

OFFICE OF THE COUNCIL AUDITOR

FY 2015/2016 PROPOSED BUDGET

FINANCE COMMITTEE MEMBERS

Bill Gulliford - Chair
Anna Lopez Brosche - Vice Chair
Danny Becton
Aaron Bowman
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Reggie Gaffney



Meeting #2
August 14, 2015

**COUNCIL AUDITOR'S OFFICE
TABLE OF CONTENTS
MEETING #2**

Public Libraries	1
Library Conference Facilities Trust	6
Intragovernmental Services- Information Technologies.....	9
Intragovernmental Services- Communications-Radio Replacement	11
Intragovernmental Services- Technical System Development	14
Intragovernmental Services- Technology Equipment Refresh	16
Intragovernmental Services- Radio Equipment Refresh.....	17
Five-Year IT Plan	18
Intragovernmental Services- Office of Director & Procurement.....	20
Intragovernmental Services- Copy Center	22
Intragovernmental Services- Fleet Management	24
Intragovernmental Services- Fleet Management-Vehicle Replacement.....	27
Intragovernmental Services- Fleet Management-Direct Replacement	30
General Counsel.....	31
Office of Ethics, Compliance and Oversight	34
Inspector General	36
Public Health.....	38
Housing Finance Authority	40
Emergency Contingency	44
Medical Examiner	45

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2015/16 BUDGET
PUBLIC LIBRARIES
GENERAL FUND / GENERAL SERVICES DISTRICT (S/F 011)**

**PROPOSED BUDGET BOOK – Page #408-409
ON SCREEN – Page #414-415**

BACKGROUND

The Jacksonville Public Library system consists of a main library and twenty regional, community and neighborhood branch libraries. The system services the needs of Duval County as well as neighboring areas, Baker, Clay, Nassau and St. Johns Counties.

REVENUE

1. Charges for Services

- The decrease of \$770,060 is due to the passage of Ordinance 2015-53-E, which moved library fines from the general fund to a special revenue fund.

EXPENDITURES

1. Salaries

- The net increase of \$56,872 is primarily due to various increases in permanent and probationary salaries of \$92,836, including: end of probation, promotions, merit pay, and the filling of vacant positions. The increases are partially offset by reductions of \$5,603 in leave sellback, \$11,000 supervisor differential pay, \$2,000 out of class pay, and \$16,961 in special pay - pensionable. The reductions in special pay are due to the retirement of tenured library personnel in FY 2014/15.

2. Employer Provided Benefits

- The increase of \$213,515 is mainly due to increase of \$84,643 in general employees' pension contribution based on an increase of 1.6% in pension contribution rates as well as increases in salaries, \$63,531 in group hospitalization insurance, \$40,719 in workers' compensation insurance, caused by an update to how interest and administrative expenses associated with workers compensation are allocated amongst the users, and \$15,523 in general employees' defined contribution pension.

3. Internal Service Charges

- The decrease of \$329,695 is primarily due to the decrease in allocation of costs for the following: \$176,376 in utilities, \$110,772 in building maintenance due to a more accurate allocation of costs, \$6,819 in Copier Consolidation, \$3,191 copy center, \$33,206 tech refresh and pay-go allocation (due to lower requirements for new IT equipment vs FY 2014/15), and \$1,764 in guard service and ADT.

4. Internal Services – IT Operations

- The increase of \$300,339 is primarily due to a \$271,315 increase in the pooled unallocated shared resources allocation.

**COUNCIL AUDITOR'S OFFICE
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**PROPOSED BUDGET BOOK – Page #408-409
ON SCREEN – Page #414-415**

5. Other Operating Expenses

- The decrease of \$117,719 is primarily due to the decrease of \$168,128 in miscellaneous insurance due to a decrease in the cost of property insurance, and \$45,117 in general liability insurance due to a change in the allocation methodology. These decreases were offset by increases of \$43,163 in contractual costs for janitorial services, \$37,844 in hardware/software maintenance and licenses for new software (\$13,360) and existing licenses (\$24,484), \$9,185 in maintenance contracts for 3-M equipment (\$8,665) and grand piano maintenance (\$520), and \$4,865 in miscellaneous services and charges for movie licenses (\$1,215) and parking for city vehicles (\$3,650).

6. Indirect Cost

- The increase of \$10,590 is due to a change in the allocation calculated by the City's independent consulting firm.

7. Library Materials

- There is no change in this line item for FY 2015/16. The requested amount of \$2,934,849 will be spent as follows:

FY 2015/16 LIBRARY MATERIALS

BUDGETED EXPENDITURES

<u>MATERIALS</u>	<u>COST</u>
Books	\$46,621
Books, Internet Databases	\$364,299
Books, Audio Books	\$1,917,976
Internet Databases	\$347,720
Periodicals	\$21,091
Audio Books, DVDs	\$237,142

TOTAL:	<u><u>\$2,934,849</u></u>
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8. State Aid

- In addition to City Funding, the Public Library Department receives a State Grant. For FY2015/16, the estimated State Grant is \$1,367,722. The library is expected to spend \$900,000 on library materials, \$279,038 on fixtures, \$114,000 on building maintenance, \$12,900 on E-services, \$8,832 on equipment and services, and \$15,000 on memberships and registrations. They will also keep \$37,961 on reserve.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
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PUBLIC LIBRARIES
GENERAL FUND / GENERAL SERVICES DISTRICT (S/F 011)**

**PROPOSED BUDGET BOOK – Page #408-409
ON SCREEN – Page #414-415**

EMPLOYEE CAP CHANGES

None

SERVICE LEVEL CHANGES

The Willowbranch location is expected to re-open prior to the beginning of FY 2015/16. This will add 40 hours to the weekly total hours of operation for the library system. Hours at other branches are not proposed to change.

RECOMMENDATION

1. We recommend that public library fees refunds be moved to the Library Conference Facility Trust to match the refunds with the associated revenue. This will have a positive impact on Special Council Contingency of \$3,200. We also recommend this contra-revenue be placed in a new sub-object called "Public Library Fines – Refunds".

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2015/16 BUDGET
PUBLIC LIBRARIES
GENERAL FUND / GENERAL SERVICES DISTRICT (S/F 011)**

**PROPOSED BUDGET BOOK – Page #408-409
ON SCREEN – Page #414-415**

Hours Of Operation at Beginning of Fiscal Year 2014/15								
Branch	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Total Hours
Argyle	Closed	Closed	1:00 - 9:00	10:00 - 6:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	40
Beaches	Closed	Closed	1:00 - 9:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	40
Bradham - Brooks	Closed	Closed	10:00 - 6:00	1:00 - 9:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	40
Brentwood	Closed	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	Closed	40
Brown Eastside	Closed	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	Closed	40
Graham	Closed	10:00 - 6:00	12:00 - 8:00	10:00 - 6:00	12:00 - 8:00	10:00 - 6:00	Closed	40
Highlands	1:00 - 5:00	Closed	1:00 - 9:00	10:00 - 6:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	44
Mandarin	Closed	Closed	1:00 - 9:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	40
Maxville	Closed	10:00 - 6:00	12:00 - 8:00	10:00 - 6:00	12:00 - 8:00	Closed	10:00 - 6:00	40
Murray Hill	Closed	Closed	1:00 - 9:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	40
Pablo Creek	1:00 - 5:00	Closed	10:00 - 6:00	1:00 - 9:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	44
Regency Square	Closed	Closed	10:00 - 6:00	1:00 - 9:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	40
San Marco	Closed	Closed	1:00 - 9:00	10:00 - 6:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	40
South Mandarin	Closed	Closed	10:00 - 6:00	1:00 - 9:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	40
Southeast	1:00 - 5:00	Closed	1:00 - 9:00	10:00 - 6:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	44
University Park	Closed	Closed	1:00 - 9:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	40
Webb Wesconnett	1:00 - 5:00	Closed	10:00 - 6:00	1:00 - 9:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	44
West Regional	Closed	Closed	1:00 - 9:00	10:00 - 6:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	40
Westbrook	Closed	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	Closed	40
Willowbranch *	Closed	Closed	Closed	Closed	Closed	Closed	Closed	0
Main **	1:00 - 5:00	10:00 - 6:00	11:00 - 7:00	11:00 - 7:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	52
Total Weekly Service Hours								828

* Willowbranch was unable to be open during FY2014/15 due to the time required to repair damage from flooding in September 2014.
 ** 10 hours were cut and were not restored during the FY2014/15 budget process

Mayor's Proposed Hours of Operation for 2015/16								
Branch	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Total Hours
Argyle	Closed	Closed	1:00 - 9:00	10:00 - 6:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	40
Beaches	Closed	Closed	1:00 - 9:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	40
Bradham - Brooks	Closed	Closed	10:00 - 6:00	1:00 - 9:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	40
Brentwood	Closed	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	Closed	40
Brown Eastside	Closed	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	Closed	40
Graham	Closed	10:00 - 6:00	12:00 - 8:00	10:00 - 6:00	12:00 - 8:00	10:00 - 6:00	Closed	40
Highlands	1:00 - 5:00	Closed	1:00 - 9:00	10:00 - 6:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	44
Mandarin	Closed	Closed	1:00 - 9:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	40
Maxville	Closed	12:00 - 8:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	Closed	10:00 - 6:00	40
Murray Hill	Closed	Closed	1:00 - 9:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	40
Pablo Creek	1:00 - 5:00	Closed	10:00 - 6:00	1:00 - 9:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	44
Regency Square	Closed	Closed	10:00 - 6:00	1:00 - 9:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	40
San Marco	Closed	Closed	1:00 - 9:00	10:00 - 6:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	40
South Mandarin	Closed	Closed	10:00 - 6:00	1:00 - 9:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	40
Southeast	1:00 - 5:00	Closed	1:00 - 9:00	10:00 - 6:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	44
University Park	Closed	Closed	1:00 - 9:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	40
Webb Wesconnett	1:00 - 5:00	Closed	10:00 - 6:00	1:00 - 9:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	44
West Regional	Closed	Closed	1:00 - 9:00	10:00 - 6:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	40
Westbrook	Closed	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	Closed	40
Willowbranch	Closed	Closed	10:00 - 6:00	1:00 - 9:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	40
Main	1:00 - 5:00	10:00 - 6:00	11:00 - 7:00	11:00 - 7:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	52
Total Weekly Service Hours								868

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2015/16 BUDGET
PUBLIC LIBRARIES
GENERAL FUND / GENERAL SERVICES DISTRICT (S/F 011)**

**PROPOSED BUDGET BOOK – Page #408-409
ON SCREEN – Page #414-415**

Branch	Hours FY15	Hours FY16	Change
Argyle	40	40	0
Beaches	40	40	0
Bradham - Brooks	40	40	0
Brentwood	40	40	0
Brown Eastside	40	40	0
Graham	40	40	0
Highlands	44	44	0
Mandarin	40	40	0
Maxville	40	40	0
Murray Hill	40	40	0
Pablo Creek	44	44	0
Regency Square	40	40	0
San Marco	40	40	0
South Mandarin	40	40	0
Southeast	44	44	0
University Park	40	40	0
Webb Wesconnett	44	44	0
West Regional	40	40	0
Westbrook	40	40	0
Willowbranch *	0	40	40
Main **	52	52	0

Total	828	868	40
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* Willowbranch was unable to be open during FY2014/15 due to the time required to repair damage from flooding in September 2014.

** 10 hours were cut and not restored during the FY2014/15 budget process

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2015/16 BUDGET
LIBRARY CONFERENCE FACILITIES TRUST (S/F 15W)**

**PROPOSED BUDGET BOOK – Page #410-412
ON SCREEN – Page #416-418**

BACKGROUND

The Library Conference Facility Trust was established per Ordinance 2006-237-E. The Main Library charges a fee for the use of the conference facilities in order to cover the cost associated with operating and leasing conference facilities for business, recreational and social purposes. This is an all years fund and as such, during the budget process the amounts budgeted may include de-appropriating unused balances in both expense and revenue from the fiscal year just closed (FY 2014/15). The clean-up of an all years fund, as part of the annual budget, may cause negative totals. The upcoming fiscal year budget needs are netted against the all years balances to determine the FY 2015/16 proposed “change” to the all years appropriation.

REVENUE

Public Libraries

1. Library Fines

- The increase of \$950,000 is due to Ordinance 2015-53-E, which authorized the transfer of library fines to a separate fund. These fines are currently being deposited in the Library Conference Facilities Trust, but are accounted for separately from the Conference Center activities.

2. Miscellaneous Revenue.

- The decrease of \$15,000 is in rental of city facilities. In FY 2014/15, \$35,000 of rental revenue was appropriated in error to fund security and maintenance costs. This resulted in an overstated revenue amount of \$285,000 rather than \$250,000. The proposed FY 2015/16 budget is \$270,000, which represents an increase of \$20,000 in anticipated activity from the more accurate FY 2014/15 revenue amount of \$250,000.

EXPENDITURES

Non-Departmental / Fund Level Activities

1. Salary & Benefit Lapse

- The increase of \$2,224 represents the removal of an error made in the FY2014/15 budget.

2. Cash Carryover

- The decrease of \$2,224 represents the removal of an error made in the FY2014/15 budget.

Public Libraries

3. Salaries

- The decrease of \$6,742 is due to a decrease in part time salaries of \$8,720, which is due to the conference trust using existing capacity that was previously authorized. The decrease in salaries is partially offset by increases of \$768 in terminal leave, \$803 in salaries overtime, and \$358 in shift differential.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2015/16 BUDGET
LIBRARY CONFERENCE FACILITIES TRUST (S/F 15W)**

**PROPOSED BUDGET BOOK – Page #410-412
ON SCREEN – Page #416-418**

4. Salary & Benefits Lapse
 - The increase of \$2,224 is due to the removal of an error made in the FY 2014/15 budget.
5. Employer Provided Benefits
 - The increase of \$2,026 is due an increase of \$1,293 in GEPP pension contributions, \$233 in Group Hospitalization, and \$434 in worker's compensation insurance.
6. Internal Service Charges
 - The decrease of \$3,699 is due to a \$3,699 reduction in copier center allocation. The Conference Center Trust did not use the copy center in FY2014/15. This reduction removes all of the previously authorized, but unused balance.
7. Other Operating expenses
 - The increase of \$3,220 is due to increases of \$500 in security/guard service, \$2,500 in contractual services for the janitorial and plant care contracts, \$632 in miscellaneous services & charges, and \$150 in dues subscriptions & memberships.
8. Capital Outlay
 - The \$977,350 of capital expenditures is comprised of \$950,000 in library fines from Ordinance 2015-53-E, which directs that library fines collected must be used for capital improvements to the libraries, and \$27,350 in office furniture & equipment. The library does not have a capital improvement plan available for review at this time (see recommendation below).
9. Cash Carryover
 - The decrease of \$2,224 is due to the removal of an error made in the FY 2014/15 budget.

EMPLOYEE CAP CHANGES

There are no changes to the cap.

SERVICE LEVEL CHANGES

There is an increase of 1,248 part time hours. The hours will be funded using previously authorized, but unused balance in the Conference Center Trust.

RECOMMENDATIONS:

1. The proposed budget for FY 2015/16 fine revenue is \$950,000. Fine revenue has declined in total for each of the three previous fiscal years. Based on an analysis of historic collections from FY 2011 thru FY 2015, we recommend reducing the revenue estimate by \$100,000, to \$850,000. This will result in a corresponding reduction in capital outlay. This has no impact on Special Council Contingency.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2015/16 BUDGET
LIBRARY CONFERENCE FACILITIES TRUST (S/F 15W)**

**PROPOSED BUDGET BOOK – Page #410-412
ON SCREEN – Page #416-418**

2. The library conference facilities trust was established to allow the library to retain and expend funds associated with rental of their facilities. Separately, Ordinance 2015-53-E moved library fines from the General Fund to this fund to be used for capital improvements. We recommend removing the library fines proposed revenues and expenses from the Library Conference Facility Trust and establishing a new subfund for this budget. This will allow projects for capital improvements to be separately tracked. We also recommend that accounting be granted the authority to move the actual FY 2014/15 revenues and expenses, including fee refunds budgeted in the General Fund/General Services District, associated with Ordinance 2015-53-E to the new subfund for library fines.
3. We recommend removing the \$850,000 appropriation of library fines from repairs and renovation and placing it into a contingency fund (net of \$3,200 in public library fees refunds that were recommended to be moved during the Public Library budget review), given that the library has been unable to provide a capital improvement plan.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2015/16 BUDGET
INFORMATION TECHNOLOGY DIVISION
ITD OPERATIONS (S/F 531)**

**PROPOSED BUDGET BOOK – Page #268-269
ON SCREEN – Page #274-275**

BACKGROUND:

This internal service fund accumulates and allocates current application maintenance costs of computer software and/or equipment owned, leased or operated by the City and selected independent agencies and records management (archive) functions.

REVENUE:

Intra-Governmental Services

1. Charges for Services:

- This revenue consists of internal service revenues from charges billed to other departments and agencies. The increase is a result of higher expenditures for IT described below.

Non-Departmental / Fund Level Activities

2. Miscellaneous Revenue:

- This amount represents anticipated interest earnings for FY 2015/16.

EXPENDITURES:

1. Salaries:

- The increase is mainly due to a \$220,350 growth in permanent and probationary salaries as a result of filling vacancies at rates higher than budgeted and reassessing positions and requirements that resulted in increased pay. There is also an increase in part-time salaries of \$15,499.

2. Employer Provided Benefits:

- The net increase is due to increases of \$95,826 in pension contributions due to an increased contribution percentage and higher salaries, \$57,172 in group hospitalization insurance due to changes in health coverage, and \$40,877 in workers' compensation insurance due to a change in allocation methodology.

3. Internal Service Charges:

- The net increase is being driven by increases of \$387,704 in IT system development projects related to the IT 5-year plan and \$169,889 in building cost allocation for Ed Ball. The increase for IT system development projects is a result of full year repayments as opposed to a partial year for some projects in FY 2014/15. There are no new projects for FY 2015/16 as will be seen in the Technology System Development (SF 536) budget.

4. Other Operating Expenses:

- The net increase is due to an increase of \$310,928 in Hardware / Software licensing & maintenance for new systems maintenance, data backup, and security. This is somewhat offset by a decrease of \$111,212 in wireless communications due to a change in cellular

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2015/16 BUDGET
INFORMATION TECHNOLOGY DIVISION
ITD OPERATIONS (S/F 531)**

**PROPOSED BUDGET BOOK – Page #268-269
ON SCREEN – Page #274-275**

providers and a decrease of \$32,234 in general liability insurance due to a change in allocation methodology.

5. Capital Outlay:

- In FY 2014/15, server and network equipment were funded with pay-go dollars rather than through the IT 5-year plan.

6. Supervision Allocation:

- This amount represents the administration cost of the Division which is allocated to each activity (regardless of subfund) within Information Technologies based on employee count.

7. Indirect Cost:

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

Non-Departmental / Fund Level Activities

8. Salary & Benefit Lapse:

- This reflects an estimated salary and benefit lapse based on the average turnover ratio and estimated number of vacancies in FY 2015/16.

EMPLOYEE CAP CHANGES:

One position was moved as part of the budget process to the Courts General Fund – GSD activity.

SERVICE LEVEL CHANGES:

None.

CAPITAL OUTLAY CARRYFORWARDS:

There is a single item for the server and network equipment authorized in FY 2014/15 requested to be carried over at cost of \$119,529.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2015/16 BUDGET
INFORMATION TECHNOLOGY DIVISION
RADIO COMMUNICATIONS (S/F 534)**

**PROPOSED BUDGET BOOK – Page #270-272
ON SCREEN – Page #276-278**

BACKGROUND:

This internal service fund accumulates and allocates the cost for radio communications including installs, upgrades and repairs for the general government as well as JEA, JTA and JAA.

REVENUE:

Intra-Governmental Services

1. Charges for Services:

- This represents the costs billed to departments and government agencies and is directly related to the budgeted expenditures in this fund.

2. Other Sources:

- This represents the amount of borrowed funds for the Fire Station Paging System that was approved in the FY 2014/15 budget. This was a one-time project that is not necessary to fund in FY 2015/16.

Non-Departmental / Fund Level Activities

3. Miscellaneous Revenue:

- This is the anticipated interest earnings for FY 2015/16.

4. Transfers from Fund Balance:

- This amount represents funding for the purchase of new portable and mobile radios and accessories for the 40 police and 40 community service officers (\$682,312). It also includes funding for the purchase and installation of uninterrupted power supply (UPS) equipment at two P25 tower sites (\$93,980).

EXPENDITURES:

Intra-Governmental Services

1. Salaries:

- The increase is mainly due to an increase of \$9,910 in permanent and probationary salaries from a position reclass and pay leveling of positions.

2. Employer Provided Benefits:

- The increase is mainly due to increases of \$22,199 in workers' compensation insurance based on a change in allocation methodology and \$9,978 in pension contributions due to a higher contribution percentage and a small increase in salaries.

3. Internal Service Charges:

- The net decrease is being driven by decreases of \$8,934 in fleet charges due to usage and decreased gas prices.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2015/16 BUDGET
INFORMATION TECHNOLOGY DIVISION
RADIO COMMUNICATIONS (S/F 534)**

**PROPOSED BUDGET BOOK – Page #270-272
ON SCREEN – Page #276-278**

4. Other Operating Expenses:

- The net increase is mainly due to increases of \$155,914 in repair and maintenance supplies for replacement parts for JSO radios and radio towers and \$20,000 for installation of the UPS equipment at two P25 tower sites.

5. Capital Outlay:

- The net decrease is due to funding of \$3,000,000 in FY 2014/15 for the Fire Station Paging system being a one-time expense. This is somewhat offset by the increase in specialized equipment by \$756,292 for the 80 new mobile and portable radios and the two UPS devices mentioned above.

6. Grants, Aids & Contributions:

- This represents the payment to JEA for the leasing and estimated operating costs of JEA towers.

7. Supervision Allocation:

- This amount represents the administrative cost of the Division which is allocated to each activity within Information Technology based on employee count.

8. Indirect Cost:

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

9. Banking Fund Debt Repayment:

- The table below compares the FY 2014/15 and FY 2015/16 banking fund debt repayment by project. There are no new projects being funded by banking fund debt.

	1,127,983	242,575	1,571,325	197,129	
	FY15 Budget		FY16 Proposed		397,896
Project Title	Principal	Interest	Principal	Interest	Change
First Coast Radio Buyout (2011-756-E)	977,983	214,450	992,754	71,009	(128,670)
P25 Radio - Fire Station Paging	150,000	28,125	578,571	126,120	526,566

Non-Departmental / Fund Level Activities

10. Salary & Benefit Lapse:

- This reflects an estimated salary and benefit lapse based on the average turnover ratio and estimated number of vacancies in FY 2015/16.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2015/16 BUDGET
INFORMATION TECHNOLOGY DIVISION
RADIO COMMUNICATIONS (S/F 534)**

**PROPOSED BUDGET BOOK – Page #270-272
ON SCREEN – Page #276-278**

11. Banking Fund Debt Repayment:

- The table below compares the FY 2014/15 and FY 2015/16 banking fund debt repayment by project:

	2,731,291	419,943	2,705,524	279,046	
	FY15 Budget		FY16 Proposed		(166,664)
Project Title	Principal	Interest	Principal	Interest	Change
P25 Radio System - CIP Project	2,731,291	419,943	2,705,524	279,046	(166,664)

EMPLOYEE CAP CHANGES:

There are no changes to the employee cap.

SERVICE LEVEL CHANGES:

The replacement of the UPS equipment at the two radio towers will provide more protection against power outages.

CAPITAL OUTLAY CARRYFORWARDS:

There are two line items on the Schedule of Capital Outlay Projects Not Lapsed for the P25 Radio – Fire Station Paging project at a combined \$3,000,000.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2015/16 BUDGET
INFORMATION TECHNOLOGY DIVISION
TECHNOLOGY SYSTEM DEVELOPMENT (S/F 536)**

**PROPOSED BUDGET BOOK – Page #274-275
ON SCREEN – Page #280-281**

BACKGROUND:

This internal service fund houses IT system development projects. This fund is project driven and will allow transparency and accountability related to IT projects outside the day to day operations. This internal service fund accumulates and allocates the cost of IT system development for the City of Jacksonville and various independent agencies.

REVENUE:

1. Charges for Services:

- This revenue consists of internal service revenues from charges billed to other departments and agencies for previously approved projects on the annual budget ordinance schedule B4a. The increase is a result of all projects now having full year pay back charges.

2. Other Sources:

- The reduction is a result of no borrowing for new system development projects in the FY 2015/16.

3. Miscellaneous Revenue:

- This category would house any anticipated interest earnings in the fund; however, the fund had a cash deficit during the current fiscal year.

4. Transfers from Fund Balance:

- There is not a proposed transfer from fund balance in FY 2015/16.

EXPENDITURES:

1. Other Operating Expenses:

- The FY 2014/15 budget included a small portion of pay-go dollars for a system development project.

2. Capital Outlay:

- There are no new projects being proposed for FY 2015/16.

3. Banking Fund Debt Repayments:

- This amount represents the FY 2015/16 interest and principal payback for Banking Fund borrowing related to previously approved projects on schedule B4a.

4. Cash Carryover:

- The FY 2015/16 estimated revenues over expenses is being placed in a cash carryover to cover any residual cash deficits that may exist in this fund at the end of the current fiscal year.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2015/16 BUDGET
INFORMATION TECHNOLOGY DIVISION
TECHNOLOGY SYSTEM DEVELOPMENT (S/F 536)**

**PROPOSED BUDGET BOOK – Page #274-275
ON SCREEN – Page #280-281**

EMPLOYEE CAP CHANGES:

There are no positions in this subfund.

SERVICE LEVEL CHANGES:

No new projects were proposed so attention could be focused on the completion of prior year projects.

CAPITAL OUTLAY CARRYFORWARDS:

The following is a list of items requested to be carried over.

Requested Project	Requested Amount
Consolidation of City Websites	\$44,160
FY15 911 Call System Replacement	\$250,000
Data Store – Enterprise Doc Mgmt Solution	\$392,189
Auto Vehicle – Enterprise – AVL Solution	\$367,450
Enterprise Financial/Resource Mgmt. Solution	\$9,579,708
E J Ward	\$22,011
Customer Relationship Mgmt Solution	\$7,700

RECOMMENDATIONS:

We recommend lowering the charges to customers by \$172,637. The interest rate calculation budgeted as a charge to customers contained a formula error and was budgeted at a higher rate than included in prior budgets for future funding purposes. This will positively affect Special Council Contingency by \$118,613.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2015/16 BUDGET
INFORMATION TECHNOLOGY DIVISION
TECHNOLOGY EQUIPMENT REFRESH (S/F 537)**

**PROPOSED BUDGET BOOK – Page #276-277
ON SCREEN – Page #282-283**

BACKGROUND:

This internal service fund accounts for the refresh and replacement of the City's technology equipment and infrastructure including computers, servers, network equipment and uninterrupted power supply equipment. All proposed equipment will be purchased with pay-go funds derived from customer repayments from current and prior year equipment refresh items.

REVENUE:

1. Charges for Services:

- This amount represents the customer billings for both the FY 2015/16 proposed refresh and previously approved equipment replacement.

EXPENDITURES:

1. Salaries:

- This amount represents the estimated overtime required to deploy the FY 2015/16 equipment replacements.

2. Other Operating Expenses:

- This amount represents the purchase of network uninterrupted power supply equipment that does not meet the \$1,000 capital threshold. The decrease is due to the type of equipment being purchased this year as compared to last year. The FY 2014/15 budget was comprised of mostly computers which do not meet the \$1,000 capital threshold.

3. Capital Outlay:

- This amount represents the purchase of servers and network that meets the \$1,000 capital threshold. As discussed above, the change is a result of the type of equipment being purchased. The server and network equipment refresh were funded out of the IT Operations fund last year.

EMPLOYEE CAP CHANGES:

There are no positions in this subfund.

SERVICE LEVEL CHANGES:

There appear to be no service level changes.

CAPITAL OUTLAY CARRYFORWARDS:

None.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2015/16 BUDGET
INFORMATION TECHNOLOGY DIVISION
RADIO EQUIPMENT REFRESH (S/F 538)**

**PROPOSED BUDGET BOOK – Page #278-279
ON SCREEN – Page #284-285**

BACKGROUND:

This is a newly created subfund that will account for the refresh and replacement of the City's radio equipment.

REVENUE:

1. Charges for Services:

- This amount represents the customer billings for the FY 2015/16 proposed radio purchases. The customers will be billed for the total cost of the radios in order to have pay-go funding in FY 2016/17 for additional equipment.

2. Transfers from Other Funds:

- This is a transfer from the General Fund – GSD to purchase the first year of the radio refresh.

EXPENDITURES:

1. Capital Outlay:

- This amount represents the mobile radios which are slated for purchase in FY 2015/16.
 - Office of the Sheriff \$913,997
 - Fire and Rescue \$198,695
 - Public Works \$79,478

2. Cash Carryover:

- The FY 2015/16 billing revenue, as described above, is being placed in a cash carryover in order to fund the second year (FY 2016/17) radio refresh.

EMPLOYEE CAP CHANGES:

There are no positions in this subfund.

SERVICE LEVEL CHANGES:

This new subfund is intended to create a cash funded source to refresh radio equipment.

CAPITAL OUTLAY CARRYFORWARDS:

None.

RECOMMENDATIONS:

We recommend IT bill their customers over a two-year time frame instead of one year as proposed. This reduction in revenue can be offset with a reduction to cash carryover of \$596,085. This will have a positive impact on Special Council Contingency of \$596,085 due to the fact that all customers are housed within the General Fund / General Services District (S/F 011).

FISCAL YEAR 2016 - 2020 IT SYSTEM DEVELOPMENT PROJECTS

Projects by Funding Source

	Prior Year	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20
Borrowed Funds	19,651,550	-	17,414,490	8,809,494	4,710,371	1,310,000
Pay- Go: Equipment/Radio Refresh	495,027	1,700,707	1,701,738	1,701,738	1,566,738	1,566,738
Pay-Go: Other		93,980	984,922	88,980	88,980	-
Total Per Year	20,146,577	1,794,687	20,101,150	10,600,212	6,366,089	2,876,738

Previously Appropriated Amounts include activity B4/B4a projects

Functional Area Department	Program Area	Project Title	Previously Appropriated	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20
Citywide	Application - Citywide	ADA Compliance - Website Accessibility	-	-	200,000	-	-	-
Citywide	Application - Citywide	Microsoft Office 365	-	-	533,962	-	-	-
JFRD	Application - Department Specific	Fire Inspection System	-	-	325,000	-	-	-
JFRD / JSO	Application - Department Specific	CAD - 911 Call System Replacement	2,011,461	-	4,500,000	-	-	-
Library	Application - Department Specific	Library Technology Improvements	-	-	1,436,213	651,558	651,558	310,000
Parks and Recreation	Application - Department Specific	Global Revenue Solution - Parks	250,000	-	-	-	-	-
Public Buildings	Application - Department Specific	City Facility Management Dashboard	-	-	286,000	-	-	-
Public Parking - Offstreet	Application - Department Specific	Parking Gargage Security Camera Monitoring System	-	-	452,524	-	-	-
Solid Waste	Application - Department Specific	Solid Waste Tire System	-	-	375,000	-	-	-
ITD	Backup and Recovery	Disaster Recovery / Data Redundancy	-	-	400,000	-	-	-
Citywide	Enterprise Solution	Consolidation of Citywide Websites - COJ.net	200,000	-	-	-	-	-
Citywide	Enterprise Solution	Enterprise Auto Vehicle Locator	535,000	-	535,000	-	-	-
Citywide	Enterprise Solution	Enterprise Document Management Solution	1,123,164	-	255,950	-	-	-
Citywide	Enterprise Solution	Enterprise Financial / Resource Management Solution	12,225,400	-	4,565,000	1,265,000	382,500	-
Citywide	Enterprise Solution	Enterprise Permit / Land Use Management	14,248	-	-	2,744,873	956,250	-
Citywide	Enterprise Solution	Global Online Payment / E-Commerce	-	-	112,500	555,000	-	-
Citywide	Enterprise Solution	Grants Management Enterprise Solution	-	-	-	162,000	-	-

Functional Area Department	Program Area	Project Title	Previously Appropriated	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20
ITD	Infrastructure / Equipment	Network Equipment Refresh	324,568	334,444	324,568	324,568	324,568	324,568
ITD	Infrastructure / Equipment	Network UPS Replacement	81,842	40,893	50,000	50,000	50,000	50,000
ITD	Infrastructure / Equipment	PBX: Telecommunications Upgrade	-	-	586,477	-	-	-
ITD	Infrastructure / Equipment	Security Upgrades - Technology / ITD	-	-	1,059,263	311,000	100,000	-
ITD	Infrastructure / Equipment	Server Equipment Refresh	270,894	133,200	135,000	135,000	-	-
ITD	Infrastructure / Equipment	Virtual Desktop Infrastructure	-	-	-	500,000	-	-
JFRD	Infrastructure / Equipment	Fire Station Fiber Upgrade	-	-	100,000	100,000	100,000	-
JFRD	Infrastructure / Equipment	JFRD Mobile Data Terminals - Replacement	-	-	635,000	635,000	635,000	-
Building Inspection	System Upgrade / Expansion	BID System Upgrade / Building Inspection	-	-	334,305	-	-	-
Citywide	System Upgrade / Expansion	CARE System Upgrade / Replacement	110,000	-	100,000	-	-	-
Citywide	System Upgrade / Expansion	Citrix XenApp 5.0 EOL	-	-	211,978	-	-	-
Citywide	System Upgrade / Expansion	Citywide Application Replatform / Upgrade	-	-	-	885,063	885,063	-
Fleet Management	System Upgrade / Expansion	Maximo / Tivoli - Upgrade and Expansion - Fleet Mgmt	-	-	27,675	-	-	-
JFRD	System Upgrade / Expansion	Maximo / Tivoli - Upgrade and Expansion - Fire and Rescue	-	-	276,030	-	-	-
JSO	System Upgrade / Expansion	EIS Enhancements / Upgrade - Phase III	-	-	145,845	-	-	-
Public Works	System Upgrade / Expansion	Maximo / Tivoli - Upgrade and Expansion - Public Works	-	-	856,710	-	-	-
Citywide	Radio System	P25 Radio - Radio Communication Site Expansion	-	-	-	1,000,000	1,000,000	1,000,000
Citywide	Radio System	P25 Radio - Radio Tower UPS Replacement	-	93,980	88,980	88,980	88,980	-
JFRD	Radio System	P25 Radio - Fire Station Paging	3,000,000	-	-	-	-	-
JSO / JFRD / Various	Radio System	P25 Radio - Mobile Radio Refresh	-	1,192,170	1,192,170	1,192,170	1,192,170	1,192,170

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2015/16 BUDGET
INTRA-GOVERNMENTAL SERVICES
GENERAL FUND/GENERAL SERVICES DISTRICT (S/F 011)**

**PROPOSED BUDGET BOOK – Page #254-255
ON SCREEN – Page #260-261**

BACKGROUND

The Intra-Governmental Services Department is responsible for the provision of resources and services essential for the overall management for the City of Jacksonville. In the General Fund, this department consists of the Office of the Director, Call Center (630-CITY), Equal Business Opportunity Office (EBO), Grant and Contract Compliance, Office of the Ombudsman, Procurement and Gateway Customer Service Center.

REVENUE

1. Charges for Services

- This consists of revenues of \$66,096 from JEA's Small and Emerging business certification and mentoring services provided by the city's EBO Office. There is no change in amount for FY 2015/16.

EXPENDITURES

2. Salaries

- The net decrease of \$8,583 is mainly due to the establishment of a vacancy in the Procurement at a lower salary rate than the previously filled position.

3. Employer Provided Benefits:

- The net increase of \$17,460 is mostly due to increases of \$12,989 in workers' compensation, \$7,703 in group hospitalization insurance, and \$1,082 in group life insurance. This is primarily offset by a decrease of \$4,720 in pension contributions.

4. Internal Service Charges

- The net decrease of \$141,388 is primarily due to a decrease of \$128,390 in building allocation cost resulting from the City reassigning 12,000 square feet of an open office from the Department to a common area (shared cost).

5. Internal Services – IT Operations

- The decrease of \$669,549 is attributable to the decrease in computer system maintenance and security allocations charges resulting from less budgeted hours in FY 2015/16 for application development and an overall lower share of the pooled cost.

6. Other Operating Expenses

- The net decrease of \$13,096 is primarily due to a decrease of \$10,617 in general liability insurance resulting from changes in the allocation method.

7. Capital Outlay

- There are no capital outlay projects budgeted in FY 2015/16 for this department.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2015/16 BUDGET
INTRA-GOVERNMENTAL SERVICES
GENERAL FUND/GENERAL SERVICES DISTRICT (S/F 011)**

**PROPOSED BUDGET BOOK – Page #254-255
ON SCREEN – Page #260-261**

8. Grants, Aids & Contributions

- There is no change in the budgetary amount, which is used to pay sponsorship fees for small business workshop events by various entities (including JEA, JPA, and JAA).

EMPLOYEE CAP CHANGES:

None.

SERVICE LEVEL CHANGES:

None.

DEPARTMENT HIGHLIGHTS:

INTRA-GOVERNMENTAL SERVICES EXPENSES	2014/15 <u>Original</u>	2015/16 <u>Proposed</u>	% Change from FY 15	\$ Change from FY15	Employee Cap FY15	Employee Cap FY16 Proposed	
Office of the Director	\$338,615	\$399,538	18.0%	\$60,923	2	2	A
City Link/630-CITY	\$2,104,841	\$1,471,454	-30.1%	-\$633,387	22	22	B
Equal Business Opportunity	\$705,696	\$706,881	0.2%	\$1,185	7	7	
Grant & Contract Compliance	\$667,601	\$396,352	-40.6%	-\$271,249	5	5	C
Gateway Customer Svc Center	\$36,162	\$36,162	N/A	\$0	0	0	D
Office of the Ombudsman	\$252,918	\$262,114	3.6%	\$9,196	3	3	E
Subtotal - Office of the Director	\$4,105,833	\$3,272,501	-20.3%	-\$833,332	39	39	
Procurement	\$1,898,268	\$1,916,494	1.0%	\$18,226	22	22	F
Department Total	\$6,004,101	\$5,188,995	-13.6%	-\$815,106	61	61	

A: The Office of the Director increase is due to higher building cost allocations.

B: The City Link/630-CITY decrease is attributable to a reduction in application development hours from what was required to complete the MyJax mobile application in FY 2014/15.

C: The Grant & Contract Compliance decrease is due to the reduction of building cost allocation from the reassignment of a previously billed open office to a common area (shared cost).

D: There was no change for the Gateway Customer Service Center. Expenditures are budgeted for rent and IT costs to provide early voting at the Gateway Customer Service Center.

E: The Office of the Ombudsman increase is due to an increase in copier consolidation allocations.

F: The Procurement increase is primarily due to building maintenance costs for a storage facility.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2015/16 BUDGET
INTRA-GOVERNMENTAL SERVICES
COPY CENTER/CENTRAL MAILROOM (S/F 521)**

**PROPOSED BUDGET BOOK – Page #266-267
ON SCREEN – Page #272-273**

BACKGROUND:

This internal service fund accumulates and allocates the cost of the City's centralized mailroom, centralized copy center/print shop and copier consolidation program. This internal service fund recovers its costs via charges to its users/customers.

REVENUE:

1. Charges for Services

- This represents the costs billed to other departments and government agencies and is directly related to the budgeted expenditures in this fund. Budgeted charges for services are experiencing a net decrease of \$335,208, primarily because the prior year included additional funding of \$258,000 for the printing and mailing of 300,000 solid waste brochures.

2. Miscellaneous Revenue

- This amount represents anticipated interest earnings for FY 2015/16. The revenues are budgeted to increase by \$716.

EXPENDITURES:

1. Salaries

- The increase of \$2,349 is due to one employee receiving an equity increase because the City filled an equivalent position in a different area at a higher rate.

2. Employer Provided Benefits

- The net increase of \$4,338 is mainly due to increases in pension contributions and worker's compensation insurance totaling \$3,263 and \$604, respectively.

3. Internal Service Charges

- The net increase of \$2,894 is mainly due to an increase in the building cost allocation for the St. James building of \$3,130. This allocation reflects the increasing utility consumption, applicable debt service and building maintenance.

4. Internal Services – IT Operations

- The decrease of \$10,892 represents a reduction in computer system maintenance to better align with actual costs.

5. Other Operating Expenses

- The net decrease of \$332,392 is mainly due to decreases of \$258,000 in the printing and mailing of the solid waste brochures mentioned above and \$76,142 in copier and printing machine costs.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2015/16 BUDGET
INTRA-GOVERNMENTAL SERVICES
COPY CENTER/CENTRAL MAILROOM (S/F 521)**

**PROPOSED BUDGET BOOK – Page #266-267
ON SCREEN – Page #272-273**

6. 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 to the overall employee cap.

SERVICE LEVEL CHANGES:

None.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2015/16 BUDGET
FLEET MANAGEMENT DIVISION
FLEET MANAGEMENT OPERATIONS (S/F 511)**

**PROPOSED BUDGET BOOK – Page #260-261
ON SCREEN – Page #266-267**

BACKGROUND:

This internal service fund accumulates and allocates the costs of the operation of the City's Motor Pool and recovers its costs via charges to its users/customers. Fleet Management is responsible for all of the maintenance and fueling of the entire City owned vehicle fleet including most independent authorities.

REVENUE:

Intra-Governmental Services

1. Charges for Services:

- This represents the costs billed to other departments and government agencies and is directly related to the budgeted expenditures in this fund.

2. Miscellaneous Revenue:

- The total increase of \$73,193 is due to a \$98,193 increase in contribution-loss deductibles. This is partially offset by an expected decrease of \$25,000 in reimbursement-warranty work.

Non-Departmental / Fund Level Activities

3. Miscellaneous Revenue:

- The increase of \$26,910 is due to an increase in investment pool earnings based on historical actuals.

EXPENDITURES:

Intra-Governmental Services

1. Salaries:

- The net increase of \$119,929 is mainly due to an increase of \$129,040 in salaries raises paid to employees that were employed in both fiscal years and also due to new positions being filled at a higher salary rate. This was partially offset by a decrease of \$7,000 in supervisory differential and a decrease of \$2,475 in special pay.

2. Employer Provided Benefits:

- The increase of \$234,861 is primarily due to an increase of \$200,258 in workers' compensation insurance and an increase of \$48,836 in pension contributions. The main cause of an increase in workers' compensation insurance is an update to how interest and administrative expenses associated with workers comp are allocated amongst the users.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2015/16 BUDGET
FLEET MANAGEMENT DIVISION
FLEET MANAGEMENT OPERATIONS (S/F 511)**

**PROPOSED BUDGET BOOK – Page #260-261
ON SCREEN – Page #266-267**

3. Internal Service Charges:

- The net increase of \$110,133 is attributable to an increase of \$129,063 in fleet cost allocations due to an increase in actual fuel consumption and usage of vehicle maintenance services, and also attributable to an increase of \$43,178 in city-wide building maintenance. This is somewhat offset by a decrease of \$53,400 in IT system development.

4. Internal Services – IT Operations:

- The increase of \$119,855 is due to an increase in the cost of the ERP Asset Management System used by the department and an overall increase in the cost of Pooled Unallocated Shared Resources.

5. Other Operating Expenses:

- The net decrease of \$4,252,673 is due to a reduction in fuel cost caused by a decrease in gas prices which was somewhat offset by an increase in fuel consumption.

6. Supervision Allocation:

- This amount represents the administration cost of the Division that is allocated to each activity within Fleet Management.

7. Indirect Cost:

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

8. Banking Fund Debt Repayments:

- The decrease is because there is no longer debt to be repaid associated with this subfund. The final payment was made in FY 2014/15

Non-Departmental / Fund Level Activities

9. Salary & Lapse Benefit:

- This reflects an estimated salary and benefit lapse based on the historical turnover within the fund.

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2015/16 BUDGET
FLEET MANAGEMENT DIVISION
FLEET MANAGEMENT OPERATIONS (S/F 511)**

**PROPOSED BUDGET BOOK – Page #260-261
ON SCREEN – Page #266-267**

CAPITAL OUTLAY CARRYFORWARD:

There are capital outlay carryforwards of \$255,167 for the repair and renovation of the fleet management facilities and \$10,490 for the purchase of heavy equipment used at these facilities that might not be completed by the end of the fiscal year.

RECOMMENDATION:

The amount budgeted for fuel needs to be reduced by \$1,000,000 due to fewer gallons being needed for the independent contract garbage haulers since one of them built a fueling station and converted its primary fleet to compressed natural gas (CNg). The CNg will not be purchased via Fleet Management so the offset to this adjustment is a reduction to revenue. This has no impact to Special Council Contingency.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2015/16 BUDGET
FLEET MANAGEMENT DIVISION
VEHICLE REPLACEMENT (S/F 512)**

**PROPOSED BUDGET BOOK – Page #262-263
ON SCREEN – Page #268-269**

BACKGROUND:

This is an internal service fund that accounts for the replacement of City owned vehicles.

REVENUE:

Intra-Governmental Services

1. Charges for Services:

- The increase of \$5,997,828 is due to larger vehicle replacement in FY 2014/15 and the new proposed budget in comparison to earlier years which are being paid off.

2. Other Sources:

- This represents the amount of borrowed funds required to purchase the FY 2015/16 proposed vehicle replacements.

Non-Departmental / Fund Level Activities

3. Miscellaneous Revenue:

- The increase of \$14,441 is mainly due to a slight increase in projected gains from the sale of surplus vehicles.

4. Transfer from Fund Balance:

- The decrease of \$5,000,000 is due to a transfer from fund balance made during FY 2014/15 to cover expenditures associated vehicle replacement.

EXPENDITURES:

Intra-Governmental Services

1. Salaries:

- The decrease of \$4,007 is mainly due to a decrease in special pay.

2. Employer Provided Benefits:

- The increase of \$6,202 is being driven by an increase of \$3,523 in workers compensation costs and an increase of \$1,566 in pension contributions.

3. Internal Service Charges:

- This amount represents the FY2015/16 cost of the Auto Vehicle Locator IT System Development project. The project will allow Fleet to manage city vehicles for location, fuel consumption and employee productivity. The increase of \$83,112 is due to the fact that the budgeted amount in FY 2014/15 was based on 6 months of payback instead of a full year.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2015/16 BUDGET
FLEET MANAGEMENT DIVISION
VEHICLE REPLACEMENT (S/F 512)**

**PROPOSED BUDGET BOOK – Page #262-263
ON SCREEN – Page #268-269**

4. Internal Services – IT Operations:

- The increase of \$7,331 is primarily due to an overall increase in the cost of the ERP Asset Management System and an increase in the cost of pooled unallocated shared resources.

5. Capital Outlay:

- This amount represents the purchase of vehicles in the proposed budget with borrowed funds. The increase of \$3,686,605 is due to more vehicles being purchased with borrowed funds instead of being purchased with cash in the Direct Vehicle Replacement Fund (S/F 513)

Source	FY 2014/15 Approved	FY 2015/16 Proposed	Change
Pay-As-You-Go (pay-go)	15,745,200	11,393,858	(4,351,342)
Borrowing (Banking Fund)	12,216,092	15,902,697	3,686,605
Total Vehicle Replacement	\$ 27,961,292	\$ 27,296,555	\$ (664,737)

6. Indirect Cost:

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

7. Banking Fund Debt Repayment:

- This amount represents the interest and principal payback for banking fund borrowing. The increase of \$1,649,379 is due to the increase in borrowing in FY2014/15 and the new proposed borrowing.

Non-Departmental / Fund Level Activities

8. Transfers to Other Funds:

- This amount represents the excess revenue over expenditure total in this subfund that is available to fund a portion of the FY2015/16 vehicle replacements and is being transferred to the Direct Vehicle Replacement fund (S/F 513).

9. Cash Carryover:

- There is no cash carryover in the proposed budget.

EMPLOYEE CAP CHANGE:

There are no changes to the overall employee cap.

SERVICE LEVEL CHANGES:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2015/16 BUDGET
FLEET MANAGEMENT DIVISION
VEHICLE REPLACEMENT (S/F 512)**

**PROPOSED BUDGET BOOK – Page #262-263
ON SCREEN – Page #268-269**

CAPITAL OUTLAY CARRYFORWARD:

There is a total capital outlay carryforward of \$801,755 associated with the FY 2014/15 vehicle replacements that might not be purchased by the end of the fiscal year.

COMMENT:

We are concerned that borrowing funds to purchase vehicles in the FY 2015/16 budget increases the City's reliance on borrowed funds for vehicle purchases. This is counter to the City's efforts to eliminate reliance on borrowing to purchase vehicles. Sections 9.6 and 9.7 of the FY 2015/16 Proposed Budget Ordinance waive the requirement to purchase vehicles with cash and the requirement for Banking Fund dollars to only be utilized on items greater than \$50,000 in value.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2015/16 BUDGET
FLEET MANAGEMENT DIVISION
DIRECT REPLACEMENT (S/F 513)**

**PROPOSED BUDGET BOOK – Page #264-265
ON SCREEN – Page #270-271**

BACKGROUND:

This internal service fund represents the spending by Fleet Management on direct vehicle replacements (pay-go), rather than through Banking Fund borrowing.

REVENUE:

1. Miscellaneous Revenue:

- Is made up of anticipated interest earnings for FY 2015/16, which are expected to increase by \$60,579 due to higher investment returns.

2. Transfers From Other Funds:

- The decrease of \$4,411,921 is mainly due to the elimination of a one-time \$4,000,000 interfund transfer from the General Fund / General Service District. There was also a reduction of \$617,625 in the pay-go transfer from Vehicle Replacement (S/F 512) that was somewhat offset by the addition of an interfund transfer of \$205,704 from the Office of General Counsel (S/F 551).

EXPENDITURES:

1. Capital Outlay:

- The decrease of \$4,351,342 is due to the reduction of vehicles being purchased with cash in FY 2015/16.

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

There are no positions in this subfund.

CAPITAL OUTLAY CARRYFORWARD:

There is a capital outlay carryforward of \$1,576,695 associated with the FY 2014/15 vehicle replacements that might not be purchased by the end of the fiscal year.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2015/16 BUDGET
GENERAL COUNSEL (S/F 011)**

**PROPOSED BUDGET BOOK – Page # 312-313
ON SCREEN-Page # 318-319**

BACKGROUND:

This accounts for the Duval Legislative Delegation and the Judgments, Claims and Losses Division which provides resources to be used for the defense of the City against legal action.

REVENUES:

There are no revenues for the General Fund divisions of this department.

EXPENDITURES:

Significant changes in expenditures are as follows:

1. Salaries:
 - The net decrease of \$14,667 is due to the filling of the Delegation Coordinator position at a lower rate of pay.
2. Employer Provided Benefits:
 - The net decrease of \$21,849 is mainly due to a decrease in pension contributions of \$14,677 due to the current employee enlisting in the defined contribution pension plan rather than the deferred benefit pension plan. There is an additional decrease in hospitalization insurance of \$7,167.
3. Internal Service Charges:
 - The net decrease of \$4,474 is mainly due to a decrease of \$4,793 in building cost allocation to more accurately reflect the square footage utilized by this division.
4. Internal Service – IT Operations
 - There is a decrease of \$740 in computer system maintenance to better reflect actual costs.
5. Other Operating Charges:
 - The net decrease of \$174 is mainly due to a decrease in general liability insurance of \$268, offset by an increase in dues, subscriptions, and memberships of \$100.

SERVICE LEVEL CHANGES:

There are no significant service level changes.

EMPLOYEE CAP CHANGES:

There are no employee cap changes.

RECOMMENDATIONS:

None

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2015/16 BUDGET
GENERAL COUNSEL (S/F 551)**

**PROPOSED BUDGET BOOK – Page # 314-316
ON SCREEN-Page # 320-322**

BACKGROUND:

This internal service accumulates and allocates the cost of the General Counsel's Office and recovers its costs via charges to its users/customers which include the City, independent authorities, and boards/commissions of the government.

REVENUES:

NON-DEPARTMENTAL / FUND LEVEL ACTIVITIES

1. Transfers from Fund Balance:

- This is an appropriation of retained earnings of \$850,000 of which \$644,296 will be transferred out to the General Fund in order to help fund equipment for an additional 40 police officers and 40 Community Service Officers. The additional \$205,704 will be transferred to subfund 513 (Fleet) in support of the vehicle pay-go program.

2. Miscellaneous Revenue:

- The net increase of \$15,828 is mainly result of an increase in investment pool earnings of \$14,828 to better reflect actual revenues.

OFFICE OF GENERAL COUNSEL

3. Charges for Services:

- The net increase of \$714,856 is the result of higher billings to other departments and agencies due to the reduction of staff vacancies.

EXPENDITURES:

Significant changes in expenditures are as follows:

NON-DEPARTMENTAL / FUND LEVEL ACTIVITIES

4. Salaries & Benefits Lapse:

- The lapse totaling \$296,046 (a decrease of \$59,921) is calculated based on employee turnover history within the Office of General Counsel.

5. Contingencies:

- This removes the reserve to pay settlements, judgments, and claims against the City. The General Counsel has never used this reserve. This reserve requires City Council approval prior to distribution of funds. (Please note, within the Office of General Counsel's subfund 011 there is a proposed \$119,981 for misc. non-departmental expenditures which performs a similar task; however approval from Council is not required for sums under \$50,000. Therefore, there is no service level impact.)

6. Transfers to Other Funds:

- There is a transfer to other funds of \$850,000 correlating to the transfers from fund balance as noted above.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2015/16 BUDGET
GENERAL COUNSEL (S/F 551)**

**PROPOSED BUDGET BOOK – Page # 314-316
ON SCREEN-Page # 320-322**

OFFICE OF GENERAL COUNSEL

7. Employer Provided Benefits:

- The net increase of \$79,659 is mainly attributable to increases of \$48,243 in hospitalization insurance, \$16,878 in workers' compensation, \$12,358 in pension contributions, and \$2,509 in group life insurance.

8. Internal Service Charges:

- The net increase of \$25,541 is mainly attributable to an increase of \$29,348 for building cost allocations due to the use of a more accurate cost basis. This is somewhat offset by a decrease of \$2,543 in copier consolidation charges.

9. Internal Service – IT Operations

- The net increase of \$48,229 is mainly attributed to the allocated cost of a document management solution allowing documents to be scanned and indexed for online use.

10. Other Operating Charges:

- The net decrease of \$1,113 is mainly due to a decrease of \$12,006 in general liability insurance. The decrease is somewhat offset by increases of \$7,654 in dues, subscriptions, and memberships, and \$3,424 in hardware/software maintenance.

11. Indirect Cost:

- The increase of \$3,080 is based on the annual indirect cost study performed by an independent consulting firm.

SERVICE LEVEL CHANGES:

There are no significant service level changes.

EMPLOYEE CAP CHANGES:

There are no employee cap changes.

RECOMMENDATION:

None

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2015/16 BUDGET
OFFICE OF ETHICS, COMPLIANCE, & OVERSIGHT (S/F 011)**

**PROPOSED BUDGET BOOK – Page # 310-311
ON SCREEN – Page # 316-317**

BACKGROUND:

This accounts for the Office of Ethics, Compliance, and Oversight which addresses citywide ethics issues.

REVENUES:

There are no revenues for this department.

EXPENDITURES:

Significant changes in expenditures are as follows:

1. Salaries:
 - The net increase of \$27,500 is mainly due to a \$20,000 increase from the hiring of an attorney for the one full-time position within the office. In addition, there is an increase of \$7,500 in part-time salaries reflecting the employment contract of the executive director.
2. Employer Provided Benefits
 - The net increase of \$10,171 is mainly due to increases in hospitalization insurance of \$4,709, workers' compensation insurance of \$3,459, and pension contribution of \$1,540.
3. Internal Service Charges:
 - The net decrease of \$7,145 is mainly due to a decrease in OGC-Legal of \$16,953 to more accurately reflect historical values. This is somewhat offset by an increase in building cost allocation of \$9,397 due to increased square footage via a shared office space with the Office of the Inspector General.
4. Internal Service – IT Operations
 - The net increase of \$5,123 is based on the use of a cost allocation model that more accurately allocates IT costs.
5. Other Operating Charges:
 - The net increase of \$2,658 is mainly due to an increase of \$2,170 in travel expenses and training to attend a meeting of the Council on Governmental Ethics Laws held in Boston.

SERVICE LEVEL CHANGES:

With the upgrade of the newly hired Assistant Management Improvement Officer (with a background as an attorney and law professor), the OECO will increase their service level by performing more ethics training throughout the City, Independent Authorities, and Constitutional Officers and by having the ability to research and answer more incoming questions on ethics issues in less time.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2015/16 BUDGET
OFFICE OF ETHICS, COMPLIANCE, & OVERSIGHT (S/F 011)**

**PROPOSED BUDGET BOOK – Page # 310-311
ON SCREEN – Page # 316-317**

EMPLOYEE CAP CHANGES:

There are no employee cap changes.

RECOMMENDATION:

We recommend part-time hours be reduced by 880 (from 2,080 to 1,200). Currently, there is no intention to utilize more than 1,200 part-time hours. The Executive Director of the Office of Ethics, Compliance, and Oversight is in agreement with this recommendation.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2015/16 BUDGET
OFFICE OF THE INSPECTOR GENERAL
GENERAL FUND / GENERAL SERVICES DISTRICT (S/F 011)**

**PROPOSED BUDGET BOOK – Page #318-319
ON SCREEN – Page #324-325**

BACKGROUND:

Ordinance 2014-519-E created an independent Office of Inspector General, which provides increased accountability, integrity, and oversight of the executive and legislative branches of the City of Jacksonville, to assist in promoting economy and efficiency, improving agency operations, and deterring and identifying waste, fraud, and abuse. Ordinance 2014-747-E expanded this authority to include the City Constitutional Offices and Independent Authorities.

EXPENDITURES:

1. Salaries:
 - The amount of \$375,000 represents the funding of four full-time positions (\$355,000) and 250 part-time hours (\$20,000).
2. Employer Provided Benefits:
 - The \$65,481 is mainly attributable to pension contributions (\$44,975) and hospitalization insurance (\$13,418).
3. Internal Service Charges:
 - The \$18,390 is mainly associated with building cost allocation associated with the St. James Building (\$15,455).
4. Internal Services – IT Operations:
 - The \$3,076 is associated with computer system maintenance and security charges.
5. Other Operating Expenses:
 - The \$34,831 is mainly associated with hardware and software maintenance (\$25,940), travel (\$2,520), dues, subscriptions and memberships (\$1,900), and employee training (\$1,525). Some of the hardware and software maintenance costs are associated with the office maintaining separate IT systems due to the sensitive nature of their work.

SERVICE LEVEL CHANGES:

The service level is consistent with that authorized in Ordinances 2014-519-E and 2014-747-E.

EMPLOYEE CAP CHANGES:

The four positions included in the proposed budget are consistent with the four positions authorized in Ordinance 2014-519-E.

CAPITAL OUTLAY CARRYFORWARD:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2015/16 BUDGET
OFFICE OF THE INSPECTOR GENERAL
GENERAL FUND / GENERAL SERVICES DISTRICT (S/F 011)**

**PROPOSED BUDGET BOOK – Page #318-319
ON SCREEN – Page #324-325**

RECOMMENDATION:

We recommend that Hardware/Software Maintenance and Licenses be reduced by \$10,347. This is due to the budget containing the cost of purchasing computers and licenses for six new employees, which are not included in the proposed budget. This has a positive impact on Special Council Contingency of \$10,347.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2015/16 BUDGET
PUBLIC HEALTH
GENERAL FUND/GENERAL SERVICES DISTRICT (S/F 011)**

**PROPOSED BUDGET BOOK – Page #406-407
ON SCREEN – Page #412-413**

BACKGROUND:

The Duval County Health Department is a partnership between the State of Florida and the City of Jacksonville. The funding for the Duval County Health Department comes from the State of Florida, the City of Jacksonville, and from county fees for vital statistics, communicable disease, primary care and environmental health.

REVENUE:

There are no revenues associated with the Duval County Health Department.

EXPENDITURES:

Internal Service Charges

- The net decrease of \$452,495 is mostly due to a decrease of \$455,098 in building maintenance allocation costs resulting from an overall lower share of the pooled cost.

Other Operating Expenses

- The decrease of \$15,050 is due to a decrease in the cost of the property insurance policy.

Grants, Aids and Contributions

- The net decrease of \$206,476 is due to the elimination of \$764,676 in the local match for grants resulting from loss of funding for the Local Income Pool (LIP) grant previously awarded to the County Health Department. The offset is the addition of \$558,200 in subsidies and contributions to other governments, which represent the local funding portion for three (3) public health service programs administered by the County.

Program Name	Health Department	City	Total
Sexually Transmitted Disease Program	\$ 491,224.00	\$ 147,000.00	\$ 638,224.00
Immunizations	\$ 863,742.00	\$ 195,000.00	\$ 1,058,742.00
Hospital Emergency Room Alternative Program	\$ 331,200.00	\$ 216,200.00	\$ 547,400.00
Total	\$ 1,686,166.00	\$ 558,200.00	\$ 2,244,366.00

EMPLOYEE CAP CHANGES:

There are no City funded positions for this Department.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2015/16 BUDGET
PUBLIC HEALTH
GENERAL FUND/GENERAL SERVICES DISTRICT (S/F 011)**

**PROPOSED BUDGET BOOK – Page #406-407
ON SCREEN – Page #412-413**

SERVICE LEVEL CHANGES:

None.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2015/16 BUDGET
JACKSONVILLE HOUSING FINANCE AUTHORITY**

BACKGROUND:

The Jacksonville Housing Finance Authority (JHFA) provides funds to support the development of housing for low-to-moderate income families through the issuance of tax exempt bonds. The bond proceeds are utilized to make low interest loans. Ordinance 2014-185-E, enacted on August 12, 2014, classified the JHFA as an independent authority of the City of Jacksonville.

REVENUES:

1. Miscellaneous Revenue:

- The net increase of \$121,198 is mainly due to expected increases of \$125,000 in a realized gain on investments from mortgage backed securities and \$40,000 in mortgage interest income due to the payoff of at least one balloon note. These increases are partly offset by \$40,802 decrease in investment pool earnings due to a \$1.4 million fund balance transfer from JHFA's operating fund to their loan fund. This transfer was approved by City Council in Ordinance 2015-269-E.

2. Other Sources:

- The net increase of \$86,100 is primarily due to a \$96,100 increase caused by the issuance of new bonds in FY 2014/15 and two proposed issues that are expected to generate additional fees. This increase is slightly offset by a \$10,000 decrease in bond monitoring fees due to the redemption of revenue-generating bonds.

3. Transfers from Fund Balance:

- There is no budgeted transfer from fund balance.

EXPENDITURES:

1. Salaries:

- The addition of \$59,811 is due to two (2) partially funded positions moving to the appropriate account after previously being housed in Other Operating Expenses for budgeting purposes. (Prior year funding was budgeted at \$34,800). This increase of \$25,011 is due to the positions spending additional time on JHFA activities.

2. Employer Provided Benefits:

- The addition of \$22,258 is due to two (2) partially funded positions moving to the appropriate account as mentioned above.

3. Internal Service Charges:

- The net increase of \$4,085 is primarily due to an increase of \$4,551 in OGC legal fees based on current actual expenditures and the projected consultation for two multifamily bonds scheduled to issue in FY 2015/16. This is partly offset by a decrease of \$568 in technology refresh allocation.

4. Internal Service – IT Operations:

- There is no budgeted change in information technology operations.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2015/16 BUDGET
JACKSONVILLE HOUSING FINANCE AUTHORITY**

5. Other Operating Expenses:

- The net increase of \$14,926 is partly due to a \$50,000 increase for additional bond counsel and underwriting fees needed to convert single family bonds to mortgage credit certificate bonds. The majority of this increase is offset by a \$37,414 decrease mostly caused by the removal of salaries and benefits partially funded by the CDBG grant that were housed in this account for budgeting purposes.

6. Indirect Cost:

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

SERVICE LEVEL CHANGES:

There is no change in service level.

RECOMMENDATIONS:

1. We recommend that the budget ordinance be amended to include budgetary language regarding the JHFA revenues, expenditures, transfers, and employee information, as is standard for any independent authority.
2. We recommend that Schedule N be revised to correct errors related to the proposed budget for salaries and benefits.

JACKSONVILLE HOUSING FINANCE AUTHORITY
SUBFUND 721

Revenues and Expenditures

	FY 13-14	FY 14-15	FY 15-16	CHANGE FROM FY 15		FY 15-16
	ACTUAL	ADOPTED	PROPOSED	PERCENT	DOLLAR	REVISED SCHEDULE N
REVENUE						
Miscellaneous Revenue	302,896	118,802	240,000	50.5%	121,198	240,000
Other Sources	146,080	85,000	171,100	50.3%	86,100	171,100
Transfers from Fund Balance	<u>2,078,411</u>	<u>102,894</u>	<u>0</u>	<u>-100%</u>	<u>-102,894</u>	<u>0</u>
TOTAL REVENUE	2,527,387	306,696	411,100	34.0%	104,404	411,100
EXPENDITURES						
Salaries	222,540	8	59,205	739962.5%	59,197	59,819
Employer Provided Benefits	58,921	603	23,475	3793.0%	22,872	22,861
Internal Service Charges	35,758	24,191	28,276	16.9%	4,085	28,276
Internal Services - IT Operations	4,463	8,351	8,351	0.0%	0	8,351
Other Operating Expenses	186,360	258,371	273,297	5.8%	14,926	273,297
Capital Outlay	0	2	2	0.0%	0	2
Indirect Cost	<u>18,036</u>	<u>15,170</u>	<u>18,494</u>	<u>21.9%</u>	<u>3,324</u>	<u>18,494</u>
TOTAL EXPENDITURES	526,078	306,696	411,100	34.0%	104,404	411,100

**Jacksonville Housing Finance Authority
2015/2016 Budget**

Estimated Revenues:

36142	Realized Gain/Loss on Sale	\$ 125,000
36907	Miscellaneous Sales	5,000
36936	Mortgage Interest	75,000
38502	Bond Issuer Fees	171,100
361101	Investment Proceeds	35,000

Total Estimated Revenues \$ 411,100

Estimated Expenditures:

Personnel *

01201	Salaries	\$ 59,204
01401	Salaries Overtime	-
01511	Special Pay	615
02101	Payroll Taxes	-
02102	Medicare Taxes	784
02201	Pension Contributions	13,067
02207	Disability Trust Fund	176
02303	Group Life Insurance	138
02304	Group Hospitalization	8,696

Total Personnel \$ 82,680

Operating Expenses

03109	Professional Services	\$ 215,000
04002	Travel Expenses	15,000
04203	ITD Replacement	-
04205	OGC Legal	27,898
04211	Copy Center	-
04217	Fleet Management	-
04221	Mailroom	378
04223	Computer Data Center	8,351
04404	Lease Purchase	5,000
04603	Repairs and Maintenance	1
04801	Advertising	1,000
04938	Miscellaneous	19,795
05101	Office Supplies	2,500
05206	Food & Beverage	1,000
05216	Other Operating Expenses	1
05401	Employee Training	10,000
05402	Dues, Subscriptions, Memberships	4,000

Total Operating Expenses \$ 309,924

Other Expenses

06302	Improvements Other Than Buildings	\$ 1
06402	Other Heavy Equipment	1
09904	Indirect Costs	18,494

Total Other Expenses \$ 18,496

Total Estimated Expenditures \$ 411,100

* The JHFA utilizes Housing & Community Development Division staff on a cost-reimbursement basis as authorized in Section 52.105, *Municipal Code*. The monetary amount budgeted represents 50% of the Director - Finance position and 35% of the Contract Compliance Manager position.

Revised Schedule N

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2015/16 BUDGET
INTRA-GOVERNMENTAL SERVICES
EMERGENCY CONTINGENCY (S/F 018)**

**PROPOSED BUDGET BOOK – Page #204-205
ON SCREEN – Page #210-211**

BACKGROUND:

This fund is the General Fund's Emergency Contingency, which was moved to a separate fund pursuant to Municipal Code Section 106.106. Section 106.106 sets the targeted level for the Emergency Reserve as between 5 and 7%. Furthermore, Section 106.107 states that this fund should be equal to approximately seven percent (25.5 days average cash flow) of the total General Fund/General Services District budgeted expenditures. To meet the goals outlined in the Municipal Code, the fund balance would need to be between \$52 and \$73.5 million.

REVENUE:

1. Miscellaneous Revenue:

- Interest earnings for FY 2015/16 are expected to decrease by \$204,368 due to projected lower returns on investments. The budgeted amount is more in alignment with actual collections.

2. Transfers from Fund Balance:

- This represents the estimated FY 2015/16 ending cash balance.

EXPENDITURES:

1. Cash Carryover:

- This amount is the estimated FY 2015/16 ending cash balance including interest income.

EMPLOYEE CAP CHANGES:

There are no employees associated with this subfund.

CONCERN:

Based on the proposed General Fund/General Services District budget of \$1,049,499,807, and the projected fund balance of \$50,762,122, the Emergency Contingency Fund does not achieve the target requirements as set forth by Section 106.106 and 106.107.

RECOMMENDATION:

We recommend that the General Fund / General Services District (S/F 011) transfer \$3 million from its fund balance to the Emergency Reserve to assist in meeting the target requirement. This will have no impact on Special Council Contingency.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2015/16 BUDGET
MEDICAL EXAMINER
GENERAL FUND/GENERAL SERVICES DISTRICT (S/F 011)**

**PROPOSED BUDGET BOOK - Page # 288-289
ON SCREEN-Page # 294-295**

BACKGROUND:

The Medical Examiner provides autopsies, toxicological examinations, and histopathological preparations of tissues, autopsy reports, depositions, scene investigations, and expert witness testimony to Duval County, Nassau County, Clay County, the Department of Corrections of Union County (District IV), and parts of District III, which includes service to Columbia and Hamilton Counties.

REVENUE:

1. Charges for Services:
 - The net decrease of \$95,406 is primarily due to a decrease of \$116,400 related to autopsies, record reviews, and inspections. We have a recommendation below to reduce part of this decrease. The decrease is partially offset by a \$23,240 increase in cremation approval services based on FY 2014/15 actual revenue.

EXPENDITURES:

1. Salaries:
 - The \$8,395 net decrease in salaries is primarily due to a \$48,259 decrease in full-time salaries. \$43,680 of the \$48,259 decrease was caused by the removal of one full-time toxicologist in support of the Medical Examiner's Office outsourcing its toxicology function. The remaining decrease is mostly attributed to new hires filling positions at a lower salary rate than previously budgeted. This \$48,259 decrease is mostly offset by increases of \$37,000 in part-time salaries for an investigator and autopsy technicians who work weekends and nights, \$1,605 in longevity pay, and \$1,258 in leave rollback.
2. Employer Provided Benefits:
 - The net decrease of \$24,168 is primarily due to a net decrease of \$36,941 in employee pension contributions due to the removal of one full-time toxicologist and positions moving from the defined benefit pension plan to the defined contribution plan. The decrease is partially offset by a \$17,777 increase in workers' compensation insurance due to an update of the workers' compensation expense allocations.
3. Internal Services – IT Operations:
 - The increase of \$95,177 in information technology costs is partly due to increases of \$40,179 in application support and \$8,605 in infrastructure services based on actual usage. Additionally, the overall increase in budgeted IT costs contributed to a \$43,169 increase in shared IT services that are not attributable to any specific department.
4. Other Operating Expenses:
 - The net increase of \$233,939 is the result of a \$345,091 increase in professional services due to the proposed outsourcing of toxicology and the actual costs of body

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2015/16 BUDGET
MEDICAL EXAMINER
GENERAL FUND/GENERAL SERVICES DISTRICT (S/F 011)**

**PROPOSED BUDGET BOOK - Page # 288-289
ON SCREEN-Page # 294-295**

pickup in FY 2014/15. This increase is partially offset by decreases of \$57,700 in other operating supplies related to toxicology, \$29,432 in repairs and maintenance related to no longer needing maintenance contracts on toxicology equipment, and \$9,922 in miscellaneous services and charges due to no longer needing toxicology proficiency testing and control fees. The proposed budgeted expenditures for outsourcing toxicology are insufficient. See Recommendation 3.a. below.

5. Capital Outlay:

- Capital outlay previously budgeted at \$4,300 has been eliminated because the department does not need specialized equipment for the upcoming fiscal year.

SERVICE LEVEL CHANGES:

If the toxicology function is outsourced consistent with how the budget is proposed, toxicology results will be provided by an accredited toxicology lab instead of the current unaccredited toxicology function. Outsourcing will also include access to better equipment in addition to resources currently unavailable to the Medical Examiner's Office, such as quality assurance protocols, training, and PhD expertise.

EMPLOYEE CAP CHANGES:

There are no changes in the employee cap.

COMMENT ON PRIVATIZATION OF TOXICOLOGY:

The budget is proposed with the premise that the toxicology function of the Medical Examiner's Office will be performed by an accredited outside party. A contract has already been awarded for this service. Due to the cost of the contract and other transition items, the cost to the City during FY 2015/16 would be \$630,829. The next page is an analysis of this option over the next five years with a comparison to the cost to operate the function in-house at an accredited and status-quo levels.

**Council Auditor's Office
Medical Examiner's Office
Analysis of Toxicology Outsourcing**

Explanation	Initial Contract Period			Automatic Renewals	
	Year 1	Year 2	Year 3	Year 4	Year 5
Cost of Outsourcing (Accredited)					
Annual Contract First 2 Years ^a	\$ 689,131	\$ 689,131	\$ 709,805	\$ 731,099	\$ 753,032
Monthly Credit to City for Utilization of Space - \$8,000	(96,000)	(96,000)	(96,000)	(96,000)	(96,000)
Selling City Property	(66,767)	-	-	-	-
Transition Cost - Chief Toxicologist Still Employed	104,465	-	-	-	-
Total Cost of Outsourcing Each Year	\$ 630,829	\$ 593,131	\$ 613,805	\$ 635,099	\$ 657,032
Cost to Operate Toxicology In-House (Accredited) ^b					
Salaries & Benefits - Current Chief of Toxicology	\$ 104,465	\$ -	\$ -	\$ -	\$ -
Salaries & Benefits - New Chief of Toxicology (Partial Year 1)	112,041	153,870	158,486	163,240	168,138
Salaries & Benefits - Current Toxicologist	66,307	68,296	70,345	72,455	74,629
Salaries & Benefits - Additional Toxicologist	66,307	68,296	70,345	72,455	74,629
Salaries & Benefits - Additional QA Toxicologist	55,973	57,652	59,382	61,163	62,998
Other Operating Expenses	97,999	100,939	103,967	107,086	110,299
Other Recurring Expenses	26,000	26,780	27,583	28,411	29,263
One-Time Capital Cost	390,000	-	-	-	-
Total Cost to Operate Toxicology In-House Each Year	\$ 919,092	\$ 475,833	\$ 490,108	\$ 504,811	\$ 519,956
Cost to Operate Toxicology In-House (Status Quo with Limited Capital Purchase - Not Accredited)					
Salaries & Benefits - Current Chief of Toxicology	104,465	107,599	110,827	114,152	117,576
Salaries & Benefits - Current Toxicologist	66,307	68,296	70,345	72,455	74,629
Other Operating Expenses	97,999	100,939	103,967	107,086	110,299
One-Time Capital Cost	224,000	-	-	-	-
Total Cost to Operate Toxicology In-House Each Year	492,771	276,834	285,139	293,693	302,504
Net Savings/(Cost) to Outsource Versus Operate In-House at Accredited Level	\$ 288,263	\$ (117,298)	\$ (123,697)	\$ (130,288)	\$ (137,076)
Net Savings/(Cost) to Outsource Versus Status Quo	\$ (138,058)	\$ (316,297)	\$ (328,666)	\$ (341,406)	\$ (354,528)

Assumptions:

- a) This amount includes a 3% increase in Years 3-5. This increase is only for estimate purposes and was a rate selected for analysis purposes. The contract amount will be adjusted in Year 4.
- b) This information is based on information provided by the Medical Examiner's Office to explain what it would cost to operate the Toxicology area at an accredited level.

Overall All recurring costs have a 3% annual increase built-in. This increase is only for estimate purposes and was a rate selected for analysis purposes.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2015/16 BUDGET
MEDICAL EXAMINER
GENERAL FUND/GENERAL SERVICES DISTRICT (S/F 011)**

**PROPOSED BUDGET BOOK - Page # 288-289
ON SCREEN-Page # 294-295**

RECOMMENDATIONS:

1. We recommend that the District IV services be increased from \$622,900 to \$730,000. This amount more accurately represents the actual revenue that the Medical Examiner received in FY 2014/15. This will have a positive impact of \$107,100 on Special Council Contingency and can be used to help offset Recommendation 3.a. below if City Council decides to privatize the Medical Examiner's toxicology function consistent with how the budget is proposed.
2. Due to the recently enacted Ordinance 2015-405-E, which approved user fees of \$325 per session for training and \$25 per day for decedent storage, we recommend that revenue for Medical Examiner services be increased by \$28,575 for training and storage fee revenue. This amount is 75 percent of the Medical Examiner's projection of \$38,100, which was based on applying the aforementioned fee rates to these services that were free of charge in FY 2014/15. This will have a positive impact of \$28,575 on Special Council Contingency and can be used to help offset Recommendation 3.a. below if City Council decides to privatize the Medical Examiner's toxicology function consistent with how the budget is proposed.
3. If City Council decides to privatize the Medical Examiner's toxicology function consistent with how the budget is proposed, we have the following recommendations:
 - a. We recommend that professional services be increased from \$481,216 to a total of \$645,284 so that there is enough in this line item to pay the total amount per the contract. There was only \$362,296 in professional services for the privatization of toxicology even though \$526,364 is needed in the first year. This will have a negative impact of \$164,068 on Special Council Contingency.
 - b. We recommend that the Medical Examiner's Toxicologist position included in the Position Redline schedule (Schedule B2) be removed from the schedule and be eliminated from the proposed budget. This will reduce the employee cap from 28 to 27. There are currently no dollars budgeted for this position due to the assumption that toxicology will be outsourced. This will have no impact on Special Council Contingency.
 - c. We recommend that the Chief Toxicologist position be added to the Position Redline schedule. The Medical Examiner's Office plans to eliminate the position once the employee in place retires during FY 2015/16 due to the assumption that toxicology will be outsourced. This will have no impact on Special Council Contingency.
4. We recommend that 2,500 part-time hours be added to the Medical Examiner's Office. This relates to the removal of part-time hours in the Medical Examiner's FY 2014/15 budget. The funding associated with these part-time hours is already included in the proposed budget. This will have no impact on Special Council Contingency.