

OFFICE OF THE COUNCIL AUDITOR

FY 2012/2013 PROPOSED BUDGET

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Clay Yarborough



Meeting #6
August 24, 2012

**COUNCIL AUDITOR'S OFFICE
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**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2012/13 BUDGET
PUBLIC LIBRARIES
GENERAL FUND (011)**

**PROPOSED BUDGET BOOK – Page #299-301
ON SCREEN-Page #330-332**

BACKGROUND:

The Jacksonville Public Library system consists of a main library and twenty regional, community and neighborhood branch libraries. The system services the needs of Duval County as well as neighboring areas, Baker, Clay, Nassau and St. Johns Counties.

REVENUES:

1. Charges for Services:

- The decrease of \$370,155 is due to a decrease of \$375,000 in public library fee revenues based on current year actuals. These are fees collected for overdue books and materials, and non-resident library cards. This was offset by an increase of \$4,845 in internet printing fee revenue.

2. Miscellaneous Revenue:

- The decrease of \$39,400 is attributable to a projected decrease in miscellaneous sales and charges. This revenue comes from fees charged for making copies using the Library copiers. In FY 2012 this service was outsourced to a private vendor and the only revenue that will be generated in this category will be collected by the Microfilm printers.

EXPENDITURES:

1. Salaries:

- The decrease of \$2,096,670 is due to a reduction in service hours allowing staffing of 71 positions to be cut creating savings of \$2,055,089 in permanent and probationary salaries, \$22,484 in special pay pensionable and \$19,097 in leave sellback costs.

2. Employer Provided Benefits:

A decrease of \$227,261 is mainly attributable to reductions in group hospitalization insurance of \$139,344, pension contribution costs of \$42,975, Medicare of \$32,151 and group dental plan costs of \$12,034. All of these savings were created by reducing staff.

3. Internal Service Charges:

- The decrease of \$1,411,363 is mainly caused by a decrease of \$1,325,702 in ITD charges due primarily to a decrease in ITD billings and actual historical usage. Additional reductions of \$138,362 in System Development (Banking Fund) allocation charges and \$10,797 in mailroom allocation charges contributed to the overall decrease. These decreases were all slightly offset by an increase of \$61,097 in copier consolidation allocation charges.

**COUNCIL AUDITOR'S OFFICE
 COMMENTS AND RECOMMENDATIONS
 MAYOR'S PROPOSED FY 2012/13 BUDGET
 PUBLIC LIBRARIES
 GENERAL FUND (011)**

4. Other Operating Expenses:

- The overall decrease of \$408,605 is primarily due to the proposed reduction in hours of operations which in turn created savings of \$128,643 in janitorial and delivery contractual services and \$111,718 in security guard services. Other operating supplies were reduced by \$75,968 based on historical actuals, miscellaneous insurance cost were reduced by \$72,811 due to improvements in allocation methods, and \$2,457 in furniture and equipment (under \$1,000) was also reduced in an effort to create savings.

5. Library Materials:

- The library materials budget was reduced by \$500,000 for FY 13 as a part of the overall reductions to the libraries' budget. The requested amount of \$2,607,629 will be spent as follows:

FY 2012/13 LIBRARY MATERIALS BUDGETED EXPENDITURES	
<u>MATERIALS</u>	<u>COST</u>
Books	53,538
Books, Internet Databases	361,123
Books, Audio Books	1,689,002
Internet Databases	326,312
Periodicals	19,002
Audio Books	600
Audio Books, DVDs	158,052
TOTAL:	<u><u>\$2,607,629</u></u>

6. Indirect Costs:

- This represents Indirect Cost recovery computed by the full cost allocation plan study.

7. State Aid:

- In addition to City funding, the Public Library Department receives a State Grant. For the FY 2012/13, the estimated state budget is \$1,232,661. The library is expected to spend \$446,628 on library materials, \$673,514 on furniture, fixtures and equipment, \$15,715 on training, and \$96,804 is currently unassigned.

SERVICE LEVEL CHANGES:

The proposed budget is based on reducing the Public Libraries' hours of operations from 1,112 weekly service hours to 848 hours per week; a reduction of 264 hours. As a result of this reduction in hours, all of the libraries will operate on a 40 hour service week with the exception of the Main Branch that will have a 48 hour service week. To accomplish this, all branches will be closed on Sundays and no branch will be open more than eight hours a day.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2012/13 BUDGET
PUBLIC LIBRARIES
GENERAL FUND (011)**

EMPLOYEE CAP CHANGES:

The employee cap was decreased by seventy one (71) positions, all of which are proposed to be eliminated.

RECOMMENDATION:

The Department requests to have a filled librarian position restored that will be eliminated in the proposed budget for FY 2012/13. They are requesting only the position be restored, not the funding. There is no impact on Special Council Contingency if this recommendation is accepted by Council. However, the employee cap will increase by one (1) position.

**COUNCIL AUDITOR'S OFFICE
MAYOR'S PROPOSED FY 2012/13 BUDGET
JACKSONVILLE PUBLIC LIBRARIES
PROPOSED HOURS OF OPERATION**

Hours Of Operation at Beginning of Fiscal Year 2011/12								
Branch	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Total Hours
Argyle	Closed	12:00 - 9:00	12:00 - 9:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	50
Beaches	1:00 - 5:00	10:00 - 9:00	10:00 - 9:00	12:00 - 9:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	62
Bradham - Brooks	Closed	12:00 - 9:00	10:00 - 6:00	10:00 - 6:00	12:00 - 9:00	10:00 - 6:00	10:00 - 6:00	50
Brentwood	Closed	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	Closed	40
Brown Eastside	Closed	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	Closed	40
Graham	Closed	12:00 - 8:00	12:00 - 8:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	48
Highlands	1:00 - 5:00	10:00 - 9:00	10:00 - 9:00	12:00 - 9:00	10:00 - 9:00	10:00 - 6:00	10:00 - 6:00	62
Mandarin	Closed	10:00 - 9:00	10:00 - 9:00	12:00 - 9:00	10:00 - 9:00	10:00 - 6:00	10:00 - 6:00	58
Maxville	Closed	12:00 - 8:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	Closed	10:00 - 6:00	40
Murray Hill	Closed	12:00 - 9:00	12:00 - 9:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	50
Pablo Creek	Closed	10:00 - 9:00	10:00 - 9:00	12:00 - 9:00	10:00 - 9:00	10:00 - 6:00	10:00 - 6:00	58
Regency Square	Closed	10:00 - 9:00	10:00 - 9:00	12:00 - 9:00	10:00 - 9:00	10:00 - 6:00	10:00 - 6:00	58
San Marco	Closed	12:00 - 9:00	12:00 - 9:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	50
South Mandarin	1:00 - 5:00	10:00 - 9:00	10:00 - 9:00	12:00 - 9:00	10:00 - 9:00	10:00 - 6:00	10:00 - 6:00	62
Southeast	Closed	10:00 - 9:00	10:00 - 9:00	12:00 - 9:00	10:00 - 9:00	10:00 - 6:00	10:00 - 6:00	58
University Park	Closed	12:00 - 9:00	12:00 - 9:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	50
Webb Wesconnectt	1:00 - 5:00	10:00 - 9:00	10:00 - 9:00	12:00 - 9:00	10:00 - 9:00	10:00 - 6:00	10:00 - 6:00	62
West Regional	Closed	10:00 - 9:00	10:00 - 9:00	12:00 - 9:00	10:00 - 9:00	10:00 - 6:00	10:00 - 6:00	58
Westbrook	Closed	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	Closed	40
Willowbranch	Closed	10:00 - 6:00	10:00 - 6:00	12:00 - 9:00	12:00 - 9:00	10:00 - 6:00	10:00 - 6:00	50
Main	1:00 - 5:00	9:00 - 8:00	9:00 - 8:00	9:00 - 8:00	9:00 - 8:00	9:00 - 6:00	9:00 - 6:00	66
						Total Weekly Service Hours		1112

Mayor's Proposed Hours of Operation for 2012/13								
Branch	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Total Hours
Argyle	Closed	Closed	1:00 - 9:00	10:00 - 6:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	40
Beaches	Closed	Closed	1:00 - 9:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	40
Bradham - Brooks	Closed	Closed	10:00 - 6:00	1:00 - 9:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	40
Brentwood	Closed	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	Closed	40
Brown Eastside	Closed	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	Closed	40
Graham	Closed	10:00 - 6:00	12:00 - 8:00	10:00 - 6:00	12:00 - 8:00	10:00 - 6:00	Closed	40
Highlands	Closed	Closed	1:00 - 9:00	10:00 - 6:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	40
Mandarin	Closed	Closed	1:00 - 9:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	40
Maxville	Closed	12:00 - 8:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	Closed	10:00 - 6:00	40
Murray Hill	Closed	Closed	1:00 - 9:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	40
Pablo Creek	Closed	Closed	10:00 - 6:00	1:00 - 9:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	40
Regency Square	Closed	Closed	10:00 - 6:00	1:00 - 9:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	40
San Marco	Closed	Closed	1:00 - 9:00	10:00 - 6:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	40
South Mandarin	Closed	Closed	10:00 - 6:00	1:00 - 9:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	40
Southeast	Closed	Closed	1:00 - 9:00	10:00 - 6:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	40
University Park	Closed	Closed	1:00 - 9:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	40
Webb Wesconnectt	Closed	Closed	10:00 - 6:00	1:00 - 9:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	40
West Regional	Closed	Closed	1:00 - 9:00	10:00 - 6:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	40
Westbrook	Closed	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	Closed	40
Willowbranch	Closed	Closed	10:00 - 6:00	1:00 - 9:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	40
Main	Closed	10:00 - 6:00	11:00 - 7:00	11:00 - 7:00	11:00 - 7:00	10:00 - 6:00	10:00 - 6:00	48
						Total Weekly Service Hours		848

Branch	Hours FY12	Hours FY13	Change
Argyle	50	40	(10)
Beaches	62	40	(22)
Bradham - Brooks	50	40	(10)
Brentwood	40	40	0
Brown Eastside	40	40	0
Graham	48	40	(8)
Highlands	62	40	(22)
Mandarin	58	40	(18)
Maxville	40	40	0
Murray Hill	50	40	(10)
Pablo Creek	58	40	(18)
Regency Square	58	40	(18)
San Marco	50	40	(10)
South Mandarin	62	40	(22)
Southeast	58	40	(18)
University Park	50	40	(10)
Webb Wesconnectt	62	40	(22)
West Regional	58	40	(18)
Westbrook	40	40	0
Willowbranch	50	40	(10)
Main	66	48	(18)
	1112	848	(264)

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2012/ 13 BUDGET
PUBLIC LIBRARIES
LIBRARY CONFERENCE FACILITY TRUST (15W)**

**PROPOSED BUDGET BOOK – Page #302-304
ON SCREEN-Page #333-335**

BACKGROUND:

The Library Conference Facility Trust was established per Ordinance 2006-237. The Main Library charges a fee for the use of the conference facilities in order to cover the cost associated with operating and leasing conference facilities for business, recreational and social purposes.

REVENUES:

JACKSONVILLE CITYWIDE ACTIVITIES

1. Miscellaneous Revenue:

- The increase of \$61,068 in Jacksonville Citywide Activities is attributable to an appropriation from prior years' investment pool earnings.

PUBLIC LIBRARIES

1. Miscellaneous Revenue:

- The increase of \$18,864 Public Libraries is due to a projected increase in rental of City facilities revenue based on current year actuals.

EXPENDITURES:

PUBLIC LIBRARIES

1. Salaries:

- The increase of \$55,674 is attributable to the Conference Center Manager position previously budgeted in the General Fund and now budgeted in this subfund. In addition, an increase in salary of \$5,326 for an existing employee due to the employee changing positions contributed to the overall increase.

2. Employer Provided Benefits:

- The increase of \$21,255 is mainly due to increases of \$12,799 in pension contribution costs and \$6,260 in group hospitalization charges directly related to the new position referenced above.

3. Internal Service Charges:

- The elimination of \$4,000 is due to the removal of \$3,500 in copy center allocation and \$500 in mailroom allocation charges based on actual usage.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2012/ 13 BUDGET
PUBLIC LIBRARIES
LIBRARY CONFERENCE FACILITY TRUST (15W)**

4. Other Operating Expenses:

- The increase of \$2,002 is primarily due to increases of \$1,988 in contractual services and \$1,860 in security guard service charges in order to cover a projected increase in events in the upcoming FY. These were somewhat offset by a decrease of \$1,994 in furniture and equipment purchases (under \$1,000).

5. Capital Outlay:

- The increase of \$5,000 is for purchases to replace worn audio visual equipment in the conference room and auditorium during FY 13.

SERVICE LEVEL CHANGES:

There are no significant changes in service levels.

EMPLOYEE CAP CHANGES:

The employee cap was increased by one (1) position.

RECOMMENDATIONS:

None

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2012/13 BUDGET
MAYOR'S OFFICE
GENERAL FUND (011)**

**PROPOSED BUDGET BOOK- Page #154 – 156
ON SCREEN PDF- Page #173-175**

BACKGROUND:

This fund provides for the operating and salary expenditures of the Mayor's Office, the Education Commissioner's Office and the Public Affairs Office.

REVENUES:

Miscellaneous Revenue:

- The increase of \$73,215 is due to an increase of 74,215 in contributions from private sources. This was offset by an anticipated decrease of \$1,000 in miscellaneous sales and charges.

EXPENDITURES:

Salaries:

- Salaries increased by \$86,048. Permanent salaries increased \$186,664 from \$1,952,670 to \$2,139,334. This was offset by a decrease in part-time salaries of (\$94,245) from \$111,747 to \$17,502.

Employer Provided Benefits:

- The decrease of (\$34,069) is mainly due to decreases of (\$109,508) in pension contributions (\$106,650 in GEPP, \$1,464 in Florida Retirement System, and \$1,394 in GEPP disability) and (\$1,655) in workers compensation insurance. These were offset by increases of \$28,976 in payroll taxes, \$24,371 in the defined contribution pension and \$22,936 in group hospitalization insurance costs.

Internal Service Charges:

- The decrease of (\$37,178) is mainly due to decreases of (\$15,530) in copy center allocation, (\$12,318) in ITD data center service, (\$7,651) in ITD network group allocation and (\$1,584) in OGC legal allocation charges.

Other Operating Expenses:

- The decrease of (97,458) is primarily due to decreases of (\$69,997) in travel expense, (\$18,000) in advertising and promotion to be apportioned between vendors, (\$5,000) in contractual services with Jacksonville Sister Cities Association, (\$2,937) in general liability insurance and (\$1,431) in buildings plant renewal.

SERVICE LEVEL CHANGES:

None

EMPLOYEE CAP CHANGES:

The employee cap was reduced by 7 positions due to the addition of a Project Manager/Specialist and the elimination of 8 employees with the dissolution of the Inspector General's Office.

RECOMMENDATIONS:

1. We recommend the removal of \$74,215 from Miscellaneous Contributions From Private Sources because they are not a definite funding source. This will reduce Special Council Contingency by \$74,215.
2. We recommend the removal of \$14,241 of funding for the Florida Retirement System.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2012/13 BUDGET
ADVISORY BOARDS & COMMISSIONS
GENERAL FUND (S/F 011)**

**PROPOSED BUDGET BOOK- Page # 77-78
ON SCREEN- PDF # 87-88**

BACKGROUND:

This fund includes the Mayor's Asian Commission, Civil Service Board, Construction Trades Qualifying Board (CTQB), Hispanic American Advisory Board and the Mayor's Commission on the Status of Women.

REVENUES:

Charges for Services:

- The increase of \$200,000 is due to the seasonality of contractor certification and renewal revenue. The CTQB issued certificates are renewed every two years. The estimate was adjusted for four new categories of licensure in Duval County, which includes Awning, Stucco, Windows and Doors and Marine Specialty Contractors.

Fines and Forfeits:

- The increase of \$1,049 is due to properly classifying code violation fines into the correct indexcode. The revenue item was erroneously deposited in another subfund.

Miscellaneous Revenue:

- The decrease of \$1,080 is due to a reduction of \$1,000 in miscellaneous sales and charges due to the loss of revenues from photos taken and \$80 in sales of books and regulations.

EXPENDITURES:

Salaries:

- The decrease of \$30,297 is primarily due to the elimination of the Contractor Certification Coordinator position.

Employer Provided Benefits:

- The increase of \$1,423 is mainly due to an increase of \$1,951 in pension costs. This was somewhat offset by a decrease of \$511 in Medicare tax costs.

Internal Service Charges:

- The decrease of \$7,393 is mainly due to decreases of \$6,300 in computer system maintenance and security, \$902 in ITD network group allocation and \$151 in OGC legal allocation charges.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2012/13 BUDGET
ADVISORY BOARDS & COMMISSIONS
GENERAL FUND (S/F 011)**

SERVICE LEVEL CHANGES:

No significant service level changes.

EMPLOYEE CAP CHANGES:

The employee cap was reduced by one (1) position.

CAPITAL OUTLAY CARRYFORWARDS:

None

RECOMMENDATIONS:

None

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED 2012/2013 BUDGET
OFFICE OF ECONOMIC DEVELOPMENT
EVERBANK FIELD-CITY (4A1)**

**PROPOSED BUDGET BOOK – Page #210-212
ONSCREEN – PDF Page #233-235**

BACKGROUND:

SMG was hired by the City to manage six public entertainment facilities which include Everbank Field, the Memorial Arena, Jacksonville Baseball Stadium, and Times-Union Center for Performing Arts, the Convention Center and the Equestrian Center. The Office of Economic Development serves as a liaison for SMG. Ordinance 2007-1265-E extended the contract between the City of Jacksonville and SMG through March 30, 2013. An RFP has been issued for a new facilities manager contract. The proposals submitted for the RFP are currently under protest and a vendor has not been selected.

REVENUES:

Jacksonville Citywide Activities:

Taxes:

- This includes the 2 Cent Tourist Development Tax budgeted at \$5,142,095 and the State Sales Tax Rebate budgeted at \$2,000,004. The increase of \$624,095 is due to a projected increase in the 2 Cent Tourist Development Tax collections.

Miscellaneous Revenue:

- The increase of \$46,338 is due to a projected increase for Investment Pool Earnings. It appears that Investment Pool Earnings was under budgeted in fiscal year 2011/2012.

Office of Economic Development:

Charges for Services:

- The decrease of \$3,000 is due to the following:
 - Parking has reduced by \$8,000, which is more in line with current collections.
 - An increase of \$20,000 in NFL Ticket – Surcharge due to the anticipation of increased tickets sales as a result of the new ownership of the Jaguars.
 - A decrease of \$15,000 in Other Ticket Surcharge – Facility Fees to be more in line with current year collections since the attendance at the Monster Truck show has been decreasing.

Miscellaneous Revenue:

- The Jacksonville Jaguar supplemental rent payment per Amendment 8 of the Lease for fiscal year 2012/2013 is \$4,047,200, which is a reduction of \$44,134.

Transfers from Other Funds:

- The transfer of \$6,513,495 is from the General Fund and is an increase of \$971,204. The offsetting decrease of \$944,742 is due to the Memorial Arena not transferring funds to Everbank Field.

EXPENDITURES:

Internal Service Charges:

- The decrease of \$25,677 is mainly due to reductions of \$16,089 in Computer System Maintenance/Security allocation.

Other Operating Expenses:

- The increase of \$11,776 is due to the following factors:
 - Electricity is increasing by \$90,185 and Water is increasing by \$19,500 due to an increase in the number of budgeted events.
 - The increase is offset by a decrease of \$97,909 in Miscellaneous Insurance Expense.

Capital Outlay:

- The \$50,000 includes:
 - Event Equipment \$20,000
 - Housekeeping Equipment \$10,000
 - Landscape and Turf Equipment \$5,000
 - Operations Equipment \$5,000
 - Parking Equipment \$5,000
 - Trades Equipment \$5,000

Debt Service:

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

Transfers to Other Funds:

- The transfer of \$4,663,060 consists of:
 - \$292,000 for payback of a \$5,000,000 loan from sub-fund 322.
 - \$100,000 for payback of a \$2,115,000 loan from sub-fund 322.
 - \$4,271,060 transfer to Everbank Field – SMG (4A2).

EMPLOYEE CAP CHANGES:

There are no city employees associated with this subfund.

SERVICE LEVEL CHANGES:

There are no significant service level changes to the budget.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2012/2013 BUDGET
OFFICE OF ECONOMIC DEVELOPMENT
EVERBANK FIELD-SMG (4A2)**

**PROPOSED BUDGET BOOK – Page #213-215
ONSCREEN – PDF Page #236-238**

BACKGROUND:

SMG was hired by the City to manage six public entertainment facilities which include Everbank Field, the Memorial Arena, Jacksonville Baseball Stadium, and Times-Union Center for Performing Arts, the Convention Center and the Equestrian Center. The Office of Economic Development serves as a liaison for SMG. Ordinance 2007-1265-E extended the contract between the City of Jacksonville and SMG through March 30, 2013. An RFP has been issued for a new facilities manager contract. The proposals submitted for the RFP are currently under protest and a vendor has not been selected.

REVENUES:

Jacksonville Citywide Activities

Miscellaneous Revenue:

- The decrease of \$21,764 in Investment Pool Earnings is due to lower projected revenues based on current year actuals.

Office of Economic Development

Charges for Service:

- The increase of \$199,943 is due to the following factors:
 - Parking Fees – Daily is increasing by \$22,071 due to an increase in the number of events budgeted from a total of 177 events in the current year to 194 for fiscal year 2012/2013.
 - Other Ticket Surcharge – Incentive Fees in increasing by \$95,109 due to the increased number of events budgeted as well as another significant event similar to US Soccer included in the fiscal year 2012/2013 budget.
 - Contractual Services Revenue is increasing by \$82,763 due to the increase in the number of events budgeted.

Miscellaneous Revenue

- The increase of \$73,868 is due to the following factors:
 - An increase of \$75,000 in Non-Dwelling Rent, which is revenue derived from cell tower leases. The amount budgeted will correctly reflect the revenue received from the leases.
 - A decrease of \$54,160 in Concession Sales due to the economy.
 - There were also increases in Miscellaneous Sales and Charges of \$32,000 and in Advertising Fees of \$35,000.

Transfers from Other Funds:

- This is a transfer from Everbank Field – City (4A1).

EXPENDITURES:

Salaries:

- The decrease of \$30,436 in Salaries is due to decreased staffing and attrition.

Employer Provided Benefits

- The decrease of \$49,620 is due to a reduction of \$39,890 in SMG - Health Insurance and a reduction of \$9,730 in SMG Payroll Taxes.

Other Operating Expenses:

- The increase of \$162,947 is mainly due to the following:
 - A decrease of \$52,284 in Professional Services due to restructuring of the contracts for security, cleaning and other professional services.
 - An increase of \$10,000 in Equipment Rentals which includes copiers, mail machines and machinery for building repairs.
 - An increase of \$159,738 in Contractual Services Expense due to the increase in the number of events budgeted.

- Game Day Expenses are included in Contractual Services Expense. Below is a summary of Game Day Expenses:

	2011/2012 Approved	2012/2013 Proposed	Dollar Change	Percent Change
Game Day Budget per Game	\$ 187,040	\$ 200,083	\$ 13,043	7%
# of games budgeted	11	10	\$ (1)	-10%
	\$ 2,057,440	\$ 2,000,830	\$ (56,610)	-3%
24 hour turnaround	50,000	-	\$ (50,000)	N/A
Holiday Game Cost	-	-	\$ -	N/A
Total Game Day Expenses	<u>\$ 2,107,440</u>	<u>\$ 2,000,830</u>	<u>\$ (106,610)</u>	-5%

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 FY 2012/2013 BUDGET
 EVERBANK FIELD – DEBT SERVICE (4A6)**

**PROPOSED BUDGET BOOK – Page #40-41
 ONSCREEN – PDF Page #48-49**

BACKGROUND:

SMG was hired by the City to manage six public entertainment facilities which include Everbank Field, the Memorial Arena, Jacksonville Baseball Stadium, and Times-Union Center for Performing Arts, the Convention Center and the Equestrian Center. The Office of Economic Development serves as a liaison for SMG. Ordinance 2007-1265 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. An RFP has been issued for a new facilities manager contract. The proposals submitted for the RFP are currently under protest and a vendor has not been selected.

REVENUES:

Miscellaneous Revenue:

- The decrease of \$51,175 is due to reduced projected Investment Pool Earnings from \$147,805 to \$96,630 for fiscal year 2012/2013, which is based on current year collections.

Transfer in to Pay Debt Service:

- The transfer of \$11,363,531 is from the Everbank Field – City subfund (4A1).

EXPENDITURES:

Fiscal and Other Debt Fees:

- The debt service payments include both principal and interest costs, which are based upon a repayment schedule that was established at the time the bonds were issued. The fiscal agent fees are also included, which represent the cost of paying agent and registrar services for the bond issue.

Account Title	Principal	Interest	Fiscal Agent Fees	Total
1997 Municipal Stadium Capital Improvement	\$290,000	\$273,905	1,000	\$564,905
1998 Municipal Stadium Capital Improvement	235,000	1,624,813	500	1,860,313
2002A Capital Improvement	220,000	2,545,500	431	2,765,931
2002B Capital Improvement	2,810,000	1,283,812	431	4,094,243
2002C Capital Improvement	1,175,000	999,338	431	2,174,769
	\$4,730,000	\$6,727,368	\$2,793	\$11,460,161

EMPLOYEE CAP CHANGES:

There are no city positions associated with this subfund.

SERVICE LEVEL CHANGES:

There are no significant service level changes to the budget.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2012/2013 BUDGET
OFFICE OF ECONOMIC DEVELOPMENT
MEMORIAL ARENA-CITY (4B1)**

**PROPOSED BUDGET BOOK – Page #216-217
ONSCREEN – PDF Page #239-240**

BACKGROUND:

SMG was hired by the City to manage six public entertainment facilities which include Everbank Field, the Memorial Arena, Jacksonville Baseball Stadium, and Times-Union Center for Performing Arts, the Convention Center and the Equestrian Center. The Office of Economic Development serves as a liaison for SMG. Ordinance 2007-1265-E extended the contract between the City of Jacksonville and SMG through March 30, 2013. An RFP has been issued for a new facilities manager contract. The proposals submitted for the RFP are currently under protest and a vendor has not been selected.

REVENUES:

Miscellaneous Revenues:

- The decrease of \$8,621 is due to a reduced projection for Investment Pool Earnings, which is based on current year collections.

Charges for Services:

- The increase for Other Ticket Surcharge - Facility Fees of only \$5,000 is due to projecting an increase in attendance for events.

Transfers from Other Funds:

- The decrease of \$996,875 is due to the following:
 - A reduced transfer of \$850,648 from Memorial Arena – SMG (4B2) from \$2,317,939 for this current year to \$1,467,291 for fiscal year 2012/2013.
 - A decrease of \$146,227 due to the Convention Center not transferring funds to the Arena for its operations in fiscal year 2012/2013.

EXPENDITURES:

Internal Service Charges:

- The increase of \$14,112 is mainly due to an increase of \$15,471 in ITD Data Center Service charges and an increase of \$7,070 in ITD Network Group Charges. The increases are offset by a decrease of \$7,831 in Computer System Maintenance Charges.

Other Operating Expenses:

- The decrease of \$69,866 is due to the following:
 - A decrease of \$43,445 in Electricity which is based on current year projections.
 - A decrease of \$27,781 in Miscellaneous Insurance.

Transfers to Other Funds:

- The decrease of \$944,742 is due to this subfund not transferring funds to Everbank Field in fiscal year 2012/2013, as it did in the current year. (As discussed in the Everbank Field handout, this subsidy is being made directly from the General Fund.)

Capital Outlay:

- The \$40,000 consists of:
 - Audio/Visual Equipment \$10,000
 - Event Equipment \$10,000
 - Housekeeping Equipment \$10,000
 - Operations Equipment \$5,000
 - Trades Equipment \$5,000

EMPLOYEE CAP CHANGES:

There are no city employees associated with this subfund.

SERVICE LEVEL CHANGES:

There are no significant service level changes to the budget.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2012/2013 BUDGET
OFFICE OF ECONOMIC DEVELOPMENT
MEMORIAL ARENA- SMG (4B2)**

**PROPOSED BUDGET BOOK – Page #218-219
ONSCREEN – PDF Page #241-242**

BACKGROUND:

SMG was hired by the City to manage six public entertainment facilities which include Everbank Field, the Memorial Arena, Jacksonville Baseball Stadium, and Times-Union Center for Performing Arts, the Convention Center and the Equestrian Center. The Office of Economic Development serves as a liaison for SMG. Ordinance 2007-1265-E extended the contract between the City of Jacksonville and SMG through March 30, 2013. An RFP has been issued for a new facilities manager. The RFP is currently under protest and a vendor has not been selected.

REVENUES:

Charges for Services:

- The increase of \$176,776 is primarily due to the following:
 - A decrease of \$216,416 in Parking Fees – Daily due to competition from the MPS garages and private lots.
 - An increase of \$100,000 in Other Ticket Surcharge – Incentive Fees due to a renegotiated contract with Ticketmaster.
 - An increase of \$225,192 in Contractual Services Revenue due to an increase in the number of events budgeted from 98 events for this current year and 122 events budgeted for fiscal year 2012/2013.

Miscellaneous Revenue:

- The increase of \$249,776 is due to the following:
 - An increase of \$199,117 in Rental of City Facilities due to the increase in the number of events budgeted.
 - A decrease of \$85,351 in Concession Sales due to the economy.
 - An increase of \$100,000 in Advertising Fees due to signage revenue and a focusing of initiatives to bring this revenue up.

EXPENDITURES:

Salaries

- The decrease of \$39,576 is due to decreased staffing and attrition.

Employer Paid Benefits

- The decrease of \$30,801 is due to a reduction of \$21,360 in SMG- Health Insurance and a reduction of \$9,441 in SMG- Payroll Taxes.

Other Operating Expenses:

- The increase of \$83,152 is mainly due to the following:
 - An increase of \$142,430 in Contractual Services Expense due to the increase in budgeted events.
 - A decrease of \$60,000 in Repairs and Maintenance to be more in line with current year expenses.

Transfers to Other Funds:

- The transfer of 2,726,706 consists of the following:
 - A transfer of \$1,467,291 to Memorial Arena – City (4B1)
 - \$267,103 to Baseball Stadium – City (4C1)
 - \$323,850 to Baseball Stadium – SMG (4C2)
 - \$66,754 to Performing Arts Center – City (4D1)
 - \$380,478 to Equestrian Center – City (4F1)
 - \$221,230 to Equestrian Center – SMG (4F2)

EMPLOYEE CAP CHANGES:

There are no city employees associated with this subfund.

SERVICE LEVEL CHANGES:

There are no significant service level changes to the budget.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
 COMMENTS AND RECOMMENDATIONS
 MAYOR'S PROPOSED FY 2012/2013 BUDGET
 MEMORIAL ARENA – DEBT SERVICE (4B6)**

**PROPOSED BUDGET BOOK – Page #42-43
 ONSCREEN – PDF Page #50-51**

BACKGROUND:

SMG was hired by the City to manage six public entertainment facilities which include the Municipal Stadium, the Memorial Arena, Jacksonville Baseball Stadium, and Times-Union Center for Performing Arts, the Convention Center and the Equestrian Center. The Office of Economic Development 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. An RFP has been issued for a new facilities manager contract. The proposals submitted for the RFP are currently under protest and a vendor has not been selected.

REVENUES:

Miscellaneous Revenues:

- The decrease of \$48,009 is due to reduced projected Investment Pool Earnings from \$113,131 to \$65,122, which is based on current year collections.

Transfer In to Pay Debt Service:

- This is a transfer from the Better Jacksonville Trust Fund (111) to pay the Debt Service.

EXPENDITURES:

Fiscal and Other Debt Fees:

- The debt service payments include both the principal and interest costs. Below are the payments for fiscal year 2012/2013.

Account Title	Principal	Interest	Total
2003 Better Jacksonville Sales Tax Rebate Revenue Bonds	\$1,083,008	\$836,481	\$1,919,489
2004 Better Jacksonville Sales Tax Rebate Revenue Bonds	-	440,660	440,660
2011 Better Jacksonville Sales Tax Rebate Revenue Bonds	1,056,377	692,405	1,748,782
2012 Better Jacksonville Sales Tax Rebate Revenue Refunding Bonds	-	1,627,480	1,627,480
	\$2,139,385	\$3,597,026	\$5,736,411

EMPLOYEE CAP CHANGES:

There are no city positions associated with this subfund.

SERVICE LEVEL CHANGES:

There are no significant service level changes to the budget.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2012/2013 BUDGET
OFFICE OF ECONOMIC DEVELOPMENT
BASEBALL STADIUM-CITY (4C1)**

**PROPOSED BUDGET BOOK – Page #220-221
ONSCREEN – PDF Page #243-244**

BACKGROUND:

SMG was hired by the City to manage six public entertainment facilities which include Everbank Field, the Memorial Arena, Jacksonville Baseball Stadium, and Times-Union Center for Performing Arts, the Convention Center and the Equestrian Center. The Office of Economic Development serves as a liaison for SMG. Ordinance 2007-1265-E extended the contract between the City of Jacksonville and SMG through March 30, 2013. An RFP has been issued for a new facilities manager contract. The proposals submitted for the RFP are currently under protest and a vendor has not been selected.

REVENUES:

Charges for Services:

- Other Ticket Surcharge – Facility Fee has a budgeted increase of \$4,500 due to a budgeted increase in attendance for the baseball games.

Miscellaneous Revenue:

- The Baseball Jax rental payment for fiscal year 2012/2013 is \$107,000, which is an increase of \$12,000.

Transfers from Other Funds:

- The transfer of \$267,103 includes:
 - \$267,103 from the Memorial Arena – SMG (4B2)
 - The decrease of \$367,234 is due to not having a budgeted transfer from the General Fund.

EXPENDITURES:

Internal Service Charges:

- The decrease of \$3,321 is mainly due to a reduction of \$6,872 in ITD System Development charges which is offset by an increase of \$1,905 in ITD Data Center Service charges.

Other Operating Expenses:

- The increase of \$1,629 is mainly due to an increase of \$10,000 in Water which is offset by a reduction of \$7,725 in Miscellaneous Insurance.

Capital Outlay:

- The \$10,000 consists of:
 - Housekeeping Equipment \$5,000
 - Operations Equipment \$5,000

Transfers to Other Funds:

- The decrease of \$349,275 is due to not having a budgeted transfer to the Baseball Stadium-SMG subfund (4C2).

EMPLOYEE CAP CHANGES:

There are no city employees associated with this subfund.

SERVICE LEVEL CHANGES:

There are no significant service level changes to the budget.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2012/2013 BUDGET
OFFICE OF ECONOMIC DEVELOPMENT
BASEBALL STADIUM-SMG (4C2)**

**PROPOSED BUDGET BOOK – Page #222-223
ONSCREEN – PDF Page #245-246**

BACKGROUND:

SMG was hired by the City to manage six public entertainment facilities which include the Everbank Field, the Memorial Arena, Jacksonville Baseball Stadium, and Times-Union Center for Performing Arts, the Convention Center and the Equestrian Center. The Office of Economic Development serves as a liaison for SMG. Ordinance 2007-1265-E extended the contract between the City of Jacksonville and SMG through March 30, 2013. An RFP has been issued for a new facilities manager contract. The proposals submitted for the RFP are currently under protest and a vendor has not been selected.

REVENUES:

Jacksonville Citywide Activities:

Miscellaneous Revenue:

- The increase of \$3,321 reflects projected Investment Pool Earnings.

Office of Economic Development:

Charges for Services:

- The decrease of \$24,522 is primarily due to a decrease of \$23,588 in Parking Fees – Daily which is caused by competition from the MPS garages and private lots.

Miscellaneous Revenue:

- There are no significant changes.

Transfers from Other Funds:

- This is a transfer from Memorial Arena – SMG (4B2).

EXPENDITURES:

Salaries:

- The reduction of \$5,245 is due to reduced staffing costs and attrition.

Employer Provided Benefits:

- The decrease of \$1,670 is mainly due to a reduction of \$1,375 in SMG- Health Insurance.

Other Operating Expenses:

- The reduction of \$39,022 is mainly due to the following:
 - A decrease of \$14,744 in Professional Services due to restructuring the level of services for building security and cleaning.
 - A decrease of \$31,576 in Contractual Services Expense to bring this expense more in line with the current year.

EMPLOYEE CAP CHANGES:

There are no city employees associated positions in this subfund.

SERVICE LEVEL CHANGES:

There are no significant service level changes to the budget.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
 COMMENTS AND RECOMMENDATIONS
 MAYOR'S PROPOSED FY 2012/2013 BUDGET
 BASEBALL STADIUM - DEBT SERVICE (4C6)**

**PROPOSED BUDGET BOOK – Page #44-45
 ONSCREEN – PDF Page #52-53**

BACKGROUND:

SMG was hired by the City to manage six public entertainment facilities which include the Municipal Stadium, the Memorial Arena, Jacksonville Baseball Stadium, and Times-Union Center for Performing Arts, the Convention Center and the Equestrian Center. The Office of Economic Development serves as a liaison for SMG. Ordinance 2007-1265 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. An RFP has been issued for a new facilities manager contract. The proposals submitted for the RFP are currently under protest and a vendor has not been selected.

REVENUES:

Miscellaneous Revenues:

- The decrease of \$12,685 is due to decreased projected Investment Pool Earnings from \$29,891 to \$17,206.

Transfer In to Pay Debt Service:

- This is a transfer from the Better Jacksonville Plan Trust Fund (1I1) to pay the debt service.

EXPENDITURES:

Fiscal and Other Debt Fees:

- The debt service payments include both the principal and interest costs, below are the payments for fiscal year 2012/2013.

Account Title	Principal	Interest	Total
2003 Better Jacksonville Sales Tax Revenue Bonds	\$286,146	\$221,010	\$507,156
2004 Better Jacksonville Sales Tax Revenue Bonds	-	116,429	116,429
2011 Better Jacksonville Sales Tax Revenue Bonds	279,110	182,943	462,053
2012 Better Jacksonville Sales Tax Revenue Refunding Bonds	-	429,757	429,757
	\$565,256	\$950,139	\$1,515,395

EMPLOYEE CAP CHANGES:

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

SERVICE LEVEL CHANGES:

There are no significant service level changes to the budget.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2012/2013 BUDGET
OFFICE OF ECONOMIC DEVELOPMENT
PERFORMING ARTS CENTER - CITY (4D1)**

**PROPOSED BUDGET BOOK – Page #224-225
ONSCREEN – PDF Page #247-248**

BACKGROUND:

SMG was hired by the City to manage six public entertainment facilities which include Everbank Field, the Memorial Arena, Jacksonville Baseball Stadium, and the Times-Union Center for Performing Arts, the Convention Center and the Equestrian Center. The Office of Economic Development serves as a liaison for SMG. Ordinance 2007-1265-E extended the contract between the City of Jacksonville and SMG through March 30, 2013. An RFP has been issued for a new facilities manager contract. The proposals submitted for the RFP are currently under protest and a vendor has not been selected.

REVENUES:

Miscellaneous Revenue:

- There are no changes to the budget.

Transfers from Other Funds:

- The transfer of \$603,401 consists of:
 - \$477,813 from the General Fund
 - \$66,754 from Memorial Arena – SMG (4B2)
 - \$58,834 from Performing Arts Center – SMG (4D2)

EXPENDITURES:

Internal Service Charges:

- The decrease of \$11,244 is mainly due to:
 - A reduction of \$18,423 in Fleet Parts/Oil/Gas.
 - A decrease of \$2,824 in Computer System Maintenance charges.
 - An increase of \$7,078 ITD Data Center Service charges.
 - An increase of \$3,288 in ITD Network Group charges.

Other Operating Expenses:

- The decrease of \$14,957 is primarily due to a decrease of \$36,457 in Miscellaneous Insurance and is offset by an increase of \$20,000 for Electricity.

Capital Outlay:

- The \$35,000 for Other Construction Costs include:
 - Event Equipment \$5,000
 - Housekeeping Equipment \$5,000
 - Operations Equipment \$20,000
 - Trades Equipment \$5,000

Debt Service:

- The \$51,402 reflects this venue's debt expense that will be transferred to Performing Arts Center – Debt Service (4D6).

EMPLOYEE CAP CHANGES:

There are no city employees associated with this subfund.

SERVICE LEVEL CHANGES:

There are no significant service level changes to the budget.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2012/2013 BUDGET
OFFICE OF ECONOMIC DEVELOPMENT
PERFORMING ARTS CENTER - SMG (4D2)**

**PROPOSED BUDGET BOOK – Page #226-227
ONSCREEN – PDF Page #249-250**

BACKGROUND:

SMG was hired by the City to manage six public entertainment facilities which include Everbank Field, the Memorial Arena, Jacksonville Baseball Stadium, and the Times-Union Center for Performing Arts, the Convention Center and the Equestrian Center. The Office of Economic Development serves as a liaison for SMG. Ordinance 2007-1265-E extended the contract between the City of Jacksonville and SMG through March 30, 2013. An RFP has been issued for a new facilities manager contract. The proposals submitted for the RFP are currently under protest and a vendor has not been selected.

REVENUES:

Charges for Services:

- The increase of \$153,033 is primarily due to:
 - An increase of \$100,000 for Other Ticket Surcharge – Incentive Fees due to a renegotiated contract with Ticketmaster.
 - An increase of \$53,033 in Contractual Services Revenue due to the projection of more concerts which have greater benefits between event costs and revenues.

Miscellaneous Revenue:

- The decrease of \$24,347 is primarily due to a decrease of \$26,232 in Concession Sales which is based on current levels of consumer spending.

EXPENDITURES:

Salaries

- The decrease of \$6,542 is due to reduced staffing levels and attrition.

Other Operating Expenses:

- The increase of \$72,998 is mainly due to:
 - An increase of \$98,543 in Contractual Services Expense is due to the types of events budgeted.
 - A decrease of \$34,719 in Professional Services due to restructuring the levels of service for building security and cleaning.

Transfers to Other Funds:

- This is a transfer of \$58,834 to the Performing Arts Center- City (4D1).

EMPLOYEE CAP CHANGES:

There are no authorized positions in this subfund.

SERVICE LEVEL CHANGES:

There are no significant service level changes to the budget.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2012/2013 BUDGET
PERFORMING ARTS CENTER - DEBT SERVICE (4D6)**

**PROPOSED BUDGET BOOK – Page #46-47
ONSCREEN – PDF Page #54-55**

BACKGROUND:

SMG was hired by the City to manage six public entertainment facilities which include the Municipal Stadium, the Memorial Arena, Jacksonville Baseball Stadium, and Times-Union Center for Performing Arts, the Convention Center and the Equestrian Center. The Office of Economic Development serves as a liaison for SMG. Ordinance 2007-1265-E extended the contract between the City of Jacksonville and SMG through March 30, 2013. An RFP has been issued for a new facilities manager contract. The proposals submitted for the RFP are currently under protest and a vendor has not been selected. This subfund is for debt service specifically pertaining to the Times Union Center for the Performing Arts.

REVENUES:

Miscellaneous Revenue:

- The decrease of \$238 is due to reduced projected Investment Pool Earnings from \$716 to \$478, based on current year collections.

Transfer in to Pay Debt Service:

- The transfer of \$51,402 is from Performing Arts Center – City (4D1).

EXPENDITURES:

Fiscal and Other Debt Fees:

- The debt service payment only includes interest, which is based upon a repayment schedule that was established at the time the bonds were issued.

Account Title	Principal	Interest	Total
1996 Sales Tax Revenue Bonds (RCR)	-	\$51,880	\$51,880

EMPLOYEE CAP CHANGES:

There are no city positions associated with this subfund.

SERVICE LEVEL CHANGES:

There are no significant service level changes to the budget.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2012/2013 BUDGET
OFFICE OF ECONOMIC DEVELOPMENT
CONVENTION CENTER - CITY (4E1)**

**PROPOSED BUDGET BOOK – Page #228-229
ONSCREEN – PDF Page #251-252**

BACKGROUND:

SMG was hired by the City to manage six public entertainment facilities which include Everbank Field, the Memorial Arena, Jacksonville Baseball Stadium, and the Times-Union Center for Performing Arts, the Convention Center and the Equestrian Center. The Office of Economic Development serves as a liaison for SMG. Ordinance 2007-1265-E extended the contract between the City of Jacksonville and SMG through March 30, 2013. An RFP has been issued for a new facilities manager contract. The proposals submitted for the RFP are currently under protest and no vendor has been selected.

REVENUES:

Miscellaneous Revenue:

- The decrease of \$8,392 is due to a lower projection for Investment Pool Earnings, which is based on current year collections.

Transfers from Other Funds:

- This is a transfer of \$943,308 from the General Fund which is a decrease of \$387,593.

EXPENDITURES:

Internal Service Charges:

- The decrease of \$37,698 is primarily attributed to:
 - A decrease of \$15,338 in ITD Data Center Service charges.
 - A decrease of \$14,304 in ITD Computer System Maintenance/Security.

Other Operating Expenses:

- The increase of \$9,540 is due to the following:
 - An increase of \$20,000 for Electricity.
 - An increase of \$10,000 for Water
 - A decrease of \$20,460 for Miscellaneous Insurance.

Capital Outlay:

- The \$65,000 for Other Construction Costs include:
 - Event Equipment \$5,000
 - Housekeeping Equipment \$5,000
 - Operations Equipment \$50,000
 - Trades Equipment \$5,000

Transfers to Other Funds:

- The decrease of \$392,827 is due to the following:
 - A transfer of \$253,234 to Convention Center – SMG (4E2) which is a decrease of \$246,600.
 - A decrease of \$146,227 due to not transferring funds to the Arena for fiscal year 2012/2013.

EMPLOYEE CAP CHANGES:

There are no city employees associated with this subfund.

SERVICE LEVEL CHANGES:

There are no significant service level changes to the budget

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2012/2013 BUDGET
OFFICE OF ECONOMIC DEVELOPMENT
CONVENTION CENTER - SMG (4E2)**

**PROPOSED BUDGET BOOK – Page #230-231
ONSCREEN – PDF Page #253-254**

BACKGROUND:

SMG was hired by the City to manage six public entertainment facilities which include Everbank Field, the Memorial Arena, Jacksonville Baseball Stadium, and the Times-Union Center for Performing Arts, the Convention Center and the Equestrian Center. The Office of Economic Development serves as a liaison for SMG. Ordinance 2007-1265-E extended the contract between the City of Jacksonville and SMG through March 30, 2013. An RFP has been issued for a new facilities manager contract. Currently, the proposals submitted for the RFP are under protest and a vendor has not been selected.

REVENUES:

Jacksonville Citywide Activities:

Miscellaneous Revenue:

- The decrease of \$6,393 is due to a lower projection for Investment Pool Earnings, which is based on current year collections.

Office of Economic Development:

Charges for Services:

- The increase of \$170,411 is attributable to the following:
 - An increase of \$185,116 in Contractual Services Revenue due to an increase in the number of events budgeted from 199 for this current year to 215 for fiscal year 2012/2013.
 - A decrease of \$14,205 in Parking Fees – Daily.

Miscellaneous Revenue:

- The increase of \$78,524 is primarily due to an increase of \$74,024 in Rental of City Facilities due to the increased number of budgeted events.

Transfers from Other Funds:

- The transfer of \$253,234 is from Convention Center – City (4E1).

EXPENDITURES:

Salaries:

- The decrease of \$41,643 is due to reduced staffing and attrition.

Employer Provided Benefits:

- The decrease of \$3,397 is due to reduced staffing and attrition.

Other Operating Expenses:

- The increase of \$40,983 is mainly due to the following:

- An increase of \$74,901 in Contractual Services Expense due to the increase in the events budgeted.
- A reduction of \$34,719 in Professional Service due to the restructuring of the level and hours of security.

EMPLOYEE CAP CHANGES:

There are no authorized positions in this subfund.

SERVICE LEVEL CHANGES:

There are no significant service level changes in the budget.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2012/2013 BUDGET
OFFICE OF ECONOMIC DEVELOPMENT
EQUESTRIAN CENTER – CITY (4F1)**

**PROPOSED BUDGET BOOK – Page #232-233
ONSCREEN – PDF Page #255-256**

BACKGROUND:

SMG was hired by the City to manage six public entertainment facilities which include Everbank Field, the Memorial Arena, Jacksonville Baseball Stadium, and the Times-Union Center for Performing Arts, the Convention Center and the Equestrian Center. The Office of Economic Development serves as a liaison for SMG. Ordinance 2007-1265-E extended the contract between the City of Jacksonville and SMG through March 30, 2013. An RFP has been issued for a new facilities manager contract. Currently, the proposals submitted for the RFP are under protest and a vendor has not been selected.

REVENUES:

Transfers from Other Funds:

- The transfer of \$380,478 is from the Memorial Arena – SMG (4B2).
- No other subfunds are contributing to the operations of the Equestrian Center.

EXPENDITURES:

Internal Service Charges:

- The increase of \$5,619 is primarily due to an increase of \$1,100 in Fleet Vehicle Rental and \$4,108 in Fleet Repairs and Maintenance.

Other Operating Expenses:

- The decrease of \$11,623 is primarily due to reductions in Miscellaneous Insurance of \$6,623 and \$5,000 in Electricity.

Debt Service:

- This is a transfer of \$120,931 to Equestrian Center – Debt Service (4F6).

Transfers to Other Funds:

- There is not a transfer out to other subfunds budgeted.

EMPLOYEE CAP CHANGES:

There are no city employees associated with this subfund.

SERVICE LEVEL CHANGES:

There are no significant service level changes in the budget.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2012/2013 BUDGET
OFFICE OF ECONOMIC DEVELOPMENT
EQUESTRIAN CENTER - SMG (4F2)**

**PROPOSED BUDGET BOOK – Page #234-235
ONSCREEN – PDF Page #257-258**

BACKGROUND:

SMG was hired by the City to manage six public entertainment facilities which include Everbank Field, the Memorial Arena, Jacksonville Baseball Stadium, and the Times-Union Center for Performing Arts, the Convention Center and the Equestrian Center. The Office of Economic Development serves as a liaison for SMG. Ordinance 2007-1265-E extended the contract between the City of Jacksonville and SMG through March 30, 2013. An RFP has been issued for a new facilities manager contract. Currently, the proposals submitted for the RFP are under protest and a vendor has not been selected.

REVENUES:

Charges for Services:

- There are no significant changes.

Miscellaneous Revenue:

- The decrease of \$22,132 is primarily due to a decrease of \$12,860 in Rental of City Facilities due to the types of events budgeted and a reduction of \$7,500 in Advertising Fees.

Transfers from Other Funds:

- This is a transfer of \$221,230 from the Memorial Arena – SMG (4B2).

EXPENDITURES:

Salaries:

- The decrease of \$99,853 is due to a reduction of staffing and attrition.

Employer Provided Benefits:

- The decrease of \$6,140 is attributable to a decrease of \$8,605 in SMG Payroll Taxes. This is offset by an increase of \$2,465 in SMG – Health Insurance.

Other Operating Expenses:

- The decrease of \$11,937 is primarily due to the following:
 - An increase of \$11,947 in Contractual Services due to the types of events budgeted.
 - A decrease of \$18,523 in Repairs and Maintenance which will be more in line with current projections.

EMPLOYEE CAP CHANGES:

There are city employees associated with this subfund.

SERVICE LEVEL CHANGES:

There are no significant service level changes in the budget.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
 COMMENTS AND RECOMMENDATIONS
 MAYOR'S PROPOSED FY 2012/2013 BUDGET
 EQUESTRIAN CENTER - DEBT SERVICE (4F6)**

**PROPOSED BUDGET BOOK – Page #48-49
 ONSCREEN – PDF Page #56-57**

BACKGROUND:

SMG was hired by the City to manage six public entertainment facilities which include the Municipal Stadium, the Memorial Arena, Jacksonville Baseball Stadium, and Times-Union Center for Performing Arts, the Convention Center and the Equestrian Center. The Office of Economic Development serves as a liaison for SMG. Ordinance 2007-1265 extended the contract between the City of Jacksonville and SMG through March 30, 2013. An RFP has been issued for a new facilities manager contract. Currently, the proposals submitted for the RFP are under protest and a vendor has not been selected.

REVENUES:

Miscellaneous Revenue:

- The decrease of \$529 is due to decreased projected Investment Pool Earnings from \$1,635 to \$1,106.

Transfer in to Pay Debt Service:

- This is a transfer of \$120,931 from the Equestrian Center – City (4F1).

EXPENDITURES:

Fiscal and Other Debt Fees:

- The debt service payments include both the principal and interest costs, which are based upon a repayment schedule that was established at the time the bonds were issued. The fiscal agent fees are also included, which represent the cost of paying agent and registrar services for the bond issue.

Account Title	Principal	Interest	Fiscal Agent Fees	Total
2005A Excise Tax Revenue Bonds	\$ -	95,516	\$ -	95,516
2008A Capital Projects Revenue Bonds	6,019	6,479	1,764	14,263
2008B Capital Projects Revenue Bonds	6,019	6,190	48	12,258
	\$12,038	\$108,186	\$1,813	\$122,037

EMPLOYEE CAP CHANGES:

There are no city positions associated with this subfund.

SERVICE LEVEL CHANGES:

There are no significant service level changes in the budget.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
 COMMENTS AND RECOMMENDATIONS
 MAYOR'S PROPOSED FY 2012/2013 BUDGET
 OFFICE OF ECONOMIC DEVELOPMENT
 SPORTS COMPLEX CAPITAL MAINTENANCE (4G1)**

**PROPOSED BUDGET BOOK – Page #236-237
 ONSCREEN – PDF Page #259-260**

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: Taxes:

- The increase of \$578,066 is due to higher revenues projected for the Convention Development Tax collections.

EXPENDITURES:

Capital Outlay:

- The amount budgeted is insufficient and needs to be amended to fund all the projects requested by SMG for Sport Complex Capital Maintenance.

Everbank Field

	As Proposed	Amended	Change
Audio Visual	\$ 50,000	\$ 50,000	\$ -
Furniture, Fixtures and Equipment	\$ 50,000	\$ 125,000	\$ 75,000
Food Service	\$ 340,000	\$ 340,000	\$ -
Radio and Communications	\$ 50,000	\$ 50,000	\$ -
Interior Finishes	\$ 135,000	\$ 335,000	\$ 200,000
Scoreboard/Broadcast	\$ 175,000	\$ 175,000	\$ -
Sound System	\$ 2,000,000	\$ 2,125,000	\$ 125,000
Building Systems	\$ -	\$ 68,360	\$ 68,360
Exterior Finishes	\$ -	\$ 75,000	\$ 75,000
Total	\$ 2,800,000	\$ 3,343,360	\$ 543,360

Baseball Stadium

Scoreboard/Broadcast	\$ -	\$ 1,200,000	\$ 1,200,000
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Memorial Arena

Building Systems	\$ -	\$ 82,868	\$ 82,868
Interior Finishes	\$ -	\$ 150,000	\$ 150,000
Exterior Finishes	\$ 1,200,000	\$ -	\$ (1,200,000)
	\$ 1,200,000	\$ 232,868	\$ (967,132)

Total Requested Projects	\$ 4,000,000	\$ 4,776,228	\$ 776,228
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Cash Carryover:

- The Cash Carryover of \$776,228 will be removed based on the amended project listing above.

EMPLOYEE CAP CHANGES:

There are no city employees associated with this subfund.

SERVICE LEVEL CHANGES:

There are no significant service level changes in the budget.

RECOMMENDATIONS:

1. We recommend that the Everbank Field capital maintenance budget be increased by \$543,360. This will reduce the cash carryover amount by \$543,360 and will have no impact on Special Council Contingency.
2. We recommend that the Baseball Stadium capital maintenance budget be increased by \$1,200,000 and the Memorial Arena capital maintenance be reduced by \$967,132. This will have a net effect of \$232,868 and will reduce the cash carryover amount. These changes will have no impact on Special Council Contingency.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2012/13 BUDGET
PUBLIC SAFETY INITIATIVE (S/F 019)**

**PROPOSED BUDGET BOOK- Page #357-359
ON SCREEN- PDF Page #393-395**

BACKGROUND:

This subfund was established as part of the Fiscal Year 2008/2009 budget ordinance (Ord. No. 2008-555-E) to account for the non-enforcement activities of the "Jacksonville Journey". The *Journey* provides funding for expanded early literacy programs, supervised after-school guidance and recreational programs and expanded activities during the summer. It also dedicates funding to expand existing juvenile crime prevention and intervention programs and ex-offender programs helping individuals make the transition to becoming productive citizens.

REVENUES:

1. Transfers From Other Funds:

- This is the amount of Transfer from the General Fund (011) necessary to fund the Jacksonville Journey Oversight Committee approved programs for Fiscal Year 2012/2013.

EXPENDITURES:

Following our handout is the Budget Ordinance Schedule that delineates the funding in FY 12 and FY 13 for each program of the Public Safety Initiative (Jacksonville Journey).

Employee Services:

1. Summer Job Program - \$209,220

- This activity houses all of the 30,000 part-time hours. There was no change in funding for the program.

Jacksonville Children's Commission:

2. Early Literacy - \$1,500,000

- Funding has decreased by \$500,000 or 25 percent.

3. Summer Camps- \$1,021,400

- Funding has decreased by \$60,000 or 5.5 percent.

4. Out of School Suspension Centers - \$861,423

- Funding has decreased by \$206,000 or 19.3 percent.

5. Team Up Programs - \$2,077,164

- Funding has decreased by \$100,000 or 4.6 percent.

Neighborhoods:

6. Local Initiatives Support Corporation (LISC) - \$463,980

- Funding has decreased by \$30,000 or 6.1 percent.

Office of the Sheriff:

7. Juvenile Assessment Centers - \$289,236

- There was no change in funding for this program.

**COUNCIL AUDITOR'S OFFICE
 COMMENTS AND RECOMMENDATIONS
 MAYOR'S PROPOSED FY 2012/13 BUDGET
 PUBLIC SAFETY INITIATIVE (S/F 019)**

8. Ex-Offender Re-Entry Portal - \$560,000
- Funding has decreased by \$40,000 or 6.7 percent.

Special Services:

9. Ex-Offender Employment Program - \$410,039
- Funding has decreased by \$30,000 or 6.8 percent.
10. Gang Intervention Program - \$0
- This program and the funding from FY 12 totaling \$250,000 have been eliminated for FY 13.
11. Juvenile Crime Prevention & Intervention - \$321,600
- There was no change in funding for this program.
12. Ex-Offender Training/Re-Entry - \$608,800
- Funding has decreased by \$50,000 or 7.6 percent.

SERVICE LEVEL CHANGES:

The Gang Intervention Program, formerly known as the After School Recreation League, was eliminated due to its inability to demonstrate its effectiveness. The program was redesigned for Fiscal Year 2011/2012 after a new model by Chicago's nationally recognized Ceasefire program which targeted at-risk young people from ages 13 to 17 to engage them in positive and meaningful activities.

The impact to programs with reduced funding is unknown at this time due to their ability to seek out alternative funding.

CAPITAL OUTLAY CARRYFORWARDS:

None.

EMPLOYEE CAP CHANGES:

There are no changes to the employee cap.

RECOMMENDATIONS:

1. The Jacksonville Journey Oversight Committee has requested a change to the Mayor's FY13 budget detailed below. This has no effect on the total budget of the Jacksonville Journey. This will amend Schedule AG in the budget ordinance as attached.

Program Description	Add/Remove Funding	New Budget per Program
Ex-Offender Training/Re-entry	(300,000)	308,800
Early Literacy	200,000	1,700,000
Out of School Suspension Centers	100,000	961,423
Total Change in Funding	\$ -	

2. We recommend that the funding for the Juvenile Crime Prevention & Intervention in the amount of \$321,600 be moved from the Recreation and Community Services Department index code (RCOD019JCPI) to the Jacksonville Children's Commission index code (JCOD019JCP) to accurately reflect the administration of the funds. This transfer is budget neutral.

**Jacksonville Journey Oversight Committee
Public Safety Initiative (Jacksonville Journey)
FY 2012-2013 Budget**

Program Description	FY 11-12 Approved by Council		FY 12-13 Proposed	
	General Fund Contribution	Grant Funding	General Fund Contribution	Grant Funding
DART - Code compliance	\$ 324,091	-	\$ 324,091	-
Local Initiatives Support Corporation	\$ 493,980	-	\$ 463,980	-
Early Literacy	\$ 2,000,000	-	\$ 1,700,000	-
Summer Camps	\$ 1,081,400	-	\$ 1,021,400	-
Out of School Suspension	\$ 1,067,423	-	\$ 961,423	-
Team-Up Programs	\$ 2,177,164	-	\$ 2,077,164	-
Summer Jobs Program	\$ 209,220	-	\$ 209,220	-
Ex-Offender Employment Program	\$ 440,039	-	\$ 410,039	-
Gang Intervention	\$ 250,000	-	\$ -	-
Juvenile Crime Prevention & Intervention	\$ 321,600	-	\$ 321,600	-
Ex-Offender Training/Re-entry	\$ 658,800	-	\$ 308,800	-
Juvenile Assessment Center	\$ 289,236	-	\$ 289,236	-
Ex-Offender Re-entry Portal (JREC)	\$ 600,000	-	\$ 560,000	-
	\$ 9,912,953	\$ -	\$ 8,646,953	\$ -

FY12 Approved Funding (all sources): \$ 9,912,953

FY13 Approved Funding (all sources): \$ 8,646,953

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2011/13 BUDGET
JACKSONVILLE CHILDREN'S COMMISSION (191)**

**Proposed Budget Budget Book Page # 147-149
PDF Page # 164-166**

BACKGROUND:

The Jacksonville Children's Commission oversees several programs that promote positive infant, child and youth development. This includes oversight to the Mayor's Early Literacy Initiative and the Family Initiative Program.

REVENUES:

Transfer from Fund Balance:

- The transfer from Fund Balance of \$2,000,000 is due to a decrease in the transfer from the General Fund.

Transfer from Other Funds:

- The decrease in the transfer from the General Fund of \$2,578,487 is due to a lower subsidy from the General Fund for 2012/13.

EXPENDITURES:

Salaries:

- The decrease of \$32,314 is mainly due to the elimination of two positions offset by increases caused by the re-allocation of salaries from 192 (the Commission's grants subfund) back to 191.

Lapse:

- The \$310,000 represents the lapse imposed for FY 2013 in place of eliminating positions that was applied by the Budget Office.

Employer Provided Benefits:

- The increase of \$93,840 is primarily due to increases in the pension contribution of \$74,528 (from 17.52% to 20.81%) and \$29,760 in group hospitalization insurance (due to an overall citywide increase of approximately 7%). The increases are offset by decreases in Worker's Compensation Insurance of \$3,937 and Defined Contribution Pension expense of \$5,873.

Internal Service Charges:

- The decrease of \$171,779 is primarily due to reductions of \$43,898 in computer system maintenance/security, \$33,361 in copy center, \$33,266 in ITD data center service, \$21,093 in ITD network group, \$12,782 in copier consolidation, \$9,690 in wireless communication, \$9,216 in tech refresh & pay go and \$8,092 in helpdesk & desktop services. These decreases are based on actual usage and inventory counts.

**COUNCIL AUDITOR'S OFFICE
 COMMENTS AND RECOMMENDATIONS
 MAYOR'S PROPOSED FY 2011/13 BUDGET
 JACKSONVILLE CHILDREN'S COMMISSION (191)**

Other Operating Expenses:

- The decrease of \$179,138 is mostly due to decreases of \$132,208 in other operating supplies for early learning centers, \$29,737 in civil defense-guard service (due to a decrease in the amount of security guard hours) and \$18,950 in miscellaneous services and charges.

Grants, Aids & Contributions:

- The increase of \$175,783 is primarily due to an increase in funding to the Community of Schools in Jacksonville, Inc. of \$853,980 (funding source change due to the decrease of Jax Journey funding in 2011/12 and the loss of a 21st Century Grant) and funding for a new Incubator Program Initiative of \$300,000. These increases were mostly offset by the elimination of funding for the Early Learning Coalition of \$625,000 due to the City no longer receiving federal dollars for the subsidized child care program, a 21st Century Grant match of \$211,877 (federal grant amount was \$703,826) and Jacksonville Urban League funding of \$120,269. There were also smaller changes in other program areas.

Jacksonville Citywide Activities Lapse:

- This reflects an estimated salary and benefit lapse based on the average turnover ratio and estimated number of vacancies expected in FY 2013 based on past history.

PUBLIC SAFETY INITIATIVE (JACKSONVILLE JOURNEY) JCC FUNDING:

In addition to Grants & Aids provided through JCC's expenditure line, JCC oversees additional funding that is part of the Jacksonville Journey program, as detailed below.

Program Description	FY 2013 Mayor's Proposed JCC Funding	FY 2013 Mayor's Proposed Journey Funding	Grand Total
Early Literacy	\$ 2,616,761	\$ 1,500,000	\$ 4,116,761
Summer Camps	\$ 895,050	\$ 1,021,400	\$ 1,916,450
Out of School Suspension	\$ 0	\$ 861,423	\$ 861,423
Team-Up Programs	\$ 5,261,670	\$ 2,077,164	\$ 7,338,834
Juvenile Crime Prevention	\$ 0	\$ 321,600	\$ 321,600
Total	\$ 8,773,481	\$ 5,781,587	\$ 14,555,068

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2011/13 BUDGET
JACKSONVILLE CHILDREN'S COMMISSION (191)**

SERVICE LEVEL CHANGES:

The new Incubator Program Initiative of \$300,000 is a project which will fund small neighborhood efforts for improving the lives of children. The Initiative, per JCC, will “select one or more focus areas, identify promising programs, provide pilot funding and build agency capacity through technical assistance and training.”

EMPLOYEE CAP CHANGES:

One Project Manager and one Grant Research Coordinator are proposed to be eliminated.

CONCERN:

Based on current year expenditures and revenue, this subfund should closely monitor what is being spent compared to revenue received. The \$2,000,000 transfer from the fund balance of sub-fund 191 will constitute a significant portion of their balance.

RECOMMENDATIONS:

1. JCC requests that Schedule M be revised due to:
 - A format and mathematical error,
 - An increase of \$1,221,268 in the Florida Department of Health – After School Food Program Grant, and
 - The addition of an anticipated grant of \$24,000 called the Healthy Start Coalition Grant that will be used by JCC for training youth workers on anti-bullying and youth development curriculum.
2. Part of the lapse within the 191 Subfund is based on the proposed elimination of certain position(s) identified by the Budget Office. Rather than reducing salaries and eliminating the position(s), the Budget Office placed a lapse within their budget. We recommend the reduction of the proposed lapse of \$319,003. This reduction in the lapse should be offset by a corresponding decrease in salaries and benefits based on the position(s) identified by the Budget Office. This will reduce the employee cap by 4 position(s). There is no impact to the Special Council Contingency.
3. Amend Section 10.1 of the Budget Ordinance to update the total budget amount for JCC from \$26,176,848 to \$27,241,731, in order to reflect recommendation #1.

Jacksonville Children's Commission
Budget - Fiscal Year 2012 - 2013
Schedule of Funding to Agencies for Children's Programs and Other (08201) Funding

Estimated Agency Funding:	COJ Funding	Other Revenue	Grant Funding	Contract Amount
Big Brothers, Big Sisters - BIGS in Schools	284,598			284,598
Boys and Girls Club of Northeast Florida (incl. New Town Afterschool Prog.)	1,341,395	17,582		1,358,977
Bridge of North East Florida	1,888,586	147,150	448,874	2,484,610
Child Guidance Center	921,606			921,606
Child Guidance Center - Full Service Schools Beaches Resource Center	128,000			128,000
COJ Dept of Parks and Recreation - Mary Lena Gibbs & Burnette Park	128,755			128,755
Communities In Schools of Jacksonville, Inc.	3,005,892	129,568	198,500	3,333,960
Community Connections	1,524,718		309,563	1,834,281
daniel	624,985			624,985
DLC Nurse and Learn	304,588			304,588
Edward Waters College - New Town Promise Neighbor	90,000			90,000
FSCJ	138,184			138,184
Hope Haven	294,554			294,554
MaliVai Washington Foundation - TnT	130,030			130,030
Mental Health Resources	222,708			222,708
New Heights of Northeast FL, Inc. formerly Cerebral Palsy	120,099			120,099
Northwest Behavioral Health	142,493			142,493
PACE Center for Girls - Drop Out Prevention and Support Services	203,974			203,974
Police Athletic League of Jacksonville, Inc.	342,368			342,368
Sulzbacher Center for Homeless	44,360			44,360
Wayman Community Development Corporation	381,480			381,480
Youth Crisis Center - Intervention Program	90,500			90,500
Total Agency Funding	\$ 12,353,873	\$ 294,300	\$ 956,937	\$ 13,605,110
<u>Agency Matching Funds & Statewide Coalitions:</u>				
Children's Services Council	20,000			20,000
Florida Afterschool Network	15,000			15,000
FL Healthy Kids Corporation (Kidcare Healthy Insurance)	2,000			2,000
Healthy Start - Kidcare Outreach	35,000			35,000
SAMSHA Grant	146,000			146,000
Total Matching & Statewide Coalitions Funds	\$ 218,000	\$ -	\$ -	\$ 218,000
<u>Other Initiatives:</u>				
Transfer to TEAM-UP Grant	15,041			15,041
Nutrition Program Funding - Special Needs	20,000			20,000
Summer Camp Program (RFP)	895,050			895,050
Incubator Program (RFP)	300,000			300,000
Early Learning Coalition (CCEP for Special Needs Populations)	73,000			73,000
Total Other Initiatives	\$ 1,303,091	\$ -	\$ -	\$ 1,303,091
Total Agency Funding JCOD191	\$ 13,874,964	\$ 294,300	\$ 956,937	\$ 15,126,201
Estimated Literacy Funding JCEL191				
<u>Early Learning Programs:</u>				
Episcopal Children's Services	1,361,192			1,361,192
Total Agency Funding JCEL191	\$ 1,361,192	\$ -	\$ -	\$ 1,361,192
Total Agency Funding - JCOD & JCEL	\$ 15,236,156	\$ 294,300	\$ 956,937	\$ 16,487,393
<u>Total Appropriated in Subobject 08201:</u>				
City Funding for Agency Contracts	\$ 12,353,873	<u>Index Split</u>		\$ 311,000
Matching Grants	\$ 218,000	JCOD191	\$	13,858,264
Other Initiatives	\$ 1,303,091	JCOD191RG	\$	1,361,192
Literacy Contracts	\$ 1,361,192	JCEL191A	\$	
	\$ 15,236,156			\$ 15,530,456
DCPS Revenue for Agency Contracts	\$ 294,300			
	\$ 15,530,456			

Jacksonville Children's Commission

Comprehensive Budget

Fiscal Year 2012 - 2013

	Grant Period	Positions & PT Hours	Federal	State	City	Other Sources	Total
ESTIMATED REVENUE:							
Fl. Dept. of Health - After School Food Program	10/01/12 09/30/13	4.5 FT Staff / 1,040 PT Hrs	\$ 3,427,598		\$ 20,000		\$ 3,447,598
FL Dept. of Agriculture. - Summer Lunch 2013 Program	05/01/13 08/31/13	4.5 FT Staff / 21,000 PT Hrs	\$ 1,400,000				\$ 1,400,000
Healthy Families - Ounce of Prevention FL	07/01/13 06/30/14	4 FT Staff / 1,040 PT Hrs		\$ 707,200	\$ 1,125,028	\$ -	\$ 1,832,228
FL Dept. of Ed. - 21st Century Team-Up Grant (2 Sites)	08/01/13 07/31/14	.25 FT Staff		\$ 462,551	\$ 185,102		\$ 647,653
Department of Health & Human Services (SAMHSA)	09/29/12 09/30/13	1 FT Staff	\$ 2,000,000		\$ 146,000		\$ 2,146,000
Healthy Start Coalition Training Grant	10/01/12 09/30/13	1,040 PT Hrs.				\$ 24,000	\$ 24,000
Contribution from Duval County School Board						\$ 294,300	\$ 294,300
Earnings - Other Miscellaneous						\$ 12,000	\$ 12,000
City Contribution for Other Programs					\$ 15,329,670		\$ 15,329,670
Interest Earnings (JXSF191JC)					\$ 108,282		\$ 108,282
Transfer from Fund Balance					\$ 2,000,000		\$ 2,000,000
Budget Office - Savings from Salary Lapse (JXFS191)					\$ -		\$ -
Trsf. - Child Services Trust Fund (JCPS646CS)							\$ -
Summer Camp Trust Fund (JCPS64H)							\$ -
Trsf. - Youth Travel Trust Fund (JCYT64M)							\$ -
TOTAL ESTIMATED REVENUE			\$ 6,827,598	\$ 1,169,751	\$ 18,914,082	\$ 330,300	\$ 27,241,731
ESTIMATED EXPENDITURES:							
After-School Food Program			\$ 3,427,598		\$ 20,000		\$ 3,447,598
Summer Lunch Food Program (Summer 2013)			\$ 1,400,000				\$ 1,400,000
Healthy Families				\$ 707,200	\$ 1,125,028	\$ -	\$ 1,832,228
SAMHSA Grant Program			\$ 2,000,000		\$ 146,000		\$ 2,146,000
Healthy Start - Youth Development & Anti-Bullying						\$ 24,000	\$ 24,000
TEAM UP Programs (21 Century Grant 2 Sites)				\$ 462,551	\$ 185,102		\$ 647,653
TEAM UP Programs					\$ 5,076,568	\$ 294,300	\$ 5,370,868
Community Based Afterschool Programs					\$ 2,176,121		\$ 2,176,121
Children with Special Needs Programs					\$ 544,687		\$ 544,687
Mental Health Counseling Programs					\$ 1,979,792		\$ 1,979,792
Mentoring Programs					\$ 404,598		\$ 404,598
Support for Alternative Schools					\$ 203,974		\$ 203,974
Summer Camp Program					\$ 895,050		\$ 895,050
Early Learning Coalition (CEEP)					\$ 73,000		\$ 73,000
Case Management					\$ 250,000		\$ 250,000
Homeless Program Funding					\$ 194,860		\$ 194,860
Take Stock in Kids Scholarship & Staff Support					\$ 138,184		\$ 138,184
Healthy Kids and Kidcare					\$ 37,000		\$ 37,000
Statewide CSC Participation					\$ 35,000		\$ 35,000
New Town Promise Neighborhood - EWC					\$ 90,000		\$ 90,000
Early Literacy Initiative - Teams					\$ 2,488,143		\$ 2,488,143
Early Literacy - Don Brewer Early Learning Center					\$ 128,618		\$ 128,618
Training, Workforce Development & Mentoring					\$ 327,360	\$ 12,000	\$ 339,360
JCC Admin., Grants Admin. & Community Outreach					\$ 2,245,645		\$ 2,245,645
JCC Incubator Program Initiative					\$ 300,000		\$ 300,000
Child Services Trust Fund (JCPS646CS)							\$ -
JCC Summer Camp Trust Fund (JCPS64H)							\$ -
Youth Travel Trust Fund (JCYT64M)							\$ -
Budget Office - Savings from Salary Lapse (JXFS191)					\$ (150,648)		\$ (150,648)
Jacksonville Journey Programs					\$ -		\$ -
TOTAL ESTIMATED EXPENDITURES			\$ 6,827,598	\$ 1,169,751	\$ 18,914,082	\$ 330,300	\$ 27,241,731

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED 2011/13 BUDGET
PUBLIC WORKS – GENERAL FUND (S/F 011)
PROPOSED BUDGET BOOK – PAGE # 306-308
ONLINE PAGE - # 338-340**

BACKGROUND:

The Public Works Department consists of the Office of the Director and five Divisions: Engineering and Construction Management, Public Buildings, Real Estate, Right-of-Way Grounds Maintenance, and Solid Waste Sanitation Service.

The Engineering and Construction Management Division's primary responsibility is to plan and design public works projects. The Public Buildings Division provides security, custodial and maintenance and repair services for all public buildings. The Real Estate Division manages the financial aspects of the City's real estate holdings in terms of acquisition, appraisals, disposals, inventories, and usage assessments. The Right-of-Way Grounds Maintenance Division plans, builds and maintains streets, highways and drainage facilities and their landscapes. The Division also provides and maintains street lighting, traffic signals, traffic control devices, including railroad crossings, and landscaping at public buildings, streets, parks and other public sites. The general fund operations of the Solid Waste Division monitor and collect litter and illegal dumping along streets and public rights-of-way.

REVENUES:

1. Intergovernmental Revenue:
 - The \$408,812 budget amount reflects the State of Florida Department of Transportation agreed FY 2013 funding for mowing, litter removal, and tree-trimming on public right-of-ways on State Roads.
2. Charges for Service:
 - The proposed Public Works budget has included \$2,740,633 which is the Interfund Service Charge for Plant Renewal expense to all areas of the City however, the budget to perform Capital Outlay – Improvements Other Than Buildings has been eliminated. See Recommendation #1 below.
3. Miscellaneous Revenue:
 - The net increase of \$109,714 is primarily the result of an increase of \$212,550 in reimbursements from the Florida Department of Transportation for the maintenance and operation of street lights and traffic signals on the State highway system in Duval County. Additionally, Miscellaneous Sales and Charges is increasing by \$28,390. Offsetting this is a decrease in tenant revenue of \$135,857 primarily from leases at the Ed Ball building.

EXPENDITURES:

1. Salaries:
 - The reduction of \$9,136,070 in salaries is attributable to the reduction of 242 positions due to the movement of 131 positions to Parks & Recreation and the elimination of 119 positions. Salaries were reduced by \$1,289,782 in the Engineering Division, by \$3,992,896 in R-O-W and Grounds Maintenance, by \$122,114 in the Office of the Director, by \$3,172,702 in the Public Buildings Division, by \$277,991 in Real Estate and by \$280,585 in Solid Waste.

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As discussed and approved in Meeting #3, 19 positions from Public Works Stormwater Services were transferred to Parks & Recreation. In order to complete the request, the Administration has requested the transfer of 19 positions from Public Works Grounds Maintenance to Public Works Stormwater Services. These transfers were not included in the proposed budget. See recommendation #4.

2. Employer provided Benefits:

- The net reduction of \$3,426,103 is due to the change in authorized positions within the Employee Cap.

3. Internal Service Charges:

- The net decrease of \$477,303 is mostly attributed to reductions in charges for computer system maintenance/security and fleet parts/gas, in the amounts of \$193,204 and \$187,405 respectively. In addition, the telecommunication charges dropped by \$99,047. These costs were partially offset with increases of \$68,432 for legal charges and \$52,346 for radio charges.

4. Other Operating Expenses:

- The net decrease of \$6,692,426 is partially due to the proposed transfer of \$2,740,568 to the Parks and Recreation Department for park maintenance. Additionally, Professional Services is being reduced \$189,995 primarily due to contract reductions in Engineering. Contractual Services was reduced by \$2,257,044 primarily for right-of-way mowing and buildings janitorial services. Also, there were reductions of \$385,213 in electricity, \$277,058 in guard security services, \$250,146 in miscellaneous insurance, \$102,205 in repairs and maintenance, \$84,713 in miscellaneous services and charges, \$756,939 in Repair and Maintenance Supplies, and \$85,687 in other operating supplies. Partially offsetting these decreases were increases of \$411,021 in the chilled water consumption and \$219,912 in general liability insurance.

As discussed and approved in meeting #3, Public Works and Parks & Recreation requested that \$159,000 be transferred from Parks & Recreation to Public Works for Tree Maintenance and for maintenance of the George Crady Bridge at the Nassau Sound. See Recommendation #3 below.

5. Capital Outlay:

- The decrease is due to the elimination of public buildings plant renewal projects Capital Outlay – Improvements Other Than Buildings for FY2012/2013.

SERVICE LEVEL CHANGES:

Right-of-Way (ROW) and Grounds Maintenance Division will reduce the frequency of mowing in some right-of way areas of the City. The proposed plan is to reduce the urban and suburban right-of-way mowing and the vacant lots in LaVilla from eight (8) times per year to four (4) times per year and reduce mowing for landscaped medians and areas around City owned buildings from nineteen (19) times per year to ten (10) times per year. Additionally, a Street Light program will require that approximately 7,500 street lights or 6.88% of the total number of street lights in the City of Jacksonville be shut off. Public Works is proposing to have street lights shut off in areas

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such as industrial and office/commercial areas which are sparsely populated after dark in an effort to minimize the impact on the public.

EMPLOYEE CAP CHANGES:

During fiscal year 2012 a net of eight (8) positions were moved into Public Works. One hundred thirty one (131) positions are proposed to be moved to Parks and Recreation. One hundred nineteen (119) positions are being eliminated of which twenty eight (28) were vacant and ninety one (91) were filled. The net result of all these changes is a reduction of 242 positions as seen below.

	<u>2011/12 Original</u>	<u>Net Change</u>	<u>2012/13 Proposed</u>
Engineering	52	-30	22
Grounds Maintenance	222	-128	94
Office of the Director	13	4	17
Public Buildings	147	-76	71
Real Estate	10	-4	6
Solid Waste Sanitation	18	-8	10
	<u>462</u>	<u>-242</u>	<u>220</u>

As discussed in meeting #3, Public Works is requesting to transfer an additional 19 positions to Stormwater Services. This transfer would reduce the General Fund Public Works Department Employee Cap to 201 positions.

DIVISIONAL HIGHLIGHTS:

PUBLIC WORKS EXPENSES	<u>2011/12 Original</u>	<u>2012/13 Proposed</u>	<u>% Change from FY 11</u>	<u>\$ Change from FY11</u>	
Engineering	3,736,584	1,968,983	-47.3%	(1,767,601)	A
Office of the Director	1,748,909	1,641,159	-6.2%	(107,750)	
Public Buildings	38,853,348	30,752,542	-20.8%	(8,100,806)	B
Real Estate	973,228	547,063	-43.8%	(426,165)	C
Grounds Maintenance	34,691,397	23,514,049	-32.2%	(11,177,348)	D
Solid Waste Sanitation	1,468,831	975,335	-33.6%	(493,496)	E
Department Total	<u>81,472,297</u>	<u>59,399,131</u>	<u>-27.1%</u>	<u>(22,073,166)</u>	

- A** Engineering has decreased primarily due to a reduction in the salary & benefit lines and reduced professional services charges.
- B** Public Buildings is decreasing primarily due to the reduction in positions, the reduction in Other Operating Expense for janitorial service, and the elimination of Capital – Improvements Other Than Buildings
- C** Real Estate is decreasing primarily due to the reduction in the salary & benefit lines.
- D** Grounds Maintenance is decreasing primarily due to the transfer of positions and the related operating expenses to Parks & Recreation.
- E** The proposed budget for Solid Waste Sanitation Service for Litter Pick-Up is \$975,335. Section 741.104 of the Municipal Code states that funding for the Zero-Tolerance Litter program is at

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the discretion of Council. The Mayor shall include in the annual budget request a statement of the amount of funds which would be required to fully implement the program in the ensuing fiscal year and the annual ad valorem tax millage which would produce such amount for that year. The Mayor shall also identify in the budget request the level of funding being requested for such program and the revenue source or sources of funds being appropriated in the budget request for such program.

A statement of the amount of funds and Ad Valorem tax millage needed to fully implement the Zero Tolerance Litter Program are not included in the proposed budget.

RECOMMENDATIONS:

1. The Intrafund Service Charges in Public Works for the City's Plant Renewal expense should be removed as no service will be provided in the proposed FY 2012/2013 budget. Approving this will free up various amounts of funds in non-general fund proposed budgets.

Reduce Intrafund Service Charges in Public Works by \$2,740,633 and reduce Plant Renewal Expense in all applicable indexes of the City in the total amount of \$2,740,633.

Budget Allocation - Plant Renew (Intra-Fund) - 011	1,748,326.00
Budget Allocation - Plant Renew (Intra-Fund) - 012 Mosquito Control	0.00
Budget Allocation - Plant Renew (Intra-Fund) - 015 Property App.	8,076.00
Budget Allocation - Plant Renew (Intra-Fund) - 016 Clerk of Court	83,796.00
Budget Allocation - Plant Renew (Intra-Fund) - 017 Tax Collector	9,359.00
Budget Allocation - Plant Renew (Intra-Fund) - 018 Emerg Reserve	0.00
Budget Allocation - Plant Renew (Intra-Fund) - 019 Journey	0.00
BASIS FOR BUDGETED REVENUES	
Total - General Fund (Intra-Fund)	1,849,557.00

Budget Allocation - Plant Renewal (Inter-Fund)	891,077.00
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Budget Allocation - Plant Renewal - Total	2,740,634.00
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PWPB011MAPR FY 2012/2013 Proposed	1.00
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TOTAL ADJUSTMENT TO REVENUES	2,740,633.00
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This will have a negative impact on Special Council Contingency of \$340,838.

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	EXPENSE	REVENUE
Sub Fund	Plant Renewal non 011	Adjust
112	\$ 304	\$ 304
159	4,813	\$ 4,813
411	9,821	\$ 9,821
412	285,508	\$ 285,508
431	1,296	\$ 1,296
441	14,333	\$ 14,333
461	20,065	\$ 20,065
561	1,823	\$ 1,823
571	1,694	\$ 1,694
581	225	\$ 225
611	956	\$ 956
		<u>\$ 340,838</u>

Total to be adjusted and needs offsetting adjustments

2. We recommend the Budget Office identify balancing entries for the affected non-general fund budgets noted in the table above totaling \$340,838.

3. As discussed and approved in Meeting #3, 19 positions from Public Works Stormwater Services were transferred to Parks & Recreation. In order to complete the request, the Administration has requested the transfer of 19 positions from Public Works Grounds Maintenance to Public Works Stormwater Services. The total salaries and benefits for the positions moved from Stormwater Services to Parks & Recreation is \$757,057. The total salaries and benefits for the positions moved from Grounds Maintenance to Stormwater Services equals \$750,254. Public Works Grounds Maintenance will reduce Repairs and Maintenance Supplies to offset the impact of the \$6,803 difference.
 Reduce Public Works Grounds Maintenance Salaries and Benefits for the 19 positions by \$750,254 and reduce Repairs and Maintenance Supplies by \$6,803. Increase Stormwater Services Salaries and Benefits \$750,254.

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 PUBLIC WORKS
 STREETS & HIGHWAYS 5-YEAR ROAD PROGRAM (141)**

**PROPOSED BUDGET BOOK - Page #309-310
 ON SCREEN - PDF Page #341-342**

BACKGROUND:

Funding budgeted in the Streets & Highways 5-Year Road Program is used for major road and drainage projects and debt service in accordance with the Better Jacksonville Plan and the interlocal agreement, as amended, between the City and the Jacksonville Transportation Authority (JTA).

REVENUES:

Intergovernmental Revenue:

- The budgeted amount of \$6,600,948 represents 80% of the 5th and 6th Cent Gas Tax revenues. These revenues are impacted by the consumption of gasoline, which is directly affected by the state of the economy, projections in tourism, and the infusion of more gasoline-efficient vehicles and hybrids.

Miscellaneous Revenue:

- Investment earnings are expected to decrease by \$136,436 to match the proposed earnings with the actual earnings in the current fiscal year.

EXPENDITURES:

Grants and Aids:

- The 80% of the 5th and 6th Cent Gas tax revenues is budgeted in accordance with the Better Jacksonville Plan and the Interlocal agreement between the City and JTA. The funds are transferred to a fiscal agent for the payment of debt service.

Capital Outlay:

- The decrease of \$136,436 is due to a \$161,564 reduction in roadway signs and signals and a \$35,526 reduction in traffic signal and street lighting maintenance, which was offset by the addition of \$60,654 for railroad crossings rehabilitation.

Project Title	FY 2012/13 Proposed
Roadway Sign, Stripe and Signal	\$ 203,370
Traffic Signal and Street Lighting Maintenance	\$ 92,765
Railroad Crossings	\$ 60,654
TOTAL	\$ 356,789

SERVICE LEVEL CHANGES:

Capital projects within this subfund reflect County-wide needs and those of an on-going nature. Variations will not significantly impact service levels and are consistent with the 5-year County Road Program Capital Plan.

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STREETS & HIGHWAYS 5-YEAR ROAD PROGRAM (141)**

EMPLOYEE CAP CHANGES:

There are no positions in this subfund.

RECOMMENDATIONS:

None

5 YEAR ROAD PROGRAM PROJECTS - FY 2012-2013
SUBFUND - 141
COUNTY ROAD PROGRAM (80% OF FIFTH AND SIXTH CENTS)

PROJECTED GAS TAX RECEIPTS (TRANSFER DIRECTLY TO JTA)		\$0
TRANSFER FROM FUND BALANCE		\$0
EARNINGS ON INVESTMENT		\$356,789
TOTAL FOR PROGRAMMING		\$356,789

ROADWAY AND DRAINAGE PROGRAMS

PROJECT(S)	FISCAL YEAR 2012-2013
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COUNTY ROAD PROGRAM - FIFTH & SIXTH CENTS (80%)

<u>Acct #</u>	<u>Project #</u>	<u>Project</u>	<u>#06504</u>
PWGM141FYRP	PW0057 -01	Roadway sign, stripe and signal	\$ 203,370
PWGM141FYTL	PW0161 -01	Traffic Signal and Street Lighting Maintenance	\$ 92,765
PWGM141FYRC	PW0096 -01	Railroad Crossings	\$ 60,654
Total 5th & 6th CENT (80%)			\$356,789

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PUBLIC WORKS
LOCAL OPTION ½ CENT TRANSPORTATION (142)**

**PROPOSED BUDGET BOOK - Page #311-312
ON SCREEN - PDF Page #343-344**

BACKGROUND:

The local option half-cent sales tax for transportation was approved by referendum in 1988. The sales tax is first used to make all debt service payments due on Transportation Sales Tax Revenue bonds and then is distributed pursuant to the terms and conditions of the interlocal agreement, as amended, between the City and the Jacksonville Transportation Authority (JTA). The funding provides for the construction and maintenance of the City's roads and bridges as well as the operation and maintenance of the City's mass transit system.

REVENUES:

Taxes:

- The budgeted amount represents the revenues estimated to be generated from the local option half-cent sales tax. The revenue is expected to decrease by 1.8% for FY 2012/13.

EXPENDITURES:

Grants and Aids:

- The local option half-cent sales tax for transportation is a pass-through to the JTA. The funding will be used to make debt service payments and support mass transit operations.

SERVICE LEVEL CHANGES:

There are no significant service level changes to the budget.

EMPLOYEE CAP CHANGES:

There are no positions in this subfund.

RECOMMENDATION:

None

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PUBLIC WORKS
LOCAL OPTION GAS TAX (143)**

**PROPOSED BUDGET BOOK - Page #313-314
ON SCREEN - PDF Page #345-346**

BACKGROUND:

The Local Option Gas Tax is the City's share of the Six-Cent Local Option Gas Tax collected from gasoline sales in Duval County. In accordance with the Better Jacksonville Plan, and the Interlocal Agreement between the City and the Jacksonville Transportation Authority (JTA), as amended, the gas tax revenue recorded in this subfund will be transferred to JTA as a mass-transit subsidy.

REVENUES:

Taxes

- The budgeted amount represents the revenues estimated to be generated from the local option gas tax. The revenue is expected to decrease by 3.5% for FY 2012/13.

EXPENDITURES:

Grants and Aids

- These funds are strictly a pass-through to the JTA pursuant to the Interlocal agreement. Eligible uses of funding are: public transportation operations and maintenance, pedestrian safety improvements, drainage projects, street lighting, traffic signs and signals, bridge maintenance and operation, and debt service for transportation capital projects.

SERVICE LEVEL CHANGES:

There are no significant service level changes to the budget.

EMPLOYEE CAP CHANGES:

There are no positions in this subfund.

RECOMMENDATION:

None

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PUBLIC WORKS – TREE PROTECTION FUND (15F)
PROPOSED BUDGET BOOK – PAGE #315-316
ONLINE PAGE - #347-348**

BACKGROUND:

The City of Jacksonville's Tree Protection and Related Expenditures Trust Fund provides that protected trees are required to be conserved during the clearing of land for development purposes wherever and whenever reasonably possible. To the extent that protected trees are lost or destroyed, the developer mitigates their loss or destruction by planting replacement trees or by paying a monetary contribution to the fund. All monetary contributions are to be used exclusively for the planting or replanting of mitigation trees, and for their maintenance, along the public rights-of-way and on public lands within Duval County. Pursuant to Municipal Code section 111.760 the amount appropriated from these funds for tree maintenance in any fiscal year cannot exceed twenty five percent of the budgeted amounts for tree maintenance within the Public Works Department.

In FY 2011, a corrective entry to this "all years" fund removed prior year fund balance appropriations, appropriated prior year revenues, and adjusted FY 10 and FY 11 budgeted revenues.

REVENUES:

City Wide Activities:

Miscellaneous Revenue:

The \$56,250 budgeted for FY 2013 derives from accumulated investment earnings and will provide the source of funding for tree mitigation activities in FY 2013.

EXPENDITURES:

Public Works

Other Operating Expenses:

The budgeted amount, \$56,250 represents 25 percent of \$225,000. However, our review showed \$122,668 as the total amount budgeted for tree maintenance activities in the Public Works Department.

As approved in Meeting #3 Public Works and Parks & Recreation agreed \$124,000 be transferred from Parks & Recreation tree maintenance to Public Works tree maintenance in order to utilize the maximum amount of funds from sub fund 15F. See Recommendation below.

SERVICE LEVEL CHANGES:

There are no significant service level changes to the budget.

EMPLOYEE CAP CHANGES:

There are no employees associated with this subfund.

RECOMMENDATION:

Pursuant to the Municipal Code, the approved transfer of the \$124,000 from Parks & Recreation tree maintenance to Public Works tree maintenance requires the revenues and expenditures to be corrected as follows.

Increase Miscellaneous Revenue \$5,417 and increase Other Operating Expense \$5,417.

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PUBLIC WORKS
BEACH EROSION – LOCAL (1F4)**

**PROPOSED BUDGET BOOK - Page #317-318
ON SCREEN - PDF Page #349-350**

BACKGROUND:

The Beach Erosion - Local Subfund is primarily governed by the Local Cooperation Agreement (established in 1978) between the Federal Government (Corps of Engineers) and the City of Jacksonville. The agreement provides for periodic renourishment of the County's beaches to maintain the design profile for a total of 50 years (through the year 2028). The State is not a party to the aforementioned agreement but has participated in previous years in each phase of beach renourishment by contributing a percentage of the "local share". State funding is not guaranteed and is subject to State legislative approval. Total project costs are shared between federal and non-federal (County and State) funding at the level of 61.6% and 38.4%, respectively. The State of Florida and City of Jacksonville share of the non-federal funding is approximately 47.21% and 52.79%, respectively.

The Local Cooperation Agreement, and a related Beach Renourishment Financing Plan, account for County beach renourishment projects every five (5) years. The next county beach renourishment project is scheduled for the summer 2017. Contributions from the general fund, along with investment pool earnings, serve to satisfy the local-share obligations.

REVENUES:

Transfers from Other Funds:

- Revenues are derived from a \$200,000 interfund transfer from the general fund as outlined in the Beach Renourishment Financing Plan.

EXPENDITURES:

Cash Carryover:

- These funds are placed in reserve pending future appropriations for the various phases of beach renourishment including, but not limited to, design, surveys, permitting, construction, monitoring, and annual beach tilling for three (3) years following the renourishment project.

EMPLOYEE CAP CHANGES:

There are no employees associated with this subfund.

RECOMMENDATIONS:

None

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SOLID WASTE DISPOSAL (S/F 441)
PROPOSED BUDGET BOOK PAGE - #319-321
ONLINE PAGE – PAGE #351-353**

BACKGROUND:

The Solid Waste Disposal subfund accounts for solid waste disposal operations, including the collection of household and commercial waste and yard debris, recyclables, and disposal activities most notably at the Trail Ridge landfill. It is comprised of multiple activities that include Collection Administration, Residential Collection, Downtown Collection, and Disposal Operations Scale House. The fund also provides oversight for the Public Works Non-Departmental activity of sanitation service for litter pick-up and large debris within the general fund. In FY 2013 it is being proposed that Downtown Collection of Commercial Waste for the Downtown Development Area businesses be eliminated from the Solid Waste Disposal Enterprise activity.

REVENUES:

City Wide Activities:

1. Miscellaneous Revenue:

- No investment earnings are projected for FY2013 based on current trends.

Public Works:

1. Charges for Services:

- The net decrease of \$1,055,183 is primarily due to a projected decrease of tipping fees at the landfill totaling \$647,639 and lower projections for internal and external host fees in the amounts of \$127,149 and \$235,964, respectively due to lower projected tonnage to be received. Additionally, the lower tonnage is also projected to lower Solid Waste Franchise Fees in the amount of \$340,236. Partially offsetting the projected decreases is a \$355,516 increase in solid waste user fees as a result of an increase in the number of premises billed.

Note: This is an Enterprise Fund and does not receive a General Fund Contribution.

2. Miscellaneous Revenue:

- The decrease of \$85,678 is primarily due to a projected \$74,175 decrease in revenue from Sale of Recyclables which, by contract, pays the Solid Waste Disposal subfund for receipt of residential recycling materials. It appears this projection is low because it did not sufficiently consider historical tonnage. See Recommendation #1 below.

EXPENDITURES:

Public Works:

1. Salaries:

- The net decrease of \$202,231 is primarily due to the net reduction of two (2) employees and un-funding of three (3) positions not to be filled in FY 2012/2013. Regular salaries and part time salaries are decreased by \$161,763 and \$38,996, respectively. Additionally, there are reductions of \$9,000 for overtime, \$3,616 for shift differential and \$3,811 for Special pay. These decreases are partially offset with increases of \$11,042 in leave rollback and \$3,913 in the supervisory differential.

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SOLID WASTE DISPOSAL (S/F 441)
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2. Lapse:

- The \$138,857 lapse reflects four vacancies in FY 2013. See Recommendation #2 below.

3. Employer Provided Benefits:

- The net increase of \$138,890 is primarily due to increases in pension contribution costs and group health insurance premiums in the amounts of \$94,033 and \$59,693, respectively. A reduction of \$13,108 in workers compensation insurance served as an offset to the overall increase in benefits.

4. Internal Service Charges:

- The net decrease of \$364,505 is primarily due to removing nine (9) vehicles within collection services to create a reduction of fleet charges for parts/oil/gas and vehicle rental in the amounts of \$224,085 and \$43,723, respectively and OGC legal services allocation is being reduced by \$177,150. Additionally, Copy Center allocation and Computer System Maintenance are decreasing by \$25,187 and \$51,580 respectively. These are primarily offset by an increase in charges for fleet repairs and maintenance of \$170,596 due to prior years actuals and the average age of the division's fleet.

5. Other Operating Expense:

- The net increase of \$1,416,260 is primarily due to a \$1,695,769 increase in division contractual agreements as a result of:
 - The annual CPI base rate adjustments total of \$506,157 to the three (3) residential hauler contracts
 - Higher projected cost per gallon of \$406,106 for contract provided fuel to the haulers
 - \$782,506 for operating costs of the Trail Ridge Landfill disposal operations contract with Waste Management primarily due to a projected increase in landfill gas system operating costs.
 - Offset primarily by reduced landfill charges due to projected lower tonnage by \$115,317 and reduced general liability insurance by \$136,821.

During our budget review we discovered Other Operating Expenses were over budgeted by \$134,848.90. See Recommendation #3 below.

6. Indirect Costs:

- The allocation for Indirect Costs is supported by the Full Cost Allocation Plan study.

7. Extraordinary Lapse:

- The extraordinary lapse of \$306,741 is necessary to balance the subfund. See Recommendation #1 & 3 below.

SERVICE LEVEL CHANGES:

In FY 2013 it is being proposed that Downtown Collection of Commercial Waste for the Downtown Development Area businesses be eliminated from the Solid Waste Disposal Enterprise activity.

See Council Auditor's Concerns below.

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SOLID WASTE DISPOSAL (S/F 441)
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EMPLOYEE CAP CHANGES:

There is a net reduction of two (2) positions for FY2012/2013. Four (4) positions are being eliminated from the Downtown collection. Two (2) positions are being transferred in from ASD. Additionally, two (2) part-time positions and the associated funds of \$38,996 are being eliminated.

COUNCIL AUDITOR'S CONCERNS:

1. **The proposed 2012/2013 budget eliminates Downtown Collection** as a service to qualified Commercial Waste Collection downtown businesses. The Revenue from Charges for Service in FY 2011/2012 is approximately \$43,500 collected from an average of 125 Downtown businesses receiving 6 day a week curbside garbage collection service. The Expenditures for FY 2011/2012 to the Solid Waste Disposal subfund are approximately \$435,000 to provide this service. The 90% excess cost is absorbed by the Solid Waste Disposal Enterprise subfund. Additionally, the landfill tipping fees are paid through General Fund charges to Public Works Sanitation Service of approximately \$25,000.

The Commercial Waste Collection fee for these downtown businesses is subject to Ordinance Code Section 106.112 which requires annual review of the fee to ensure the fee covers 85% of its cost before an increase is considered. However, Ordinance Code Section 380.202 limits the fee to twice the fee charged small commercial accounts in the rest of the City of Jacksonville. The Downtown Commercial customers currently pay \$357.64 annually.

Additionally, pursuant to Ordinance Code Section 380.208 these businesses are restricted to place garbage receptacles curbside between 9:00 AM and 2:00 PM.

The Solid Waste Division plans to send out notification to any affected businesses with the October 1, 2012 end of COJ service, and a list of the approved commercial haulers that they can use. The Division's plan does not appear to address:

- o The financial impact of the full cost of private hauler service to these downtown businesses
- o the public health issues of timely garbage collection for these businesses
- o the issue of public safety regarding when or how many additional garbage trucks will be entering the downtown area and the impact to downtown as a whole

2. **The Interlocal Agreement issue of Landfill Usage** by Atlantic Beach and Neptune Beach has not been resolved. The Solid Waste Disposal fund has been accounting for the disposal fees as a receivable but operating without receipt of the funds.

RECOMMENDATION:

1. Miscellaneous Revenue – Sale of Recyclable Materials is understated due to a correction in the tonnage projection.
Increase Miscellaneous Revenue – Sale of Recyclable Materials by \$74,175
Decrease Extraordinary Lapse – Contingent Lapse by \$74,175
2. Lapse – Eliminate the four vacant positions and their funding of \$138,857
Decrease Lapse – Salaries and Benefits by \$138,857
Decrease Salaries and Benefits by \$138,857

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3. Other Operating Expense – Contract/Garbage Recycling is overstated due to a lower projected premise count and lower fuel costs attributed to the contract garbage haulers.
Decrease Other Operating Expense – Contract/Garbage Recycling by \$134,849
Decrease Extraordinary Lapse – Contingent Lapse by \$134,849

These recommendations will have no impact on the Special Council Contingency

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED 2012/13 BUDGET
SOLID WASTE CONTAMINATION ASSESSMENT/SF 442
PROPOSED BUDGET BOOK- PAGE #322-323
ONLINE PAGE - #354-355**

BACKGROUND:

In order to fund groundwater sampling, contamination assessment reports, and to examine, evaluate and remedy contaminated landfill sites within the City, the Solid Waste Division charges Internal or External Host Fees. Internal Host Fees are applied to each Class I ton deposited at the Trail Ridge landfill and External Host Fees are applied to each Class III ton deposited at the Old Kings Road (private) landfill. Host fees for the Contamination Assessment sub fund are assessed at the rate of \$0.24 per ton.

REVENUES:

City Wide Activities

1. Miscellaneous Revenue:

- Investment earnings are expected to decrease by \$4,900 based on current trends.

2. Transfers from Fund Balance:

- The Transfer from Fund Balance is the amount necessary to balance the budget.

Public Works

1. Charges for Services:

- Internal and external host fees decreased by \$19,627 based upon projected decreases in tonnage. Specifically, Internal Host Fees decreased by \$6,873 and External Host Fees decreased by \$12,754.

EXPENDITURES:

Public Works

1. Internal Service Charges:

- Lower OGC legal costs, based on actuals, accounted for 96 percent of the \$817 decrease in this category.

2. Other Operating Expenses:

- The decrease of \$20,965 is attributable to a decrease in professional services of \$16,965 primarily due to decreased cost for creating required FDEP contamination assessment reports on dump sites throughout Duval County and \$4,000 in repairs and maintenance costs.

SERVICE LEVEL CHANGES:

There are no significant service level changes to the budget.

EMPLOYEE CAP CHANGES:

There are no employees associated with this sub fund.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED 2012/2013 BUDGET
LANDFILL CLOSURE (S/F 443)
PROPOSED BUDGET BOOK – PAGE #324-325
ONLINE PAGE - #356-357**

BACKGROUND:

The Landfill Closure subfund currently provides for the cost of post closure at the North and East landfills, and the costs of closure and future post closure at Trail Ridge landfill. Solid Waste Division charges an Internal Host fee that provides funding for this purpose at the rate of \$1.98 per Class I ton deposited at the Trail Ridge landfill as well as an External Host Fee at the rate of \$1.98 per Class III ton deposited at the Old Kings Road (private) landfill.

REVENUES:

City Wide Activities

1. Miscellaneous Revenue:

- The investment earnings are expected to increase by \$15,800 due to a stable cash balance within the fund.

2. Transfer from Fund Balance:

- The Transfer from Fund Balance is the amount necessary to balance the budget.

Public Works

1. Charges for Services:

- Internal and external host fees decreased by \$161,928 based upon projected decreases in tonnage. Specifically, Internal Host Fees decreased by \$56,701 and External Host Fees decreased by \$105,227.

EXPENDITURES:

Public Works

1. Salaries:

- The \$1,554 decrease is due to a slight change in the allocation of those Solid Waste Operation employees that perform landfill post-closure duties at the East and North Landfills.

2. Employer Provided Benefits:

- The \$36,956 increase is due to the increase in Group Hospitalization and Workers' Compensation Insurance costs associated with the employees' allocation.

3. Internal Service Charges:

- The \$1,576 decrease is due to the elimination of ITDs cost allocation for post-closure employees.

4. Other Operating Expenses:

- The \$9,321,731 is primarily due to an estimated 25 acres of incremental closure costs of \$7,375,000 at Trail Ridge Landfill. Additionally \$906,731 is for post-closure expenses associated with the City's closed East and North Landfills. The remainder is due to permit, engineering, design, and construction expenses at the City owned Borrow Pit of \$1,040,000.

SERVICE LEVEL CHANGES:

There are no significant service level changes to the budget.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED 2012/2013 BUDGET
LANDFILL CLOSURE (S/F 443)
PROPOSED BUDGET BOOK – PAGE #324-325
ONLINE PAGE - #356-357**

EMPLOYEE CAP CHANGES:

There are no employees associated with this sub fund. The personnel are an allocation of salaries and benefits of nine (9) positions from Solid Waste Disposal Operations that perform duties related to landfill closure.

RECOMMENDATIONS:

None

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED 2012/2013 BUDGET
SOLID WASTE FACILITIES MITIGATION(S/F 445)
PROPOSED BUDGET BOOK – Page #326-327
ONLINE PAGE – #358-359**

BACKGROUND:

The Facility Mitigation Class I Landfills subfund was established to mitigate property concerns in areas surrounding Class I landfills. A Resource Recovery Fee (Internal Host Fee) of \$.50 is applied to each Class I ton deposited at the Trail Ridge landfill. Ordinance 2007-739 authorized a 50/50 sharing of the Internal Host Fee between the Class I Mitigation Fund and the Teye' Brown Regional Park Improvement Trust fund.

REVENUES:

City Wide Activities

1. Miscellaneous Revenue:

- Investment Earnings is decreasing \$39,360 due to the 2011 creation of Trust Fund 44I, thus decreasing fund balance in 445 by half.

Public Works

1. Charges for Services:

- The \$176,426 represents a Host Fee of \$0.25 times the projected tonnage for FY 2012/2013 of 705,704 at the landfill. The FY 2011/2012 budgeted amount included the combined Host Fee amount of \$0.50, half of which now goes to subfund 44I.

EXPENDITURES:

City Wide Activities

1. Cash Carryover:

- The \$230,140 decrease reflects the decrease in revenues noted above. Funds in this category are placed in reserve pending future council approved appropriations for mitigation activities.

SERVICE LEVEL CHANGES:

There are no significant service level changes to the budget.

EMPLOYEE CAP CHANGES:

There are no employees associated with this subfund.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED 2012/2013 BUDGET
SOLID WASTE FACILITIES MITIGATION CLASS III (S/F 446)
PROPOSED BUDGET BOOK – PAGE #328-329
ONLINE PAGE – #360-361**

BACKGROUND:

This subfund was established to mitigate concerns in areas surrounding Class III Disposal Sites (private Construction and Demolition Debris Landfills). External Host Fees (formerly, resource recovery) are generated by a \$0.50 surcharge per Class III ton processed at the private landfills. Mitigation projects are determined pursuant to the City of Jacksonville's municipal code, chapter 380, part 4.

REVENUES:

City Wide Activities

1. Miscellaneous Revenue:

- Investment earnings are expected to decrease by \$11,855 based on current trends.

Public Works

1. Charges for Services:

- External host fees are expected to decrease by \$26,573 which is directly related to the reduction in budgeted tons estimated to be received at Construction & Demolition Debris (Class III) landfills.

EXPENDITURES:

City Wide Activities

1. Cash Carryover:

- The \$38,428 decrease reflects a projected \$26,573 reduction in external host fees and a projected \$11,855 decrease in investment earnings. Funds in this category are placed in reserve pending future council approved appropriations for mitigation activities.

SERVICE LEVEL CHANGES:

There are no significant service level changes to the budget.

EMPLOYEE CAP CHANGES:

There are no employees associated with this subfund.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS & RECOMMENDATIONS
MAYOR'S PROPOSED 2012/2013 BUDGET
SOLID WASTE MITIGATION CAPITAL PROJECTS (44I)
PROPOSED BUDGET BOOK – PAGE # 330-331
ONLINE PAGE - #362-363**

BACKGROUND:

The Solid Waste Mitigation Capital Projects Subfund was established to record and account for capital projects attributed to Class I landfill mitigation capital projects as well as to provide a separate subfund to isolate the Taye´ Brown Regional Park Improvement District's share of Internal Host Fees collected at the Trail Ridge Landfill, and associated investment earnings, from general mitigation activities.

The subfund also serves as the Taye´ Brown Regional Park Improvement Trust Fund, a permanent, on-going trust fund of the City of Jacksonville. The subfund is authorized to accept Council appropriations, gifts, fees, and other types of donations.

REVENUES:

Charges for Services:

- The \$176,426 for fiscal year 2013 is calculated based on the \$0.25 per ton Internal Host Fees collected at the Trail Ridge Landfill for Taye´ Brown Regional Park Improvement District. The FY 2011/2012 amount of \$125,000 is an error and was actually a transfer from fund balance.

Miscellaneous Revenue:

- This fund has a positive fund balance and should have budgeted investment pool earnings. See recommendation below.

EXPENDITURES:

Cash Carryover:

- Funds in this category are placed in reserve pending future appropriations for mitigation activities. There was no cash carryover for FY 12 because the funds were appropriated for a specific purpose as noted below.

Transfers-Non-Departmental:

- The amount budgeted in this line item for FY 12 represents a one-time transfer of \$125,000 to the Equestrian Center which is within the Taye´ Brown Regional Park.

EMPLOYEE CAP CHANGES:

There are no employees associated with this subfund.

RECOMMENDATIONS:

Increase Miscellaneous Revenue to \$25,000 to recognize the Investment Pool Earnings from the sub funds positive fund balance and increase Cash Carryover by \$25,000. This will have no impact on Special Council Contingency.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED 2012/2013 BUDGET
STORMWATER SERVICES/SF 461
PROPOSED BUDGET BOOK – PAGE #332-336
ONLINE PAGE – #364-368**

STORMWATER SERVICES BACKGROUND:

Stormwater Services subfund provides the Public Works Department with a dedicated funding source. Funding is primarily provided by a user fee.

REVENUES:

City Wide Activities

1. Miscellaneous Revenue:

- No investment earnings are projected for FY 2013 based on FY 2012 actuals.

Public Works

1. Charges for Services:

- The overall increase of \$729,080 in stormwater user fees is based on actual collections and a 0.77% increase in parcels to be billed.

2. Transfers from Other Funds:

- Pursuant to Section 754.110 of the Municipal Code, the general fund provides for the value of Stormwater User Fees waived for 501(c) 3 organizations and individuals or families who are economically disadvantaged. The \$74,941 increase is due to more applications received for the waiver than in FY 2012.

EXPENDITURES:

CITY WIDE ACTIVITIES

1. Banking Fund Debt Repayment:

- The \$1,474,040 increase reflects the debt service for new borrowing in FY 2012/2013.

NEIGHBORHOODS

BACKGROUND:

The Environmental Quality Division (EQ) manages a portion of the Stormwater Management System Program, which is a vital part of the River Accord and helps the City meet Federal Clean Water Act and State regulations. Responsibilities include inspections of illicit connections to drainage systems, inspections of high priority industries, and surface water quality monitoring.

1. Internal service Charges:

- The decrease of \$25,882 is primarily due to the elimination of all \$24,500 of copy center funding for production printing of community information brochures and fliers.

2. Other Operating Expenses:

- The net decrease of \$6,234 is mostly due to a reduction in professional services of \$5,000 due to EQ in-house accreditation for water quality sampling specific to Fecal Coli-form.

PARKS & RECREATION

BACKGROUND:

The Proposed Budget book indicates that this was formerly within Special Services however for FY 2011/2012 the activity was within Recreation & Community Services. In order to maintain compliance with the Stormwater Regulatory Permit, the Parks & Recreation Department will continue to administer the Florida Yards & Neighborhoods Program's mission, which is to reduce the use of water, fertilizers,

**COUNCIL AUDITOR'S OFFICE
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STORMWATER SERVICES/SF 461
PROPOSED BUDGET BOOK – PAGE #332-336
ONLINE PAGE – #364-368**

and pesticides. This program will also assist in educating homeowners to decrease the amounts of nutrients and toxic runoff into the St. Johns River basin.

1. Salaries:

- The allocation of \$18,636 represents one (1) part-time employee within the Stormwater Services enterprise fund.

2. Employer Provided Benefits:

- The allocation of \$271 accounts for the benefits (Medicare Tax) of the part-time employee.

3. Other Operating Expenses:

- The allocation of \$5,419 provides for various supplies and a local mileage reimbursement for travel within the county.

PUBLIC WORKS

BACKGROUND:

The Stormwater Services subfund uses its dedicated funding source to complete various flood and drainage mitigation projects, clean canals and ditches, address stormwater treatment issues, maintain collection and pumping systems, as well as stormwater treatment facilities (ponds). Funding is provided by a user fee.

1. Employer Provided Benefits

- The net increase of \$351,891 is primarily due to increases in pension contribution costs, group health insurance premiums and workers compensation insurance in the amounts of \$182,370, \$116,792 and \$79,394 respectively. A reduction of \$27,000 in the prepaid legal program served as an offset to the overall increase in benefits.

2. Internal Service Charges:

- The net decrease of \$522,047 is primarily due to decreased fleet parts/oil/fuel and maintenance/repair charges associated with the reduction of vehicles within Stormwater Services

3. Indirect Cost:

- The allocation for Indirect Costs is supported by the Full Cost Allocation Plan study.

TRANSFERS NON-DEPARTMENTAL

1. Transfers to Other Funds:

- This is a transfer to the debt service sinking fund due to prior years borrowing.
- \$5,837,679 – These funds represent the excess of revenues over expenditures and are used to finance future stormwater capital projects. These funds are transferred to Sub Fund 462 (Stormwater Capital). The decrease is the result of increased debt service expenses.

SERVICE LEVEL CHANGES:

There are no significant service level changes to the budget.

EMPLOYEE CAP CHANGES:

Two (2) positions were transferred to the Parks & Recreation Department.

Additionally, as discussed in meeting #3, the Administration requested to move 19 positions from Stormwater to Parks and Recreation and Public Works is then moving 19 positions from Right-of-Way Grounds Maintenance to Stormwater Services.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED 2012/2013 BUDGET
STORMWATER SERVICES/SF 461
PROPOSED BUDGET BOOK – PAGE #332-336
ONLINE PAGE – #364-368**

RECOMMENDATIONS:

During our review of Stormwater Services we were made aware of the Department's past inability to account for the time and activity of each Public Works Employee that performed Stormwater Service activities that are funded through User Fees. In FY 2011/2012, the Department plans to implement a system to track the time and activity of those who perform those Stormwater Duties. We recommend a special provision within the language of the Budget Ordinance be placed on Public Works Stormwater Services that provides, to the Council Auditor, Quarterly reporting of time and activity that allows the ability to substantiate the appropriate use of the City User Fee going forward as of October 1, 2012 with the first report made available thirty days after the end of each Quarter, and sixty days after fiscal year end.

**COUNCIL AUDITOR'S OFFICE
 COMMENTS AND RECOMMENDATIONS
 MAYOR'S PROPOSED 2012/2013 BUDGET
 STORMWATER SERVICES – CAPITAL PROJECTS (SF462)
 PROPOSED BUDGET BOOK – PAGE #337 – 338
 ONLINE PAGE - #369 – 370**

BACKGROUND:

The Stormwater Services – Capital Projects subfund is an all years fund and accounts for capital projects financed by the Stormwater User Fees, Investment Earnings, Retained Earnings and Debt proceeds. Revenues and expenditures reflect the fifth year of financing stormwater capital projects within this subfund.

REVENUES:

City Wide Activities:

1. Miscellaneous Revenue

- The budgeted value of \$696,000 for miscellaneous revenue consists of investment earnings.

Public Works:

1. Other Sources:

- Special Revenue Bonds will provide \$4,375,000 or approximately 40 percent of the funding needed for the stormwater capital projects planned for FY 2012/2013 as seen within Budget Ordinance Schedule B4b.

Transfers from Non-Departmental:

1. Transfers from Other Funds:

- The \$5,837,679 transfer is from the Stormwater Services operating budget. The decrease is the result of increased debt service expense in subfund 461.

EXPENDITURES:

1. Capital Outlay:

- Capital Outlay accounts for Stormwater-related CIP to be undertaken in FY 13. Funding provides for the following Stormwater capital projects, also seen within Budget Ordinance Schedule A – 1.

PWCP462SD - PW0687 - 01 - Country Creek Drainage	1,000,000
PWCP462SD - PW0072 - 01 - Drainage System Rehabilitation	4,900,259 *
PWCP462SD - PW0382 - 02 - Crystal Springs Area Drainage	700,000
PWCP462SD - PW0709 - 01 - Messer Area Drainage	1,750,000
PWCP462SD - PW0707 - 01 - Old Plank Road Outfall	175,000
PWCP462SD - PW0022 - 01 - Master Stormwater Management Support	500,000
PWCP462SD - PW0740 - 01 - Stormwater Project Development & Feasibility	250,000
PWCP462SD - PW0717 - 01 - Septic Tank Phase Out	1,633,420 *
TOTAL	\$ 10,908,679

* Indicates Pay-Go Capital Projects for FY 2012/2013

SERVICE LEVEL CHANGES:

There are no significant service level changes to the budget.

EMPLOYEE CAP CHANGES:

There are no employees associated with this subfund.

RECOMMENDATIONS:

None.