

# **OFFICE OF THE COUNCIL AUDITOR**

## **FY 2015/2016 PROPOSED BUDGET**

### **FINANCE COMMITTEE MEMBERS**

**Bill Gulliford - Chair**  
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**Meeting #3**  
**August 20, 2015**

**COUNCIL AUDITOR'S OFFICE  
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**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2015/16 BUDGET  
TAX COLLECTOR (S/F 017)**

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**PROPOSED BUDGET BOOK – Page # 480-482  
ON SCREEN-Page # 486-488**

**BACKGROUND:**

The Tax Collector's budget includes funding for three (3) divisions identified as branch agencies, current and delinquent taxes, and supervision and general collection. There are nine (9) branches and one (1) satellite office which process various transactions such as property and local business taxes, driver's license services and fast title services.

**REVENUES:**

**NON-DEPARTMENTAL**

1. Miscellaneous Revenue:

- The increase of \$15,804 is due to an increase in actual revenues from investment pool earnings.

2. Transfers from Other Funds:

- The transfer from the General Fund / General Services District (S/F 011) of \$6,117,504 is used to fund the disparity between budgeted revenues and expenses.

3. Transfers from Fund Balance:

- There are no transfers from fund balance is due to a low projected level of retained earnings in this subfund.

**TAX COLLECTOR**

4. Charges for Services:

- The net increase of \$888,736 is mainly attributable to increases of \$633,588 in revenues from driver's license renewal fees. Per FL. Statute 322.21(1)(e), beginning July 1, 2015 the Tax Collector shall retain \$7 and \$9 respectively for the issuance of replacement driver's licenses and identification cards that were previously deposited into the Highway Safety Operating Trust Fund. In addition, there are increases based on actual revenues totaling \$125,000 in tag registrations, \$75,000 in e-commerce fees, \$28,000 in auto tag mailing charges, and \$24,000 in fast title service charges.

**EXPENDITURES:**

**NON-DEPARTMENTAL**

1. Salaries and Benefits Lapse:

- The lapse of \$330,201 was calculated by the Budget Office based on employee turnover history within the Tax Collector's Office.

**TAX COLLECTOR**

2. Salaries:

- The net increase of \$273,753 is mostly due to an increase in salaries of \$165,597 caused by the funding of six (6) positions (four (4) Revenue Collector Seniors and two (2) Revenue Collector Supervisors) that were unfunded in FY2014/15. In addition, there is a \$27,200 increase in special pay due to the previously approved bargaining agreement which entitles eligible employees with driver's license examiners and title certifications

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COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2015/16 BUDGET  
TAX COLLECTOR (S/F 017)**

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**PROPOSED BUDGET BOOK – Page # 480-482  
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to receive a \$1,000 annual incentive payment. Finally, there is an increase of \$62,353 in part-time salaries and \$17,400 in overtime to reflect actuals due to a higher than expected turnover rate.

3. Employer Provided Benefits:

- The net increase of \$268,103 is mainly due to increases in pension contributions of \$139,569 which is mostly due to the funding of the six positions, hospitalization insurance of \$90,684 due to employee elections, and workers' compensation of \$29,072.

4. Internal Service Charges:

- The net increase of \$31,306 is mainly due an increase of \$70,954 in building maintenance allocation charges caused by the city allocating costs in a more accurate manner. This increase was somewhat offset by decreases of \$13,395 in utilities allocation charges, \$7,294 in tech refresh and pay-go, \$6,424 in OGC legal charges, \$4,770 in fleet charges, and \$3,360 in guard service and ADT charges.

5. Internal Service – IT Operations

- The primary reason for the reduction of \$366,279 is due to the decrease in charges for the Enterprise Document Management Solution, a reduction in Application Development, and a resulting lower portion of the pooled costs.

6. Other Operating Expenses:

- The net increase of \$286,113 is mainly due to the addition of \$240,000 to hire Florida Highway Patrol officers at each of the branch locations to address security concerns primarily related to license, tag, and title transactions. Additional increases include \$30,000 in postage in anticipation for slight increases in the volume of mail mailed, \$23,963 in building rentals, and \$19,742 in software maintenance/license for a newly implemented electronic content management system. These increases were slightly offset by a decrease of \$31,510 in general liability insurance.

**SERVICE LEVEL CHANGES:**

There are no significant service level changes.

**EMPLOYEE CAP CHANGES:**

None

**CAPITAL OUTLAY CARRYFORWARDS:**

Per Schedule AF, there is a capital carry forward of \$106,230 for office equipment.

**RECOMMENDATION:**

None

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

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**PROPOSED BUDGET BOOK – Page #478-479  
ON SCREEN – Page #484-485**

**BACKGROUND**

The Supervisor of Elections Office registers all voters in Duval County, educates voters with State and local laws and how to vote, staffs early voting sites prior to an election, staffs call center prior to an election, processes absentee ballots prior to an election and conducts State and local elections of Duval County in accordance with the elections laws of Florida. In FY 2014-15 there were three county wide elections (one General Election and two Local Duval County Elections). There will be two county wide elections (one Presidential Preference Primary Election and one Primary Election), in FY2015/16.

**EXPENDITURES**

1. Salaries

- The net decrease of \$885,817 is mainly due to an \$818,850 reduction in part-time salaries and \$64,485 reduction in salaries overtime. The decrease in part-time and overtime salaries are due to there being only two county elections during FY 2015/16.

2. Salary & Benefits Lapse

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

3. Internal Service Charges

- The net decrease of \$39,958 is due to reductions of \$41,959 in utilities and building maintenance - citywide due primarily to a change in the lease for the One Imeson building which now includes utilities in the lease payment and \$22,286 in tech refresh due to paying off desktops purchased in FY 2012/13. These reductions are partially offset by increases of \$21,245 in copy center and mailroom charges due to current year actuals.

4. Other Operating Expenses

- The net decrease of \$501,979 is mainly due to there being one less county wide election in FY2015/16, which caused reductions of:
  - \$245,000 in advertising and promotion.
  - \$223,422 in postage, which is also caused by grant funding being used for some costs.
  - \$215,401 in other operating supplies due to less usage.
  - \$82,210 in miscellaneous services and charges.
- These reductions are partially offset by increases of
  - \$114,396 in rentals (lands and buildings), due to scheduled increases in lease payments.
  - \$113,845 in printing and binding commercial, mainly due to the need to print elections materials that have the new Supervisor of Elections name on them.

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COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2015/16 BUDGET  
SUPERVISOR OF ELECTIONS  
GENERAL FUND / GENERAL SERVICES DISTRICT (S/F 011)**

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**PROPOSED BUDGET BOOK – Page #478-479  
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- \$72,663 in hardware/software licenses primarily due to increases in annual software maintenance and support for the voter tabulation system.

**FOOD AND BEVERAGES EXPENDITURE**

Indexcode	Amount	Description of each Service/Event that requires the purchase of food/beverage	Explanation that the Service/Event serves a public purpose
SEEL011	\$3,600.00	Food for employees on election day	4 meals, lunch and dinner for staff on both the March and August elections.

**EMPLOYEE CAP CHANGES**

Part-time hours have been reduced by 60,090 hours based on Duval County having one less county wide election in FY 2015/16.

**COMMENTS**

The food and beverage expenditure schedule for the Supervisor of Elections was left off of Schedule A to the budget ordinance. This was addressed during the review of the food and beverage schedule during meeting #1.

**SERVICE LEVEL CHANGES**

The proposed budget has 20 early voting sites per election versus the 18 utilized in FY 2014/15. In FY 2014/15, the minimum number of early voting sites that could have been utilized was based on the requirement to have at least as many early voting sites during general elections as there were during the 2012 General Election, which was 17. The cost is \$17,800 per early voting site per election.

Please note the two elections in FY 2015/16 are primary elections and as such, do not have a numerical requirement for early voting sites. Florida Statute 2015 101.657(1)(a) states that early voting sites must be “geographically located so as to provide all voters in the county an equal opportunity to cast a ballot, insofar as is practicable”.

**RECOMMENDATIONS**

None

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2015/16 BUDGET  
CLERK OF THE COURTS – OPERATIONS (S/F 016)**

**PROPOSED BUDGET BOOK – Page # 500-502  
ON SCREEN-Page # 506-508**

**BACKGROUND:**

Pursuant to Article 5 of the of the Florida Constitution and Section 28 of the Florida Statutes, the Clerk of the Circuit Court is the official recorder of all instruments that may, by law, be recorded in the county. Examples of these instruments included deeds, marriage licenses, documentary stamps, etc. A fee of \$10 for the first page and \$8.50 for each additional page is charged each time a document is recorded with the Clerk. The County side of the Clerk (S/F 016) receives \$5.00 for the first page and \$4.00 for each additional page. The rest of the fee goes into various other accounts. This sub-fund has Clerk County operations and Clerk Court-related costs that are a County obligation.

<b>Distributed to/Used for</b>	<b>1st Page</b>	<b>Each Add'l Page</b>	<b>Subfund</b>
City of Jacksonville (Clerk of Court County Related Duties)	\$ 5.00	\$ 4.00	016 - Clerk of Court
Clerk of the Court (Public Records Modernization Trust Fund - County Related IT Needs Except Salaries)	1.00	0.50	
Clerk of the Court (Public Records Modernization Trust Fund - Court Related IT Needs Including Salaries)	1.90	1.90	
Florida Association of Court Clerks and Comptrollers Inc.	0.10	0.10	
City of Jacksonville (Technology for State Trial Courts, State Attorney, and Public Defender)	2.00	2.00	15U - Recording Fees Technology
<b>Total Fee</b>	<b>\$ 10.00</b>	<b>\$ 8.50</b>	

**REVENUE:**

Clerk of the Court

1. Charges for Services:

- The net increase of \$46,663 is primarily due to an increase of \$100,000 in passport application fee which is a new service that will be provided by the Clerk, and an increase of \$80,000 in tax deeds and \$60,000 in documents stamps fee based on current actuals. This was offset by a decrease of \$150,000 in recording fees based on actuals and a decrease of \$59,000 in solemnizing matrimony service which is no longer provided by the Clerk's Office.

2. Miscellaneous Revenue:

- The increase of \$49,600 is due to an increase in court cost compliance revenue based on historical actuals. See recommendation 2 below.

Non-Departmental / Fund Level Activities

3. Miscellaneous Revenue:

- The increase of \$5,800 is attributable to an increase in investment earnings based on historical actuals.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2015/16 BUDGET  
CLERK OF THE COURTS – OPERATIONS (S/F 016)**

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**PROPOSED BUDGET BOOK – Page # 500-502  
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4. Transfers from Fund Balance:

- The transfer of \$367,062 from fund balance is needed due to a projected shortage of revenue to cover budgeted expenditures in FY 2015/16.

**EXPENDITURES:**

Clerk of the Court

1. Salaries:

- The net decrease of \$20,428 is mainly attributable to a decrease of \$24,256 in permanent and probationary salaries that resulted from several positions being filled at a lower salary rate. This was somewhat offset by an increase of \$3,978 in special pay.

2. Internal Service Charges:

- The net increase of \$42,518 is due to an increase in the cost allocation of legal services provided by the Office of General Counsel based on current actuals.

3. Internal Services – IT Operations:

- The net decrease of \$94,396 is attributed to an update of the employee count associated with the computer system maintenance and security cost allocation of the ERP-HR/Payroll system, the ERP Asset Management system, and the Cisco VOIP and Voicemail Phone systems.

4. Other Operating Expenses:

- The net increase of \$28,219 is primarily due to an increase of \$31,320 in postage that will be used for passport application services. This is somewhat offset by a decrease of \$3,685 in general liability insurance.

5. Supervision Allocation:

- This is an allocation for the Clerk of the Courts administrative staff time paid for by the State that needs to be billed to the City. The increase of \$8,943 is due to an overall increase in administration cost.

6. Indirect Cost:

- This is an allocation calculated by the City's independent consulting firm as part of the full cost allocation plan study. See recommendation 1 below.

Non-Departmental / Fund Level Activities

7. Salary and Benefit Lapse:

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



**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2015/16 BUDGET  
CLERK OF THE COURTS – OPERATIONS (S/F 016)**

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**PROPOSED BUDGET BOOK – Page # 500-502  
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**EMPLOYEE CAP CHANGES:**

The employee cap has not changed.

**SERVICE LEVEL CHANGES:**

1. The Clerk of the Courts will provide passport application services in FY 2015/16.
2. The Clerk of the Courts no longer provides wedding services.

**CAPITAL OUTLAY CARRYFORWARD:**

None.

**RECOMMENDATIONS:**

1. We recommend that indirect cost be increased by \$41,745 to match the total amount in the study. The offset within the subfund would be an increase of \$41,745 in recording fees which also reflects a more accurate projection for this revenue item. This would result in an increase of \$41,745 in indirect cost revenue in the General Fund/General Services District (S/F 011). This will have a positive impact of \$41,745 to the Special Council Contingency.
2. We recommend that a new subobject named Court Compliance Fee (341950) be created to record the revenues from the \$14 Court Cost - Compliance Fee which is assessed pursuant to Florida Statute 318.14(10b). This revenue is currently being recorded as Miscellaneous Sales and Charges which is a generic account. This will have no impact to Special Council Contingency.
3. We recommend that the Ed Ball Allocation be reduced by \$39,076. This reduction is associated with temporary storage space utilized by the Clerk's Office that is in the process of being reduced and/or completely eliminated. This reduction could reduce the transfer from fund balance within the Clerk of the Courts (S/F 016). The offset to revenue within the Public Building Allocations would be a transfer from fund balance. This will have no impact to Special Council Contingency.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2015/16 BUDGET  
JUDICIAL - VARIOUS  
RECORDING FEES TECHNOLOGY (S/F 15U)**

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**PROPOSED BUDGET BOOK – Page #504-505  
ON SCREEN-Page #510-511**

**BACKGROUND:**

This sub-fund receives \$2 for each page recorded by the Clerk into the Official Record pursuant to Florida Statute 28.24(12)(e)(1). These funds are to be used on the technology costs for the State Courts, State Attorney, and Public Defender as outlined in Florida Statute 29.008(1)(f)(2). Funds should be disbursed once the three parties mutually agree with the distribution of the funds pursuant to Section 111.388 of the Municipal Code.

**REVENUE:**

Courts

1. Charges for Services:

- The decrease of \$13,212 is attributable to lower revenues from the \$2 recording fee based on recent actuals. This revenue is tied to the recording of deeds and mortgages.

Non-Departmental/Fund Level Activities

2. Miscellaneous Revenue:

- The decrease of \$3,054 is attributable to no interest earnings being projected due to the funds low cash balance.

3. Transfer from Other Funds:

- There is no transfer from other funds for FY 2015/16 because no additional funds are needed to cover budgeted expenses.

**EXPENDITURES:**

Courts

1. Internal Service Charges:

- The decrease of \$17,022 is attributable to a decrease in tech refresh & pay-go cost due to 12 laptops being paid off in FY 2014/15. This was somewhat offset by an anticipated purchase of new servers in FY 2015/16.

2. Internal Services – IT Operations:

- The decrease of \$48,029 is due to a decrease in computer system maintenance cost associated with the maintenance of email accounts and Citrix. The decrease also resulted from a decrease in direct billing for the utilization of wireless data cards and WAN circuits.

Non-Departmental/Fund Level Activities

3. Cash Carryover:

- This represents the excess of proposed revenue over expenses.

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COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2015/16 BUDGET  
JUDICIAL - VARIOUS  
RECORDING FEES TECHNOLOGY (S/F 15U)**

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**PROPOSED BUDGET BOOK – Page #504-505  
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Public Defender

4. Internal Service Charges:

- The increase of \$1,618 is due to an increase in technology equipment refresh allocation. The increase resulted from a full year payment that will be made in FY 2015/16 compared to a partial payment made in FY 2014/15, this was somewhat offset by a reduction of the actual total cost.

5. Internal Services - IT Operations:

- The decrease of \$43,740 is attributable to a decrease in computer system maintenance cost that resulted from a decrease in direct billing for the utilization of wireless data cards and WAN circuits.

State Attorney

6. Internal Services - IT Operations:

- The decrease of \$57,962 is attributable to an overall decrease in computer system maintenance cost associated with the SAO – Stack System and the maintenance of email accounts.

**EMPLOYEE CAP CHANGES:**

There are no authorized positions in this subfund.

**SERVICE LEVEL CHANGES:**

None.

**RECOMMENDATION:**

Section 111.388 of the Municipal Code requires the three areas sign an agreement before funds are disbursed from this sub-fund. No funds should be disbursed until such MOU is signed by all three parties.

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COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2015/16 BUDGET  
INTRA-GOVERNMENTAL SERVICES  
LEGAL AID (S/F 15R)**

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**PROPOSED BUDGET BOOK – Page #256-257  
ON SCREEN-Page #262-263**

**BACKGROUND:**

These funds are to be used to support Jacksonville Area Legal Aid, which provides services that support access of the poor and indigent to the legal system. As of July 1, 2004 a \$65 fee was imposed pursuant to Florida Statute 939.185 and Ordinance 2004-609-E on felony, misdemeanor or criminal traffic offenses, of which 25% is used to support Legal Aid. Jacksonville Area Legal Aid is also receiving additional funding in the form of Public Service Grants.

<b>Additional Payments to Legal Aid</b>	<b>Approved FY 2014/15</b>	<b>Proposed FY 2015/16</b>
Public Service Grants		
Homeless Prevention Program	124,980	-
Disability Rights & Benefits	111,300	72,124
Civil Legal Services	-	123,055
<b>Subtotal</b>	<b>\$ 236,280</b>	<b>\$ 195,179</b>
<b>Contribution from \$65 fee within this subfund (S/F 15R)</b>	<b>247,000</b>	<b>256,691</b>
<b>Grand Total</b>	<b>\$ 483,280</b>	<b>\$ 451,870</b>

**REVENUE:**

1. Charges for Services:

- The increase of \$9,691 is due to an expected increase in revenue from the \$65 fee based on historical actuals.

**EXPENDITURES:**

1. Other Operating Expenses:

- The direct payment to Jacksonville Area Legal made through the authorized trust fund expenditures will increase by \$9,691 in FY 2015/16 due to more revenue being projected from the \$65 fee.

**EMPLOYEE CAP CHANGES:**

There are no authorized positions in this subfund.

**CONCERN:**

This subfund is projected to have a negative fund balance at the beginning of fiscal year 2015/16 of almost \$133,000. This negative fund balance has been caused by revenue shortfalls over a several year period and the previous practice of the City to send the total authorized trust fund expenditures amount to Jacksonville Area Legal Aid at the beginning of the fiscal year before the revenue was actually received. This created numerous negative interest earnings and even greater

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COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2015/16 BUDGET  
INTRA-GOVERNMENTAL SERVICES  
LEGAL AID (S/F 15R)**

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**PROPOSED BUDGET BOOK – Page #256-257  
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impacts when revenues were lower than budgeted. To prevent this from occurring again, language was added to the Budget Ordinance that only allows payments to JALA after the revenue is actually collected. However, to our knowledge, the City has not addressed the existing negative fund balance issue related to practices prior to FY 2011/12. Based on previous advice from the Office of General Counsel, the negative balance needs to be addressed by the City and is not the responsibility of JALA.

**RECOMMENDATION:**

None.

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

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**PROPOSED BUDGET BOOK – Page # 496-497  
ON SCREEN-Page # 502-503**

**BACKGROUND:**

The Public Defender Office is an agency of the State of Florida. Chapter 29.008 of the Florida Statutes requires that the Public Defender's office be provided with such office space, utilities, maintenance, security, transportation, and communication services as may be necessary for the proper and efficient functioning of their offices.

**EXPENDITURES:**

1. Internal Service Charges:

- The net increase of \$41,610 is mainly due to an increase of \$41,301 in building cost allocation for the Haverty building, mainly attributable to miscellaneous insurance being moved to this line item.

2. Internal Services – IT Operations:

- The decrease of \$45,259 is due to a reduction in computer systems maintenance charges associated with the maintenance of the badge access system and a decrease in mobile phone charges.

3. Other Operating Expenses:

- The decrease of \$24,367 is mainly attributable to a reduction of \$32,815 in miscellaneous insurance which is now charged as an internal service charge through the building cost allocation of the Haverty building. This was somewhat offset by an increase of \$8,448 in parking and toll charges to provide parking for investigators in the Library Parking Garage.

**EMPLOYEE CAP CHANGES:**

There are no City funded positions.

**SERVICE LEVEL CHANGES:**

None.

**CAPITAL OUTLAY CARRYFORWARD:**

None.

**RECOMMENDATION:**

None.

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

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**PROPOSED BUDGET BOOK - Page #498-499  
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**BACKGROUND:**

Chapter 29.008 of the Florida Statutes requires the City of Jacksonville to provide the State Attorney with office space, utility, maintenance, security, and communication services as may be necessary for the proper and efficient functioning of their offices.

**EXPENDITURES:**

1. Internal Service Charges:

- The net decrease of \$449,150 is mainly due to a decrease in building maintenance allocation cost. The building allocation decrease was due to the State Attorney's office now only being allocated cost for the new location.

2. Internal Services – IT Operations:

- The decrease of \$18,234 is mainly due to a reduction in computer systems maintenance charges associated with help desk support and mobile phone charges.

3. Other Operating Expenses:

- The decrease of \$3,800 is attributable to a decrease in water service charges.

**EMPLOYEE CAP CHANGES:**

There are no City funded positions.

**SERVICE LEVEL CHANGES:**

None.

**RECOMMENDATION:**

None.

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

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**PROPOSED BUDGET BOOK – Page #366-367  
ON SCREEN – Page #372-373**

**BACKGROUND:**

The Parks, Recreation and Community Services Department was formed by City reorganization Ordinance 2013-209-E, which combined the former Parks and Recreation and Special Services Departments. The Department is comprised of six divisions: Disabled Services, Natural and Marine Resources, Office of the Director, Recreation and Community Programming, Senior Services and Social Services.

**REVENUE:**

1. Charges for Services
  - The increase of \$22,650 is mostly due to a projected increase of \$22,250 in summer camp revenue based on current year actuals.
2. Miscellaneous Revenue
  - The decrease of \$24,070 is mainly due to a decrease in welfare reimbursement payments from the Social Security Administration of \$17,000, based on a decline in service over the past two years, as well as a decrease in Miscellaneous Sales & Charges (i.e. specialty class fees, pavilion & special use permits) of \$11,600. Please note that we have a recommendation below regarding the budgeted Miscellaneous Sales & Charges amount.

**EXPENDITURES:**

1. Salaries
  - The increase of \$592,808 is primarily due to the following:
    - Increase of \$309,776 in permanent and probationary salaries. \$273,916 of the increase is due to the funding of eight positions that were not funded in FY 2014/15. This increase is partially offset by a decrease of \$75,660 for new hires and reclassified positions which are being budgeted at a lower salary than last year. The remaining \$111,520 is due to pay increases, mainly promotions and end of probation raises that have already been given.
    - Increase of \$254,458 in overtime salaries in the Recreation & Community Programming division, this is based on current year actuals.
    - Increase of \$22,074 in part-time salaries funding in the Disabled Services division, in order to provide staff to work at the division's front desk
2. Employer Provided Benefits
  - The increase of \$664,585 is primarily due to increases of \$520,066 in workers compensation insurance, due to a new method of allocating these costs city-wide. GEPP defined benefit contributions are also increasing by \$53,540, group hospitalization insurance is increasing by \$41,276, and pension contributions are increasing by \$30,077.



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COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2015/16 BUDGET  
PARKS, RECREATION AND COMMUNITY SERVICES  
GENERAL FUND / GENERAL SERVICES DISTRICT (S/F 011)**

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**PROPOSED BUDGET BOOK – Page #366-367  
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3. Internal Service Charges

- The increase of \$759,566 is primarily due to an increase in allocated building maintenance costs of \$468,002, an increase in allocated utilities costs of \$173,701, and \$97,208 in fleet costs due to budgeted vehicle replacements.

4. Internal Services – IT Operations

- These costs are increasing by \$328,201 mainly based on prior year activity, an increase in the department's share of pooled costs, and maintenance on an upcoming project for a new parks asset system.

5. Other Operating Expenses

- The net increase of \$350,929 is primarily due to the following:
  - Increase of \$250,000 in repairs to building and equipment to perform maintenance projects that have been deferred for several years on basketball courts and tennis courts.
  - Increase of \$249,999 in contractual services for a \$250,000 contribution to the Friends of Hemming Plaza (FOHP) in order to cover projected cash shortfalls in FY 2015/16. It should be noted that this would require the City's contract with FOHP to be amended to increase the maximum indebtedness under the contract and was budgeted at the request of FOHP.
  - Decrease of \$130,312 in miscellaneous insurance due to a decrease in policy costs.
  - Increase of \$25,000 in victim assistance payments. These have historically been paid out of the Victim Assistance Services trust fund but are proposed to be moved to the general fund due to declining available funds.
  - Decrease of \$49,052 in general liability insurance based on a change in how these charges are allocated.

6. Grants, Aids and Contributions

- The \$2,971,303 is for the senior meals program. There is no change in funding compared to the FY 2014/15 budget.

**SERVICE LEVEL CHANGES:**

None.

**EMPLOYEE CAP CHANGES:**

There is no change in authorized positions. However, part-time hours are increasing by 13,923, mainly in the Recreation & Community Programming division (aquatics) and the Disabled Services division.

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

**PROPOSED BUDGET BOOK – Page #366-367  
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**FOOD AND BEVERAGES EXPENDITURES (subobject 05206):**

<b>SF</b>	<b>Indexcode</b>	<b>Amount</b>	<b>Description of each Service/Event that requires the purchase of food/beverage</b>	<b>Explanation that the Service/Event serves a public purpose</b>
011	RPAH011SP	\$4,500	Meals provided for more than 700 seniors at the Mayor's BEST Meetings. Two BEST meetings are held annually, allowing seniors to meet with the Mayor and to be kept abreast of issues and concerns facing Jacksonville seniors. Topics include Hurricane Preparedness, Property tax information for seniors, changes to Medicare/Social Security, etc. Experts in the field provide information and handouts that seniors can use to make informed decisions.	More than 700 seniors throughout the community (Senior Centers, Senior residences, church groups, neighborhood associations etc.) are invited to these meetings. Seniors have raised their families, owned businesses, worked hard over the years, this is a way to honor them and let them know their city cares about them.
011	RPCM011PG	\$2,000	Spring Fling / fall festival / other special events	Spring Fling event, open to the public.
011	RPCM011PG	\$500	Joseph Lee Day	Summer play day for approximately 500 kids.
011	RPCM011PG	\$9,500	After school & summer programs	Food and beverage for children in the various after school & summer programs.
011	RPCM011SNL	\$9,600	Summer Night Light snacks	Teen program with extended hours at community centers and pools during summer months.
011	RPCM011SNL	\$2,500	Summer Night Light Nutrition program	Fresh food for the SNL nutrition program.

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<b>SF</b>	<b>Indexcode</b>	<b>Amount</b>	<b>Description of each Service/Event that requires the purchase of food/beverage</b>	<b>Explanation that the Service/Event serves a public purpose</b>
011	RPOD011CEXT	\$3,000	Family & Consumer Sciences program; Partial Expanded Food & Nutrition program; educational programming	These programs teach how to achieve a healthy lifestyle by using the dietary guidelines and food guide pyramid to establish patterns, manage resources and reduce the risk of certain chronic diseases. All items are used in educational programming for teaching purposes only. The programs generate an annual projected average of 25,000 contacts reaching range groups including at-risk youth, seniors, limited income adults and general public.
	<b>Total</b>	<b>\$31,600</b>		

**DIVISION CHANGES:**

- The increase in the budget for Disabled Services of \$133,685 is primarily due to an increase in salaries of \$87,576, mainly due to a funded position of \$29,648 that was defunded in FY 2014/15, promotions and raises totaling \$24,101, and increased funding for part-time salaries of \$22,000. Employer provided benefits are also budgeted to increase by \$36,490.
- The increase in the budget for Natural and Marine Resources of \$60,176 is mainly due to an increase in salaries of \$33,747, mainly due to a funded position of \$32,801 that was defunded in FY 2014/15. Employer provided benefits are increasing by \$44,073, due mainly to increases in workers compensation insurance costs. These increases are partially offset with a decrease in IT internal service charges of \$10,265.

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**PROPOSED BUDGET BOOK – Page #366-367  
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- The increase in the budget for the Office of the Director of \$267,807 is due to increases of \$166,854 in IT internal service charges and \$93,881 in other internal service charges, mainly due to an increase in allocated building maintenance costs.
- The increase in the budget for Recreation and Community Programming of \$797,819 is mainly due to increases in building maintenance and utilities costs of \$514,243, workers compensation insurance costs of \$436,418, playgrounds & centers salaries of \$320,188 (mainly due to an increase in overtime costs), a payment to Friends of Hemming Plaza of \$250,000, and deferred maintenance projects (primarily related to basketball and tennis courts) totaling \$250,000. These increases are partially offset with a decrease of \$968,266 due to the senior center custodian activity moving to the Senior Services division.
- The increase in the budget for Senior Services of \$1,278,216 is mainly due to the transfer in of the senior center custodian activity from the Recreation & Community Programming division, as well as due to funding two positions at a combined \$83,895 that were defunded in FY 2014/15.
- The increase in the budget for Social Services of \$158,472 is mainly due increases in salaries of \$63,092, mainly due to the funding of a \$50,000 position that was defunded in the FY 2014/15. The defunded position remained filled during FY2014/15 and was paid out of funding available due to vacancies. Employee benefits are increasing by \$41,607, while IT internal service charges are increasing by \$31,393 for Computer System Maintenance & Security. Other operating expenses are budgeted to increase by \$23,535, mainly due to the budgeting of victim assistance payments.

**RECOMMENDATION:**

We recommend that Miscellaneous Sales and Charges revenue be increased by \$10,000 in order to more accurately reflect current year actual revenues. The department is in agreement with this recommendation. This would have a positive impact on the Special Council Contingency of \$10,000.

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HUGUENOT PARK (1D1)**

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**PROPOSED BUDGET BOOK – Page 368-369  
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**BACKGROUND:**

The Huguenot Park Trust Fund is governed by Ordinance Code Section 111.125. This trust fund is funded by entrance fees, annual pass fees, camper rentals, miscellaneous sales and charges, and concession commissions, as well as a subsidy from the General Fund/General Services District (S/F 011). The code states that expenditures from the trust fund shall be for park maintenance and capital improvements and to offset operating expenses associated with the park.

**REVENUE:**

Non-Departmental/Fund Level Activities

1. Transfers from Other Funds:

	<b>FY 2014/15</b>	<b>FY 2015/16</b>	<b>Change \$</b>	<b>Change %</b>
From General Fund/GSD	\$239,120	\$122,162	\$(116,958)	-48.9%
From Hanna Park (1D2)	\$0	\$75,000	\$75,000	N/A
<b>Total</b>	<b>\$239,120</b>	<b>\$197,162</b>	<b>\$(41,958)</b>	<b>-17.5%</b>

The transfer from Hanna Park is proposed to help mitigate the negative cash balance in the Huguenot Park trust fund. The negative cash balance is addressed in greater detail under the CONCERNS section below.

Parks, Recreation & Community Services

1. Charges for Services:

- The increase of \$120,936 is primarily due to an increase in fees for admission and camping, which are detailed below under the FEE INCREASES section.

2. Miscellaneous Revenue:

- The decrease of \$10,819 is because presently there are no concession vendor contracts in place at Huguenot Park (i.e. food trucks), resulting in the City receiving no concession revenue. The department is hopeful that contracts will be entered into during FY 2015/16.

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**FEE INCREASES:**

The following fee increases are included in the proposed budget for FY 2015/16:

<b>Subobject</b>	<b>Description</b>	<b>Current Fee</b>	<b>New Fee (as of 9/8/15)</b>	<b>Increase</b>	<b>Additional Expected Revenue Due to Increased Fees</b>
34740	Entrance Fees (defined as 8am to close)	\$3.74	\$4.67	\$0.93	\$89,373
34748	Annual Pass Fee	\$90.00	\$92.52	\$2.52	\$302
34748	Annual Pass Replacement Fee (1 Per Year) *	\$0.00	\$9.30	\$9.30	\$47
34751	Camper Rentals Tent – Interior	\$13.00	\$15.00	\$2.00	\$9,118
34751	Camper Rentals Tent – Waterfront	\$15.00	\$17.00	\$2.00	\$3,948
34751	Camper Rentals RV – Interior	\$15.00	\$17.00	\$2.00	\$658
34751	Twilight Camping Fee (Tent)	\$4.50	\$12.00	\$7.50	\$375
34751	Twilight Camping Fee (RV)	\$6.75	\$12.00	\$5.25	\$263
34751	Late Camping Fee	\$9.00	\$12.00	\$3.00	\$150
36907	Shelter Rental	\$36.00	\$38.00	\$2.00	\$440
36907	Beach/Wedding Ceremony/Group Event Fees (under 50 persons)	\$46.73	\$50.00	\$3.27	\$33
36907	Beach/Wedding Ceremony/Group Event Fees (51-75 persons)	\$70.09	\$80.00	\$9.91	\$79
36907	Beach/Wedding Ceremony/Group Event Fees (76-200 persons)	\$93.46	\$125.00	\$31.54	\$378
36907	Beach/Wedding Ceremony/Group Event Fees (201-500 persons)	\$140.19	\$250.00	\$109.81	\$549
36907	Beach/Wedding Ceremony/Group Event Fees (Over 500 persons)	\$186.92	\$450.00	\$263.08	\$526
36907	Dump Station	\$4.67	\$5.58	\$0.91	\$53
					\$106,292

\* This is a new fee for FY 2015/16.

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**PROPOSED BUDGET BOOK – Page 368-369  
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**EXPENDITURES:**

Non-Departmental/Fund Level Activities

1. Salary and Benefit Lapse:

- There is a proposed salaries/benefits lapse of \$14,011, based on the average turnover ratio and estimated number of vacancies in FY 2015/16. This budgeted lapse is \$1,318 less than FY 2014/15.

2. Cash Carryover

- This represents the proposed transfer of \$75,000 from the fund balance of the Kathryn A. Hanna Park Trust Fund (S/F 1D2). The purpose of the budgeted transfer is to cover the current cash deficit balance in the Huguenot Park fund.

Parks, Recreation & Community Services

1. Employer Provided Benefits:

- The net increase of \$19,823 is mainly due to an increase of \$15,197 in workers' compensation insurance due to a change in how costs are allocated city-wide. Group hospitalization insurance is also increasing by \$4,475.

2. Internal Service Charges:

- The net decrease of \$16,633 is being driven by a decrease in the Citywide building maintenance allocation of \$6,359. Additionally, internal service allocations for Fleet parts, oil & gas are budgeted to decrease by \$6,365, due to a decrease in fuel prices. Lastly, Fleet internal service charges for repairs and maintenance are decreasing by \$5,906 based on prior year costs.

3. Internal Services – IT Operations:

- The decrease of \$7,506 is due to a reduction in the Computer System Maintenance & Security internal service allocation.

4. Other Operating Expenses:

- The net decrease of \$2,796 is mainly due to a decrease of \$2,500 in Large Volume Container-Sanitation line item, which is the dumpster and trash service for the park. The reduction is to bring the budgeted amount into alignment with current costs.

5. Indirect Cost:

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

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**SERVICE LEVEL CHANGES:**

None

**EMPLOYEE CAP CHANGES:**

There are no changes to the employee cap.

**CONCERNS:**

As of June 30, 2015, the Huguenot Park subfund had a negative cash position of approximately \$75,000. As previously stated above, the administration is proposing a one-time transfer into the Huguenot Park subfund of \$75,000 from the Hanna Park subfund in order to address the subfund's negative cash position. Despite this, the Administration still needs to address the long-term financial stability of this subfund, and adjust expenditures or service level to a financially sustainable level.

**RECOMMENDATIONS:**

1. Budgeted revenues for entrance fees appear to be overstated by approximately \$30,000, based on current and prior year actual revenues. We recommend reducing budgeted revenues for entrance fees (34740) by \$30,000. This revenue reduction will result in an increase to the transfer from General Fund/General Services District (011) by the same amount, resulting in a revised General Fund/General Services District (011) transfer of \$152,162. This would have a negative impact of \$30,000 on Special Council Contingency.
2. Given that the department is proposing the establishment of a new fee (Annual Pass Replacement Fee), we recommend that a special provision be added in the budget ordinance establishing the fee. Ordinance code section 123.104 requires the Mayor to include any new proposed fees in the annual budget proposal or in a separate ordinance. The new fee is proposed to be \$9.30 and is projected to generate an additional \$47 in revenue in fiscal year 2015/16. This recommendation will have no impact on Special Council Contingency.



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KATHRYN A. HANNA PARK (1D2)**

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**PROPOSED BUDGET BOOK – Page 370-371  
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**BACKGROUND:**

The Kathryn A. Hanna Park Maintenance and Improvement Fund was established by Section 111.125 of the Municipal Code to receive all revenues and interest earned by the City from admission fees, rentals of facilities, and other funds from activities and events occurring at Hanna Park. The generated revenues and a contribution from the General Fund are used to offset the expenditures for personnel, operating, and capital outlay.

**REVENUE:**

Non-Departmental/Fund Level Activities

1. Transfers from Other Funds:
  - The decrease of \$271,817 is due to a lower subsidy from the General Fund/General Services District (S/F 011). The FY 2015/16 proposed General Fund/General Services District (S/F 011) subsidy is \$164,529 and represents the shortfall between budgeted revenues and budgeted expenditures of the trust fund.
2. Transfers from Fund Balance:
  - This increase represents a \$75,000 transfer from fund balance that will go to the Huguenot Park Trust Fund (S/F 1D1) in order to mitigate the negative cash balance that is presently in that fund.

Parks, Recreation & Community Services

1. Charges for Services:
  - The increase of \$180,134 is primarily due to an increase in fees for admission and camping, which are detailed below under the FEE INCREASES section. The remainder of the increase is due to increases in demand.
2. Miscellaneous Revenue:
  - The increase of \$9,775 is primarily due to an increase in fees for the rental of city facilities and group events, which are detailed below under the FEE INCREASES section.

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KATHRYN A. HANNA PARK (1D2)**

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**FEE INCREASES:**

The following fee increases are included in the proposed budget for FY 2015/16:

<b>Subobject</b>	<b>Description</b>	<b>Current Fee</b>	<b>New Fee (as of 9/8/15)</b>	<b>Increase</b>	<b>Additional Expected Revenue Due to Increased Fees</b>
34740	Early Bird Fee (defined as 7am to 8am)	\$2.80	\$4.67	\$1.87	\$6,089
34740	Entrance Fees (defined as 8am to close)	\$4.67	\$5.60	\$0.93	\$100,507
34748	Annual Pass Fee	\$90.00	\$92.52	\$2.52	\$1,736
34748	Annual Pass Replacement Fee*	\$0.00	\$9.30	\$9.30	\$419
34751	Off Season RV (Nov 1 - Mar 1)	\$28.00	\$30.00	\$2.00	\$6,856
34751	Primitive Camping Fee*	\$0.00	\$50.00	\$50.00	\$400
36203	Rental of City Facilities (reflects minimum fee)	\$750.00	\$850.00	\$100.00	\$ 4,000
36203	Shelter Rental	\$45.00	\$50.00	\$5.00	\$2,610
36203	Lee Hall Rental	\$46.73	\$200.00	\$153.27	\$460
36203	Campground Amphitheater Rental	\$93.46	\$200.00	\$106.54	\$426
36907	Dump Station	\$4.67	\$5.58	\$0.91	\$91
36907	Hanna Park Beach/Wedding Ceremony/Group Event Fees (under 50 persons)	\$46.73	\$50.00	\$3.27	\$69
36907	Hanna Park Beach /Wedding/Group Event Fees (51-75 persons)	\$70.09	\$80.00	\$9.91	\$79

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KATHRYN A. HANNA PARK (1D2)**

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<b>Subobject</b>	<b>Description</b>	<b>Current Fee</b>	<b>New Fee (as of 9/8/15)</b>	<b>Increase</b>	<b>Additional Expected Revenue Due to Increased Fees</b>
36907	Hanna Park Beach/Wedding Ceremony/Group Event Fees (76-200 persons)	\$93.46	\$125.00	\$31.54	\$378
36907	Hanna Park Beach/Wedding Ceremony/Group Event Fees (201-500 persons)	\$140.19	\$250.00	\$109.81	\$549
36907	Hanna Park Beach/Wedding Ceremony/Group Event Fees (Over 500 – 1,000 persons)	\$385.00	\$450.00	\$65.00	\$520
36907	Hanna Park Beach/Wedding Ceremony/Group Event Fees (Over 1,001+ persons)	\$385.00	\$600.00	\$215.00	\$430
36907	Community Service Worker Admin Fee*	\$0.00	\$25.00	\$25.00	\$1,500
					\$127,119

\* This is a new fee for FY 2015/16.

**EXPENDITURES:**

Non-Departmental/Fund Level Activities

1. Salary and Benefit Lapse:

- There is a proposed salaries/benefits lapse of \$19,506. This reflects an estimated salary and benefit lapse based on the average turnover ratio and estimated number of vacancies in FY 2015/16. This is a decrease of \$6,031 from FY 2014/15.

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KATHRYN A. HANNA PARK (1D2)**

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**PROPOSED BUDGET BOOK – Page 370-371  
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2. Transfers to Other Funds:

- This represents the \$75,000 transfer from fund balance that would go to the Huguenot Park trust fund (S/F 1D1) in order to mitigate the negative cash balance that is presently in that fund.

Parks, Recreation and Community Services

1. Salaries:

- There is a budgeted increase of \$7,873 in salaries primarily caused by a \$13,443 increase in permanent and probationary salaries due to a combination of one promotion, end of probation raises and the reclassification of five positions that resulted in a net increase to salaries for those positions. Overtime costs are also increasing by \$6,000 based on actual costs in prior years. These increases are partially offset with a \$10,000 decrease to part-time salaries, based on actual costs.

2. Employer Provided Benefits:

- The net increase of \$5,157 is mainly due to an increase in workers compensation insurance of \$30,939, due to a change in how these costs are allocated city-wide. These increases are partially offset with a \$19,118 decrease in group hospitalization insurance and a net decrease of \$5,397 in pension contributions, both based on actual costs.

3. Internal Service Charges:

- The decrease of \$162,892 is primarily due to a \$178,099 decrease in the citywide building maintenance allocation. The decrease is due to improvements in the accuracy of how building maintenance costs are tracked. This decrease is partially offset with an increase in utilities charges of \$17,195.

4. Internal Services – IT Operations:

- The increase of \$3,314 is due to increases in the Computer System Maintenance & Security allocation.

5. Other Operating Expenses:

- The net increase of \$36,651 is mainly caused by an increase in general liability insurance of \$37,394. The increase is due to a large claim that occurred in FY 2014/15, as well as a change in how these costs are allocated throughout the City.

6. Indirect Cost:

- This is an allocation calculated by the City's independent consulting firm as part of the full cost allocation plan study. Indirect costs are increasing by \$21,959.

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**SERVICE LEVEL CHANGES:**

None

**EMPLOYEE CAP CHANGES:**

There is no change in authorized positions.

**RECOMMENDATION:**

Given that the department is proposing the establishment of three new fees (Annual Pass Replacement Fee of \$9.30, Primitive Camping Fee of \$50.00, and a Community Service Worker Admin Fee of \$25.00), we recommend that a special provision be added in the budget ordinance establishing these fees. Ordinance code section 123.104 requires the Mayor to include any new proposed fees in the annual budget proposal or in a separate ordinance. The new fees are projected to generate an additional \$2,319 in combined revenue in fiscal year 2015/16 (\$419, \$400 and \$1,500 respectively). This recommendation will have no impact on Special Council Contingency.

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FLORIDA BOATER IMPROVEMENT PROGRAM (S/F 1D8)**

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**BACKGROUND:**

Pursuant to Section 110.413 of the Municipal Code, this trust fund was established to provide boat-related activities (including recreational channel marking and public launching facilities), removal of floating structures deemed a hazard to public safety and health, and manatee and marine mammal protection. Projects larger than \$30,000 require the approval of the Council. Revenues are derived from recreational vessel registration fees paid in accordance with Florida Statute 328.72. This is an “all years” sub-fund.

**REVENUES:**

*NON-DEPARTMENTAL / FUND LEVEL ACTIVITIES*

1. Miscellaneous Revenue:

- There is a decrease of \$3,519 in projected investment pool earnings to better reflect actual revenues.

*PARKS, RECREATION, & COMMUNITY SERVICES*

2. Charges for Services:

- The boater registration revenue of \$123,066 is projected to be the same for FY 2015/16 as it was in FY 2014/15.

**EXPENDITURES:**

*NON-DEPARTMENTAL / FUND LEVEL ACTIVITIES*

1. Transfers to Other Funds:

- This funding totaling \$533,018 is being transferred to match funding for capital grants projects. The projects were approved by Council via Resolution 2015-38-A. Projects include the Mayport boat ramp lane extension, Metro Park dock replacement, Joe Carlucci dock extension, and the Wayne Stevens dock replacement.

*PARKS, RECREATION, & COMMUNITY SERVICES*

2. Other Operating Expenses:

- The negative amount of (\$388,471) is a transfer of expenditure capacity from operating expenses to fund the city's matching monies for the capital improvement projects described above.

**SERVICE LEVEL CHANGES:**

No significant change in service level.

**EMPLOYEE CAP CHANGES:**

There are no authorized positions in this subfund.

**RECOMMENDATION:**

None

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CECIL FIELD COMMERCE CENTER (S/F 1DA)**

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**PROPOSED BUDGET BOOK – Page # 374-375  
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**BACKGROUND:**

The Cecil Field Commerce Center includes the community center, aquatics complex, and the athletic complex.

**REVENUE:**

Non-Departmental/Fund Level Activities

1. Miscellaneous Revenue:

- The increase of \$3,566 is the result of an increase in investment pool earnings to better reflect actual revenues.

2. Transfers from Other Funds:

- The increase of \$287,346 is due to an increased transfer from the General Fund/General Services District (011). The proposed General Fund/General Services District (011) subsidy is \$1,452,282.

3. Transfers From Fund Balance:

- There is no proposed transfer from fund balance due to a low projection of remaining fund's within the fund balance.

Parks, Recreation & Community Services

4. Charges for Services:

- The net decrease of \$18,995 better reflects projected revenues from organized event charges consisting of sports tournaments, pool lane fees, and specialty camps.

5. Miscellaneous Revenue:

- The net decrease of \$8,873 is due to decreases of \$5,307 in overtime reimbursement charges and \$3,566 in miscellaneous sales and charges better reflecting actual revenues.

**EXPENDITURES:**

Non-Departmental/Fund Level Activities

1. Salary and Benefit Lapse:

- The proposed salaries and benefits lapse of \$12,028 is based on the average turnover ratio and estimated number of vacancies in FY 2015/16.

Parks, Recreation & Community Services

2. Salaries:

- The net decrease of \$14,569 is mainly due to decreases in part-time salaries of \$8,281 and overtime of \$5,640 to better reflect actual expenditures.

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CECIL FIELD COMMERCE CENTER (S/F 1DA)**

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3. Employer Provided Benefits:

There is net increase of \$610 mainly due to an increase of \$11,568 in workers' compensation. This increase is offset by a decrease of \$10,570 in pension contributions due to two employees electing to switch from the deferred contribution pension plan to the defined contribution pension plan.

4. Internal Service Charges:

- The net increase of \$214,054 is mainly due to the addition of \$215,371 in charges for a utilities allocation which was previously billed to Public Works through operating expenses.

5. Internal Services – IT Operations:

- The net increase of \$15,811 is due to an increase in computer system maintenance costs to better reflect actual costs.

6. Other Operating Expenses:

- The net decrease of \$200,409 is mainly due to a decrease in contractual services of \$191,192 correlated to the payment of utilities that are now billed as an internal service charge. Other decreases include \$2,000 in local mileage, \$2,000 in other operating supplies, \$1,869 in general liability insurance, and \$1,300 in miscellaneous services and charges.

7. 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:**

None

**AUTHORIZED POSITION CAP:**

Part-time hours have increased by 1,156 (from 22,844 to 24,000).

**CAPITAL OUTLAY CARRYFORWARD:**

None

**RECOMMENDATION:**

None



**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2015/16 BUDGET  
INTRA-GOVERNMENTAL SERVICES  
DRIVER EDUCATION SAFETY TRUST (S/F 1HA)**

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**PROPOSED BUDGET BOOK – Page # 258-259  
ON SCREEN-Page # 264-265**

**BACKGROUND:**

The Driver Education Safety Trust was authorized by Ordinance 2002-1165-E. Funding is provided by an additional \$3 levy on each civil traffic penalty. The funding is used for driver education programs in public and non-public schools. The expenditures budgeted are managed by Duval County School Systems. This is an all-year's fund.

**REVENUES:**

**INTRA-GOVERNMENTAL SERVICES**

1. Charges for Services:

- The decrease of \$161,641 in this all year's fund is related to prior year revenues that did not materialize. This adjustment will prevent cash from going negative in the future.

**NON-DEPARTMENTAL / FUND LEVEL ACTIVITIES**

2. Miscellaneous Revenue:

- Although investment earnings will be received in this subfund, they are not being appropriated in FY 2015/16 as part of the all year's adjusting entry noted above.

**EXPENDITURES:**

**INTRA-GOVERNMENTAL SERVICES**

3. Grants, Aids & Contributions:

- The decrease of \$171,472 reflects a decrease in grants, aides, and contributions to the Duval County Schools. A lesser amount is being appropriated to help ensure the fund does not deficit spend in the future based on prior revenue problems. However, given that this is an all year's fund, as of June 30, 2015, \$962,466 of unspent capacity is still available to contribute to the Duval County School system. The issue is that there is insufficient cash to cover the expense capacity and that is why the adjustment is needed.

**SERVICE LEVEL CHANGES:**

Duval County Public Schools plan to spend \$500,000 from the Driver Education Safety Trust in FY 2015/16 to hire one (1) full-time day resource teacher and four (4) part-time free course instructors, as well as continue to pay for seven (7) part-time instructors hired in FY 2014/15 to assist with day school driving.

**EMPLOYEE CAP CHANGES:**

There are no authorized positions in this subfund.

**RECOMMENDATION:**

None

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COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2015/16 BUDGET  
PARKS, RECREATION & COMMUNITY SERVICES  
EQUESTRIAN CENTER – NFES/HORSE (S/F 4F5)**

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**PROPOSED BUDGET BOOK – Page #308-309  
ON SCREEN – Page #314-315**

**BACKGROUND:**

Ordinance 2014-331-E transferred the management of the Equestrian Center from SMG to the Northeast Florida Equestrian Society (NFES)/H.O.R.S.E. Therapies, Inc.

**REVENUES:**

Non-Departmental/Fund Level Activities

1. Transfers from Other Funds:

- The decrease of \$286,817 is due to the elimination of a transfer from the Taye Brown Regional trust fund (Subfund 44i), which was used to subsidize the operations of the Equestrian Center in FY 2014/15.

Office of Economic Development

2. Charges for Services:

- The proposed budget of \$15,994 represents the projected revenues for recreational vehicle (RV) parking revenue in FY 2015/16 and was estimated by NFES.

3. Miscellaneous Revenue:

- The proposed budget of \$112,197 represents the projected revenues for facilities rental, stall rentals, sales, and vendor fees in FY 2015/16 and was estimated by NFES.

**EXPENDITURES:**

Office of Economic Development

1. Other Operating Expenses

- The proposed budget of \$128,191 represents the contractual services expense to be paid to the NFES and is equal to the total budgeted revenues.

**SERVICE LEVEL CHANGES:**

NFES has estimated revenues of \$128,191 and net expenditures of \$1,045,104 for FY 2015/16. A subsidy of \$916,913 would be required in order to achieve a balanced budget for FY 2015/16. Service levels will likely be impacted if additional revenue is not obtained.

**EMPLOYEE CAP CHANGES:**

There are no employees in this subfund.

**RECOMMENDATION:**

Pursuant to the contract, all revenues received and all expenditures incurred by NFES from the operation of the Equestrian Center are supposed to flow through an account established by the City. This is not occurring. Additionally, the City is not contractually obligated to fund NFES in FY 2015/16. Based on the current administration of the contract, we recommend that no revenue or expenditures be budgeted in Subfund 4F5. This will have no impact on Special Council Contingency.

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COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2015/16 BUDGET  
NON-DEPARTMENTAL/FUND LEVEL ACTIVITIES  
EQUESTRIAN CENTER – DEBT SERVICE (S/F 4F6)**

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**PROPOSED BUDGET BOOK – PAGE #164-165  
ON SCREEN – PDF PAGE #170-171**

**BACKGROUND:**

Ordinance 2014-331-E transferred the management of the Equestrian Center from SMG to the Northeast Florida Equestrian Society (NFES)/H.O.R.S.E. Therapies, Inc. Debt service for the Equestrian Center is now funded through a transfer from the General Fund/General Services District (S/F 011).

**REVENUES:**

1. Miscellaneous Revenue:

- This represents anticipated interest earnings of \$1,013 which will be used to pay a portion of the debt service costs for FY 2015/16.

2. Transfer in to Pay Debt Service:

- This amount represents a transfer from the General Fund/General Services District (S/F 011) to pay the debt service costs for FY 2015/16.

**EXPENDITURES:**

1. Fiscal and Other Debt Fees:

- The debt service payments include both the principal and interest, which is based upon a repayment schedule that was established at the time the bonds were issued, and the fiscal agent fees, which represent the cost of paying agent and registrar services for the bond issue.

Account Title	Principal	Interest	Fiscal Agent Fees	Total
2008A Capital Projects Revenue Bonds	\$7,710	\$5,911	\$1,438	\$15,059
2008B Capital Projects Revenue Bonds	\$7,710	\$5,643	\$38	\$13,391
2014 Special Revenue (ref. 2005A ETR Bonds)	\$0	\$89,200	\$0	\$89,200
<b>Total</b>	<b>\$15,420</b>	<b>\$100,754</b>	<b>\$1,476</b>	<b>\$117,650</b>

**EMPLOYEE CAP CHANGES:**

There are no City positions associated with this subfund.

**RECOMMENDATION:**

None.

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

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**PROPOSED BUDGET BOOK – Page #384-386  
ON SCREEN – Page #390-392**

**BACKGROUND**

The Planning and Development Department manages existing and future development within the City of Jacksonville. Matters pertaining to zoning, the comprehensive plan, concurrency, land use, various trades inspections and building codes fall within the purview of this department. The general fund portion of the Planning and Development Department consists of the Office of the Director, Community Planning Division, Current Planning Division, Development Services Division, Housing and Community Development Division, and Transportation Planning Division.

**REVENUE**

**1. Charges for Services**

- The net increase of \$41,334 is primarily due to increases of:
  - \$84,774 in certificates of use revenue
  - \$31,332 in zoning and rezoning fees revenue
  - \$20,100 in construction inspection fees revenue

These increases are partially based on FY 2014/15 actual revenues, which are projected to exceed FY 2014/15 budgeted revenues for several line items and fee increases that went into effect on July 1, 2015, as can be seen in the “Fee Increases/Decrease” section below.

- The increases are slightly offset by decreases of:
  - \$43,992 in comprehensive/amendment fees
  - \$50,830 in subdivision regulation - plat fees

These decreases are due to reduced current year actual revenues, a fee reduction for land use amendments (small scale - flat fee, as seen in “Fee Increases/Decrease” section below), and reduced volume estimates for FY 2015/16.

**2. Fines and Forfeits**

- The net increase of \$750 is due to current year actual collections.

**3. Miscellaneous Revenue**

- The net increase of \$190,761 is primarily due to an expected increase of \$191,261 in right of way permit filing fees revenue, which more closely reflects actual revenues in the current year and also includes fee increases that went into effect on July 1, 2015, as can be seen in the “Fee Increases/Decrease” section below.

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**PROPOSED BUDGET BOOK – Page #384-386  
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**FEE INCREASES/DECREASE:**

Subobject	Description	Previous	New Fee (as of 7/1/15)	Increase	Additional Expected Revenue Due to Increased (Decreased) Fees
<b>Community Planning Division</b>					
34905	Land Use Amendment – Small Scale – Flat Fee	\$3,950	\$3,548	(\$402)	(\$10,050)
34905	DRI Reviews-Notice of Proposed Change	\$4,495	\$5,275	\$780	\$3,900
34905	COAs - Additions and new construction requiring review/action by Commission	\$335	\$415	\$80	\$4,000
34905	COAs - Additions and new construction requiring review/action by Commission after notice of violation (Per MuniCode Sec 307.208b)	\$670	\$831	\$161	\$805
34905	COAs - Relocations	\$362	\$477	\$115	\$115
34905	COAs - Relocations requiring review/action by Commission after notice of violation (Per MuniCode Sec 307.208b)	\$724	\$953	\$229	*There is no activity expected by the department for this fee.
<b>Current Planning Division</b>					
342504	PUD – Minor modification	\$1,250	\$1,338	\$88	\$2,376
342504	Application for zoning variance/waiver (commercial/industrial)	\$1,009	\$1,091	\$82	\$4,510
342504	Application for zoning exception (residential or misc district)	\$985	\$1,073	\$88	\$1,848
342504	Application for zoning variance/waiver (commercial/industrial)	\$1,009	\$1,091	\$82	\$2,460
342504	Application for zoning variance/waiver (residential/agricultural)	\$985	\$1,073	\$88	\$616
342504	Application for appeal of exception/variance/waiver	\$985	\$1,073	\$88	\$264
342504	Administrative Deviations - Residential	\$898	\$966	\$68	\$1,360
342504	Administrative Deviations - Commercial	\$890	\$952	\$62	\$1,860
342504	Amendments to Orders	\$366	\$395	\$29	\$290
<b>Development Services Division</b>					
342504	Zoning Confirmation Letters (per parcel)	\$78	\$89	\$11	\$3,168
341901	Certificate of Use- Name Change of Business	\$78	\$89	\$11	\$748

**COUNCIL AUDITOR'S OFFICE  
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GENERAL FUND/GENERAL SERVICES DISTRICT (S/F 011)**

**PROPOSED BUDGET BOOK – Page #384-386  
ON SCREEN – Page #390-392**

Subobject	Description	Previous	New Fee (as of 7/1/15)	Increase	Additional Expected Revenue Due to Increased (Decreased) Fees
<b>Development Services Division</b>					
36932	Right of Way Permits – Open Cut Utility R/W Permit excluding fee exempt ## (based on average 550 feet per permit)	*270 for first 1,000' + 30 for each addtl' 1,000'	*289 for first 1,000' + 30 for each addtl' 1,000'	\$19	\$2,280
<b>Total Additional Expected Revenue Due to Increased/Decreased Fees</b>					<b>\$20,550</b>

**EXPENDITURES**

1. Salaries

- The net increase of \$92,374 is partially due to an increase of \$109,403 in the Transportation Planning Division reinstating two (2) positions removed during the FY 2014/15 budget and an increase of \$15,000 for the Director of Planning and Development. The increases are partially offset by decreases in salaries within the Development Services Division and Current Planning Divisions.

2. Employer Provided Benefits

- The net increase of \$144,765 is due in part, to increases of \$52,384 in group hospitalization insurance related to changes in elections made by employees, \$47,190 in workers compensation insurance due to an update to how interest and administrative expenses associated with workers compensation are allocated amongst the users, and \$31,027 in general employee pension contributions due to a contributions increase. These increases are also associated with the reinstatement of two (2) positions in the Transportation Planning Division.

3. Internal Service Charges

- The net increase of \$470,023 is primarily due to increases of \$141,632 in OGC legal costs due to increased current year actuals and \$327,695 in building cost allocation – Ed Ball building, due to an increase in total square footage of 12,225 allocated to the Planning Department based on the Housing and Community Development Division moving into a larger space.

4. Internal Service – IT Operations

- The net increase of \$10,177 is primarily due to an increase in computer system maintenance/security costs related to pooled unallocated shared resources.

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**PROPOSED BUDGET BOOK – Page #384-386  
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5. Other Operating Expenses

- The net increase of \$32,729 is primarily due to an increase of \$33,351 in general liability insurance costs. The increase is associated with a change in allocation methodology, which attributes more weight to claims history.

**EMPLOYEE CAP CHANGES**

The department's authorized position cap is increasing by two (2) compared to FY 2014/15. The two (2) positions are being restored to the Transportation Planning Division which was created by Ordinance 2013-209-E. These positions were removed during the FY 2014/15 budget process.

**DIVISION CHANGES**

<b>Division</b>	<b>FY 14-15 ADOPTED</b>	<b>FY 15-16 PROPOSED</b>	<b>Change</b>	<b>Notes</b>
Community Planning	\$ 1,489,448	\$ 1,520,453	\$ 31,005	(A)
Current Planning	991,522	988,768	(2,754)	
Development Services	2,117,523	2,231,951	114,428	(B)
Housing & Community Development	210,890	539,415	328,525	(C)
Office Of The Director	862,272	966,682	104,410	(D)
Transportation Planning	251,674	420,493	168,819	(E)
<b>Department Total</b>	<b>\$ 5,923,329</b>	<b>\$ 6,667,762</b>	<b>\$ 744,433</b>	

A. The increase of \$31,005 is mainly due to increases of:

- \$13,913 in internal service charges for IT services due to increased allocation of costs.
- \$11,436 in employer provided benefits due to employee elections for group health insurance, workers compensation increases based on an update to how interest and administrative expenses associated with workers compensation are allocated amongst the users, and increased general employees' pension plan contributions.
- \$8,970 in salaries comprised of an increase of \$5,000 for part time salaries and an increase of \$3,987 in permanent salaries due to filling a vacancy at higher salary than previously budgeted.

B. The increase of \$114,428 is mainly due to increases of:

- \$76,260 in employer provided benefits mainly due to an increase of \$33,143 in workers compensation insurance based on an update to how interest and administrative expenses associated with workers compensation are allocated amongst the users and \$31,241 in group hospitalization insurance based on elections by employees.

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**PROPOSED BUDGET BOOK – Page #384-386  
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- \$64,384 in internal service charges due to an increases of:
  - \$32,221 in building cost allocation – Ed Ball, due to an overall increase in allocated costs for the Ed Ball building.
  - \$25,410 in Office of General Counsel charges based on current year actuals.
  - \$9,146 in fleet vehicle rental based on the department getting 2 new vehicles in the proposed budget.

These are partially offset by a decrease of \$29,758 in salaries due to vacant positions being filled at a lower salary.

- C. The increase of \$328,525 is mainly due to increases in internal service charges of \$245,339 in building cost allocation due to the division moving to a larger floor of the Ed Ball building, \$42,663 increase in general liability insurance due to a revised allocation method that places more weight on claims history, and \$38,058 in Office of General Counsel internal service charges based on current year actuals.
- D. The increase of \$104,410 is mainly due to increases of \$100,711 in internal service charges, specifically a \$57,555 increase in Office of General Counsel charges based on current year actuals and a \$50,135 increase in building cost allocation due to an overall increase in allocated costs for the Ed Ball building. Additionally, salaries are budgeted to increase \$15,407 due primarily to an increase of \$15,000 in the salary of the Director of the Planning Department.
- E. The increase of \$168,819 is mainly due to a \$172,016 increase in salaries and benefits associated with the restoration of two positions that were eliminated during the FY 2014/15 budget process.

**RECOMMENDATIONS:**

The Planning & Development Department's revenues appear to be overstated based on current year actuals, analysis of historic revenues, and reduced applications (as projected by the Division). We recommend the following items:

1. Reducing the Community Planning Division budget for Comprehensive/Amendment fees revenue by \$123,235. This will reduce the budgeted revenues to \$150,000.
2. Reducing the Development Services Division budget for Zoning and Rezoning fees revenue by \$41,645. This will reduce the budgeted revenues to \$200,000.
3. Reducing the Development Services Division budget for Certificates of Use fees revenue by \$50,052. This will reduce the budgeted revenues to \$180,000.



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**PROPOSED BUDGET BOOK – Page #384-386  
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4. Reducing the Development Services Division budget for Right of Way Permits fees revenue by \$67,980. This will reduce the budgeted revenues to \$350,000.

This will have a total negative impact to the Special Council Contingency of \$282,912.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2015/16 BUDGET  
PLANNING & DEVELOPMENT  
CONCURRENCY MANAGEMENT (S/F 112)**

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**PROPOSED BUDGET BOOK – Page #388-390  
ON SCREEN – Page #394-396**

**BACKGROUND:**

The City of Jacksonville implemented the Concurrency and Mobility Management System Office to ensure the availability of public facilities (except traffic circulation and mass transit) and the adequacy of those facilities at adopted levels of service, concurrent with the impacts of development, and to provide traffic circulation and mass transit public facilities at the adopted performance standards consistent with the 2030 Mobility Plan. It provides the local structure for administering the state law, Chapter 163, Part II, Florida Statutes.

The Concurrency and Mobility Management System (CMMS) measures the potential impact of a proposed development on the adopted minimum levels of service for all public facilities (except traffic circulation and mass transit). It also manages the collection of mobility fees pertaining to traffic circulation and mass transit public facilities consistent with the 2030 Mobility Plan (as established in the 2030 Comprehensive Plan) when an application for a final development order or final development permit is submitted. The CMMS ensures that the adopted levels of service and performance standards are not degraded by the issuance of a final development order, or a final development permit.

**REVENUE:**

*Non-Departmental / Fund Level Activities*

1. Miscellaneous Revenue:

- An increase of \$8,973 is due to a higher assumed rate of return on investment pool funds.

2. Transfer from Fund Balance

- The increase of \$556,959 is due to a transfer from fund balance of \$608,916. Ordinance 2015-249-E amended Chapter 655 of the Ordinance code and directs that certain annual maintenance fees from Part 2 and extension fees from part 3 of Chapter 655, in excess of \$500, shall be transferred to the Fair Share Areas Transportation Improvements Special Revenue Fund. In the future the Department will need to reduce costs because the fund balance can only support this transfer for a few years.

*Planning and Development*

3. Charges for Services:

- The net decrease of \$554,598 is due to a decrease of \$555,536 in Annual Maintenance fees, which is attributable to Ordinance 2015-249-E, discussed above.

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CONCURRENCY MANAGEMENT (S/F 112)**

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**PROPOSED BUDGET BOOK – Page #388-390  
ON SCREEN – Page #394-396**

**FEE CHANGES:**

Subobject	Description	Previous	New Fee (as of 7/1/15)	Increase/ (Decrease)	Additional Expected Revenue Due to Increased/ (Decreased) Fees
343903	De Minimis Concurrency and Mobility Fee Review	\$18	\$23	\$5	\$12,720
343903	Informal Reviews	\$141	\$174	\$33	\$33
343903	Application for Amendment to Proportionate Share Agreement	\$861	\$1,024	\$163	\$815
343921	Mobility Fee Calculation Certificate	\$500	\$594	\$94	\$14,113
343921	Expedited Mobility Fee Calculation Certificate	\$180	\$223	\$43	\$426
343921	Mobility Fee Contract Application	\$906	\$1,368	\$462	\$2,309
343921	Transfer of Mobility Fee Certificate	\$115	\$134	\$19	\$38
343903	Annual Maintenance Fees (Note: this subfund only keeps \$500 now due to Ordinance 2015-249-E )	\$5,980	\$6,500	\$520	\$41,600
<b>Total Additional Expected Revenue Due to Increased Fees</b>					<b>\$72,053</b>

**EXPENDITURES:**

Planning and Development

1. Salaries:

- The net increase of \$15,307 is mainly due to the filling of a previously funded, but vacant, planning services manager position in the Transportation Planning Division, at a salary level \$14,685 higher than previously budgeted.

2. Employer Provided Benefits:

- The net increase of \$12,269 is primarily due to an increase of \$10,000 in GEPP pension contribution costs associated with filling the planning services manager position at a higher rate as well as an overall increased pension contribution rate.

3. Internal Service Charges:

- The net increase of \$2,806 is primarily due to increases of \$3,492 in building cost allocation due to more accurate measurements of square footage, which increased the

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**PROPOSED BUDGET BOOK – Page #388-390  
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Development Services Divisions allocable portion of overall costs. These are slightly offset by a reduction of \$709 in tech refresh charges.

4. Internal Service – IT Operations:
  - The decrease of \$113,073 is primarily due to a decrease in computer maintenance security charges for enhancements that were completed to the Concurrency Management System Database.
5. Other Operating Expenses:
  - The net decrease of \$72,179 is attributable to a decrease of \$75,000 in professional services. The contract for completing the mandated update for the Mobility Plan, due in FY 2015/16, will not be put under contract in FY 2014/15.
6. Supervision Allocation:
  - The increase of \$1,854 is to reimburse the general fund for three (3) individuals who perform a percentage of their work in this subfund. The increase was due to increases in salaries and benefits for the allocated employees.
7. Indirect Cost:
  - This is an allocation calculated by the City's independent consulting firm as part of the full cost allocation plan study.

**EMPLOYEE CAP CHANGES:**

None.

**CAPITAL OUTLAY CARRY FORWARDS:**

There is a \$75,000 carry forward for professional services related to the Mobility Plan update.

**CONCERN:**

Due to Ordinance 2015-249-E, this subfund's annual revenues are no longer sufficient to cover annual expenditures. This subfund does not have sufficient fund balance to keep it solvent for more than a few years operating in this manner. After that time, this will necessitate cost and service reductions to stay within revenues or a transfer from the General Fund/General Services District (S/F 011) .

**RECOMMENDATION:**

None.

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PLANNING AND DEVELOPMENT  
COMMUNITY DEVELOPMENT (S/F 1A1)**

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**PROPOSED BUDGET BOOK – Page 398-400  
ON SCREEN – Page 404-406**

**BACKGROUND:**

In accordance with a recommendation from the Affordable Housing Task Force in 2006, federal and state housing and community development grants are not included in the Mayor's annual budget and are handled through separate legislation. Subfund 1A1 receives a Federal grant which is subsequently transferred to the General Fund to subsidize the City's Independent Living program. In addition, Subfund 1A1 receives a transfer from the Northwest/Northside Tax Increment District which must be deposited in the CDBG subfund pursuant to Ordinance 1999-1206-E.

**REVENUE:**

Non-Departmental / Fund Level Activities:

Transfers from Other Funds:

- This represents a transfer from the Northside East Tax Increment District as an annual repayment for the \$1.5 million grant to the Museum of Contemporary Art for the acquisition of the building at Duval and Laura Streets. The Tax Increment District is repaying the grant over 20 years without interest. This is the sixteenth annual payment.

Planning and Development:

Intergovernmental Revenue:

- The revenue from the federal funding to the Independent Living Program is assumed to remain at \$120,008.

Public Works:

Intergovernmental Revenue:

- The decrease of \$4,500 is due to federal funding provided in FY2014/15 not being provided for FY2015/16. These funds were used to mitigate mowing.

**EXPENDITURES:**

Non-Departmental/ Fund Level Activity:

Transfers to Other Funds:

- This is the transfer of federal funding to the Independent Living Program to pay for staff and other professional services.

Planning and Development:

Grants, Aids and Contributions

- In prior years, this amount represented grants and aids to the Clara White Mission (\$24,026) and Catholic Charities Bureau (\$50,974). See department request below regarding changes needed for compliance purposes.

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PLANNING AND DEVELOPMENT  
COMMUNITY DEVELOPMENT (S/F 1A1)**

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**PROPOSED BUDGET BOOK – Page 398-400  
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Public Works:

Other Operating Expenses

- The decrease of \$4,500 is due to federal funding provided in FY2014/15 not being provided for FY2015/16.

**SERVICE LEVEL CHANGES:**

None.

**EMPLOYEE CAP CHANGES:**

There are no authorized positions in this subfund.

**CAPITAL OUTLAY CARRYFORWARD:**

None.

**DEPARTMENT REQUEST:**

The Department requests that the \$75,000 budgeted in other grants and aids be moved to permanent and probationary salaries. This request has no effect on the amount of funding provided to the Clara White Mission and Catholic Charities Bureau, which will be identified through separate legislation. This request has no effect on Special Council Contingency.

**RECOMMENDATIONS:**

None.

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PLANNING AND DEVELOPMENT  
BUILDING INSPECTION (EXCLUDING FIRE RESCUE) (S/F 159)**

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**PROPOSED BUDGET BOOK – Page # 392-396  
ON SCREEN – Page # 398-402**

**BACKGROUND:**

The Building Inspection Subfund accounts for the finances of the Building and Inspection Division within the Planning and Development Department and to a lesser degree the finances of the Fire Plans Review Section of the Jacksonville Fire and Rescue Department. The Building Inspection Division is responsible for ensuring that existing and future developments and construction comply with the Florida Building Code and local ordinances. The Division's primary roles are to ensure the safety of buildings and related landscapes by performing inspections and enforcing building, electrical, plumbing, mechanical, and other related city codes. In addition, the Division performs reviews of various permit applications and plans examination.

**REVENUE:**

Fire and Rescue

- This portion of the subfund will be discussed during the Fire and Rescue Department budget meeting.

Non-Departmental / Fund Level Activities

1. Miscellaneous Revenue:

- The Increase of Miscellaneous Revenue of \$61,324 is due to increased projected investment pool earnings.

Planning and Development

2. Charges for Services:

- The net increases of 1,143,357 are primarily due to increases of \$776,575 in building inspection fees, \$298,393 in plumbing inspection fees, \$139,466 in mechanical inspection fees and \$134,033 in electrical inspection fees. These increases are slightly offset by a decrease of \$214,821 in building permit review fees. These changes are based on actual historical revenues.

3. Fines and Forfeits:

- The increase of \$50,430 is primarily due to an increase of \$54,680 in reactivation/reinstatement fees. This increase is based on collections in FY 2014/15.

4. Miscellaneous Revenue:

- The increase of \$3,290 is due to increases of \$1,651 in miscellaneous sales and charges and \$1,639 in sale of books, maps & regulations, based on actual collections in FY 2014/15.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2015/16 BUDGET  
PLANNING AND DEVELOPMENT  
BUILDING INSPECTION (EXCLUDING FIRE RESCUE) (S/F 159)**

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**PROPOSED BUDGET BOOK – Page # 392-396  
ON SCREEN – Page # 398-402**

**FEE CHANGES:**

This subfund was included in the annual fees assessment but no fee changes were proposed. See Comment below.

**EXPENDITURES:**

Fire and Rescue

- This portion of the subfund will be discussed during the Fire and Rescue Department budget meeting.

Non-Departmental / Fund Level Activities

1. Salary & Benefits Lapse:

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

2. Indirect Costs:

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

3. Transfer to Other Funds:

- This mainly represents repayments to the General Fund – General Services District (S/F 011) of \$2,483,024 for when Building Inspection was subsidized to cover shortfalls in the development management services activity. The remainder is associated with \$7,543 that was previously provided to this fund for take home vehicles and \$30,107 provided to this fund to cover fuel funding requirements.

4. Cash Carryover:

- The \$1,220,662 budgeted in this line item is the budgeted excess revenue over expenditures for this sub-fund.

Planning and Development

5. Salaries:

- The net increase of \$326,714 is primarily due to a \$255,706 increase in permanent and probationary salaries due to the proposed addition of eight new positions (see Employee Cap Changes). There is also an increase of \$64,900 in salaries overtime due to increased activity and mandatory evening inspections.

6. Employer Provided Benefits:

- The net increase of \$272,347 is partially due to an increase of \$133,683 in workers' compensation insurance based on a new allocation distribution. There are additional



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---

**PROPOSED BUDGET BOOK – Page # 392-396  
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increases of \$90,483 in general employees' pension and \$64,568 in group hospitalization insurance mainly due to the addition of eight new positions.

7. Internal Service Charges:

- The net decrease of \$50,015 is primarily resulting from decreases of \$64,188 in fleet vehicle rental mainly due to the fact that they are purchasing and paying full amount of 10 vehicles in FY 2015/16 compared to 14 in FY 2014/15, \$29,470 in fleet parts/oil/gas due to a general reduction in fuel costs and \$24,434 in copy center due to lower prior year actuals. This is somewhat offset by increases of \$55,280 in building cost allocation for the Ed Ball due to increased total building costs and \$10,349 in OGC charges.

8. Internal Service – IT Operations:

- The decrease of \$362,942 is due to a reduction in computer system maintenance and security due to the completion of the first phase of the Electronic Plans Submittal Process. See department request below.

9. Other Operating Expenses:

- The net increase of \$24,258 is primarily due to increases of \$40,000 in professional services to expand electronic plans review to all trades. These increases are somewhat offset by decreases of \$15,276 in general liability insurance based on a new allocation method that more heavily weights claims history.

10. Capital Outlay:

- The 33,252 budgeted in this line is for the purchase of laptops and monitors for new and existing staff.

11. Supervision Allocation:

- The \$71,261 budgeted in this line is an allocation of salaries for time spent by individuals in the Office of Director - General Fund – General Services District (S/F 011) on activities related to Building Inspection (S/F 159).

12. Indirect Costs:

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

13. Banking Fund Debt Repayment:

- There is no banking fund debt repayment proposed for FY 2015/16. This was paid off with the FY 2014/15 budget.

**COUNCIL AUDITOR'S OFFICE  
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MAYOR'S PROPOSED FY 2015/16 BUDGET  
PLANNING AND DEVELOPMENT  
BUILDING INSPECTION (EXCLUDING FIRE RESCUE) (S/F 159)**

---

**PROPOSED BUDGET BOOK – Page # 392-396  
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**EMPLOYEE CAP CHANGES:**

The overall authorized position cap is increasing by eight to cover current workload demands increased by a healthier constructions market activities. Two professional engineer positions were added by City Council during FY 2014/15 (Ordinance 2015-366-E) in the Plans Examination Division and an additional six construction trades inspector positions are proposed to be added as enhancements for FY 2015/16.

**SERVICE LEVEL CHANGES:**

Additional staff and vehicles have been included in the FY 2015/16 budget in order to improve permit/inspection turnaround and increase customer satisfaction.

**COMMENTS ON FEES:**

The Building Inspections Division needs to review the accuracy of the various costs used in the annual fee assessment. Even though this subfund has had cash issues in prior years, the past two years have been exceptionally profitable. As of 6/30/15, this Subfund (including Fire Rescue) had a cash balance of \$10,576,169. The proposed FY 2015/16 budget has revenues that are anticipated to exceed expenses by \$1,220,662, after transferring \$2,520,674 back to the General Fund (S/F 011) for previous subsidies. Once the costs are reevaluated, the Building Inspection Division should determine if any fees need to be reduced to minimize the amount of surplus revenue going forward each year.

**DEPARTMENT REQUEST:**

The Department would like to add \$325,000 in computer system maintenance/security allocation to commence phase two of the Electronic Plans Submittal Process. This increase in expenses would be offset by a decrease in cash carryover of the same amount. This request has no impact on Special Council Contingency.

**CONCERN:**

We disagree with the practice of having non-departmental expenses within this subfund. Activities within this subfund should balance at the departmental level. Going forward we recommend that the budget not be proposed with non-departmental expenditures. To accomplish this, the indirect cost study needs to be broken down by activity within this subfund and the lapse will need to be calculated at the departmental level.

**RECOMMENDATION:**

None.

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

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**PROPOSED BUDGET BOOK – Page #290-291  
ON SCREEN – Page #296-297**

**BACKGROUND:**

The Military Affairs and Veterans Department focuses its efforts to advocate for our local military personnel and veterans and works closely with military, business, community, and elected leaders at the local, state, and national levels to deliver a compelling message that Jacksonville is the most military-friendly city in the United States. Also, the department oversees and maintains the Jobs-For-Vets website, a recently launched initiative designed to connect job seeking Veterans to Veteran-Friendly employers in the Jacksonville region.

**REVENUE:**

1. Miscellaneous Revenue:

- The \$800 is expected from the sale of software program that manages client appointments and information. This program is sold directly to county veterans service offices throughout the State. The budgeted amount is in alignment with actual collections.

**EXPENDITURES:**

1. Salaries:

- The net decrease of \$25,261 is attributable to a decrease in permanent and probationary salaries resulting from four positions that were filled at a lower pay rate.

2. Employer Provided Benefits:

- The net decrease of \$8,524 is mostly due to a decrease of \$8,147 in group hospitalization insurance.

3. Internal Service Charges:

- The net increase of \$9,735 is mostly due to an increase of \$12,128 in building allocation costs. The offset includes decreases of \$1,795 and \$1,716 in technology refreshment and copy center allocations, respectively.

4. Internal Services – IT Operations:

- The decrease of \$9,831 represents a reduction in computer system maintenance to better align with actual costs.

5. Other Operating Expenses:

- The decrease of \$3,645 is mostly due to reductions of \$2,746 in general liability insurance and \$650 in food.

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

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**PROPOSED BUDGET BOOK – Page #290-291  
ON SCREEN – Page #296-297**

**FOOD AND BEVERAGE EXPENDITURES:**

<b>SF</b>	<b>Indexcode</b>	<b>Amount</b>	<b>Description of each Service/Event that requires the purchase of food/beverage</b>	<b>Explanation that the Service/Event serves a public purpose</b>
011	MVOD011	\$650	Bottled Water-Memorial Day and Purple Heart events.	Serves approximately 3,000 attendees at the Memorial Day Observance in May and at the Purple Heart Trail Walk in August.
011	MVOD011	\$650	Working lunch meetings every fourth month with Base Commanding Officers.	Serves approximately 20 attendees at each Area Base Commanding Officers Luncheons.

**SERVICE LEVEL CHANGES:**

The Department realized cost savings by relocating the annual job fair from the Prime Osborne Convention Center to other less expensive venues. As a result of the savings, additional job fairs will be provided in areas of the City with the highest concentrations of veterans without requiring additional funding. The additional job fairs are expected to have a greater impact on the community than the annual fairs held in the past by making the services more accessible to veterans.

**EMPLOYEE CAP CHANGES:**

None.

**RECOMMENDATION:**

None.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2015/16 BUDGET  
PENSION CONTRIBUTIONS**

**Background**

The Mayor's Proposed Budget is based on the City contributing to the City's three pension plans on the percentage method. We recommend revisiting the language to have the City contribute based on the greater of the percentage or dollar contribution.

For all three pension plans, the Mayor's Proposed Budget has already incorporated the percentage method which based on budgeted salaries is the higher amount. Therefore, no additional funding is required and the language change will have no impact to Special Council Contingency.

**Current Section 8.4 Language**

The employer's contribution to the pension funds as a percentage of covered payroll is hereby set as follows:

- a) for the 1937 City Employees Pension Fund, the percentage shall be 33.50%, which includes 0.3% for Disability.
- b) for the Corrections Officer's Pension Fund, the percentage shall be 68.64%.
- c) The revised actuarial valuation report incorporating pension reform changed dated June 15, 2015 for the 1937 Jacksonville Police and Fire Pension Fund (using the active payroll as of October 2014) computes the contribution to be \$148,079,912 based on a City contribution percentage of 109.92% of covered payroll. The city's contribution includes both 109.92% of active payroll and the additional \$5,000,000 pursuant to 2015-304-E.

**Recommendation for Section 8.4 a**

We recommend that further analysis be performed in the upcoming year by the Administration as to mechanisms that could be put in place to have the pension contribution from the employers of the General Pension Plan be consistent with the other plans. Options include making the contribution at the greater of the dollar or percentage method or even as simple as having the amounts budgeted for each pension line item be contributed at a minimum even when actual salaries come in at lower amount. This would assist in reducing the unfunded liability of the plan.

**Recommended Section 8.4 Language for b & c**

- b) The October 1, 2014 Actuarial Valuation for the Corrections Officers' Retirement Plan computes the contribution to be \$18,863,935 and an employer contribution percentage of 68.64%. To assist in reducing the Unfunded Actuarial Accrued Liability of the Corrections Officers' Retirement Plan, the City will contribute the greater of \$18,863,935 or 68.64% of the covered payroll.
- c) The revised actuarial valuation report incorporating pension reform changed dated June 15, 2015 for the 1937 Jacksonville Police and Fire Pension Fund (using the active payroll as of October 2014) computes the contribution to be \$148,079,912 based on a City contribution percentage of 109.92% of covered payroll. To assist in reducing the Unfunded Actuarial Accrued Liability of the Police and Fire Pension Fund, in addition to the \$5,000,000 additional payment pursuant to 2015-304-E, the City will contribute the greater of \$148,079,912 or 109.92% of the covered payroll.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2015/16 BUDGET  
GENERAL EMPLOYEES PENSION FUND (S/F 611)**

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**PROPOSED BUDGET BOOK – Page # 236-237  
ON SCREEN-Page # 242-243**

**BACKGROUND:**

The General Employees' Pension Fund is the City's defined benefit pension fund for general employees. This fund records both employee and employer contributions, investment earnings, benefit payments and administrative expenses for the General Employees' Pension Fund. For FY 2015/16, the employers' pension contribution rate for general employees is 33.50% with 0.3% being distributed to the Disability Plan (S/F 614). Overall, the employer's contribution rate is going from 31.90% to 33.50%. The employees' contribution rate is 8% with 0.3% being distributed to the Disability Plan (S/F 614).

In addition to the City's general employees, this plan covers newly hired employees at Independent Agencies such as the Jacksonville Housing Authority and JEA. This plan also includes Clerk of the Courts State funded personnel who perform court-related functions.

**REVENUE:**

Finance

1. Miscellaneous Revenue:

- This revenue represents the administrative fee for collecting child support payments and remitting them to the State on behalf of the retiree.

Pension Funds

2. Miscellaneous Revenue:

- This revenue represents the amount of revenue needed to fund the budgeted expenditures.

**EXPENDITURES:**

Finance

1. Salaries:

- The increase of \$16,420 is primarily due to a position reclassification, two promotions and a new hire at an increase.

2. Employer Provided Benefits:

- The decrease of \$11,577 is primarily due to a decrease of \$19,976 in general employees' pension contribution that was due to an employee converting from the Defined Benefit Plan to the Defined Contribution Plan. The decrease was somewhat offset by increases of \$6,743 in defined contribution pension and \$1,098 in workers' compensation insurance allocation.

3. Internal Service Charges:

- The net increase of \$7,973 is primarily due to increases of \$9,880 in mailroom charges and \$5,434 in building cost allocation – St. James Building. These increases were offset by decreases of \$6,674 in OGC legal charges, \$427 in copy center charges and \$240 in tech refresh and pay-go charges.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2015/16 BUDGET  
GENERAL EMPLOYEES PENSION FUND (S/F 611)**

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**PROPOSED BUDGET BOOK – Page # 236-237  
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4. Internal Services – IT Operations:

- The increase of \$55,168 is due to the increase in computer service maintenance and security allocation which is based on the amount of support provided to S/F 611 during the current year.

5. Other Operating Expenses:

- The increase of \$1,358,248 is due to an increase of \$1,360,640 in professional services attributable to an increase in money managers' fees budget, which is tied to investment returns. Below is a breakdown of the professional service contracts.

Description	Amount
Money Managers	\$ 13,080,337
Outside Legal Counsel	18,700
Custodial Fees	176,700
Actuary Fees	65,100
Investment Manager Performance Tracking	6,510
	<u>\$ 13,347,347</u>

6. Supervision Allocation:

- This amount represents the administrative cost of the Pension Administration activity, which is allocated to Correctional Officers' Pension Fund (S/F 613). This amount appears to be understated by \$18,080 based on the Administrative expenses for the General Employees' Pension Fund. Please see our recommendation below.

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. Cash Carryover:

- The decrease is due to the cash carryover not being budgeted for FY 2015/16.

**SERVICE LEVEL CHANGES:**

None.

**EMPLOYEE CAP CHANGES:**

There are no changes to the employee cap.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2015/16 BUDGET  
GENERAL EMPLOYEES PENSION FUND (S/F 611)**

**PROPOSED BUDGET BOOK – Page # 236-237  
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**SCHEDULE OF INVESTMENTS AT MARKET: *Per City Treasurer***

	<b>June 30, 2014</b>	<b>June 30, 2015</b>	<b>Dollar Change</b>	<b>Percent Change</b>
Bonds and Notes	\$ 388,508,196	\$ 393,815,276	\$ 5,307,080	1.4%
Common/Preferred Stock	\$ 1,422,331,483	\$ 1,338,060,795	\$ (84,270,688)	-5.9%
Cash Equivalents	\$ 35,902,201	\$ 30,202,062	\$ (5,700,139)	-15.9%
Real Estate	\$ 204,248,367	\$ 272,916,522	\$ 68,668,155	33.6%
Alternative Investments	\$ 52,841,340	\$ 49,505,114	\$ (3,336,226)	-6.3%
Total	\$ 2,103,831,587	\$ 2,084,499,769	\$ (19,331,818)	-0.9%

This includes General Employees (S/F 611), Corrections (S/F 613), and Disability (S/F 614) trust funds.

**GENERAL EMPLOYEES RETIREMENT PLAN FUNDING PROGRESS:**

Unfunded Actuarial Accrued Liability (UAAL) at October 1, 2014 (Per General Employees Retirement Plan Actuarial Valuation Report)

<b>Actuarial Accrued Liability (AAL)</b>	<b>Actuarial Value of Assets</b>	<b>UAAL</b>	<b>Funded Ratio</b>
<b>(a)</b>	<b>(b)</b>	<b>(a-b)</b>	<b>(b/a)</b>
2,662,187,817	1,751,888,510	910,299,307	65.81%

**RECOMMENDATION:**

We recommend increasing the Supervision Allocation to the Correctional Officers' Pension Fund by \$18,080 to a total of \$76,080. This will be offset by decreasing the Miscellaneous Revenue amount by \$18,080 to \$14,185,874 in order to balance revenues with expenditures. This will have no effect on the Special Council Contingency.



**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2015/16 BUDGET  
CORRECTIONAL OFFICERS' PENSION FUND (S/F 613)**

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**PROPOSED BUDGET BOOK – Page # 238-239  
ON SCREEN-Page # 244-245**

**BACKGROUND:**

The Correctional Officers' Pension Fund was established to provide pension benefits and protection for the correctional officers of the City of Jacksonville. The employer contribution for FY 2015/16 is 68.64% and the employee contribution is 8%. The employer contribution is up from 62.81% in FY 2014/15. The Correctional Officers' Pension Fund is also funded by an administrative surcharge of \$20 per person arrested and booked into the City's correctional facilities.

**REVENUE:**

1. Fines and Forfeits:
  - This amount represents the revenue received from the administrative surcharge of \$20 per person arrested and booked into the City's correctional facilities.
2. Miscellaneous Revenue:
  - This revenue represents the amount of revenue needed to fund the budgeted expenditures.

**EXPENDITURES:**

1. Other Operation Expenses:
  - The increase of \$102,406 is mainly attributable to increases for consultant fees paid to the money managers to manage the investments of the plan. The costs are prorated based on the asset values of the investments between this plan and the General Employees' Pension Fund (S/F 611). Here is a breakdown of the Professional Services included in the Correctional Officers' Pension Fund budget.

Description	Amount
MONEY MANAGERS	984,541
OUTSIDE LEGAL COUNSEL	1,400
CUSTODIAL FEES	13,300
ACTUARY FEES	4,900
INVESTMENT MGR PERFORMANCE TRACKING	490
	<u>1,004,631</u>

2. Supervision Allocation:
  - This amount represents the administration cost of the activity which is charged to this fund by the General Employees' Pension Fund (S/F 611). This amount appears to be understated by \$18,080 based on the Administrative expenses for the General Employees' Pension Fund. Please see our recommendation in our handout for the General Employees' Pension Fund.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2015/16 BUDGET  
CORRECTIONAL OFFICERS' PENSION FUND (S/F 613)**

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**PROPOSED BUDGET BOOK – Page # 238-239  
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**EMPLOYEE CAP CHANGES:**

There are no positions in this subfund. All positions reside in the General Employees' Pension Fund.

**CORRECTIONAL OFFICERS' PENSION FUND FUNDING PROGRESS:**

Unfunded Actuarial Accrued Liability (UAAL) at October 1, 2014 (Per Correctional Officers' Pension Fund Actuarial Valuation Report)

<b>Actuarial Accrued Liability (AAL)</b>	<b>Actuarial Value of Assets</b>	<b>UAAL</b>	<b>Funded Ratio</b>
<b>(a)</b>	<b>(b)</b>	<b>(a-b)</b>	<b>(b/a)</b>
302,122,370	145,276,644	156,845,726	48.09%

**RECOMMENDATIONS:**

None.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2015/16 BUDGET  
DISABILITY PENSION TRUST (S/F 614)**

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**PROPOSED BUDGET BOOK – Page #240-241  
ON SCREEN-Page # 246-247**

**BACKGROUND:**

The Disability Pension Fund is the disability plan for general employees who participate in the General Employees' Pension Plan (S/F 611). This fund records both employee and employer contributions, investment earnings, benefit payments and administrative expenses for the General Employees' Pension Fund. For FY 2015/16, the employers' pension contribution rate for general employees is 33.50% with 33.20% being distributed to the General Employees' Pension Fund (S/F 611) and 0.3% being distributed to this subfund. The employees' contribution rate is 8% with 7.7% being distributed to the General Employees' Pension Fund (S/F 611) and 0.3% being distributed to this subfund.

In addition to the City's general employees, this plan covers newly hired employees at Independent Agencies such as the Jacksonville Housing Authority and JEA. This plan also includes Clerk of the Courts State funded personnel who perform court-related functions.

**REVENUE:**

1. Miscellaneous Revenue:

- This revenue represents the revenue needed to fund the budgeted expenditures.

**EXPENDITURES:**

1. Other Operating Expenses:

- The expenditure represents pension disability physical examination fees for Fiscal Year 2015/16.

**EMPLOYEE CAP CHANGES:**

There are no positions in this subfund. All positions reside in the General Employees' Pension Plan.

**GENERAL EMPLOYEES' DISABILITY PROGRAM FUNDING PROGRESS:**

Unfunded Actuarial Accrued Liability (UAAL) at October 1, 2012 (Per Disability Program Actuarial Valuation Report)\*

<b>Actuarial Accrued Liability (AAL)</b>	<b>Actuarial Value of Assets</b>	<b>UAAL</b>	<b>Funded Ratio</b>
<b>(a)</b>	<b>(b)</b>	<b>(a-b)</b>	<b>(b/a)</b>
11,678,567	5,049,000	6,629,567	43.23%

\*Please note a report was not conducted for October 1, 2014.

**RECOMMENDATION:**

None.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
POLICE & FIRE PENSION ADMINISTRATION (S/F 621)  
2015/16 PROPOSED BUDGET**

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**BACKGROUND:**

The Police and Fire Pension Fund is not included in the Mayor's Proposed Budget because the Police and Fire Pension Fund is governed by an appointed Board of Trustees. Pursuant to Sections 5.07, 14.01 and 14.02 of the City Charter, Section 121.101 (d) of the Ordinance Code and the 2015 Retirement Reform Agreement dated June 19, 2015, the Board is required to submit its budget to the City Council for approval.

The Police and Fire Pension Fund budget is divided into Administrative Expenditures (\$11,689,169), Building Operations (\$255,650) and Parking Garage Operations (\$24,250) for a total budget of \$11,969,069, which is an increase of \$635,899 from the current budget of \$11,333,170.

**ADMINISTRATIVE EXPENDITURES:**

Administrative Expenditures	FY 2014/15	FY 2015/16	Change from FY 2014/15	
	Approved	Proposed	Dollar	Percent
Personnel Services	1,230,218	1,370,707	140,489	11.42% (A)
Operating Expenses	9,754,352	10,315,962	561,610	5.76% (B)
Capital Outlay	-	2,500	2,500	N/A
	10,984,570	11,689,169	704,599	6.41%

(A) Personnel services are increasing because of the addition of the Deputy Director – Assistant Administrator (\$130,500), salary raises for personnel (\$18,493) and funding for a new defined contribution plan (\$10,440 - see below for more detail). These increases were offset by a decrease in pension contribution (\$24,536) and a decrease in terminal leave (\$7,838).

(B) The change in Operating Expenses is primarily due to increases for Professional Services (\$559,415).

***New Police and Fire Pension Plan Defined Contribution Plan:***

Per the Police and Fire Pension Fund, a new defined contribution plan (PFPP 401a) was created due to the fact that the Deputy Director position is not a City of Jacksonville employee and not eligible to participate in the General Employee Pension Plan. The new defined contribution plan is for the new Deputy Director position and has been approved by the Police and Fire Pension Fund Board of Trustees. The new plan requires an employee contribution of 8% with an employer match of 8%.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
POLICE & FIRE PENSION ADMINISTRATION (S/F 621)  
2015/16 PROPOSED BUDGET**

***Professional Services Contracts Detail***

Services	FY 2014/15 Approved	FY 2015/16 Proposed	Dollar Change	Percent Change	
Money Managers	\$ 8,439,008	\$ 8,924,623	\$ 485,615	5.75%	(C)
Actuary	110,200	145,000	34,800	31.58%	(D)
Auditor	29,465	29,465	-	0.00%	
Investment Advisor	245,864	245,864	-	0.00%	
Investment Custodian	32,500	32,500	-	0.00%	
Legal	400,000	400,000	-	0.00%	
Lobbyist	-	40,000	40,000	N/A	(E)
Medical	15,000	15,000	-	0.00%	
Appraiser for Buildings - Real Estate Investments	5,000	4,000	(1,000)	-20.00%	(F)
	<u>\$ 9,277,037</u>	<u>\$ 9,836,452</u>	<u>\$ 559,415</u>	6.03%	

(C) Per Police and Fire Pension Fund, the fees paid to the Money Managers are tied to the performance of the investments. The better the investments perform the more fees the managers earn and vice versa.

(D) The increase for actuarial services is due to additional actuarial services such as first year GASB #68 implementation information to provide to the City, a five year experience study and other special studies as the Board may need.

(E) The increase is due to the Police and Fire Pension Fund hiring a lobbyist for legislative representation.

(F) Costs of valuation of Police and Fire Pension Fund owned buildings.

**BUILDING OPERATIONS:**

The Police and Fire Pension Fund owns the building located at One West Adams Street in which the administrative staff of the Fund is housed. The Fund leases out additional office space in the building.

	FY 2014/15 Approved	FY 2015/16 Proposed	Dollar Change	Percentage Change	
<b>Revenues</b>	\$ 427,009	\$ 567,908	\$ 140,899	33.00%	
<b>Expenses</b>					
<b>Operating</b>	\$ 329,450	\$ 255,650	\$ (73,800)	-22.40%	(G)
<b>Capital Outlay</b>	-	-	-	N/A	
<b>Total Expenses</b>	\$ 329,450	\$ 255,650	\$ (73,800)	-22.40%	
<b>Surplus/(Deficit)</b>	<u>\$ 97,559</u>	<u>\$ 312,258</u>	<u>\$ 214,699</u>	220.07%	

(G) The decrease from the prior year is mainly due to the build out cost of the second floor for a new tenant, being included in the FY 2014/15 budget.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
POLICE & FIRE PENSION ADMINISTRATION (S/F 621)  
2015/16 PROPOSED BUDGET**

**PARKING GARAGE OPERATIONS:**

The Police and Fire Pension Fund owns the Monroe Street Parking Garage which has approximately 240 parking spaces. The fund leases out to various entities and individuals.

	<b>FY 2014/15 Approved</b>	<b>FY 2015/16 Proposed</b>	<b>Dollar Change</b>	<b>Percentage Change</b>
<b>Revenues</b>	\$ 112,355	\$ 110,856	\$ (1,499)	-1.33%
<b>Expenses</b>				
<b>Operating</b>	\$ 19,150	\$ 24,250	\$ 5,100	26.63% (H)
<b>Capital Outlay</b>	-	-	-	N/A
<b>Total Expenses</b>	\$ 19,150	\$ 24,250	\$ 5,100	26.63%
<b>Surplus/(Deficit)</b>	\$ 93,205	\$ 86,606	\$ (6,599)	-7.08%

(H) The increase is primarily due to increases in insurance and bonds of \$2,000, miscellaneous services and charges of \$2,000 and electricity of \$1,100.

**MARKET VALUE OF INVESTMENTS: Per Summit Strategies**

The Market value of the assets changed from \$1,578,353,181 as of June 30, 2014 to \$1,654,824,070 as of June 30, 2014, which is an increase of \$76,470,889.

**EMPLOYEE CAP CHANGES:**

One vacant position was added to increase the employee cap from seven to eight.

<b>Position Description 2014/2015</b>	<b>2014/15 Approved</b>	<b>Position Description 2015/16</b>	<b>2015/16 Proposed</b>	<b>Dollar Change</b>	<b>% Change</b>	
Executive Director/Administrator	\$308,612	Executive Director/Administrator	\$317,870	\$ 9,258	3%	(I)
Deputy Director-Assistant Administrator	-	Deputy Director-Assistant Administrator	130,500	130,500	N/A	(J)
Controller	102,750	Controller	104,896	2,146	2%	
Pension Benefits Manager	93,123	Pension Benefits Manager	96,231	3,108	3%	
Executive Assistant	63,919	Executive Assistant	64,439	520	1%	
Building Services Manager	67,079	Building Services Manager	67,599	520	1%	
Pension Benefits Specialist	55,143	Pension Benefits Specialist/Economic Research	57,538	2,395	4%	
Pension Benefits Specialist	50,662	Pension Benefits Specialist	51,208	546	1%	
Part-Time Economic Research Analyst	20,800	Part-Time Economic Research Analyst	20,800	-	0%	
	<b>\$762,088</b>		<b>\$911,081</b>	<b>\$ 148,993</b>	<b>20%</b>	

(I) The 5th Amendment to the Restated Employment Contract between the Police and Fire Pension Fund and the Executive Director states "Effective for the first pay period after January 1st 2011, the salary of the Executive Director - Administrator shall be raised to the average salary of the Executive Director of the Jacksonville Aviation Authority, the Jacksonville Port Authority and the Jacksonville Transportation Authority as reported to the Board by the Independent Compensation Consultant. The Salary increase for the Executive Director - Administrator will accrue and be paid in December, 2011." Also it

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
POLICE & FIRE PENSION ADMINISTRATION (S/F 621)  
2015/16 PROPOSED BUDGET**

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should be noted that after January 1st of each year the Agreement is in effect, the Executive Director's salary will be increased by 3%.

- (J) The Deputy Executive Director position became vacant during Fiscal Year 2011-2012. The Police and Fire Pension Fund chose to not fund it in FY 2013/14 and the position was not funded by City Council in FY 2014/15.

**POLICE AND FIRE PENSION PLAN FUNDING POSITIONS**

Unfunded Actuarial Accrued Liability (UAAL) at October 1, 2014 (Per PFPF Actuarial Valuation Report)

<b>Actuarial Accrued Liability (AAL)</b>	<b>Actuarial Value of Assets*</b>	<b>UAAL</b>	<b>Funded Ratio</b>
<b>(a)</b>	<b>(b)</b>	<b>(a-b)</b>	<b>(b/a)</b>
3,012,590,568	1,389,747,614	1,622,842,954	46.13%

\*Does not include \$79,092,361 in reserve accounts or \$4,257,077 in the Senior Staff plan assets.

**RECOMMENDATIONS:**

None of the recommendations below have an impact on Special Council Contingency.

- 1) We recommend splitting the estimated revenue and appropriations for the building and parking garage operations on Schedule AB & AC.
- 2) We recommend reducing the amounts budgeted for various internal service charges by a net \$2,546. This would make the budgeted expenses within the Police and Fire Pension Fund reflect the revenue amounts budgeted by the internal service providers. We also recommend increasing the Police and Fire Pension Fund budgeted expenses for Indirect Costs by \$3,342. This will result in a net increase of \$796 in Trust Fund Revenues since this is the balancing line item for this budget. We also recommend that Schedules AB & AC of the Budget Ordinance be adjusted to reflect these changes.
- 3) We recommend adding the authorized cap of employees to Schedule AB & AC.
- 4) We recommend increasing the Parking Garage Rental Revenue on Schedule AB by \$3,960 to match the supporting schedules. This will result in a corresponding decrease to Trust Fund Revenues.
- 5) We recommend removing the supporting schedules that were inadvertently included in the Budget Ordinance with Schedules AB & AC.
- 6) In Part VI Police and Fire Pension Fund, Section 6.1 of the Budget Ordinance narrative, we recommend striking "Section 25 of the Restated Agreement dated March 5, 2001" and replacing with "Section III, Subsection A, Paragraph 11 of the 2015 Retirement Reform Agreement dated June 19, 2015."

**JACKSONVILLE POLICE AND FIRE PENSION FUND  
JACKSONVILLE, FLORIDA  
BUDGET FISCAL YEAR 2015/2016**

**REVENUES - SCHEDULE AB**

Trust Fund Revenues	\$	11,290,306
Rental Revenues	\$	678,763
<b>Total Revenues</b>	\$	<b>11,969,069</b>

**EXPENDITURE APPROPRIATIONS - SCHEDULE AC**

<u>Administration</u>		
Personnel Services	\$	1,370,707
Operating Expenses	\$	10,315,962
Capital Outlay	\$	2,500
<b>Total Administration</b>	\$	<b>11,689,169</b>
<u>Rental</u>		
Operating Expense	\$	279,900
Capital Outlay	\$	-
<b>Total Rental</b>	\$	<b>279,900</b>
<b>Total Expenditure Appropriations</b>	\$	<b>11,969,069</b>



**POLICE AND FIRE PENSION FUND  
JACKSONVILLE, FLORIDA  
BUDGET FISCAL YEAR 2015/2016**

**REVISED SCHEDULE AB**

**ESTIMATED REVENUES**

Trust Fund Revenues	\$ 11,287,142
HQ Building Operations	567,908
Parking Garage Operations	114,816
<b>Total Estimated Revenues</b>	<b>\$ 11,969,865</b>

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**REVISED SCHEDULE AC**

**APPROPRIATIONS**

<u>Administration</u>	
Personnel Services	\$ 1,370,707
Operating Expenses	10,316,758
Capital Outlay	2,500
<b>Total Administration</b>	<b>\$ 11,689,965</b>
<u>Rental</u>	
HQ Building Operations	\$ 255,650
Parking Garage Operations	24,250
<b>Total Rental</b>	<b>\$ 279,900</b>
<b>Total Appropriations</b>	<b>\$ 11,969,865</b>

**Authorized Full-Time Positions - 8**