

OFFICE OF THE COUNCIL AUDITOR

FY 2016/2017 PROPOSED BUDGET

FINANCE COMMITTEE MEMBERS

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Meeting #3
August 18, 2016

**COUNCIL AUDITOR'S OFFICE
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**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2016/17 BUDGET
TAX COLLECTOR
TAX COLLECTOR (S/F 017)**

PROPOSED BUDGET BOOK - Page # 375-377

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:

Significant changes in revenue are as follows:

1. Charges for Services
 - The net increase of \$307,119 is mainly attributed to increases of \$236,412 in driver's license renewal fees due to an increase in the number of forced replacement/renewals of driver's licenses, \$155,000 in e-commerce fees based on current actuals, and an increase of \$35,000 in tax collector miscellaneous revenue due to an additional Community Development District (CDD) added last year. This was somewhat offset by a decrease of \$90,000 in delinquent tax sale collection fees due to an error of understated revenue (see recommendation below), a \$10,000 decrease in bad check fees due to rising use of credit and debit cards resulting in fewer bad checks, and a \$45,000 decrease in tax redemption fees due to less delinquent properties.
2. Transfers from Other Funds
 - The decrease of \$267,213 is due to a decreased transfer from the General Fund/General Services District (011). The proposed General Fund/General Services District (011) subsidy is \$5,826,735.

EXPENDITURES:

Significant changes in expenditures are as follows:

1. Salaries:
 - The net increase of \$276,652 is mainly due to an increase of \$297,600 in overtime for JSO security at tax collection branches, which had been previously budgeted in a contracted services line for State Troopers. This was somewhat offset by a decrease of \$31,400 in special pay due to a change in the structure of the Driver's License Incentive Program from a per transaction incentive to a certification incentive. Additionally, there is an overall increase of \$8,423 in permanent and probationary salaries primarily due to salary adjustments of \$100,284 which occurred during FY 2015/16 along with anticipated probationary increases of \$13,208 during FY 2016/17. The increases in the permanent salaries were funded through salary decreases during FY 2015/16 of approximately \$101,000 related to employee turnover and filling vacancies at lower salaries than paid previously and the re-purposing of positions as they became vacant.

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2. Salary & Benefit Lapse:
 - The proposed salaries and benefits lapse of \$390,570 is based on the average turnover ratio and estimated number of vacancies in FY 2016/17.
3. Pension Costs:
 - The increase of \$90,186 is due to an increase in the City's contribution rate for the defined benefit plan as well as additional employees selecting the defined contribution plan.
4. Employer Provided Benefits:
 - The net decrease of \$34,888 is mainly due to a decrease in group hospitalization insurance of \$38,236 due to changes made by employees in the type of coverage.
5. Internal Service Charges:
 - The net decrease of \$85,699 is mainly due to a reduction of \$95,414 in computer system maintenance/security charges due to a change in ITD's billing methodology that will result in the elimination of pooled overhead costs. These costs are now being directly billed to the applicable customers.
6. Insurance Costs and Premiums:
 - The increase of \$11,472 is due to the overall cost of the general liability insurance going up for the City per actuarial projections.
7. Professional and Contractual Services:
 - The net decrease of \$241,500 is mainly due to a realignment of \$240,000 of budgeted expenditures from protective contracted services to overtime salaries due to the elimination of a contract to hire Highway Patrol officers to provide security services at branch agencies that will now be provided by the Jacksonville Sheriff's Office.
8. Other Operating Expenses:
 - The increase of \$85,558 is mainly due to an increase of \$44,643 in rentals (land & building) due to a cost increase in city lease agreements and \$36,085 in hardware/software maintenances & licenses mainly due to the implementation of new hardware and software for nine cash reconciling machines.

SERVICE LEVEL CHANGES:

None

CAPITAL OUTLAY CARRYFORWARD:

Per Schedule AF, there is a capital carry forward of \$636,736 in office equipment. We made a recommendation in meeting #1 that the \$636,736 be reduced to \$630,398.

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EMPLOYEE CAP CHANGES:

None

RECOMMENDATION:

1. We recommend that the FY 2016/17 proposed amount for delinquent tax sale collections fees be increased by \$90,000, from \$240,000 to \$330,000, to correct an error. This will reduce the FY 2016/17 proposed transfer from the General Fund/General Services District of \$5,826,735 by \$90,000. This will have a positive impact of \$90,000 on Special Council Contingency.
2. We recommend increasing the Collection Fees revenues for both the Convention Development Tax (\$9,165) and the Tourist Development Tax (\$18,329) due to budgeted increases for both of those revenues and reducing the General Fund/General Services District contribution by \$27,494. This will have a positive impact of \$27,494 on Special Council Contingency.

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MAYOR'S PROPOSED FY 2016/17 BUDGET
SUPERVISOR OF ELECTIONS
GENERAL FUND / GENERAL SERVICES DISTRICT (S/F 011)**

PROPOSED BUDGET BOOK – Page #371-373

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 2015/16 there were two county wide elections (one Presidential Preference Primary Election and one Primary Election). There will be 1 county wide election, in FY2016/17 (Presidential).

REVENUES:

1. Miscellaneous Revenue

- The increase of \$10,000 is based on projected revenues for fees charged to political candidates and the public for reports, studies and copies in FY 2016/17.

EXPENDITURES:

1. Salaries

- The decrease of \$943,632 is due to a decrease of \$875,225 in part-time salaries and a decrease of \$60,899 in salaries overtime. The decrease in part-time and overtime salaries are due to there being only one county wide election in FY 2016/17. Please note that permanent salaries only decreased by \$6,861 even though there was a reduction of two (2) people since there were also numerous market adjustments.

2. Salary & Benefits Lapse

- This was moved to the non-departmental lapse after the passage of 2015-483-E, which removed the provision that allowed savings from operation of the Supervisor of Elections to be utilized to accelerate banking fund project debt repayment.

3. Pension Costs

- The decrease of \$16,110 is primarily due to a \$40,199 decrease in Florida Retirement System pension contributions due to a change in the status of the Supervisor of Elections. This was majorly offset by an increase in defined benefit cost based on the increase in contribution rates which were slightly offset by a decrease in participation.

4. Employer Provided Benefits

- The \$54,010 decrease is primarily due to a \$39,412 decrease in group hospitalization insurance due to changes in employee plan choices and the reduction of two (2) full-time employees. Also, there was a \$13,733 decrease in Medicare tax which is mainly due to reductions in part-time salaries.

5. Internal Service Charges

- The net decrease of \$48,692 is mainly due to decreases of 32,548 in computer system maintenance/security which is primarily due to a change in ITD's billing methodology

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that will result in the elimination of pooled overhead costs. These costs are now being directly billed to the applicable customers. The decrease is also partially due to decreases of \$15,886 in Office of General Counsel Allocation (based on current year actuals), and \$12,445 utilities allocation due to decreases in allocable cost. The decrease is partially offset by an increase of \$18,309 in building maintenance due to the addition of the One Imeson Center to the allocation.

6. Professional and Contractual Services

- The decrease of \$26,372 is due to a decrease of \$23,372 in security/guard service and \$3,000 decrease in contractual services – cleaning/janitor, due to only 1 election being scheduled in FY 2016/17.

7. Other Operating Expenses

- The decrease of \$313,710 is mainly due to only 1 election being scheduled in FY 2016/17, which caused reductions of:
 - \$170,102 in other operating supplies due to less usage
 - \$118,700 in in printing and binding due to less usage
 - \$81,460 in miscellaneous services and charges
 - \$30,000 in advertising and promotion
- These reductions are partially offset by increases of:
 - \$67,637 in hardware/software maintenance & licenses due to a hardware repair program for EVID terminals
 - \$28,104 in postage due to anticipated increases in requests for absentee ballots related to the Presidential election and the cost for return postage.
 - \$14,990 repairs and maintenance
 - \$8,390 in rentals (land and buildings) due to a scheduled increase in the lease payments at the One Imeson Center

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	5,000	Food for Election staff on election day and for visiting foreign delegations	Food for Election staff on election day and for visiting foreign delegations

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EMPLOYEE CAP CHANGES:

Two positions in elections were eliminated to reduce full-time employees to 31 during FY 2015/16. Part-time hours were reduced by 60,090 to 61,040 hours due to only 1 election being scheduled in FY 2016/17.

SERVICE LEVEL CHANGES:

There will be 1 county wide election, in FY2016/17 (Presidential).

RECOMMENDATION:

We recommend increasing the salaries & benefits budget by \$23,089 to provide the capacity to the pay Supervisor of Elections salary and associated benefits in accordance with F. S. §145.09, which was updated during the 2016 Legislative Session and takes effect 10/1/2016. This will raise his salary from \$132,872 to \$152,986. This will have a negative impact of \$23,089 on Special Council Contingency.

**COUNCIL AUDITOR'S OFFICE
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MAYOR'S PROPOSED FY 2016/17 BUDGET
CLERK OF THE COURTS – OPERATIONS (S/F 016)**

PROPOSED BUDGET BOOK – Page # 399-401

BACKGROUND:

Pursuant to Article 5 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.

Distributed to/Used for	1st Page	Each Add'l Page	Subfund
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
Total Fee	\$ 10.00	\$ 8.50	

REVENUE:

1. Charges for Services:
 - The net increase of \$351,255 is primarily due to increases of \$308,255 in recording fees, \$30,000 in tax deed fees and \$15,000 in passport application fees based on actuals.
2. Investment Pool / Interest Earnings:
 - The decrease of \$10,701 in interest income is based on current year actuals.
3. Transfers from Fund Balance:
 - No transfer from fund balance was proposed since projected revenues are sufficient to cover budgeted expenditures in FY 2016/17.

EXPENDITURES:

1. Salaries:
 - The net decrease of \$20,711 is mainly attributable to a decrease of \$18,550 in permanent and probationary salaries that resulted from several positions being filled at a lower salary rate and due to a decrease of \$3,000 in special pay.

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CLERK OF THE COURTS – OPERATIONS (S/F 016)**

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2. 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 2016/17.
3. Pension Costs:
 - The increase of \$9,818 is mainly due to an overall increase in pension cost.
4. Employer Provided Benefits:
 - The net increase of \$12,644 is primarily due to an increase in group hospitalization insurance attributable to some employees switching to health insurance plans with higher premiums.
5. Internal Service Charges:
 - The decrease of \$18,497 is mainly due to a decrease in computer system maintenance cost associated with actual record storage charges for the Clerk's office.
6. Insurance Costs and Premiums:
 - The increase of \$2,608 is due to an overall increase in general liability insurance.
7. Other Operating Expenses:
 - The net increase of \$36,341 is mainly due to an increase of \$78,200 in printing and binding costs which was partially offset by a decrease of \$44,420 in postage that resulted from the outsourcing of printing and mailing of statutorily required notices related to tax deed sales.
8. 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 decrease of \$15,438 is due to an overall decrease in administration cost.
9. Cash Carryover:
 - This amount represents the excess projected revenues over expenditures for FY 2016/17.

EMPLOYEE CAP CHANGES:

The employee cap has not changed.

SERVICE LEVEL CHANGES:

None.

RECOMMENDATION:

None.

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COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2016/17 BUDGET
COURTS
GENERAL FUND / GENERAL SERVICES DISTRICT (S/F 011)**

PROPOSED BUDGET BOOK-Page #379-380

BACKGROUND:

This budget includes the Circuit and County Courts' expenses as well as the Guardian Ad Litem. The County is responsible for providing facilities, maintenance, utilities, security, communications, existing radio systems and the existing Multi-Agency Criminal Justice Information System (CJIS) to the Courts pursuant to Florida Statute 29.008.

EXPENDITURES:

1. Salaries:
 - The increase of \$166 is due to an increase in longevity pay.
2. Pension Costs:
 - The increase of \$5,750 is due to an overall increase in cost of the defined benefit pension plan.
3. Internal Service Charges:
 - The net decrease of \$89,563 is mainly due to a decrease of \$70,056 in building maintenance cost of the Courthouse Building and a decrease of \$18,111 in building maintenance cost of the Ed Ball Building where the Guardian Ad Litem program currently resides.
4. Insurance Costs and Premiums:
 - The increase of \$26,257 is due to an overall increase in general liability insurance based on the actuarial projections.
5. Capital Outlay:
 - The reduction of \$45,532 is due to the removal of one time funding for the purchase of office furniture and specialized equipment.

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

None.

CAPITAL OUTLAY CARRYFORWARD:

There is a total capital outlay carryforward of \$12,600 in specialized equipment that might not be purchased by the end of the fiscal year.

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

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DEPARTMENT REQUESTS:

The department is requesting an additional \$50,919 in funding to align the budget for Courts – Judicial Support to an amount similar to the discretionary budget in prior year plus \$1,000 (see table below, for individual line items). This will have a negative impact to Special Council Contingency of \$50,919.

Description	Increase in Funding
Contractual Services	\$ 19,000
Furniture and Equipment under \$1,000	5,000
Other operating supplies	2,750
Dues, Subscriptions and Training	3,362
Furniture and Equipment over \$1,000	10,807
Specialized Equipment	10,000
	<hr/>
	\$ 50,919

RECOMMENDATION:

None.

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COURTS
COURT COST COURTHOUSE TRUST (S/F 15T)**

PROPOSED BUDGET BOOK – Page #387-388

BACKGROUND:

As a result of Ordinance 2010-561-E, the State Court Facilities Surcharge was increased from \$15 to \$30. The surcharge is levied on non-criminal traffic violations and the criminal violations listed in Section 318.17 of the Florida Statutes and is to be used exclusively to fund the maintenance and the capital improvements associated with court facilities. Pursuant to Section 634.102 of the Municipal Code, no less than 25% of the \$30 fee should be spent on maintenance.

This is an “all years” subfund, which means once dollars are appropriated, the appropriation stays in place from year to year rather than lapsing.

REVENUE:

1. Charges for Services:
 - This amount represents the anticipated revenue to be collected from the \$30 court facilities surcharge.
2. Transfers from Other Funds:
 - This is a transfer from the General Fund / General Services District (S/F 011) to cover budgeted expenses over anticipated revenue.

EXPENDITURES:

1. Internal Service Charges:
 - This amount represents the required 25% of revenues that must be used for building maintenance. The costs for maintaining the courthouse complex reside in the public buildings internal service fund and are allocated to this fund via an internal service charge.
2. Debt Service:
 - The increase of \$259,007 is due to an increase in debt service cost associated with the Courthouse bond issue based on the corresponding amortization schedule.

EMPLOYEE CAP CHANGES:

There are no employees in this subfund.

SERVICE LEVEL CHANGES:

None.

RECOMMENDATION:

We recommend that the transfer from the General Fund / General Services District (S/F 011) be increased by \$39,642 and a corresponding increase in the Building Cost Allocation – Courthouse within the Court Cost Courthouse Trust fund be made to be in compliance with Section 634.102 of the Municipal Code. This will be offset with a reduction in the Building Cost Allocation –

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COURT COST COURTHOUSE TRUST (S/F 15T)**

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Courthouse within the General Fund / General Services District (S/F 011). This will have no impact on Special Council Contingency.

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COURTS
TEEN COURT PROGRAMS TRUST (S/F 15V)**

PROPOSED BUDGET BOOK – Page # 389-390

BACKGROUND:

This program provides Duval County youth with an alternative to a conviction record by diverting them into programs where they are subject to peer group involvement as part of the rehabilitation process, and/or exposure to community service work, positive role models, law students, and the judicial system. In addition, a second program, the Teen Court Truancy Program has been developed in an effort to reduce truancy. These programs are funded by a \$3 fee charged pursuant to Florida Statute 938.19 to fund Teen Court Programs.

REVENUE:

1. Fines and Forfeits:
 - The decrease of \$15,956 is to more accurately reflect actual collections.
2. Transfers from Other Funds:
 - This amount is a transfer from the Jacksonville Journey (S/F 019) to fund the neighborhood accountability board.
3. Transfers from Fund Balance:
 - The transfer of \$31,762 from fund balance is needed due to a projected shortage of revenue to cover budgeted expenditures in FY 2016/17.

EXPENDITURES:

1. Salaries:
 - The decrease of \$299 is due to a decrease in longevity pay.
2. Salary & Lapse Benefit:
 - This reflects an estimated salary and benefit lapse based on the average turnover ratio and estimated number of vacancies in FY 2016/17.
3. Employer Provided Benefits:
 - The net decrease of \$6,866 is primarily due to one employee declining group health insurance.

EMPLOYEE CAP CHANGES:

There are no employee cap changes.

SERVICE LEVEL CHANGES:

None.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2016/17 BUDGET
COURTS
COURT COSTS \$65 FEE (S/F 1S1)**

PROPOSED BUDGET BOOK – Page #153-155

BACKGROUND:

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. This revenue was split into four separate activities which receive 25% of the total revenue: Legal Aid, Duval County Law Library, Juvenile Drug Court and Judicial Support. Prior to FY 2016/17 these separate activities were housed in separate subfunds. As part of the FY 2016/17 budget all four activities of the \$65 fee are being moved into a single subfund. This will allow the remaining funding at year end to be utilized for the judicial support activity pursuant to the Florida Statute.

	FY 2015/16 APPROVED	FY 2016/17 PROPOSED	DOLLAR CHANGE
REVENUE			
Charges for Services	1,026,764	991,564	(35,200)
Miscellaneous Revenue	30,296	30,296	-
Investment Pool / Interest Earnings	9,122	-	(9,122)
Transfers From Other Funds	-	488,154	488,154
TOTAL REVENUE	1,066,182	1,510,014	443,832
EXPENDITURE			
Salaries	408,654	392,651	(16,003)
Pension Costs	75,563	80,808	5,245
Employer Provided Benefits	89,931	97,455	7,524
Internal Service Charges	6,615	8,004	1,389
Insurance Costs and Premiums	1,547	1,914	367
Professional and Contractual Services	42,257	115,728	73,471
Other Operating Expenses	285,764	273,007	(12,757)
Library Materials	80,331	75,097	(5,234)
Indirect Cost	15,350	15,350	-
Contingencies	(26,351)	-	26,351
Cash Carryover	86,521	450,000	363,479
TOTAL EXPENDITURES	1,066,182	1,510,014	443,832
	FY 2015/16 APPROVED	FY 2016/17 PROPOSED	DOLLAR CHANGE
AUTHORIZED POSITIONS	9	9	-
PART-TIME HOURS	2,290	2,290	-

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COURTS
COURT COSTS \$65 FEE (S/F 1S1)**

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REVENUE:

1. Charges for Services:
 - The decrease of \$35,200 is due to an expected decrease in revenue from the \$65 fee based on recent actuals.
2. Investment Pool / Interest Earnings:
 - There is no investment pool earnings budgeted due to timing of the switch to the new subfund.
3. Transfers From Other Funds:
 - This amount represents two separate transfers. The first is a transfer of \$450,000 of the remaining available funding as of 9/30/15 from the previous subfunds which is being transferred into this fund and placed in a cash carryover (See comment below). The second is a \$38,154 transfer from the Alcohol and Other Drug Abuse subfund (S/F 156) to balance the Juvenile Drug Court activity.

EXPENDITURES:

1. Salaries:
 - The decrease of \$16,003 is mainly due to a decrease in part-time salary and terminal leave within the Law Library activity (S/F 15B).
2. Employer Provided Benefits:
 - The net increase of \$7,524 is mainly due to an increase of \$10,519 in group hospitalization insurance due to some employees switching health insurance plans. This was partially offset by a decrease of \$3,066 in workers' compensation insurance costs.
3. Professional and Contractual Services:
 - The increase of \$73,471 is due to an increase in professional and contractual services within the Judicial Support activity (S/F 15Q). The additional funds will be utilized to hire additional contract attorneys to assist the judicial staff attorneys in researching legal issues and drafting orders on hundreds of criminal post-conviction motions from incarcerated defendants in the Fourth Judicial Circuit Court. This is consistent with Ordinance 2016-100-E which moved funds from cash carryover into this line item in the current budget.
4. Other Operating Expenses:
 - The decrease of \$12,757 is mainly due to a decrease of \$8,800 in funds to be disbursed to Legal Aid (S/F 15R) attributable to an anticipated decline in revenue from the \$65 fee, and a decrease of \$3,060 in miscellaneous services and charges within the Judicial Support activity (S/F 15Q).

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COURTS
COURT COSTS \$65 FEE (S/F 1S1)**

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5. Contingencies:

- The increase of \$26,351 is the result of an all years adjustment performed within the Juvenile Drug Court activity (S/F 15L) in FY 2015/16.

6. Cash Carryover:

- This amount represents the transfer of \$450,000 from the previous subfunds as discussed above.

	JUVENILE					
	JUDICIAL SUPPORT	DRUG COURT	LAW LIBRARY	LEGAL AID	NON-DEPT	TOTAL
REVENUE						
Charges for Services	247,891	247,891	247,891	247,891	-	991,564
Miscellaneous Revenue	-	-	30,296	-	-	30,296
Transfers From Other Funds	-	38,154	-	-	450,000	488,154
TOTAL REVENUE	247,891	286,045	278,187	247,891	450,000	1,510,014
EXPENDITURE						
Salaries	81,016	178,913	132,722	-	-	392,651
Pension Costs	24,856	53,121	2,831	-	-	80,808
Employer Provided Benefits	16,128	47,005	34,322	-	-	97,455
Internal Service Charges	2,895	2,912	2,197	-	-	8,004
Insurance Costs and Premiums	396	873	645	-	-	1,914
Professional and Contractual Services	115,728	-	-	-	-	115,728
Other Operating Expenses	6,872	3,221	15,023	247,891	-	273,007
Library Materials	-	-	75,097	-	-	75,097
Indirect Cost	-	-	15,350	-	-	15,350
Cash Carryover	-	-	-	-	450,000	450,000
TOTAL EXPENDITURES	247,891	286,045	278,187	247,891	450,000	1,510,014
AUTHORIZED POSITIONS						
	2	4	3	-	-	9
PART-TIME HOURS						
	1,250	-	-	-	-	1,250

EMPLOYEE CAP CHANGES:

The nine positions and 2,290 part-time hours were transferred in from Duval County Law Library (S/F 15B), Juvenile Drug Court (S/F 15L), and Judicial Support (S/F 15Q).

SERVICE LEVEL CHANGES:

Consistent with the current year activity.

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COURTS
COURT COSTS \$65 FEE (S/F 1S1)**

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COMMENT:

The proposed \$450,000 transfer-in from the other subfunds is the available cash net of expenditure authority as of 9/30/15. With the close of the fiscal year, line items could be de-appropriated and there will be additional funds to transfer-in either through separate legislation during FY 2016/17 or with the FY 2017/18 budget.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2016/17 BUDGET
COURTS
DUVAL COUNTY LAW LIBRARY (S/F 15B)**

PROPOSED BUDGET BOOK – Page #381-382

BACKGROUND:

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. 25% of that revenue was housed in this fund. These funds are used for the Duval County Law Library which is for all judges, trial court law clerks, attorneys, courthouse personnel and the general public.

As part of the FY 2016/17 budget all four of the 25% pieces of the \$65 fee are being moved into a single subfund. This will allow the remaining funding at year end to be swept and transferred into the judicial support activity pursuant to the Florida Statute. The budget in FY 2016/17 includes the appropriation of available fund balance as of 9/30/15 and the transfer of those funds to the newly established Court Costs \$65 fee fund (S/F 1S1).

REVENUE:

1. Transfers from Fund Balance:

- This amount represents the funds available as of 9/30/15 that are being transferred to the newly established fund.

EXPENDITURES:

1. Transfers to Other Funds:

- This is the available funding as of 9/30/15 being transferred to the newly established fund.

EMPLOYEE CAP CHANGES:

All three (3) positions were transferred to the new Court Costs \$65 fee fund (S/F 1S1).

SERVICE LEVEL CHANGES:

Activity was moved to Court Costs \$65 fee fund (S/F 1S1).

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2016/17 BUDGET
COURTS
JUVENILE DRUG COURT (S/F 15L)**

PROPOSED BUDGET BOOK – Page #383-384

BACKGROUND:

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. 25% of that revenue was housed in this fund. These funds are used to fund juvenile assessment and other juvenile alternative programs.

As part of the FY 2016/17 budget all four of the 25% pieces of the \$65 fee are being moved into a single subfund. This will allow the remaining funding at year end to be swept and transferred into the judicial support activity pursuant to the Florida Statute. The budget in FY 2016/17 includes the appropriation of available fund balance as of 9/30/15 and the transfer of those funds to the newly established Court Costs \$65 fee fund (S/F 1S1).

REVENUE:

1. Transfers from Fund Balance:

- This amount represents the funds available as of 9/30/15 that are being transferred to the newly established fund.

EXPENDITURES:

1. Transfers to Other Funds:

- This is the available funding as of 9/30/15 being transferred to the newly established fund.

EMPLOYEE CAP CHANGES:

All four (4) positions were transferred to the new Court Costs \$65 fee fund (S/F 1S1).

SERVICE LEVEL CHANGES:

Activity was moved to Court Costs \$65 fee fund (S/F 1S1).

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2016/17 BUDGET
COURTS
COURT INNOVATIONS-JUDICIAL SUPPORT (S/F 15Q)**

PROPOSED BUDGET BOOK – Page #385-386

BACKGROUND:

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. 25% of that revenue was housed in this fund. These funds are used at the discretion of the Chief Judge.

As part of the FY 2016/17 budget all four of the 25% pieces of the \$65 fee are being moved into a single subfund. This will allow the remaining funding at year end to be swept and transferred into the judicial support activity pursuant to the Florida Statute. The budget in FY 2016/17 includes the appropriation of available revenue as of 9/30/15 and the transfer of those funds to the newly established Court Costs \$65 fee fund (S/F 1S1).

REVENUE:

1. Charges for Services:

- This amount represents the appropriation of available revenue.

EXPENDITURES:

1. Salaries:

- This is an all-years adjustment to reduce the budget in order to transfer the funding to the new subfund.

2. Transfers to Other Funds:

- This is the available funding as of 9/30/15 being transferred to the newly established fund.

EMPLOYEE CAP CHANGES:

The two (2) positions and 1,250 part-time hours are being transferred to the newly established fund.

SERVICE LEVEL CHANGES:

Activity was moved to Court Costs \$65 fee fund (S/F 1S1).

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2016/17 BUDGET
JUDICIAL - VARIOUS
RECORDING FEES TECHNOLOGY (S/F 15U)**

PROPOSED BUDGET BOOK – Page #403-405

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 increase of \$133,734 is attributable to an increase in revenue from the \$2 recording fee based on recent actuals. This revenue is tied to the recording of deeds and mortgages.

EXPENDITURES:

Courts

1. Internal Service Charges:

- The net increase of \$61,226 is due to an increase of \$88,068 in computer maintenance cost related to direct billing charges for a contracted senior technician who is providing audio-visual technical support. This was somewhat offset by a decrease of \$26,842 in the technology refresh and pay-go allocation due to a purchase of computer equipment from a prior year being paid off in the first half of FY 2016/17.

2. Other Operating Expenses:

- The decrease of \$15,446 is due to a decrease of \$9,647 in repairs and maintenance based on prior year actuals and a decrease of \$5,799 in hardware/software maintenance and licenses due to the department no longer using a third party accounting system and instead using an in-house accounting system.

Non-Departmental/Fund Level Activities

3. Cash Carryover:

- This represents the excess of proposed revenue over expenses. There is a department request to eliminate the carryover.

Public Defender

4. Internal Service Charges:

- The net increase of \$28,525 is mainly due to an increase of \$29,400 in computer system maintenance attributable to an increase in direct billing charges for the WAN circuits and an increase in infrastructure service charges for COJ servers and internet system.

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COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2016/17 BUDGET
JUDICIAL - VARIOUS
RECORDING FEES TECHNOLOGY (S/F 15U)**

PROPOSED BUDGET BOOK – Page #403-405

5. Other Operating Expenses:

- The net increase of \$6,819 is due to an increase of \$20,851 in repairs and maintenance attributable to an increase in software maintenance. This is partially offset by a decrease of \$14,482 in dues, subscriptions, and memberships attributable to a promotional discount offered by the vendor of the online research tool used by investigators.

State Attorney

6. Internal Services Charges:

- The increase of \$25,571 is due to an increase in computer system maintenance that resulted from an increase in direct billing charges for WAN circuits.

7. Professional and Contractual Services:

- The decrease of \$15,000 in professional services is due to these funds being moved into Capital Outlay to better reflect the actual spending of monies in computer and software.

8. Other Operating Expenses:

- The decrease of \$61,900 is mainly due to \$44,800 in software and computer items and \$17,600 in repairs and maintenance being moved to Capital Outlay to better reflect the actual spending of monies in computer and software.

9. Capital Outlay:

- This amount represents the total funding needed for the purchase of new laptops and desktops computers to replace old out of warranty equipment.

EMPLOYEE CAP CHANGES:

There are no authorized positions in this subfund.

SERVICE LEVEL CHANGES:

None.

DEPARTMENT REQUEST:

Courts request that an additional \$80,000 in professional services be budgeted for the Court Application Processing Systems (CAPS) compliance for the Judicial Bench View, an additional \$40,000 in computer equipment to update devices and refresh audio/visual equipment in the courtroom, and an additional \$5,855 in software, computer items under \$1,000 due to an anticipated growth in mobile devices for court operations. Also, computer system maintenance and security needs to be increased by \$206 for Courts, \$48 for Public Defender, and \$219 for State Attorney. These additional funds were included in the Memorandum of Understanding signed by the Courts, the State Attorney, and the Public Defender when they reached an agreement on how to allocate the available revenues. This increase in expenses would be offset

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MAYOR'S PROPOSED FY 2016/17 BUDGET
JUDICIAL - VARIOUS
RECORDING FEES TECHNOLOGY (S/F 15U)**

PROPOSED BUDGET BOOK – Page #403-405

by a decrease of \$63,164 in cash carryover and a transfer from fund balance of \$63,164. This request has no impact on Special Council Contingency.

COMMENT:

Section 111.388 of the Municipal Code requires the three areas sign an agreement before funds are disbursed from this sub-fund. If the department request stated above is not approved, then all three parties must sign a new MOU prior to any funds being disbursed.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2016/17 BUDGET
PUBLIC DEFENDER
GENERAL FUND / GENERAL SERVICES DISTRICT (S/F 011)**

PROPOSED BUDGET BOOK – Page # 395-396

BACKGROUND:

The Public Defender's Office is an agency of the State of Florida. Chapter 29.008 of the Florida Statutes requires that the Public Defender 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 \$78,859 is mainly due to an increase of \$122,758 in building cost allocation for the Haverty's Building attributable to an increase in interest and principal payment based on the loan repayment schedule. This is somewhat offset by a decrease of \$37,442 in IT direct billing for WAN Circuit charges and IT shared services charges as well as a reduction of \$10,131 in computer refresh due to a one-time purchase of servers in FY 2015/16.

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 2016/17 BUDGET
STATE ATTORNEY
GENERAL FUND / GENERAL SERVICES DISTRICT (S/F 011)**

PROPOSED BUDGET BOOK - Page #397-398

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 increase of \$94,243 is due to an increase of \$64,051 in computer system maintenance associated with the application development of an enterprise document management system and an increase of \$12,783 in building cost associated with the utility cost of the State Attorney building. Additionally, there is an increase of \$15,195 in Courthouse building cost mainly due to using the wrong square footage space in the cost allocation calculation. See recommendation below.

EMPLOYEE CAP CHANGES:

There are no City funded positions.

SERVICE LEVEL CHANGES:

None.

RECOMMENDATION:

We recommend that the building cost allocation of the Courthouse be decreased by \$16,160 for the State Attorney Office under the General Fund / General Services District (S/F 011), due to the wrong square footage being utilized in the calculation of their building cost allocation. This should be offset by an increase of the same amount to the building cost allocation of the County Court. This will have no impact to Special Council Contingency.

**COUNCIL AUDITOR'S OFFICE
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MAYOR'S PROPOSED FY 2016/17 BUDGET
PARKS, RECREATION AND COMMUNITY SERVICES
GENERAL FUND / GENERAL SERVICES DISTRICT (S/F 011)**

PROPOSED BUDGET BOOK – Page #285-287

BACKGROUND:

The Parks, Recreation and Community Services 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. Miscellaneous Revenue

- The decrease of \$82,875 is mainly due to decreases in overtime reimbursement charges of \$65,000 in order to reflect revenues actually being earned in the current year. There is also a decrease of \$19,200 for City Facility Rental revenue. This revenue represented fees charged to the river cruise boats which have since gone out of business.

EXPENDITURES:

1. Salaries

- The decrease of \$199,261 is partially due to two positions being transferred out of Parks & Recreation and into the Accounting Division during FY 2015/16. The combined salary value of these positions was \$84,327. The remainder of the decrease is generally due to positions being filled by employees at a lower pay level than their predecessors.

2. Pension Costs

- The increase of \$178,287 is mainly due to an increase in the pension contribution rate.

3. Employer Provided Benefits

- The decrease of \$103,688 is mainly due to a reduction in group hospitalization insurance of \$71,279, as well as a decrease in workers compensation insurance of \$38,974.

4. Internal Service Charges

- The decrease of \$1,065,885 is primarily due to a decrease in IT internal service charges of \$674,250. This decrease is primarily due to a change in ITD's billing methodology that will result in the elimination of pooled overhead costs. These costs are now being directly billed to the applicable customers. Also, the Public Works Utility Allocation is decreasing by \$472,945, due to a reduction in actual utility costs during FY 2015/16.

5. Professional and Contractual Services

- These costs are increasing by \$506,893. This increase is primarily due to the following:
 - \$250,000 represents placeholder funding for the operation of Hemming Park.
 - \$120,000 represents funding for year two of the St. Johns River Water Taxi agreement.

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PARKS, RECREATION AND COMMUNITY SERVICES
GENERAL FUND / GENERAL SERVICES DISTRICT (S/F 011)**

PROPOSED BUDGET BOOK – Page #285-287

- \$50,000 represents an increase for additional maintenance and programming needs of the department, including field maintenance and repairs.
 - An increase of \$44,632 is budgeted for contracts pertaining to the Criminal Justice Substance Abuse Program.
6. Other Operating Expenses
- The net increase of \$187,551 is primarily due to additional maintenance and programming needs of the department totaling \$200,000. Specifically, this includes:
 - Play equipment maintenance and repairs
 - Court maintenance and repairs
 - Mulch and fencing repairs
- The Department is presently assessing each park for needed repairs and will prioritize what work is done. The increases are partially offset with a decrease in local mileage reimbursements of \$13,550, based on costs actually incurred in FY 2015/16.
7. Grants, Aids and Contributions
- The \$2,971,303 is for the senior meals program. There is no change in funding compared to the FY 2015/16 budget.

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

The employee cap for Parks & Recreation is decreasing by two positions; from 249 authorized positions in FY 2015/16 to 247 authorized positions in FY 2016/17. During FY 2015/16, two vacant positions were transferred from Parks & Recreation – Social Services to the Accounting Division.

HANDOUT CONTINUES ON NEXT PAGE

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2016/17 BUDGET
PARKS, RECREATION AND COMMUNITY SERVICES
GENERAL FUND / GENERAL SERVICES DISTRICT (S/F 011)**

PROPOSED BUDGET BOOK – Page #285-287

FOOD AND BEVERAGES EXPENDITURES (subobject 05206):

SF	Indexcode	Amount	Description of each Service/Event that requires the purchase of food/beverage	Explanation that the Service/Event serves a public purpose
011	RPAH011SP	4,500	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.	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	500	Joseph Lee Day	Summer playday for approximately 500 kids
011	RPCM011PG	9,500	After school & summer program	Snacks for summer & after school programs
011	RPCM011PG	2,000	Annual special events	Food for annual special events
011	RPCM011SNL	9,600	SNL snacks	Snacks for SNL
011	RPCM011SNL	2,500	SNL Nutrition program	Food for annual special events
011	RPOD011CEXT	3,000	This account funds supplies for the Family & Consumer Sciences program & partial Expanded Food & Nutrition program educational programming which will generate an annual projected average of 25,000 contacts reaching a range of groups including at-risk youth, seniors, limited income adults and general public.	All items are used in educational programming for teaching purposes only. These programs teach how to achieve a healthy lifestyle by using the dietary guidelines and food guide pyramid to establish eating patterns, manage resources and reduce the risk of certain chronic diseases.
Total		31,600		

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PARKS, RECREATION AND COMMUNITY SERVICES
GENERAL FUND / GENERAL SERVICES DISTRICT (S/F 011)**

PROPOSED BUDGET BOOK – Page #285-287

DIVISION CHANGES:

	2015/16 Adopted	2016/17 Proposed	\$ CHANGE from FY 16	% Change from FY 16	
Parks & Recreation Division Expenses					
Disabled Services	\$ 581,529	\$ 622,970	\$ 41,441	7.13%	A
Natural and Marine Resources	\$ 1,139,599	\$ 1,358,285	\$ 218,686	19.19%	B
Office of the Director	\$ 2,731,567	\$ 2,888,813	\$ 157,246	5.76%	C
Recreation and Community Programming	\$ 22,163,807	\$ 21,586,265	\$ (577,542)	-2.61%	D
Senior Services	\$ 5,825,293	\$ 5,691,890	\$ (133,403)	-2.29%	E
Social Services	\$ 9,713,331	\$ 9,546,921	\$ (166,410)	-1.71%	F
Department Total	\$ 42,155,126	\$ 41,695,144	\$ (459,982)	-1.09%	

- A** The increase for Disabled Services of \$41,441 is primarily due to an increase in permanent and probationary salaries of \$16,473, mainly due to pay increases that have already been given. Internal service charges are budgeted to increase by \$16,004, mainly due to a building cost allocation for the St. James Building that was not in the division's budget last year.
- B** The increase for Natural and Marine Resources of \$218,686 is mainly due to an increase in contractual services of \$120,000 for funding year two of the St. Johns Water Taxi agreement. Permanent and probationary salaries are also increasing by \$37,793, mainly due to new employees who are earning a higher salary than their predecessors. Pension costs are increasing by \$45,855, mainly due to an increase in contribution rates.
- C** The increase for the Office of the Director of \$157,246 is mostly due to an increase of \$161,141 in IT internal service charges.
- D** The decrease for Recreation and Community Programming of \$577,542 is mainly due to decreases in IT internal service charges of \$685,568, and a decrease in building maintenance costs of \$462,037. These decreases are partially offset with an increase in contractual services of \$250,000 for funding Hemming Park operations. There is also \$250,000 in additional funding budgeted for park maintenance and programming needs, as addressed in #6 above. Pension costs are increasing by \$106,810, due to an increase in contribution rates.
- E** The decrease for Senior Services of \$133,403 is mainly due to a decrease in IT internal service charges of \$81,688, as well as a decrease in salaries of \$38,190, as new employees are earning lower salaries than their predecessors.
- F** The decrease for Social Services of \$166,410 is mainly due decreases in permanent and probationary salaries of \$100,408, mainly due to the two positions worth \$84,327 that were transferred out of the department during FY 2015/16. The remainder of the decrease was mainly due to new employees earning lower salaries than their predecessors. IT internal service charges are decreasing by \$66,085.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
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MAYOR'S PROPOSED FY 2016/17 BUDGET
PARKS, RECREATION AND COMMUNITY SERVICES
HUGUENOT PARK (1D1)**

PROPOSED BUDGET BOOK – Page 289-291

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:

1. Transfers from Other Funds:

	FY 2015/16	FY 2016/17	Change \$	Change %
From General Fund/GSD	\$121,611	\$198,380	\$76,769	63.1%
From Hanna Park (1D2)	\$75,000	\$0	\$(75,000)	-100%
Total	\$196,611	\$198,380	\$1,769	-0.9%

The transfer from the General Fund is proposed to provide cash to the Huguenot Park trust fund. A higher General Fund transfer is being proposed in FY 2016/17, as a transfer from Hanna Park that was made in FY 2015/16 is not budgeted in FY 2016/17.

FEE INCREASES:

The following fee increases are included in the proposed budget for FY 2016/17:

Subobject	Description	Current Fee	New Fee (as of 10/1/16)	Increase	Additional Expected Revenue Due to Increased Fees
34740	Early Bird Fee (defined as 7am to 8am)	\$2.80	\$4.67	\$1.87	\$7,667
34748	Bike/Pedestrian Annual Pass Fee *	\$0.00	\$55.00	\$55.00	\$110
34751	Camper Rentals Tent – Interior	\$15.00	\$20.00	\$5.00	\$20,410
34751	Camper Rentals Tent – Waterfront	\$17.00	\$20.00	\$3.00	\$3,912
34751	Camper Rentals RV – Interior	\$17.00	\$24.00	\$7.00	\$2,114
34751	Camper Rentals RV - Waterfront	\$19.50	\$24.00	\$4.50	\$1,184
34751	Twilight Camping Fee (Tent)	\$12.00	\$15.00	\$3.00	\$168
34751	Twilight Camping Fee (RV)	\$12.00	\$15.00	\$3.00	\$150
Total					\$35,715

* This is a new fee for FY 2016/17.

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COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2016/17 BUDGET
PARKS, RECREATION AND COMMUNITY SERVICES
HUGUENOT PARK (1D1)**

PROPOSED BUDGET BOOK – Page 289-291

EXPENDITURES:

1. Salary and Benefit Lapse:

- There is a proposed salaries/benefits lapse of \$9,836, based on the average turnover ratio and estimated number of vacancies in FY 2016/17. This budgeted lapse is \$4,175 less than FY 2015/16.

2. Internal Service Charges:

- The net increase of \$66,865 is being driven by an increase in the Citywide building maintenance allocation of \$56,780. Additionally, internal service allocations for Fleet are budgeted to increase by \$23,270 related to vehicle replacements. These increases are partially offset with a decrease in IT internal service charges of \$6,467, as well as decrease in Fleet internal service charges for repairs/maintenance and parts/oil/gas of \$4,922 and \$4,121 respectively.

SERVICE LEVEL CHANGES:

None

EMPLOYEE CAP CHANGES:

There are no changes to the employee cap.

CONCERN:

In order to eliminate its negative cash balance, the Huguenot Park Trust Fund received a transfer of \$158,892.15 that originated from funding recaptured from the Hanna Park Trust Fund, via Ordinance 2016-138-E. Given that another transfer from the General Fund is budgeted in FY 2016/17, 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.

RECOMMENDATION:

Given that the department is proposing the establishment of a new fee (Bike/Pedestrian Annual Pass 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 \$55.00 and is projected to generate an additional \$110 in revenue in fiscal year 2016/17. This recommendation will have no impact on Special Council Contingency.

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COMMENTS AND RECOMMENDATIONS
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PARKS, RECREATION AND COMMUNITY SERVICES
KATHRYN A. HANNA PARK (1D2)**

PROPOSED BUDGET BOOK – Page 293-295

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 are used to offset the expenditures for personnel, operating, and capital outlay.

REVENUE:

1. Charges for Services:

- The increase of \$200,685 is primarily due to budgeted increases in Camper Rental revenue of \$161,074, Annual Pass revenue of \$22,662, and Entrance Fee revenue of \$16,949. These increases are mainly based on actual revenues being earned in FY 2015/16.

FEE INCREASES:

The following fee increase is included in the proposed budget for FY 2016/17:

Subobject	Description	Current Fee	New Fee (as of 10/1/16)	Increase	Additional Expected Revenue Due to Increased Fee
34748	Bike/Pedestrian Annual Pass Fee*	\$0.00	\$55.00	\$55.00	\$550
Total					\$550

* This is a new fee for FY 2016/17.

EXPENDITURES:

1. Salary and Benefit Lapse:

- There is a proposed salaries/benefits lapse of \$17,061. This reflects an estimated salary and benefit lapse based on the average turnover ratio and estimated number of vacancies in FY 2016/17. This is a decrease of \$2,445 from FY 2015/16.

2. Employer Provided Benefits:

- The net increase of \$35,367 is mainly due to an increase in group hospitalization insurance of \$36,443, mainly due to more employees being budgeted for health insurance than in FY 2015/16.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
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PARKS, RECREATION AND COMMUNITY SERVICES
KATHRYN A. HANNA PARK (1D2)**

PROPOSED BUDGET BOOK – Page 293-295

3. Insurance Costs and premiums:

- The decrease of \$13,440 represents a reduction in general liability insurance costs due to a lower number of claims being experienced.

SERVICE LEVEL CHANGES:

None

EMPLOYEE CAP CHANGES:

There is no change in authorized positions.

RECOMMENDATION:

Given that the department is proposing the establishment of a new fee (Bike/Pedestrian Annual Pass Fee of \$55.00), we recommend that a special provision be added in the budget ordinance establishing this 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 projected to generate an additional \$550 in revenue in fiscal year 2016/17. This recommendation will have no impact on Special Council Contingency.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2016/17 BUDGET
PARKS, RECREATION AND COMMUNITY SERVICES
FLORIDA BOATER IMPROVEMENT PROGRAM (S/F 1D8)**

PROPOSED BUDGET BOOK – Page # 297-298

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:

1. Charges for Services:
 - This amount of \$123,066 represents the anticipated FY 2016/17 revenue for boat registration fees.
2. Investment Pool/Interest Earnings:
 - The decrease of \$4,547 is due to a reduction of anticipated interest earnings for FY 2016/17.

EXPENDITURES:

3. Professional and Contractual Services
 - This amount of \$1,490 was removed because professional services (architects/engineers) were not needed in the coming fiscal year.
4. Other Operating Expenses:
 - The amount of \$140,000 will be utilized for related boater improvement projects to make repairs to city owned boat ramps, docks, etc.

EMPLOYEE CAP CHANGES:

There are no authorized positions in this subfund.

RECOMMENDATION:

None

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2016/17 BUDGET
PARKS, RECREATION & COMMUNITY SERVICES
CECIL FIELD COMMERCE CENTER (S/F 1DA)**

PROPOSED BUDGET BOOK - Page # 299-301

BACKGROUND:

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

REVENUES:

Significant changes in revenue are as follows:

1. Charges for Services:
 - The increase of \$10,741 is due to an increase in organized event charges based on actual earnings.
2. Transfers from Other Funds:
 - The decrease of \$221,014 is due to a decreased transfer from the General Fund/General Services District (011). The proposed General Fund/General Services District (011) subsidy is \$1,222,856.

EXPENDITURES:

Significant changes in expenditures are as follows

1. Salary and Benefit Lapse:
 - The proposed salaries and benefits lapse of \$10,266 is based on the average turnover ratio and estimated number of vacancies in FY 2016/17.
2. Pension Costs:
 - The increase of \$13,052 is mainly due to four full time employees moving from the defined contribution plan to the defined benefit plan.
3. Employer Provided Benefits:
 - The decrease of \$10,560 is mainly due to a decrease of \$10,255 in Group Hospitalization Insurance based on employee elections.
4. Internal Service Charges:
 - The net decrease of \$225,746 is mainly due to decreases of \$193,515 in Utilities Allocation – Public Works due to the removal of budgeting for the equestrian center utilities and \$34,360 in computer system maintenance/security charges due to a change in ITD's billing methodology that will result in the elimination of pooled overhead costs. These ITD costs are now being directly billed to the applicable customers.

SERVICE LEVEL CHANGES:

None

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COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2016/17 BUDGET
PARKS, RECREATION & COMMUNITY SERVICES
CECIL FIELD COMMERCE CENTER (S/F 1DA)**

PROPOSED BUDGET BOOK - Page # 299-301

EMPLOYEE CAP CHANGES:

None

RECOMMENDATIONS:

None

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2016/17 BUDGET
DUVAL COUNTY ALCOHOL & OTHER DRUG ABUSE TRUST (S/F 156)**

PROPOSED BUDGET BOOK – Page #107-108

BACKGROUND:

Section 111.230 of the Municipal Code created the Duval County Alcohol & Other Drug Abuse Trust Fund to provide monies to support Duval County based alcoholic and drug rehabilitation programs. In past years, the City has partially funded the Alcohol Rehabilitation Program with monies paid to the Clerk of Courts for fines imposed in county court. The City is not obligated to fund the alcoholic rehabilitation program.

REVENUES:

1. Fines and Forfeits:

- The FY 2016/17 proposed budget is appropriating \$38,154 of available revenue funding, as authorized above, and is transferring it out to help fund the Juvenile Drug Court.

EXPENDITURES:

2. Transfers to Other Funds

- The proposed total of \$38,154 represents the transfer to the Juvenile Drug Court within the Court Costs \$65 fee subfund (SF 1S1) to balance Juvenile Drug Court Activity.

EMPLOYEE CAP CHANGES:

There are no authorized positions in this subfund.

COMMENTS:

In the FY 2015/16, a \$30,000 appropriation from the Duval County Alcohol & Other Drug Abuse Trust was used to relieve the General Fund of funding it was providing related to alcohol rehab programs. The appropriation this year is going directly to Juvenile Drug Court.

RECOMMENDATION:

None

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2016/17 BUDGET
HANDICAP PARKING FINES (S/F 1H8)**

PROPOSED BUDGET BOOK - Page # 307-308

BACKGROUND:

The Handicap Parking Fines was established by Ordinance 2015-99-E to authorize current and future transfers by the Office of Public Parking of all dismissal fees collected or to be collected pursuant to Section 318.18(6), Florida Statutes, and Section 804.1012, Municipal Code, to the Handicapped Parking Trust Fund. This is not a new subfund. Past revenues were appropriated through separate legislation.

REVENUES:

Significant changes in revenue are as follows:

1. Fines and Forfeits
 - The amount of \$308,000 represents excess revenues collected but not appropriated from parking fines.

EXPENDITURES:

Significant changes in expenditures are as follows:

1. Internal Service Charges
 - The amount of \$5,000 represents charges in the copy center.
2. Professional and Contractual Services
 - The amount of \$38,000 represents charges in professional services due to the Disabled Services Division providing interpreting services for citizens who are hearing impaired, and the cost of independent professional speakers and trainers.
3. Other Operating Expenses
 - The amount of \$265,000 represents charges in food of \$21,000, employee training of \$18,000 for employees to attend mandatory ADA training, and trust fund authorized expenditures of \$226,000 for various expenses primarily including:
 - Wheelchair ramps, handrails, and other material to assist independent living
 - Citation/envelope books, uniforms, badges, COJ background checks, parking passes, and other associated costs to certify new volunteers for the Disabled Parking Enforcement Program
 - Supplies, training and marketing for disabled citizens seeking employment
 - Purchase of durable medical equipment and wheelchairs for low-income or no income persons with disabilities, shower chairs, walking canes
 - Admission for 125 disabled veterans and guests to a Jaguar Football Game scheduled to commemorate and highlight disabled veterans
 - Assistance to local community agencies through partnerships with ILRC, Brooks Adaptive Sports, Special Olympics, North Florida School, ARC, UF CARDS, Summers Camps Scholarships, Braille-a Thon, Miracle League, ESE Department, L'Archce, and the MS Society of Northeast Florida

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2016/17 BUDGET
HANDICAP PARKING FINES (S/F 1H8)**

PROPOSED BUDGET BOOK - Page # 307-308

- Hiring persons with disabilities to better serve our citizens and assist with floor coverage

FOOD AND BEVERAGES EXPENDITURES:

SF	Indexcode	Amount	Description of each Service/Event that requires the purchase of food/beverage	Explanation that the Service/Event serves a public purpose
1H8	CSDS1H8	7,008	Spirit of the ADA Education & Awareness Zoo Event	Funds will be used to purchase food for the spirit of ADA Education & Awareness Luncheon. The lunch tickets are matched with an admission ticket which is donated by the Jacksonville Zoo and Gardens. Event will be held at the Jacksonville Zoo for up to 1,000 volunteers and guests with disabilities. (Disabled Services will be responsible for 584 full meals @ \$12.00 ea.).
1H8	CSDS1H8	4,900	Fun with the Suns	Funds will be used to purchase food vouchers for the 14th Annual Fun with the Suns Event. Up to 700 individuals with disabilities, including the Miracle League athletes and volunteers required to assist participants needs (700 full meal vouchers @ \$7.00 each to include drinks, snacks, hamburgers and hotdogs).
1H8	CSDS1H8	9,092	DPEP Quarterly Training, Wheelchair Ramp Program participants, Mayor's Disability Council Annual Training, Disability Tools for Success Parent Training, ADA Symposium, ADA Employment Symposium, and ADA/IT Symposium	Funds will be used to purchase food for required training to ensure appropriate certifications are kept current. Required training includes; DPEP Quarterly Training, Wheelchair Ramp Program participants, Mayor's Disability Council Annual Training, ADA Symposium, and ADA Employment Symposium.

SERVICE LEVEL CHANGES:

None

EMPLOYEE CAP CHANGES:

None

RECOMMENDATIONS:

None

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2016/17 BUDGET
EQUESTRIAN CENTER – NFES/HORSE (S/F 4F5)**

PROPOSED BUDGET BOOK – Page #313-314

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. Ordinance 2015-620-E amended and restated the contract with NFES.

REVENUES:

1. Transfers from Other Funds:

- The FY 16/17 proposed transfer from the Taye Brown Regional trust fund (Subfund 44i) is \$402,553. The decrease of \$136,447 corresponds with the projected decrease in the payment to NFES to subsidize the operations of the Equestrian Center in FY 16/17.

EXPENDITURES:

1. Professional and Contractual Services:

- The proposed budget of \$402,553 represents the contractual services expense to be paid to the NFES. This amount is equal to NFES' projected expenditures in excess of projected revenues for FY 16/17.

SERVICE LEVEL CHANGES:

There are no anticipated service level changes.

EMPLOYEE CAP CHANGES:

There are no employees in this subfund.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2016/17 BUDGET
PLANNING AND DEVELOPMENT
GENERAL FUND – GSD (S/F 011)**

PROPOSED BUDGET BOOK - Page # 315 - 316

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, and Transportation Planning Division. The Housing and Community Development Division has been moved to the Neighborhoods Department as part of the reorganization pursuant to Ordinance 2016-140-E.

REVENUE:

1. Charges for Services:

- The net decrease of \$20,000 is the result of a \$30,000 decrease for zoning and rezoning fees offset by an increase of \$10,000 in comprehensive/amendment fees. These amounts are in line with current year actuals and have been impacted by the fee increases, identified below. Had these fees not been increased, there would have been further reductions in revenue.

FEE INCREASES:

Based on the Updated Fee Schedule, issued July 14, 2016, the following fees are increasing.

Description	Current Fee	New Fee	Change	Additional Projected Revenue
<i>Community Planning Division</i>				
Certificate of Appropriateness				
Alterations requiring review/action by Commission	\$ 270	\$ 315	\$ 45	\$ 1,815
Additions and new construction requiring review/action by Commission	415	495	80	3,840
Relocations	477	594	117	117
Total Community Planning				\$ 5,772
<i>Current Planning Division</i>				
Planned Unit Development (PUD)				
Flat fee	\$ 2,000	\$ 2,269	\$ 269	\$ 12,095
Application for zoning exception (commercial/industrial)	1,091	1,173	82	5,330
Application for zoning exception (residential or misc district)	1,073	1,161	88	880
Application for zoning variance/waiver (commercial/industrial)	1,091	1,173	82	984
Application for zoning variance/waiver (residential/agricultural)	1,073	1,161	88	1,320
Application for appeal of exception/variance/waiver	1,073	1,161	88	264
				\$ 20,873
Interpretations				
Written Interpretation	1,000	1,063	63	127
				\$ 127
Administrative Deviations				
Amendments to Orders	395	422	27	267
				\$ 267
Cell Towers				
Waiver, Variance, Delineation of Tower/Antenna Type	610	648	38	114
				\$ 114
Total Current Planning				\$ 21,380

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2016/17 BUDGET
PLANNING AND DEVELOPMENT
GENERAL FUND – GSD (S/F 011)**

PROPOSED BUDGET BOOK - Page # 315 - 316

EXPENDITURES:

1. Salaries:

- The net decrease of \$106,992 is primarily due to a \$136,902 decrease resulting from the transfer of three (3) employees out of the department. This is somewhat offset by increases associated with employee turnover, promotions and other salary adjustments.

2. Pension Costs:

- The costs of the defined benefit plan are increasing by \$76,576 due to general increases in cost while the costs of the defined contribution are decreasing by \$11,924 due to the removal of 3 employees from the plan.

3. Employer Provided Benefits:

- The decrease of 13,268 is primarily due to the removal of the three (3) positions within the Housing and Community Development Division as part of the reorganization.

4. Internal Service Charges:

- The net decrease of \$215,735 is due in part, to decreases of \$273,767 in the Ed Ball Building allocation and \$86,041 in the legal allocation. The decrease in the Ed Ball Building Allocation is primarily due to the removal of the Housing & Community Development Division from this department as part of the reorganization. However, there is also a decrease in usage of legal. These decreases are partly offset by an increase of \$156,246 in the computer system maintenance/security allocation related to the updated Enterprise Document Management system and other building inspections and zoning tracking programs.

5. Insurance Costs and Premiums:

- The decrease \$41,434 is due to a decrease in general liability insurance primarily associated with the removed the Housing and Community Development Division.

6. Other Operating Expenses:

- The net decrease of \$29,722 is primarily due to a decrease of \$27,632 in advertising and promotion costs due to the discontinued advertising in the Florida Times-Union. Advertisements are still published in the Financial News & Daily Record.

7. Supervision Allocation:

- This represents a percentage of the administrative costs for the three (3) staff members within the Office of the Director Division. These costs are being allocated out to the Building Inspection (S/F 159) and Concurrency Management (S/F 112) subfunds based on the percentage of time the staff members spends working with these subfunds. The decrease of \$51,240 primarily represents an increase in the percentage being allocated out.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2016/17 BUDGET
PLANNING AND DEVELOPMENT
GENERAL FUND – GSD (S/F 011)**

PROPOSED BUDGET BOOK - Page # 315 - 316

SERVICE LEVEL CHANGES:

Services previously provided by the Housing & Community Development Division are no longer being provided by this Department. These services are now being performed by the Neighborhoods Department.

EMPLOYEE CAP CHANGES:

The authorized cap decreased by three (3) positions during FY 2015/16 due to the reorganization, (Ordinance 2016-140-E). The Housing and Community Development Division and its three positions transferred to the Neighborhoods Department.

DIVISION CHANGES:

Division	FY 2015/16 ADOPTED	FY 2016/17 PROPOSED	Change	Notes
Community Planning	\$ 1,519,124	\$ 1,295,510	\$ (223,614)	(A)
Current Planning	988,768	1,260,070	271,302	(B)
Housing & Community Development	537,777	-	(537,777)	(C)
Office of the Director	963,498	971,503	8,005	
Transportation Planning	420,493	509,391	88,898	(D)
Department Total	\$ 4,429,660	\$ 4,036,474	\$ (393,186)	

- A. The \$223,614 decrease in the Community Planning Division is primarily due to a decrease of \$223,910 in salaries and benefits as a result of the proposed movement of three (3) positions within the department.
- B. The increase of \$271,302 in the Current Planning Division is partly due to the increases of \$166,421 in salaries and benefits cost associated with the proposed movement of two (2) of the three (3) positions previously mentioned. Defined benefits costs are increasing by an additional \$29,569 due to general cost increases. There is also an increase of \$34,488 in the computer systems maintenance/security (IT) allocation which is primarily due to a change in ITD's billing methodology that will result in the elimination of pooled overhead costs. These costs are now being directly billed to the applicable customers.
- C. This Division was moved to the Neighborhoods Department as part of the reorganization.
- D. The increase of \$88,898 is primarily due to a \$57,489 increases in salaries and benefits cost due to the proposed movement of one (1) position previously mentioned. Defined benefits costs are increasing by an additional \$28,239 due to general cost increases and one person being added to the plan.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2016/17 BUDGET
PLANNING & DEVELOPMENT
CONCURRENCY MANAGEMENT SYSTEM (S/F 112)**

PROPOSED BUDGET BOOK - Page # 317 - 318

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:

1. Charges for Services:
 - The net increase of \$41,463 is due to an increase in concurrency management fees stemming primarily from the majority of the fee increases identified below.
2. Investment Pool/Interest Earnings:
 - Investment pool earnings are projected to be \$42,762 for FY 2016/17.
3. Transfer from Fund Balance:
 - There is a proposed \$632,040 transfer from fund balance. 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.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2016/17 BUDGET
PLANNING & DEVELOPMENT
CONCURRENCY MANAGEMENT SYSTEM (S/F 112)**

PROPOSED BUDGET BOOK - Page # 317 - 318

FEE CHANGES:

Based on the Updated Fee Schedule, issued July 14, 2016, the following fees are increasing.

Description	Current Fee	New Fee	Change	Additional Projected Revenue
De Minimis Concurrency and Mobility Fee Review	\$ 23	\$ 28	\$ 5	\$ 13,770
Informal Reviews	174	207	33	33
Amendment or Cancellation of Development Agreement	1,110	1,227	117	936
Special Trip Generation or Traffic Study (per hour)	73	81	8	192
Concurrency Time Extension	100	114	14	1,568
Application for Amendment to Proportionate Share Agreement	1,024	1,187	163	4,401
Notification fee to adjacent property owners within 350 ft radius (per notice)	7	8	1	240
Mobility Fee Calculation Certificate	594	688	94	10,810
Expedited Mobility Fee Calculation Certificate	223	266	43	1,591
Mobility Fee Contract Application	1,368	1,830	462	2,310
				\$ 35,851

EXPENDITURES:

1. Salaries:

- The net decrease of \$27,707 is primarily due to a decrease in permanent and probationary salaries resulting from employee turnover which is partially offset by internal promotions.

2. Pension Costs:

- The net increase of \$658 is the result of increases in defined benefits contribution rates, offset by the impacts of salary reductions.

3. Employer Provided Benefits:

- The net increase of \$1,745 is primarily due to health insurance election changes.

4. Internal Service Charges:

- The net increase of \$49,427 is mainly due to an increase in computer system maintenance/security charges for the updated Enterprise Document Management system and the assessment of possible new ERP systems for the department.

5. Other Operating Expenses:

- The decrease of \$4,605 is mainly due to a decrease of \$4,000 in advertising and promotion. The advertising expenses were added in the FY 2015/16 budget but were not needed.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2016/17 BUDGET
PLANNING & DEVELOPMENT
CONCURRENCY MANAGEMENT SYSTEM (S/F 112)**

PROPOSED BUDGET BOOK - Page # 317 - 318

6. Supervision Allocation:

- This allocation is in place to reimburse the general fund for three (3) individuals from the Office of the Director within the General Fund – GSD (S/F 011) whom perform a percentage of their work in this subfund. The increase of \$42,896 is due to an increase in the percentage of those three employees' salaries and benefits costs being allocated out.

EMPLOYEE CAP CHANGES:

None.

CONCERN:

As identified in the FY 2015/16 budget review, 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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COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2016/17 BUDGET
PLANNING AND DEVELOPMENT
COMMUNITY DEVELOPMENT (S/F 1A1)**

PROPOSED BUDGET BOOK – Page # 243 - 244

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:

1. Intergovernmental Revenue:

- The revenue from the federal funding to the Independent Living Program is budgeted at \$120,000 for FY 2016/17.

2. 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 seventeenth annual payment.

EXPENDITURES:

1. Salaries:

- The \$75,000 in salaries is to supplement part of the employee costs for City staff who work with the Clara White Mission and Catholic Charities Bureau.

2. Transfers to Other Funds:

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

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

There are no authorized positions in this subfund.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2016/17 BUDGET
PLANNING AND DEVELOPMENT
BUILDING INSPECTION (EXCLUDING FIRE RESCUE) (S/F 159)**

PROPOSED BUDGET BOOK - Page # 319-323

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. During the FY 2015/16 budget process, the Development Services Division, within the General Fund – GSD (S/F 011), was moved into this subfund and is primarily supported by development services fees added to the municipal code Sec 320.409 (see Concern noted below).

REVENUE:

Non-Departmental / Fund Level Activities

1. Investment Pool / Interest Earnings

- There is \$173,053 in anticipated interest earnings for FY 2016/17.

Planning and Development

1. Licenses and Permits:

- This revenue was moved to Charges for Services (building inspection fees), pursuant to Ordinance 2016-171-E.

2. Charges for Services:

- The net increase of \$1,323,031 is primarily due to the reclassification of revenue from Licenses and Permits budgeted at \$900,000 in FY 2016/17, which was budgeted at \$1,424,995 in FY 2015/16. There is also an increase of \$757,508 in other building inspection fees to match actual collections. These increases are somewhat offset by decreases of \$218,000 in construction inspection fees and \$119,817 in electrical inspection fees which are in line with historical actuals.

3. Fines and Forfeits:

- The increase of \$16,780 is due to increases of \$10,780 in reactivation/reinstatement fees and \$6,000 in code violation fines. These increases are in line with current year performance and historical data.

4. Miscellaneous Revenue:

- The increase of \$46,543 is mainly due to an increase of \$40,000 in the right-of-way filing fees. These revenues are projected to exceed the current year's budget.

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

PROPOSED BUDGET BOOK - Page # 319-323

FEE INCREASES:

Based on the Updated Fee Schedule, issued July 14, 2016, the following fees are increasing (please see comments on fees below).

Description	Current Fee	New Fee	Change	Additional Projected Revenue
Preliminary Site Dev. Review (10 Set) - Subdivision	\$ 683	\$ 746	\$ 63	\$ 2,205
Preliminary Site Dev. Review (10 Set) - Non-Subdivision	589	648	59	14,278
Right Of Way Permit - Overhead Utility R/W Permit excluding fee exempt	140	155	15	30
				\$ 16,513

EXPENDITURES:

Non-Departmental / Fund Level Activities

1. Salary & Benefits Lapse:

- There is a \$152,274 salary and benefit lapse budgeted for FY 2016/17 based on average turnover ratio and estimated number of vacancies.

2. Cash Carryover:

- The \$1,721,202 in this line item represents the budgeted excess revenue over expenditures for this sub-fund.

Planning and Development

1. Salaries:

- The net increase of \$207,865 is primarily due to the \$210,000 increase in permanent and probationary salaries. This increase, for the most part, is due to the addition of four (4) positions as part of the budgeting process; however, some of the increases were also related to promotions, filling of vacant positions and other adjustments.

2. Pension Costs:

- The increase of \$147,295 is partly due to the net increase of \$120,372 in defined benefits contributions as a result of general increases in pension costs. There was also an increase of \$30,197 in the defined contribution amount due to increased participation.

3. Employer Provided Benefits:

- The increase of \$55,407 is due to an increase of \$68,472 in health insurance costs which can be explained by employee election and the four (4) new employees in the proposed budget. This is partially offset by a decrease of \$18,788 in workers compensation insurance.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2016/17 BUDGET
PLANNING AND DEVELOPMENT
BUILDING INSPECTION (EXCLUDING FIRE RESCUE) (S/F 159)**

PROPOSED BUDGET BOOK - Page # 319-323

4. Internal Service Charges:

- The net increase of \$428,353 is primarily due to an increase of \$442,101 in computer system maintenance/security for the development and support of several building inspections and review programs including the ongoing implementation of the Electronic Plan Review system (Phase II - continued). This is somewhat offset by a decrease of \$47,112 in the Ed Ball Building cost allocation due to a reduction in total building costs.

5. Insurance Costs and Premiums:

- The increase is due to an increase in general liability insurance.

6. Other Operating Expenses:

- The net decrease of \$2,516 is due in part, to the \$6,743 decrease in tax collector charges offset by an increase of \$2,992 in other operating supplies.

7. Supervision Allocation:

- This allocation is in place to reimburse the general fund for three (3) individuals from the Office of the Director within the General Fund – GSD (S/F 011) who performs a percentage of their work in this subfund. The increase of \$8,346 is due in part, to an increase in the percentage being allocated out and an increase in those three employees' salaries and benefits costs.

SERVICE LEVEL CHANGES:

Additional staff and vehicles have been included in the proposed FY 2016/17 budget in order to improve permit/inspection turnaround and increase customer satisfaction.

EMPLOYEE CAP CHANGES:

The employee cap is increasing by four (4) positions as part of the budgeting process. All of these new positions are construction trade inspector positions. Two (2) of the positions are going to the building inspections area while one (1) is going to mechanical inspections and one (1) is going to plumbing inspections.

COMMENTS ON FEES:

As indicated last year, the Building Inspections Division needs to review the accuracy of the various costs used in the annual fee assessment. As of 6/30/16, this Subfund (including Fire Rescue) had a cash balance of \$10,206,422 and the proposed FY 2016/17 budget has revenues that are anticipated to exceed expenses by \$1,721,202. Additionally, the Updated Fees Schedule has identified fee increases in this area rather than reductions which is inconsistent with the financial picture being presented in the budget.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2016/17 BUDGET
PLANNING AND DEVELOPMENT
BUILDING INSPECTION (EXCLUDING FIRE RESCUE) (S/F 159)**

PROPOSED BUDGET BOOK - Page # 319-323

CONCERN:

Development Services	FY 2015/16		FY 2015/16 Actuals (as of 7/31/16)	FY 2016/17 Proposed Budget
	Approved Budget			
Revenue	\$ 2,542,335	\$	1,412,490	\$ 1,892,000
Expenses	2,443,483		1,759,282	2,655,881
Balance	\$ 98,852	\$	(346,792)	\$ (763,881)

The proposed budget has expenses for the Development Services Division (S/F 159) exceeding that of the budgeted revenues indicating that the difference is being supplemented by the remaining activity within the subfund. We have also determined that actual revenue is coming in significantly under budget due to the fact that just under half of the building inspection fee revenue has a development services fee associated with it while the budget in FY 2015/16 anticipated 100%.

We are meeting with the administration to work on a solution.

RECOMMENDATION:

We recommend that the \$152,274 salary and benefits lapse assigned to this subfund be separated between the different departments/divisions in order to accurately identify the total cost of each area. This amount includes:

- \$110,258 - Building Inspections
- \$39,963 - Development Services
- \$2,053 - Fire and Rescue

This recommendation has no effect on Special Council Contingency and has no effect on the total budget for this subfund.