact of a proposed development on the adopted minimum levels of services, as established by the 2030 Comprehensive Plan. All fees received by the City in connection with the applications, appeals, administration, enforcement and management of the Concurrency Management System are deposited pursuant to Chapter 655 of the Municipal Code.

An amendment to Chapter 655 was introduced to Council on August 9, 2011(Ord. 2011-536) that will put into place the new facet of the Concurrency Management System referenced as the 2030 Mobility Plan.

REVENUES:

1. Miscellaneous Revenue:

- Investment earnings are expected to decrease by \$20,400 due to anticipated lower interest rates.

2. Transfers from Fund Balance:

- A transfer from fund balance, to support concurrency operations, is not financially necessary in FY 12 given the overall reduction in operating costs.

3. Charges for Services:

- The increase of \$51,380 is attributable to higher revenue projections in the areas of Concurrency Reservation Certificates and Conditional Capacity Availability Statements.

EXPENDITURES:

1. Cash Carryover:

- The availability of a cash carryover in FY 12 is primarily due to the overall reduction in operating costs.

2. Internal Service Charges:

- The increase of \$19,501 is mostly due to information technology costs surrounding upgrades to the Concurrency System database.

3. Other Operating Expenses:

- The net decrease of \$275,541 is primarily due to a reduction in building rental (in-house) charges in the amount of \$270,988. The reduction is the result of a correction in the amount of assigned square footage to the Concurrency Management Division. This division was being charged for the square footage associated with the entire Planning and Development Department.

4. Transfers to Other Funds:

- The decrease of \$123,475 to the General Fund is due to personnel within the General Fund spending less time on Concurrency Reviews.

SERVICE LEVEL CHANGES:

Per the Division, the new Mobility Plan System will not impact service levels.

EMPLOYEE CAP CHANGES:

There are no changes to the employee cap. During FY 11, one City Planner Manager position was reclassified to a City Planner Supervisor given a reorganization of the department.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED 2011/12 BUDGET
PLANNING DEPARTMENT
BUILDING INSPECTION (S/F 159)**

PROPOSED BUDGET BOOK- Page 99

BACKGROUND:

The Building Inspection Division reviews and approves plans, issues permits for residential and commercial construction, and performs building, plumbing, mechanical, electrical, sign, landscape and swimming pool inspections in accordance with the Florida Building Code and local ordinances. This division also houses fire plans review by the Fire & Rescue Department.

REVENUES:

CITYWIDE ACTIVITIES

1. Miscellaneous Revenue:

- Investment earnings are expected to decrease by \$114,100 attributed to lower investment earnings citywide.

PLANNING AND DEVELOPMENT

1. Charges for Services:

- The net decrease of \$1,614,197 is primarily due to lower projections in the trade areas of: building inspections (\$753,755), plumbing inspections (\$342,047), re-inspections (\$199,388), building permit reviews (\$181,145), mechanical inspections (\$144,584) and electrical inspections (\$63,196). Primary offsets to the decreases are increases in the areas of licensed contractor fees and plans reviews in the amounts of \$47,300 and \$45,365 respectively according to projected amounts.

2. Fines and Forfeits

- The net increase of \$15,922 is primarily due to fee increases approved by Ordinance 2010-216-E.

3. Miscellaneous Revenue

- The net decrease of \$52,439 in Planning & Development is mainly due to a \$62,433 decrease caused by less time being billed out to the General Fund for one employee who has provided technical services on the new courthouse project. Offsetting this decrease is a projected increase in the sale of books, maps and regulations of \$9,994.

EXPENDITURES:

PLANNING AND DEVELOPMENT:

1. Salaries:

- The decrease of \$860,389 is primarily due a reduction of 18 positions.

2. Employer Provided Benefits:

- The decrease of \$249,027 is primarily reflective of the reduction of positions. A reduction in the allocation for workers compensation contributed \$31,654 to the overall decrease.

3. Internal Service Charges:

- The net decrease of \$672,605 is primarily due to a reduction of \$493,890 in information technology costs, system development allocation \$200,718, and fleet management costs \$74,715. These cost reductions were offset by a \$25,399 increase in telecommunication costs due to a change in ITD cost allocation.

4. Other Operating Expenses:

- The decrease of \$76,144 is primarily from a reduction in contracted credit card fees (\$36,000) as well as repairs and maintenance (\$9,226), uniform costs (\$8,498), general liability insurance (\$8,256) and operating supplies (\$8,000) reduced based on current year actuals.

SERVICE LEVEL CHANGES:

- No significant change in service level.

EMPLOYEE CAP CHANGES:

Eighteen Planning and Development positions are being eliminated reducing the number from 103 to 85. All eighteen positions were filled.

2010/2011 Original	Increase/ Decrease	2011/2012 Proposed
103	18	85

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED 2011/2012 BUDGET
JACKSONVILLE ECONOMIC DEVELOPMENT COMMISSION
MUNICIPAL STADIUM-CITY (4A1)**

PROPOSED BUDGET BOOK – Page #143

BACKGROUND:

SMG was hired by the City to manage six public entertainment facilities which include Everbank Field, the Memorial Arena, Jacksonville Baseball Stadium, Times-Union Center for Performing Arts, the Convention Center and the Equestrian Center. The Jacksonville Economic Development Commission (JEDC) serves as a liaison for SMG. Ordinance 2007-1265-E extended the contract between the City of Jacksonville and SMG through March 30, 2013.

REVENUES:

1. Charges for Services:

- The reduction of \$332,000 is primarily due to a decrease of \$150,000 in NFL Ticket Surcharge and a decrease of \$185,000 in Facility Fees that are based on current year actual collections.

2. Miscellaneous Revenue:

- The Jacksonville Jaguar supplemental rent payment per Amendment 8 of the Lease for FY 2011/2012 is \$4,019,334, which is a decrease of \$36,185.

3. Taxes:

- This includes the 2 Cent Tourist Development Tax budgeted at \$4,518,000 and the State Sales Tax Rebate budgeted at \$2,000,004. The increase of \$306,184 is due to a budgeted increase in the 2 Cent Tourist Development Tax to account for the projected increase in collections.

4. Transfers from Other Funds:

- The transfers of \$6,687,794 include:
 - A General Fund contribution of \$5,743,052 which is a decrease of \$783,618 from the previous year.
 - A transfer from the Memorial Arena of \$944,742 which is an increase of \$256,441 from the previous year.

EXPENDITURES:

1. Internal Service Charges:

- The increase of \$25,142 is primarily due to an increase in Fleet Vehicle Rental internal service allocation of \$24,491 to replace 16 utility carts and 2 Toro workman carts since they are beyond repair.

2. Other Operating Expenses:

- Operating Expenses on the City side include Electricity, Water and Miscellaneous Insurance.
- The increase of \$260,809 is primarily due to an increase of \$235,970 in Miscellaneous Insurance due to an error in overvaluing the stadium. This correction will be made under Insured Programs at a later budget hearing meeting.

3. Capital Outlay:

- The \$80,000 includes:
 - Audio/Visual Equipment \$10,000
 - Event Equipment \$15,000
 - Housekeeping Equipment \$15,000
 - Landscape and Turf Equipment \$10,000
 - Operations Equipment \$10,000
 - Parking Equipment \$10,000
 - Trades Equipment \$10,000

4. Debt Service:

- This is a transfer to the Debt Service subfund (4A6) for Everbank Field.

5. Transfers to Other Funds:

- The transfer of \$4,786,216 consists of:
 - \$100,000 for payback of a \$2,115,000 loan from sub-fund 322
 - \$296,000 for payback of a \$5,000,000 loan from sub-fund 322
 - \$4,390,216 is a transfer to Municipal Stadium – SMG (4A2)

SERVICE LEVEL CHANGES:

There are no significant service level changes to the budget.

EMPLOYEE CAP CHANGES:

There are no city positions associated with this subfund.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED 2011/2012 BUDGET
JACKSONVILLE ECONOMIC DEVELOPMENT
MUNICIPAL STADIUM-SMG (4A2)**

PROPOSED BUDGET BOOK – Page #146

BACKGROUND:

SMG was hired by the City to manage six public entertainment facilities which include Everbank Field, the Memorial Arena, Jacksonville Baseball Stadium, Times-Union Center for Performing Arts, the Convention Center and the Equestrian Center. The Jacksonville Economic Development Commission (JEDC) serves as a liaison for SMG. Ordinance 2007-1265-E extended the contract between the City of Jacksonville and SMG through March 30, 2013.

REVENUES:

1. Charges for Service:

- The increase of \$243,216 is primarily due to an increase in Contractual Services Revenue of \$252,016, which is caused by the new contracts for other events held at the Stadium reclassifying revenues.

2. Miscellaneous Revenue:

- The decrease of \$85,141 is due to a reduction in Rental of City Facilities of \$114,357 because of the new contracts for other events held at the Stadium are reclassifying revenues. There is also a reduction of Concession Sales in the amount of \$83,784, which is more in line with current year collections.
- The decreases are offset by increases in Miscellaneous Sales and Charges of \$45,000, Non-Dwelling Rent of \$35,000, and \$32,000 in Advertising Fee which are more in line with current year collections.

3. Transfers from Other Funds:

- This is a transfer from Municipal Stadium – City (4A1).

EXPENDITURES:

1. Salaries:

- There was no change in Salaries for SMG

2. Employer Provided Benefits:

- There was no change in Employer Provided Benefits for SMG

3. Other Operating Expenses:

- Operating Expenses on the SMG side mainly consist of Contractual Services, Repairs and Maintenance, and Professional Services.

- The increase of \$137,052 is primarily due to an increase in Repairs and Maintenance of \$83,000 and Professional Services of \$37,284 to bring the budget more in line with what is needed at the facility.
- Game Day Expenses are included in Contractual Services Expense. Below is a summary of Game Day Expenses:

	2010/11 Original	2011/2012 Proposed	Dollar Change	Percent Change
Game Day Budget per Game	\$ 199,671	\$ 187,040	\$ (12,631)	-7%
# of games budgeted	10	11	\$ 1	9%
	\$ 1,996,710	\$ 2,057,440	\$ 60,730	3%
24 hour turnaround	11,582		\$ (11,582)	N/A
Holiday Game Cost	-	-	\$ -	N/A
Total Game Day Expenses	<u>\$ 2,008,292</u>	<u>\$ 2,057,440</u>	<u>\$ 49,148</u>	2%

SERVICE LEVEL CHANGES:

There are no significant service level changes to the budget.

EMPLOYEE CAP CHANGES:

There are no city employees associated with this subfund.

RECOMMENDATIONS:

1. We recommend that \$50,000 be added to Game Day Expenses to cover overtime occurring on a holiday. The Jaguar football schedule came out subsequent to the budget being submitted. There is a Jaguar game on January 1, 2012 and the Gator Bowl game is on January 2, 2012. This will increase the General Fund contribution and will have a negative impact on the Special Council Contingency.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED 2011/2012 BUDGET
JACKSONVILLE ECONOMIC DEVELOPMENT
MUNICIPAL STADIUM-DEBT SERVICE (4A6)**

PROPOSED BUDGET BOOK – Page #148

BACKGROUND:

SMG was hired by the City to manage six public entertainment facilities which include Everbank Field, the Memorial Arena, Jacksonville Baseball Stadium, Times-Union Center for Performing Arts, the Convention Center and the Equestrian Center. The Jacksonville Economic Development Commission (JEDC) serves as a liaison for SMG. Ordinance 2007-1265-E extended the contract between the City of Jacksonville and SMG through March 30, 2013. This subfund is for debt service specifically pertaining to Everbank Field.

REVENUES:

1. Miscellaneous Revenue:
 - The increase of \$147,805 is due to projected Investment Pool Earnings.
2. Transfer in to Pay Debt Service:
 - The transfer of \$10,496,713 is from the Municipal Stadium-City subfund (4A1).

EXPENDITURES:

1. Fiscal and Other Debt Fees:
 - The debt service payments include:

<u>Account Title</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1997 Municipal Stadium Capital Improvement	275,000	288,068	563,068
1998 Municipal Stadium Capital Improvement	225,000	1,635,388	1,860,388
2002A Capital Improvement	290,000	1,737,735 *	2,027,735
2002B Capital Improvement	2,630,000	1,415,313	4,045,313
2002C Capital Improvement	1,105,000	1,040,223	2,145,223
Total Payments	<u>4,525,000</u>	<u>6,116,725</u>	<u>10,641,725</u>

* The total interest payment for the 2002A Capital Improvement Bonds is \$2,556,230. The amount up above is net of \$818,495 in excess funds in the Sinking Fund account.

- The fiscal agent fees are \$2,793.

SERVICE LEVEL CHANGES:

There are no significant service level changes to the budget.

EMPLOYEE CAP CHANGES:

There are no city positions associated with this subfund.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED 2011/2012 BUDGET
JACKSONVILLE ECONOMIC DEVELOPMENT COMMISSION
JACKSONVILLE MEMORIAL ARENA-CITY (4B1)**

PROPOSED BUDGET BOOK – Page #150

BACKGROUND:

Sports Management Group (SMG) was hired by the City to manage six public entertainment facilities which include Everbank Field, the Memorial Arena, Jacksonville Baseball Stadium, Times-Union Center for Performing Arts, the Convention Center and the Equestrian Center. The Jacksonville Economic Development Commission (JEDC) serves as a liaison for SMG. Ordinance 2007-1265-E extended the contract between the City of Jacksonville and SMG through March 30, 2013.

REVENUES:

1. Miscellaneous Revenues:
 - The increase of \$20,925 is due to Investment Pool Earnings being budgeted for FY 2011/2012. As of July 2011 \$17,425 has been collected.
2. Transfers from Other Funds:
 - The Transfers of \$2,464,166 include:
 - \$146,227 from the Convention Center
 - \$2,317,939 from Memorial Arena – SMG (4B2)

EXPENDITURES:

1. Internal Service Charges:
 - There are no significant changes to the Internal Service Charges.
2. Other Operating Expenses:
 - Other Operating Expenses on the City side include Electricity, Water and Miscellaneous Insurance.
 - There are no significant changes to the Operating Expenses budget.
3. Capital Outlay:
 - The \$40,000 includes:
 - Audio/Visual Equipment \$10,000
 - Housekeeping Equipment \$15,000
 - Operations Equipment \$15,000
3. Transfers to Other Funds:
 - This is a transfer of \$944,742 to the Municipal Stadium-City subfund (4A1) which is an increase of \$163,038.

SERVICE LEVEL CHANGES:

There are no significant service level changes to the budget.

EMPLOYEE CAP CHANGES:

There are no city positions associated with this subfund.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED 2011/2012 BUDGET
JACKSONVILLE ECONOMIC DEVELOPMENT COMMISSION
MEMORIAL ARENA- SMG (4B2)**

PROPOSED BUDGET BOOK – Page #152

BACKGROUND:

SMG was hired by the City to manage six public entertainment facilities which include Everbank Field, the Memorial Arena, Jacksonville Baseball Stadium, Times-Union Center for Performing Arts, the Convention Center and the Equestrian Center. The Jacksonville Economic Development Commission (JEDC) serves as a liaison for SMG. Ordinance 2007-1265-E extended the contract between the City of Jacksonville and SMG through March 30, 2013.

REVENUES:

1. Charges for Services:

- The changes in Charges for Services include:
 - An increase of \$271,639 in Parking Fees due to the rates being increased for certain shows.
 - An increase of \$157,000 in Other Ticket Surcharge-Club/Suites due to increased sales efforts
 - Other Ticket Surcharge – Incentive Fees increased by \$100,000 due to the Ticketmaster contract being renegotiated.
 - The increases are all offset by a decrease of \$505,403 in Contractual Services Revenue due to reduced event production expenses as promoters try to cut expenses.

2. Miscellaneous Revenue:

- The decrease of \$108,012 is primarily due to a reduction in Concession Sales of \$261,300 due to the economy and Non-dwelling Rent of \$70,000 not budgeted for FY 2011/2012 for the Arena.
- The decreases are offset by an increase in the Rental of City Facilities of \$204,288 to reflect more profitable shows for the next fiscal year.

EXPENDITURES:

1. Salaries:

- There is no change in Salaries for SMG.

2. Employer Provided Benefits:

- There is no change in Employer Provided Benefits for SMG.

3. Other Operating Expenses:

- Operating Expenses on the SMG side mainly consist of Contractual Services, Repairs and Maintenance and Professional Services.

- The decrease of \$99,791 is primarily due to reductions in Contractual Services of \$316,173 due to reduced event production expenses.
- The decrease is offset by an increase in Event Contributions of \$150,000 to correctly reflect suite tickets that are purchased from promoters. Repairs and Maintenance increased by \$90,000 to bring the budget more in line with what is needed for the facility.

4. Transfers to Other Funds:

- The transfer of \$2,317,939 is a transfer to the Memorial Arena – City (4B1).

SERVICE LEVEL CHANGES:

There are no significant service level changes to the budget.

EMPLOYEE CAP CHANGES:

There are no city positions associated with this subfund.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED 2011/2012 BUDGET
JACKSONVILLE ECONOMIC DEVELOPMENT COMMISSION
MEMORIAL ARENA- DEBT SERVICE (4B6)**

PROPOSED BUDGET BOOK – Page #154

BACKGROUND:

SMG was hired by the City to manage six public entertainment facilities which include Everbank Field, the Memorial Arena, Jacksonville Baseball Stadium, Times-Union Center for Performing Arts, the Convention Center and the Equestrian Center. The Jacksonville Economic Development Commission (JEDC) serves as a liaison for SMG. Ordinance 2007-1265-E extended the contract between the City of Jacksonville and SMG through March 30, 2013. This subfund is for debt service specifically pertaining to the Memorial Arena.

REVENUES:

1. Miscellaneous Revenues:

- The increase of \$113,131 is due to projected Investment Pool Earnings.

2. Transfer In to Pay Debt Service:

- This is a transfer from the Better Jacksonville Trust Fund to pay the Debt Service.

EXPENDITURES:

1. Debt Service:

- The Debt Service payments include:

<u>Account Title</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2001 Better Jacksonville Sales Tax Revenue Bonds	1,015,936	1,780,678	2,796,614
2003 Better Jacksonville Sales Tax Revenue Bonds	1,044,540	1,665,815	2,710,356
2004 Better Jacksonville Sales Tax Revenue Bonds	1,204,328	1,486,648	2,690,976
Total Payments	<u>3,264,805</u>	<u>4,933,141</u>	<u>8,197,946</u>

- The principal payments are budgeted at \$3,284,532 and the interest payments are budgeted at \$4,744,145 which is incorrect. The total interest and principal payments should be budgeted at \$8,197,946. The payment amounts will be corrected under the Better Jacksonville Plan subfund at a later budget hearing.

SERVICE LEVEL CHANGES:

There are no significant service level changes to the budget.

EMPLOYEE CAP CHANGES:

There are no city positions associated with this subfund.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED 2011/2012 BUDGET
JACKSONVILLE ECONOMIC DEVELOPMENT COMMISSION
JACKSONVILLE BASEBALL STADIUM-CITY (4C1)**

PROPOSED BUDGET BOOK – Page #156

BACKGROUND:

SMG was hired by the City to manage six public entertainment facilities which include Everbank Field, the Memorial Arena, Jacksonville Baseball Stadium, Times-Union Center for Performing Arts, the Convention Center and the Equestrian Center. The Jacksonville Economic Development Commission (JEDC) serves as a liaison for SMG. Ordinance 2007-1265-E extended the contract between the City of Jacksonville and SMG through March 30, 2013.

REVENUES:

1. Charges for Services:

- The increase of \$38,500 is due to Other Ticket Surcharge-Facility Fees. Collections have already exceeded the budget for this current year and they expect the same attendance level for the Suns games next year.

2. Miscellaneous Revenue:

- The decrease of \$9,202 is due to a lower projection in Investment Pool Earnings.

3. Transfers from Other Funds:

- The transfer of \$634,337 is all from the General Fund.

EXPENDITURES:

1. Internal Service Charges:

- There are no significant changes to Internal Service Charges.

2. Other Operating Expenses:

- There are no significant changes to Other Operating Expenses.
- Operating Expenses on the City side includes Electricity, Water and Miscellaneous Insurance.

3. Capital Outlay:

- The \$10,000 is for housekeeping equipment which includes trash cans and floor scrubbers.

4. Transfers to Other Funds:

- This is a transfer of \$349,275 to the Baseball Stadium – SMG (4C2).

SERVICE LEVEL CHANGES:

There are no significant service level changes to the budget.

EMPLOYEE CAP CHANGES:

There are no city positions associated with this subfund.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED 2011/2012 BUDGET
JACKSONVILLE ECONOMIC DEVELOPMENT COMMISSION
JACKSONVILLE BASEBALL STADIUM-SMG (4C2)**

PROPOSED BUDGET BOOK – Page #158

BACKGROUND:

SMG was hired by the City to manage six public entertainment facilities which include the Everbank Field, the Memorial Arena, Jacksonville Baseball Stadium, Times-Union Center for Performing Arts, the Convention Center and the Equestrian Center. The Jacksonville Economic Development Commission (JEDC) serves as a liaison for SMG. Ordinance 2007-1265-E extended the contract between the City of Jacksonville and SMG through March 30, 2013.

REVENUES:

1. Charges for Services:

- The increase of \$90,321 is primarily due to Parking Revenues increasing by \$77,402 due to a rate increase.

2. Miscellaneous Revenue:

- There are no significant changes to Miscellaneous Revenue.

3. Transfers from Other Funds:

- The transfer of \$349,275 is from Baseball Stadium – City (4C1).

EXPENDITURES:

1. Salaries:

- There is no change in Salaries for SMG.

2. Employer Provided Benefits:

- There is no change in Employer Provided Benefits for SMG.

3. Other Operating Expenses:

- Operating Expenses on the SMG side mainly include Contractual Services, Repairs and Maintenance and Professional Services.
- The reduction of \$9,911 is primarily due to a decrease in Professional Services of \$35,756 due to a reduction in security staffing expense. The reduction is offset by an increase in Contractual Services of \$23,566 is to reflect current event production expenses.

SERVICE LEVEL CHANGES:

There are no significant service level changes to the budget.

EMPLOYEE CAP CHANGES:

There are no city positions associated with this subfund.

RECOMMENDATIONS:

None

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED 2011/2012 BUDGET
JACKSONVILLE ECONOMIC DEVELOPMENT COMMISSION
BASEBALL STADIUM-DEBT SERVICE (4C6)**

PROPOSED BUDGET BOOK – Page #160

BACKGROUND:

SMG was hired by the City to manage six public entertainment facilities which include the Everbank Field, the Memorial Arena, Jacksonville Baseball Stadium, Times-Union Center for Performing Arts, the Convention Center and the Equestrian Center. The Jacksonville Economic Development Commission (JEDC) serves as a liaison for SMG. Ordinance 2007-1265-E extended the contract between the City of Jacksonville and SMG through March 30, 2013. This subfund is for debt service specifically pertaining to the Baseball Stadium.

REVENUES:

1. Miscellaneous Revenues:

- The increase of \$29,891 is the projected Investment Pool Earnings.

2. Transfer In to Pay Debt Service:

- This revenue is a transfer from the Better Jacksonville Trust Fund.

EXPENDITURES:

1. Fiscal and Other Debt Fees:

- The Debt Service payments include:

<u>Account Title</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2001 Better Jacksonville Sales Tax Revenue Bonds	268,425	470,480	738,905
2003 Better Jacksonville Sales Tax Revenue Bonds	275,982	440,132	716,114
2004 Better Jacksonville Sales Tax Revenue Bonds	318,201	392,793	710,994
Total Payments	<u>862,608</u>	<u>1,303,406</u>	<u>2,166,014</u>

- The principal payments are budgeted at \$867,820 and interest payments are budgeted at \$1,261,397 which is incorrect. The total principal and interest payments should be budgeted at \$2,166,014. The payment amounts will be corrected under the Better Jacksonville Plan subfund at a later budget hearing.

SERVICE LEVEL CHANGES:

There are no significant service level changes to the budget.

EMPLOYEE CAP CHANGES:

There are no city employees associated with this subfund.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED 2011/2012 BUDGET
JACKSONVILLE ECONOMIC DEVELOPMENT COMMISSION
TIMES UNION CENTER FOR THE PERFORMING ARTS-CITY (4D1)**

PROPOSED BUDGET BOOK – Page #162

BACKGROUND:

SMG was hired by the City to manage six public entertainment facilities which include Everbank Field, the Memorial Arena, Jacksonville Baseball Stadium, Times-Union Center for Performing Arts, the Convention Center and the Equestrian Center. The Jacksonville Economic Development Commission (JEDC) serves as a liaison for SMG. Ordinance 2007-1265-E extended the contract between the City of Jacksonville and SMG through March 30, 2013.

REVENUES:

1. Charges for Services:

- There are no changes to Charges for Services.

2. Miscellaneous Revenue:

- The decrease of \$43,064 is due to Investment Pool Earnings not being budgeted for FY 2011/2012 based on current year collections.

3. Transfers from Other Funds:

- The transfer of \$624,364 includes:
 - \$623,320 from the General Fund
 - \$1,044 from the Performing Arts Center – SMG (4D2)

EXPENDITURES:

1. Internal Service Charges:

- The increase of \$26,089 is primarily due to increases in Fleet Parts/Oil/Gas of \$15,539, ITD charges of \$6,800 and ITD Network Group of \$3,593.

2. Other Operating Expenses:

- Operating Expenses for the City side include Electricity, Water and Miscellaneous Services.
- The decrease of \$11,443 is due to lower Miscellaneous Insurance costs of \$33,443, which are partially offset by increases in Water of \$12,000 and Electricity of \$10,000 which will be more in line with actual expenses.

3. Capital Outlay:

- The \$30,000 includes:
 - Event Equipment \$15,000
 - Housekeeping Equipment \$15,000

4. Debt Service:

- The \$51,164 reflects this venue's debt expense that will be transferred to Times Union Center – Debt Service (4D6)

5. Transfers to Other Funds:

- There is not a transfer to the SMG side of the Times Union Center for FY 2011/2012.

SERVICE LEVEL CHANGES:

There are no significant service level changes to the budget.

EMPLOYEE CAP CHANGES:

There are no city positions associated with this subfund.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATION
MAYOR'S PROPOSED 2011/2012 BUDGET
JACKSONVILLE ECONOMIC DEVELOPMENT COMMISSION
TIMES UNION CENTER FOR THE PERFORMING ARTS-SMG (4D2)**

PROPOSED BUDGET BOOK – Page #164

BACKGROUND:

SMG was hired by the City to manage six public entertainment facilities which include Everbank Field, the Memorial Arena, Jacksonville Baseball Stadium, Times-Union Center for Performing Arts, the Convention Center and the Equestrian Center. The Jacksonville Economic Development Commission (JEDC) serves as a liaison for SMG. Ordinance 2007-1265-E extended the contract between the City of Jacksonville and SMG through March 30, 2013.

REVENUES:

1. Charges for Services:

- The increase of \$137,711 is due to gains in Contractual Services Revenue of \$87,711 and Other Ticket Surcharge-Incentive Fees of \$50,000 due to a better Broadway season.

2. Miscellaneous Revenue:

- The increase of \$26,829 is primarily due to higher Concession Sales of \$14,925 and an increase in Rental of City Facilities of \$12,780 due to the types of events held.

3. Transfers from Other Funds:

- There is no transfer from the Times-Union Center-City subfund (4D1) for FY 2011/2012.

EXPENDITURES:

1. Salaries:

- There is no change in Salaries for SMG.

2. Employer Provided Benefits:

- There is no change in Employer Provided Benefits for SMG.

Other Operating Expenses:

- Operating Expenses on the SMG side primarily consist of Contractual Services, Repairs and Maintenance and Professional Services.
- The increase of \$124,151 is primarily due to an increase in Contractual Services of \$125,681 due to a better Broadway season.

2. Transfers to Other Funds:

- This is a transfer of \$1,044 to the Times-Union Center-City subfund (4D1).

SERVICE LEVEL CHANGES:

There are no significant service level changes to the budget.

EMPLOYEE CAP CHANGES:

There are no city positions associated with this subfund.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED 2011/2012 BUDGET
JACKSONVILLE ECONOMIC DEVELOPMENT COMMISSION
TIMES UNION CENTER FOR THE PERFORMING ARTS
DEBT SERVICE-(4D6)**

PROPOSED BUDGET BOOK – Page #166

BACKGROUND:

SMG was hired by the City to manage six public entertainment facilities which include Everbank Field, the Memorial Arena, Jacksonville Baseball Stadium, Times-Union Center for Performing Arts, the Convention Center and the Equestrian Center. The Jacksonville Economic Development Commission (JEDC) serves as a liaison for SMG. Ordinance 2007-1265-E extended the contract between the City of Jacksonville and SMG through March 30, 2013. This subfund is for debt service specifically pertaining to the Times Union Center for the Performing Arts.

REVENUES:

1. Miscellaneous Revenue:

- The increase of \$716 is due to projected investment pool earnings.

2. Transfers In to Pay Debt Service:

- This is a transfer from Times Union Center – City (4D1).

EXPENDITURES:

1. Fiscal and Other Debt Fees:

- The Debt Service payments include:

<u>Account Title</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1996 Sales Tax Revenue Bonds RCR	-	51,880	51,880

SERVICE LEVEL CHANGES:

There are no significant service level changes to the budget.

EMPLOYEE CAP CHANGES:

There are no city positions associated with this subfund.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED 2011/2012 BUDGET
JACKSONVILLE ECONOMIC DEVELOPMENT COMMISSION
CONVENTION CENTER-CITY (4E1)**

PROPOSED BUDGET BOOK – Page #168

BACKGROUND:

SMG was hired by the City to manage six public entertainment facilities which include Everbank Field, the Memorial Arena, Jacksonville Baseball Stadium, Times-Union Center for Performing Arts, the Convention Center and the Equestrian Center. The Jacksonville Economic Development Commission (JEDC) serves as a liaison for SMG. Ordinance 2007-1265-E extended the contract between the City of Jacksonville and SMG through March 30, 2013.

REVENUES:

1. Miscellaneous Revenue:

- The increase of \$15,758 is due to Investment Pool Earnings being budgeted for FY 2011/2012.

2. Transfers from Fund Balance:

- There is not a transfer from Fund Balance for FY 2011/2012.

3. Transfers from Other Funds:

- This is a transfer of \$1,330,901 from the General Fund which is an increase of \$78,532 from the previous year.

EXPENDITURES:

1. Internal Service Charges:

- There are no significant changes in Internal Service Charges.

2. Other Operating Expenses:

- Operating Expenses on the City side include Electricity, Water and Miscellaneous Insurance.
- The decrease is due to a reduction in Water of \$10,000 and a decrease of \$15,560 in Miscellaneous Insurance which is an allocated expense.

3. Capital Outlay:

- The \$40,000 in Capital Outlay includes:
 - Event Equipment \$10,000
 - Housekeeping Equipment \$20,000
 - Trades Equipment \$10,000

4. Transfers to Other Funds:

- The transfer of \$646,061 includes:
 - A transfer of \$146,227 to the Memorial Arena – City (4B1)
 - A transfer of \$499,834 to Convention Center – SMG (4E2)

SERVICE LEVEL CHANGES:

There are no significant service level changes to the budget.

EMPLOYEE CAP CHANGES:

There are no city positions associated with this subfund.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED 2011/2012 BUDGET
JACKSONVILLE ECONOMIC DEVELOPMENT COMMISSION
CONVENTION CENTER (4E2)**

PROPOSED BUDGET BOOK – Page #170

BACKGROUND:

SMG was hired by the City to manage six public entertainment facilities which include Everbank Field, the Memorial Arena, Jacksonville Baseball Stadium, Times-Union Center for Performing Arts, the Convention Center and the Equestrian Center. The Jacksonville Economic Development Commission (JEDC) serves as a liaison for SMG. Ordinance 2007-1265-E extended the contract between the City of Jacksonville and SMG through March 30, 2013.

REVENUES:

1. Charges for Services:

- The reduction of \$70,144 is primarily due to a decrease in Contractual Services of \$82,157, which appears to be more in line with current year collections.

2. Miscellaneous Revenue:

- The increase of \$59,856 is primarily due to an increase in Concession Sales of \$98,557 which will bring this revenue item more in line with current year collections. The increase is offset by a decrease of \$31,401 for Rental of City Facilities which appears to be more in line with current year collections.

3. Transfers from Other Funds:

- The transfer of \$499,834 is from Convention Center – City (4E1).

EXPENDITURES:

1. Salaries:

- There is no change in Salaries for SMG.

2. Employer Provided Benefits:

- There is no change in Employer Provided Benefits for SMG.

3. Other Operating Expenses:

- There are no significant changes in Other Operating Expenses.
- Operating Expenses for the SMG side mainly consist of Contractual Services, Repairs and Maintenance and Professional Services.

SERVICE LEVEL CHANGES:

There are no significant service level changes to the budget.

EMPLOYEE CAP CHANGES:

There are no city positions associated with this subfund.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED 2011/2012 BUDGET
JACKSONVILLE ECONOMIC DEVELOPMENT COMMISSION
EQUESTRIAN CENTER-CITY (4F1)**

PROPOSED BUDGET BOOK – Page #172

BACKGROUND:

SMG was hired by the City to manage six public entertainment facilities which include Everbank Field, the Memorial Arena, Jacksonville Baseball Stadium, Times-Union Center for Performing Arts, the Convention Center and the Equestrian Center. The Jacksonville Economic Development Commission (JEDC) serves as a liaison for SMG. Ordinance 2007-1265-E extended the contract between the City of Jacksonville and SMG through March 30, 2013.

REVENUES:

1. Transfers from Other Funds:

- The transfer of \$679,358 is a transfer from the General Fund, which is a decrease of \$65,414 from the previous year.

EXPENDITURES:

1. Internal Service Charges:

- There are no significant changes in Internal Service Charges.

2. Other Operating Expenses:

- Operating Expenses on the City side includes Electricity, Water, Miscellaneous Insurance and Public Building Plant Renewal.
- There are no significant changes in Other Operating Expenses.

3. Debt Service:

- This is a transfer of \$118,682 to Equestrian Center – Debt Service (4F6).

4. Transfers to Other Funds:

- This is a transfer of \$295,125 to Equestrian Center – SMG (4F2)

SERVICE LEVEL CHANGES:

There are no significant service level changes to the budget.

EMPLOYEE CAP CHANGES:

There are no city positions associated with this subfund.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED 2011/2012 BUDGET
JACKSONVILLE ECONOMIC DEVELOPMENT
EQUESTRIAN CENTER-SMG (4F2)**

BACKGROUND:

SMG was hired by the City to manage six public entertainment facilities which include Everbank Field, the Memorial Arena, Jacksonville Baseball Stadium, Times-Union Center for Performing Arts, the Convention Center and the Equestrian Center. The Jacksonville Economic Development Commission (JEDC) serves as a liaison for SMG. Ordinance 2007-1265-E extended the contract between the City of Jacksonville and SMG through March 30, 2013.

REVENUES:

1. Charges for Services:

- The increase of \$17,163 is due primarily due to an increase in Contractual Services revenue of \$12,763 due to the types of events to be held at the Equestrian Center.

2. Miscellaneous Revenue:

- The increase of \$17,341 is primarily due to an increase in Rental of City Facilities of \$29,625 due to the types of events to be held at the Equestrian Center.

3. Transfer from Other Funds:

- This is a transfer of \$295,125 from the Equestrian Center-City subfund (4F1), which is a reduction of \$62,721 from the previous year.

EXPENDITURES:

1. Other Operating Expenses:

- Operating Expenses on the SMG side mainly consist of Contractual Services, Repairs and Maintenance and Professional Services.
- The reduction of \$28,217 is primarily due to declines in Other Utilities of \$16,000 due to this expense moving to the Cecil Field Commerce Center.

SERVICE LEVEL CHANGES:

There are no significant service level changes to the budget.

EMPLOYEE CAP CHANGES:

There are no city positions associated with this subfund.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED 2011/2012 BUDGET
JACKSONVILLE ECONOMIC DEVELOPMENT COMMISSION
EQUESTRIAN CENTER-DEBT SERVICE (4F6)**

PROPOSED BUDGET BOOK – Page #176

BACKGROUND:

SMG was hired by the City to manage six public entertainment facilities which include Everbank Field, the Memorial Arena, Jacksonville Baseball Stadium, Times-Union Center for Performing Arts, the Convention Center and the Equestrian Center. The Jacksonville Economic Development Commission (JEDC) serves as a liaison for SMG. Ordinance 2007-1265-E extended the contract between the City of Jacksonville and SMG through March 30, 2013.

REVENUES:

1. Miscellaneous Revenue:

- The increase of \$1,635 is due to projected Investment Pool Earnings.

2. Transfer In to Pay Debt Service:

- This is a transfer of \$118,682 is from the Equestrian Center – City (4F1).

EXPENDITURES:

1. Fiscal and other Debt Fees:

- The Debt Service payments include:

<u>Account Title</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005A Excise Tax Revenue Bonds	-	95,516	95,516
2008A Capital Projects Revenue Bonds	4,849	6,625	11,474
2008B Capital Projects Revenue Bonds	4,849	6,625	11,474
Total Payments	<u>9,698</u>	<u>108,765</u>	<u>118,463</u>

- The Fiscal Agent Fees are \$1,853.

SERVICE LEVEL CHANGES:

There are no significant service level changes to the budget.

EMPLOYEE CAP CHANGES:

There are no city positions associated with this subfund.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED 2011/2012 BUDGET
JACKSONVILLE ECONOMIC DEVELOPMENT COMMISSION
SPORTS COMPLEX CAPITAL MAINTENANCE (4G1)**

PROPOSED BUDGET BOOK – Page #178

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 subfund 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, Veterans Memorial Arena, and the Jacksonville Baseball Stadium.

REVENUES:

1. Taxes:

- The increase of \$264,909 is due to higher revenues projected for the Convention Development Tax collections.

2. Transfers from Other Funds:

- The decrease of \$370,000 is due to the elimination of the transfer from the Convention Center-City (4E1) subfund.

EXPENDITURES:

1. Capital Outlay:

- Everbank Field will have a Capital Outlay budget of \$2,938,713 which will include the projects listed below:

Description	Amount
Audio/Visual	\$ 2,138,713
Building Systems	150,000
Exterior Finishes	50,000
Food Service	400,000
Scoreboard Related	50,000
Waterproofing	150,000
Total	\$ 2,938,713

- The Memorial Arena will have a Capital Outlay budget of \$1,259,449 which will be used to replace the center hung video board.
- The Baseball Stadium does not have any projects budgeted for FY2011-2012.

SERVICE LEVEL CHANGES:

There are no significant service level changes to the budget.

EMPLOYEE CAP CHANGES:

There are no city positions associated with this subfund.

RECOMMENDATIONS:

1. We recommend that the Convention Development Tax revenues be moved to the correct subobject (31211) to correct an accounting error. This will have no impact to the Special Council Contingency.

COUNCIL AUDITOR'S OFFICE
CITY OF JACKSONVILLE
NORTHWEST/NORTHSIDE EAST TAX INCREMENT DISTRICT USD1B & USD1C (SUB-FUND 181)
2011/12 PROPOSED BUDGET

BUDGET BOOK REFERENCE - Page # 133-134

	2010/11 ORIGINAL BUDGET	2011/12 PROPOSED BUDGET	ORIGINAL TO PROPOSED DOLLAR CHANGE	PERCENT CHANGE
TAXABLE VALUES & RATES				
Base Year	1981/1984	1981/1984		
Preliminary Taxable Values	\$ 1,011,146,579	\$ 885,111,347	\$ (126,035,232)	-12.5%
Less Taxable Value in Base Year	416,379,969	416,379,969	-	
Taxable Value Incremental Increases	\$ 594,766,610	\$ 468,731,378	\$ (126,035,232)	-21.2%
Taxable Value Percentage Changes	142.84%	112.57%		
Operating Millage Rates	10.0353 mills	10.0353 mills		
Collection Rate	95.0%	95.0%		
REVENUES				
Ad Valorem Taxes - GF / GSD	\$ 5,670,228	\$ 4,468,667	\$ (1,201,561)	-21.2%
Transfer from General Fund	2,220,543	3,322,168	1,101,625	49.6%
Total Revenues	\$ 7,890,771	\$ 7,790,835	\$ (99,936)	-1.3%
EXPENDITURES				
Debt Service:				
06C ETR, Carling	\$ 2,114,335	\$ 2,122,899	\$ 8,564	0.4%
HUD Section 108, 1997, LaVilla	136,065	109,848	(26,217)	-19.3%
Fiscal Agent Fee (Misc)	775	775	-	0.0%
Total Debt Service	\$ 2,251,175	\$ 2,233,522	\$ (17,653)	-0.8%
(A) Contribution to Community Development	75,000	75,000	-	0.0%
Other Current Charges and Obligations:				
Vestcor (Lynch Building)- Payback	\$ 1,294,313	\$ 1,294,313	\$ -	0.0%
MPS Library Garage	75,000	75,000	-	0.0%
(B) MPS Urban Core Garage	2,116,773	2,075,631	(41,142)	-1.9%
JTA/Fidelity Parking Lease	12,000	12,000	-	0.0%
(B) MPS Arena and Sports Complex	2,066,510	2,025,369	(41,141)	-2.0%
Total Other Current Charges & Obligations	\$ 5,564,596	\$ 5,482,313	\$ (82,283)	-1.5%
Total Expenditures	\$ 7,890,771	\$ 7,790,835	\$ (99,936)	-1.3%

FOOTNOTES

- (A) The Contribution to Community Development is for payments on the CDBG loan for the Museum of Modern Art. This is an interest-free loan of \$1,500,000 to be repaid in twenty annual installments of \$75,000. This payment is the 12th installment.
- (B) The City has an agreement with Metropolitan Parking Solutions (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, an 8% return on the \$3 million ownership equity (10% if performance goals are met) and a Debt Service Coverage Ratio of 1.0. The contract that the City has with MPS contains a provision that grants the City an "early purchase option" where the City can purchase MPS's equity interest in the garages before December 31, 2011, as long as the City has loaned MPS at least \$16,000,000 (which it has). Based on information provided by the City Treasurer, the City will have to pay a total of \$52,463,135 to buy the garages if this option is exercised. All loans made to MPS since the inception of the contract would be forgiven. The City also has the option of purchasing the garages after the December 31, 2011 date, however the purchase price of the garages would increase to \$56,737,000 million, based on calculations provided by the City Treasurer.

RECOMMENDATIONS: None

COUNCIL AUDITOR'S OFFICE
CITY OF JACKSONVILLE
SOUTHBANK TAX INCREMENT DISTRICT USD1 A (SUB-FUND 182)
2011/12 PROPOSED BUDGET

BUDGET BOOK REFERENCE - Page # 135-136

	2010/11 ORIGINAL BUDGET	2011/12 PROPOSED BUDGET	ORIGINAL TO PROPOSED	
			DOLLAR CHANGE	PERCENT CHANGE
TAXABLE VALUES & RATES				
Base Year	1980	1980		
Preliminary Taxable Values	\$ 440,507,691	\$ 425,336,469	\$ (15,171,222)	(3.4%)
Less Taxable Value in Base Year	89,127,781	89,127,781	-	
Taxable Value Incremental Increases	\$ 351,379,910	\$ 336,208,688	\$ (15,171,222)	(4.3%)

Taxable Value Percentage Increases	394.2%	377.2%		
Operating Millage Rates	10.0353 mills	10.0353 mills		
Collection Rate	95.0%	95.0%		

REVENUES

Ad Valorem Taxes - GF / GSD	\$ 3,349,893	\$ 3,205,257	\$ (144,636)	(4.3%)
Debt Repayment Revenue (Hilton) (A)	\$ 79,000	\$ 110,000	\$ 31,000	39.2%
Total Revenues	\$ 3,428,893	\$ 3,315,257	\$ (113,636)	(3.3%)

EXPENDITURES

Debt Service:				
HUD Section 108, Hampton Inn	\$ 63,659	\$ 53,264	\$ (10,395)	(16.3%)
HUD Section 108, Hilton Hotel	344,286	290,588	(53,698)	(15.6%)
05A ETR, Strand	188,739	188,396	(343)	(0.2%)
Total Debt Service	\$ 596,684	\$ 532,248	\$ (64,436)	(10.8%)
(B) Other Current Charges and Obligations	2,300,000	1,300,000	(1,000,000)	(43.5%)
Transfer to General Fund	532,209	1,483,009	950,800	178.7%
Total Expenditures	\$ 3,428,893	\$ 3,315,257	\$ (113,636)	(3.3%)

FOOTNOTES

(A) Hilton is required to repay a portion of the HUD debt, which is first applied to their property taxes. If the taxes are insufficient to cover the obligation, Hilton must make an additional payment to cover the difference. The increase in their additional payment is due to a decrease in their property tax assessment.

(B) Other Current Charges and Obligations include the following items:

	2010/11	2011/12		
San Marco Place (REV)	300,000	300,000	0	0.0%
Strand/Peninsula (REV)	1,000,000	1,000,000	0	0.0%
Southbank Riverwalk	1,000,000	-	(1,000,000)	(100.0%)
Total	\$ 2,300,000	\$ 1,300,000	\$ (1,000,000)	(43.5%)

RECOMMENDATIONS: None.

**COUNCIL AUDITOR'S OFFICE
CITY OF JACKSONVILLE
JACKSONVILLE BEACH TAX INCREMENT DISTRICTS USD2 A&B (SUB-FUND 184)
2011/12 PROPOSED BUDGET**

BUDGET BOOK REFERENCE- Page # 137-138

	<u>2010/11 ORIGINAL BUDGET</u>	<u>2011/12 PROPOSED BUDGET</u>	<u>ORIGINAL TO PROPOSED DOLLAR CHANGE</u>	<u>PERCENT CHANGE</u>
TAXABLE VALUES & RATES				
Base Years	<u>1983 & 1986</u>	<u>1983 & 1986</u>		
Preliminary Taxable Values	\$ 864,654,409	\$ 774,791,830	\$ (89,862,579)	(10.4%)
Less Taxable Value in Base Years	<u>48,790,640</u>	<u>48,790,640</u>	<u>-</u>	
Taxable Value Incremental Increases	\$ 815,863,769	\$ 726,001,190	\$ (89,862,579)	(11.0%)
Taxable Value Percentage Increases	1672.2%	1488.0%		
Operating Millage Rates	6.7446 mills	6.7446 mills		
Collection Rate	95.0%	95.0%		
REVENUES				
Ad Valorem Taxes - GF / GSD	\$ 5,227,541	\$ 4,651,758	\$ (575,783)	(11.0%)
EXPENDITURES				
Contribution to Jacksonville Beach	\$ 5,227,541	\$ 4,651,758	\$ (575,783)	(11.0%)

Percentage of USD2 Taxes Received by City of Jacksonville

	<u>Countywide Levy</u>	<u>USD2 Levy</u>	
2011/12 Beaches Preliminary Taxable Values	\$ 2,587,917,802	\$ 2,587,917,802	
Levy (A)	10.0353 mills	6.7446 mills	
Collection Rate	<u>95.0%</u>	<u>95.0%</u>	
Taxes	\$ 24,672,005	\$ 16,581,747	
Less TIF	<u>-</u>	<u>4,651,758</u>	
Net Revenue to City	\$ 24,672,005	\$ 11,929,989	
	100.00%	48.35%	- Percentage of countywide levy collected from USD2 after TIF and Interlocal Agreement reductions.

(A) 6.7446 mills is 3.2907 mills less than the General Service District millage. Per interlocal agreement, Jacksonville Beach's millage rate shall be 3.2907 mills less than the General Service District rate. The USD2 levy is 67.21% of the 10.0353 mill rate levied county-wide.

RECOMMENDATIONS: N/A

**COUNCIL AUDITOR'S OFFICE
CITY OF JACKSONVILLE
JACKSONVILLE INTERNATIONAL AIRPORT AREA REDEVELOPMENT
TAX INCREMENT DISTRICT GSA (SUB-FUND 185)
2011/12 PROPOSED BUDGET**

BUDGET BOOK REFERENCE - Page # 139-140

	<u>2010/11 ORIGINAL BUDGET</u>	<u>2011/12 PROPOSED BUDGET</u>	<u>ORIGINAL TO PROPOSED DOLLAR CHANGE</u>	<u>PERCENT CHANGE</u>
TAXABLE VALUES & RATES				
Base Year	<u>1993</u>	<u>1993</u>		
Preliminary Taxable Values	\$ 866,716,067	\$ 803,294,936	\$ (63,421,131)	(7.3%)
Less Taxable Value in Base Year	<u>189,200,262</u>	<u>189,200,262</u>	<u>-</u>	
Taxable Value Incremental Increases	<u>\$ 677,515,805</u>	<u>\$ 614,094,674</u>	<u>\$ (63,421,131)</u>	<u>(9.4%)</u>
Taxable Value Percentage Increases	358.1%	324.6%		
Operating Millage Rates	10.0353 mills	10.0353 mills		
Collection Rate	95.0%	95.0%		

REVENUES

Ad Valorem Taxes - GF / GSD	<u>\$ 6,459,121</u>	<u>\$ 5,854,493</u>	<u>\$ (604,628)</u>	<u>(9.4%)</u>
Total Revenues	<u>\$ 6,459,121</u>	<u>\$ 5,854,493</u>	<u>\$ (604,628)</u>	<u>(9.4%)</u>

EXPENDITURES

Debt Service:				
HUD Section 108, 1994, Coach	\$ 507,098	\$ 522,994	\$ 15,896	3.1%
HUD Section 108, 1996, Sally Beauty	89,876	42,902	(46,974)	(52.3%)
HUD Section 108, 1997, Body Armor	89,552	71,210	(18,342)	(20.5%)
05A ETR, RAMCO	1,107,721	1,106,229	(1,492)	(0.1%)
Fiscal Agent Fees	<u>810</u>	<u>810</u>	<u>-</u>	<u>0.0%</u>
Total Debt Service	<u>\$ 1,795,057</u>	<u>\$ 1,744,145</u>	<u>\$ (50,912)</u>	<u>(2.8%)</u>
Other Current Charges and Obligations (A)	600,000	385,000	(215,000)	(35.8%)
Transfer Out to the General Fund	<u>4,064,064</u>	<u>3,725,348</u>	<u>(338,716)</u>	<u>(8.3%)</u>
Total Expenditures	<u>\$ 6,459,121</u>	<u>\$ 5,854,493</u>	<u>\$ (604,628)</u>	<u>(9.4%)</u>

FOOTNOTES

(A) Other Current Charges and Obligations include the following items:

	<u>2010/11</u>	<u>2011/12</u>		
Airport Road Sidewalk Improvements	\$ 300,000	\$ -	\$ (300,000)	(100.0%)
RAMCO (REV)	<u>300,000</u>	<u>385,000</u>	<u>\$ 85,000</u>	<u>28.3%</u>
Total	<u>\$ 600,000</u>	<u>\$ 385,000</u>	<u>\$ (215,000)</u>	<u>(35.8%)</u>

RECOMMENDATIONS: None.

**COUNCIL AUDITOR'S OFFICE
CITY OF JACKSONVILLE
SOUTEL-MONCRIEF
TAX INCREMENT DISTRICT GSK (SUB-FUND 186)
2011/12 PROPOSED BUDGET**

BUDGET BOOK REFERENCE- Page # 141-142

	<u>2010/11 ORIGINAL BUDGET</u>	<u>2011/12 PROPOSED BUDGET</u>	<u>ORIGINAL TO PROPOSED</u>	
			<u>DOLLAR CHANGE</u>	<u>PERCENT CHANGE</u>
TAXABLE VALUES & RATES				
Base Year	<u>2008</u>	<u>2008</u>		
Preliminary Taxable Values	\$ 118,211,116	\$ 115,108,461	(3,102,655)	(2.6%)
Less Taxable Value in Base Year	71,064,917	71,064,917	-	0.0%
Taxable Value Incremental Increases	<u>\$ 47,146,199</u>	<u>\$ 44,043,544</u>	<u>(3,102,655)</u>	<u>(6.6%)</u>
Taxable Value Percentage Increases	66.3%	62.0%		
Operating Millage Rates	10.0353 mills	10.0353 mills		
Collection Rate	95.0%	95.0%		
REVENUES				
Ad Valorem Taxes - GF / GSD	<u>\$ 449,470</u>	<u>\$ 419,891</u>	<u>\$ (29,579)</u>	<u>(6.6%)</u>
EXPENDITURES				
Cash Carryover	<u>\$ 449,470</u>	<u>\$ 419,891</u>	<u>\$ (29,579)</u>	<u>(6.6%)</u>
NOTE				

Funds placed in cash carryover must be appropriated by the City Council before they can be used.

RECOMMENDATIONS: None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2011/12 BUDGET
DOWNTOWN VISION, INC. (DVI)**

BACKGROUND:

Downtown Vision Inc. (DVI) is a not-for-profit 501(c) organization whose mission is to build and maintain a healthy and vibrant downtown community and to promote downtown as an exciting place to live, work and visit. A public hearing on the assessment roll for DVI is scheduled for August 16, 2011 at the regular City Council Finance Committee meeting.

REVENUES:

1. Special Assessment:

- DVI's main source of revenue is from a 1.1 mill special assessment of downtown commercial property owners as per Ordinance 2005-785-E. This assessment is estimated to be \$750,000, a decrease of \$90,000 from the previous year due to decreased property value. The estimate assumes a 3 percent yearly delinquency rate and that the remaining assessments will be paid on or before November 30 qualifying all property owners for a 4 percent discount.

2. City Contribution:

- The City's contribution to DVI's budget has increased \$81,913 from \$229,747 to \$311,660. The additional monies are for two additional Downtown cleaners to provide pressure washing, spill removal and weed and tree fall abatement. These services were previously paid for through the Public Works Department. Therefore, the funding from the City for FY 2011/12 is remaining level with FY 2010/11.

3. Special Project Reserve Fund:

- There is an increase in transfers from DVI's special project reserve fund of \$200,000 which DVI currently has a balance of \$413,251. The transfer balances revenues and expenditures for the FY 2011/12 proposed budget.

EXPENDITURES:

1. Salaries:

- There is a slight increase of \$852 in salaries within marketing, promotions and special projects salaries.

2. Other Operating Expenses:

- There is a net increase of \$84,499 in other operating expenses mainly due to professional fees and contract services and program support. The net increase of \$64,397 in professional fees and contract services is mainly due to a new allocation method for contractual services where Public Works will no longer transfer funds to DVI. DVI has a contract with Service Group Inc. (SGI) to pressure wash sidewalks, odor and spill removal, removal of graffiti and weed and tree fall abatement within the Downtown Business Improvement District. The increase was slightly offset by a decrease of \$20,162 in marketing primarily from less advertising and more in house design.
- Additionally, there is a net increase of \$11,851 in program support attributable to the increased cost of installing and maintaining 70 flower baskets downtown and additional promotional efforts to downtown's entertainment and nightlife district.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2011/12 BUDGET
DOWNTOWN VISION, INC. (DVI)**

OVERALL COMMENTS:

- Per Ordinance 2005-785-E, the City is not legally bound to subsidize DVI's budget in excess of the 1.1 mill special assessment. The City's contribution is subject to Council approval on an annual basis.
- The balance of DVI's special project reserve fund is currently \$413,251. Currently, \$100,000 has been encumbered for Laura Street façade improvements to be awarded August 2011. In addition, \$200,000 has been earmarked for the FY12 proposed budget to maintain current service levels. The source of the funds in the special project reserve fund has been from excess revenues in previous fiscal years. The funds are reserved to fill budgetary gaps and to finance future downtown enhancement projects.

RECOMMENDATIONS:

We recommend that Schedule AE in the Budget Ordinance be replaced with the revised attached Schedule AE to correct errors in spelling and fiscal year.

Downtown Vision, Inc. FY 11/12 Budget

						BUDGETED 11/12	BUDGETED 10/11	CHANGE
REVENUES								
City of Jacksonville (1)						\$311,660	\$229,747	\$81,913
Gap Funding from Special Project Reserve						\$0	\$95,564	(\$95,564)
Private Property Owners - Assessed at 1.1 mills						\$750,000	\$840,000	(\$90,000)
Property Owners - Payment in Lieu (JEA)						\$25,000	\$29,241	(\$4,241)
Interest Income						\$4,800	\$6,000	(\$1,200)
Clean & Safe Revenues/Federal						\$12,195	\$10,552	\$1,643
Other						\$0	\$9,000	(\$9,000)
TOTAL REVENUES						\$1,103,655	\$1,220,104	(\$116,449)
	Clean, Safe and Attractive (2)	Marketing, Promotions and Special Projects (3)	Business/ Stakeholder Support (4)	Total Programs	Management & General (5)			
EXPENDITURES								
Salaries	\$65,351	\$189,773	\$65,351	\$320,475	\$35,351	\$355,826	\$354,974	\$852
Employee Benefits	\$6,890	\$26,826	\$6,890	\$40,606	\$3,959	\$44,565	\$42,651	\$1,914
Payroll Taxes/Workers' Comp	\$6,842	\$19,685	\$6,842	\$33,369	\$3,701	\$37,070	\$40,784	(\$3,714)
Total Salaries & Related Expenses	\$79,083	\$236,284	\$79,083	\$394,450	\$43,011	\$437,461	\$438,409	(\$948)
Professional Fees and Contract Services	\$582,312	\$39,955	\$3,063	\$625,330	\$3,063	\$628,393	\$563,996	\$64,397
Supplies/Equip. & Uniform Purchase & Maintenance	\$3,877	\$6,877	\$3,877	\$14,631	\$3,877	\$18,508	\$16,967	\$1,541
Telephone	\$2,070	\$2,070	\$2,070	\$6,210	\$2,070	\$8,280	\$7,860	\$420
Computers	\$1,405	\$10,405	\$1,405	\$13,215	\$1,405	\$14,620	\$12,525	\$2,095
Insurance	\$2,562	\$2,563	\$2,562	\$7,687	\$2,563	\$10,250	\$8,800	\$1,450
Accounting/Banking Services	\$4,027	\$4,027	\$4,028	\$12,082	\$4,028	\$16,110	\$14,152	\$1,958
Postage	\$1,320	\$1,320	\$1,320	\$3,960	\$1,320	\$5,280	\$5,780	(\$500)
Travel/Conferences/Meetings	\$2,663	\$9,313	\$5,585	\$17,561	\$2,663	\$20,224	\$20,205	\$19
Subscriptions	\$377	\$377	\$377	\$1,131	\$377	\$1,508	\$1,476	\$32
Organization Dues	\$1,255	\$1,255	\$1,255	\$3,765	\$1,255	\$5,020	\$3,684	\$1,336
Program Support	\$176	\$107,700 (6)	\$24,949 (7)	\$132,825	\$176	\$133,001	\$121,150	\$11,851
Other Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$100	(\$100)
Capital Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES	\$681,127	\$422,146	\$129,574	\$1,232,847	\$65,808	\$1,298,655	\$1,215,104	\$83,551
Contingency						\$5,000	\$5,000	\$0
TOTAL EXPENDITURES						\$1,303,655	\$1,220,104	\$83,551
% of Total	52.4%	32.5%	10.0%	94.9%	5.1%	100.0%		
REVENUES OVER EXPENDITURES						(\$200,000)	\$0	(\$200,000)
TRANSFER FROM SAVINGS (SPECIAL PROJECT RESERVE) TO MAINTAIN LEVEL OF SERVICE						\$200,000	\$0	\$200,000
NET REVENUES OVER EXPENDITURES						\$0	\$0	\$0

(1) This represents the same funding received from the City in FY 10/11, including \$229,747 payment for services at 0.8 mills on City-owned property plus \$81,913 funding that has been previously funded through a contract with Public Works for two additional Downtown cleaners to provide pressure washing, spill removal and weed and tree fall abatement.

(2) In Feb 2010 DVI contracted out all Ambassador services to Service Group, Inc. (SGI). SGI's contract provides for 8 ambassadors, 4 cleaners and a project manager. The City currently funds two additional cleaners that provide pressure washing, spill removal and weed and tree fall abatement. This line item includes 50% of the Director of District Services salary plus 25% of all administration costs.

(3) Includes salaries for the Director of Marketing, Marketing and Events Manager, Web and Social Media Coordinator and PT Marketing Assistant. Includes 25% of the administration budget.

(4) Includes salary for 1/2 of Director of District Services and 25% of entire admin budget.

(5) This represents 25% of the entire admin budget of \$262,148 and includes the Executive Director and Office Manager positions.

(6) Includes Downtown event programming including Artwalk, Eat Up Downtown, Historic Church Tour, Movies in the Park and Downtown retailer and nightlife promotions.

(7) Includes maintenance and replanting 70 flower baskets, tree bed mulching, volunteer program, special cleanliness, safety initiatives as needed and annual State of Downtown report.

**BUSINESS IMPROVEMENT DISTRICT
JACKSONVILLE, FLORIDA
BUDGET - FISCAL YEAR 2011/12**

ESTIMATED REVENUES

	<u>DVI Proposed</u>
Assessed Properties *	\$ 750,000
City of Jacksonville (special assessment city owned property)	311,660
Other Sources	41,995
Reserves	<u>200,000</u>
Total Estimated Revenues	<u><u>\$ 1,303,655</u></u>

SCHEDULE AD

APPROPRIATIONS

Contribution to Downtown Vision, Inc.	\$ 750,000
Reverse Contribution to Downtown Vision, Inc.	\$ (750,000)

	Clean, Safe and Attractive	Mktg, Promotions, Special Projects	Business & Stakeholder Support	Management & General	Total
Personnel Services	79,083	236,284	79,083	43,011	437,461
Operating Expenses	602,044	185,862	50,491	22,797	861,194
Contingency					5,000
Total Appropriations	<u>681,127</u>	<u>422,146</u>	<u>129,574</u>	<u>65,808</u>	<u>1,303,655</u>

* Represents the estimated revenue from 1.1 mills special assessment on the 2011 properties in the Business Improvement District.

REVISED SCHEDULE AE

**JACKSONVILLE AVIATION AUTHORITY
COMPARISON OF BUDGETS
ORIGINAL BUDGET FY 2010/2011 VERSUS PROPOSED BUDGET FY 2011/2012**

	<u>Operating & Non Operating</u>	<u>Debt Service</u>	<u>Capital Outlay</u>	<u>Fund Transfers Out</u>	<u>Total</u>
FY 2010/2011 Original	\$ 43,843,176	\$ 18,731,293	\$ 18,097,269	\$ 13,789,174	\$ 94,460,912
FY 2011/2012 Proposed	\$ 45,744,682	\$ 18,381,128	\$ 33,388,800	\$ 14,931,834	\$ 112,446,445
\$ Increase (Decrease)	\$ 1,901,506	\$ (350,165)	\$ 15,291,531	\$ 1,142,660	\$ 17,985,533
% Increase (Decrease)	4.34%	-1.87%	84.50%	8.29%	19.04%

NOTE:

The FY 2011/2012 Proposed Budget includes 253 full time positions which is two positions higher than FY 2010/2011 Approved Budget. Part-time hours are budgeted to decrease from 41,800 in the FY 2010/2011 Approved Budget to 27,000 in the FY 2011/2012 Proposed budget. This is mostly due to contract labor being removed from this line as it should not be accounted for under part-time hours. Part-time hours are to be used primarily for facility technicians at Cecil, Craig and Herlong Airports with 8,800 of the hours budgeted as contingent hours.

JACKSONVILLE AVIATION AUTHORITY
ANALYSIS OF THE FY 2011/2012 PROPOSED BUDGET

	2010/2011 ORIGINAL BUDGET	2010/2011 ACTUAL THRU MAY	2010/2011 FORECAST	2011/2012 PROPOSED BUDGET	% Increase/Decrease of 2011/2012 Proposed Budget Over	
					2010/2011 ORIGINAL	2010/2011 FORECAST
OPERATING REVENUES						
Concessions	\$ 13,636,482	\$ 9,286,145	\$ 13,535,164	\$ 14,095,711	3.37%	4.14%
Fees & Charges	12,207,134	7,806,325	11,215,306	13,468,719	10.33%	20.09%
Space & Facility Rentals	19,332,513	12,331,829	17,177,666	18,917,428	-2.15%	10.13%
Parking	15,652,376	10,624,699	16,274,030	16,645,255	6.34%	2.28%
Sale of Utilities/Fuel	1,497,351	1,269,131	1,836,339	1,899,924	26.89%	3.46%
Other Operating Revenue	306,207	257,048	395,905	377,973	23.44%	-4.53%
TOTAL OPERATING REVENUES	62,632,063	41,575,176	60,434,410	65,405,011	4.43%	8.22%
OPERATING EXPENDITURES						
Salaries	13,004,262	8,758,277	13,047,723	14,106,133	8.47%	8.11%
Employee Benefits	5,553,741	3,378,354	4,916,558	5,545,348	-0.15%	12.79%
Services & Supplies	13,100,540	8,720,441	12,871,976	13,838,811	5.64%	7.51%
Repairs & Maintenance	2,030,630	1,253,285	1,633,502	1,701,996	-16.18%	4.19%
Promotion, Advertising and Dues	567,705	455,654	976,648	791,352	39.39%	-18.97%
Registrations & Travel	322,820	101,693	270,033	277,047	-14.18%	2.60%
Insurance Expense	1,407,300	838,426	1,264,397	1,307,960	-7.06%	3.45%
Cost of Goods for Sale	560,000	412,020	587,054	641,983	14.64%	9.36%
Utilities, Taxes & Gov't Fees	5,695,978	3,745,456	5,514,408	5,847,253	2.66%	6.04%
Emergency Reserve	1,500,000	-	-	1,500,000	N/A	N/A
TOTAL OPERATING EXPENDITURES	43,742,976	27,663,605	41,082,299	45,557,882	4.15%	10.89%
INCOME FROM OPERATIONS	18,889,087	13,911,571	19,352,111	19,847,128	5.07%	2.56%
NON-OPERATING REVENUES/(EXPENSES)						
Investment Income	1,749,720	743,333	972,830	1,194,376	-31.74%	22.77%
Other Revenue	475,860	283,968	821,953	356,464	-25.09%	-56.63%
Other Expense	(100,200)	(51,627)	(69,098)	(186,800)	86.43%	170.34%
PFC Revenue	11,506,000	7,782,532	10,363,743	12,101,794	5.18%	16.77%
Debt Service	(18,731,293)	(18,182,780)	(18,315,390)	(18,381,128)	-1.87%	0.36%
NET INCOME (LOSS) BEFORE OPERATING CAPITAL OUTLAY, PFC RESERVE AND RETAINED EARNINGS	13,789,174	4,486,996	13,126,150	14,931,834	8.29%	13.76%
Transfer (to)/from Operating Capital Outlay	(7,632,659)	(1,269,013)	(1,908,165)	(10,423,262)	36.56%	446.25%
Transfer (to)/from PFC Reserve	(3,547,991)	(2,333,290)	(2,687,872)	(4,183,785)	17.92%	55.65%
Transfer (to)/from Retained Earnings	(2,608,524)	(884,693)	(8,530,113)	(324,787)	-87.55%	-96.19%
SURPLUS/(DEFICIT)	\$ -	\$ 0	\$ (0)	\$ 0	N/A	N/A

JACKSONVILLE AVIATION AUTHORITY
ORIGINAL BUDGET FY 2010/2011 VERSUS PROPOSED BUDGET FY 2011/2012

REVENUE OVERVIEW	Increase/(Decrease)	
	\$	%
Concessions	459,229	3.37%
An increase is budgeted for FY2012 to be more in alignment with FY2011 actuals and also partially due to a budgeted increase in enplanements of 5.18%.		
Fees & Charges	1,261,585	10.33%
These are landing fees that the airlines are charged each time they land their planes at the airport. The airlines have an agreement where they are permitted to share in JAA's profits. In the past, the airlines' wished to have a portion of their share of profits offset against their landing fees, resulting in smaller landing fees paid by the airlines. The airlines have chosen not to apply their share of profits to landing fees in FY2012, thus increasing the fees that will be paid. This will account for approximately \$771,000 of the increase while the remainder is primarily attributed to the budgeted 5.18% increase in enplanements.		
Space & Facility Rentals	(415,085)	-2.15%
A portion of the decrease is due to the airlines' share of profits being used to reduce their Terminal rental rates instead of landing fees (see Fees & Charges narrative above). Also, FY2011 was overbudgeted by \$1,000,000 as budgeted revenue for a hangar rental was not realized as the hangar was never developed. The reduction is offset in part by a new equipment rental lease from Flightstar valued at \$371,000 and new hangar leases at Cecil Field valued at \$200,000. CPI increases on existing leases at Cecil will total approximately \$50,000.		
Parking	992,879	6.34%
New parking rates went into effect in February 2011. The rates for the daily surface lot and economy lots decreased by between \$2-\$5, while the hourly and daily garage rates were increased by \$2. The budgeted increase in revenue is based on the actual parking revenues in February 2011 as well as adding the budgeted 5.18% increase in enplanements.		
Sale of Utilities/Fuel	402,573	26.89%
Sale of Fuel is expected to increase by \$200,000 due to the expected increase in the cost of fuel. The additional \$200,000 is due to new utility customers in FY2011, that were not budgeted in FY2011.		
Other Operating Revenue		
JAA entered into new contracts during the year to provide various services, notably custodial services for TSA (\$30,000) at the terminal and screening areas, as well as landscaping work for entities such as FDOT and the Florida Air National Guard.		
	71,766	23.44%

JACKSONVILLE AVIATION AUTHORITY
ORIGINAL BUDGET FY 2010/2011 VERSUS PROPOSED BUDGET FY 2011/2012

EXPENDITURE OVERVIEW	Increase/(Decrease)	
	\$	%
Salaries	1,101,871	8.47%
Salary increase is primarily due to the underbudgeting of Public Safety, Building Maintenance and Custodial in FY2011 by over \$500,000; 2 new positions in IT and 2 new positions in the Airport Operations Control Center (AOCC) of \$263,000; a 3% union contract increase in salaries worth \$163,022; and a 3.5% COLA for non-union employees worth \$98,650.		
Services & Supplies	738,271	5.64%
This increase is primarily due to the reclassification of \$600,000 of IT software license costs from Repairs and Maintenance.		
Repairs & Maintenance	(328,634)	-16.18%
FY2011 included extensive maintenance to the Hold Baggage Screening (HBS) system that cost approximately \$70,000; this will not be needed in FY2012; a reclassification of IT software licenses from Repairs and Maint to Contractual Services of approximately \$600,000 is also contributing to the decrease. This decrease is partially offset by increases in JAA's contract with Republic Parking of \$161,000, building maintenance of \$70,000 and other smaller increases across other departments.		
Promotion, Advertising and Dues	223,647	39.39%
Promotional expenses are higher than FY2011 due to JAA's increased support of City events.		
Registrations & Travel	(45,773)	-14.18%
Travel expenses continue to decrease due to an increase in emphasis on receiving the appropriate benefit related to the cost of travel.		
Insurance Expense	(99,340)	-7.06%
Budget is decreasing primarily due to the correction of the double-budgeting of JAA's Terrorism premium in FY2011.		
Cost of Goods for Sale	81,983	14.64%
Fuel costs are expected to be higher than in FY2011.		
Utilities, Taxes & Gov't Fees	151,275	2.66%
Electric, Water, and Sewage costs are budgeted to increase by \$252,472. This increase is partially offset by a reduction in telecommunications expense of \$111,547.		

JACKSONVILLE AVIATION AUTHORITY
ORIGINAL BUDGET FY 2010/2011 VERSUS PROPOSED BUDGET FY 2011/2012

NON-OPERATING REVENUE (EXPENSE) OVERVIEW		Increase/(Decrease)	
		\$	%
Investment Income		\$ (555,344)	-31.74%
The decrease in Investment Income is due to the draw down of the Construction Fund and continued low interest rates on investments.			
Other Revenue		(119,396)	-25.09%
The decrease in Other Revenue is due to the expected decrease in Timber Sales for FY2012 as a result of lower available crop levels.			
Other Expense		86,600	86.43%
We budgeted an additional \$40,000 for unforeseen expenses that may occur. We also budgeted an additional \$30,000 for the purchase of public safety items that will be reimbursed with Federal Forfeiture Funds in FY2012.			
PFC Revenue		595,794	5.18%
Enplanements are expected to increase by 5.18% in FY2012, driving up PFC revenue.			

**JACKSONVILLE AVIATION AUTHORITY
ANALYSIS OF PROPOSED 2011/2012 CAPITAL BUDGET**

			% Increase (Decrease) Proposed Budget Over	
	2010/2011 Original Budget	2011/2012 Proposed Budget	Original Budget (Dollars)	Original Budget (Percentage)
Capital Funds				
Federal Contributions	\$ 4,110,119	\$ 7,951,250	\$ 3,841,131	93.46%
State Contributions	917,825	3,064,900	2,147,075	233.93%
Tenant/Other Contributions	-	8,000,000	8,000,000	n/a
PFC	5,436,666	3,949,388	(1,487,278)	-27.36%
Operating Capital Outlay	7,632,659	10,423,262	2,790,603	36.56%
Total Capital Funds	\$ 18,097,269	\$ 33,388,800	\$ 15,291,531	84.50%
Capital Projects				
Jacksonville International Airport	\$ 13,018,284	\$ 14,120,000	\$ 1,101,716	8.46%
Cecil Field	\$ 3,414,650	\$ 17,501,800	14,087,150	412.55%
Craig Airport	509,335	689,000	179,665	35.27%
Herlong Airport	1,155,000	1,078,000	(77,000)	-6.67%
Total Capital Projects	\$ 18,097,269	\$ 33,388,800	\$ 15,291,531	84.50%
Surplus (Deficit)	\$ -	\$ -	\$ -	

Jacksonville Aviation Authority
Capital Budget
For Fiscal Year Ending September 30, 2012

			Budget 2012 Total Capital Commitments	FUNDING SOURCES				
Airport	Proj No.	Description		JAA	PFC	FAA GRANTS	FDOT GRANTS	OTHER
Jacksonville International Airport	J2012-01	Design and Construct FIS Modifications	3,000,000	420,000	2,160,000		420,000	
	J2011-01 PhII	Terminal & Concourses-Terazzo Conversion Lower Level Carpet and Tile Rehab	2,150,000	854,000	1,296,000			
	J2007-08A PhV	Electrical Sub-Station Upgrade (Ph V)	1,500,000	342,862	493,388	663,750		
	J2010-02 PhIII	Purchase & Installation of Security Cameras (Ph III)	1,500,000	1,500,000				
	J2012-02	Upgrade Oracle to Release 12	1,300,000	1,300,000				
	J2011-06 PhII	Implement Roadway Study Recommendations	1,300,000	325,000		975,000		
	J2012-03	Implement Recommendations of Security Plan Study (Ph I)	500,000	500,000				
	J2012-04	SIDA CBT System for 139/TSA Requirement	500,000	125,000		375,000		
	J2012-06 PhI	Parking Access and Revenue Control System/LPI (Phase I)	300,000	300,000				
	J2012-07	Design Main Parking Plaza and Office Improvements	200,000	200,000				
	J2012-08	HBS Performance Evaluation	200,000	200,000				
	J2012-09	Replacement of Cashier Booths (7 at Main Exit Plaza & 2 at Economy Lot 2)	165,000	165,000				
		Capital Below \$100,000	1,505,000	1,505,000				
			14,120,000	7,736,862	3,949,388	2,013,750	420,000	0
Cecil Airport	F2012-01	Construct Taxiway 'E' & Extend Taxiway 'A1'-((\$4.0 Mil)	4,922,000	398,000		2,964,000	1,560,000	
	F2011-05 PhII	Roof Rehab 313, 1826, 59, 1847 & 67 Center Section	2,144,800	1,072,400			1,072,400	
	F2012-02	Construct Wildlife/Perimeter/Security Fence	1,500,000	75,000		1,425,000		
	F2011-04 PhII	Airfield Drainage Rehab (Ph II)	500,000	12,500		475,000	12,500	
	F2012-03	Landside Drainage Evaluation	125,000	125,000				
	F2012-04	Spec Hangar Number 3	5,000,000					5,000,000
	F2012-05	Implement Recommendations of Spaceport Master Plan	3,000,000					3,000,000
		Capital Below \$100,000	310,000	248,250		61,750		
			17,501,800	1,931,150	0	4,925,750	2,644,900	8,000,000
Craig Airport	C2012-01	Design & Install Street Lights Aviation Drive (40) (Poles, Fixtures & Conduit)	300,000	15,000		285,000		
	C2010-02 PhII	Install Landside Direction Signage (PhII)	100,000	100,000				
	C2012-02	James Craig Memorial Project	100,000	100,000				
		Capital Below \$100,000	189,000	127,250		61,750		
			689,000	342,250	0	346,750	0	0
Herlong Airport	H2012-01	Design & Rehab Taxiway A	700,000	35,000		665,000		
	H2012-02	Building Improvements	200,000	200,000				
		Capital Below \$100,000	178,000	178,000				
			1,078,000	413,000	0	665,000	0	0
Total Capital			33,388,800	10,423,262	3,949,388	7,951,250	3,064,900	8,000,000

**Council Auditor's Office
Recommendations
Jacksonville Aviation Authority
Proposed 2011/12 Budget**

RECOMMENDATIONS:

1. Replace Schedule H (JAA Capital Budget) with Revised Schedule H (attached). The schedule that was filed inadvertently cut off the total row and some funding source columns. No other changes are being made to the schedule.
2. In the budget ordinance narrative, change references from "Schedule H" to "Revised Schedule H." Also, in section 3.2 of the budget ordinance, the reference to Part IV should be corrected to read "Part III".