

# **OFFICE OF THE COUNCIL AUDITOR**

## **FY 2012/2013 PROPOSED BUDGET**

### **FINANCE COMMITTEE MEMBERS**

**John R. Crescimbeni - Chair**

**Greg Anderson - Vice Chair**

**Lori N. Boyer**

**Dr. Johnny Gaffney**

**Bill Gulliford**

**Stephen C. Joost**

**Clay Yarborough**



**Meeting #7**  
**August 29, 2012**

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

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**PROPOSED BUDGET BOOK- Page #86-87  
ON SCREEN- PDF Page #98-99**

**BACKGROUND:**

In the General Fund, this department consists of Compensation and Benefits, Employee and Labor Relations, Office of the Director and Talent Management. This department was established by Budget Ordinance 2011-732-E. This Department was previously the Human Resources Division within the Central Operations Department.

**EXPENDITURES:**

Salaries:

- The increase of \$141,829 is mainly attributable to the increase in permanent salaries of \$133,039 due to Employee Cap Changes noted below.

Employer Provided Benefits:

- The net increase of \$98,491 is mainly due to increases in salaries resulting in increases in pension of \$77,798, group health insurance of \$10,757 and FICA taxes of \$6,826.

Internal Service Charges:

- The net increase of \$113,061 is primarily due to increases in ITD Computer System Maintenance charges of \$121,238 and OGC legal charges of \$45,117 which have been utilized more in an effort to reduce contractual expenditures (labor negotiations). This is somewhat offset with a decrease in copy center charges of \$38,756 due to changes in the allocation method.

Other Operating Expenses:

- The net decrease of \$850,413 is mainly attributable to reductions in professional services of \$472,497, tuition reimbursement of \$330,000 and employee training of \$34,997.

**EMPLOYEE CAP CHANGES:**

For FY 2011/12, the Council approved budget for the Human Resources Division included 46 positions and expenditures of \$6,336,559. The budget book page should include authorized positions of 46 in order to properly present the FY 2011/12 budget and provide comparison to FY 2012/13 proposed budget. From FY 2011/12 to FY 2012/13, positions increased by one. See the table below for details.

Department	FY 2011/12 Approved	FY 2012/13 Proposed	Net Change
Employee Services (former Human Resources)	46	47	+1

The following changes took or will take place:

- 1 position was moved to Mayor's Office during current fiscal year;
- 10 positions were moved in from ASD during current fiscal year;
- 2 positions were moved in from the vacancy pool during current fiscal year- Chiefs of Talent Management and Labor and Employee Relations – which totaled to \$286,568 (salaries plus benefits);
- 10 positions will be cut in the FY 2012/13 resulting in a savings of \$594,931 to the City (salaries plus benefits).

**CONCERN:**

While there is currently a tuition reimbursement program available to employees, funding for it has been drastically reduced from \$450,000 to \$120,000 in the proposed budget. Per Employee Services, only JSO and JFRD employees will receive tuition reimbursement in FY 2012/13. The City is contractually obligated to provide tuition assistance to JSO employees in the amount of \$60,000. Per Employee Services, there is no contractual obligation to provide tuition assistance to JFRD employees. As of July 24, 2012, the City has already reimbursed approximately \$159,000 to JSO employees and \$224,000 to JFRD employees. Approximately \$78,000 was reimbursed to general employees. Finally, there are approximately \$40,000 in tuition reimbursement claims that are being currently processed.

**SERVICE LEVEL CHANGES (PER EMPLOYEE SERVICES):**

- Public records request could potentially be delayed as a result of the cuts.
- Needs of employees and walk-in visitors may not be met in a timely manner.
- Tuition reimbursement reductions have collective bargaining implications.
- Absence of tuition reimbursement for general employees and limited tuition reimbursement for JFRD and JSO employees, along with other various cuts in the Department and throughout the City, will negatively impact the City's ability to recruit and retain talented employees.

**CAPITAL OUTLAY CARRYFORWARDS:**

None

**RECOMMENDATION:**

The funding of \$92,362 for one position should be removed to accurately reflect the intention of the Budget Office to remove funding associated with this position (Compensation Analyst). We also recommend deleting this position from the employee cap. This will have a positive impact on the Special Council Contingency of \$92,362.

**COUNCIL AUDITOR'S OFFICE  
 COMMENTS AND RECOMMENDATIONS  
 MAYOR'S PROPOSED FY 2012/13 BUDGET  
 GENERAL CAPITAL PROJECTS (S/F322)**

**PROPOSED BUDGET BOOK- Page #15-17  
 ON SCREEN- PDF Page #22-24**

**BACKGROUND:**

This fund houses appropriated pay-go and Banking Fund borrowed funds prior to FY 2008/2009. The only new activity in this fund is an annual loan repayment amount and other non- interest pay-go capital projects.

**REVENUES:**

Transfers From Other Funds:

- This amount represents two transfers in from other funds. The first is a transfer of \$392,000 from the Municipal Stadium (4A1) fund for loan repayment which is based upon a repayment schedule that was established at the time the loan was issued. The remaining transfer of \$552,000 is from the Sheriff's Trust Fund (64A) to fund two FY 2012/13 proposed CIP projects. The detail is provided below in the table under Capital Outlay.

**EXPENDITURES:**

Cash Carryover:

- This is the loan repayment of \$392,000 as mentioned above.

Capital Outlay:

- The table below details the project and project amounts for all funding sources:

Project		Project Title	552,000
			FY 13 Proposed
PW0565	02	PRETRIAL DETENTION FACILITY - MAINT AND UPGRADES	252,000
SH0020	01	MONTGOMERY CORRECTIONAL - CLINIC	300,000

**SERVICE LEVEL CHANGES:**

No significant service level changes

**EMPLOYEE CAP CHANGES:**

There are no positions in this subfund.

**RECOMMENDATIONS:**

None

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2012/13 BUDGET  
EMERGENCY CONTINGENCY (S/F 018)**

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**PROPOSED BUDGET BOOK - Page #64-65  
ON SCREEN-Page #73-74**

**BACKGROUND:**

This fund is the General Fund's Emergency Contingency, which was moved to a separate fund as part of the FY 06 and FY 07 budget ordinances. The goal, as stated in municipal code section 106.107, is that this fund should be approximately equal to seven percent (25.5 days average cash flow) of the total General Fund/General Services District budgeted expenditures.

**REVENUES:**

1. Miscellaneous Revenue:
  - Interest earnings for FY 2012 are expected to decrease by \$366,069 due to lower returns on investment.
  
2. Transfers from Fund Balance:
  - This amount is the estimated FY 2012 ending cash balance.

**EXPENDITURES:**

Cash Carryover:

- This amount is the estimated FY 2013 ending cash balance including interest income.

**EMPLOYEE CAP CHANGES:**

There are no employees associated with this subfund.

**SERVICE LEVEL CHANGES:**

None

**CAPITAL OUTLAY CARRYFORWARDS:**

None

**RECOMMENDATIONS:**

None

**COUNCIL AUDITOR'S OFFICE**  
**CITY OF JACKSONVILLE**  
**NORTHWEST/NORTHSIDE EAST TAX INCREMENT DISTRICT USD1B & USD1C (SUB-FUND 181)**  
**2012/13 PROPOSED BUDGET**

BUDGET BOOK REFERENCE - Page # 66-67  
PDF Page # 75-76

	2011/12 ORIGINAL BUDGET	2012/13 PROPOSED BUDGET	ORIGINAL TO PROPOSED	
			DOLLAR CHANGE	PERCENT CHANGE
<b>TAXABLE VALUES &amp; RATES</b>				
Base Year	1981/1984	1981/1984		
<b>Preliminary Taxable Values</b>	\$ 885,111,347	\$ 852,968,056	\$ (32,143,291)	-3.6%
Less Taxable Value in Base Year	416,379,969	416,379,969	-	
<b>Taxable Value Incremental Increases</b>	<b>\$ 468,731,378</b>	<b>\$ 436,588,087</b>	<b>\$ (32,143,291)</b>	<b>-6.9%</b>
Taxable Value Percentage Changes	112.57%	104.85%		
Operating Millage Rates	10.0353 mills	10.0353 mills		
Collection Rate	95.0%	95.0%		
<b>REVENUES</b>				
Ad Valorem Taxes - GF / GSD	\$ 4,468,667	\$ 4,162,228	\$ (306,439)	-6.9%
Transfer from General Fund	3,322,168	2,425,390	(896,778)	-27.0%
<b>Total Revenues</b>	<b>\$ 7,790,835</b>	<b>\$ 6,587,618</b>	<b>\$ (1,203,217)</b>	<b>-15.4%</b>
<b>EXPENDITURES</b>				
<b>Debt Service:</b>				
06C ETR, Carling	\$ 2,122,899	\$ 2,130,344	\$ 7,445	0.4%
HUD Section 108, 1997, LaVilla	109,848	119,288	9,440	8.6%
Fiscal Agent Fee (Misc)	775	1,550	775	100.0%
<b>Total Debt Service</b>	<b>\$ 2,233,522</b>	<b>\$ 2,251,182</b>	<b>\$ 17,660</b>	<b>0.8%</b>
(A) <b>Contribution to Community Development</b>	<b>75,000</b>	<b>75,000</b>	<b>-</b>	<b>0.0%</b>
<b>Other Operating Expenses:</b>				
Vestcor (Lynch Building)- Payback	\$ 1,294,313	\$ 1,294,313	\$ -	0.0%
MPS Library Garage	75,000	75,000	-	0.0%
(B) MPS Urban Core Garage	2,075,631	999,466	(1,076,165)	-51.8%
JTA/Fidelity Parking Lease	12,000	12,000	-	0.0%
(B) MPS Arena and Sports Complex	2,025,369	1,880,657	(144,712)	-7.1%
<b>Total Other Operating Expenses</b>	<b>\$ 5,482,313</b>	<b>\$ 4,261,436</b>	<b>\$ (1,220,877)</b>	<b>-22.3%</b>
<b>Total Expenditures</b>	<b>\$ 7,790,835</b>	<b>\$ 6,587,618</b>	<b>\$ (1,203,217)</b>	<b>-15.4%</b>

**FOOTNOTES**

(A) The Contribution to Community Development is for payments on the CDBG loan for the Museum of Modern Art. This is an interest-free loan of \$1,500,000 to be repaid in twenty annual installments of \$75,000. This payment is the 13th installment.

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

**RECOMMENDATION:** We recommend that the appropriation for the MPS downtown garage loans be increased by \$115,410 due to a budgeting error by JEDC. Because expenditures exceed revenues in this subfund, an additional contribution from the general fund of \$115,410 will be needed to make the subfund balance. This will have a negative impact on Special Council Contingency of \$115,410.

**COUNCIL AUDITOR'S OFFICE  
CITY OF JACKSONVILLE  
SOUTHBANK TAX INCREMENT DISTRICT USD1 A (SUB-FUND 182)  
2012/13 PROPOSED BUDGET**

**BUDGET BOOK REFERENCE - Page # 68-69  
PDF Page # 77-78**

	2011/12	2012/13	ORIGINAL TO PROPOSED	
	ORIGINAL BUDGET	PROPOSED BUDGET	DOLLAR CHANGE	PERCENT CHANGE
<b>TAXABLE VALUES &amp; RATES</b>				
Base Year	1980	1980		
Preliminary Taxable Values	\$ 425,336,469	\$ 392,008,471	\$ (33,327,998)	(7.8%)
Less Taxable Value in Base Year	89,127,781	89,127,781	-	
<b>Taxable Value Incremental Increases</b>	<b>\$ 336,208,688</b>	<b>\$ 302,880,690</b>	<b>\$ (33,327,998)</b>	<b>(9.9%)</b>
Taxable Value Percentage Increases	377.2%	339.8%		
Operating Millage Rates	10.0353 mills	10.0353 mills		
Collection Rate	95.0%	95.0%		

**REVENUES**

Ad Valorem Taxes - GF / GSD	\$ 3,205,257	\$ 2,887,524	\$ (317,733)	(9.9%)
Debt Repayment Revenue (Hilton) (A)	\$ 110,000	\$ 55,000	\$ (55,000)	(50.0%)
<b>Total Revenues</b>	<b>\$ 3,315,257</b>	<b>\$ 2,942,524</b>	<b>\$ (372,733)</b>	<b>(11.2%)</b>

**EXPENDITURES**

Debt Service:				
HUD Section 108, Hampton Inn	\$ 53,264	\$ 57,976	\$ 4,712	8.8%
HUD Section 108, Hilton Hotel	290,588	309,036	18,448	6.3%
05A ETR, Strand	188,396	189,274	878	0.5%
<b>Total Debt Service</b>	<b>\$ 532,248</b>	<b>\$ 556,286</b>	<b>\$ 24,038</b>	<b>4.5%</b>
(B) Other Operating Expenses	1,300,000	1,200,000	(100,000)	(7.7%)
Transfer to General Fund	1,483,009	1,186,238	(296,771)	(20.0%)
<b>Total Expenditures</b>	<b>\$ 3,315,257</b>	<b>\$ 2,942,524</b>	<b>\$ (372,733)</b>	<b>(11.2%)</b>

**FOOTNOTES**

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

(B) Other Operating Expenses includes the following items:

	2011/12	2012/13		
San Marco Place (REV)	300,000	250,000	(50,000)	(16.7%)
Strand/Peninsula (REV)	1,000,000	950,000	(50,000)	(5.0%)
<b>Total</b>	<b>\$ 1,300,000</b>	<b>\$ 1,200,000</b>	<b>\$ (100,000)</b>	<b>(7.7%)</b>

**RECOMMENDATION:** We recommend that the REV grant payments to San Marco Place and Strand/Peninsula be reduced by \$50,000 each (\$100,000 total) for a revised amount of \$200,000 and \$900,000 respectively in order to better align with current year actuals. This will increase the transfer to the General Fund by \$100,000. It will also have a positive impact on Special Council Contingency of \$100,000.



**COUNCIL AUDITOR'S OFFICE  
CITY OF JACKSONVILLE  
JACKSONVILLE BEACH TAX INCREMENT DISTRICTS USD2 A&B (SUB-FUND 184)  
2012/13 PROPOSED BUDGET**

BUDGET BOOK REFERENCE- Page # 70-71  
PDF Page # 79-80

	2011/12	2012/13	ORIGINAL TO PROPOSED	
	ORIGINAL BUDGET	PROPOSED BUDGET	DOLLAR CHANGE	PERCENT CHANGE
<b>TAXABLE VALUES &amp; RATES</b>				
Base Years	<u>1983 &amp; 1986</u>	<u>1983 &amp; 1986</u>		
Preliminary Taxable Values	\$ 774,791,830	\$ 717,478,064	\$ (57,313,766)	(7.4%)
Less Taxable Value in Base Years	<u>48,790,640</u>	<u>48,790,640</u>	<u>-</u>	
<b>Taxable Value Incremental Increases</b>	<b><u>\$ 726,001,190</u></b>	<b><u>\$ 668,687,424</u></b>	<b><u>\$ (57,313,766)</u></b>	<b>(7.9%)</b>
Taxable Value Percentage Increases	1488.0%	1370.5%		
Operating Millage Rates	6.7446 mills	6.7446 mills		
Collection Rate	95.0%	95.0%		
<b>REVENUES</b>				
Ad Valorem Taxes - GF / GSD	<u>\$ 4,651,758</u>	<u>\$ 4,284,528</u>	<u>\$ (367,230)</u>	<b>(7.9%)</b>
<b>EXPENDITURES</b>				
Contribution to Jacksonville Beach	<u>\$ 4,651,758</u>	<u>\$ 4,284,528</u>	<u>\$ (367,230)</u>	<b>(7.9%)</b>

**Percentage of USD2 Taxes Received by City of Jacksonville**

	<u>Countywide Levy</u>	<u>USD2 Levy</u>	
2012/13 Beaches Preliminary Taxable Values	\$ 2,461,560,122	\$ 2,461,560,122	
Levy (A)	10.0353 mills	6.7446 mills	
Collection Rate	<u>95.0%</u>	<u>95.0%</u>	
Taxes	\$ 23,467,370	\$ 15,772,126	
Less TIF	<u>-</u>	<u>4,284,528</u>	
<b>Net Revenue to City</b>	<b><u>\$ 23,467,370</u></b>	<b><u>\$ 11,487,598</u></b>	
	100.00%	48.95%	- Percentage of countywide levy collected from USD2 after TIF and Interlocal Agreement reductions.

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

**RECOMMENDATION:** None.

**COUNCIL AUDITOR'S OFFICE  
CITY OF JACKSONVILLE  
JACKSONVILLE INTERNATIONAL AIRPORT AREA REDEVELOPMENT  
TAX INCREMENT DISTRICT GSA (SUB-FUND 185)  
2012/13 PROPOSED BUDGET**

**BUDGET BOOK REFERENCE - Page # 72-73  
PDF Page # 81-82**

	2011/12	2012/13	ORIGINAL TO PROPOSED	
	ORIGINAL BUDGET	PROPOSED BUDGET	DOLLAR CHANGE	PERCENT CHANGE
<b>TAXABLE VALUES &amp; RATES</b>				
Base Year	1990	1990		
Preliminary Taxable Values	\$ 803,294,936	\$ 760,069,939	\$ (43,224,997)	(5.4%)
Less Taxable Value in Base Year	189,200,262	189,200,262	-	
<b>Taxable Value Incremental Increases</b>	<b>\$ 614,094,674</b>	<b>\$ 570,869,677</b>	<b>\$ (43,224,997)</b>	<b>(7.0%)</b>
Taxable Value Percentage Increases	324.6%	301.7%		
Operating Millage Rates	10.0353 mills	10.0353 mills		
Collection Rate	95.0%	95.0%		
<b>REVENUES</b>				
<b>Ad Valorem Taxes - GF / GSD</b>	<b>\$ 5,854,493</b>	<b>\$ 5,442,406</b>	<b>\$ (412,087)</b>	<b>(7.0%)</b>
<b>Total Revenues</b>	<b>\$ 5,854,493</b>	<b>\$ 5,442,406</b>	<b>\$ (412,087)</b>	<b>(7.0%)</b>
<b>EXPENDITURES</b>				
Debt Service:				
HUD Section 108, 1994, Coach	\$ 522,994	\$ 547,097	\$ 24,103	4.6%
HUD Section 108, 1996, Sally Beauty (A)	42,902	-	(42,902)	(100.0%)
HUD Section 108, 1997, Body Armor	71,210	80,824	9,614	13.5%
05A ETR, RAMCO	1,106,229	1,110,356	4,127	0.4%
Fiscal Agent Fees	810	810	-	0.0%
<b>Total Debt Service</b>	<b>\$ 1,744,145</b>	<b>\$ 1,739,087</b>	<b>\$ (5,058)</b>	<b>(0.3%)</b>
Other Operating Expenses (B)	385,000	405,000	20,000	5.2%
Transfer Out to the General Fund	3,725,348	3,298,319	(427,029)	(11.5%)
<b>Total Expenditures</b>	<b>\$ 5,854,493</b>	<b>\$ 5,442,406</b>	<b>\$ (412,087)</b>	<b>(7.0%)</b>
<b>FOOTNOTES</b>				
(A) This loan has been paid off.				
(B) Other Operating Expense includes the following item:				
	2011/12	2012/13		
RAMCO (REV)	\$ 385,000	\$ 405,000	\$ 20,000	5.2%
Total	<u>\$ 385,000</u>	<u>\$ 405,000</u>	<u>\$ 20,000</u>	5.2%

**RECOMMENDATION:** We recommend that the REV grant payment to RAMCO be reduced by \$55,000 for a revised total of \$350,000 in order to better align with current year actuals. This will increase the transfer to the General Fund by \$55,000 and have a positive impact of \$55,000 on Special Council Contingency.

**COUNCIL AUDITOR'S OFFICE  
CITY OF JACKSONVILLE  
SOUTEL-MONCRIEF  
TAX INCREMENT DISTRICT GSK (SUB-FUND 186)  
2012/13 PROPOSED BUDGET**

**BUDGET BOOK REFERENCE- Page # 74-75  
PDF Page # 83-84**

	2011/12	2012/13	<u>ORIGINAL TO PROPOSED</u>	
	<u>ORIGINAL BUDGET</u>	<u>PROPOSED BUDGET</u>	<u>DOLLAR CHANGE</u>	<u>PERCENT CHANGE</u>
<b>TAXABLE VALUES &amp; RATES</b>				
Base Year	<u>2008</u>	<u>2008</u>		
Preliminary Taxable Values	\$ 115,108,461	\$ 102,841,726	(12,266,735)	(10.7%)
Less Taxable Value in Base Year	71,064,917	71,064,917	-	0.0%
<b>Taxable Value Incremental Increases</b>	<b><u>\$ 44,043,544</u></b>	<b><u>\$ 31,776,809</u></b>	<b><u>(12,266,735)</u></b>	<b><u>(27.9%)</u></b>
Taxable Value Percentage Increases	62.0%	44.7%		
Operating Millage Rates	10.0353 mills	10.0353 mills		
Collection Rate	95.0%	95.0%		
<b>REVENUES</b>				
Ad Valorem Taxes - GF / GSD	<b><u>\$ 419,891</u></b>	<b><u>\$ 302,945</u></b>	<b><u>\$ (116,946)</u></b>	<b><u>(27.9%)</u></b>
<b>EXPENDITURES</b>				
Cash Carryover	<b><u>\$ 419,891</u></b>	<b><u>\$ 302,945</u></b>	<b><u>\$ (116,946)</u></b>	<b><u>(27.9%)</u></b>
<b>NOTE</b>				

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

**RECOMMENDATION:** None.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2012/13 BUDGET  
DOWNTOWN VISION, INC. (DVI)**

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**BACKGROUND:**

Downtown Vision Inc. (DVI) is a not-for-profit 501(c) organization whose mission is to build and maintain a healthy and vibrant downtown community and to promote downtown as an exciting place to live, work and visit. A public hearing on the assessment roll for DVI is scheduled for August 7, 2012 at the regular City Council Finance Committee meeting.

**REVENUES:**

1. Special Assessment:

- DVI's main source of revenue has been a 1.1 mill special assessment of downtown commercial property owners. This year's funding is contingent upon approval of Ordinance 2012-422. Without this legislation, the City has no agreement in place with DVI. The budgeted assessment based on the continued 1.1 mills is estimated to be \$686,000, a decrease of \$64,000 from the previous year due to decreased property value. The estimate assumes a 2 percent yearly delinquency rate and that the remaining assessments will be paid on or before November 30 qualifying all property owners for a 4 percent discount.

2. City Contribution:

- The City's contribution remains the same at \$311,660, which includes two downtown cleaners to provide pressure washing, spill removal, other cleaning services and weed and tree abatement.

3. Other Sources

- The increase of \$57,750 is due to an anticipated \$60,000 increase in sponsorship for marketing and special events initiatives offset by a decrease in interest income of \$2,250. This is an item that has not been budgeted in the past, but due to lower property values, the Board of Directors has committed to raising these funds.

**EXPENDITURES:**

1. Salaries:

- The reduction of \$57,589 in salaries is mainly attributable to the elimination of the Marketing & Events Manager and a decreased salary package offered to the newly assigned Director of Marketing.

2. Other Operating Expenses:

There is a net increase of \$51,339 in other operating expenses due to budget changes within a majority of the accounts. This is due in large part to the hiring of a new part-time public relations and strategy consultant (\$30,000) and increases in design and print costs for downtown guides (\$11,606).

**OVERALL COMMENTS:**

- The City had no obligation to fund DVI the 1.1 mill special assessment without approval of Ordinance 2012-422 currently before Council Committees.
- The balance of DVI's special project reserve fund is currently \$456,462. Currently, \$100,000 has been encumbered for Laura Street Façade Improvement Grants, which were awarded in January 2012 and will be spent as projects are completed. In addition, \$200,000 has been earmarked for the FY 2012/13 proposed budget to offset declining revenues while maintaining current service levels. The source of the funds in the special project reserve fund has been from excess revenues in previous fiscal years. The funds are reserved to fill budgetary gaps and to finance future downtown enhancement projects.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2012/13 BUDGET  
DOWNTOWN VISION, INC. (DVI)**

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**RECOMMENDATIONS:**

Replace Schedules AD and AE with Revised Schedules AD and AE to correct grammar, remove unnecessary appropriation lines and add additional notations regarding the City contribution.

**BUSINESS IMPROVEMENT DISTRICT  
(DOWNTOWN VISION, INC.)  
JACKSONVILLE, FLORIDA  
BUDGET - FISCAL YEAR 2012/13**

<b><u>ESTIMATED REVENUES</u></b>	<b>DVI FY 2012/13 Proposed</b>	<b>Council Adopted FY 2011/12</b>	<b>Change</b>
Assessed Properties (1)	\$ 686,000	\$ 750,000	\$ (64,000)
City of Jacksonville (2)	311,660	311,660	-
Other Sources	99,745	41,995	57,750
Reserves	200,000	200,000	-
<b>Total Estimated Revenues</b>	<b><u>\$ 1,297,405</u></b>	<b><u>\$ 1,303,655</u></b>	<b><u>\$ (6,250)</u></b>

**APPROPRIATIONS**

	Clean, Safe and Attractive	Mktg, Promotions, Special Projects	Business & Stakeholder Support	Management & General	Total FY 2012/13 Proposed	Council Adopted FY 2011/12	Change
Personnel Services	\$ 79,901	\$ 176,753	\$ 79,901	\$ 43,317	\$ 379,872	\$ 437,461	\$ (57,589)
Operating Expenses	598,417	241,195	49,961	22,960	912,533	861,194	51,339
Contingency					5,000	5,000	-
<b>Total Appropriations</b>	<b><u>\$ 678,318</u></b>	<b><u>\$ 417,948</u></b>	<b><u>\$ 129,862</u></b>	<b><u>\$ 66,277</u></b>	<b><u>\$ 1,297,405</u></b>	<b><u>\$ 1,303,655</u></b>	<b><u>\$ (6,250)</u></b>

(1) Represents the estimated revenue from 1.1 mills special assessment on the 2012 properties in the Business Improvement District.

(2) Includes \$229,747 City contribution that has consistently been funded since FY 07/08 plus \$81,913 of City funding for two additional Downtown cleaners.

**BUSINESS IMPROVEMENT DISTRICT  
(DOWNTOWN VISION, INC.)  
JACKSONVILLE, FLORIDA  
BUDGET - FISCAL YEAR 2012/13**

**ESTIMATED REVENUES**

	<b><u>DVI Proposed</u></b>
Assessed Properties (1)	\$ 686,000
City of Jacksonville (2)	311,660
Other Sources	99,745
Reserves	200,000
<b>Total Estimated Revenues</b>	<b>\$ 1,297,405</b>

**REVISED SCHEDULE AD**

**APPROPRIATIONS**

	Clean, Safe and Attractive	Mktg, Promotions, Special Projects	Business & Stakeholder Support	Management & General	Total
Personnel Services	\$ 79,901	\$ 176,753	\$ 79,901	\$ 43,317	\$ 379,872
Operating Expenses	598,417	241,195	49,961	22,960	912,533
Contingency					5,000
<b>Total Appropriations</b>	<b>\$ 678,318</b>	<b>\$ 417,948</b>	<b>\$ 129,862</b>	<b>\$ 66,277</b>	<b>\$ 1,297,405</b>

(1) Represents the estimated revenue from 1.1 mills special assessment on the 2012 properties in the Business Improvement District.

(2) Includes \$229,747 City contribution that has consistently been funded since FY 07/08 plus \$81,913 of City funding for two additional Downtown cleaners.

**REVISED SCHEDULE AE**

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

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**PROPOSED BUDGET BOOK – Page 340-342  
ON SCREEN – PDF Page 373-375**

**BACKGROUND:**

The Department of Special Services is comprised of three divisions: Behavioral and Human Services, Senior Services, and the Office of the Director. Before the passage of the FY 2011/12 city reorganization (Ord. 2012-732-E), these divisions were part of the Recreation and Community Services Department.

The Special Services Department is responsible for providing many human and social services to the City of Jacksonville, including but not limited to being responsible for programs and events targeted specifically toward seniors, programs for victims of crime, and overseeing an array of mandated substance abuse and mental health services.

**REVENUES:**

1. Miscellaneous Revenue:

- The net decrease of \$50,676 is due to reductions of \$30,000 in welfare reimbursement (received from the Social Security Administration for interim financial assistance the City provides to citizens), \$16,346 in overtime reimbursement charges (associated with senior centers) and \$5,000 in reimbursement for victim services (reimbursement from the State's Florida Crimes Compensation Fund for forensic examinations related to the City's Sexual Assault Response Center).

**EXPENDITURES:**

1. Salaries:

- The decrease of \$708,168 is due to reductions of \$633,245 in permanent salaries, \$41,502 in part-time salaries (transferred to Parks and Recreation Department), \$21,238 in leave rollback/sellback, \$10,233 in special pay-pensionable and \$1,950 in special pay.

2. Employer Provided Benefits:

- The decrease of \$147,497 is primarily due to reductions of \$68,874 in health insurance, \$40,296 in pension contributions, and \$19,259 in workers compensation insurance.

3. Internal Service Charges:

- The net decrease of \$16,180 is primarily due to reductions of \$34,275 in IT GIS/Aerial charges, \$24,597 in telecommunication charges and \$17,620 in copy center charges. These were somewhat offset by increases of \$60,572 in data center services charges. ITD has reduced costs overall and as a result, savings are seen in departmental internal service charges.



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

4. Other Operating Expenses:

- The decrease of \$731,997 is primarily the result of reductions of \$363,453 in professional services (decreases in General Assistance and contracts moved to the Parks and Recreation Department), \$200,000 in welfare-shelter (reduced temporary assistance for housing), \$80,000 in victim assistance and \$16,000 in welfare-grocery orders (reduced temporary food assistance). Victim assistance payments will be funded from the Victim Assistance Services Trust Fund in FY 2012/13, so this does not represent a cut in funding or reduction of service. The remaining decrease is due to various small items within Other Operating Expenses.

5. Grants, Aids and Contributions:

- The decrease of \$67,951 is mainly due to reductions of \$34,668 in the General Fund contribution for the Jacksonville Senior Services Program (security guard service at the Mary L. Singleton Center will be eliminated) and \$33,283 in subsidies and contributions to private sources (funding for the JCCI Quality of Life study will be eliminated).

**FOOD AND BEVERAGE EXPENDITURES:**

<b>Indexcode</b>	<b>Amount</b>	<b>Description of each Service/Event that requires the purchase of food/beverage</b>	<b>Explanation that the Service/Event serves a public purpose</b>
RCAH011CC	\$1,000	Senior Games	Support of senior citizens
RCAH011CC	\$3,500	Mayor's Older Buddy Events	Support of senior citizens
RCBH011VC	\$500	Provides emergency assistance to help reduce the financial hardship incurred as a direct result of the crime. Food assistance is given via food card purchases from Winn Dixie.	Food assistance - Used to assist the crime victim or family member as a direct result of their victimization.

**SERVICE LEVEL CHANGES:**

Reductions in funding for temporary shelter (approximate 20% reduction from FY 11/12) and food assistance (approximate 60% reduction from FY 11/12) will reduce the number of individuals receiving assistance from City.

**EMPLOYEE CAP CHANGES:**

Authorized positions decreased by twelve (12) positions.

**Employee Cap Change by Division:**

Behavioral and Human Services:	Decreased from 24 positions to 22 positions
Senior Services Division:	Decreased from 30 positions to 27 positions
Office of the Director:	Decreased from 9 positions to 2 positions

**COUNCIL AUDITOR'S OFFICE  
 COMMENTS AND RECOMMENDATIONS  
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 GENERAL FUND (011)**

**EMPLOYEE CAP CHANGES:**

Action	# of Positions	Explanation
Approved FY 2011/12 positions	63	Council approved position cap
Transfer out to RPOD011 in January 2012	-1	Transferred out during FY 2011/12
Transfer in from JEJE751SE	1	FY 2012/13 proposed budget
Transfer in from OPAS011 (Intra-Governmental Services Dept)	2	FY 2012/13 proposed budget
Transfer out to RPOD011 (Parks & Rec Dept)	-5	FY 2012/13 proposed budget
Proposed eliminations	-9	FY 2012/13 proposed budget (see below)
<b>Proposed FY 2012/13 positions</b>	<b>51</b>	

**PROPOSED ELIMINATIONS:**

Job Class	Job Class Description	Indexcode	Filled/ Retiring/ Vacant/ Attrition	Budget Savings
E0023	CUSTODIAN	RCAH011CC	Vacant	\$26,737.11
F0024	DESKTOP SUPPORT TECHNICIAN	RCAH011CC	Filled	\$45,942.10
F0024	DESKTOP SUPPORT TECHNICIAN	RCAH011CC	Filled	\$49,776.04
W0041	COMMUNITY SERVICES AREA SUPERINTENDENT	RCAH011CC	Filled	\$67,280.77
W0041	COMMUNITY SERVICES AREA SUPERINTENDENT	RCAH011CC	Filled	\$65,422.95
B0011	OPERATIONS ANALYST	RCBH011GA	Vacant	\$46,716.34
Y0101	SOCIAL SERVICES SPECIALIST	RCBH011GA	Filled	\$56,894.35
04417	PUBLIC COMMUNICATIONS OFFICER	RCOD011	Vacant	\$59,331.80
C0141	CLERICAL SUPPORT AIDE III	RCOD011	Filled	\$45,673.22
<b>Total savings from proposed eliminations</b>				<b>\$463,774.68</b>

**RECOMMENDATIONS:**

1. We recommend reducing General Assistance - Professional Services by \$31,752 to correct funding for a security contract that was erroneously budgeted twice (under both subobjects 03109 and 03405). This will have a positive impact of \$31,752 on Special Council Contingency.

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

---

2. We recommend reducing projected Welfare Reimbursement revenue for General Assistance by \$75,000 based on current year actuals and updated FY 2012/13 projections from the Department. The decrease reflects the reduction in City funding and the Social Security Administration's capacity to more rapidly declare applicants eligible for benefits. This will have a negative impact of \$75,000 on Special Council Contingency.

3. We recommend transferring \$1 from the Victim Services - Office Supplies-Other account to Victim Services - Victim Assistance account to establish funding for this subobject. Funding for this subobject was eliminated in the proposed budget with the intention of funding these expenditures from the Victim Assistance Services Trust Fund's available fund balance in FY 2012/13. This will have no impact on Special Council Contingency.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2012/13 BUDGET  
SPECIAL SERVICES  
LEGAL AID (15R)**

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**PROPOSED BUDGET BOOK – Page #345-346  
ON SCREEN-Page #378-379**

**BACKGROUND:**

These funds are to be used to support Jacksonville Area Legal Aid, which provides services that support access of the poor and indigent to the legal system. As of July 1, 2004, a \$65 fee is imposed pursuant to Florida Statute 939.185 and Ordinance 2004-609-E on felony, misdemeanor or criminal traffic offenses, of which 25% is used to support Legal Aid. Jacksonville Area Legal Aid also receives additional funding in the form of Public Service Grants.

<b>Detail of Public Service Grant</b>	<b>FY 11/12</b>	<b>Proposed FY 12/13</b>
Civil Legal Services	161,949	135,085
<b>Total</b>	<b>161,949</b>	<b>135,085</b>

**REVENUES:**

1. Charges for Services:

- The decrease of \$29,755 is due to lower fee revenues from the \$65 fee based on historical actuals.

**EXPENDITURES:**

1. Other Operating Expenses:

- The direct payment to Jacksonville Area Legal made through the authorized trust fund expenditures will decrease by \$29,755 in FY 2012/13 due to less revenue being projected from the \$65 fee.

**SERVICE LEVEL CHANGES:**

There are no significant service level changes to the budget.

**EMPLOYEE CAP CHANGES:**

There are no authorized positions in this subfund.

**CONCERN:**

This subfund is projected to have a negative fund balance at the beginning of fiscal year 2012/13 of almost \$200,000. This negative fund balance has been caused by revenue shortfalls and the fact that the total authorized trust fund expenditures amount in prior years was sent to Jacksonville Area Legal Aid at the beginning of the fiscal year before the revenue was actually received. To prevent this from occurring in future years, language was added to the Budget Ordinance in FY 2011/12 that only allows payments to JALA after the revenue is actually collected. This same language is included in the FY2011/12 budget ordinance. However, to our knowledge, the administration has not addressed the existing negative fund balance issue related to years prior to FY 2011/12.

**RECOMMENDATIONS:**

None

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
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SPECIAL SERVICES  
DRIVER EDUCATION SAFETY TRUST FUND (1HA)**

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**PROPOSED BUDGET BOOK – Page 347-348  
ON SCREEN – PDF Page 380-381**

**BACKGROUND:**

The Driver Education Safety Trust was authorized by Ordinance 2002-1165-E. Funding is provided by an additional \$3 levy on each civil traffic penalty. The funding is used for driver education programs in public and non-public schools. The expenditures budgeted are awarded to the Duval County School System.

**REVENUES:**

1. Charges for Services:
  - The reduction of \$235,000 is due to a projected reduction in traffic court criminal and civil services charges.

**EXPENDITURES:**

1. Grants, Aids and Contributions:
  - The reduction of \$235,000 is a result of reduction in revenue described above.

**EMPLOYEE CAP CHANGES:**

There are no authorized positions in this subfund.

**SERVICE LEVEL CHANGES:**

Driver education safety programs will experience a reduced contribution from this subfund in the 2012/13 fiscal year.

**RECOMMENDATIONS:**

None.

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

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**PROPOSED BUDGET BOOK – Page #281-283  
ON SCREEN – Page # 310-311**

**BACKGROUND:**

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

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

**REVENUES:**

1. Charges for Services:

- The net increase of \$258,020 is primarily due to increases in Comprehensive/Amendment Fees of \$145,230 and Zoning and Rezoning Fees of \$78,335. These projected revenues are based on anticipated increased activity within the Divisions and proposed fee increases. See comment below about the potential impact of pending legislation on these revenue projections.

2. Miscellaneous Revenue:

- Revenue from Right of Way permits is expected to increase \$131,535, again as a result of fee increases. See comment below about the potential impact of pending legislation on these revenue projections.

**EXPENDITURES:**

1. Salaries:

- The net decrease of \$339,599 is due primarily to the elimination of two (2) positions and the unfunding of seven (7). These reductions were offset with the funding of an unfunded vacant position for a Chief of Community Planning at a cost of \$90,000.

2. Lapse:

- The lapse represents the unfunding of an additional position and the demotion of another. See recommendation below to remove this lapse by reducing actual affected salaries and benefits affected.

3. Internal Service Charges:

- Internal service charges are reduced by \$245,762 overall. The bulk of that reduction is attributed to computer system maintenance/security and GIS/Aerials charges which are reduced by \$109,427 and \$98,140, respectively. The

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
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PLANNING & DEVELOPMENT  
GENERAL FUND (011)**

---

reductions are due to ITD lowering their own costs and ITD projecting lower cost for the Planning and Development Department in the upcoming fiscal year.

4. Other Operating Expenses:

- The net decrease of \$388,097 is due to the reduction of professional services in the amount of \$390,468. Included in this amount are reductions to Annual Traffic Counts of \$60,000; Zoning Code Rewrite of \$178,326; and Infill Redevelopment Master Plan of \$50,000. Additionally, the Annual Manatee Protection Plan Aerial Survey was not funded for FY 2012/13 for a savings of \$102,142. There were also reductions in dues, subscriptions and memberships and office supplies. These are partially offset by increases in miscellaneous and general liability insurance of \$9,188 and \$1,374, respectively.

**SERVICE LEVEL CHANGES:**

There are no significant changes in service levels.

**EMPLOYEE CAP CHANGES:**

There is a net reduction of two (2) positions in the employee cap. One red-lined employee was eliminated during FY 12. Two (2) employees were eliminated and one (1) was transferred from Administrative Services Division from Central Operations as part of the FY 13 budget process.

**COMMENT:**

1. It should be noted that projected revenues are based on fee increases required to be submitted during the annual review of fees that occurs per Municipal Code Section 106.112. The Mayor presented a bill (Ordinance 2012-300) to waive any mandatory fee increases per Chapter 106 for fiscal year 2012-13. If that bill is passed or the Chief Financial Officer fails to file the change in fee structure with the Council Secretary, the projected revenue would be based on incorrect fee amounts resulting in a projected overstatement of \$193,620.

**RECOMMENDATIONS:**

1. The lapse within the Planning and Development Department is based on the proposed elimination of a certain position identified by the Budget Office. Rather than reducing salaries and eliminating the position, the Budget Office placed a lapse within their budget. We recommend the removal of the proposed lapse of \$33,782. This reduction in the lapse should be offset by a corresponding decrease in salaries and benefits based on the position identified by the Budget Office. This will reduce the employee cap by one position. There is no impact to the Special Council Contingency.
2. The lapse within the Planning and Development Department is also based on the proposed reduction in salary for a certain position identified by the Budget Office. Rather than reducing the budgeted salary, the Budget Office placed a lapse within

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
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their budget. We recommend the removal of the proposed lapse of \$1,561. This reduction in the lapse should be offset by a corresponding decrease in salary based on the reduction identified by the Budget Office. There is no impact to the Special Council Contingency.

3. We recommend the removal of the 8 unfunded positions within the Planning and Development Department.



**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2012/13 BUDGET  
PLANNING & DEVELOPMENT  
CONCURRENCY MANAGEMENT SYSTEM (112)**

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**PROPOSED BUDGET BOOK – Page #284-286  
ON SCREEN-Page #312-314**

**BACKGROUND:**

The Concurrency Management System was created in 1990 to ensure the availability of adequate levels of service of public facilities for traffic circulation, mass transit, water, sewer, recreation, solid waste, drainage, and public schools (added in 2007). In 2011, the City replaced the transportation concurrency management system (traffic circulation and mass transit) with the 2030 Mobility Plan. It applies a fee system to new development based upon the link between land development and transportation in order to adequately and efficiently address the City's mobility needs.

**REVENUES:**

JACKSONVILLE CITYWIDE ACTIVITIES

1. Miscellaneous Revenue:

- Investment earnings are expected to decrease by \$11,081 based on lower projected interest rates.

2.

Transfers from Fund Balance:

- A transfer from fund balance, in the amount of \$306,215, is necessary to support concurrency operations in FY 13.

PLANNING & DEVELOPMENT

1. Charges for Services:

- The decrease of \$558,356 is a result of the migration to the Concurrency and Mobility Management System (CMMS) from the previously used Concurrency Management System (CMS). The revenue stream for existing concurrency applications is projected to be reduced and the mobility fee is lower than the rates previously charged.

**EXPENDITURES:**

JACKSONVILLE CITYWIDE ACTIVITIES

1. Cash Carryover:

- The reduction of \$219,084 is the result of no cash carryover being budgeted for FY 12/13.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
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PLANNING & DEVELOPMENT  
CONCURRENCY MANAGEMENT SYSTEM (112)**

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**PLANNING & DEVELOPMENT**

1. Salaries:

- The increase of \$63,818 is due to the full funding of all five (5) positions in this activity when one (1) was unfunded for FY 12. The previously unfunded position has been reclassified and is currently being funded at a higher salary of \$88,512 per year. This amount is scheduled for a reduction in salary bringing it to \$63,708 annually.

2. Employer Provided Benefits:

- The increase of \$31,781 is due to increased costs associated with Employer Pension Contribution and Group Hospitalization Insurance.

3. Internal Service Charges:

- The decrease of \$79,400 is mainly due to a reduction in information technology charges for computer system maintenance/security in the amount of \$78,869 due to lower projected costs from ITD.

4. Other Operating Expenses:

- The decrease of \$1,509 is primarily caused by a decrease of \$1,591 in Building Rental (in house) expense due to a FY 2012/13 adjustment to square footage reducing the total square footage billed by 86 square feet.

**TRANSFERS-NON DEPARTMENTAL**

1. Transfers to Other Funds:

- The transfer to the general fund decreased by \$58,830 for FY 13. The transfer was increased in FY 12 to cover increased pension contribution costs. Now, the figure solely reflects the contribution to cover general fund salaries for time spent on concurrency reviews.

**SERVICE LEVEL CHANGES:**

There are no significant service level changes.

**EMPLOYEE CAP CHANGES:**

There are no changes to the employee cap.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2012/13 BUDGET  
PLANNING & DEVELOPMENT  
CONCURRENCY MANAGEMENT SYSTEM (112)**

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**COMMENTS:**

1. The transfer from Fund Balance for FY2012/13 is due to the uncertainty of projected revenue amounts associated with implementing the new mobility system. Additionally, there is uncertainty about the amount of residual income expected to be generated by active contracts associated with the old system. According to the Department, the residual revenue from the old system will come in higher than estimated. However, the Department chose to make conservative projections to ensure that revenues were not overstated. Due to the transfer from Fund Balance, we feel the revenue collected should be closely monitored and this subfund should be aware that Fund Balance is a limited funding source based on budgeted revenues.
2. It should be noted that projected revenues are based on fee increases required to be submitted during the annual review of fees that occurs per Municipal Code Section 106.112. The Mayor presented a bill (Ordinance 2012-300) to waive any mandatory fee increases per Chapter 106 for fiscal year 2012-13. If that bill is passed or the Chief Financial Officer fails to file the change in fee structure with the Council Secretary, the projected revenue would be based on incorrect fee amounts resulting in a projected overstatement of \$21,794.

**RECOMMENDATIONS:**

None.

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COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2012/13 BUDGET  
PLANNING & DEVELOPMENT  
BUILDING INSPECTION (159)**

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**PROPOSED BUDGET BOOK – Page #287-290  
ON SCREEN-Page #315- 318**

**BACKGROUND:**

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

***PLANNING & DEVELOPMENT***

**REVENUES:**

**JACKSONVILLE CITYWIDE ACTIVITIES**

1. Miscellaneous Revenue:

- Investment earnings in Citywide Activities are expected to decrease by \$3,900 due to lower investment earnings Citywide.

**PLANNING & DEVELOPMENT**

1. Charges for Services:

- The increase of \$836,274 is primarily due to a projected increase in building permits issued which results in increased building permit fees and related plans examining fees. Projected revenue increases in the trade areas are as follows: building inspection fees (\$417,351), building permit review fees (\$247,492), electrical inspection fees (\$93,563) and plumbing inspection fees (\$85,031). These are partially offset by reductions in tree removal permit fees (\$8,528), and sign inspection fees (\$6,839).

2. Fines and Forfeits:

- The \$12,265 decrease is primarily due to the reduction in reactivation/reinstatement fees of \$10,764. These are fines assessed on contractors that have not passed an inspection within six months or reinstatement fees after a permit has been suspended.

3. Miscellaneous Revenue:

- The decrease of \$6,000 is due to less projected revenue from the sale of books and maps based on historical actuals as well as a decrease in projected miscellaneous sales and charges attributed to charges for services provided to other City Departments.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2012/13 BUDGET  
PLANNING & DEVELOPMENT  
BUILDING INSPECTION (159)**

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**EXPENDITURES:**

JACKSONVILLE CITYWIDE ACTIVITIES

1. Cash Carryover:

- There is an increase of \$734,440 due to increased revenue projections for the upcoming fiscal year.

PLANNING & DEVELOPMENT

1. Salaries:

- The decrease of \$117,641 is due primarily to the unfunding of two (2) positions in FY 13 as well as a salary reduction for one filled position, and a \$7,550 reduction in the budget for overtime.

2. Employer Provided Benefits:

- The net increase of \$104,751 is primarily due to increased pension contribution costs of \$98,547 as well as an increase of \$29,923 for health insurance. These increases were partially offset by a decrease of \$20,781 for workers compensation insurance.

3. Internal Service Charges:

- The net increase of \$80,066 is primarily due to an increase in information technology charges for computer system maintenance/security of \$133,145. This is partially offset by decreases in Fleet vehicle rental charges of \$23,563 due to more vehicles being paid off decreasing rental charges in Legal charges of \$9,110, in Helpdesk and desktop charges of \$8,438.

4. Other Operating Expenses:

- The net decrease of \$22,287 is mainly due to an elimination of \$30,000 for credit card fees as convenience fees are to be paid by building inspection customers in FY 13. There was also a decrease of \$5,528 for building rental expense due to a FY 2012/13 adjustment of 1,067 square feet to reduce total billed square footage. A reduction of \$4,993 for other operating supplies also contributed to the net decrease. These decreases were offset by an increase of \$19,047 for miscellaneous services and charges. This increase is the result of an enhancement of \$20,000 included in that line item to obtain Building Department Accreditation (BDA) from the International Accreditation Service.

5. Indirect Costs:

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

**COUNCIL AUDITOR'S OFFICE  
 COMMENTS AND RECOMMENDATIONS  
 MAYOR'S PROPOSED FY 2012/13 BUDGET  
 PLANNING & DEVELOPMENT  
 BUILDING INSPECTION (159)**

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6. Banking Fund Debt Repayment:

- The table below compares the FY 12 and FY 13 banking fund debt repayment by project:

Project Title	FY12		FY13 Proposed		Change
	Principal	Interest	Principal	Interest	
Building Inspection Capital Repayment (ord 2009-445-E)	523,361	247,113	549,231	221,628	385

**SERVICE LEVEL CHANGES:**

There are no significant changes in service levels.

**EMPLOYEE CAP CHANGES:**

The employee cap increased by one (1) position. This position will be transferred from the Administrative Services Division in Central Operations.

**COMMENTS AND RECOMMENDATIONS:**

1. It should be noted that projected revenues are based on fee increases required to be submitted during the annual review of fees that occurs per Municipal Code Section 106.112. The Mayor presented a bill (Ordinance 2012-300) to waive any mandatory fee increases per Chapter 106 for fiscal year 2012-13. If that bill is passed or the Chief Financial Officer fails to file the change in fee structure with the Council Secretary, the projected revenue would be based on incorrect fee amounts resulting in a projected overstatement of \$25,817.
2. We recommend the removal of the 8 unfunded positions within this subfund.
3. Based on the change of \$734,440 in projected Cash Carryover, we recommend using the Cash Carryover in FY13 to pay down the banking fund debt balance that is scheduled to end 9/28/2019.