

**OFFICE OF THE CITY COUNCIL**

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**SPECIAL BUDGET ANALYSIS COMMITTEE MINUTES**

**March 6, 2014**

**3:00 p.m.**

**City Hall**

**117 W. Duval St., 1st Floor**

**Committee Room B**

**Attendance:** Council Members Clay Yarborough (Chair), Robin Lumb, Don Redman, Warren Jones, Reggie Brown,Matt Schellenberg

**Also**: Kirk Sherman and Kyle Billy – Council Auditor’s Office;Peggy Sidman – General Counsel Office; Carol Owens and Philip Zamarron – Legislative Services Division; Yvonne Mitchell – Council Research

See attached sign-in sheet for additional attendees.

Council Member Yarborough called the meeting to order at 3:10 p.m. He reminded the committee that the structure of the meetings had been revised to better utilize the time of the committee to concentrate more on specific departments/divisions were greater opportunity to find efficiencies and savings. The committee will hear from Office of Economic Development and Jim Robinson (Public Works) regarding the Lazy Assets Study.

**Privatization Study Suggestion**

CM Yarborough reported the document distributed derived from the Privatization Committee previously chaired by CM Holt. Although several of the items on the list have been addressed, the document can be utilized as a resource for discussion in upcoming meetings of the various departments.

**Office of Economic Development**

Mr. Carter reported that the success of OED was a team effort followed by the introduction of his staff. The review began with a video about Jacksonville created for visit to London and JAXUSA in discussions with 20 companies. Greencore Group has been submitted for approval and is first success resulting from the London trip. It will develop 259 jobs with a projected capital investment of $5.5 million off of their expansion. OED team members provided an overview of their area and a detailed power point presentation.

1. **OED**
	1. Mission - attract private capital, facilitate job creation, market & brand the City, enhance City’s tax base and be an advocate & strong partner with the region’s business community
	2. Partnerships – extensive list of internal and external clients/partners
	3. Responsibilities in comparison to JAXUSA, DEO, Enterprise Florida, DIA.
		1. OED - responsible for contracts and incentive structure along with countywide economic, infrastructure, and real estate development; development
		2. JAXUSA - responsible for regional marketing, research and image development
		3. OED - responsible for DEO - responsible for State incentives administration and approval
		4. DIA - responsible for downtown economic, planning, real estate and design development.
	4. Accolades – various recognitions over past year to include ratings from Forbes as #2 City in the Country for technology services jobs growth and #3 in metro area for finding employment
	5. Key Economic Indicators – unemployment rate has decreased significantly; average wage has increased; foreclosures are decreasing; overall Jacksonville as one of the strongest economies as it relation to our own employment (supportive data is available).
	6. Job Creation Results – most successful year in total number of jobs creation and investment in the City which will result in a projected annual increase of $3.4 million in ad valorem taxes.

Mr. Carter reported that a projected goal for 2014 is fifteen new contracts and increasing development of business on the Northside. OED’s budget for FY14 is lower. There are 81 authorized positions (includes JSEB from reorganization) and 7 vacancies. The five strategic priorities for 2014 are:

* Attract companies and private capital investment
* Lead workforce development and education through partnership
* Lead international trade and investment; support our partners
* Grow small business and entrepreneurs
* Elevate Jacksonville’s brand through diverse & strategic marketing

CM Jones suggested that the review of the Public Investment Policy target policies where the need is greatest to address areas like the Northwest quadrant. He suggested that OED continue with promoting/improving the quality of life within Jacksonville as an incentive to attract businesses. He suggested that OED present minority unemployment statics separately when targeting businesses to focus efforts towards areas with the greatest need.

OED challenges included lower revenue for training and event sponsorship. Mr. Carter stated the department will be focusing on improving processes and communicating successes more effectively. Surveys have been distributed for contract compliances. There are some companies that have requested an extension. Currently, there are no contracts outstanding. There are two types of grants: QTI and Recapture Enhanced Value (REV). Mr. Kelne explained the accountability/verification of surveys received. Parking is the suggested area to find cost efficiencies.

**Mr. Carter will provide OED’s data relating to income by zip codes to the committee.**

CM Jones reported that the term of the additional judges assigned to Duval County to assist with the back log of foreclosures will expire the end of 2015. The committee may want to follow up with this issue if judges aren’t finished in time by requesting extension from the Governor. The efforts of the judges gets the vacant properties back on the tax roll and impact the ad valorem taxes.

1. **Public Parking (Mr. Jack Shad)**

Mr. Shad reported that public parking is an enterprise fund which is considered to be self-supporting. FY 10 & FY11 resulted in a deficient. The division was covered by general funds. Surplus is being utilized to reimburse general funds. The explained the division has three major revenue sources: 1) on-street parking meters; 2) off-street parking lots and garages; and 3) enforcement of parking laws using citations. The modern meters account for half of the division’s revenue and increase of 13% from FY12 to FY 13. Mr. Shad reported the division provides services were requested. They patrol Riverside/Avondale one day each weekend.

There was extensive discussion about process of patrolling areas, citation notice and collection process, and enforcement it relates to the increase revenue. Mr. Shad reported they do not go onto single family residential property. CM Brown referenced a bill passed by City Council that addressed prevented coverage of car tags to prevent citations. Mr. Shade would follow up with Kim Scott and OGC to follow up with enforcement of legislation.

**CM Jones requested a list of violations enforced by Public Parking.**

**CM Lumb requested information relating to collection agency rates breakdown for processing notices.**

1. **Sports and Entertainment/Film Office (Todd Roobin)**

Mr. Roobin explained the mission of the Film Office and shared the permitted/assisted production results with a direct impact of $2 million plus. He provided information on the goals for 2014. He show a 30 second a million dollar commercial by a Chase Bank highlighting their investment to Jacksonville with over $100, 000 in local community and hiring approximately 25 local people. Mr. Roobin provided details of the State incentive program.

1. **Sports and Entertainment/Special Events (Tonisha Gaines)**

Ms. Gaines reviewed the mission and goal of Special Events is to enhance the quality of life through events produced by the office or through working with various promoters/producers. Last year’s events brought an estimated 550,000 people to downtown through the 75 events permitted. FY12/13 budget allocation was $978,581. The revenue sources through sponsorship/marketing, sales and vendors are used to offset expenses for events. The areas for growth will involve broaden partnerships, increase merchandise opportunities and tiered ticketing. Ms. Gaines reported that AARP is the presenting sponsor for the Jazz Festival. She shared that the announcement of entertainers is align with previous schedules.

1. **Sports and Entertainment**

Mr. Lamp is attending another function and will provide his report next week.

1. **SMG (Bill McConnell & Ted Carter)**

Mr. Carter reported that SMG is responsible for managing the City’s 2.1 million square feet of facilities. There is an interdisciplinary committee the meets bi weekly to review and oversee the contract. Bill McConnell is the new general manager. SMG is reviewing savings in energy cost and parking operations. There is some focus being placed on events at Ritz Theatre. Mr. Carter listed several upcoming events. Mr. Van Der Leest reported that a RFQ performance based contracting for energy savings is expected with next two weeks. There was extensive dialogue about the chilled water services via JEA to the stadium and design/construction phase of an energy cost savings project and. Mr. McConnell stated that cell phone coverage would be a priority to improve the service to the customers. It was suggested that SMG present a comparison of the arena as it pertains to all business to other venues instead of one component.

**CM Lumb requested to be contacted at the beginning of this process.**

**CM Schellenberg requested Mr. McConnell discuss SMG involvement with Gator Bowl Association at next meeting.**

**Public Works/Lazy Asset Study**

Mr. Robinson reported that the ultimate effort of the study was to drive increased value to the City. The study is currently in the development phase to establish the framework of property disposition and improve systems. He provided details of City properties with real estate numbers on the inventory list. There are 2,547 City owned buildings. He stated there are 391 managed assets in the City’s property portfolio that have the most opportunity for higher use with potential to increase value The managed assets are mostly unused properties. Ed Ball is listed as a managed asset because there is opportunity for revenue with the vacant areas. Tax reverted properties will be handled by the new Mowing & Landscape Maintenance Division. Mr. Robinson commented that processes for sale of any property are not impacted by the on-going development of the study.

The next meeting is scheduled for March 6th at 3:00 p.m. There being no further business, the meeting was adjourned at 5:25p.

Yvonne P. Mitchell, Council Research Division (904) 630-1679

Posted 03.14.14 5:00 p.m.