

# **OFFICE OF THE COUNCIL AUDITOR**

## **FY 2014/2015 PROPOSED BUDGET**

### **FINANCE COMMITTEE MEMBERS**

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**Meeting #5**  
**August 21, 2014**

**COUNCIL AUDITOR’S OFFICE**  
**TABLE OF CONTENTS**  
**MEETING #5**

Supervisor of Elections.....	1
Local Option ½ Cent Transportation .....	4
Local Option Gas Tax.....	5
Better Jacksonville Plan.....	6
Independent Agencies.....	8
Finance.....	9
Self-Insurance .....	11
Insured Programs .....	13
Group Health .....	15
City Wellness and Fitness Fund.....	18
City Council.....	19
Tourist Development Council.....	23
Downtown Investment Authority .....	26
Downtown Economic Development Fund.....	28
Office of Economic Development .....	29
On Street Parking.....	32
Off Street Parking .....	35
Motor Vehicle Inspection .....	37
Cecil Field Trust Fund .....	39
Office of Sports and Entertainment .....	41
Special Events.....	43
SMG Overview .....	47
Municipal Stadium.....	49
Memorial Arena.....	57
Baseball Stadium .....	64
Times Union Performing Arts Center.....	70
Convention Center .....	76
Sports Complex Capital Maintenance .....	80
Ritz Theatre .....	83
Tax Increment Districts .....	87

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
SUPERVISOR OF ELECTIONS  
GENERAL FUND / GENERAL SERVICES DISTRICT (S/F 011)**

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**PROPOSED BUDGET BOOK – Page #380-382  
ON SCREEN – Page #388-390**

**BACKGROUND**

The Supervisor of Elections Office registers all voters in Duval County, educates voters about State and local laws and how to vote, staffs early voting sites prior to an election, staffs call center prior to an election, processes absentee ballots prior to an election and conducts State and local elections of Duval County in accordance with the elections laws of Florida. In FY 2013-14 there was one county wide Primary Election. There will be three county wide elections, 1 General Election and 2 Local Duval County Elections, in FY2014/15.

**REVENUES**

1. Miscellaneous Revenue

- The increase of \$9,000 is due to projected increases in miscellaneous sales and charges.

**EXPENDITURES**

1. Salaries

- The increase of \$1,915,893 is primarily due to an increase in part-time salaries of \$1,933,400, which is slightly offset by a decrease of \$19,508 in salaried overtime. The increase in part-time salaries is due to the three county wide elections scheduled in FY 2014/15.

2. Salary & Benefits Lapse

- This reflects an estimated salary and benefits lapse based on the average turnover and estimated vacancies in FY 2014/15. The decrease is due to excluding part-time salaries from the calculation in FY 2014/15.

3. Employer Provided Benefits

- The increase of \$89,625 is primarily due to increases in pension contribution of \$36,117, Medicare costs of \$27,796 (related to the increased part-time salaries mentioned above), Florida retirement system pension costs of \$15,272, and group hospitalization insurance of \$8,563.

4. Internal Service Charges

- The increase of \$32,623 is primarily due an increase of \$89,470 in utilities allocation. This is somewhat offset by decreases in copy center of \$37,510, fleet charges of \$10,004, OGC legal of \$7,702, tech refresh of \$5,711, mailroom charges of \$2,396, and guard service - ADT of \$1,224.

5. Internal Services – IT Operations

- The change in information technology costs is a result of the newly implemented Customer Billing Model.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
SUPERVISOR OF ELECTIONS  
GENERAL FUND / GENERAL SERVICES DISTRICT (S/F 011)**

**PROPOSED BUDGET BOOK – Page #380-382  
ON SCREEN – Page #388-390**

6. Other Operating Expenses

- The increase of \$572,354 is primarily due to increases in advertising and promotion of \$210,000, miscellaneous services and charges of \$120,265, potential special election costs of \$100,000, electric utility bills of \$75,000, security guards of \$60,190, and other rent of \$51,250. These are partially offset by decreases in rentals of \$448,991, repairs and maintenance of \$290,230, postage of \$45,928, and miscellaneous insurance of \$13,482.

7. Extraordinary Lapse

- There is no extraordinary lapse in the FY 2014/15 budget.

8. Banking Fund Debt Repayment

- The table below compares the FY 2013/14 and FY 2014/15 banking fund debt repayment by project:

	291,257		57,417		74,582		19,187		
	FY14 Budget		FY15 Proposed						-254,905
Project Title	Principal	Interest	Principal	Interest					Change
Automark Voter Assistance Terminals	17,875	340	0	0					-18,215
EVID Poll Books	175,850	56,302	74,582	19,187					-138,383
Voting Machines	97,532	775	0	0					-98,307

**FOOD AND BEVERAGES EXPENDITURE**

Indexcode	Amount	Description of each Service / Event that requires the purchase of food/beverage	Explanation that the Service / Event serves a public purpose
SEEL011	\$ 4,350	Elections for FY 2014/15	Food for Election Day workers, who are not able to leave for lunch

**EMPLOYEE CAP CHANGES**

There was no change to the authorized positions; however, 124,438 in part-time hours were added for the two additional county wide elections scheduled in FY 2014/15.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
SUPERVISOR OF ELECTIONS  
GENERAL FUND / GENERAL SERVICES DISTRICT (S/F 011)**

---

**PROPOSED BUDGET BOOK – Page #380-382  
ON SCREEN – Page #388-390**

**SERVICE LEVEL CHANGES**

1. The proposed budget has 20 early voting sites per election, which is an increase of 3 from the most recent county-wide election. During the most recent similar election cycle (FY 2010/11), there were only 10 early voting sites.

**RECOMMENDATION**

1. We recommend moving the potential special election costs of \$100,000 into a designated contingency account. This has no effect on the Special Council Contingency.

2. We recommend eliminating the charge for electricity of \$75,000. The charge is included in the internal service charge allocation for utilities and was inadvertently double budgeted. This will increase the Special Council Contingency \$75,000.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
PUBLIC WORKS  
LOCAL OPTION ½ CENT TRANSPORTATION (S/F 142)**

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**PROPOSED BUDGET BOOK – Page # 324-325  
ON SCREEN – Page # 332-333**

**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.

**REVENUE**

*Non-Departmental / Fund Level Activities*

Taxes

- The budgeted amount represents the revenues estimated to be generated from the local option half-cent sales tax. The revenue is expected to increase 6.6% for FY 2014/15.

**EXPENDITURES**

*Non-Departmental / Fund Level Activities*

Grants Aids & Contributions

- 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**

None.

**EMPLOYEE CAP CHANGES**

There are no authorized positions in this subfund.

**RECOMMENDATIONS**

None.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
PUBLIC WORKS  
LOCAL OPTION GAS TAX (S/F 143)**

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**PROPOSED BUDGET BOOK – Page # 326-327  
ON SCREEN – Page #334-335**

**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. In FY 2013/14, City Council approved an extension of the Local Option Gas Tax until August 31, 2036 with Ordinance 2013-820-E.

**REVENUE**

*Non-Departmental / Fund Level Activities*

**Taxes**

- The budgeted amount represents the revenues estimated to be generated from the local option gas tax. The revenue is expected to decrease by 1.2% for FY 2014/15.

**EXPENDITURES**

*Public Works*

**Grants Aids & Contributions**

- 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**

None.

**EMPLOYEE CAP CHANGES**

There are no authorized positions in this subfund.

**RECOMMENDATIONS**

None.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
BETTER JACKSONVILLE PLAN (S/F 1i1)**

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**PROPOSED BUDGET BOOK – Page #67-68  
ON SCREEN – Page #75-76**

**BACKGROUND**

This subfund was established to house the financial details related to the Better Jacksonville Plan (BJP). The Better Jacksonville Plan was approved by voters in 2000 and is a \$2.25 billion comprehensive growth management program that provides road and infrastructure improvements, environmental preservation, targeted economic development and new and improved public facilities funded by a half-cent sales tax. The various projects and programs funded by The Better Jacksonville Plan are administered by the City of Jacksonville, the JEA, and the Jacksonville Transportation Authority in cooperation with the Florida Department of Transportation. This is an all years subfund.

**REVENUE**

1. Taxes
  - This represents an anticipated increase in revenue from the Local Option Sales Tax. The amount is the revenue amount necessary to cover the debt service detailed below.
2. Intergovernmental Revenue
  - This represents anticipated monies from the US Department of Treasury for rebates related to 2008-2010 Build America Bonds.
3. Miscellaneous Revenue
  - This consists of (1) anticipated interest earnings for FY 2014/15 totaling \$127,206 and (2) payments from fiscal agents totaling \$1,690,668 which is the City's portion of the Constitutional Gas Tax that is used to help fund debt service payments.

**EXPENDITURES**

**1. Debt Service**

The total consists of \$30,814,502 in transfers out to cover principal debt service payments and \$41,670,179 in transfers out to cover debt service interest and payments to fiscal agents.



**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
BETTER JACKSONVILLE PLAN (S/F 1i1)**

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**PROPOSED BUDGET BOOK – Page #67-68  
ON SCREEN – Page #75-76**

Account Title	Principal	Interest	Fiscal Agent Fees	Total
2008 Better Jax	3,665,000	4,234,196	450	7,899,646
2009B-1 Spec Rev	2,050,000	5,613,176	900	7,664,076
2010B Spec Rev (w \$90m Courthouse)	0	3,823,471	450	3,823,921
2011 Better Jax	5,740,000	3,066,404	450	8,806,854
2011B Spec Rev (w \$14m Courthouse)	2,200,000	3,843,455	450	6,043,905
2012 Better Jax	11,660,000	12,835,267	450	24,495,717
2012A Better Jax	0	5,698,256	450	5,698,706
2013C Spec Rev (ref '10B / '11B MTNs)	0	1,643,822	450	1,644,272
SIB Loan #1	2,056,464	373,862	0	2,430,326
SIB Loan #2	3,443,038	534,220	0	3,977,258
	30,814,502	41,666,129	4,050	72,484,681

**EMPLOYEE CAP CHANGES**

There are no positions in this subfund.

**SERVICE LEVEL CHANGES**

None.

**RECOMMENDATIONS**

1. We recommend reducing the Build America Bond Subsidy \$515,063 so that it will match the amortization schedule. We also recommend a corresponding increase in Local Option Sales Tax revenue of \$515,063 to offset the BABS reduction. There is no effect on the Special Council Contingency.

**Please refer to the separate handout  
on the independent agencies**

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
FINANCE**

**GENERAL FUND / GENERAL SERVICES DISTRICT (S/F 011)**

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**PROPOSED BUDGET BOOK – Page # 139-140  
ON SCREEN – PDF Page # 147-148**

**BACKGROUND:**

The General Fund / General Services District (S/F 011) portion of the Finance Department includes the Office of the Director, Accounting, Budget, and Treasury. These areas provide accounting services, financial analysis and budget preparation support for City Departments.

Outside of the General Fund / General Services District (S/F 011), the Department includes the Pension Office for the General Employees and Correctional Officers' Pension Plans and the Risk Management Office which provides services for the City and some of its Independent Agencies.

**REVENUES:**

1. Charges for Services:
  - The revenue of \$35,052 represents 10 percent of Gross Receipts plus \$1,000 per month for rental of the Jacksonville Beach Pier.
2. Miscellaneous Sales and Charges:
  - This revenue of \$29,920 represents accounting service charges and payroll miscellaneous fees. These fees include child support deductions, union fees, police charity fees, and Tourist Development Council fees.

**EXPENDITURES:**

1. Salaries:
  - The net increase of \$57,535 is due to the addition of one (1) position in the Budget Office and various salary changes in the Accounting Division, Budget Office, and Treasury.
2. Employer Provided Benefits:
  - The net increase of \$136,949 is primarily due to increased pension costs of \$97,884 in general employees' pension contribution and \$31,423 in group hospitalization insurance.
3. Internal Service Charges:
  - The net increase of \$274,054 is primarily due to an increase of \$248,644 in OGC legal allocation charges based on the current year's actual amounts that are related to pension reform, which are increasing from \$578,594 in FY 2013/14 to \$827,238 in FY 2014/15.
4. Internal Services – IT Operations:
  - The change in information technology costs is a result of the newly implemented Customer Billing Model.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
FINANCE**

**GENERAL FUND / GENERAL SERVICES DISTRICT (S/F 011)**

**PROPOSED BUDGET BOOK – Page # 139-140  
ON SCREEN – PDF Page # 147-148**

5. Other Operating Expenses:

- The net increase of \$118,982 is primarily a result of funding \$100,000 for the cost of actuarial studies. In prior fiscal years, these actuarial studies were funded by OGC's ancillary legal budget for professional services.

**DIVISIONAL CHANGES:**

<b>FINANCE EXPENSES</b>	<b>2013/14 <u>Original</u></b>	<b>2014/15 <u>Proposed</u></b>	<b>% Change from FY 14</b>	<b>\$ Change from FY14</b>	
Accounting	\$ 3,783,830	\$ 3,184,483	-15.8%	\$ (599,347)	<b>A</b>
Budget Office	988,036	970,281	-1.8%	(17,755)	<b>B</b>
Office of the Director	952,811	1,333,559	40.0%	380,748	<b>C</b>
Treasury	979,883	983,794	0.4%	3,911	
Department Total	<u>\$ 6,704,560</u>	<u>\$ 6,472,117</u>	<u>-3.5%</u>	<u>\$ (232,443)</u>	

- A. The budget for the Accounting Division decreased \$599,347 primarily due to a decrease of \$695,019 in IT allocations resulting from the new allocation model and \$22,576 in copy center allocations. These decreases are partly offset by increases of \$55,884 in pension contributions, \$37,615 in the building cost allocation, and \$23,567 in salaries.
- B. The budget for the Budget Office decreased \$17,755 primarily due to a decrease of \$122,279 in IT allocations resulting from the new allocation model. This decrease is mostly offset by an increase of \$52,460 in salaries resulting from the addition of a new full-time position and minor pay adjustments, \$30,984 in pension contributions, \$12,500 in group hospitalization insurance, and \$9,984 in the building cost allocation.
- C. The Office of the Director increased \$380,748 primarily due to an increase of \$261,886 in OGC legal allocation charges, \$97,500 in professional services related to actuarial studies, and \$35,000 in travel expenses at the Mayor's request for financial investment updates. These decreases are slightly offset by a decrease of \$20,600 in salaries, which is the result of filling a position at a lower rate.

**EMPLOYEE CAP CHANGES:**

One (1) position is being added to the Budget Office activity.

**SERVICE LEVEL CHANGES:**

None.

**RECOMMENDATION:**

None.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
RISK MANAGEMENT – SELF INSURANCE (S/F 561)**

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**PROPOSED BUDGET BOOK – Page # 141-143  
ON SCREEN – Page # 149-151**

**BACKGROUND:**

This fund administers a self-insured Worker's Compensation and General Auto/Liability program for the City and independent agencies such as JEA, Jacksonville Port Authority, Jacksonville Housing Authority and the Jacksonville Aviation Authority. As an internal service fund, revenues are generally billings to other City funds and independent agencies. Exceptions to this rule include interest earnings and monies from the State of Florida for 2<sup>nd</sup> injury worker's compensation claims.

**REVENUE:**

Finance:

1. Charges for Services:

- The increase of \$4,073,403 is mainly attributable to an increase in billings to Departments and Independent Agencies based on the most recent actuarial report. Also, the prior year billings were artificially deflated by \$1,282,053 due to the transfer from Insured Programs (S/F 581) in FY 2013/14.

Non-Departmental:

2. Miscellaneous Revenue:

- The decrease of \$39,330 is due to a reduction in investment pool earnings (\$89,331), which is slightly offset by an increase of in earnings from escrow deposits (\$50,001). See recommendation below.

3. Transfers from Other Funds:

- There is no transfer from Insured Programs in FY 2014/15 to reduce billings to Departments.

4. Transfers In to Pay Debt Service:

- This transfer in is associated with a receivable within this subfund for money loaned out by the City for the Adam's Mark Hotel.

5. Transfers from Fund Balance:

- The increase of \$81,217 is due to an appropriation of retained earnings in FY 2014/15. See recommendation below.

**EXPENDITURES:**

Finance:

1. Salaries:

- The decrease of \$31,932 is due to decreases in permanent and probationary salaries (\$28,908) and special pay (\$3,024). This is due to changes in personnel between the city's Self Insurance Fund (S/F 561) and Insured Programs (S/F 581).

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
RISK MANAGEMENT – SELF INSURANCE (S/F 561)**

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**PROPOSED BUDGET BOOK – Page # 141-143  
ON SCREEN – Page # 149-151**

2. Employer Provided Benefits:

- The net decrease of \$12,043 is primarily due to a decrease in defined pension costs (\$19,430), which is slightly offset by an increase in defined contribution pension costs (\$7,892).

3. Other Operating Expenses:

- The increase of \$2,760,792 is due to increases in paid loss (\$1,392,336), change in liability (\$1,201,529), change in liability – IBNR (\$281,388), and the state assessment fee (\$150,000). These were slightly offset by decreases in miscellaneous insurance (\$161,284), change in liability – ULAE (\$61,367) and medical expense reimbursement (\$60,000). The changes to the paid loss and the liabilities are the result of the actuarial report. The reduction to miscellaneous insurance is due to the updating of the billing model, and the medical expense reimbursement costs were moved to Employee Services.

4. Capital Outlay:

- There is no capital expenditure request in FY 2014/15.

5. Supervision Allocation:

- This line represents the cost of the administrative staff housed in Insured Programs (S/F 581) that is allocated to Self-Insurance (S/F 561). The increase of \$92,316 is caused by an increase in administrative costs and thus results in a larger charge to Self-Insurance (S/F 561).

6. Indirect Cost:

- This is an allocation calculated by the City's independent consulting firm.

Non-Departmental:

7. Salary & Benefit Lapse:

- This reflects an estimated salary and benefit lapse based on the average turnover ratio and estimated number of vacancies in FY 2014/15.

**EMPLOYEE CAP CHANGES:**

There are no changes to the authorized position cap.

**SERVICE LEVEL CHANGES:**

None.

**RECOMMENDATION:**

The transfer from fund balance of \$81,127 should be eliminated and offset with an increase in investment pool earnings. This is to better match current investment pool earnings. This has no impact to Special Council Contingency.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
RISK MANAGEMENT – INSURED PROGRAMS (S/F 581)**

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**PROPOSED BUDGET BOOK – Page # 144-146  
ON SCREEN - Page # 152-154**

**BACKGROUND:**

This internal service fund administers a Miscellaneous Insurance Program for the City and Jacksonville Port Authority (JPA). Along with other policies, the City maintains property coverage, aviation insurance, a blanket crime policy and a policy covering the Northbank and Southbank River Walks.

**REVENUE:**

1. Charges for Services:
  - The decrease of \$331,328 is due to a decrease in recoveries of damages (\$200,000) and insurance premium (\$131,328) charges.
2. Miscellaneous Revenue:
  - The increase of \$23,008 represents a higher assumption on investment pool earnings.
3. Transfers from Fund Balance:
  - There is no fund balance appropriation for FY 2014/15.

**EXPENDITURES:**

1. Salaries:
  - The increase of \$29,305 is mainly due to an increase of in permanent and probationary salaries (\$27,102). This is due to changes in personnel between the city's Self Insurance Fund (S/F 561) and Insured Programs (S/F 581) that did not impact the employee count in either subfund.
2. Employer Provided Benefits:
  - The increase of \$17,308 is primarily due to increases in pension costs (\$10,022) and group hospitalization insurance (\$6,544).
3. Internal Service Charges:
  - The net increase of \$16,514 is mainly due to an increase in cost allocation charges (\$13,003), which is attributable to Risk Management moving from the Yates Building to the St. James Building.
4. Internal Services – IT Operations:
  - The change in information technology costs is a result of the newly implemented Customer Billing Model.
5. Other Operating Expenses:
  - The net decrease of \$479,757 is attributable to decreases in recoveries from damages payments (\$200,000), insurance premiums (\$186,618), and professional services (\$95,000). The reductions in recoveries from damages payments and premiums are based

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
RISK MANAGEMENT – INSURED PROGRAMS (S/F 581)**

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**PROPOSED BUDGET BOOK – Page # 144-146  
ON SCREEN - Page # 152-154**

on current year actuals. The reduction for professional services is due to reductions in the amounts needed for the actuary and claims auditor.

6. Supervision Allocation:

- This line represents the cost of the administrative staff housed in Insured Programs (S/F 581) that is allocated to Self-Insurance (S/F 561). The decrease of \$92,317 is caused by an increase in administrative costs and thus results in a larger charge to Self-Insurance (S/F 561).

7. Indirect Cost:

- This is an allocation calculated by the City's independent consulting firm. The increase is mainly attributable to allocations from the Office of the Director for the Finance Department.

8. Salary & Benefits Lapse:

- This reflects an estimated salary and benefit lapse based on the average turnover ratio and estimated number of vacancies in FY 2014/15.

9. Transfers to Other Funds:

- There is no transfer to other subfunds for FY 2014/15.

**EMPLOYEE CAP CHANGES:**

There are no changes to the authorized position cap.

**SERVICE LEVEL CHANGES:**

None.

**RECOMMENDATION:**

None.



**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
GROUP HEALTH (S/F 571)**

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**PROPOSED BUDGET BOOK – Page # 136-138  
ON SCREEN – Page # 144-146**

**BACKGROUND:**

This Internal Service Fund provides for the costs of group health, life insurance and other types of employee insurances. On January 1, 2015, the Administration is planning to switch from being fully insured to being self-insured for health insurance. Ordinance 2014-546 has been filed related to the process of switching to self-insured.

There are budgeted rate increases of 10% in life insurance, 5% in health insurance and 3% in dental effective January 1, 2015. The increases for life and dental insurances are based on contract changes. The increase of 5% for health is to assist in building reserves to meet minimum reserve requirements for when the City switches to being self-insured for health insurance.

**REVENUE:**

Employee Services:

1. Charges for Services:

- The net increase of \$1,030,060 is mainly due to the elimination of the transfer from fund balance in FY 2013/14 that was utilized to offset expenses for life insurance costs.

This revenue is based on expenses in this sub-fund less non-billing revenue (including interest earnings). In the case of employee-paid health insurance costs, these are withheld from the employee's pay. The employer paid portion is billed to departments via the bi-weekly payroll interfaces. Administrative costs are paid by the participants and the City on a percentage mark-up basis of their share of the applicable premium.

Non Departmental / Fund Level Activities:

2. Miscellaneous Revenue:

- The increase of \$11,343 is attributable to an increase in investment earnings.

3. Transfer from Fund Balance:

- The transfer from fund balance in FY 2013/14 was associated with proceeds from the life insurance stock sold in FY 2010/11 that were to be utilized to offset employee and employer costs in calendar years 2012 through 2014. See recommendation below.

**EXPENDITURES:**

Employee Services:

1. Salaries:

- The net increase of \$144,070 is mainly attributable to the increases of in permanent and probationary salaries (\$147,329) associated with the two new positions. This is slightly offset with a decrease in overtime salaries (\$4,000).

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
GROUP HEALTH (S/F 571)**

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**PROPOSED BUDGET BOOK – Page # 136-138  
ON SCREEN – Page # 144-146**

2. Employer Provided Benefits:
  - The net increase of \$63,047 is mainly attributed to increases in pension contributions (\$54,211), group health insurance (\$5,930) and medicare tax (\$2,112).
3. Internal Service Charges:
  - The net increase of \$11,003 is mainly attributable to increases in building cost allocation (\$15,480), OGC legal (\$2,295), copier consolidation (\$1,731), and copier center charges (\$1,259). This is offset somewhat with decreases in mailroom charges (\$10,272).
4. Internal Services – IT Operations:
  - The change in information technology costs is a result of the newly implemented Customer Billing Model.
5. Other Operating Expense:
  - The net decrease of \$54,395 is primarily attributed to a decrease in the participation of certain insurance types based on recent actuals. These decreases were mitigated due to the rate increases identified above.
6. Indirect Cost:
  - This amount is calculated by the City's independent consulting firm.

Non-Departmental / Fund Level Activities:

7. Salary & Benefit Lapse :
  - This reflects an estimated salary and benefit lapse based on the average turnover ratio and estimated number of vacancies in FY 2014/15.

**EMPLOYEE CAP CHANGES:**

The authorized position cap increased by two (2) positions due to the City's plan to go self-insured. The part time hours remain the same.

**SERVICE LEVEL CHANGES:**

While the City has decided to self-insure starting January 1, 2015, Employee Services has stated it does not anticipate a change in service level to employees.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
GROUP HEALTH (S/F 571)**

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**PROPOSED BUDGET BOOK – Page # 136-138  
ON SCREEN – Page # 144-146**

**CONCERN:**

There is a state requirement that this fund should have 60 days of available cash reserves once the City switches the health insurance from being fully insured to being self-insured. Based on monthly costs, the city would need between \$13 and \$14 million in reserves. It is our understanding that if the fund fails to meet the requirement, the City would need to write a letter to the state identifying other reserves that can be assigned to bring the City into compliance. It is also our understanding at this time that the requirement may not be in effect until the end of the first calendar year December 31, 2015.

As of June 30, 2014, this subfund had available cash of \$6,429,255. Based on the Budget Office projections, the subfund will have about \$5,336,132 at September 30, 2014. There is an increase in rates built-in to the budget to assist with increasing the reserves; however, this will only bring in an additional \$4 million. This by itself would leave the City short of meeting the 60 day cash requirement on December 31, 2015.

Overall, it appears that it will come down to whether the plan has a favorable claims experience the first year as to whether the reserve requirement will be met.

**RECOMMENDATION:**

We recommend that the revenue budgeted to be received from the City and employees be reduced by the current calendar year's portion (October 1, 2014 to December 31, 2014) of the sale of life insurance stock. Specifically, revenue line items Employees Premium – Life and Employers Premium – Life should be reduced by \$143,518 and \$95,679, respectively. This entry should be offset by a \$239,197 Transfer from Fund Balance. There is no impact to Special Council Contingency.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
CITY WELLNESS AND FITNESS FUND (S/F 1H9)**

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**PROPOSED BUDGET BOOK – Page # 134-135  
ON SCREEN-Page # 142-143**

**BACKGROUND:**

This subfund is to house funds for the City Wellness and Fitness Program. Ordinance 2014-479 has been filed to setup the ordinance code language for this fund that will establish its purpose and use. The legislation being filed will appropriate two prior years of funding (\$400,000) for calendar years 2013 and 2014. The proposed budget includes the funding for calendar year 2015.

This is an all years' subfund, so it will automatically carry forward all activity year to year.

**REVENUE:**

1. Miscellaneous Revenue:

- The \$200,000 is the contribution from Florida Blue for the wellness and fitness program pursuant to the City's health insurance contract.

**EXPENDITURES:**

1. Other Operating Expenses:

- The \$200,000 is to fund future wellness and fitness program expenditures.

**EMPLOYEE CAP CHANGES:**

There are no positions in this subfund.

**SERVICE LEVEL CHANGES:**

The Department is still exploring its options of how to effectively utilize the funds in a manner that can lead to reduced health insurance costs and potentially improve attendance and impact workers compensation costs in a positive manner.

**RECOMMENDATION:**

We recommend these funds be placed in cash carryover until a plan for the funds has been determined. This will have no impact on Special Council Contingency.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
CITY COUNCIL  
GENERAL SERVICES DISTRICT/GENERAL FUND - 011**

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**PROPOSED BUDGET BOOK – Page #124-125  
ON SCREEN – Page #132-133**

**BACKGROUND**

This Department provides for the operation and salary expenditures for the City Council and its staff including the Office of the Council Auditor and the Value Adjustment Board.

**REVENUE**

1. Charges for Services

- This amount of \$55,001 represents the anticipated Value Adjustment Board protest fee revenue of \$55,000 and \$1 budgeted for fees collected for road and street closures. The decrease is based on actuals for the current fiscal year as the Property Appraiser's Office is making a concerted effort to settle a file before a protest is made.

2. Miscellaneous Revenue

- This category is mainly made up of a reimbursement from the Duval County School Board for 2/5 of the cost of the Value Adjustment Board as directed by Florida Statute.

**EXPENDITURES**

1. Salaries

- The net decrease is being driven by a reduction in the salary budget line item in the Council Auditors Office of \$40,135 and a decrease in leave sellback/rollback of \$16,515. City Council Members are budgeted to have the same base salary as those Council Members in FY 2011-12 as Budget Ordinance Section 9.4 waives Section 109.102 of the Ordinance Code which sets Council Members' salaries to be one-half of the salary allowed for a member of the Board of County Commissioners in a county with the population equal to that of Duval County in accordance with Chapters 145.031(1) and 145.19 Florida Statutes.

2. Employer Provided Benefits

- The net increase of \$186,788 is due primarily to increased pension costs in both General Employee pension (\$70,314) and the Florida Retirement System pension contribution (\$78,535). General Employee pension contribution rates are increasing from 28.21% to 31.90% in fiscal year 2014/15. The Florida Retirement System (FRS) Elected Officials' pension contribution rates are increasing from 33.03% to 43.24%.

3. Internal Service Charges

- The net increase is being driven by a \$196,306 increase in OGC legal internal service allocation based on current years actual allocation expenses and building cost allocations of \$109,947 for the St. James building.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
CITY COUNCIL  
GENERAL SERVICES DISTRICT/GENERAL FUND - 011**

**PROPOSED BUDGET BOOK – Page #124-125  
ON SCREEN – Page #132-133**

4. Internal Services – IT Operations

- The change in information technology costs is a result of the newly implemented Customer Billing Model. See recommendation #1.

5. Other Operating Expenses

- The net decrease of \$40,092 is primarily due to reductions in professional services (\$20,509) and advertising/promotion (\$29,000).

6. Banking Fund Debt Repayment

- The table below compares the FY 14 and FY 15 banking fund debt repayment by project. This project was paid off in FY 2013/14.

	12,705	286	0	0	
	FY14 Budget		FY15 Proposed		-12,991
Project Title	Principal	Interest	Principal	Interest	Change
Creston System and various projects	12,705	286	0	0	-12,991

**EMPLOYEE CAP CHANGES**

There are no changes to the overall employee cap.

**SERVICE LEVEL CHANGES**

None.

**DIVISIONAL HIGHLIGHTS**

CITY COUNCIL	2013/14	2014/15	\$ CHANGE	% Change	
SERVICE EXPENSES	Adopted	Proposed	from FY 14	from FY 14	
Council Auditor	\$ 2,190,159	\$ 2,194,269	\$ 4,110	0.19%	<b>A</b>
Council President Expense Account	\$ 10,000	\$ 10,000	\$ -	0.00%	
Council Staff Services	\$ 4,473,884	\$ 4,663,165	\$ 189,281	4.23%	<b>B</b>
Direct Expenditures	\$ 1,348,695	\$ 1,437,524	\$ 88,829	6.59%	<b>C</b>
Value Adjustment Board	\$ 664,382	\$ 651,881	\$ (12,501)	-1.88%	<b>D</b>
Departmental Total	\$ 8,687,120	\$ 8,956,839	\$ 269,719	3.10%	

- A** While the schedule shows an increase of \$4,110 in the Council Auditor's budget, in reality the Council Auditor's budget will show a decrease of \$19,711 or 0.89% from FY 2013/14 due to the adjustment of an internal service charge that was incorrectly charged to the Council Auditor's Office instead of Council Staff Services. The decrease is made up mainly of salary decreases of \$56,097 and offset by increases in employer provided benefits and internal service charges.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
CITY COUNCIL  
GENERAL SERVICES DISTRICT/GENERAL FUND - 011**

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**PROPOSED BUDGET BOOK – Page #124-125  
ON SCREEN – Page #132-133**

- B** The increase of \$189,281 in Council Staff Services is primarily due to an increase of \$270,205 for internal service charges and \$89,749 in employer benefits and offset by a decrease in Internal Services – IT Operations of \$136,371 and a decrease of \$28,976 in other operating expenses.
- C** The increase of \$88,829 in Council Direct Expenditures is primarily due to the increase of \$78,535 in employer contributions for the Florida Retirement System Pension Contribution. The Florida Retirement System Elected Officials' pension contribution rates are increasing from 33.03% to 43.24%.
- D** The decrease of \$12,501 in the Value Adjustment Board is primarily due to a decrease in professional services of \$20,509.

**DEPARTMENT REQUESTS**

The Council Secretary has requested the following be added to the City Council budget for FY 2014/15:

1. The Council Secretary requested the Parking and Tolls line for Council Direct Expenditures to be budgeted at \$9,766. The Budget Office budgeted this line item at \$7,190, which is the cost for the current participants for Council Member parking. The Council Secretary budgeted this line item to include all 19 Council Members to utilize the parking due to the upcoming elections. The Council Secretary is requesting to restore this line item to the \$9,766 (19 \* 514) in the event any new Council Members want to utilize the parking or any current Council Members start to utilize the parking spaces. This will have a negative impact to the Special Council Contingency of \$2,576.
2. The Council Secretary requested for the Communication Allowance line item to be \$16,800 for 19 Council Members and 4 existing staff members currently receiving an allowance. The \$16,800 is broken down as follows (11 personnel \* 100/month \* 9 months = \$9,900) and (23 personnel \* 100/month \* 3 months = \$6,900). The Council Secretary budgeted for all 19 Council Members due to the upcoming elections. The Budget Office budgeted Communication Allowance for FY 2014/15 at \$15,144. The Council Secretary is requesting that this line item be funded at \$16,800 that was requested. This will have a negative impact to the Special Council Contingency of \$1,656.
3. The Council Secretary requested that the Printing and Binding line be \$12,500 due to it being an election year. The Budget Office reduced the requested amount to \$4,000. The Council Secretary is requesting that the Printing and Binding line item be increased by \$8,500. This will be a negative impact to the Special Council Contingency of \$8,500.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
CITY COUNCIL  
GENERAL SERVICES DISTRICT/GENERAL FUND - 011**

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**PROPOSED BUDGET BOOK – Page #124-125  
ON SCREEN – Page #132-133**

4. The Council Secretary is requesting that \$31,460 from CCCS011, sub-object 03109 (Professional Services) be reallocated as follows:
  - a. \$1,852 to CCCS011-01201 (VAB 2% Salary Adjustment)
  - b. \$29,608 to CCSS011AD – 01201 (Council Staff Services 2% Salary Adjustment)

This would leave \$428,540 budgeted in the VAB Professional Services. (FY 13/14 is projected to close with \$312,401 in expenditures. This would have a negative effect of (\$11,843) on Special Council Contingency based on the decrease of \$29,608 in VAB revenue from the reduction in costs.

The effect of the Departmental requests results in a negative impact to the Special Council Contingency of (\$24,575).

**RECOMMENDATIONS:**

1. We recommend reducing indexcode CCCA011AD (Council Auditor), subobject 04223 (Computer Sys Maint/Security – IS Alloc) by \$23,821 from \$50,194 to \$26,373. We also recommend increasing indexcode CCSS011AD (Council Staff Services) subobject 04223 (Computer Sys Maint/Security – IS Alloc) by \$23,821 from \$66,559 to \$90,380. IT incorrectly charged the allocation to the Council Auditor's Office when it should have been charged to City Council Staff Services. This has a \$0 effect on Special Council Contingency.



**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
TOURIST DEVELOPMENT COUNCIL (S/F 132)**

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**PROPOSED BUDGET BOOK – Page #126-127  
ON SCREEN – Page #134-135**

**BACKGROUND:**

This fund accounts for the first two cent tax levy on lodging. The Tax Collector collects the Tourist Development Tax and remits it to the City for administration by the Duval Tourist Development Council (TDC).

**REVENUE:**

1. Taxes
  - This represents the anticipated two cent tax levy on lodging for FY 2014/15.
2. Miscellaneous Revenue
  - This is made up of anticipated interest earnings for FY 2014/15.
3. Transfers From Fund Balance
  - This represents the anticipated fund balance transfer necessary to balance up the fund. See Recommendation #1 below to reflect TDC's recommended budget.

**EXPENDITURES:**

1. Employer Benefits
  - The net increase is being driven by increased pension and health insurance costs for the one employee in this activity.
2. Internal Service Charges
  - The net increase is being driven by General Counsel – Legal costs due to current year activity.
3. Internal Services – IT Operations
  - The change in information technology costs is a result of the newly implemented Customer Billing Model.
4. Other Operating Expenses
  - The FY 2013/14 levels, with the exception of the \$1,946,692 contingency, have been maintained in the budget submission. The actions of the TDC are reflected in the recommendations below.
5. Indirect Costs
  - This represents an indirect cost allocation as calculated by the City's consultant.

**SERVICE LEVEL CHANGES:**

None.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
TOURIST DEVELOPMENT COUNCIL (S/F 132)**

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**PROPOSED BUDGET BOOK – Page #126-127  
ON SCREEN – Page #134-135**

**EMPLOYEE CAP CHANGES:**

None.

**RECOMMENDATION:**

1. We recommend an increase in the Transfer from Fund Balance of \$1,080,331.
2. We recommend an increase in Trust Fund Authorized Expenditures within the Operations account of \$380,826, and an increase in the Contingency account of \$699,505.

These actions reflect the total budget as approved by the TDC on August 14, 2014. This will have no effect on the General Fund or Special Council Contingency.

# DUVAL COUNTY TOURIST DEVELOPMENT COUNCIL

## BUDGET PROPOSAL 2014-2015

	2012/13 ORIGINAL BUDGET	2013/14 ORIGINAL BUDGET	2014/15 APPROVED BUDGET
<b><u>REVENUE</u></b>			
Tourist Development Taxes	5,142,095	5,334,415	5,650,000
Interest Earnings	58,500	41,333	42,656
Subtotal Revenue	5,200,595	5,375,748	5,692,656
Transfer from Fund Balance	1,499,827	2,400,000	1,225,000
Total Estimated Revenue	6,700,422	7,775,748	6,917,656
<b><u>EXPENDITURES</u></b>			
Operations Account			
Grants			
Other Grants	460,000	460,000	360,000
Country Superfest	-0-	200,000	100,000
CVB Convention Grants	100,000	100,000	200,000
Gator Bowl Game	350,000	350,000	400,000
Gator Bowl Game Advertising 2011-2014	150,000	150,000	-0-
First Coast of Golf	135,000	135,000	141,750
Bid Fees	-0-	-0-	50,000
The Players Tourism Cooperative	-0-	-0-	250,000
Florida / Georgia Game	90,000	90,000	65,000
Total Grants	1,285,000	1,485,000	1,566,750
Visit Jacksonville			
Operating budget	3,474,402	3,626,701	3,888,393
Marketing Initiative	-0-	518,100	555,484
Total Visit Jacksonville	3,474,402	4,144,801	4,443,877
Operations Account	4,759,402	5,629,801	6,010,627
Festival Funding Account	75,000	75,000	75,000
Administration Account	118,840	124,255	132,524
Subtotal Expenditures	4,953,242	5,829,056	6,218,151
Contingency Account	1,747,180	1,946,692	699,505
Total Appropriations	6,700,422	7,775,748	6,917,656

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
DOWNTOWN INVESTMENT AUTHORITY  
GENERAL FUND / GENERAL SERVICES DISTRICT (S/F 011)**

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**PROPOSED BUDGET BOOK – Page #128-129  
ON SCREEN – Page #136-137**

**BACKGROUND:**

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

**REVENUE:**

Miscellaneous Revenue

- This amount includes revenue for the lease of River City Brewing Company building, Downtown Development Review Board application fees, and miscellaneous sales and charges related to public record requests.

**EXPENDITURES:**

1. Salaries

- The increase of \$75,229 is mainly attributed to an increase of \$74,028 in permanent and probationary salaries due to an addition of two positions in the proposed budget.

2. Employer Provided Benefits

- The decrease of \$3,826 is due to a decrease of \$41,364 in defined benefit pension costs which was offset by increases of \$19,288 in defined contribution pension costs and \$16,826 in group health care costs.

3. Internal Service Charges

- The decrease of \$60,904 is due to a decrease of \$90,854 in legal expenses to align it with the actual charges for the current year. This is somewhat offset by an increase of \$27,909 in St. James Building maintenance costs which are being charged to the department for the first time.

4. Internal Services – IT Operations

- The change in information technology costs is a result of the newly implemented Customer Billing Model.

5. Other Operating Expenses

- The increase of \$4,745 is due to an increase of \$75,000 in event contribution for One Spark (out of \$110,000 budgeted for event contributions, \$100,000 is for One Spark in the proposed budget). This is mainly offset by decreases of \$37,600 in advertising and promotion and \$35,000 in professional services to better align them with the anticipated needs of the department.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
DOWNTOWN INVESTMENT AUTHORITY  
GENERAL FUND / GENERAL SERVICES DISTRICT (S/F 011)**

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**PROPOSED BUDGET BOOK – Page #128-129  
ON SCREEN – Page #136-137**

6. Capital Outlay

- This amount represents funding for office equipment and improvements.

**SERVICE LEVEL CHANGES:**

There are no significant service level changes.

**FOOD AND BEVERAGE EXPENDITURES:**

<b>SF</b>	<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>
011	DIAD011DIA	\$600	DIA to hold various public meetings during the fiscal year.	Will provide water, coffee, tea associated with holding public meetings.

**EMPLOYEE CAP CHANGES:**

Two positions were added in the Mayor's FY 2014/15 Proposed Budget to support operational needs.

**RECOMMENDATION:**

Miscellaneous services and charges were incorrectly budgeted for \$150,113. We recommend reducing it to \$5,600. This will have a positive impact on the Special Council Contingency of \$144,513.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
DOWNTOWN ECONOMIC DEVELOPMENT FUND (S/F 75B)**

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**PROPOSED BUDGET BOOK – Page #130-131  
ON SCREEN – Page #138-139**

**BACKGROUND**

This fund is being included in the FY 2014/15 annual budget in order to document the transfer of funding to the DIA.

**REVENUE**

Transfers From Other Funds

- This amount represents a transfer from the General Fund/General Services District (S/F 011).

**EXPENDITURES**

Contingencies

- This amount represents additional funding being provided for Downtown Economic Development.

**AUTHORIZED POSITION CAP**

There are no positions in this subfund.

**COUNCIL AUDITOR COMMENT:**

The recommended elimination of the transfer to this subfund from the General Fund / General Services District (S/F 011) was approved during the review of non-departmental expenditures.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
OFFICE OF ECONOMIC DEVELOPMENT  
GENERAL FUND / GENERAL SERVICES DISTRICT (S/F 011)**

**PROPOSED BUDGET BOOK – Page # 206-207  
ON SCREEN-Page # 214-215**

**BACKGROUND**

The Office of Economic Development (OED) serves as the economic development agency for the City of Jacksonville, implementing policies that result in sustainable job growth, raising personal incomes and creating broader tax base for the community. The office also oversees the administration of local and state incentives and the redevelopment of Cecil Commerce Center. Ordinance 2013-209-E moved the Jacksonville Small and Emerging Business Program into the Intra-Governmental Services Department.

Ordinance 2014-289-E removed the Office of Sports and Entertainment and the Office of Special Events and placed them in a new department. It also created the new Office of International Trade within OED.

The budget book for FY 2013/14 includes the budget for the Office of Sports and Entertainment and OED, while for FY 2014/15 it only includes budget for OED. The data below shows the change between FY 2013/14 Adopted and FY 2014/15 Proposed amounts for OED for comparison purposes.

	ADJUSTED FY 2013/14 ADOPTED	FY 2014/15 PROPOSED	CHANGE FROM PY	
			PERCENT	DOLLAR
<b>REVENUE</b>				
Miscellaneous Revenue	\$ 1,000	\$ 1,000	0%	\$ -
<b>TOTAL REVENUE</b>	<b>\$ 1,000</b>	<b>\$ 1,000</b>	<b>0%</b>	<b>\$ -</b>
<b>EXPENDITURES</b>				
Salaries	\$ 961,507	\$ 1,091,271	13%	\$ 129,764
Employer Provided Benefits	\$ 387,358	\$ 323,754	-16%	\$ (63,604)
Internal Service Charges	\$ 235,973	\$ 369,245	56%	\$ 133,272
Internal Services - IT Operations	\$ 41,578	\$ 69,173	66%	\$ 27,595
Other Operating Expenses	\$ 240,929	\$ 194,664	-19%	\$ (46,265)
Capital Outlay	\$ 2	\$ 2	0%	\$ -
Grants, Aids & Contributions	\$ 98,941	\$ 98,941	0%	\$ -
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,966,288</b>	<b>\$ 2,147,050</b>	<b>9%</b>	<b>\$ 180,762</b>

**EXPENDITURES**

1. Salaries

- The net increase of \$129,764 is mainly due to:
  - a net increase of \$115,979 in permanent salaries. It is of significance that City Council removed \$200,871 from this line item during the deliberation of FY

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
OFFICE OF ECONOMIC DEVELOPMENT  
GENERAL FUND / GENERAL SERVICES DISTRICT (S/F 011)**

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**PROPOSED BUDGET BOOK – Page # 206-207  
ON SCREEN-Page # 214-215**

2013/14 budget to provide funding for the Downtown Investment Authority and to restore the grant to UNF. This net increase of \$115,979 is due to:

- a net increase of \$165,979 to bring the proposed budget for salaries in line with the actual salaries expenditures that were underfunded in the current fiscal year (per department, there were no raises in the current fiscal year and in the proposed budget).
- an increase of \$25,000 for a new position (Director of the Office of International Trade) that was not fully funded nor properly added to the employee cap
- a decrease of \$75,000 due to the transfer out of one position budgeted at \$75,000 to the Cecil Field Trust Fund (S/F 759).
- an increase of \$35,000 in part-time salaries to support OED and the new Office of International Trade
- a decrease of \$18,183 in leave rollback/sellback based on current year actual expenditures

**2. Employer Provided Benefits**

- The net decrease of \$63,604 is primarily due to decrease of \$77,493 in general employees' pension contribution which was slightly offset by an increase of \$20,385 in defined contribution pension costs based on current year actual expenditures.

**3. Internal Service Charges**

- The net increase of \$133,272 is mainly driven by an increase of \$120,453 in legal charges to align those with the actual costs for the current year and \$11,425 for the building allocation.

**4. Internal Services – IT Operations**

- The change in information technology costs is a result of the newly implemented Customer Billing Model.

**5. Other Operating Expenses**

- The net decrease of \$46,265 is mainly attributed to a decrease of \$46,000 in the professional services (consulting).

**6. Grants, Aids and Contributions**

- Subsidies and contributions to support the UNF Small Business Development Center Funding remain flat in the proposed budget.



**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
OFFICE OF ECONOMIC DEVELOPMENT  
GENERAL FUND / GENERAL SERVICES DISTRICT (S/F 011)**

**PROPOSED BUDGET BOOK – Page # 206-207  
ON SCREEN-Page # 214-215**

**FOOD AND BEVERAGE EXPENDITURES:**

<b>SF</b>	<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>
011	JEJE011	\$400	Coffee Service for Meetings with Prospects	To further the economic development efforts in Jacksonville to promote job creation and private capital investment.

**EMPLOYEE CAP CHANGES:**

<b>FY 2013/14 Adopted Unadjusted</b>	<b>25</b>
Transfer of Small and Emerging Business Program (2013-209-E)	(6)
Transfer of Sports and Entertainment (2014-289-E)	(4)
Transfer of position to Cecil Field Trust Fund in the Proposed Budget	(1)
Elimination of Contract Administrator (unfunded in FY 2013/14) in the Proposed Budget	(1)
<b>FY 2014/15 Proposed</b>	<b>13</b>

**RECOMMENDATION:**

We recommend the removal of \$25,000 in salaries related to the partial funding of Director of the Office of International Trade position that was not added to the employee cap. This would have a positive impact on the Special Council Contingency of \$25,000.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
OFFICE OF ECONOMIC DEVELOPMENT  
ON-STREET PARKING (S/F 411)**

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**PROPOSED BUDGET BOOK-Page #208-210  
ON SCREEN-Page #216-218**

**BACKGROUND:**

The Public Parking Division manages On-Street parking (parking meter). Revenues are generated through daily parking fees, other fines and forfeitures, and late payment charges.

**REVENUE:**

1. Charges for Services:
  - The decrease of \$151,168 is primarily due to a decrease in parking late fees based on historical actuals. Based on current performance data, we are recommending parking late fees be further reduced below.
2. Fines and Forfeits:
  - The increase of \$66,129 is primarily due to an error. Based on current performance data, we are recommending fine revenue be reduced below.
3. Miscellaneous Revenue:
  - The decrease of \$1,700 is due to a decrease in miscellaneous sales and charges based on historical actuals.

**EXPENDITURES:**

1. Salary and Benefit Lapse:
  - This reflects an estimated salary and benefit lapse based on the average turnover ratio and estimated number of vacancies in FY 2014/15.
2. Cash Carryover:
  - The \$51,599 budgeted in this line item is the budgeted excess revenue over expenditures for this sub-fund.
3. Salary:
  - The increase of \$48,477 is primarily due to an increase of \$25,000 in part-time salaries requested to provide some extra capacity, and an increase of \$24,737 in permanent and probationary salaries due to pay increases and the substitution of a clerical support supervisor position for an administrative assistant position.
4. Internal Service Charges:
  - The increase of \$10,854 is primarily due to a general increase in building cost allocation.
5. Internal Services – IT Operations:
  - The change in information technology costs is a result of the newly implemented Customer Billing Model.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
OFFICE OF ECONOMIC DEVELOPMENT  
ON-STREET PARKING (S/F 411)**

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**PROPOSED BUDGET BOOK-Page #208-210  
ON SCREEN-Page #216-218**

6. Other Operating Expenses:

- The decrease of \$10,984 is primarily due to a decrease of \$5,400 in hardware/software maintenance and licenses and a decrease of \$4,849 in general liability insurance.

7. Supervision Allocation:

- The negative \$274,666 in supervision allocation is to transfer out supervisory expenses associated with garages and parking lots to Off-Street Parking (S/F 412).

8. Indirect Costs:

- This is an allocation calculated by the City's independent consulting firm as part of the full cost allocation plan study.

**EMPLOYEE CAP CHANGES:**

There are no changes in the cap. Although, there was no increase in part-time hours, 2,080 part-time hours were not funded in FY 2013/14. However, these part-time hours are funded in FY 2014/15.

**SERVICE LEVEL CHANGES:**

None.

**RECOMMENDATIONS:**

1. We recommend that \$15,000 in Hardware/Software Maintenance & Licenses and \$9,000 in Repairs and Maintenance related to garage activity be moved to Off-Street Parking (S/F 412), to properly reflect expenditures associated to that sub-fund. This will be offset by an increase of \$24,000 in cash carryover in On-Street Parking (S/F 411), and a decrease of \$24,000 in cash carryover in Off-Street Parking (S/F 412). This will not impact Special Council Contingency.
2. We recommend that parking fine revenue be reduced by a net \$50,000 to reflect more realistic revenue projections. There is also an issue with the Police and Fire Pension Fund Contribution (contra-revenue) line item not being budgeted consistently with Section 121.113 of the Municipal Code, which requires 30% of all parking fines revenue be sent to the Police and Fire Pension Fund. These issues will be offset by a decrease of \$50,000 in cash carryover. This will not impact Special Council Contingency.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
OFFICE OF ECONOMIC DEVELOPMENT  
ON-STREET PARKING (S/F 411)**

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**PROPOSED BUDGET BOOK-Page #208-210  
ON SCREEN-Page #216-218**

3. We recommend that Parking Late Fees be decreased by \$45,000 to reflect more realistic revenue projections based on historical actuals. This will be offset by a decrease of \$21,000 in Hardware/Software Maintenance & Licenses and a decrease of \$24,000 in cash carryover. This will not impact Special Council Contingency.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
OFFICE OF ECONOMIC DEVELOPMENT  
OFF-STREET PARKING (S/F 412)**

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**PROPOSED BUDGET BOOK – Page #211-213  
ON SCREEN-Page #219-221**

**BACKGROUND:**

The Public Parking Division manages garages and parking lots. It manages the Ed Ball, St. James Building, Yates, City Hall Annex, Library, and Water Street garages and the Bay Street, Courthouse, Forsyth, and JEA parking lots. Revenues are generated through daily, monthly, and special event parking fees.

**REVENUE:**

1. Charges for Services:

- The increase of \$71,026 is due to an increase of \$51,287 in daily parking fees and an increase of \$53,787 in parking fees from special events based on current year performance. This is offset by a decrease of \$34,048 in monthly parking fees. The monthly parking fees are in general increasing because of usage; however, the increase in revenue was eliminated due to the 50% employee discount that is expected to take place during FY 2014/15. The impact of this discount based on projected participation is approximately \$200,000.

2. Miscellaneous Revenue:

- The addition of \$24,315 in miscellaneous revenue is tenant revenue that will be earned from leasing space to Enterprise Rent-A-Car at the Library Garage.

**EXPENDITURES:**

1. Salary and Benefit Lapse:

- This reflects an estimated salary and benefit lapse based on the average turnover ratio and estimated number of vacancies in FY 2014/15.

2. Cash Carryover:

- The \$784,023 budgeted in this line item is the budgeted excess revenue over expenditures for this sub-fund.

3. Salaries:

- The increase of \$27,383 is primarily attributable to \$25,000 in part-time salary requested to address increases in operations at garages and during special events. Part-time hours were incorrectly budgeted. See recommendation below.

4. Employer Provided Benefits:

- The increase of \$10,699 is primarily due to an increase of \$15,620 in pension contributions. This was offset somewhat by a decrease of \$4,805 in group hospitalization insurance.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
OFFICE OF ECONOMIC DEVELOPMENT  
OFF-STREET PARKING (S/F 412)**

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**PROPOSED BUDGET BOOK – Page #211-213  
ON SCREEN-Page #219-221**

5. Internal Service Charges:

- The increase of \$10,947 is primarily due to an increase of \$16,014 in building maintenance allocation. This was offset by a decrease of \$5,549 in guard service and ADT charges allocated to the Water Street garage.

6. Internal Services – IT Operations:

- The change in information technology costs is a result of the newly implemented Customer Billing Model.

7. Other Operating Expenses:

- The increase of \$25,211 is attributable to an increase of \$100,015 in repairs and maintenance and an increase of \$8,406 in general liabilities insurance. This was offset by a decrease of \$82,170 in miscellaneous insurance. The \$100,000 increase in maintenance cost will be used for additional repairs, upgrades, and cleaning projects that could occur throughout the year at Yates, Ed Ball, Main Library, and Water St. garages.

8. Supervision Allocation:

- The increase of \$234,181 in supervision allocation is to accurately reflect supervisory expenses associated to garages and parking lots in the proper sub-fund.

9. Indirect Cost:

- This is an allocation calculated by the City's independent consulting firm as part of the full cost allocation plan study.

**EMPLOYEE CAP CHANGES:**

There are no changes in the cap. A total of 1,283 part-time hours were unfunded in FY 2013/14. However, these part-time hours are funded in FY 2014/15.

**SERVICE LEVEL CHANGES:**

None.

**RECOMMENDATION:**

We recommend increasing the number of part-time hours by 1,417 hours, from 1,283 to 2,700 hours, to properly reflect the actual number of hours associated with the \$25,000 in part-time salary budgeted. This will not impact Special Council Contingency.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
OFFICE OF ECONOMIC DEVELOPMENT  
MOTOR VEHICLE INSPECTION (S/F 431)**

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**PROPOSED BUDGET BOOK-Page #214-215  
ON SCREEN-Page #222-223**

**BACKGROUND:**

The Public Parking Division manages the inspection stations for school buses, city vehicles and vehicles for hire.

**REVENUE:**

1. Charges for Services:

- The increase of \$36,412 is primarily due to an increase of \$41,577 in vehicles for hire, which was somewhat offset by a decrease of \$4,754 in inspection station based on current actuals.

**EXPENDITURES:**

1. Salary and Benefits Lapse:

- This reflects an estimated salary and benefit lapse based on the average turnover ratio and estimated number of vacancies in FY 2014/15.

2. Employer Provided Benefits:

- The increase of \$8,073 is mainly due to an increase in pension contribution.

3. Internal Services – IT Operations:

- The change in information technology costs is a result of the newly implemented Customer Billing Model.

4. Other Operating Expenses:

- The increase of \$75,596 is primarily due to an increase of \$76,204 in miscellaneous services and charges which resulted from using this line item to balance the budget due to excess revenue over budgeted expenditures.

5. Indirect Cost:

- This is an allocation calculated by the City's independent consulting firm as part of the full cost allocation plan study.

**EMPLOYEE CAP CHANGES:**

None.

**SERVICE LEVEL CHANGES:**

None.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
OFFICE OF ECONOMIC DEVELOPMENT  
MOTOR VEHICLE INSPECTION (S/F 431)**

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**PROPOSED BUDGET BOOK-Page #214-215  
ON SCREEN-Page #222-223**

**RECOMMENDATIONS:**

1. We recommend that \$114,223 in miscellaneous services and charges be moved to cash carryover to properly represent excess revenue over budgeted expenditures. This will not impact Special Council Contingency.
2. A fee increase was submitted in the Annual Fee Schedule in June 2014 which would generate approximately \$70,000 in additional revenue that has not been budgeted for. We recommend that fees for motor vehicle inspection not be increased since the proposed budget already has \$114,223 in excess revenue over budgeted expenditures for FY2014/15. Since the revenue associated with the new fee was not budgeted, we recommend the City's Chief Financial Officer submit a revised Annual Fee Schedule. This will not impact Special Council Contingency.



**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
CECIL FIELD TRUST FUND (S/F 759)**

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**PROPOSED BUDGET BOOK – Page # 216-217  
ON SCREEN-Page # 224-225**

**BACKGROUND:**

Established per ordinance 98-1052-E, all revenues received or earned by the City from the development and operation of the Cecil Commerce Center (excluding revenues related to an interlocal agreement with the Jacksonville Aviation Authority) are deposited into this trust fund. This fund is an all years subfund.

**REVENUE:**

*Non-Departmental / Fund Level Activities*

1. Miscellaneous Revenue

- The decrease of \$12,256 is due to lower anticipated investment pool earnings for this subfund.

*Office of Economic Development*

2. Miscellaneous Revenue

- The increase of \$195,746 is due to an increase of \$102,100 in the appropriation of the gains on sale of real property and an increase of \$93,646 in the expected revenues from rental of city facilities.

*Park, Recreation and Community Services*

3. Miscellaneous Revenue

- The decrease of \$6,530 is due to a decrease in the anticipated revenue from timber sales.

**EXPENDITURES:**

*Office of Economic Development*

1. Salaries

- The increase of \$75,300 is due to the transfer of a position from the General Fund/General Services District (S/F 011) portion of the Office of Economic Development. There were no employees assigned to this subfund in FY2013-14.

2. Employer Provided Benefits

- The increase of \$35,319 is due to the addition of the above mentioned employee. There were no employees assigned to this subfund in FY2013-14.

3. Other Operating Expenses

- The net increase of \$56,502 is mostly due to an increase of \$145,929 in miscellaneous insurance and \$8,000 in advertising and promotion, both of which have never been allocated to the subfund. This is mainly offset by a reduction of \$100,000 in miscellaneous services and charges resulting in a budget of \$1,600,000 for the building and property maintenance contract.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
CECIL FIELD TRUST FUND (S/F 759)**

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**PROPOSED BUDGET BOOK – Page # 216-217  
ON SCREEN-Page # 224-225**

4. Indirect Cost

- This amount of \$11,072 is an allocation calculated by the City's independent consulting firm as part of the full cost allocation plan study.

Park, Recreation and Community Services

5. Other Operating Expenses

- The increase of \$2,249 is attributed to an increase in professional services performed by the Florida Forest Service.

**SERVICE LEVEL CHANGES:**

There are no significant service level changes.

**EMPLOYEE CAP CHANGES:**

There is an increase of one (1) authorized position. This position oversees operations funded by this subfund and was transferred from the General Fund/General Services District (S/F 011) portion of the Office of Economic Development.

**RECOMMENDATION:**

None.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
OFFICE OF SPORTS AND ENTERTAINMENT  
GENERAL FUND / GENERAL SERVICES DISTRICT (S/F 011)**

**PROPOSED BUDGET BOOK – Page #225-226  
ON SCREEN – Page #233-234**

**BACKGROUND:**

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

The budget book does not have FY 2013/14 adopted budget data for the Office of Sports and Entertainment. The data below shows the change between FY 2013/14 Adopted and FY 2014/15 Proposed amounts for comparison purposes.

	ADJUSTED FY 2013/14 ADOPTED	FY 2014/15 PROPOSED	CHANGE FROM PY	
			PERCENT	DOLLAR
<b>REVENUE</b>				
Miscellaneous Revenue	\$ -	\$ -	0%	\$ -
<b>TOTAL REVENUE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0%</b>	<b>\$ -</b>
<b>EXPENDITURES</b>				
Salaries	\$ 377,115	\$ 357,264	-5%	\$ (19,851)
Employer Provided Benefits	\$ 75,849	\$ 104,147	37%	\$ 28,298
Internal Service Charges	\$ -	\$ 10,184	n/a	\$ 10,184
Other Operating Expenses	\$ 297,704	\$ 975,430	228%	\$ 677,726
<b>TOTAL EXPENDITURES</b>	<b>\$ 750,668</b>	<b>\$ 1,447,025</b>	<b>93%</b>	<b>\$ 696,357</b>

**EXPENDITURES:**

1. Salaries

- The decrease of \$19,851 is mostly due to the decrease in salary for Sports and Entertainment Director of \$58,805, offset by the funding of an Administrative Support Assistant for \$32,004 which was unfunded in FY 2013/14.

2. Employer Provided Benefits

- The increase of \$28,298 is mainly attributed to an increase in pension costs of \$43,459 which was somewhat offset by a decrease in health insurance costs of \$7,951 to align them with the actual costs in the current year.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
OFFICE OF SPORTS AND ENTERTAINMENT  
GENERAL FUND / GENERAL SERVICES DISTRICT (S/F 011)**

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**PROPOSED BUDGET BOOK – Page #225-226  
ON SCREEN – Page #233-234**

3. Internal Service Charges

- The expense represents internal services charges for legal services of \$9,948 and technology refresh and pay-go charges of \$236. Nothing was budgeted for internal service charged in FY 2014/15.

4. Other Operating Expenses

- The increase of \$677,726 is mostly due to budgeting \$700,000 in contractual services for changing turf at the baseball grounds for Jacksonville Armada FC games. The event contributions remained flat and consist of the following:

<b>Event</b>	<b>FY 2013/14 Approved</b>	<b>FY 2014/15 Proposed</b>	<b>Contractual Obligation per Department?</b>
Florida/Florida State Baseball	\$ 50,000	\$ 50,000	YES
The Players Championship	\$ 40,000	\$ 40,000	no
NCAA Track and Field	\$ 25,000	\$ 25,000	YES
NCAA Basketball Tournament	\$ -	\$ 25,000	YES
JU Lacrosse Event (Moe's)	\$ 15,000	\$ 15,000	no
Jacksonville Film Festival	\$ 5,500	\$ 5,500	no
Familiarization Trip for Industry Executives	\$ 5,000	\$ 5,000	no
Annual Film Industry Reception	\$ 4,000	\$ 4,000	no
City Suite at College Games	\$ -	\$ 3,000	no
MLS Soccer Preseason Game	\$ 30,000	\$ 15,000	YES
NBA Basketball Game	\$ 30,000	\$ 15,000	YES
Jacksonville Sports Council Membership	\$ -	\$ 2,000	no
<b>TOTAL</b>	<b>\$ 204,500</b>	<b>\$ 204,500</b>	

**SERVICE LEVEL CHANGES:**

There are no significant service level changes.

**EMPLOYEE CAP CHANGES:**

None.

**RECOMMENDATION:**

None.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
SPECIAL EVENTS (S/F 01A)**

**PROPOSED BUDGET BOOK – Page # 227-229  
ON SCREEN – Page # 235-237**

**BACKGROUND**

Special Events was an activity of the Office of Economic Development in the FY 2014-15 approved budget. Pursuant to 2014-289-E, it became activity under the Office of Sports and Entertainment. Special Events still remains in its own subfund (S/F 01A) that is project driven to provide transparency and better track event revenues and costs for individual events. The explanations below will be based on the table below that more accurately depicts the budgetary changes.

	<b>FY 2012/13 ACTUALS</b>	<b>FY 2013/14 ADOPTED</b>	<b>FY 2014/15 PROPOSED</b>	<b>CHANGE %</b>	<b>CHANGE \$</b>
<b>REVENUES</b>					
NON-DEPARTMENTAL / FUND LEVEL ACTIVITIES					
Miscellaneous Revenue	(1,909)	-	-	-	-
Transfers From Other Funds	2,885,421	3,321,364	5,087,224	53.2%	1,765,860
	2,883,512	3,321,364	5,087,224	53.2%	1,765,860
OED/OFFICE OF SPORTS & ENTERTAINMENT					
Miscellaneous Revenue	29,823	40,000	15,000	-62.5%	(25,000)
	29,823	40,000	15,000	-62.5%	(25,000)
<b>TOTAL REVENUES</b>	<b>2,913,335</b>	<b>3,361,364</b>	<b>5,102,224</b>	<b>51.8%</b>	<b>1,740,860</b>
<b>EXPENDITURES</b>					
NON-DEPARTMENTAL / FUND LEVEL ACTIVITIES					
Salary & Benefit Lapse	-	(13,261)	(12,614)	-4.9%	647
Other Operating Expenses	269,379	280,000	1,645,734	487.8%	1,365,734
Grants, Aids & Contributions	265,555	300,000	300,000	0.0%	-
	534,934	566,739	1,933,120	241.1%	1,366,381
OED/OFFICE OF SPORTS & ENTERTAINMENT					
Salaries	939,800	908,937	913,474	0.5%	4,537
Employer Provided Benefits	213,654	241,555	290,820	20.4%	49,265
Internal Service Charges	209,210	227,739	238,892	4.9%	11,153
Internal Services - IT Operations	97,763	87,519	106,386	21.6%	18,867
Other Operating Expenses	900,625	1,243,999	1,534,656	23.4%	290,657
Capital Outlay	-	1	1	0.0%	-
Grants, Aids & Contributions	-	84,875	84,875	0.0%	-
	2,361,052	2,794,625	3,169,104	13.4%	374,479
<b>TOTAL EXPENDITURES</b>	<b>2,895,986</b>	<b>3,361,364</b>	<b>5,102,224</b>	<b>51.8%</b>	<b>1,740,860</b>

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
SPECIAL EVENTS (S/F 01A)**

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**PROPOSED BUDGET BOOK – Page # 227-229  
ON SCREEN – Page # 235-237**

**REVENUE**

*Non-Departmental/Fund Level Activities*

1. Transfer From Other Funds

- There is a \$5,087,224 transfer from the General Fund to support operations within the Office of Special Events.

*Office of Economic Development/Office of Sports and Entertainment*

2. Miscellaneous Revenue

- This amount represents event permit charges for events held at city owned properties. The decrease of \$25,000 is to align it with the current year actuals.

**EXPENDITURES**

*Non-Departmental/Fund Level Activities*

1. Salary & Benefit Lapse

- This reflects an estimated salary and benefit lapse based on the average turnover ratio and estimated number of vacancies in FY 2014-15.

2. Other Operating Expenses

- This amount represents equipment rentals for the Florida/Georgia Game. There is an increase of \$1,365,734 (from \$280,000 to \$1,645,734) in FY 2014-15 due to recent stadium improvements which decreased the number of seats. Therefore, starting this year, the City will install more temporary seats to meet the contractual obligations for the Florida/Georgia Game. Also, the cost is increasing to provide better seating and to pay the cost of overtime associated with setup of the seats.

3. Grants, Aids & Contributions

- This represents travel related expenses for the Florida/Georgia game pursuant to contractual requirements with both teams.

*Office of Economic Development/Office of Sports and Entertainment*

1. Salaries

- The increase of \$4,537 is mainly due to an increase of \$20,000 in salaries – overtime which is offset by a decrease of \$15,400 in permanent salaries to align those expenses with the current year actuals.

2. Employer Provided Benefits

- The net increase of \$49,265 is due to an increase of \$40,814 in defined benefit pension contribution and \$14,421 in group hospitalizations insurance. This is somewhat offset by a decrease of \$7,469 in defined contribution pension costs.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
SPECIAL EVENTS (S/F 01A)**

**PROPOSED BUDGET BOOK – Page # 227-229  
ON SCREEN – Page # 235-237**

3. Internal Service Charges

- The net increase of \$11,153 is mainly due to increases of \$21,676 in the St. James building cost allocation for maintenance and \$10,420 in legal charges. These are offset by a decrease of \$15,210 in copy center charges.

4. Internal Services – IT Operations

- The change in information technology costs is a result of the newly implemented Customer Billing Model.

5. Other Operating Expenses

- The net increase of \$290,657 is mainly due to an increase of \$264,000 in miscellaneous services and charges used to fund City events (see table of all events below) and an increase of \$16,766 for general liability insurance. The budget for Memorial Wall/Sea & Sky was incorrectly budgeted at \$300,000 rather than \$95,000 (see recommendation).

EVENTS PROPOSED FY 2014-15	Equipment Rentals	Printing	Advertising	Event Contribution	Misc. Services & Charges	Subsidies & Contributions To Other Gov	Subsidies & Contributions To Private Org	TOTAL
4TH OF JULY/NYE CELEBRATION	\$ 15,106				\$ 48,600			\$ 63,706
BLESSING OF THE FLEET					\$ 500			\$ 500
BOB HAYES TRACK							\$ 84,875	\$ 84,875
FLORIDA / GEORGIA GAME	\$1,670,734	\$ 600	\$ 1	\$ 44,000	\$ 187,900	\$ 300,000		\$2,203,235
JAX HAPPENINGS	\$ 3,244		\$ 4,000		\$ 13,225			\$ 20,469
JAZZ FESTIVAL	\$ 15,000		\$ 6,000		\$ 282,174			\$ 303,174
MAYOR'S INITIATIVES	\$ 12,500		\$ 15,000		\$ 85,256			\$ 112,756
MEMORIAL WALL/SEA & SKY					\$ 300,000			\$ 300,000
MLK JR. BREAKFAST	\$ 5,000		\$ 5,000		\$ 73,711			\$ 83,711
MUSIC FESTIVALS	\$ 5,000		\$ 3,500		\$ 30,000			\$ 38,500
VETERANS DAY PARAGE	\$ 3,000		\$ 2,000		\$ 15,000			\$ 20,000
WORLD OF NATIONS	\$ 15,000		\$ 5,000		\$ 85,000			\$ 105,000
Grand Total	\$1,744,584	\$ 600	\$ 40,501	\$ 44,000	\$ 1,121,366	\$ 300,000	\$ 84,875	\$3,335,926

Notes on FL/GA game:

- \$300,000 in subsidies & contributions to other governments is the contractual travel reimbursement for the teams for FL/GA game
- Within Special Events budget, the costs for FL/GA game are increasing by \$1,373,234 (from \$830,001 for FY 2013/14 to \$2,203,235 for FY 2014/15) mostly due to an increase of \$1,365,734 in contractual equipment rental expense for seating (from \$280,000 to \$1,645,734) due to recent stadium improvements which decreased the number of seats.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
SPECIAL EVENTS (S/F 01A)**

**PROPOSED BUDGET BOOK – Page # 227-229  
ON SCREEN – Page # 235-237**

**FOOD AND BEVERAGE EXPENDITURES:**

<b>SF</b>	<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>
01A	SPET01ASE	\$2,700	World of Nations	Promote variety of cultures/volunteers
01A	SPET01ASE	\$5,400	Downtown Events	Promote revitalization of downtown/volunteers
01A	SPET01ASE	\$6,650	FL/GA Weekend	Promote the annual rivalry/volunteers
01A	SPET01ASE	\$7,672	Mayor's Initiatives for Special Events	Promote Downtown Jax
01A	SPET01ASE	\$12,000	Jazz Festival	Promote Downtown Jax/entertainers/volunteers

**SERVICE LEVEL CHANGES:**

There are no significant service level changes.

**EMPLOYEE CAP CHANGES:**

There are no changes to the authorized position cap.

**RECOMMENDATION:**

The Budget Office erroneously budgeted \$300,000 rather than \$95,000 for Memorial Wall / Sea & Sky event. The funding for this project should be reduced by \$205,000. This will require a decrease in the transfer from the General Fund/ General Services District (S/F 011) of \$205,000. This will have a positive impact on the Special Council Contingency of \$205,000.



**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
SMG FACILITIES**

**GENERAL FUND/GENERAL SERVICE DISTRICT (S/F011) CONTRIBUTION**

<b>General Fund/General Service District Contributions (S/F 011)</b>				
<b>Facility</b>	<b>2013/2014 Council Approved</b>	<b>2014/2015 Mayor's Proposed</b>	<b>Increase or (Decrease)</b>	<b>Footnote</b>
Everbank Field (4A1)	\$ 4,312,052	\$ 4,747,871	\$ 435,819	<b>A</b>
Memorial Arena (4B1)	\$ -	\$ 1,609,106	\$ 1,609,106	<b>B</b>
Baseball Stadium (4C1)	\$ 281,316	\$ 751,080	\$ 469,764	<b>C</b>
Times Union Performing Arts Center (4D1)	\$ 570,125	\$ 772,808	\$ 202,683	<b>D</b>
Prime Osborn Convention Center (4E1)	\$ 945,152	\$ 1,095,570	\$ 150,418	<b>E</b>
Equestrian Center (4F1)	\$ 320,041	\$ -	\$ (320,041)	<b>F</b>
Ritz Theatre (4H1)	\$ 751,817	\$ 932,105	\$ 180,288	<b>G</b>
<b>Total</b>	<b>\$ 7,180,503</b>	<b>\$ 9,908,540</b>	<b>\$ 2,728,037</b>	

**A.** The increase in the contribution is primarily due to increases in:

- SMG Health Insurance due to the Affordable Care Act, rate increases and the filling of vacant positions.
- Increase in Contractual Services expense due to the Country Music Fest and increased staffing for the Jaguar games, FL/GA game and Gator Bowl game attributable to the new stadium improvements (i.e. IT support for new scoreboards, housekeeping, security staffing).
- Repairs and Maintenance is also increasing due to the new stadium improvements.
- Other increases are for Telephone and Data Lines and Miscellaneous Insurance.

Everbank Field is also receiving a subsidy from Memorial Arena – SMG (4B2) in the amount of \$1,706,661; according to the Accounting Division no SMG side sub-fund should directly subsidize another SMG side sub-fund.

**B.** There is a budgeted General Fund/General Service District (S/F 011) contribution to Memorial Arena – City (4B1). This is not needed since the Memorial Arena – SMG (4B2) sub-fund has a budgeted profit of \$1,706,661. This will be discussed in more detail on the Memorial Arena – SMG (4B2) handout.

**C.** For this current fiscal year 2013/2014 the Memorial Arena – SMG (4B2) subsidized the Baseball Stadium – SMG (4C2) in the amount of \$369, 284. According to the Accounting Division this should not have been done and to correct the mistake the General Fund/General Service District (S/F 011) will now have to contribute more to the Baseball Stadium.

**D.** The increase in the contribution is primarily due to now paying principal on the debt and increased costs on the SMG operations side (S/F 4D2).

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
SMG FACILITIES**

**GENERAL FUND/GENERAL SERVICE DISTRICT (S/F011) CONTRIBUTION**

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- E.** For this current fiscal year 2013/2014 the Memorial Arena – SMG (4B2) subsidized the Convention Center – SMG (4E2) in the amount of \$32,765. According to the Accounting Division this should not have been done and to correct the mistake the General Fund/General Service District (S/F 011) will now have to fully subsidize the Convention Center. The increase in the contribution is also due to increased costs on the SMG operations side (S/F 4E2).
- F.** The Equestrian Center is no longer part of SMG's operations.
- G.** The increase in the contribution to the Ritz Theatre is primarily due to increases on the SMG operations side (S/F 4H2). SMG took over operations of the Ritz Theatre July 1, 2013; this current fiscal year 2013/2014 was the first full year SMG handled operations.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
OFFICE OF SPORTS AND ENTERTAINMENT  
EVERBANK FIELD – CITY (4A1)**

**PROPOSED BUDGET BOOK – Page #230-232  
ON SCREEN – Page #238-240**

**BACKGROUND:**

SMG has been retained by the City to manage six public facilities which include Everbank Field, the Memorial Arena, Jacksonville Baseball Stadium, Times Union Center for the Performing Arts, Prime Osborn Convention Center, and the Ritz Theatre and Museum. The term of the current contract between SMG and City is January 1, 2013 through February 29, 2016. In accordance with Ordinance 2014-289-E the reorganization of the Office of Economic Development, which moves contract oversight to the Office of Sports and Entertainment, is effective October 1, 2014.

Below is a comparison of the fiscal year 2013/2014 Approved Budget to the 2014/2015 Proposed Budget for Everbank Field - City.

<b>Revenue:</b>	<b>FY 2013/2014 Approved</b>	<b>FY 2014/2015 Proposed</b>	<b>Dollar Change</b>	<b>Percent Change</b>
<i>NON-DEPARTMENTAL / FUND LEVEL ACTIVITIES</i>				
Taxes	\$ 7,334,419	\$ 7,650,004	\$ 315,585	4%
Miscellaneous Revenue	\$ 33,730	\$ 33,730	\$ -	0%
Transfers From Other Funds	\$ 4,312,052	\$ 4,747,871	\$ 435,819	9%
Subtotal	\$ 11,680,201	\$ 12,431,605	\$ 751,404	6%
<i>OFFICE OF SPORTS &amp; ENTERTAINMENT</i>				
Charges for Services	\$ 2,025,000	\$ 2,135,000	\$ 110,000	5%
Miscellaneous Revenue	\$ 4,006,519	\$ 4,055,000	\$ 48,481	1%
Subtotal	\$ 6,031,519	\$ 6,190,000	\$ 158,481	3%
<b>Total Revenue</b>	<b>\$ 17,711,720</b>	<b>\$ 18,621,605</b>	<b>\$ 909,885</b>	<b>5%</b>
<b>Expenditures:</b>				
<i>NON-DEPARTMENTAL / FUND LEVEL ACTIVITIES</i>				
Debt Service	\$ 10,164,729	\$ 10,151,124	\$ (13,605)	0%
Transfers to Other Funds	\$ 4,055,817	\$ 3,890,160	\$ (165,657)	-4%
Subtotal	\$ 14,220,546	\$ 14,041,284	\$ (179,262)	-1%
<i>OFFICE OF SPORTS &amp; ENTERTAINMENT</i>				
Internal Service Charges	\$ 169,010	\$ 145,036	\$ (23,974)	-17%
Internal Services - IT Operations	\$ 72,818	\$ 133,027	\$ 60,209	45%
Other Operating Expenses	\$ 3,194,346	\$ 4,237,258	\$ 1,042,912	25%
Capital Outlay	\$ 55,000	\$ 65,000	\$ 10,000	15%
Subtotal	\$ 3,491,174	\$ 4,580,321	\$ 1,089,147	24%
<b>Total Expenditures</b>	<b>\$ 17,711,720</b>	<b>\$ 18,621,605</b>	<b>\$ 909,885</b>	<b>5%</b>

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
OFFICE OF SPORTS AND ENTERTAINMENT  
EVERBANK FIELD – CITY (4A1)**

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**PROPOSED BUDGET BOOK – Page #230-232  
ON SCREEN – Page #238-240**

**REVENUES:**

*Non-Departmental/Fund Level Activities:*

1. Taxes:
  - The taxes include the 2 Cent Tourist Development Tax budgeted at \$5,650,000 and the State Sales Tax Rebate budgeted at \$2,000,004. The increase of \$315,585 is due to a projected increase in the 2 Cent Tourist Development Tax collections.
2. Miscellaneous Revenue:
  - This includes the revenue for Investment Pool Earnings. The proposed budgeted amount of \$33,370 is under budgeted based on current year collections and the average cash balance of the fund. The recommended budgeted amount should be \$56,581 and will be discussed further in recommendation #3 below.
3. Transfers from Other Funds:
  - The transfer of \$4,747,871 is from the General Fund/General Service District (S/F 011), which is an increase of \$435,819.

*Office of Sports and Entertainment:*

4. Charges for Services:
  - The increase of \$110,000 is due to the following:
    - An increase of \$10,000 in Parking Fees based on current year collections.
    - A decrease of \$100,000 in NFL Ticket Surcharge due to projected decrease in the average attendance at the Jaguar games.
    - An increase of \$200,000 in Facility Fees due to the Country Music Fest.
5. Miscellaneous Revenue:
  - The Jacksonville Jaguar supplemental rental payment per Amendment 8 of the Lease for fiscal year 2014/2015 should be \$3,960,040. The amount budgeted is \$4,055,000 which is over budgeted by \$94,960 and will be further addressed in recommendation #4 below.

**EXPENDITURES:**

*Non-Departmental/Fund Level Activities:*

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

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
OFFICE OF SPORTS AND ENTERTAINMENT  
EVERBANK FIELD – CITY (4A1)**

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**PROPOSED BUDGET BOOK – Page #230-232  
ON SCREEN – Page #238-240**

7. Transfers to Other Funds:

- The transfer of \$3,890,160 consists of:
  - \$284,000 for a payback of a \$5,000,000 loan from sub-fund 322 approved by Ordinance 2004-338-E which was Amendment #7 to the Jaguar Lease for improvements to the stadium. It should be noted that the loan payment in fiscal year 2015/2016 increases to \$880,000.
  - \$100,000 for a payback of a \$2,115,000 loan from sub-fund 322 approved by the fiscal year 2003/2004 Budget Ordinance 2003-876-E.
  - \$3,506,160 transfer to Everbank Field – SMG (4A2).

*Office of Sports and Entertainment:*

8. Internal Service Charges:

- The decrease of \$23,974 is primarily due to a decrease in Fleet Vehicle Rental.

9. Internal Services – IT Operations:

- The change in Information Technology costs is a result of the newly implemented Customer Billing Model.

10. Other Operating Expenses:

- The increase of \$1,042,912 is primarily due to:
  - An increase of \$705,318 in Electricity due to the new improvements at the stadium.
  - An increase of \$268,964 in the Miscellaneous Insurance allocation due to updated valuations.

11. Capital Outlay:

- The \$65,000 includes:
  - Event Equipment \$10,000
  - Housekeeping Equipment \$5,000
  - Landscape and Turf Equipment \$5,000
  - Operations Equipment \$20,000
  - Parking Equipment \$5,000
  - Technical Equipment \$20,000

**EMPLOYEE CAP CHANGES:**

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

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
OFFICE OF SPORTS AND ENTERTAINMENT  
EVERBANK FIELD – CITY (4A1)**

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**PROPOSED BUDGET BOOK – Page #230-232  
ON SCREEN – Page #238-240**

**RECOMMENDATIONS:**

1. Pursuant to Section 12.6 of the Facilities Management Contract between the City and SMG, “the Manager will provide to City a one-time cash contribution in the amount of One Million Dollars (\$1,000,000).” These funds will need to be amortized over a 10 year period (\$100,000/year). Currently, the budget does not include a revenue line in the amount of \$100,000 that represents a portion of the Manager Contribution that should be recognized for one year. We recommend that \$100,000 be appropriated and this will have a positive impact to Special Council Contingency.
2. We recommend that Section 9.3 of the Budget Ordinance 2014-466 be removed. Article 13 Purchasing Policies of the Facilities Management Contract includes the Memorandum of Understanding for SMG to utilize their purchasing policies for capital expenditures in the amount of \$100,000 or less and extraordinary repairs and maintenance projects in the amount of \$500,000 or less and therefore this provision is not needed within the budget ordinance.
3. We recommend that Investment Pool Earnings revenue be increased from \$33,730 to \$56,581. This will reduce the General Fund/General Service District (S/F 011) Contribution by \$22,851 and will have a positive impact to Special Council Contingency.
4. The amount budgeted for the Jaguars rent payment within Miscellaneous Revenue does not agree with the rent payment schedule approved by Amendment #8 to the Jaguar Lease. The amount budgeted is \$4,055,000 and the schedule rent payment for fiscal year 2014/2015 is \$3,960,040. We recommend that Supplemental Rent be reduced by \$94,960 which will increase the General Fund/ General Service District (S/F 011) contribution and have a negative impact to Special Council Contingency.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
OFFICE OF SPORTS AND ENTERTAINMENT  
EVERBANK FIELD – SMG (4A2)**

**PROPOSED BUDGET BOOK – Page #233-235  
ON SCREEN – Page #241-243**

**BACKGROUND:**

SMG has been retained by the City to manage six public facilities which include Everbank Field, the Memorial Arena, Jacksonville Baseball Stadium, Times Union Center for the Performing Arts, Prime Osborn Convention Center, and the Ritz Theatre and Museum. The term of the current contract between SMG and City is January 1, 2013 through February 29, 2016. In accordance with Ordinance 2014-289-E the reorganization of the Office of Economic Development, which moves contract oversight to the Office of Sports and Entertainment, is effective October 1, 2014.

Below is a comparison of the fiscal year 2013/2014 Approved Budget to the 2014/2015 Proposed Budget for Everbank Field - SMG.

<b>Revenue:</b>	<b>FY 2013/2014 Approved</b>	<b>FY 2014/2015 Proposed</b>	<b>Dollar Change</b>	<b>Percent Change</b>
<i>NON-DEPARTMENTAL / FUND LEVEL ACTIVITIES</i>				
Miscellaneous Revenue	\$ -	\$ -	\$ -	-
Transfers From Other Funds	\$ 3,941,233	\$ 5,212,821	\$ 1,271,588	32%
Subtotal	\$ 3,941,233	\$ 5,212,821	\$ 1,271,588	32%
<i>OFFICE OF SPORTS &amp; ENTERTAINMENT</i>				
Charges for Services	\$ 1,813,167	\$ 2,991,381	\$ 1,178,214	65%
Miscellaneous Revenue	\$ 1,470,692	\$ 1,866,971	\$ 396,279	27%
Subtotal	\$ 3,283,859	\$ 4,858,352	\$ 1,574,493	48%
<b>Total Revenue</b>	<b>\$ 7,225,092</b>	<b>\$ 10,071,173</b>	<b>\$ 2,846,081</b>	<b>39%</b>
<b>Expenditures:</b>				
<i>OFFICE OF SPORTS &amp; ENTERTAINMENT</i>				
Salaries	\$ 1,298,420	\$ 1,376,741	\$ 78,321	6%
Employer Provided Benefits	\$ 431,992	\$ 493,125	\$ 61,133	14%
Other Operating Expenses	\$ 5,494,680	\$ 8,201,307	\$ 2,706,627	49%
Subtotal	\$ 7,225,092	\$ 10,071,173	\$ 2,846,081	39%
<b>Total Expenditures</b>	<b>\$ 7,225,092</b>	<b>\$ 10,071,173</b>	<b>\$ 2,846,081</b>	<b>39%</b>

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
OFFICE OF SPORTS AND ENTERTAINMENT  
EVERBANK FIELD – SMG (4A2)**

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**PROPOSED BUDGET BOOK – Page #233-235  
ON SCREEN – Page #241-243**

**REVENUE:**

*Non-Departmental/Fund Level Activities:*

Transfers from Other Funds:

1. The transfer of \$5,212,821 includes:
  - \$3,506,160 from Everbank Field – City (4A1)
  - \$1,706,661 from the Memorial Arena – SMG (4B2) which cannot be done and will be addressed in the Memorial Arena – SMG handout.

*Office of Sports and Entertainment:*

2. Charges for Services:
  - The increase of \$1,178,214 is due to an increase of \$228,884 in Parking Fees, an increase of \$320,000 in Incentive Fees and an increase of \$629,330 in Contractual Services Revenue, which is all attributable to the Country Music Fest.
3. Miscellaneous Revenue:
  - The increase of \$369,279 is primarily due to an increase of \$248,917 in Rental of City Facilities and an increase of \$197,730 in Concession Sales, which is related to the Country Music Fest.

**EXPENDITURES:**

*Office of Sports and Entertainment:*

4. Salaries:
  - The increase of \$78,321 in Salaries is due to a reorganization of employees which changes the salary allocation for each venue and the filling of vacant positions.
5. Employer Provided Benefits:
  - The increase of \$61,133 is primarily due to the impact of the Affordable Care Act and the filling of vacant positions.
6. Other Operating Expenses:
  - The increase of \$2,706,627 is primarily due to:
    - An increase of \$33,370 in Professional Services for a contractual increase in security services, legal expenses related to upcoming union negotiations and a class action lawsuit constituting several JFRD employees.
    - An increase of \$2,175,730 in Contractual Services Expense for the Country Music Fest and the stadium improvements.
    - An increase of \$53,000 for Telephone and Data Lines due to the promoters' need for increased bandwidth along with Wi-Fi for Everbank Field.



**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
OFFICE OF SPORTS AND ENTERTAINMENT  
EVERBANK FIELD – SMG (4A2)**

**PROPOSED BUDGET BOOK – Page #233-235  
ON SCREEN – Page #241-243**

- An increase of \$25,000 for Equipment Rentals which is in line with current year expenses.
- An increase of \$397,400 in Repairs and Maintenance for the North End Zone and Scoreboards improvements.
- Game Day Expenses are included within the Contractual Services Expense of \$5,381,930. For fiscal year 2014/2015 the November 9<sup>th</sup> “home” game will be played in London. Below is a summary of Game Day Expenses:

	<b>2013/2014 Approved</b>	<b>2014/2015 Proposed</b>	<b>Dollar Change</b>	<b>Percent Change</b>
Game Day Budget per Game	\$ 206,250	\$ 246,896	\$ 40,646	16%
# of games budgeted	9	9	\$ -	0%
	\$ 1,856,250	\$ 2,222,068	\$ 365,818	16%
24 hour turnaround	-	-	\$ -	N/A
Holiday Game Cost	-	-	\$ -	N/A
Total Game Day Expenses	\$ 1,856,250	\$ 2,222,068	\$ 365,818	16%

- The increase in the Game Day Expense is due to a needed increase in staffing for the new stadium improvements.

**ADDITIONAL OPERATING COSTS FOR STADIUM IMPROVEMENTS:**

<b>Improvement</b>	<b>Utilities</b>	<b>Repairs and Maintenance</b>	<b>Increased Game Day Costs</b>	<b>Total</b>
Video Boards	\$ 500,000	\$ 117,000	\$ 209,000	\$ 826,000
Elevators	\$ 24,000	\$ 23,000	\$ -	\$ 47,000
North End Zone Deck	\$ 150,000	\$ 145,000	\$ 77,000	\$ 372,000
				<b>\$1,245,000</b>
SAFE/Game Day Staffing				\$ 132,000
<b>Total Costs</b>				<b>\$1,377,000</b>

**EMPLOYEE CAP CHANGES:**

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

**RECOMMENDATIONS:**

None.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
OFFICE OF SPORTS AND ENTERTAINMENT  
EVERBANK FIELD – DEBT SERVICE (S/F 4A6)**

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**PROPOSED BUDGET BOOK – Page #73-74  
ON SCREEN – Page #81-82**

**BACKGROUND:**

SMG has been retained by the City to manage six public facilities which include Everbank Field, the Memorial Arena, Jacksonville Baseball Stadium, Times Union Center for the Performing Arts, Prime Osborn Convention Center, and the Ritz Theatre. The Office of Sports and Entertainment created by Ordinance 2014-289-E, is the contract manager of the SMG contract. The term of the current contract between SMG and the City is January 1, 2013 through February 29, 2016. This sub-fund is for debt service specifically pertaining to Everbank Field.

**REVENUE:**

*Non-Departmental/Fund Level Activities:*

1. Miscellaneous Revenue:
  - The budgeted amount of \$110,064 is the projected Investment Pool Earnings for fiscal year 2014/2015.
2. Transfer In to Pay Debt Service:
  - The transfer of \$13,562,182 includes:
    - \$10,151,124 from the Everbank Field – City sub-fund (4A1)
    - \$3,411,058 from Sports Complex Capital Maintenance sub-fund (4G1)

**EXPENDITURES:**

*Non-Departmental/Fund Level Activities:*

1. Fiscal and Other Debt Fees:
  - The debt service payments include both principal and interest costs, which are based on a repayment schedule that was established at the time the bonds were issued. Below are the payments for fiscal year 2014/2015.

Account Title	Principal	Interest	Total
2012 Capital Improvement Revenue Refunding Bonds	\$ 5,040,000	\$ 5,193,050	\$ 10,233,050
Proposed 2014 Stadium Improvements - 30 Year (North End Zone & Scoreboards)	\$ 440,000	\$ 1,105,383	\$ 1,545,383
Proposed 2014 Stadium Improvements - 15 Year (North End Zone & Scoreboards)	\$ 1,130,000	\$ 602,557	\$ 1,732,557
Proposed 2014 Stadium Improvements - 10 Year (Wi-Fi)	\$ 120,000	\$ 40,346	\$ 160,346
Total	\$ 6,730,000	\$ 6,941,336	\$ 13,671,336

- Fiscal agent fees are budgeted at \$900.

**EMPLOYEE CAP CHANGES:**

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

**RECOMMENDATIONS:**

None.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
OFFICE OF SPORTS AND ENTERTAINMENT  
MEMORIAL ARENA – CITY (4B1)**

**PROPOSED BUDGET BOOK – Page #236-238  
ON SCREEN – Page #244-246**

**BACKGROUND:**

SMG has been retained by the City to manage six public facilities which include Everbank Field, the Memorial Arena, Jacksonville Baseball Stadium, Times Union Center for the Performing Arts, Prime Osborn Convention Center, and the Ritz Theatre and Museum. The term of the current contract between SMG and City is January 1, 2013 through February 29, 2016. In accordance with Ordinance 2014-289-E the reorganization of the Office of Economic Development, which moves contract oversight to the Office of Sports and Entertainment, is effective October 1, 2014.

Below is a comparison of the fiscal year 2013/2014 Approved Budget to the 2014/2015 Proposed Budget for Memorial Arena - City.

<b>Revenue:</b>	<b>FY 2013/2014 Approved</b>	<b>FY 2014/2015 Proposed</b>	<b>Dollar Change</b>	<b>Percent Change</b>
<i>NON-DEPARTMENTAL / FUND LEVEL ACTIVITIES</i>				
Miscellaneous Revenue	\$ 18,806	\$ 18,806	\$ -	0%
Transfers From Other Funds	\$ 1,359,315	\$ 1,609,106	\$ 249,791	18%
Subtotal	\$ 1,378,121	\$ 1,627,912	\$ 249,791	18%
<i>OFFICE OF SPORTS &amp; ENTERTAINMENT</i>				
Charges for Services	\$ 350,000	\$ 350,000	\$ -	0%
Subtotal	\$ 350,000	\$ 350,000	\$ -	0%
<b>Total Revenue</b>	<b>\$ 1,728,121</b>	<b>\$ 1,977,912</b>	<b>\$ 249,791</b>	<b>14%</b>
<b>Expenditures:</b>				
<i>OFFICE OF SPORTS &amp; ENTERTAINMENT</i>				
Internal Service Charges	\$ 56,434	\$ 46,837	\$ (9,597)	-17%
Internal Services - IT Operations	\$ 88,490	\$ 37,198	\$ (51,292)	-58%
Other Operating Expenses	\$ 1,533,197	\$ 1,843,877	\$ 310,680	20%
Capital Outlay	\$ 50,000	\$ 50,000	\$ -	0%
Subtotal	\$ 1,728,121	\$ 1,977,912	\$ 249,791	14%
<b>Total Expenditures</b>	<b>\$ 1,728,121</b>	<b>\$ 1,977,912</b>	<b>\$ 249,791</b>	<b>14%</b>

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
OFFICE OF SPORTS AND ENTERTAINMENT  
MEMORIAL ARENA – CITY (4B1)**

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**PROPOSED BUDGET BOOK – Page #236-238  
ON SCREEN – Page #244-246**

**REVENUE:**

*Non-Departmental/Fund Level Activities:*

1. Miscellaneous Revenue:
  - This includes the revenue for Investment Pool Earnings. The proposed budgeted amount of \$18,806 is under budgeted based on current year collections and the average cash balance of the fund. The recommended budgeted amount should be \$28,580 and will be discussed further in recommendation #1 below.
2. Transfers from Other Funds:
  - The transfer of \$1,609,106 is from the General Fund/General Service District (S/F 011).

*Office of Sports and Entertainment:*

3. Charges for Services:
  - This includes the Facility fee and there is no change in the budgeted amount, which is based on current year collections.

**EXPENDITURES:**

*Office of Sports and Entertainment:*

4. Internal Service Charges:
  - The decrease of \$9,597 is primarily due to decreases of \$1,307 in Tech Refresh and Pay-Go, \$2,077 in Fleet Parts, Oil and Gas and \$4,882 in Utilities Allocation.
5. Internal Services – IT Operations:
  - The change in Information Technology costs is a result of the newly implemented Customer Billing Model.
6. Other Operating Expenses:
  - The increase of \$310,680 is primarily due to:
    - An increase of \$49,428 for Electricity based on current year usage.
    - An increase of \$102,540 for Chilled Water.
    - An increase of \$153,502 for Miscellaneous Insurance due to updated valuations.
7. Capital Outlay:
  - The \$50,000 consists of:
    - Event Equipment \$5,000
    - House Keeping Equipment \$5,000
    - Operations Equipment \$30,000
    - Technical Equipment \$10,000

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
OFFICE OF SPORTS AND ENTERTAINMENT  
MEMORIAL ARENA – CITY (4B1)**

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**PROPOSED BUDGET BOOK – Page #236-238  
ON SCREEN – Page #244-246**

**EMPLOYEE CAP CHANGES:**

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

**RECOMMENDATIONS:**

1. We recommend that Investment Pool Earnings revenue be increased from \$18,806 to \$28,580. This will reduce the General Fund/General Service District (S/F 011) Contribution by \$9,774 and will have a positive impact to Special Council Contingency.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
OFFICE OF SPORTS AND ENTERTAINMENT  
MEMORIAL ARENA – SMG (4B2)**

**PROPOSED BUDGET BOOK – Page #239-241  
ON SCREEN – Page #247-249**

**BACKGROUND:**

SMG has been retained by the City to manage six public facilities which include Everbank Field, the Memorial Arena, Jacksonville Baseball Stadium, Times Union Center for the Performing Arts, Prime Osborn Convention Center, and the Ritz Theatre and Museum. The term of the current contract between SMG and City is January 1, 2013 through February 29, 2016. In accordance with Ordinance 2014-289-E the reorganization of the Office of Economic Development, which moves contract oversight to the Office of Sports and Entertainment, is effective October 1, 2014.

Below is a comparison of the fiscal year 2013/2014 Approved Budget to the 2014/2015 Proposed Budget for Memorial Arena - SMG.

<b>Revenue:</b>	<b>FY 2013/2014 Approved</b>	<b>FY 2014/2015 Proposed</b>	<b>Dollar Change</b>	<b>Percent Change</b>
<i>OFFICE OF SPORTS &amp; ENTERTAINMENT</i>				
Charges for Services	\$ 4,962,003	\$ 5,208,200	\$ 246,197	5%
Miscellaneous Revenue	\$ 2,893,483	\$ 3,006,507	\$ 113,024	4%
Subtotal	\$ 7,855,486	\$ 8,214,707	\$ 359,221	5%
<b>Total Revenue</b>	<b>\$ 7,855,486</b>	<b>\$ 8,214,707</b>	<b>\$ 359,221</b>	<b>5%</b>
<b>Expenditures:</b>				
<i>NON-DEPARTMENTAL / FUND LEVEL ACTIVITIES</i>				
Transfers to Other Funds	\$ 2,174,464	\$ 1,706,661	\$ (467,803)	-22%
Subtotal	\$ 2,174,464	\$ 1,706,661	\$ (467,803)	-22%
<i>OFFICE OF SPORTS &amp; ENTERTAINMENT</i>				
Salaries	\$ 1,229,138	\$ 1,273,786	\$ 44,648	4%
Employer Provided Benefits	\$ 314,477	\$ 367,270	\$ 52,793	17%
Other Operating Expenses	\$ 4,137,407	\$ 4,866,990	\$ 729,583	18%
Subtotal	\$ 5,681,022	\$ 6,508,046	\$ 827,024	15%
<b>Total Expenditures</b>	<b>\$ 7,855,486</b>	<b>\$ 8,214,707</b>	<b>\$ 359,221</b>	<b>5%</b>

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
OFFICE OF SPORTS AND ENTERTAINMENT  
MEMORIAL ARENA – SMG (4B2)**

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**PROPOSED BUDGET BOOK – Page #239-241  
ON SCREEN – Page #247-249**

**REVENUES:**

*Office of Sports and Entertainment:*

1. Charges for Services:

- The increase of \$246,197 is due to:
  - An increase of \$55,676 in Parking Fees is due to the preliminary rounds of the NCAA Basketball championship being held at the Arena.
  - An increase of \$25,000 for Incentive Fees due to more concerts budgeted for fiscal year 2014/2015.
  - An increase of \$165,521 in Contractual Services Revenue due to the preliminary rounds of the NCAA Basketball championship being held at the Arena.

2. Miscellaneous Revenue:

- The increase of \$113,024 is primarily due to:
  - An increase of \$153,000 in Rental of City Facilities attributable to the NCAA Basketball Championship games.
  - A decrease of \$65,000 in Advertising Fee based on current year collections.

**EXPENDITURES:**

*Non-Departmental/Fund Level Activities:*

3. Transfers to Other Funds:

- This is a transfer to Everbank Field – SMG (4A2). As directed by the Accounting Division no SMG side sub-funds should subsidize other SMG side sub-funds. Therefore we will recommend that this transfer be made to Memorial Arena – City (4B1) as further discussed in recommendation #1 below.

*Office of Sports and Entertainment:*

4. Salaries:

- The increase of \$44,648 is due to a reorganization of employees which changes the salary allocation for each of the venues and the filling of vacant positions.

5. Employer Provided Benefits:

- The increase of \$52,793 is primarily due to the impact of the Affordable Care Act and the filling of vacant positions.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
OFFICE OF SPORTS AND ENTERTAINMENT  
MEMORIAL ARENA – SMG (4B2)**

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**PROPOSED BUDGET BOOK – Page #239-241  
ON SCREEN – Page #247-249**

6. Other Operating Expenses:

- The increase of \$729,583 is primarily due to:
  - An increase of \$598,028 due to the NCAA Basketball championship games and more concerts budgeted.
  - An increase of \$30,000 in Other Utilities which is for heating fuel and the increase is based on current year usage.
  - An increase of \$49,000 for Event Contribution. This expense is the amounts rebated to promoters for suite usage and trade signage contracts. The increase is due to the renegotiated Sharks lease and trade signage expense.

**EMPLOYEE CAP CHANGES:**

There are no City employees associated with this sub-fund

**RECOMMENDATIONS:**

1. We recommend that the transfer to Everbank Field – SMG (4A2) in the amount of \$1,706,661 be removed and transfer these funds to Memorial Arena – City (4B1) as directed by the Accounting Division and keep it within the same fund. Removing the transfer will have the following impacts:
  - a. This will remove the General Fund/General Service District (S/F 011) contribution to Memorial Arena – City (4B1) in the amount of \$1,599,332 to illustrate that this sub-fund is self-sustaining. (There was a recommendation on the Memorial Arena – City (4B1) handout which reduced the General Fund/General Service District (S/F 011) contribution in the amount of \$1,609,106 by \$9,774.)
  - b. This will increase the General Fund/General Service District (S/F011) contribution to Everbank Field – City (4A1) by a net amount of \$1,599,332.
  - c. This will also increase the transfer from Everbank Field – City (4A1) to Everbank Field – SMG (4A2) by \$1,706,661.
  - d. There will be a surplus in the amount of \$107,329 created in Memorial Arena – City (4B1) which then can be transferred to Everbank Field – City (4A1) to help subsidize Everbank Field – SMG (4A2) without increasing the General Fund/General Service District (S/F 011) contribution.

This will have no impact to Special Council Contingency.



**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
OFFICE OF SPORTS AND ENTERTAINMENT  
MEMORIAL ARENA – DEBT SERVICE (S/F 4B6)**

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**PROPOSED BUDGET BOOK – Page #75-76  
ON SCREEN – Page #83-84**

**BACKGROUND:**

SMG has been retained by the City to manage six public facilities which include Everbank Field, the Memorial Arena, Jacksonville Baseball Stadium, Times Union Center for the Performing Arts, Prime Osborn Convention Center, and the Ritz Theatre. The Office of Sports and Entertainment created by Ordinance 2014-289-E, is the contract manager of the SMG contract. The term of the current contract between SMG and the City is January 1, 2013 through February 29, 2016. This sub-fund is for debt service specifically pertaining to the Memorial Arena.

**REVENUE:**

*Non-Departmental/Fund Level Activities:*

1. Miscellaneous Revenue:
  - The budgeted amount of \$36,465 is the projected Investment Pool Earning for fiscal year 2014/2015.
2. Transfer In to Pay Debt Service:
  - The transfer of \$4,493,370 is from the Better Jacksonville Trust Fund (1I1) to pay Debt Service.

**EXPENDITURES:**

*Non-Departmental/Fund Level Activities:*

1. Fiscal and Other Debt Fees:
  - The debt service payment only includes interest. Below are the payments for fiscal year 2014/2015. Principal payments will begin in fiscal year 2023/2024.

Account Title	Principal	Interest
2012 Better Jacksonville Sales Tax Revenue Refunding Bonds	\$ -	\$ 1,611,335
2012A Better Jacksonville Sales Tax Revenue Refunding Bonds	\$ -	\$ 2,918,500
Total	\$ -	\$ 4,529,835

**EMPLOYEE CAP CHANGES:**

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

**RECOMMENDATIONS:**

None.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
OFFICE OF SPORTS AND ENTERTAINMENT  
BASEBALL STADIUM – CITY (4C1)**

**PROPOSED BUDGET BOOK – Page #242-244  
ON SCREEN – Page #250-252**

**BACKGROUND:**

SMG has been retained by the City to manage six public facilities which include Everbank Field, the Memorial Arena, Jacksonville Baseball Stadium, Times Union Center for the Performing Arts, Prime Osborn Convention Center, and the Ritz Theatre and Museum. The term of the current contract between SMG and City is January 1, 2013 through February 29, 2016. In accordance with Ordinance 2014-289-E the reorganization of the Office of Economic Development, which moves contract oversight to the Office of Sports and Entertainment, is effective October 1, 2014.

Below is a comparison of the fiscal year 2013/2014 Approved Budget to the 2014/2015 Proposed Budget for Baseball Stadium - City.

<b>Revenue:</b>	<b>FY 2013/2014 Approved</b>	<b>FY 2014/2015 Proposed</b>	<b>Dollar Change</b>	<b>Percent Change</b>
<i>NON-DEPARTMENTAL / FUND LEVEL ACTIVITIES</i>				
Miscellaneous Revenue	\$ 4,680	\$ 4,680	\$ -	0%
Transfers From Other Funds	\$ 281,316	\$ 751,080	\$ 469,764	167%
Subtotal	\$ 285,996	\$ 755,760	\$ 469,764	164%
<i>OFFICE OF SPORTS &amp; ENTERTAINMENT</i>				
Charges for Services	\$ 80,000	\$ 70,000	\$ (10,000)	-13%
Miscellaneous Revenue	\$ 110,000	\$ 110,000	\$ -	0%
Subtotal	\$ 190,000	\$ 180,000	\$ (10,000)	-5%
<b>Total Revenue</b>	<b>\$ 475,996</b>	<b>\$ 935,760</b>	<b>\$ 459,764</b>	<b>97%</b>
<b>Expenditures:</b>				
<i>NON-DEPARTMENTAL / FUND LEVEL ACTIVITIES</i>				
Transfers to Other Funds	\$ -	\$ 441,825	\$ 441,825	-
Subtotal	\$ -	\$ 441,825	\$ 441,825	-
<i>OFFICE OF SPORTS &amp; ENTERTAINMENT</i>				
Internal Service Charges	\$ 593	\$ 94	\$ (499)	-84%
Internal Services - IT Operations	\$ 3,360	\$ -	\$ (3,360)	-100%
Other Operating Expenses	\$ 427,042	\$ 458,840	\$ 31,798	7%
Capital Outlay	\$ 45,001	\$ 35,001	\$ (10,000)	-22%
Subtotal	\$ 475,996	\$ 493,935	\$ 17,939	4%
<b>Total Expenditures</b>	<b>\$ 475,996</b>	<b>\$ 935,760</b>	<b>\$ 459,764</b>	<b>97%</b>

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
OFFICE OF SPORTS AND ENTERTAINMENT  
BASEBALL STADIUM – CITY (4C1)**

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**PROPOSED BUDGET BOOK – Page #242-244  
ON SCREEN – Page #250-252**

**REVENUES:**

*Non-Departmental/Fund Level Activities:*

1. Miscellaneous Revenue:
  - This includes the revenue for Investment Pool Earnings with a proposed budget amount of \$4,680.
2. Transfers from Other Funds:
  - The transfer of \$751,080 is from the General Fund/General Service District (S/F 011).

*Office of Sports and Entertainment:*

3. Charges for Services:
  - There is a decrease of \$10,000 in Facility Fees based on current year collections.
4. Miscellaneous Revenue:
  - The Baseball Jax, Inc. rental payment budgeted for fiscal year 2014/2015 is \$110,000.

**EXPENDITURES:**

*Non-Departmental/Fund Level Activities:*

5. Transfers to Other Funds:
  - The transfer of \$441,825 is to the Baseball Stadium – SMG (4C2).

*Office of Sports and Entertainment:*

6. Other Operating Expenses:
  - The increase of \$31,798 is primarily due to an increase of \$24,981 in Electricity, \$3,000 for Water and \$3,213 for Chilled Water based on current usage.
7. Capital Outlay:
  - The \$35,000 consists of:
    - Audio/Visual Equipment \$5,000
    - Event Equipment \$5,000
    - Housekeeping Equipment \$5,000
    - Operations Equipment \$20,000

**EMPLOYEE CAP CHANGES:**

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

**RECOMMENDATIONS:**

None.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
OFFICE OF SPORTS AND ENTERTAINMENT  
BASEBALL STADIUM – CITY (4C1)**

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**PROPOSED BUDGET BOOK – Page #242-244  
ON SCREEN – Page #250-252**

**NOTE:**

Within the 2014/2015 Proposed Budget there are budgeted amounts of \$700,000 in the Office of Sports and Entertainment to convert the baseball field into a soccer pitch and \$300,000 in the Capital Improvement Program for stadium upgrades for the Armada soccer club. Currently, the contract is still in negotiations and there are no anticipated impacts to the SMG budget.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
OFFICE OF SPORTS AND ENTERTAINMENT  
BASEBALL STADIUM – SMG (4C2)**

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**PROPOSED BUDGET BOOK – Page #245-247  
ON SCREEN – Page #253-255**

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**BACKGROUND:**

SMG has been retained by the City to manage six public facilities which include Everbank Field, the Memorial Arena, Jacksonville Baseball Stadium, Times Union Center for the Performing Arts, Prime Osborn Convention Center, and the Ritz Theatre and Museum. The term of the current contract between SMG and City is January 1, 2013 through February 29, 2016. In accordance with Ordinance 2014-289-E the reorganization of the Office of Economic Development, which moves contract oversight to the Office of Sports and Entertainment, is effective October 1, 2014.

Below is a comparison of the fiscal year 2013/2014 Approved Budget to the 2014/2015 Proposed Budget for Baseball Stadium - SMG.

<b>Revenue:</b>	<b>FY 2013/2014 Approved</b>	<b>FY 2014/2015 Proposed</b>	<b>Dollar Change</b>	<b>Percent Change</b>
<i>NON-DEPARTMENTAL / FUND LEVEL ACTIVITIES</i>				
Transfers From Other Funds	\$ 369,284	\$ 441,825	\$ 72,541	20%
Subtotal	\$ 369,284	\$ 441,825	\$ 72,541	20%
<i>OFFICE OF SPORTS &amp; ENTERTAINMENT</i>				
Charges for Services	\$ 316,995	\$ 326,495	\$ 9,500	3%
Miscellaneous Revenue	\$ 60,295	\$ 62,574	\$ 2,279	4%
Subtotal	\$ 377,290	\$ 389,069	\$ 11,779	3%
<b>Total Revenue</b>	<b>\$ 746,574</b>	<b>\$ 830,894</b>	<b>\$ 84,320</b>	<b>11%</b>
<b>Expenditures:</b>				
<i>OFFICE OF SPORTS &amp; ENTERTAINMENT</i>				
Salaries	\$ 259,494	\$ 276,326	\$ 16,832	6%
Employer Provided Benefits	\$ 67,306	\$ 81,705	\$ 14,399	21%
Other Operating Expenses	\$ 419,774	\$ 472,863	\$ 53,089	13%
Subtotal	\$ 746,574	\$ 830,894	\$ 84,320	11%
<b>Total Expenditures</b>	<b>\$ 746,574</b>	<b>\$ 830,894</b>	<b>\$ 84,320</b>	<b>11%</b>

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
OFFICE OF SPORTS AND ENTERTAINMENT  
BASEBALL STADIUM – SMG (4C2)**

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**PROPOSED BUDGET BOOK – Page #245-247  
ON SCREEN – Page #253-255**

**REVENUES:**

*Non-Departmental/Fund Level Activities:*

1. Transfers from Other Funds:
  - The transfer of \$441,825 is from Baseball Stadium – City (4C1).

*Office of Sports and Entertainment:*

2. Charges for Services:
  - The increase of \$9,500 is due to:
    - An increase of \$4,850 in Parking Fees.
    - An increase of \$2,510 in Contractual Services Revenue.
3. Miscellaneous Revenue:
  - The increase of \$2,279 is primarily due to:
    - An increase of \$2,199 in Rental of City Facilities.
    - A decrease of \$3,545 in Concession Sales.
    - An increase of \$3,700 in Advertising Fee based on current year collections.

**EXPENDITURES:**

*Office of Sports and Entertainment:*

4. Salaries:
  - The increase of \$16,832 is due to a reorganization of employees which changes the salary allocation for each of the venues and the filling of vacant positions.
5. Employer Provided Benefits:
  - The increase of \$14,399 is primarily due to the impact of the Affordable Care Act and filling of vacant positions.
6. Other Operating Expenses:
  - The increase of \$53,089 is primarily due to:
    - An increase of \$29,500 for Telephone and Data Lines for increased bandwidth for promoters.
    - An increase of \$19,360 for SMG Insurance expense due to rate increases.

**EMPLOYEE CAP CHANGES:**

There are no City employees associated with this sub-fund

**RECOMMENDATIONS:**

None.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
OFFICE OF SPORTS AND ENTERTAINMENT  
BASEBALL STADIUM – DEBT (4C6)**

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**PROPOSED BUDGET BOOK – Page #77-78  
ON SCREEN – Page #85-86**

**BACKGROUND:**

SMG has been retained by the City to manage six public facilities which include Everbank Field, the Memorial Arena, Jacksonville Baseball Stadium, Times Union Center for the Performing Arts, Prime Osborn Convention Center, and the Ritz Theatre. The Office of Sports and Entertainment created by Ordinance 2014-289-E, is the contract manager of the SMG contract. The term of the current contract between SMG and the City is January 1, 2013 through February 29, 2016. This sub-fund is for debt service specifically pertaining to the Baseball Stadium.

**REVENUE:**

*Non-Departmental/Fund Level Activities:*

1. Miscellaneous Revenue:
  - The budgeted amount of \$9,634 is the project Investment Pool Earnings for fiscal year 2014/2015.
2. Transfer In to Pay Debt Service:
  - The transfer of \$1,187,105 is from the Better Jacksonville Trust Fund (1I1) to pay Debt Service.

**EXPENDITURES:**

*Non-Departmental/Fund Level Activities:*

1. Fiscal and Other Debt Fees:
  - The debt service payment only includes interest. Below are the payments for fiscal year 2014/2015. There is a small \$10,000 principal payment in fiscal year 2022/2023 and then the rest of the principal payments will begin in fiscal year 2024/2025.

Account Title	Principal	Interest
2012 Better Jacksonville Sales Tax Revenue Refunding Bonds	\$ -	\$ 425,489
2012A Better Jacksonville Sales Tax Revenue Refunding Bonds	\$ -	\$ 771,250
Total	\$ -	\$ 1,196,739

**EMPLOYEE CAP CHANGES:**

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

**RECOMMENDATIONS:**

None.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
OFFICE OF SPORTS AND ENTERTAINMENT  
TIMES UNION PERFORMING ARTS CENTER – CITY (4D1)**

**PROPOSED BUDGET BOOK – Page #248-250  
ON SCREEN – Page #256-258**

**BACKGROUND:**

SMG has been retained by the City to manage six public facilities which include Everbank Field, the Memorial Arena, Jacksonville Baseball Stadium, Times Union Center for the Performing Arts, Prime Osborn Convention Center, and the Ritz Theatre and Museum. The term of the current contract between SMG and City is January 1, 2013 through February 29, 2016. In accordance with Ordinance 2014-289-E the reorganization of the Office of Economic Development, which moves contract oversight to the Office of Sports and Entertainment, is effective October 1, 2014.

Below is a comparison of the fiscal year 2013/2014 Approved Budget to the 2014/2015 Proposed Budget for the Times Union Performing Arts Center - City.

<b>Revenue:</b>	<b>FY 2013/2014 Approved</b>	<b>FY 2014/2015 Proposed</b>	<b>Dollar Change</b>	<b>Percent Change</b>
<i>NON-DEPARTMENTAL / FUND LEVEL ACTIVITIES</i>				
Transfers From Other Funds	\$ 570,125	\$ 772,808	\$ 202,683	36%
Subtotal	\$ 570,125	\$ 772,808	\$ 202,683	36%
<i>OFFICE OF SPORTS &amp; ENTERTAINMENT</i>				
Charges for Services	\$ 230,000	\$ 150,000	\$ (80,000)	-35%
Subtotal	\$ 230,000	\$ 150,000	\$ (80,000)	-35%
<b>Total Revenue</b>	<b>\$ 800,125</b>	<b>\$ 922,808</b>	<b>\$ 122,683</b>	<b>15%</b>
<b>Expenditures:</b>				
<i>NON-DEPARTMENTAL / FUND LEVEL ACTIVITIES</i>				
Debt Service	\$ 44,392	\$ 149,133	\$ 104,741	236%
Transfers to Other Funds	\$ -	\$ 156,459	\$ 156,459	-
Subtotal	\$ 44,392	\$ 305,592	\$ 261,200	588%
<i>OFFICE OF SPORTS &amp; ENTERTAINMENT</i>				
Internal Service Charges	\$ 25,631	\$ 18,979	\$ (6,652)	-26%
Internal Services - IT Operations	\$ 36,964	\$ 4,602	\$ (32,362)	-88%
Other Operating Expenses	\$ 663,137	\$ 563,634	\$ (99,503)	-15%
Capital Outlay	\$ 30,001	\$ 30,001	\$ -	0%
Subtotal	\$ 755,733	\$ 617,216	\$ (138,517)	-18%
<b>Total Expenditures</b>	<b>\$ 800,125</b>	<b>\$ 922,808</b>	<b>\$ 122,683</b>	<b>15%</b>



**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
OFFICE OF SPORTS AND ENTERTAINMENT  
TIMES UNION PERFORMING ARTS CENTER – CITY (4D1)**

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**PROPOSED BUDGET BOOK – Page #248-250  
ON SCREEN – Page #256-258**

**REVENUES:**

*Non-Departmental/Fund Level Activities:*

1. Transfers from Other Funds:
  - The transfer of \$772,808 is from the General Fund/General Service District (S/F 011).

*Office of Sports and Entertainment:*

2. Charges for Services:
  - The decrease of \$80,000 is due to a decrease in Facility Fees which is in line with current year collections.

**EXPENDITURES:**

*Non-Departmental/Fund Level Activities:*

3. Debt Service:
  - The \$149,133 reflects this venue's debt expense that will be transferred to Performing Arts Center - Debt Service sub-fund (4D6).
4. Transfers to Other Funds:
  - The transfer of \$156,459 is to Performing Arts Center – SMG (4C2).

*Office of Sports and Entertainment:*

5. Internal Service Charges:
  - The decrease of \$6,652 is primarily due to a decrease of \$3,690 in Fleet Parts, Oil, and Gas and a decrease of \$3,426 in the Building Maintenance Allocation.
6. Internal Services – IT Operations:
  - The change in Information Technology costs is a result of the newly implemented Customer Billing Model.
7. Other Operating Expenses:
  - The decrease of \$99,503 is primarily due to a decrease of \$108,504 in Miscellaneous Insurance expense based on the updated valuations.
8. Capital Outlay:
  - The \$30,000 includes:
    - Event Equipment \$5,000
    - Housekeeping Equipment \$5,000
    - Operations Equipment \$10,000
    - Technical Equipment \$10,000

**EMPLOYEE CAP CHANGES:**

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
OFFICE OF SPORTS AND ENTERTAINMENT  
TIMES UNION PERFORMING ARTS CENTER – CITY (4D1)**

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**PROPOSED BUDGET BOOK – Page #248-250  
ON SCREEN – Page #256-258**

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

**RECOMMENDATIONS:**

None.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
OFFICE OF SPORTS AND ENTERTAINMENT  
TIMES UNION PERFORMING ARTS CENTER – SMG (4D2)**

**PROPOSED BUDGET BOOK – Page #251-252  
ON SCREEN – Page #259-260**

**BACKGROUND:**

SMG has been retained by the City to manage six public facilities which include Everbank Field, the Memorial Arena, Jacksonville Baseball Stadium, Times Union Center for the Performing Arts, Prime Osborn Convention Center, and the Ritz Theatre and Museum. The term of the current contract between SMG and City is January 1, 2013 through February 29, 2016. In accordance with Ordinance 2014-289-E the reorganization of the Office of Economic Development, which moves contract oversight to the Office of Sports and Entertainment, is effective October 1, 2014.

Below is a comparison of the fiscal year 2013/2014 Approved Budget to the 2014/2015 Proposed Budget for the Times Union Performing Arts Center - SMG.

<b>Revenue:</b>	<b>FY 2013/2014 Approved</b>	<b>FY 2014/2015 Proposed</b>	<b>Dollar Change</b>	<b>Percent Change</b>
<i>NON-DEPARTMENTAL / FUND LEVEL ACTIVITIES</i>				
Transfers From Other Funds	\$ -	\$ 156,459	\$ 156,459	-
Subtotal	\$ -	\$ 156,459	\$ 156,459	-
<i>OFFICE OF SPORTS &amp; ENTERTAINMENT</i>				
Charges for Services	\$ 1,803,686	\$ 1,731,401	\$ (72,285)	-4%
Miscellaneous Revenue	\$ 724,170	\$ 708,682	\$ (15,488)	-2%
Subtotal	\$ 2,527,856	\$ 2,440,083	\$ (87,773)	-3%
<b>Total Revenue</b>	<b>\$ 2,527,856</b>	<b>\$ 2,596,542</b>	<b>\$ 68,686</b>	<b>3%</b>
<b>Expenditures:</b>				
<i>NON-DEPARTMENTAL / FUND LEVEL ACTIVITIES</i>				
Transfers to Other Funds	\$ 18,089	\$ -	\$ (18,089)	-100%
Subtotal	\$ 18,089	\$ -	\$ (18,089)	-100%
<i>OFFICE OF SPORTS &amp; ENTERTAINMENT</i>				
Salaries	\$ 597,793	\$ 619,321	\$ 21,528	4%
Employer Provided Benefits	\$ 165,812	\$ 182,420	\$ 16,608	10%
Other Operating Expenses	\$ 1,746,162	\$ 1,794,801	\$ 48,639	3%
Subtotal	\$ 2,509,767	\$ 2,596,542	\$ 86,775	3%
<b>Total Expenditures</b>	<b>\$ 2,527,856</b>	<b>\$ 2,596,542</b>	<b>\$ 68,686</b>	<b>3%</b>

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
OFFICE OF SPORTS AND ENTERTAINMENT  
TIMES UNION PERFORMING ARTS CENTER – SMG (4D2)**

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**PROPOSED BUDGET BOOK – Page #251-252  
ON SCREEN – Page #259-260**

**REVENUES:**

*Non-Departmental/Fund Level Activities:*

1. Transfers from Other Funds:
  - The transfer of \$156,459 is from Performing Arts Center – City (4D1).

*Office of Sports and Entertainment:*

2. Charges for Services:
  - The decrease of \$72,285 is due to a decrease in Contractual Services Revenue which is more in line with current year collections.
3. Miscellaneous Revenue:
  - The decrease of \$15,488 is primarily due to a decrease of \$27,237 in Rental of City Facilities which is in line with current year collections.

**EXPENDITURES:**

*Office of Sports and Entertainment:*

4. Salaries:
  - The increase of \$21,528 is due to a reorganization of employees which changes the salary allocation for each venue and the filling of vacant positions.
5. Employer Provided Benefits:
  - The increase of \$16,608 is due to the impact of the Affordable Care Act and the filling of vacant positions.
6. Other Operating Expenses:
  - The increase of \$48,639 is primarily due to:
    - An increase of \$14,731 for Contractual Services expense so that it is more in line with current year expenditures.
    - An increase of \$24,000 for Telephone and Data Lines due to promoters needing increased bandwidth.

**EMPLOYEE CAP CHANGES:**

There are no City employees associated with this sub-fund

**RECOMMENDATIONS:**

None.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
OFFICE OF SPORTS AND ENTERTAINMENT  
TIMES UNION PERFORMING ARTS CENTER – DEBT (4D6)**

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**PROPOSED BUDGET BOOK – Page #79-80  
ON SCREEN – Page #87-88**

**BACKGROUND:**

SMG has been retained by the City to manage six public facilities which include Everbank Field, the Memorial Arena, Jacksonville Baseball Stadium, Times Union Center for the Performing Arts, Prime Osborn Convention Center, and the Ritz Theatre. The Office of Sports and Entertainment created by Ordinance 2014-289-E, is the contract manager of the SMG contract. The term of the current contract between SMG and the City is January 1, 2013 through February 29, 2016. This sub-fund is for debt service specifically pertaining to the Times Union Performing Arts Center.

**REVENUE:**

*Non-Departmental/Fund Level Activities:*

1. Miscellaneous Revenue:
  - The budgeted amount of \$967 is the projected Investment Pool Earnings for fiscal year 2014/2015.
2. Transfer In to Pay Debt Service:
  - The transfer of \$149,133 is from Performing Arts Center – City (4D1).

**EXPENDITURES:**

*Non-Departmental/Fund Level Activities:*

1. Fiscal and Other Debt Fees:
  - The debt service payments include both principal and interest costs, below are the payments for fiscal year 2014/2015.

Account Title	Principal	Interest	Total
2012C Special Revenue Refunding Bonds	\$ 104,000	\$ 46,100	\$ 150,100

**EMPLOYEE CAP CHANGES:**

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

**RECOMMENDATIONS:**

None.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
OFFICE OF SPORTS AND ENTERTAINMENT  
PRIME OSBORN CONVENTION CENTER – CITY (4E1)**

**PROPOSED BUDGET BOOK – Page #253-254  
ON SCREEN – Page #261-262**

**BACKGROUND:**

SMG has been retained by the City to manage six public facilities which include Everbank Field, the Memorial Arena, Jacksonville Baseball Stadium, Times Union Center for the Performing Arts, Prime Osborn Convention Center, and the Ritz Theatre and Museum. The term of the current contract between SMG and City is January 1, 2013 through February 29, 2016. In accordance with Ordinance 2014-289-E the reorganization of the Office of Economic Development, which moves contract oversight to the Office of Sports and Entertainment, is effective October 1, 2014.

Below is a comparison of the fiscal year 2013/2014 Approved Budget to the 2014/2015 Proposed Budget for the Convention Center - City.

<b>Revenue:</b>	<b>FY 2013/2014 Approved</b>	<b>FY 2014/2015 Proposed</b>	<b>Dollar Change</b>	<b>Percent Change</b>
<i>NON-DEPARTMENTAL / FUND LEVEL ACTIVITIES</i>				
Miscellaneous Revenue	\$ 4,445	\$ 4,445	\$ -	0%
Transfers From Other Funds	\$ 945,152	\$ 1,095,570	\$ 150,418	16%
Subtotal	\$ 949,597	\$ 1,100,015	\$ 150,418	16%
<b>Total Revenue</b>	<b>\$ 949,597</b>	<b>\$ 1,100,015</b>	<b>\$ 150,418</b>	<b>16%</b>
<b>Expenditures:</b>				
<i>NON-DEPARTMENTAL / FUND LEVEL ACTIVITIES</i>				
Transfers to Other Funds	\$ 322,059	\$ 520,443	\$ 198,384	62%
Subtotal	\$ 322,059	\$ 520,443	\$ 198,384	62%
<i>OFFICE OF SPORTS &amp; ENTERTAINMENT</i>				
Internal Service Charges	\$ 23,070	\$ 8,408	\$ (14,662)	-64%
Internal Services - IT Operations	\$ 14,562	\$ 8,375	\$ (6,187)	-42%
Other Operating Expenses	\$ 539,905	\$ 512,788	\$ (27,117)	-5%
Capital Outlay	\$ 50,001	\$ 50,001	\$ -	0%
Subtotal	\$ 627,538	\$ 579,572	\$ (47,966)	-8%
<b>Total Expenditures</b>	<b>\$ 949,597</b>	<b>\$ 1,100,015</b>	<b>\$ 150,418</b>	<b>16%</b>

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
OFFICE OF SPORTS AND ENTERTAINMENT  
PRIME OSBORN CONVENTION CENTER – CITY (4E1)**

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**PROPOSED BUDGET BOOK – Page #253-254  
ON SCREEN – Page #261-262**

**REVENUE:**

*Non-Departmental/Fund Level Activities:*

1. Transfers from Other Funds:
  - The transfer of \$1,095,570 is from the General Fund/General Service District (S/F 011).

**EXPENDITURES:**

*Non-Departmental/Fund Level Activities:*

2. Transfers to Other Funds:
  - The transfer of \$520,443 is going to Convention Center – SMG (4E2).

*Office of Sports and Entertainment:*

3. Internal Service Charges:
  - The decrease of \$14,662 is primarily due to a decrease of \$16,164 for the Guard Service and ADT allocation since SMG has a security contract.
4. Internal Services – IT Operations:
  - The change in Information Technology costs is a result of the newly implemented Customer Billing Model.
5. Other Operation Expenses:
  - The decrease of \$27,117 is primarily due to a decrease of \$32,291 for Miscellaneous Insurance based on the updated valuations.
6. Capital Outlay:
  - The \$50,000 includes:
    - Audio/Visual Equipment \$5,000
    - Event Equipment \$5,000
    - Housekeeping Equipment \$5,000
    - Operations Equipment \$30,000
    - Technical Equipment \$5,000

**EMPLOYEE CAP CHANGES:**

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

**RECOMMENDATIONS:**

None.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
OFFICE OF SPORTS AND ENTERTAINMENT  
PRIME OSBORN CONVENTION CENTER – SMG (4E2)**

**PROPOSED BUDGET BOOK – Page #255-256  
ON SCREEN – Page #263-264**

**BACKGROUND:**

SMG has been retained by the City to manage six public facilities which include Everbank Field, the Memorial Arena, Jacksonville Baseball Stadium, Times Union Center for the Performing Arts, Prime Osborn Convention Center, and the Ritz Theatre and Museum.. The term of the current contract between SMG and City is January 1, 2013 through February 29, 2016. In accordance with Ordinance 2014-289-E the reorganization of the Office of Economic Development, which moves contract oversight to the Office of Sports and Entertainment, is effective October 1, 2014.

Below is a comparison of the fiscal year 2013/2014 Approved Budget to the 2014/2015 Proposed Budget for the Convention Center - SMG.

<b>Revenue:</b>	<b>FY 2013/2014 Approved</b>	<b>FY 2014/2015 Proposed</b>	<b>Dollar Change</b>	<b>Percent Change</b>
<i>NON-DEPARTMENTAL / FUND LEVEL ACTIVITIES</i>				
Transfers From Other Funds	\$ 354,824	\$ 520,443	\$ 165,619	47%
Subtotal	\$ 354,824	\$ 520,443	\$ 165,619	47%
<i>OFFICE OF SPORTS &amp; ENTERTAINMENT</i>				
Charges for Services	\$ 1,017,486	\$ 1,001,123	\$ (16,363)	-2%
Miscellaneous Revenue	\$ 916,334	\$ 959,595	\$ 43,261	5%
Subtotal	\$ 1,933,820	\$ 1,960,718	\$ 26,898	1%
<b>Total Revenue</b>	<b>\$ 2,288,644</b>	<b>\$ 2,481,161</b>	<b>\$ 192,517</b>	<b>8%</b>
<b>Expenditures:</b>				
<i>OFFICE OF SPORTS &amp; ENTERTAINMENT</i>				
Salaries	\$ 933,818	\$ 970,196	\$ 36,378	4%
Employer Provided Benefits	\$ 303,374	\$ 375,965	\$ 72,591	24%
Other Operating Expenses	\$ 1,051,452	\$ 1,135,000	\$ 83,548	8%
Subtotal	\$ 2,288,644	\$ 2,481,161	\$ 192,517	8%
<b>Total Expenditures</b>	<b>\$ 2,288,644</b>	<b>\$ 2,481,161</b>	<b>\$ 192,517</b>	<b>8%</b>

**REVENUES:**

*Non-Departmental/Fund Level Activities:*

1. Transfers from Other Funds:
  - The transfer of \$520,443 is from Convention Center – City (4E1)



**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
OFFICE OF SPORTS AND ENTERTAINMENT  
PRIME OSBORN CONVENTION CENTER – SMG (4E2)**

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**PROPOSED BUDGET BOOK – Page #255-256  
ON SCREEN – Page #263-264**

*Office of Sports and Entertainment:*

2. Charges for Services:

- The decrease of \$16,363 is due to a decrease of \$11,790 in Parking Fees based on the variation of events held at the Convention Center. Parking is not charged on catering events. There is also a slight decrease of \$4,673 for Contractual Service revenue based on current year collections.

3. Miscellaneous Revenue:

- The increase of \$43,261 due to the following:
  - There is a decrease of \$16,813 in Rental of City Facilities due to rent being waived when catering exceeds a certain dollar value.
  - There is an increase in Concession Sales due to the catered events.

**EXPENDITURES:**

*Office of Sports and Entertainment:*

4. Salaries:

- The increase of \$36,378 is due to a reorganization of employees which changes the salary allocation for each venue and the filling of vacant positions.

5. Employer Provided Benefits

- The increase of \$72,591 is primarily due to the impact of the Affordable Care Act and the filing of vacant positions.

6. Other Operating Expenses:

- The increase of \$83,548 is primarily due to:
  - An increase of \$56,395 in Contractual Services expense due to outsourcing housekeeping.
  - An increase of \$24,000 for Telephone and Data Lines since promoters require higher bandwidth.
  - A decrease of \$10,000 in Repairs and Maintenance which is in line with current year expenses.

**EMPLOYEE CAP CHANGES:**

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

**RECOMMENDATIONS:**

None.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
OFFICE OF SPORTS AND ENTERTAINMENT  
SPORTS COMPLEX CAPITAL MAINTENANCE (4G1)**

**PROPOSED BUDGET BOOK – Page #63-65  
ON SCREEN – Page #71-73**

**BACKGROUND:**

Ordinance 2009-817-E mandates that the Convention Development Tax collected pursuant to Municipal Code Chapter 764, be allocated to the Sports Complex Capital Maintenance Enterprise Fund. The 4G1 sub-fund was established for this purpose. These funds are to be used exclusively to construct, extend, enlarge, remodel, repair, improve or maintain the Sports Complex which includes Everbank Field, Memorial Arena and the Jacksonville Baseball Stadium. Pursuant to Section 7(d) of Amendment #12 to the Jaguar Lease, the City will use part of the Convention Development Tax revenues to make the principal and interest payments on the \$43,109,000 City share of the new stadium improvements.

Below is a comparison of the fiscal year 2013/2014 Approved Budget to the 2014/2015 Proposed Budget for the Sports Complex Capital Maintenance Fund due to the creation of the Office of Sports and Entertainment through Ordinance 2014-289-E. This is an all year's fund.

<b>Revenue:</b>	<b>FY 2013/2014 Approved</b>	<b>FY 2014/2015 Proposed</b>	<b>Dollar Change</b>	<b>Percent Change</b>
<i>NON-DEPARTMENTAL / FUND LEVEL ACTIVITIES</i>				
Taxes	\$ 4,934,203	\$ 6,361,804	\$ 1,427,601	29%
Miscellaneous Revenue	\$ 142,698	\$ 52,434	\$ (90,264)	-63%
Subtotal	\$ 5,076,901	\$ 6,414,238	\$ 1,337,337	26%
<b>Total Revenue</b>	<b>\$ 5,076,901</b>	<b>\$ 6,414,238</b>	<b>\$ 1,337,337</b>	<b>26%</b>
<b>Expenditures:</b>				
<i>NON-DEPARTMENTAL / FUND LEVEL ACTIVITIES</i>				
Debt Service	\$ -	\$ 3,411,058	\$ 3,411,058	-
Cash Carryover	\$ 38,516	\$ (38,516)	\$ (77,032)	-200%
Subtotal	\$ 38,516	\$ 3,372,542	\$ 3,334,026	8656%
<i>OFFICE OF SPORTS &amp; ENTERTAINMENT</i>				
Capital Outlay	\$ 5,038,385	\$ 3,041,696	\$ (1,996,689)	-40% *
Subtotal	\$ 5,038,385	\$ 3,041,696	\$ (1,996,689)	-40%
<b>Total Expenditures</b>	<b>\$ 5,076,901</b>	<b>\$ 6,414,238</b>	<b>\$ 1,337,337</b>	<b>26%</b>

**\* Capital Outlay has decreased by 40% due to paying debt for the new stadium improvements. If excess revenue in the amount of \$1,161,026 were not appropriated then Capital Outlay expenditures would be reduced by 63%.**

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
OFFICE OF SPORTS AND ENTERTAINMENT  
SPORTS COMPLEX CAPITAL MAINTENANCE (4G1)**

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**PROPOSED BUDGET BOOK – Page #63-65  
ON SCREEN – Page #71-73**

**REVENUES:**

*Non-Departmental/Fund Level Activities:*

1. Taxes:
  - The budgeted amount of \$6,361,804 includes:
    - \$5,200,778 budgeted for the projected Convention Development Tax revenues for fiscal year 2014/2015.
    - An appropriation of excess revenues over budget in the amount of \$1,161,026 since this is an all year's fund.
2. Miscellaneous Revenue:
  - The \$52,434 is the projected Investment Pool Earnings for fiscal year 2014/2015.

**EXPENDITURES:**

*Non-Departmental/Fund Level Activities:*

3. Debt Service:
  - The \$3,411,058 is a transfer to Everbank Field – Debt (4A6) for the new stadium improvements.
4. Cash Carryover:
  - In fiscal year 2013/2014 there was a Cash Carryover amount of \$38,516. For fiscal year 2014/2015 they will utilize this amount for other expenses.

*Office of Sports and Entertainment:*

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

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
OFFICE OF SPORTS AND ENTERTAINMENT  
SPORTS COMPLEX CAPITAL MAINTENANCE (4G1)**

**PROPOSED BUDGET BOOK – Page #63-65  
ON SCREEN – Page #71-73**

	Description	Amount
<b><u>Everbank Field</u></b>		
Audio/Visual/Scoreboard/Broadcast	Phase 2 - Seating bowl sound system	\$ 450,000
Building Systems	HVAC, Refrigeration, Window Tinting, Energy Improvements	\$ 775,000
Exterior Finishes	Security Bollards/Vehicle Control	\$ 100,000
Furniture, Fixtures and Equipment	Club Furniture, Signage, ADA Cart, Grounds Equipment	\$ 150,000
Food Service	Equipment Replacements	\$ 50,000
Interior Finishes	Suite/Club Finishes	\$ 300,000
Landscape and Turf	Landscape	\$ 25,000
Network and Computer Systems	Wi-Fi	\$ 25,000
Security and Access Control	Suite Access Control/Rekeying	\$ 104,187
Waterproofing	Continued Work	\$ 150,000
	Total	\$ 2,129,187
<b><u>Baseball Stadium</u></b>		
Audio/Visual/Scoreboard/Broadcast	Ticket Marquee, Front Stairs Digital Signage	\$ 25,000
Building Systems	HVAC, Electrical, Plumbing	\$ 25,000
Exterior Finishes	Concrete Repairs	\$ 25,000
Furniture, Fixtures and Equipment	Turf Equipment	\$ 40,000
Food Service	Additional Equipment Replacements	\$ 25,000
Interior Finishes	Miscellaneous Finishes in Suites and Offices	\$ 20,000
Landscape and Turf	Re-sod Outfield	\$ 200,000
Waterproofing	Waterproofing	\$ 25,000
	Total	\$ 385,000
<b><u>Memorial Arena</u></b>		
Audio/Visual/Scoreboard/Broadcast	Electronic Signage, Control Room	\$ 50,000
Building Systems	HVAC, Electrical, Lighting	\$ 75,000
Food Service	Equipment Replacements, POS Replacement	\$ 205,000
Interior Finishes	Suite Furniture Replacement, Misc. Finishes in Offices	\$ 50,000
Network and Computer Systems	Wi-Fi	\$ 50,000
Security and Access Control	Suite Access Control/Rekeying	\$ 47,509
Waterproofing	Continued Work	\$ 50,000
	Total	\$ 527,509
	<b>Total Requested Projects</b>	<b>\$ 3,041,696</b>

**EMPLOYEE CAP CHANGES:**

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

**RECOMMENDATIONS:**

None.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
OFFICE OF SPORTS AND ENTERTAINMENT  
RITZ THEATRE – CITY (4H1)**

**PROPOSED BUDGET BOOK – Page #261-262  
ON SCREEN – Page #269-270**

**BACKGROUND:**

SMG has been retained by the City to manage six public facilities which include Everbank Field, the Memorial Arena, Jacksonville Baseball Stadium, Times Union Center for the Performing Arts, Prime Osborn Convention Center, and the Ritz Theatre and Museum. The term of the current contract between SMG and City is January 1, 2013 through February 29, 2016. In accordance with Ordinance 2014-289-E the reorganization of the Office of Economic Development, which moves contract oversight to the Office of Sports and Entertainment, is effective October 1, 2014.

Below is a comparison of the fiscal year 2013/2014 Approved Budget to the 2014/2015 Proposed Budget for the Ritz Theatre - City.

	<b>FY 2013/2014 Approved</b>	<b>FY 2014/2015 Proposed</b>	<b>Dollar Change</b>	<b>Percent Change</b>
<b>Revenue:</b>				
<i>NON-DEPARTMENTAL / FUND LEVEL ACTIVITIES</i>				
Transfers From Other Funds	\$ 751,817	\$ 932,105	\$ 180,288	24%
Subtotal	\$ 751,817	\$ 932,105	\$ 180,288	24%
<b>Total Revenue</b>	<b>\$ 751,817</b>	<b>\$ 932,105</b>	<b>\$ 180,288</b>	<b>24%</b>
<b>Expenditures:</b>				
<i>NON-DEPARTMENTAL / FUND LEVEL ACTIVITIES</i>				
Transfers to Other Funds	\$ 628,887	\$ 784,622	\$ 155,735	25%
Subtotal	\$ 628,887	\$ 784,622	\$ 155,735	25%
<i>OFFICE OF SPORTS &amp; ENTERTAINMENT</i>				
Internal Service Charges	\$ 24,516	\$ 38,029	\$ 13,513	55%
Internal Services - IT Operations	\$ 28,422	\$ 20,646	\$ (7,776)	-27%
Other Operating Expenses	\$ 69,991	\$ 68,808	\$ (1,183)	-2%
Capital Outlay	\$ 1	\$ 20,000	\$ 19,999	1999900%
Subtotal	\$ 122,930	\$ 147,483	\$ 24,553	20%
				-
<b>Total Expenditures</b>	<b>\$ 751,817</b>	<b>\$ 932,105</b>	<b>\$ 180,288</b>	<b>24%</b>

**REVENUE:**

*Non-Departmental/Fund Level Activities:*

1. Transfers from Other Funds:

- The transfer of \$932,105 is from the General Fund/General Service District (S/F 011).

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
OFFICE OF SPORTS AND ENTERTAINMENT  
RITZ THEATRE – CITY (4H1)**

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**PROPOSED BUDGET BOOK – Page #261-262  
ON SCREEN – Page #269-270**

**EXPENDITURES:**

*Non-Departmental/Fund Level Activities:*

2. Transfers to Other Funds:

- The transfer of \$784,622 is a transfer to Ritz Theatre – SMG (4H2).

*Office of Sports and Entertainment:*

3. Internal Service Charges:

- The increase of \$13,513 is primarily due to the following:
  - The Copy Center allocation in the amount of \$17,221 has been removed.
  - There is a budgeted Utilities Allocation in the amount of \$35,496. This venue is billed directly for electricity and water so this allocation is not needed. See Recommendation #1 below.

4. Internal Services – IT Operations:

- The change in Information Technology costs is a result of the newly implemented Customer Billing Model.

5. Other Operating Expenses:

- The small decrease of \$1,183 is primarily due to a decrease of \$2,157 for Water based on current year usage.

6. Capital Outlay:

- The \$20,000 includes:
  - Audio/Visual Equipment \$5,000
  - Event Equipment \$5,000
  - Housekeeping Equipment \$5,000
  - Operations Equipment \$5,000

**EMPLOYEE CAP CHANGES:**

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

**RECOMMENDATIONS:**

1. We recommend that the Utilities Allocation of \$35,496 be removed since this venue is directly billed for Water and Electricity. This will reduce the General Fund/General Service District (S/F 011) contribution and have a positive impact to Special Council Contingency.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
OFFICE OF SPORTS AND ENTERTAINMENT  
RITZ THEATRE – SMG (4H2)**

**PROPOSED BUDGET BOOK – Page #263-265  
ON SCREEN – Page #271-273**

**BACKGROUND:**

SMG has been retained by the City to manage six public facilities which include Everbank Field, the Memorial Arena, Jacksonville Baseball Stadium, Times Union Center for the Performing Arts, Prime Osborn Convention Center, and the Ritz Theatre and Museum. The term of the current contract between SMG and City is January 1, 2013 through February 29, 2016. In accordance with Ordinance 2014-289-E the reorganization of the Office of Economic Development, which moves contract oversight to the Office of Sports and Entertainment, is effective October 1, 2014.

Below is a comparison of the fiscal year 2013/2014 Approved Budget to the 2014/2015 Proposed Budget for the Ritz Theatre - SMG.

<b>Revenue:</b>	<b>FY 2013/2014 Approved</b>	<b>FY 2014/2015 Proposed</b>	<b>Dollar Change</b>	<b>Percent Change</b>
<i>NON-DEPARTMENTAL / FUND LEVEL ACTIVITIES</i>				
Transfers From Other Funds	\$ 628,887	\$ 784,622	\$ 155,735	25%
Subtotal	\$ 628,887	\$ 784,622	\$ 155,735	25%
<i>OFFICE OF SPORTS &amp; ENTERTAINMENT</i>				
Charges for Services	\$ 195,523	\$ 30,325	\$ (165,198)	-84%
Miscellaneous Revenue	\$ 73,500	\$ 183,095	\$ 109,595	149%
Subtotal	\$ 269,023	\$ 213,420	\$ (55,603)	-21%
<b>Total Revenue</b>	<b>\$ 897,910</b>	<b>\$ 998,042</b>	<b>\$ 100,132</b>	<b>11%</b>
<b>Expenditures:</b>				
<i>OFFICE OF SPORTS &amp; ENTERTAINMENT</i>				
Salaries	\$ 334,322	\$ 359,051	\$ 24,729	7%
Employer Provided Benefits	\$ 90,267	\$ 120,555	\$ 30,288	34%
Other Operating Expenses	\$ 473,321	\$ 518,436	\$ 45,115	10%
Subtotal	\$ 897,910	\$ 998,042	\$ 100,132	11%
<b>Total Expenditures</b>	<b>\$ 897,910</b>	<b>\$ 998,042</b>	<b>\$ 100,132</b>	<b>11%</b>

**REVENUE:**

*Non-Departmental/Fund Level Activities:*

1. Transfers from Other Funds:
  - The \$784,622 transfer is from Ritz Theatre – City (4H1).

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2014/15 BUDGET  
OFFICE OF SPORTS AND ENTERTAINMENT  
RITZ THEATRE – SMG (4H2)**

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**PROPOSED BUDGET BOOK – Page #263-265  
ON SCREEN – Page #271-273**

*Office of Sports and Entertainment:*

2. Charges for Services:

- The decrease of \$165,198 is primarily due to not budgeting revenues for Entrance Fees and Ticket Sales but realigning the revenues to reflect the revenue categories utilized by SMG for all the other venues.
- Charges for Services include \$11,725 for Incentive Fees and \$18,600 for Contractual Services Revenue.

3. Miscellaneous Revenue:

- The increase is primarily due to a budgeted increase of \$144,345 for Rental of City Facilities which reflects the revenue categories utilized by SMG that are used for all the other venues.

**EXPENDITURES:**

*Office of Sports and Entertainment:*

4. Salaries:

- The increase of \$24,729 is due to a reorganization of employees which changes the salary allocation for each venue and the filling of vacant positions.

5. Employer Provided Benefits

- The increase of \$30,288 is primarily due to the impact of the Affordable Care Act and the filling of vacant positions.

6. Other Operating Expenses:

- The increase of \$45,115 is primarily due to the following:
  - An increase of \$32,340 in Contractual Services expense due to an increase of budgeted events.
  - An increase of \$21,345 in Telephone and Data Lines due to promoters requiring higher bandwidth.

**EMPLOYEE CAP CHANGES:**

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

**RECOMMENDATIONS:**

None.



**COUNCIL AUDITOR'S OFFICE  
CITY OF JACKSONVILLE  
NORTHWEST/NORTHSIDE EAST TAX INCREMENT DISTRICT USD1B & USD1C (SUB-FUND 181)  
2014/15 MAYOR'S PROPOSED BUDGET**

**BUDGET BOOK REFERENCE - Page #106-107  
PDF Page #114-115**

	2013/14 ORIGINAL BUDGET	2014/15 PROPOSED BUDGET	2014/15 COUNCIL AUDITOR REVISED	ORIGINAL TO COUNCIL AUDITOR REVISED DOLLAR CHANGE	PERCENT CHANGE
<b>TAXABLE VALUES &amp; RATES</b>					
Base Year	1981/1984	1981/1984	1981/1984		
<b>Preliminary Taxable Values</b>	\$ 848,619,734	\$ 871,296,839	\$ 871,296,839	\$ 22,677,105	2.7%
Less Taxable Value in Base Year	416,379,969	416,379,969	416,379,969	-	0.0%
<b>Taxable Value Incremental Increases</b>	<b>\$ 432,239,765</b>	<b>\$ 454,916,870</b>	<b>\$ 454,916,870</b>	<b>\$ 22,677,105</b>	<b>5.2%</b>
Taxable Value Percentage Changes	103.8%	109.3%	109.3%		
Operating Millage Rates	11.4419 mills	11.4419 mills	11.4419 mills		
Collection Rate	95.0%	95.0%	95.0%		

**REVENUES**

Ad Valorem Taxes - GF / GSD	\$ 4,698,362	\$ 4,944,858	\$ 4,944,858	\$ 246,496	5.2%
Transfer from General Fund	2,878,907	1,682,410	2,628,034	(250,873)	-8.7%
Transfer from Fund Balance	-0-	-0-	577,589	577,589	N/A
<b>Total Revenues</b>	<b>\$ 7,577,269</b>	<b>\$ 6,627,268</b>	<b>\$ 8,150,481</b>	<b>\$ 573,212</b>	<b>7.6%</b>

**EXPENDITURES**

Other Operating Expenses:					
Vestcor (Lynch Building) - Payback	\$ 1,294,313	\$ 1,294,313	\$ 1,294,313	-0-	0.0%
(A) MPS Urban Core Garage	1,467,241	1,752,711	1,752,711	285,470	19.5%
(A) MPS Arena and Sports Complex Garage	1,996,067	1,937,920	1,937,920	(58,147)	-2.9%
JTA/Fidelity Parking Lease	14,500	14,500	14,500	-0-	0.0%
Hallmark REV grant	-0-	-0-	200,624	200,624	N/A
Pope & Land REV grant	-0-	-0-	745,000	745,000	N/A
Subtotal Other Operating Expenses	<b>\$ 4,772,121</b>	<b>\$ 4,999,444</b>	<b>\$ 5,945,068</b>	<b>\$ 1,172,947</b>	<b>24.6%</b>
Debt Service:					
2006C ETR, Carling	\$ 2,135,808	\$ 2,130,413	\$ 2,130,413	\$ (5,395)	-0.3%
(B) HUD Section 108, 1997, LaVilla	15,201	-0-	-0-	(15,201)	-100.0%
(C) Fiscal Agent Fees	1,550	-0-	-0-	(1,550)	-100.0%
Subtotal Debt Service	<b>\$ 2,152,559</b>	<b>\$ 2,130,413</b>	<b>\$ 2,130,413</b>	<b>\$ (22,146)</b>	<b>-1.0%</b>
Transfers to Other Funds:					
(D) Contribution to Community Development	75,000	75,000	75,000	-0-	0.0%
Cash Carryover	577,589	(577,589)	-0-	(577,589)	-100.0%
<b>Total Expenditures</b>	<b>\$ 7,577,269</b>	<b>\$ 6,627,268</b>	<b>\$ 8,150,481</b>	<b>\$ 573,212</b>	<b>7.6%</b>

**FOOTNOTES**

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

The MPS subsidy for the Urban Core (Courthouse) Garage is projected to increase due to a decrease in monthly parking lease revenues. This is attributed to free juror parking provided at that garage.

- (B) The final debt service payment on the HUD Section 108, 1997 LaVilla loan occurred in FY 2013/14.

- (C) Fiscal agent fees were attributable to the LaVilla debt.

- (D) 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. The FY 2014/15 payment is the 15th installment.

**RECOMMENDATION:**

- Cash carryover was incorrectly budgeted as a negative amount in the FY 2014/15 proposed budget. We recommend eliminating the negative cash carryover of \$577,589 and budgeting a \$577,589 transfer from fund balance in order to balance revenue with expenditures. The projected fund balance at 9/30/14 is approximately \$900,000. This will have no impact on Special Council Contingency.

**ADDITIONAL COMMENT:**

The FY 2014/15 projected REV grant payments for Hallmark (\$200,624) and Pope & Land (\$745,000) were incorrectly budgeted in the General Fund non-department expenditures instead of Subfund 181. In meeting 1, the Finance Committee approved transferring these expenditures to Subfund 181 and increasing the General Fund transfer to Subfund 181 by the same amount (\$945,624). This transaction had no effect on Special Council Contingency.

**COUNCIL AUDITOR'S OFFICE  
CITY OF JACKSONVILLE  
SOUTHBANK TAX INCREMENT DISTRICT USD1 A (SUB-FUND 182)  
2014/15 MAYOR'S PROPOSED BUDGET**

**BUDGET BOOK REFERENCE - Page #108-109  
PDF Page #116-117**

	2013/14 ORIGINAL BUDGET	2014/15 PROPOSED BUDGET	ORIGINAL TO PROPOSED	
			DOLLAR CHANGE	PERCENT CHANGE
<b>TAXABLE VALUES &amp; RATES</b>				
Base Year	1980	1980		
Preliminary Taxable Values	\$ 380,587,972	\$ 418,394,964	\$ 37,806,992	9.9%
Less Taxable Value in Base Year	89,127,781	89,127,781	-	
<b>Taxable Value Incremental Increase</b>	<b>\$ 291,460,191</b>	<b>\$ 329,267,183</b>	<b>\$ 37,806,992</b>	<b>13.0%</b>
Taxable Value Percentage Increases	327.0%	369.4%		
Operating Millage Rates	11.4419 mills	11.4419 mills		
Collection Rate	95.0%	95.0%		
<b>REVENUES</b>				
Ad Valorem Taxes - GF / GSD	\$ 3,168,115	\$ 3,579,070	\$ 410,955	13.0%
(A) Debt Repayment Revenue (Hilton)	55,000	-	(55,000)	(100.0%)
<b>Total Revenues</b>	<b>\$ 3,223,115</b>	<b>\$ 3,579,070</b>	<b>\$ 355,955</b>	<b>11.0%</b>
<b>EXPENDITURES</b>				
Debt Service:				
HUD Section 108, Hampton Inn	\$ 67,290	\$ 66,077	\$ (1,213)	(1.8%)
HUD Section 108, Hilton Hotel	310,567	304,972	(5,595)	(1.8%)
05A ETR, Strand	189,714	189,494	(220)	(0.1%)
Subtotal Debt Service	\$ 567,571	\$ 560,543	\$ (7,028)	(1.2%)
(B) Other Operating Expenses	950,000	1,292,535	342,535	36.1%
(C) Cash Carryover	1,705,545	1,725,992	20,447	1.2%
<b>Total Expenditures</b>	<b>\$ 3,223,116</b>	<b>\$ 3,579,070</b>	<b>\$ 355,954</b>	<b>11.0%</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.

(B) Other Operating Expenses includes the following items:

	2013/14	2014/15		
San Marco Place (REV grant)	150,000	280,000	130,000	86.7%
Strand/Peninsula (REV grant)	800,000	1,012,535	212,535	26.6%
<b>Total</b>	<b>\$ 950,000</b>	<b>\$ 1,292,535</b>	<b>\$ 342,535</b>	<b>36.1%</b>

(C) Ord. 2012-364-E created Code Sec. 111.640, which states that all monies and interest placed or earned in the Southside Community Redevelopment Area fund (Southbank TID) shall remain in the fund until appropriated and expended for purposes described in Sec. 111.640. Funds placed in cash carryover must be appropriated by the City Council before they can be used.

**RECOMMENDATION:**

(1) We recommend budgeting \$55,000 in debt repayment revenue from Hilton and increasing cash carryover by the same amount. This was erroneously left out of the budget.

**COUNCIL AUDITOR'S OFFICE  
CITY OF JACKSONVILLE  
JACKSONVILLE BEACH TAX INCREMENT DISTRICTS USD2 A&B (SUB-FUND 184)  
2014/15 MAYOR'S PROPOSED BUDGET**

**BUDGET BOOK REFERENCE- Page #110-111  
PDF Page #118-119**

	<b>2013/14 ORIGINAL BUDGET</b>	<b>2014/15 PROPOSED BUDGET</b>	<b>ORIGINAL TO PROPOSED</b>	
			<b>DOLLAR CHANGE</b>	<b>PERCENT CHANGE</b>
<b>TAXABLE VALUES &amp; RATES</b>				
Base Years	1983 & 1986	1983 & 1986		
Preliminary Taxable Values	\$ 730,358,302	\$ 773,651,640	\$ 43,293,338	5.9%
Less Taxable Value in Base Years	48,790,640	48,790,640	-	0.0%
<b>Taxable Value Incremental Increases</b>	<b>\$ 681,567,662</b>	<b>\$ 724,861,000</b>	<b>\$ 43,293,338</b>	<b>6.4%</b>
Taxable Value Percentage Increases	1396.9%	1485.7%		
Operating Millage Rates	8.1512 mills	8.1512 mills		
Collection Rate	95.0%	95.0%		
<b>REVENUES</b>				
<b>Ad Valorem Taxes - GF / GSD</b>	<b>\$ 5,277,815</b>	<b>\$ 5,613,063</b>	<b>\$ 335,248</b>	<b>6.4%</b>
<b>EXPENDITURES</b>				
<b>Contribution to Jacksonville Beach</b>	<b>\$ 5,277,815</b>	<b>\$ 5,613,063</b>	<b>\$ 335,248</b>	<b>6.4%</b>

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

	<b>Countywide Levy</b>	<b>USD2 Levy</b>	
2014/15 Beaches Preliminary Taxable Values	\$ 2,661,045,273	\$ 2,661,045,273	
Levy (A)	11.4419 mills	8.1512 mills	
Collection Rate	95.0%	95.0%	
Taxes	\$ 28,925,043	\$ 20,606,177	
Less TIF	-	5,613,063	
<b>Net Revenue to City</b>	<b>\$ 28,925,043</b>	<b>\$ 14,993,114</b>	
	100.00%	51.83%	- Percentage of countywide levy collected from USD2 after TIF and Interlocal Agreement reductions.

**FOOTNOTES**

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

**RECOMMENDATIONS:** None.

**COUNCIL AUDITOR'S OFFICE  
CITY OF JACKSONVILLE  
JACKSONVILLE INTERNATIONAL AIRPORT AREA REDEVELOPMENT  
TAX INCREMENT DISTRICT GSA (SUB-FUND 185)  
2014/15 MAYOR'S PROPOSED BUDGET**

**BUDGET BOOK REFERENCE - Page #112-113**

**PDF Page #120-121**

	<b>2013/14 ORIGINAL BUDGET</b>	<b>2014/15 PROPOSED BUDGET</b>	<b>ORIGINAL TO PROPOSED</b>	
			<b>DOLLAR CHANGE</b>	<b>PERCENT CHANGE</b>
<b>TAXABLE VALUES &amp; RATES</b>				
Base Year	1990	1990		
Preliminary Taxable Values	\$ 751,721,339	\$ 790,097,262	\$ 38,375,923	5.1%
Less Taxable Value in Base Year	189,200,262	189,200,262	-	0.0%
Taxable Value Incremental Increases	<b>\$ 562,521,077</b>	<b>\$ 600,897,000</b>	<b>\$ 38,375,923</b>	<b>6.8%</b>
Taxable Value Percentage Increases	297.3%	317.6%		
Operating Millage Rates	11.4419 mills	11.4419 mills		
Collection Rate	95.0%	95.0%		

**REVENUES**

Ad Valorem Taxes - GF / GSD	\$ 6,114,494	\$ 6,531,633	\$ 417,139	6.8%
<b>Total Revenues</b>	<b>\$ 6,114,494</b>	<b>\$ 6,531,633</b>	<b>\$ 417,139</b>	<b>6.8%</b>

**EXPENDITURES**

Other Operating Expenses:				
RAMCO (REV)	\$ 350,000	\$ 415,000	\$ 65,000	18.6%
Debt Service:				
(A) HUD Section 108, 1994, Coach	\$ 507,815	\$ -	\$ (507,815)	(100.0%)
HUD Section 108, 1997, Body Armor	84,931	83,437	(1,494)	(1.8%)
05A ETR, RAMCO	1,111,072	1,110,879	(193)	(0.0%)
(A) Fiscal Agent Fees	810	-	(810)	(100.0%)
Subtotal Debt Service	\$ 1,704,628	\$ 1,194,316	\$ (510,312)	(29.9%)
Transfers to Other Funds:				
(B) Transfer Out to TID Capital Project Subfund 32T	\$ 3,308,186	\$ 3,400,000	\$ 91,814	2.8%
Cash Carryover	\$ 751,680	\$ 1,522,317	\$ 770,637	102.5%
<b>Total Expenditures</b>	<b>\$ 6,114,494</b>	<b>\$ 6,531,633</b>	<b>\$ 417,139</b>	<b>6.8%</b>

**FOOTNOTES**

- (A) The final debt service payment on the HUD Section 108, 1994 Coach loan occurred in FY 2013/14. The fiscal agent fees were attributable to the Coach debt.
- (B) The FY 13/14 transfer represents funding appropriated by Ord. 2012-492-E for the "Duval Road Expansion" project to improve Duval Road between Main Street and Airport Center Drive. The FY 14/15 proposed transfer represents funding also appropriated by Ord. 2012-492-E for the "North Access" project which includes 1) the construction of a new connecting roadway between SSR 102/Airport Road and Pecan Park Road and 2) the reconstruction of Pecan Park Road to a four-lane, divided, curb and gutter roadway with bike lanes and sidewalks from I-95 to the west of the intersection with the JIA North Access Road and I-95/Pecan Park Road interchange improvements. Ord. 2012-492-E authorized up to \$3.4 million annually in FY 2014/15, FY 2015/16, and FY 2016/17 not to exceed a total of \$10 million (unless no other JIA/CRA planned projects are funded in a given year, in which case more funds could be allocated from the JIA/CRA) to fund the North Access Road project.

**RECOMMENDATIONS:** None.

**COUNCIL AUDITOR'S OFFICE  
CITY OF JACKSONVILLE  
SOUTEL-MONCRIEF  
TAX INCREMENT DISTRICT GSK (SUB-FUND 186)  
2014/15 MAYOR'S PROPOSED BUDGET**

**BUDGET BOOK REFERENCE- Page #114-115  
PDF Page #122-123**

	<b>2013/14 ORIGINAL BUDGET</b>	<b>2014/15 PROPOSED BUDGET</b>	<b>ORIGINAL TO PROPOSED</b>	
			<b>DOLLAR CHANGE</b>	<b>PERCENT CHANGE</b>
<b>TAXABLE VALUES &amp; RATES</b>				
Base Year	<u>2008</u>	<u>2008</u>		
Preliminary Taxable Values	\$ 107,824,626	\$ 105,993,047	\$ (1,831,579)	(1.7%)
Less Taxable Value in Base Year	<u>71,064,917</u>	<u>71,064,917</u>	<u>-</u>	<u>0.0%</u>
<b>Taxable Value Incremental Increases</b>	<b><u>\$ 36,759,709</u></b>	<b><u>\$ 34,928,130</u></b>	<b><u>\$ (1,831,579)</u></b>	<b><u>(5.0%)</u></b>
Taxable Value Percentage Increases	51.7%	49.1%		
Operating Millage Rates	11.4419 mills	11.4419 mills		
Collection Rate	95.0%	95.0%		
<b>REVENUES</b>				
<b>Ad Valorem Taxes - GF / GSD</b>	<b><u>\$ 399,571</u></b>	<b><u>\$ 379,662</u></b>	<b><u>\$ (19,909)</u></b>	<b><u>(5.0%)</u></b>
<b>EXPENDITURES</b>				
<b>Cash Carryover (A)</b>	<b><u>\$ 399,571</u></b>	<b><u>\$ 379,662</u></b>	<b><u>\$ (19,909)</u></b>	<b><u>(5.0%)</u></b>
<b>FOOTNOTES</b>				

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

**RECOMMENDATIONS:** None.