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| **OFFICE OF THE CITY COUNCIL** |
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**Meeting Minutes for Council Member Lori N. Boyer & Council Member Robin Lumb**

**Thursday, September 18 at 2:00 p.m.**

**Topic:** The meeting was held to discuss potential budget amendments pertaining to the Fire & Rescue Department

**Location:** Conference Room A, 4th Floor, 117 West Duval St., City Hall, Jacksonville, FL

**City Attendees**: Council Members Lori Boyer, Robin Lumb, Stephen Joost, Brian Parks (Council Auditor Office) and Kirk Sherman (Council Auditor Office), Kim Taylor (Council Auditor Office), Elena Korsakova (Council Auditor Office), Angela Moyer (Budget), Peggy Sidman (Office of General Council), Karim Kurji (Fleet), Martin Senterfitt (JFRD), April Mitchell (JFRD), Kurt Wilson (JFRD), Scott Kornegay (JFRD), Margo Klosterman (Office of the Mayor), Teresa Eichner (Office of the Mayor), Jim Piggott (WJXT), Erica Bennett (Action News), Jesse Pope (Action News) and Nicole Spradley (ECA).

**Meeting Convened:** 2:03 p.m.

Council Member Lori Boyer opened the meeting and introductions were made. Council Member Boyer explained that everyone is here today to discuss potential budget amendments pertaining to the Fire & Rescue Department. During the Council Meeting last week Chief Senterfitt proposed that the revenue projections from rescue were different than what had been reflected in the budget and perhaps that provided some flexibility or room for other opportunities. Council Member Boyer, Councilman Lumb and Councilman Joost are all interested in proposing an amendment in order to offer a solution.

Council Member Boyer was under the assumption that JFRD met with the Auditors prior to today’s meeting to resolve the discrepancy with the numbers. Chief Senterfitt explained that after going over the numbers the Department is ok with adding an estimated $2.3 million in appropriated revenue to Rescue Services in the upcoming year. There were savings due in part to implementing a more accurate billing system and a steady increase in the usage of rescue transport vehicles over the years that will continue through 2014.

Councilman Joost believes JFRD has saved $3.3 million because the Department will save $1 million in maintenance since they are purchasing new equipment. Councilman Joost proposed that JFRD should receive $18 million from the banking fund and add the estimated $3 million or estimated payment amount for the life of the equipment and pay it down with the estimated $2.3 million plus in savings; savings from fuel will add an additional savings.

Chief Senterfitt discussed that there is a savings associated with fuel because the new rescue vehicles get almost twice the fuel economy. He agreed with Councilman Joost that the maintenance cost will go down as more of the vehicles are under warranty and the fuel economy will improve across the board.

Council Auditor Kirk Sherman answered the following questions from Council Member Boyer: (1) Are the maintenance costs associated with the fire trucks billed through to the fire department on their fleet allocation? He said yes. (2) So if there was a maintenance savings they would accrue the savings within the department? He said yes, however it takes a while for the orders to come in so you probably would not see much savings within the first year.

Prior to the meeting Council Member Boyer did a budget analysis and estimated $2.6 million in savings. She explained that they initially appropriated $6.654 million for PAYGO purchases of vehicles; however that leaves you with $12.2 million of outright vehicle cost that equates to a $1,040,427 of debt service if the vehicles are all at a five year term for the first year and $2.8 million for the second year; moving forward with an interest rate of 4.25%, this reflects the spread that fleet charges. Chief Senterfitt’s proposal at the last Council meeting was to extend the 5 year amortization to 8 years for heavy equipment vehicles; the proposal received mixed reviews. Based on Chief Setnerfitt’s proposal Council Member Boyer estimated using $750,000 this year and below $2 million in out years for the debt service on the $12.2 million if a combination of 5 and 8 year amortization was to be used.

Council Member Boyer explained that Chief Senterfitt originally requested to keep $1.78 million in his increase in revenue internally in the department to cover the extraordinary lapse that was placed on the department and then use additional portions of the revenue to cover the debt services. However, now that it has been agreed upon that there will be a $2.3 million increase in revenue there will only be $500,000 remaining to cover additional debt service this year. Chief Senterfitt expressed he would be satisfied with any amendments that would allow them to pay off the $1.78 million lapse and purchase new rescue vehicles.

Council Member Boyer is hesitant to reduce the $6 million PAYGO number, but comfortable with the purchase of new vehicles.

Councilman Lumb’s wants to see the department purchase the new vehicles and that they do not have to go through the $2.78 million lapse.

General Discussion

There was a general discussion on how to address potential amendments at the upcoming Council Meeting on Tuesday. Council Member Boyer and Councilman Councilman Joost agreed that one amendment was adequate while Councilman Lumb was ok with multiple amendments if that is what it would take to achieve the best results for JFRD.

Council Member Boyer’s proposed amendment would authorize an additional $12.2 million in banking fund borrowing to facilitate the purchase of the additional vehicles on Chief Senterfitt’s September 4th list; extend the debt service on the heavy duty vehicles to eight years and leave the amortization schedule for light duty vehicles at 5 years; increase the fire and rescue budget for rescue revenue by $2.3 million and restore the $1.78 million lapse out of the increased revenue within the department.

Angela Moyer pointed out that an increase in the amortization schedule from 5 to 8 years would affect all heavy vehicles, including the current vehicles that have been approved and will be paid with cash PAYGO. Council Auditor Brian Parks explained that in order to have enough cash within that window you have to extend the life of the vehicle to eight years as well; the charge to the fire department will be eight years, just like the one’s that are borrowed.

Council Member Boyer proposed that they bill at the rate of 8 years the first year and in year two switch to the 5 year in order to stager the repurchase of vehicles. Angela Moyer agreed it was possible because the billing is done internally. Councilman Joost agreed that was a great idea.

Karim Kurji reminded everyone that the Fiscal 2015 vehicles will not be ready for use until 2016; therefore they cannot accurately calculate the savings at this time and to keep this in mind next year. Chief Senterfitt is committed to cutting down on the revenue and is optimistic that they will pull higher and meet in the middle; JFRD will have to perform on their end to meet this goal. Kim Taylor mentioned that the $2.3 million would in actuality be closer to $2.366 million.

Council Member Boyer, Councilman Lumb and Councilman Joost all agreed to sponsor this amendment.

Peggy Sidman explained, in general, how the amendment process works and that the Council President has said that he will take up the amendments in the order in which they are filed. She emphasized that the Council should discuss, prior to the council meeting, how they will proceed if competing amendments regarding the JFRD budget are heard before the amendment discussed at today’s meeting. Council members discussed what to do if a competing amendment, heard first, addressed filing the budget lapse. Councilman Joost recommended in case another amendment should be heard first that fills the budget lapse hole, that they offer a friendly amendment and reduce the amount that they are dipping into the reserve and it will achieve the same results.

Peggy Sidman discussed the order in which things will be heard at Tuesday’s Council Meeting, per Florida Statute, (1) millage rate, (2) Budget, (3) CIP, and (4) banking fund and this will require the council to go back and forth between the millage rate and the budget. Peggy Sidman is researching the Florida Statute to determine how to approach multiple amendments and will give clear instructions on Tuesday at the Council Meeting.

Council Member Boyer is confident that everyone will be in favor of increasing the appropriated revenue by $2.3 million; however there may disagreements on implications and what to do with it. Councilman Joost feels strong that the $12 million will get restored one way or another.

Chief Senterfitt agreed that the proposed amendment discussed at the meeting that takes into account vehicles and the lapse is the best solution. He further explained that this proposed amendment will help alleviate fire station closures.

Peggy Sidman repeated the amendment one last time for clarity. She will do a budget amendment that will increase the $2.3 million to JFRD to restore the $1.78 million lapse out of the increase of the rescue services revenue to the JFRD and the remainder would be to cover the debt service and that would include an increase further down the road of approximately $12.2 million in banking fund borrowing for the additional vehicles that were on the list and extend the debt service on heavy vehicles to eight years and light vehicles remain at five years.

Councilman Joost asked if they needed to add the caveat that they will bill the vehicles at 8 years the first year and 5 years in year two for vehicles paid in cash? The general discussion was to leave it out of the budget because it would get too confusing, but not to forget it in the future.

Council Member Boyer ended the meeting.

**Meeting Adjourned:** 2:34 p.m.

**Minutes:** Minutes completed by Nicole Spradley, ECA District 5, on Monday, September 22, 2014

cc: Council Members/Staff

Cheryl Brown, Director/CouncilSecretary

Dana Farris, Chief, Legislative Services Division

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