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MEMORANDUM

TO: Finance Committee Members
 Honorable Council Member Greg Anderson, Chair
 Honorable Council Member Stephen Joost, Vice Chair
 Honorable Council Member Reginald Brown
 Honorable Council Member Richard Clark
 Honorable Council Member John Crescimbeni
 Honorable Council Member Dr. Johnny Gaffney
 Honorable Council Member Robin Lumb
 Honorable Council Member Matt Schellenberg
 Honorable Council Member Clay Yarborough

FROM: Margaret Sidman, Deputy Legislative Affairs & Managing Deputy *MS*

RE: Questions from Noticed Finance Committee Members Meeting on July 15, 2013.

DATE: July 22, 2013

Analysis

1. What action can Council take on each of the budget bills, and which of the budget bills can be vetoed?

Below is a chart of the 8 budget bills with possible action and the mayor's veto authority, memoranda on the subject of the Mayor's veto authority have been previously circulated.

Budget Bills	Council Action	Mayor Veto – Yes or No
2013-460 – Ad Valorem Tax Millage	Amend/Substitute	No ¹
2013-461 – Levy Annual Taxes – Jacksonville	Amend/Substitute	No ¹
2013-462 – Levy Annual Taxes – Beaches	Amend/Substitute	No ¹
2013-463 – Levy Annual Taxes – Baldwin	Amend/Substitute	No ¹
2013-464 – Budget	Amend/Substitute	Limited line item Veto ²
2013-465 – CIP	Amend/Substitute	Yes
2013-466 – Banking Fund	Amend/Substitute	Yes
2013-467 – ITECH	Amend/Substitute	Yes
¹ SER August 2009 Memo re Millage Process		
² CAL September 2009 Memo re Budget, Millage Issues		

2. Provide the definition of a “balanced budget” as codified in the Statutes, Code or Charter.

The following provision of the Jacksonville Municipal Ordinance Code, §106.106 (Balanced Budget and Budget Stabilization Reserve) addresses balanced budget, does not seem to address the issue of the content of the budget. There is also a provision in the Jacksonville Municipal Ordinance Code regarding budget content, §106.203 (Content). Both code provisions are provided below. Additionally, Florida Statute §129.01 requires a balanced budget and same be submitted to the State.

Sec. 106.106. Balanced Budget and Budget Stabilization Reserve.

(a) *Balanced Budget.*

- (1) The annual General Fund budget for expenditures of the City of Jacksonville shall be balanced from current year revenues.
- (2) The annual General Fund budget shall contain, at a minimum:
 - (i) Operating costs sufficient to maintain operations for the fiscal year;
 - (ii) Debt service;
 - (iii) Transfers to independent agencies
 - (iv) Funding for renewal, replacement and improvement of capital assets;
 - (v) Funding of reserves; and
 - (vi) Funding of contingencies.

Sec. 106.203. Contents.

- (a) The annual budget ordinance of the general government and of the independent agencies shall be limited to recognizing the City's authorized and approved revenues, expenses, contingencies and reserves, and shall not include reorganizations, codifications, or the establishment of new fees, all of which shall be established by separate ordinance. The annual budget proposals of the general government and of the independent agencies shall be composed of two parts, an operating budget and a capital improvement budget. The operating budget part of the general government shall contain an appropriation to the mobile equipment account of the Fleet Management Division and the mobile equipment accounts of the various activities in the Enterprise Funds in a combined amount at least equal to the depreciation and proceeds from surplus sales of mobile equipment of the current fiscal year. The appropriation shall be calculated as an annualized projection based on the current fiscal year's first six months of depreciation and surplus sales of equipment adjusted as necessary. The annual budget proposals shall in all other ways be set forth in such form and detail as the Mayor or each independent agency may determine.
- (b) Expenditures of Public Funds. All funds shall be expended for a public purpose. Any request for funds in the budget to be expended on food and beverages shall be identified by the public purpose for the expenditure and the persons who will be served. No public funds shall be expended on

food or beverage unless specifically authorized by legislation or ordinance as codified in the Jacksonville Municipal Code.

Florida Statute §129.01 Budget system established.—A budget system for the control of the finances of the boards of county commissioners of the several counties of the state is established as follows:

(1) A budget shall be prepared, approved, adopted, and executed as prescribed in this chapter for each fiscal year. At a minimum, the budget must show for each fund, as required by law and sound financial practices, budgeted revenues and expenditures by organizational unit which are at least at the level of detail required for the annual financial report under s. 218.32(1).

(2) The budget must conform to the following general directions and requirements:

(a) The budget must be prepared, summarized, and approved by the board of county commissioners of each county.

(b) The budget must be balanced, so that the total of the estimated receipts available from taxation and other sources, including balances brought forward from prior fiscal years, equals the total of appropriations for expenditures and reserves. The budgeted receipts must include 95 percent of all receipts reasonably anticipated from all sources, including taxes to be levied, provided the percent anticipated from ad valorem levies is as specified in s. 200.065(2)(a), and is 100 percent of the amount of the balances estimated to be brought forward at the beginning of the fiscal year. The appropriations must include itemized appropriations for all expenditures authorized by law, contemplated to be made, or incurred for the benefit of the county during the year and the provision for reserves authorized by this chapter. Both the receipts and appropriations must reflect the approximate division of expenditures between countywide expenditures and noncountywide expenditures and the division of county revenues derived from or on behalf of the county as a whole and county revenues derived from or on behalf of a municipal service taxing unit, special district included within the county budget, unincorporated area, service area, or program area, or otherwise not received for or on behalf of the county as a whole.

3. Whether the Council Members could take a position on pension issues that are in Ordinance 2013-366, proposed settlement agreement.

Cindy's response:

I will meet with you and discuss this. With labor negotiations, you cannot take public positions on matters which will be presented to you in an impasse proceeding. There will be no impasse proceeding on this contract dispute with the Pension Board. You can speak freely on this present proposal but please be careful not to repeat advice that I have given you and for which I have included the phrase: "This is attorney client privileged." I hope this helps; please call me to discuss this matter further. I did not want to include your broad cc on this advice without your approval; please just forward it on if you want CityC and Carla Miller copied.

4. Whether outside counsel hired by City Council would be included in any shade meeting on litigation for Denton and Wyse;

Pursuant to 268.011(8), *Florida Statute*, the City Council can meet privately with the City's lawyers to discuss pending litigation. The legislative counsel is not the City's lawyer. Florida Statute §286.011(8) is attached below.

(8) Notwithstanding the provisions of subsection (1), any board or commission of any state agency or authority or any agency or authority of any county, municipal corporation, or political subdivision, and the chief administrative or executive officer of the governmental entity, may meet in private with the entity's attorney to discuss pending litigation to which the entity is presently a party before a court or administrative agency, provided that the following conditions are met:

(a) The entity's attorney shall advise the entity at a public meeting that he or she desires advice concerning the litigation.

(b) The subject matter of the meeting shall be confined to settlement negotiations or strategy sessions related to litigation expenditures.

(c) The entire session shall be recorded by a certified court reporter. The reporter shall record the times of commencement and termination of the session, all discussion and proceedings, the names of all persons present at any time, and the names of all persons speaking. No portion of the session shall be off the record. The court reporter's notes shall be fully transcribed and filed with the entity's clerk within a reasonable time after the meeting.