

OFFICE OF THE COUNCIL AUDITOR

FY 2016/2017 PROPOSED BUDGET

FINANCE COMMITTEE MEMBERS

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Meeting #6
August 25, 2016

**COUNCIL AUDITOR’S OFFICE
TABLE OF CONTENTS
MEETING #6**

Mayor’s Office.....	1
Advisory Boards and Commissions.....	3
Employee Services Department.....	5
Jacksonville Human Rights Commission	7
Downtown Vision.....	8
Jacksonville Journey.....	12
Jacksonville Children’s Commission.....	15
Youth Travel Trust.....	19
Public Works Department (including Solid Waste).....	20
Streets & Highways 5-Year Road Program	25
Tree Protection Fund.....	27
Beach Erosion-Local.....	28
Solid Waste Disposal.....	29
Contamination Assessment.....	32
Landfill Closure	33
Solid Waste Facilities Mitigation.....	35
Solid Waste Facilities Mitigation Class III.....	36
Solid Waste Mitigation Capital Projects.....	37
Stormwater Services	38
Public Building Allocations.....	43
Neighborhoods.....	46
Mosquito Control	51
Air Pollution Tag Fee.....	52
Air Pollution EPA.....	54
Ambient Air Monitoring.....	57
Hazardous Waste Program.....	58
Animal Care and Protective Services Training and Animal Cruelty Prevention Trust.....	60

Veterinary Services.....	61
Spay and Neuter Trust	62
Adult Arcades	64
Code Enforcement Revolving Fund.....	65
Grant Schedules B1-A, B1-B, B1-C	67
Downtown Investment Authority.....	74
Public Parking	76
Downtown Economic Development Fund.....	80

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

PROPOSED BUDGET BOOK- Page #217-218

BACKGROUND:

This fund provides for the operating and salary expenditures of the Mayor's Office, and Public Affairs.

REVENUE:

1. Miscellaneous Sales and Charges:

- The net increase of \$98,500 is primarily due to a contribution from Community Foundation of Northeast Florida of \$97,500 to help fund the Director of Strategic Partnerships pursuant to Ordinance 2016-439-E

EXPENDITURES:

1. Salaries:

- The net increase of \$120,798 is primarily due to positive salary adjustments of \$216,023 in the Mayor's Office. The positive salary adjustments were partially offset by the elimination of two previously funded positions (\$94,648).

2. Pension Costs:

- Net pension costs are decreasing by \$149,047, mostly due to new employees selecting the defined contribution pension plan instead of the defined benefit pension plan.

3. Internal Service Charges:

- The net decrease of \$159,302 is primarily due to the decrease in IT computer system maintenance/security allocation of \$131,963 because of 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 customer.

4. Intra-Departmental Billing:

- The amount of \$382,289 is the cost for the Mayor's security that resides in the Office of the Sheriff's budget. This expense has a revenue offset within JSO's budget and is driven by each Mayor's individual needs.

*HANDOUT CONTINUES ON NEXT PAGE

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

PROPOSED BUDGET BOOK- Page #217-218

ACTIVITY LEVEL CHANGES:

	2015/16	2016/17	% Change	\$ Change	
	<u>Adopted</u>	<u>Proposed</u>	from FY 15	from FY 15	
Administration	\$ 3,208,442	\$ 3,251,443	1.3%	\$ 43,001	A
Education Officer	-	-		-	B
Public Affairs	1,057,430	836,981	-20.8%	(220,449)	C
Department Total	<u>\$ 4,265,872</u>	<u>\$ 4,088,424</u>	-4.2%	\$ (177,448)	

- A. The budget for the Administration activity increased by \$43,001 primarily due to increases of \$123,909 in salaries which is offset by a decrease in pension costs of \$75,399 and a decrease of \$35,047 in internal service charges for reasons already stated.
- B. The Mayor's Office removed the Education Officer activity in FY 2015/16.
- C. The budget for the Public Affairs activity decreased by \$220,449 primarily due to decreases of \$124,255 in internal service charges and \$73,646 in pension cost for reasons already stated.

EMPLOYEE CAP CHANGES:

The employee cap decreased from 32 to 28. Two unfunded Administrative Aide-MA positions were transferred into different departments (Finance and Sports and Entertainment). In addition, one (1) Administrative Aide and one (1) Administrative Aide-MA that were funded are proposed to be eliminated for FY 2016/17. Also, there is an increase of 1,500 part time hours for the Public Affairs Division without an increase in funding.

RECOMMENDATION:

None

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

PROPOSED BUDGET BOOK – Page #123-124

BACKGROUND:

This fund includes the Mayor's Asian Commission, Civil Service Board, Construction Trades Qualifying Board (CTQB), Hispanic American Advisory Board, and the Mayor's Commission on the Status of Women.

REVENUES:

1. Charges for Services:

- The net increase of \$129,000 is primarily due to the result of the seasonality of CTQB contractor certification and renewal revenue. These certifications are issued or renewed for a two-year period beginning October 1 of the first year and expiring September 30 of the second year.

EXPENDITURES:

2. Salaries:

- The net decrease of \$10,901 is mainly due to decreases of \$6,860 in leave rollback/sellback and \$2,100 in special pay resulting from the replacement of a long-time employee.

3. Pension Costs:

- The decrease of \$12,929 is mainly due to replacing a long time employee who paid into the defined benefit plan with a new employee who chose the defined contribution plan.

4. Internal Service Charges:

- The net decrease of \$10,187 is mainly due to a decrease of \$8,365 in building allocation because of lower overall building costs for the Yates building.

5. Insurance Costs and Premiums:

- The net decrease of \$2,419 is mainly due to a change in allocation methodology for general liability insurance.

ACTIVITY LEVEL CHANGES:

	<u>2015/16</u> <u>Original</u>	<u>2016/17</u> <u>Proposed</u>	<u>% Change</u> <u>from FY 16</u>	<u>\$ Change</u> <u>from FY16</u>	
Civil Service Board	\$ 260,908	\$ 225,104	-13.7%	\$ (35,804)	A
Construction Trades Qualifying Board	198,262	198,043	-0.1%	(219)	
Mayor's Commission on Status of Women	484	532	9.9%	48	
Department Total	<u>\$ 459,654</u>	<u>\$ 423,679</u>	<u>-7.8%</u>	<u>\$ (35,975)</u>	

- A. The budget for the Civil Service Board decreased by \$35,804 primarily due to decreases in salaries of \$10,901 and pension costs of \$16,366 which is due to the replacement of an employee.

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

PROPOSED BUDGET BOOK – Page #123-124

EMPLOYEE CAP CHANGES:

There are no proposed changes in the employee cap.

RECOMMENDATION:

None

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

PROPOSED BUDGET BOOK - Page # 137 - 138

BACKGROUND:

The general fund portion of the Employee Services Department consists of the following divisions: Employee & Labor Relations, Office of the Director, and Talent Management.

REVENUES:

1. Miscellaneous Revenue:

- This represents the expected revenue due to sale of books, maps & regulations for FY 2016/17.

EXPENDITURES:

1. Salaries:

- The net increase of \$26,077 is mainly due to an increase of \$34,978 in permanent and probationary salaries due to salary increases and hiring new employees at higher rates. This increase is partially offset by a decrease in leave rollback/sellback of \$9,779 to align with the projections made by the department.

2. Pension Costs:

- The net increase of \$57,746 is mainly due to a net increase of \$53,175 in defined benefits costs primarily due to general increases in pension costs and the salary increases mentioned above.

3. Employer Provided Benefits:

- The net increase of \$27,816 is primarily due to an increase of \$26,181 in group hospitalization insurance due to changes in employee elections including the addition of three (3) new members.

4. Internal Service Charges:

- The net increase of \$1,628,741 is mainly due to an increase in computer system maintenance and security of \$1,675,808 which is mostly caused by changes in the allocation method where ITD is now billing all General Fund/General Services District (S/F 011) costs for ERP and TAS systems to this department only, instead of allocating them to all users within the General Fund/General Services District (S/F 011). This increase is minimally offset by decreases in OGC legal of \$28,387 based on actual usage and building cost allocation of \$14,296 due to a reduction in total building costs.

5. Professional and Contractual Services:

- There is an increase of \$80,200 in professional services due to increased contract rates related to employee drug and alcohol testing.

6. Other Operating Expenses:

- The net increase of \$14,738 is primarily due to an increase of \$13,928 in employee training for the renewal of Skillsoft on-line training programs. These expenses were previously paid by ITD.

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

PROPOSED BUDGET BOOK - Page # 137 - 138

SERVICE LEVEL CHANGES:

There are no significant service level changes.

EMPLOYEE CAP CHANGES:

There is no change in authorized positions.

DIVISION CHANGES:

Division	FY 2015/16 Adopted	FY 2016/17 Proposed	Change	
Employee & Labor Relations	\$ 1,006,688	\$ 1,151,995	\$ 145,307	(A)
Office of Director	494,954	401,841	(93,113)	(B)
Talent Management	3,627,857	5,413,510	1,785,653	(C)
Department Total	\$ 5,129,499	\$ 6,967,346	\$ 1,837,847	

- A. The increase of \$145,307 is due to increases of \$95,570 in computer system maintenance and security for the planned updating of the Performance Management system, \$24,632 in OGC legal allocation based on actual usage, and \$19,224 in defined benefit pension costs based on general increases in pension costs.
- B. The decrease of \$93,113 in the Office of the Director is mainly due to a decrease of \$94,219 in computer system maintenance and security 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. The increase of \$1,785,653 in the Talent Management Division is primarily due to a \$1,674,457 increase in computer system maintenance. While the majority of this increase was due to changes in ITD billing and allocation methods, this amount also includes increases of \$144,519 in application development for the expansion of encryption in applications and \$280,388 in total ERP – HR/Payroll costs for the General Fund/General Services District (S/F 011) due to an increase in labor costs to maintain the system. Additionally, there is an increase of \$80,200 in professional services due to increased contract rates related to employee drug and alcohol testing.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2016/17 BUDGET
HUMAN RIGHTS COMMISSION
GENERAL FUND (S/F 011)**

PROPOSED BUDGET BOOK – Page #209-210

BACKGROUND:

The Jacksonville Human Rights Commission (JHRC) within the City focuses on promoting and encouraging fair treatment and equal opportunity for all. The Commission strives to eliminate discrimination and promote mutual understanding and respect. Equal Opportunity/Equal Access (EO/EA), the only division under JHRC, resolves non-compliance with equal opportunity employment laws and investigates allegations made by job applicants and city employees.

The JHRC investigates complaints alleging discriminatory practices in employment, housing, and areas of public accommodations. In addition to investigating claims, the JHRC offers mediation services and works to resolve the complaints. The JHRC works with the Equal Employment Opportunity Commission (EEOC) at the Federal level and is reimbursed at an agreed upon rate based on the number of cases resolved.

The services provided by the JHRC are also provided at the State level through the Florida Commission of Human Rights (FCHR) and the Federal level through the EEOC and the U.S. Department of Housing and Urban Development (HUD). There is no additional cost incurred by the City for deferring discrimination claims to these State or Federal agencies.

REVENUES:

1. Intergovernmental Revenue:

- The budgeted amount of \$74,900 is a projected reimbursement from the EEOC to investigate employment discrimination.

EXPENDITURES:

2. Pension Costs:

- The net increase of \$11,468 is mainly due to an increase in the pension contribution rate.

3. Internal Service Charges:

- The decrease of \$13,336 is mainly due to a decrease of \$10,311 in computer system maintenance/security. The 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.

EMPLOYEE CAP CHANGES:

None

RECOMMENDATIONS:

None

**COUNCIL AUDITOR'S OFFICE
 COMMENTS AND RECOMMENDATIONS
 MAYOR'S PROPOSED FY 2016/17 BUDGET
 DOWNTOWN VISION, INC. (DVI)**

BACKGROUND:

Downtown Vision Inc. (DVI) is a not-for-profit 501(c)(6) organization whose mission is to build and maintain a healthy and vibrant downtown community and to promote downtown as an exciting place to live, work and visit. A public hearing on the assessment roll for DVI was scheduled for August 17, 2016 at the regular City Council Finance Committee meeting.

DVI operates an affiliate 501(c)(3) organization called Downtown Vision Alliance (DVA) to attract donated dollars. The budget for DVA is not included in the FY 2016/17 Mayor's Proposed Budget Ordinance.

Based on Revised Amounts:

<u>ESTIMATED REVENUES</u>	<u>FY 2016/17 Proposed</u>	<u>Council Adopted 2015/16</u>	<u>Change</u>	<u>Change in %</u>
Assessed Properties	\$ 726,686	\$ 720,000	\$ 6,686	0.9%
City of Jacksonville	311,660	311,660	0	0.0%
Other Sources	149,787	292,039	(142,252)	(48.7%)
Total Estimated Revenues	\$ 1,188,133	\$1,323,699	\$ (135,566)	(10.2%)

APPROPRIATIONS

	Clean, Safe and Attractive	Mktg, Promotions, Special Projects	Business & Stakeholder Support	Management & General	Mayor's FY 2016/17 Proposed	Council Adopted FY 2015/16	Change	Change in %
Personnel Services	\$ 82,817	\$ 209,226	\$ 82,817	\$ 48,703	\$ 423,563	\$ 398,840	\$ 24,723	6.2%
Operating Expenses	494,878	214,991	30,553	24,148	764,570	919,859	(155,289)	(16.9%)
Contingency					-	5,000	(5,000)	(100.0%)
Total Appropriations	\$ 577,695	\$ 424,217	\$ 113,370	\$ 72,851	\$ 1,188,133	\$1,323,699	\$ (135,566)	(10.2%)

ESTIMATED REVENUES:

1. Assessed Properties:

- DVI's main source of revenue has been a 1.1 mill special assessment of downtown commercial property owners. The budgeted assessment is estimated to be \$726,686. This increase of \$6,686 from FY 2015/16 is due to higher property values. However, the amount on Schedule AD in the proposed Budget Ordinance as filed is \$733,108, which is in error. See recommendation on the next page.

2. City Contribution:

- This is the amount of the City's contribution to DVI. However, Schedule AD, as filed in the proposed Budget Ordinance, currently reflects a city contribution of \$444,348, which is an error. See recommendation on the next page.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2016/17 BUDGET
DOWNTOWN VISION, INC. (DVI)**

3. Other Sources:

- The decrease of \$142,252 is primarily due a reduction of \$184,794 resulting from a contract that DVI entered into with Friends of Hemming Park to provide Downtown Ambassadors that was not renewed. This is somewhat offset by an increase of \$29,280 in special events/sponsorships/miscellaneous due to increased revenue from the monthly First Wednesday Art Walk and \$13,262 in voluntary payments primarily due to a contribution from First Baptist Church that was not budgeted in FY 2015/16.

APPROPRIATIONS:

1. Personnel Services:

- The increase of \$24,723 is mainly due to an increase of \$20,851 in employee benefits due to an increased participation in their 401k program and an increase in the cost of health insurance.

2. Operating Expenses:

- The decrease of \$155,289 is mainly due to a decrease in expenses related to the aforementioned contract with Friends of Hemming Park to provide Downtown Ambassadors not being renewed.

SERVICE LEVEL CHANGES:

DVI will no longer be providing Ambassadors for Hemming Park.

RECOMMENDATION:

1. We recommend that Schedule AD and AE in the Budget Ordinance be replaced with the revised attached Schedule AD and AE to address:
 - a. A reduction of the City's contribution from DVI's requested amount of \$444,348 to the Mayor's proposed amount of \$311,660, a difference of \$132,688.
 - b. A reduction in Assessed Properties revenue from \$733,108 to \$726,686. (Please note this also requires Budget Ordinance Section 8.3 to be adjusted to be consistent with this amount.)
 - c. To adjust for the above revenue reductions DVI reduced Operating Expenses in its budget from \$903,681 to \$764,570. This revision also modifies the accompanied notes accordingly.

These changes will have no effect on Special Council Contingency.

**BUSINESS IMPROVEMENT DISTRICT
(DOWNTOWN VISION, INC.)
JACKSONVILLE, FLORIDA
BUDGET - FISCAL YEAR 2016/17**

ESTIMATED REVENUES

Assessed Properties	\$ 726,686
City of Jacksonville	311,660
Other Sources	149,787
	<u>149,787</u>
Total Estimated Revenues	<u>\$ 1,188,133</u>

REVISED SCHEDULE AD

APPROPRIATIONS

	Clean, Safe and Attractive (1)	Mktg, Promotions, Special Projects (2)	Business & Stakeholder Support (3)	Management & General (4)	Total
Personnel Services	\$ 82,817	\$ 209,226	\$ 82,817	\$ 48,703	\$ 423,563
Operating Expenses	494,878	214,991	30,553	24,148	\$ 764,570
Total Appropriations	\$ 577,695	\$ 424,217	\$ 113,370	\$ 72,851	\$ 1,188,133

(1) Contracted services includes 4.4 FTE ambassadors, 5.2 FTE cleaners and a supervising project manager, plus uniforms, supplies and equipment for program. This line item includes 50% of the Director of District Services salary plus 25% of all admin costs.

(2) Includes salaries for Director of Marketing, Communications Coordinator and Marketing and Events Manager. Includes 25% of the admin budget.

(3) Includes salary for 50% of Director of District Services and 25% of entire admin budget.

(4) This represents 25% of the entire admin budget, which includes the CEO and Office Manager positions.

REVISED SCHEDULE AE

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**COUNCIL AUDITOR'S OFFICE
 COMMENTS AND RECOMMENDATIONS
 MAYOR'S PROPOSED FY 2016/17 BUDGET
 JACKSONVILLE JOURNEY (S/F 019)**

PROPOSED BUDGET BOOK - Page # 103-105

BACKGROUND

This subfund was established as part of the FY 2008/09 budget ordinance (Ord No. 2008-555-E) to account for the non-enforcement activities of the "Jacksonville Journey". The *Journey* provides funding for expanded early literacy programs, supervised after-school guidance and recreational programs and expanded activities during the summer. It also dedicates funding to expand existing juvenile crime prevention and intervention programs and ex-offender programs helping individuals make the transition to becoming productive citizens.

REVENUE

1. Transfers From Other Funds

- This amount of \$4,382,992 represents the transfer from the General Fund that is necessary to fund the Jacksonville Journey programs for FY 2016/17.

EXPENDITURES

1. Salaries

- The increase of \$481,917 is due to the addition of 15,400 part-time hours totaling \$330,242, including 12,800 hours for the Summer Job Program and 2,600 for the Library Enhanced Access Program (LEAP), and four salaried positions totaling \$151,675 being added for LEAP.

2. Grants, Aids, and Contributions/Contingencies

- The chart below shows the overall change in program dollars. Of the \$1,338,402 decrease, \$519,246 was allocated to fund salaries and benefits for four positions for LEAP and part time hours for LEAP and the Summer Job Program. Another \$109,135 was allocated to other operational cost increases, and the remaining \$710,021 was due to a reduction in actual program funding. See Schedule AG for a list of program changes.

EXPENDITURES	FY 15/16 ADOPTED	FY 16/17 PROPOSED	CHANGE FROM FY 15/16	
			PERCENT	DOLLAR
Combined Grant, Aids and Contributions, and Contingencies	\$ 4,648,084	\$ 3,309,682	-29%	\$ (1,338,402)

SERVICE LEVEL CHANGES:

Refer to Schedule AG for service level changes.

CAPITAL OUTLAY CARRYFORWARDS:

None.

EMPLOYEE CAP CHANGES:

Four positions and 2,600 part-time hours were added by ordinance 2015-720-E during the fiscal year for the Library Enhanced Access Program (LEAP) program. Another 12,800 part-time hours are proposed to be added for the Summer Jobs Program for FY 2016/17.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2016/17 BUDGET
JACKSONVILLE JOURNEY (S/F 019)**

PROPOSED BUDGET BOOK - Page # 103-105

RECOMMENDATIONS:

1. The proposed budget includes \$9,826 to provide end of probation increases to three of the four positions funded for the LEAP program; however, only \$4,913 is needed. Therefore, we recommend that permanent and probationary salaries be reduced by \$4,913. The transfer from the General Fund should also be reduced by the same amount to balance the fund. This will be a positive impact to Special Council Contingency of \$4,913.

2. We recommend that the Schedule AG be revised, as follows:
 - a. Correct the FY 2016/17 proposed amount for the Jacksonville Re-Entry Center program to \$707,133 as reflected in the Sheriff's budget;
 - b. Rename the program description for additional program funding to Designated Contingency – Programs to be Determined;
 - c. Eliminate the column for the Journey Committee changes;
 - d. Change the name of the "Revised Budget" column to "Revised FY16 Budget"; and
 - e. Remove the prior year funding details.

Jacksonville Journey Oversight Committee
 Jacksonville Journey
 FY 2016-2017 Budget

Journey Subfund 019		5,093,013	5,000	5,098,013	4,378,079
Program Description	FY16 Approved	FY16 Legislation	Revised FY16 Budget	FY17 Proposed	
1,000 in 1,000 Program	0	127,000	127,000	254,000	
Designated Contingency - Programs to be Determined	2,554,284	-2,546,284	8,000	0	
Admin - Support Staff (1,040 pt hrs)	60,000	71,500	131,500	60,000	
Assessment of Programs	150,000		150,000	75,000	
Early Learning Coalition	0	253,750	253,750	507,500	
Ex-Offender Employment Programs	352,633	50,000	402,633	718,201	
Ex-Offender Training/Re-entry	265,568		265,568	0	
JFRD Explorers Program	0	75,000	75,000	150,000	
JSO Overtime	0	500,000	500,000	0	
Juvenile Intervention Program	276,576		276,576	321,600	
Juvenile Justice Programming	0		0	494,416	
Library Enhanced Access Program (LEAP) (4 FTE's and 2,600 pt hrs)	0	266,210	266,210	261,297	
Local Initiatives Support Corporation	399,023		399,023	399,023	
Neighborhood Accountability Boards	55,000		55,000	55,000	
Out of School Suspension	800,000		800,000	244,931	
Rec N Roll	0	65,000	65,000	65,000	
Summer Jobs Program (42,800 pt hrs)	179,929	227,792	407,721	467,100	
Teen Programming	0	442,499	442,499	147,500	
Workforce Development (16-24)	0	472,533	472,533	157,511	

Jacksonville Childrens Commission Subfund 191		4,047,012	100,000	4,147,012	4,148,380
Program Description	FY16 Approved	FY16 Legislation	Revised FY16 Budget	FY17 Proposed	
Early Literacy	1,382,000		1,382,000	1,382,000	
Summer Camps - Journey	878,404	100,000	978,404	978,404	
Team-Up Programs	1,786,608		1,786,608	1,787,976	

General Fund - GSD Subfund 011		655,737	-	655,737	707,133
Program Description	FY16 Approved	FY16 Legislation	Revised FY16 Budget	FY17 Proposed	
Ex-Offender RE-entry Portal (JREC)	655,737		655,737	707,133	

FY16 Approved
9,795,762

FY17 Proposed
9,233,592

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2016/17 BUDGET
JACKSONVILLE CHILDREN'S COMMISSION (S/F 191)**

PROPOSED BUDGET BOOK - Page # 211-213

BACKGROUND

The Jacksonville Children's Commission oversees several programs that promote positive infant, child and youth development. This includes oversight to the Mayor's Early Literacy Initiative and the Family Initiative Program.

REVENUE:

1. Investment Pool / Interest Earnings
 - The decrease of \$29,021 is due to lower investment pool earnings.
2. Transfer from Other Funds
 - This amount of \$21,189,689 represents the transfer from the General Fund – GSD (SF 011) to balance the fund.
3. Transfer from Fund Balance
 - This amount of \$732,630 represents a transfer from fund balance to provide summer camp seats to serve approximately 1,937 additional children in FY 2016/17.

EXPENDITURES:

1. Salaries and Benefit Lapse
 - This \$71,061 reflects an estimated salary and benefit lapse based on the average turnover ratio and estimated number of vacancies in FY 2016/17.
2. Pension Costs
 - The net increase of \$23,828 is primarily due to an overall increase in the cost of the defined benefit plan as a result of the higher contribution rate that was partially offset by a decrease from more participation in the defined contribution plan.
3. Internal Services Charges
 - The increase of \$65,600 is primarily due to increases of \$35,743 in citywide building maintenance and \$22,950 in office of general counsel legal allocations that were based on actual usage.
4. Debt Service
 - This amount of \$492,666 represents the debt service payment for the JCC building complex located at 1095 A. Phillip Randolph Blvd.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2016/17 BUDGET
JACKSONVILLE CHILDREN'S COMMISSION (S/F 191)**

PROPOSED BUDGET BOOK - Page # 211-213

5. Grants, Aids and Contributions
 - The increase of \$826,456 is to provide additional summer camp seats to approximately 1,937 children in FY 2016/17.
6. Transfers to Other Funds
 - This is a transfer of \$40,794 to the Youth Travel Trust Fund (S/F 64M) for FY 2016/17.

EMPLOYEE CAP CHANGES:

None.

SERVICE LEVEL CHANGES:

None.

DEPARTMENT REQUESTS:

1. The Department requests to revise Schedule M by increasing the Healthy Families grant for the period beginning 10/1/2016, budgeted at \$60,000, by an additional \$9,000 in funding for a total of \$69,000, and moving the total \$69,000 from the Federal funding column to the State funding column.
2. The Department requests to revise Schedule M by increasing the Healthy Families grant for the period beginning 7/1/2017, budgeted at \$615,300, by an additional \$69,000 in anticipated State funding for a total of \$684,300.
3. The Department requests to move \$20,000 of funding proposed for contractual services to the Mentoring Program Award to reflect that the cost of background screenings related to mentoring services will be incurred by the vendor who receives the bid award for those services. This represents a change from past practice where the Department assumed responsibility for conducting the background screenings and the associated cost. This will impact Schedule A2.

These requests will have no impact on special council contingency.

RECOMMENDATION:

None.

Jacksonville Children's Commission

Budget - Fiscal Year 2016 - 2017

Schedule of Funding to Agencies for Children's Programs and Other Program (08201) Funding

	City of Jacksonville Funding	Grant Funding	Contract Amount
Agency Funding:			
Boselli Foundation Inc.	81,600		81,600
Boys and Girls Club of Northeast Florida	1,261,272		1,261,272
Bridge of Northeast Florida	1,547,026		1,547,026
Carpenter's Shop Center, Inc.	71,400		71,400
Child Guidance Center	179,606		179,606
Communities In Schools of Jacksonville, Inc.	2,773,098		2,773,098
Community Connections Inc.	483,654		483,654
Daniel	60,000		60,000
DLC Nurse and Learn	304,588		304,588
Edward Waters College	90,000		90,000
Girls Inc.	122,400		122,400
Hope Haven	250,916		250,916
MaliVai Washington Foundation, Inc.	102,600		102,600
New Heights of Northeast FL, Inc.	120,099		120,099
Northwest Behavioral Health	97,493		97,493
PACE Center for Girls	180,000		180,000
Police Athletic League of Jacksonville, Inc.	293,768		293,768
Sulzbacher Center for Homeless	44,360		44,360
Wayman Community Development Corporation	340,632		340,632
YMCA	195,966		195,966
Youth Crisis Center	90,500		90,500
Total Agency Funding	\$ 8,690,978	\$ -	\$ 8,690,978
<u>Funding for Statewide Coalitions & Matching Funds for Grants:</u>			
Children's Services Council	32,015		32,015
Florida Afterschool Network	15,000		15,000
Criminal Justice Grant Match	60,000		60,000
JCC - SAMHSA Grant Match	146,000		146,000
21st CCLC Grant Match	157,718		157,718
Jacksonville Journey Early Learning Coalition (Subsidized Childcare Match)	625,000		625,000
Subtotal	\$ 1,035,733	\$ -	\$ 1,035,733
<u>Agency Funding by Procurement Award:</u>			
Summer Camp Program Award - Procurement RFP - 4/1/17	2,600,000		2,600,000
Healthy Families Once of Prevention Award - Procurement RFP - 10/1/16	1,040,500	1,025,500	2,066,000
Full Service Schools Mental Health Award - Procurement RFP Renewal - 7/1/17	1,703,000		1,703,000
Mentoring Program Award - Procurement RFP - 10/1/16	607,288		607,288
Afterschool Programs - Procurement RFP Effective 7/1/2017	2,384,777		2,384,777
Subtotal	\$ 8,335,565	\$ 1,025,500	\$ 9,361,065
Total Youth Development, Matching Grants & Other Initiatives	\$ 18,062,276	\$ 1,025,500	\$ 19,087,776
Early Learning Program Funding:			
<u>Agency Funding for Early Learning Program Awards:</u>			
Early Learning Programs Award - Procurement RFP - 10/1/16	1,100,417		1,100,417
Early Learning Programs Award - Procurement RFP - 10/1/16	571,777		571,777
Jacksonville Journey Early Learning Coalition Developmental Screening Program	185,223		185,223
Total Agency Funding for Early Learning Programs	\$ 1,857,417	\$ -	\$ 1,857,417
Total Funding to Other Agencies	\$ 19,919,693	\$ 1,025,500	\$ 20,945,193

Jacksonville Children's Commission
Comprehensive Budget - Schedule M
Fiscal Year 2016 - 2017

	Grant Period	Positions & PT Hours	Federal	State	City	Other Sources	Total All Sources
ESTIMATED REVENUE:							
City's General Fund Contribution					23,189,689		23,189,689
Transfer to SF 192 to Match Grants & JCYT64M					(1,445,012)		(1,445,012)
Interest Earnings (JXSF191JC)					57,569		57,569
Duval County School Board					250,000		250,000
Rental of City Facility - JCC Building					81,840		81,840
Transfer from Fund Balance					732,630		732,630
Fl. Dept. of Health - After School Food Program	10/01/16 09/30/17	5 FT Staff / 1,040 PT Hrs	3,124,478				3,124,478
FL Dept. of Agriculture. - Summer Lunch 2017 Program	05/01/17 09/30/17	5 FT Staff / 22,000 PT Hrs	1,313,000				1,313,000
Healthy Families - Ounce of Prevention FL	07/01/17 06/30/18	9 FT Staff / 1,040 PT Hrs	410,200	615,300	1,040,500		2,066,000
Healthy Families - Ounce of Prevention FL (New FTE)	10/1/2016 06/30/17	1 FT Staff	60,000				60,000
FL Dept. of Ed. - 21st Century Team-Up Grant (2 Sites)	08/01/17 07/31/18	3 FT Staff 25,000 PT Hrs		388,000	157,718		545,718
Department of Health & Human Services (SAMHSA Expansion Grant)	09/29/16 09/28/17	0.5 FT Staff	1,000,000		146,000		1,146,000
Department of Health & Human Services (SAMHSA Expansion Grant - Estimated Carryover from FY15-16)	09/29/16 09/28/17	N/A	550,000				550,000
Mental Health America - Project Aware Grant	09/29/16 09/28/17	520 PT Hrs				5,167	5,167
Criminal Justice Reinvestment Grant	05/01/16 04/30/17	1 FT Staff		400,000	60,000		460,000
Youth Travel Trust Fund (JCYT64M)					40,794		40,794
TOTAL ESTIMATED REVENUE		24.5 FT Staff / 49,600 PT Hrs.	\$6,457,678	\$1,403,300	\$24,311,728	\$5,167	\$32,177,873
ESTIMATED EXPENDITURES:							
After-School Food Program			3,124,478				3,124,478
Summer Lunch Food Program			1,313,000				1,313,000
Healthy Families			410,200	615,300	1,040,500		2,066,000
Healthy Families			60,000				60,000
SAMHSA Grant - High Fidelity Wraparound			1,550,000		146,000		1,696,000
TEAM UP Programs (New 21 Century Grant - 2 Sites)				388,000	157,718		545,718
Criminal Justice Reinvestment Grant				400,000	60,000		460,000
TEAM UP Programs					5,689,933		5,689,933
Community Based Afterschool Programs					2,061,200		2,061,200
Children with Special Needs Programs					589,047		589,047
Full Service Schools & Mental Health Programs					1,980,099		1,980,099
Mentoring Programs					607,378		607,378
Support for Alternative Schools					180,000		180,000
Case Management					400,500		400,500
JCC Summer Camp Program					1,621,506		1,621,506
Statewide CSC Participation					47,015		47,015
New Town Promise Neighborhood					90,000		90,000
Training & Workforce Development					267,268		267,268
Early Literacy Initiative - Coaching					1,100,417		1,100,417
JCC Early Learning Team - JCC					1,080,775		1,080,775
JCC Admin., Grants Admin. & Community Outreach					2,581,593		2,581,593
Debt Svc Transfer Out - Interest (TRDI191TO25F)					241,666		241,666
Debt Svc Transfer Out - Principal (TRDP191TO25F)					251,000		251,000
Jacksonville Journey Programs (EL, SC & TMUP)					4,148,380		4,148,380
Project AWARE						5,167	5,167
Youth Travel Trust Fund (JCYT64M)					40,794		40,794
Salaries/Benefits Lapse (JXSF191)					(71,061)		(71,061)
TOTAL ESTIMATED EXPENDITURES			\$6,457,678	\$1,403,300	\$24,311,728	\$5,167	\$32,177,873

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2016/17 BUDGET
YOUTH TRAVEL TRUST FUND (S/F 64M)**

PROPOSED BUDGET BOOK - Page # 216-217

BACKGROUND:

This trust fund was created by Municipal Code Section 111.850-Part B for the Board of Directors of the Jacksonville Children's Commission to deposit all donations and contributions of money, including gifts and grants, received for use toward youth travel. The Board, as the designated agent of the City, is responsible for determining and authorizing the allocation of a travel grant appropriation. The annual appropriation may not exceed \$50,000, and any unencumbered funds are to lapse at year end.

REVENUES:

1. Transfer From Other Funds

- This amount totaling \$40,794 is a transfer from Jacksonville Children's Commission (S/F 191) and represents the annual lump appropriation for the Youth Travel Grant Program.

EXPENDITURES:

1. Grants, Aids & Contributions

- This funding is for youth travel support provided to eligible organizations based on applications submitted to the Jacksonville Children's Commission.

SERVICE LEVEL CHANGES:

None.

CAPITAL OUTLAY CARRYFORWARDS:

None.

EMPLOYEE CAP CHANGES:

There are no positions within this subfund.

RECOMMENDATION:

None.

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

PROPOSED BUDGET BOOK – PAGE # 337 – 339

BACKGROUND:

The Public Works Department consists of the Office of the Director and seven other Divisions: Engineering and Construction Management, Mowing & Landscape Maintenance, Public Buildings, Real Estate, Right-of-Way & Stormwater Maintenance, Solid Waste Sanitation Service, and Traffic Engineering.

The Engineering and Construction Management Division's primary responsibility is to plan and design public works projects. Mowing & Landscape Maintenance Division maintains landscape, including grass, trees, other vegetation and irrigation, on various city-owned assets while managing all City-wide mowing contracts for both public assets and private property. The Public Buildings activity is within an internal service fund. The Real Estate Division manages the financial aspects of the City's real estate holdings in terms of acquisition, appraisals, disposals, inventories, and usage assessments. The Right-of-Way & Stormwater Maintenance Division plans and builds streets, highways and drainage facilities. The General Fund/General Services District (S/F 011) operations of the Solid Waste Division monitor and collect litter and illegal dumping along streets and public rights-of-way. The Traffic Engineering Division installs, maintains and regulates all street markings, signs, signals and other traffic control devices on city-owned roadways.

REVENUES:

1. Intergovernmental Revenue:

- The \$393,571 budget amount reflects the State of Florida Department of Transportation (FDOT) funding for mowing, litter removal, and tree-trimming on public right-of-ways on State Roads. The increase of \$265,628 is consistent with the updated agreement with FDOT and authorized by 2015-767-E.

2. Charges for Service:

- The net increase of \$3,752 is primarily a result of increases of \$4,944 in fees collected for road or street closures based on current actuals for frequency. This was offset by a \$1,790 reduction for engineering fees charged to federal and independent agencies.

3. Revenues from City Agencies – Allocations:

- This is due to the elimination of corrosion protection for the Old Courthouse parking lot along Liberty St and Coastline Drive slated for demolition in the current CIP budget.

4. Miscellaneous Revenue:

- The net increase of \$138,584 is primarily due an increase of \$114,884 in reimbursements from the FDOT for street light maintenance revenue on State roads. This is the result of the Maintenance and Compensation Agreement between the City of Jacksonville and the Florida Department of Transportation being increased by the State for FY 2016/17. Additionally, an increase of \$25,005 in contribution - loss deductible for damages to city property based on current trends.

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

PROPOSED BUDGET BOOK – PAGE # 337 – 339

EXPENDITURES:

1. Salaries:

- The department decrease of \$27,203 is primarily a result of a decrease of \$11,104 to leave rollback/sellback costs, a decrease of \$9,058 in special pay pensionable waste, and a decrease of \$6,780 in salaries overtime mainly due to decreased activity in engineering and solid waste.

2. Pension Costs:

- The increase of \$74,623 is primarily attributable to an increase in the defined benefit contribution rate; however, the increase in rate was partially offset by increased participation in the defined contribution pension plan.

3. Employer Provided Benefits:

- The net decrease of \$36,930 is due to decreases of \$33,037 in workers compensation costs based on the most recent actuary report and \$39,139 in group hospitalization due to election changes by employees. These are offset by an increase of \$25,000 in prepaid legal program costs for union contract employees based on current trends.

4. Internal Service Charges:

- The net decrease of \$172,132 is attributable to:
 - A decrease of \$400,659 in computer system maintenance / security 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.
 - A decrease of \$79,478 radio equipment refresh for radios paid off in FY 2016/17.
 - A decrease of \$56,575 for building cost allocations-Ed Ball building due to better tracking of building costs.
 - A decrease of \$52,245 in fleet parts/oil/gas due to reductions in the budget associated with fuel prices.
 - A decrease of \$41,682 in utilities allocation – Public Works based on actuals
- These were offset by:
 - An increase of \$327,117 in fleet vehicle replacement charges based on having a full year of cost of the FY 2015/16 replacements and FY the partial year costs for 2016/17.
 - An increase of \$133,808 in fleet repairs and maintenance base on actuals.

5. Insurance Costs and Premiums:

- The increase of \$283,256 is driven by an increase of \$284,245 in general liability insurance base on the most recent actuary report.

6. Professional and Contractual Services:

- The decrease of \$201,847 is mainly attributable to transferring private property mowing and landscape maintenance division cost to the Code Enforcement Revolving Fund (S/F 1L2). In FY 2015/16 the amount budgeted was \$703,588 and was covered by a transfer from Code Enforcement Revolving Fund (S/F 1L2). This is just a change in accounting for cost. This is offset primarily by increases of \$265,628 for FDOT state road mowing and \$182,442 in traffic engineering for FDOT agreements. Also, there was an increase of \$51,021 in right of way and stormwater maintenance operations for hauling debris.

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

PROPOSED BUDGET BOOK – PAGE # 337 – 339

7. Other Operating Expenses:

- The increase of \$196,963 is mainly attributable to increases of \$124,000 in equipment rentals primarily in right of way and stormwater maintenance for barricades used while working, \$56,642 in other operating supplies primarily due to the additional street light maintenance proposed for FY 2016/17, and \$42,695 in electricity (utility bills) in traffic engineering cost for traffic signals and street lights. These are slightly offset by a \$20,000 reduction in clothing, uniforms, & safety equipment base on actuals in right of way and stormwater maintenance.

8. Supervision Allocation:

- The net negative amount of \$148,701 reflects:
 - A \$449,860 allocation from within the Engineering and Construction Management Division to capital projects.
 - The offset of \$301,159 are costs allocated from Solid Waste (S/F 441).

SERVICE LEVEL CHANGES:

No significant service level changes.

EMPLOYEE CAP CHANGES:

The chart below shows the net movement in each of the Public Works General Fund/General Services District (S/F 011) Divisions.

	2015/16 Approved	Net Change	2016/17 Proposed
Engineering	27	0	27
Mowing & Landscape	48	0	48
Office of the Director	17	0	17
Public Buildings	0	0	0
Real Estate	5	0	5
ROW & Stormwater Maintenance	168	-8	160
Solid Waste Sanitation	7	0	7
Traffic Engineering	33	0	33
	305	-8	297

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

PROPOSED BUDGET BOOK – PAGE # 337 – 339

PROPOSED DIVISIONAL HIGHLIGHTS:

PUBLIC WORKS EXPENSES	2015/16 <u>Approved</u>	2016/17 <u>Proposed</u>	% Change <u>from FY 15</u>	\$ Change <u>from FY 16</u>	
Engineering	2,511,296	2,598,298	3.5%	87,002	A
Mowing & Landscape	10,838,328	10,580,608	-2.4%	(257,720)	B
Office of the Director	2,575,717	2,489,469	-3.3%	(86,248)	C
Public Buildings	3,500	-	-100.0%	(3,500)	D
Real Estate	707,799	760,114	7.4%	52,315	E
R-O-W & Stormwater	8,452,964	8,463,081	0.1%	10,117	F
Solid Waste Sanitation	1,216,592	1,355,550	11.4%	138,958	G
Traffic Engineering	15,643,129	15,953,245	2.0%	310,116	H
Department Total	<u>41,949,325</u>	<u>42,200,365</u>	<u>0.6%</u>	<u>251,040</u>	

- A** Engineering has increased \$87,002 primarily due to:
- Increases to computer system maintenance / security internal service charges related to application support requirements for a joint software solution of \$128,666, to permanent and probationary salaries of \$36,588 attributable to reclassifications, turnover and other salary adjustments.
 - Offset by an increase to the amount of supervision costs allocated out of the Division (\$29,615), a decrease to the building allocation for the Ed-Ball building (\$23,657), and a decrease to the OGC legal allocation (\$14,409) based on actual usage.
- B** The Mowing Division's \$257,720 decrease is primarily due to \$437,960 decrease in professional and contract services due to moving contracts for mowing and landscape maintenance on private property which was slightly mitigated by an increase in the contractual services for the FDOT. The decrease was offset by increases of \$94,149 in the salary & benefit lines mainly due to an adjustment in the split in the salaries of employees between the General Fund/GSD and Stormwater Services Mowing. There was also a decrease to internal service charges of \$86,677 related to Fleet charges based on actual charges and vehicle replacement increases.
- C** Office of the Director has decreased \$86,248 primarily due to a decrease of \$184,855 for computer systems maintenance/security – internal service allocation partially offset by a net increase of \$96,987 to salaries and benefits related to salary adjustment and promotions during the year.
- D** Public Buildings –the General Fund/General Services District (S/F 011) \$3,500 for Art in Public Places has been moved to the Office of the Director.
- E** Real Estate is increasing a net \$52,315 primarily due to the elimination of \$54,956 from the amount allocated to capital projects as a result of no proposed land acquisitions for FY 2016/17 CIP.

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

PROPOSED BUDGET BOOK – PAGE # 337 – 339

- F** Right-of-Way & Stormwater Maintenance is increasing \$10,117.
- This is primarily due to:
 - Insurance costs and premiums increasing \$273,271 due to general liability insurance increasing based on the most recent actuarial report.
 - Other operating expenses increasing a net of \$86,263 mainly due to increased rental equipment.
 - Professional and contractual services increase of \$51,021 for debris hauling.
 - The offsets are:
 - Internal service charges decreasing by \$205,641 mainly because of computer system maintenance / security 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.
 - A net decrease of \$194,796 in the salaries and benefit lines which is mainly due to allocations of workers in stormwater services.
- G** Solid Waste Sanitation is increasing by \$138,958 primarily due to supervision allocation increasing by \$108,972 and fleet vehicle replacement charges increasing by \$59,661. This was partially offset of \$16,498 related to a net decrease to salaries & benefits. The decrease was attributable to one position replaced at a lower rate as well as reduced overtime, leave rollback/sellback, and workers comp.
- H** Traffic Engineering is primarily increasing \$310,116 as a result of increases to professional and contractual services (\$182,442) for maintenance of street lights and traffic studies and to other operating expenses (\$112,692) for additional supplies related to traffic signal repairs.

NOTE:

The proposed budget for Solid Waste Sanitation Service for Litter Pick-Up is \$1,355,550.

Section 741.104 of the Municipal Code states that funding for the Zero-Tolerance Litter program is at the discretion of Council. The Mayor shall include in the annual budget request a statement of the amount of funds which would be required to fully implement the program in the ensuing fiscal year and the annual ad valorem tax millage which would produce such amount for that year. The Mayor shall also identify in the budget request the level of funding being requested for such program and the revenue source or sources of funds being appropriated in the budget request for such program.

A statement of the amount of funds and the Ad Valorem tax millage needed to fully implement the Zero Tolerance Litter Program is not included in the proposed budget.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
 COMMENTS AND RECOMMENDATIONS
 MAYOR'S PROPOSED FY 2016/17 BUDGET
 PUBLIC WORKS
 STREET & HIGHWAYS 5-YEAR ROAD PROGRAM (S/F 141)**

PROPOSED BUDGET BOOK – Page # 341 - 342

BACKGROUND:

Funding budgeted in the Streets & Highways 5-Year Road Program is used for road and drainage projects and debt service in accordance with the Better Jacksonville Plan and the interlocal agreement, as amended, between the City and the Jacksonville Transportation Authority (JTA). In FY 2013/14, City Council approved an extension of the Local Option Gas Tax until August 31, 2036 with Ordinance 2013-820-E. This extension amended the percentage allocation of the 5th and 6th Cent Gas Tax between JTA and City from 80/20 to 50/50 effective September 1, 2016.

REVENUE:

1. State Shared Revenue
 - The budgeted amount of \$7,278,174 represents 80% of the 5th and 6th Cent Gas Tax revenues. (See recommendation) These revenues are impacted by the consumption of gasoline, which is directly affected by the state of the economy, projections in tourism and the infusion of more gasoline-efficient vehicles and hybrids. There is an increase of \$382,281 due to a higher assumption on gasoline consumption.
2. Investment Pool/Interest Earnings
 - Investment earnings are expected to decrease by \$52,113 due to a lower interest rate projection by Treasury combined with a lower pooled cash balance in FY 2015/16.

EXPENDITURES:

1. Capital Outlay
 - The decrease of \$52,113 is to match expenditures with estimated investment pool earnings. Public Works indicated that the greatest need for FY 2016/17 was Railroad Crossings and requested the entire amount be placed in that line item.

Project Title	FY 2016/17 Proposed
Railroad Crossings	\$204,131
TOTAL	\$204,131

- As seen in the chart below, Public Works is planning a project transfer of \$2,600,000 from project PW0488-01 (Countywide Accessway) to a new project PW0803-01 (Nungezer Road). This transfer does not show in the budget book, due to the offsetting of the two projects.

**COUNCIL AUDITOR'S OFFICE
 COMMENTS AND RECOMMENDATIONS
 MAYOR'S PROPOSED FY 2016/17 BUDGET
 PUBLIC WORKS
 STREET & HIGHWAYS 5-YEAR ROAD PROGRAM (S/F 141)**

PROPOSED BUDGET BOOK – Page # 341 - 342

PROJECT NAME	PROJECT DETAIL	BALANCE BEFORE	BALANCE AFTER
		TRANSFER	TRANSFER
Countywide Accessway	PW0488-01	2,600,000	0
Nungezer Road	PW0803-01	0	2,600,000

2. Grants, Aids & Contributions

- The 80% of the 5th and 6th Cent Gas tax revenues is budgeted in accordance with the Better Jacksonville Plan Interlocal agreement between the City and JTA. The funds are transferred to a fiscal agent for the payment of debt service. (See Recommendation)

SERVICE LEVEL CHANGES:

None

EMPLOYEE CAP CHANGES:

There are no authorized positions in this subfund.

RECOMMENDATIONS:

We recommend decreasing State Shared Revenues and Grants, Aids and Contributions by \$2,729,315 from \$7,278,174 to \$4,548,859, to be in agreement with the Interlocal Agreement between the City and JTA. This has no impact on Special Council Contingency.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED 2016/17 BUDGET
PUBLIC WORKS
TREE PROTECTION FUND (S/F 15F)**

PROPOSED BUDGET BOOK – PAGE # 345 – 346

BACKGROUND:

The City of Jacksonville's Tree Protection and Related Expenditures Trust Fund provides that protected trees are required to be conserved during the clearing of land for development purposes wherever and whenever reasonably possible. To the extent that protected trees are lost or destroyed, the developer mitigates their loss or destruction by planting replacement trees or by paying a monetary contribution to the fund. All monetary contributions are to be used exclusively for the planting or replanting of mitigation trees, and for their maintenance, along the public rights-of-way and on public lands within Duval County. Pursuant to Municipal Code Section 111.760 the amount appropriated from these funds for tree maintenance in any fiscal year cannot exceed twenty five percent of the budgeted amounts for tree maintenance within the Public Works Department.

REVENUES:

Investment Pool/ Interest Earnings:

1. Investment Pool Earnings:

- This is an All-Years sub-fund and the proposed \$269,750 budgeted for FY 2016/17 is from accumulated investment earnings and will provide the source of funding for tree mitigation activities in FY 2016/17. The decrease is directly related to Public Works Department eliminating funds in 2016/17 for private property tree removal service.

EXPENDITURES:

Public Works

1. Other Operating Expenses:

- The \$62,500 decrease is directly related to the Public Works Department reducing overall tree maintenance by \$250,000 in 2016/17.

SERVICE LEVEL CHANGES:

There are no significant service level changes to the budget.

EMPLOYEE CAP CHANGES:

There are no employees associated with this subfund.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2016/17 BUDGET
BEACH EROSION – LOCAL (S/F 1F4)**

PROPOSED BUDGET BOOK – Page # 347 – 348

BACKGROUND:

The Beach Erosion - Local Sub-fund is primarily governed by the Local Cooperation Agreement (established in 1978) between the Federal Government (Army Corps of Engineers) and the City of Jacksonville. The agreement provides for periodic renourishment of the County's beaches and to maintain the design profile for a total of 50 years (through the year 2028). The State is not a party to the aforementioned agreement but has participated in previous years in each phase of beach renourishment by contributing a percentage of the "local share". State funding is not guaranteed and is subject to State legislative approval. Total project costs are shared between federal and non-federal (County and State) funding at the level of 61.6% and 38.4%, respectively. The State of Florida covers up to 47.21% of the County and State portion.

The Local Cooperation Agreement and a related Beach Renourishment Financing Plan account for County beach renourishment projects every five (5) years. The next county beach renourishment project is scheduled to begin mid-September of 2016 and conclude in November 2016. The total cost of this project is approximately \$17,735,000. The County paid its' portion to the Army Corps of Engineers in accordance with Ordinance 2016-177-E.

This is an "all years" subfund.

REVENUE:

The net increase of \$73,201 in total revenues is due to corrective adjustments approved for FY 2015/16. The Transfer from Other Funds of \$200,000 is an interfund transfer from the General Fund/General Services District (S/F 011) as part of the local-share obligations.

EXPENDITURES:

1. Other Operating Expenditures

- The decrease of \$3,509,306 is due to the City paying its portion to the Army Corps of Engineers for the Beach Renourishment for FY 2015/16 scheduled to begin in mid – September of 2016. The \$200,000 is for construction, permitting, design and monitoring services.

2. Cash Carryover

- The decrease of \$3,580,615 is due to the corrective adjustments approved for FY 2015/16.

EMPLOYEE CAP CHANGES:

There are no authorized positions in this Sub-fund.

RECOMMENDATION:

None

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED 2016/17 BUDGET
PUBLIC WORKS
SOLID WASTE DISPOSAL (S/F 441)**

PROPOSED BUDGET BOOK PAGE - # 351 – 353

BACKGROUND:

The Solid Waste Disposal subfund accounts for solid waste disposal operations, including the collection of household and commercial waste, yard debris, recyclables, and disposal activities most notably at the Trail Ridge landfill. It is comprised of multiple activities that include Collection Administration, Residential Collection, Downtown Collection, and Disposal Operations Scale House. The fund also provides oversight for the Public Works Non-Departmental activity of sanitation service for litter pick-up and large debris-illegal dumping within the General Fund GSD.

REVENUES:

1. Charges for Services:

- The \$568,468 increase is primarily due to:
 - Solid waste user fees are increasing by \$373,588, based on actuals and User Fee Credits (Early Payment Discounts), a contra account, decreasing by \$88,653
 - Internal host fees at the landfill are increasing \$88,800 and External host fees at private landfills are increasing \$77,523 based on increased tonnage.
 - Projected growth in commercial and residential tonnage increasing tipping fees of \$275,245 and \$145,702 respectively.
 - These increases are offset primarily by a decrease of \$521,854 in non-residential franchise fees from commercial haulers due to reduced gross receipts.

2. Revenue from City Agencies – Allocations:

- The increase of \$4,986 is due increased litter and illegal dumping tons taken to Trail Ridge landfill.

3. Miscellaneous Revenue:

- The decrease of \$774,903 is primarily due to the elimination of \$655,000 in timber sales and a projected decrease of \$117,203 from Sale of Recyclable Products recovered from the residential collection due to decreased net tonnage recovered at the materials recovery facility (MRF).

4. Other Sources:

- This line item represented banking fund proceeds in FY 2016/17.

5. Transfers from Fund Balance:

- There is no transfer from retained earnings for FY 2016/17 required to balance the budget.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED 2016/17 BUDGET
PUBLIC WORKS
SOLID WASTE DISPOSAL (S/F 441)**

PROPOSED BUDGET BOOK PAGE - # 351 – 353

EXPENDITURES:

1. Salaries:

- The net increase of \$197,242 is primarily due to overtime funding increasing by \$265,490 as a result of City crews working the blight initiatives. This is offset primarily by reductions of \$28,001 in part time salaries due to a change in personnel and \$20,134 in leave rollback / sellback.

2. Salary & Benefit Lapse:

- The \$177,701 lapse reflects anticipated average turnover and estimated vacancies within the division.

3. Pension Costs:

- The \$62,680 increase is primarily attributable to the scheduled increase in the defined benefit contribution rate; however, this was offset by increased participation in the defined contribution pension plan.

4. Employer Provided Benefits:

- The decrease of \$65,372 is primarily due to decreases of \$53,141 in workers compensation insurance costs and \$21,229 in group hospitalization.

5. Internal Service Charges:

- The net increase of \$1,075,076 is primarily due to increases of:
 - \$755,723 in fleet vehicle replacement allocation due to vehicle additions in FY 2015/16 combined with proposed additions in FY 2016/17.
 - \$198,234 of increased fleet repairs/maintenance due to the aged Solid Waste fleet (primary Fleet of Collection trucks average age was 10 years).
 - \$118,305 in computer system maintenance/security driven by charges for Application Support.

6. Professional and Contractual Services:

- The net increase of \$256,951 is due to increased cost for the Trail Ridge Landfill disposal operations contract with Waste Management for landfill operations of \$294,916 as a result of increased projected tons and a slight CPI adjustment to the contract rate per ton for disposal. This is offset primarily by a \$28,965 reduction for cost of disposal at the Household Hazardous Waste facility for recycling E-Waste.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED 2016/17 BUDGET
PUBLIC WORKS
SOLID WASTE DISPOSAL (S/F 441)**

PROPOSED BUDGET BOOK PAGE - # 351 – 353

7. Other Operating Expense:

- The net decrease of \$3,552,436 is primarily due to the FY 2015/16 \$3,800,000 budgeted purchase of carts for collection of recycling in Service Area I (West Side) offset by increases of \$158,052 in additional landfill charges due to increased projected tons and \$108,133 in miscellaneous services and charges due to increased temporary labor costs and increased cost for the treatment of landfill leachate.

8. Debt Service:

- This expense represents a debt service obligation being paid in full during FY 2015/16, resulting in the removal of the expense for FY 2016/17.

9. Supervision Allocation:

- This represents administrative cost housed within Solid Waste Disposal which is allocated to General Fund/General Services District (S/F 011) activities. The increase is due to an increase in expenses.

10. Transfers to Other Funds:

- The transfer in FY 2016/17 represented additional landfill expansion funding.

11. Debt Management Fund Repayments:

- The \$848,778 increase reflects the division capital projects interest and principle for two projects:
 - Compressed Natural Gas (CNG) project - \$4,285,000
 - Trail Ridge Landfill Expansion - \$43,000,000

12. Cash Carryover:

- The Funds in this category represent excess revenue over expenditures and are placed in reserve pending future Council approved appropriations for Solid Waste Disposal activities.

SERVICE LEVEL CHANGES:

There are no significant service level changes to the budget.

EMPLOYEE CAP CHANGES:

There are no changes to the cap.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED 2016/17 BUDGET
PUBLIC WORKS
SOLID WASTE CONTAMINATION ASSESSMENT (S/F 442)**

PROPOSED BUDGET BOOK- PAGE # 355 – 356

BACKGROUND:

The Solid Waste Division charges Internal or External Host Fees in order to fund groundwater sampling, contamination assessment reports, and also examine, evaluate, and remedy closed contaminated landfill and dump sites within the City. Internal Host Fees are applied to each Class I ton deposited in the Trail Ridge landfill and External Host Fees are applied to each Class III ton deposited in private landfills. Host fees for the Contamination Assessment sub fund are assessed at the rate of \$0.24 per ton.

REVENUES:

1. Charges for Services:
 - Internal and external host fees are proposed to increase by \$8,990 based upon projected increase in Class I and Class III tonnage.
2. Investment Pool / Interest Earnings:
 - Investment earnings are expected to decrease by \$11,604 based on current trends.
3. Transfers from Fund Balance:
 - The Transfer from Fund Balance is the amount necessary to balance the budget.

EXPENDITURES:

1. Internal Service Charges:
 - OGC legal costs, based on actuals, account for the \$24,162 increase in this category.
2. Professional and Contractual Services:
 - Contractual services for mowing arranged through the Mowing Division based on actuals account for the \$18,000 decrease in this category.
3. Other Operating Expenses:
 - The decrease of \$6,750 is primarily due to activity, based on actuals, for equipment rentals and repairs and maintenance.

SERVICE LEVEL CHANGES:

There are no significant service level changes to the budget.

EMPLOYEE CAP CHANGES:

There are no employees associated with this sub fund.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED 2016/17 BUDGET
PUBLIC WORKS
LANDFILL CLOSURE (S/F 443)**

PROPOSED BUDGET BOOK – PAGE # 357 – 358

BACKGROUND:

The Landfill Closure subfund currently provides for the expenses related to post closure at the North and East landfills, and the costs of closure and future post closure at Trail Ridge landfill. Solid Waste Division charges an Internal Host fee that provides funding for this purpose at the rate of \$1.98 per Class I ton deposited at the Trail Ridge landfill as well as an External Host Fee at the rate of \$1.98 per Class III ton deposited at the Old Kings Road (private) landfill.

REVENUES:

1. Charges for Services:
 - Internal and external host fees are proposed to increase by \$74,171 based upon projected increase in Class I and Class III tonnage.
2. Investment Pool / Interest Earnings:
 - Investment earnings are expected to decrease by \$88,497 based on current trends.
3. Transfers from fund Balance:
 - A transfer from Fund Balance is not needed for FY 2016/17.

EXPENDITURES:

1. Salaries:
 - The \$70,434 decrease is due to a change in the allocation of those Solid Waste Operation employees that perform landfill post-closure duties at the East and North Landfills based on actuals as a direct result of a new air quality control methane gas burn/flare system at North Landfill.
2. Pension Costs:
 - The \$19,027 decrease is correlated to the decreased personnel allocation.
3. Employer Provided Benefits:
 - The \$25,947 decrease is primarily due to a decrease in Group Hospitalization Insurance of \$13,300 and a decrease in Workers Compensation Insurance of \$12,296.
4. Internal Service Charges:
 - The decrease of \$4,474 is primarily due to reduced computer system allocation and lower utility and building maintenance costs allocated within the subfund for building related costs.
5. Other Operating Expenses:
 - The decrease of \$139,969 is driven by a decrease of \$130,068 in repairs and maintenance, \$37,579 in equipment rentals, and \$19,385 in other operating supplies based on actual usage. This is slightly offset by an increase of \$55,768 in miscellaneous services and charges for leachate disposal and treatment.
6. Capital Outlay:
 - No capital outlay is required in FY 2016/17.
7. Cash Carryover:
 - The funds in this category are placed in reserve pending future Council approved appropriations for landfill closure activities.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED 2016/17 BUDGET
PUBLIC WORKS
LANDFILL CLOSURE (S/F 443)**

PROPOSED BUDGET BOOK – PAGE # 357 – 358

SERVICE LEVEL CHANGES:

There are no significant service level changes to the budget.

EMPLOYEE CAP CHANGES:

There are no employees associated with this sub fund. The personnel are an allocation of salaries and benefits of six (6) positions from Solid Waste Disposal Operations that perform duties related to landfill closure.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED 2016/17 BUDGET
PUBLIC WORKS
SOLID WASTE FACILITIES MITIGATION (S/F 445)**

PROPOSED BUDGET BOOK – Page # 359 – 360

BACKGROUND:

The Facility Mitigation Class I Landfills subfund was established to mitigate property concerns in areas surrounding Class I landfills. A Resource Recovery Fee (Internal Host Fee) of \$.50 is applied to each Class I ton deposited at the Trail Ridge landfill. Ordinance 2007-739 authorized a 50/50 sharing of the \$0.50 Internal Host Fee between the Class I Mitigation Fund and the Teye' Brown Regional Park Improvement Trust fund.

REVENUES:

1. Charges for Services:
 - The \$187,500 represents a Host Fee of \$0.25 times the projected tonnage for FY 2016/17 of 750,000 at the landfill.
2. Investment Pool / Interest Earnings:
 - Investment Earnings is decreasing \$2,799 based on current trends.

EXPENDITURES:

1. Cash Carryover:
 - Funds in this category are placed in reserve pending future Council approved appropriations for mitigation activities.

SERVICE LEVEL CHANGES:

There are no significant service level changes to the budget.

EMPLOYEE CAP CHANGES:

There are no employees associated with this subfund.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED 2016/17 BUDGET
PUBLIC WORKS
SOLID WASTE FACILITIES MITIGATION CLASS III (S/F 446)**

PROPOSED BUDGET BOOK – PAGE # 361 – 362

BACKGROUND:

This subfund was established to mitigate concerns in areas surrounding Class III Disposal Sites (private Construction and Demolition Debris Landfills). External Host Fees (formerly, resource recovery) are generated by a \$0.50 recovery fee per Class III ton processed at the private landfills. Mitigation projects are determined pursuant to the City of Jacksonville's municipal code, chapter 380, part 4, and then funding is approved by Council.

REVENUES:

1. Charges for Services:
 - External host fees are budgeted to increase \$8,730 directly related to increased budgeted tons estimated to be received at private facilities/landfills (Class III).
2. Investment Pool / Interest Earnings:
 - Investment earnings are expected to decrease by \$5,350 based on current trends.

EXPENDITURES:

1. Cash Carryover:
 - Funds in this category are placed in reserve pending future Council approved appropriations for mitigation activities.

SERVICE LEVEL CHANGES:

There are no significant service level changes to the budget.

EMPLOYEE CAP CHANGES:

There are no employees associated with this subfund.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS & RECOMMENDATIONS
MAYOR'S PROPOSED 2016/17 BUDGET
SOLID WASTE MITIGATION CAPITAL PROJECTS (44I)**

PROPOSED BUDGET BOOK – # 73 – 74

BACKGROUND:

The Solid Waste Mitigation Capital Projects Subfund was established to record and account for capital projects attributed to Class I landfill mitigation capital projects as well as to provide a separate subfund to isolate the Taye´ Brown Regional Park Improvement District's share of Internal Host Fees collected at the Trail Ridge Landfill, and associated investment earnings, from general mitigation activities.

The subfund also serves as the Taye´ Brown Regional Park Improvement Trust Fund, a permanent, on-going trust fund of the City of Jacksonville. The subfund is authorized to accept Council appropriations, gifts, fees, and other types of donations. This is an all years subfund.

REVENUES:

1. Charges for Services:
 - The \$259,162 is the amount of host fee revenue needed to cover the FY 2016/17 contract cost for the Northeast Florida Equestrian Society to run the Equestrian Center situated in the Taye´ Brown Regional Park Improvement District.

EXPENDITURES:

1. Transfer to Other Funds:
 - The \$402,553 is the City's cost to support the operating cost of a contract with Northeast Florida Equestrian Society to run the Equestrian Center. This category shows the funding flowing from this fund to the Equestrian Center fund (SF 4F5).
2. Cash Carryover – To Fund Balance:
 - The \$143,391 is a de-appropriation of a prior year cash carryover line which is being used to offset the revenue appropriation needed to fund the transfer out to fund 4F5.

EMPLOYEE CAP CHANGES:

There are no employees associated with this subfund.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED 2016/17 BUDGET
VARIOUS DEPARTMENTS
STORMWATER SERVICES (S/F 461)**

PROPOSED BUDGET BOOK – PAGE # 363 – 366

STORMWATER SERVICES BACKGROUND:

Stormwater Services subfund provides the Public Works Department with a dedicated funding source. Funding is primarily provided by a user fee.

REVENUES:

NON-DEPARTMENTAL/FUND LEVEL ACTIVITIES:

1. Transfers from Other Funds:

- Pursuant to Section 754.110 of the Municipal Code, the City provides for the value of Stormwater User Fees waived for 501(c) 3 organizations and individuals or families who are economically disadvantaged.

2. Transfers from Fund Balance:

- There is no proposed fund balance appropriation for FY 2016/17.

PUBLIC WORKS:

3. Charges for Services:

- The overall increase of \$218,298 in Stormwater user fees is primarily based on actual collections.

EXPENDITURES:

NEIGHBORHOODS:

The Environmental Quality Division (EQ) within the Neighborhoods Department manages a portion of the Stormwater Management System Program, which is a vital part of the River Accord and helps the City meet Federal Clean Water Act and State regulations. Responsibilities include inspections of illicit connections to drainage systems, inspections of high priority industries, and surface water quality monitoring.

Council enacted Ordinance 2016-347-E on June 14, 2016, approving an inter-local agreement with the Florida Department of Transportation (FDOT) and appropriating grant funding through May 31, 2021. The grant is funding the Federal mandated National Pollutant Discharge Elimination System (NPDES) monitoring plan for the Municipal Separate Storm Sewer System (MS4) permit in Jacksonville. The appropriation will carry over and expands the EQs abilities to comply with Stormwater management regulations by funding personnel salaries and benefits, supplies, and services. As shown in schedule B1a Public Works and Neighborhoods are requesting \$400,000 and as a result of the FDOT grant, EQ is able to reduce its budget for these line items.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED 2016/17 BUDGET
VARIOUS DEPARTMENTS
STORMWATER SERVICES (S/F 461)**

PROPOSED BUDGET BOOK – PAGE # 363 – 366

1. Salaries:

- The increase of \$5,136 for permanent and probationary salaries is due to one technician position reclassified as an environmental specialist which caused slight adjustment to the related salaries of \$2,424. Also there is an increase to special pay of \$2,712.

2. Pension Costs:

- The \$52,805 increase is due to budgeting 100% of the pension costs for the six employees in this area. See recommendation below to correct error.

3. Employer Provided Benefits:

- The net \$562 decrease in benefits is primarily due to a \$476 decrease in group hospitalization based on employee health plan elections.

4. Internal Service Charges:

- The decrease of \$9,065 is primarily due to a reduction of \$9,111 in computer system maintenance / security 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.

5. Professional and Contractual Services:

- The increase of \$3,500 is due to moving funds from other operating expense for analyses that were performed by EQD's internal lab using the Mass Spectrometer.

6. Other Operating Expenses:

- The decrease of \$3,200 is mainly due to a \$3,500 reduction in repairs and maintenance to terminate a maintenance contract for the Mass Spectrometer.

NON-DEPARTMENTAL/FUND LEVEL ACTIVITIES:

1. Debt Service:

- The decrease reflects the debt service obligation being moved to the General Fund/General Services District (S/F 011) for Stormwater Service related Capital projects prior to 2008.

2. Transfers to Other Funds:

- The \$9,055,622 represents a combination of the excess revenue over expenditures in this fund that is transferred to Stormwater Services - Capital Projects to be used as pay-go funds for various capital projects. See recommendation below to correct a discrepancy between the transfer out of this subfund and into the Stormwater Services – Capital Projects (S/F 462).

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED 2016/17 BUDGET
VARIOUS DEPARTMENTS
STORMWATER SERVICES (S/F 461)**

PROPOSED BUDGET BOOK – PAGE # 363 – 366

3. Banking Fund Debt Repayment:
 - This reflects the necessary principal and interest on outstanding Stormwater Service debt.
4. Cash Carryover:
 - There is no cash carryover in the proposed budget.

PARKS, RECREATION & COMMUNITY SERVICES:

This Stormwater activity is within the Parks, Recreation & Community Services Department and managed through the Duval County Extension Office. In order to maintain compliance with the Stormwater Regulatory Permit, the Extension Office continues to administer the Florida Yards & Neighborhoods Program's mission, which is to reduce the use of water, fertilizers, and pesticides. This program also assists in educating homeowners to decrease the amounts of nutrients and toxic runoff into the St. Johns River basin.

The department uses two part time positions for the Watershed-Based Education and Evaluation Program for Duval County and provides a structure to educate youth in six Duval County schools about the Florida Yards and Neighborhoods Program. The specific objective of this program, through implementation of a youth educational program, is to address nutrient enrichment, bacterial contamination, and other pollution problems found in northeast Florida surface waters.

1. Salaries:
 - The \$46,236 represents funding work hours for two (2) part-time employees. The part-time employees are tasked to expand the schools current youth educational programs.
2. Employer Provided Benefits:
 - The \$670 accounts for the Medicare Tax for the part-time employees.
3. Other Operating Expenses:
 - The \$11,130 provides for various supplies and a local mileage reimbursement for travel within the county.

PUBLIC WORKS:

The Stormwater Services subfund uses its dedicated funding source to complete various flood and drainage mitigation projects, clean canals and ditches, address stormwater treatment issues, maintain collection and pumping systems, as well as stormwater treatment facilities (ponds). Funding is provided by a user fee. Public Works allocates employee activity and the related

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED 2016/17 BUDGET
VARIOUS DEPARTMENTS
STORMWATER SERVICES (S/F 461)**

PROPOSED BUDGET BOOK – PAGE # 363 – 366

expenses between General Fund/General Services District (S/F 011) Right-of-Way and Stormwater Maintenance activities and Stormwater Services (S/F 461).

1. Salaries:

The net salaries increase of \$45,680 is the result of the net effect of the change in the time allocation of mowing and stormwater maintenance personnel time between the General Fund/GSD and the Stormwater services.

2. Pension Cost:

- The \$151,831 increase is primarily attributable to an increase in the defined benefit contribution rate.

3. Employer Provided Benefits

- The net increase of \$23,445 is primarily due to increases of \$45,904 in group hospitalization insurance due to election changes by employees offset by a \$27,542 reduction in workers compensation insurance based on the latest actuarial report.

4. Internal Service Charges:

- The net increase of \$284,705 is mainly due to increases of \$350,240 in fleet vehicle replacement charges which is attributable to the FY 2015/16 approved and FY 2016/17 proposed purchases of equipment. This is mainly offset by a decrease of \$59,846 in computer system maintenance / security 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.

5. Insurance Costs and Premiums:

- The \$18,908 increase is based on actuary projections combined with a spike in claims for FY 2015/16.

6. Professional and Contractual Services:

- The decrease of \$1,991,767 is primarily due to the elimination of the City's \$2,086,767 obligation to pay JEA for Water Quality BMAP credits offset by an increase of \$95,000 primarily attributable to increased street sweeping.

7. Other Operating Expenses:

- The net decrease of \$95,000 is directly related to a 50% reduction in barricade rentals due to 50% of the cost being shifted to the General Fund/General Services District (S/F 011) Right-of-Way and Stormwater Maintenance activities. In prior years barricades were charged 100% to Stormwater Services (S/F 461).

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED 2016/17 BUDGET
VARIOUS DEPARTMENTS
STORMWATER SERVICES (S/F 461)**

PROPOSED BUDGET BOOK – PAGE # 363 – 366

SERVICE LEVEL CHANGES:

There are no significant service level changes to the budget.

EMPLOYEE CAP CHANGES:

There is a net increase of (8) eight authorized positions as a result of transferring eight positions from the General Fund/General Services District (S/F 011) to Stormwater Services (S/F 461).

RECOMMENDATION:

We recommend reducing GEPP normal pension contributions and GEPP UAAL contributions by a total of \$52,684 to account for the fact that a grant will fund part of the cost. We recommend increasing the transfer out to Stormwater Services – Capital Projects (S/F 462) by \$52,684. This will have no impact on Special Council Contingency.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED 2016/17 BUDGET
PUBLIC WORKS
PUBLIC BUILDINGS ALLOCATIONS (S/F 5A1)**

PROPOSED BUDGET BOOK – Page # 367 – 369

BACKGROUND:

Prior to Fiscal Year 2013/14, Public Works – Public Buildings only charged departments Plant Renewal, Building Rental, and Security costs. In FY 2013/14 budget, Council approved the establishment of a new internal service fund that accounts for the revenues and expenditures located within Public Buildings for building maintenance, security, and utilities. FY 2016/17 proposed budget is the fourth year of utilizing the internal service fund.

REVENUES:

1. Charges for Service:

- The \$46,148,125 reflects the total proposed charge for building maintenance, security, and utilities from all users directly related to the budgeted expenditures in this sub-fund net of other offsetting revenue. The \$2,777,005 increase is mainly the result of the \$1,495,184 increase in water which has a twofold impact when the increase is allocated to the building activity within the subfund.

2. Investment Pool / Interest Earnings:

- Investment Pool Earnings is decreasing \$2,299 based on current trends.

3. Miscellaneous Revenue:

- The \$328,828 is from non-city tenant revenue based on existing leases in the Ed Ball building and the Courthouse. The \$33,025 decrease is primarily due to the loss of a tenant within the Ed Ball building. Per the Department the space is being renovated while a prospective tenant is found.

EXPENDITURES:

1. Salaries:

- The net increase of \$72,806 is primarily due employee turnover that resulted in filling positions at a higher rate as well as a few salary increases during the year.

2. Salary & Benefit Lapse:

- The \$92,256 lapse reflects anticipated average turnover and estimated vacancies within the division

3. Pension Costs:

- The \$59,970 increase is attributable to an increase in the defined benefit contribution rate and the various salary adjustments mentioned above. The increase was mitigated due to an increase in employees participating in the defined contribution pension plan.

4. Employer provided Benefits:

- The net \$15,067 decrease in benefits is primarily due to a \$10,512 decrease in workers compensation and \$3,755 in group hospitalization insurance.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED 2016/17 BUDGET
PUBLIC WORKS
PUBLIC BUILDINGS ALLOCATIONS (S/F 5A1)**

PROPOSED BUDGET BOOK – Page # 367 – 369

5. Internal Service Charges:

- The \$1,027,533 net increase is primarily due to an increase of \$1,788,930 in utilities allocation to the buildings based on an increase in prior years actual cost. This is offset primarily by a \$500,128 reduction in building maintenance costs allocated within the subfund due to better tracking of individual building costs and a reduction of \$292,436 in computer system maintenance / security 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. Professional and Contractual Services:

- The net decrease of \$50,652 is due to decreases of \$162,980 in alarm service resulting from a vendor change and \$97,353 in contractual services – downtown core as a result of current actuals. These are offset primarily by increases of \$101,047 in contractual services for general building maintenance and \$108,641 for security / guard service due to increased contracted hours mainly attributable to the addition of an armed guard at the Clerk of Courts Neptune Beach location (40 hours) and the addition of an armed guard at the EOC (45 hours) during FY 2016/17.

7. Other Operating Expenses:

- The net increase of \$1,159,765 is primarily due to:
 - Water (utility & treatment) increasing by \$1,495,184 based on costs related to the pretrial detention center.
 - An increase of \$334,186 for repairs and maintenance mainly attributable to:
 1. \$162,980 for onetime costs related to repair and upgrade of security equipment.
 2. \$75,000 for fire protection repairs to address deficiencies related to replacing fire extinguishers, testing fire detection systems and repairing identified issues.
 3. \$68,706 increased general building repairs and maintenance costs.
 4. \$20,000 for increased HVAC repair costs for older requiring more frequent repair.
- These are partially offset by:
 - A reduction of \$535,417 in electricity (utility bills) based on actuals.
 - Chilled Water (a/c system) decreasing by \$99,204 based on actuals.
 - A decrease of \$60,000 in building repair maintenance and supplies.

8. Capital Outlay:

- The \$20,002 in FY 2016/17 is to provide Automated External Defibrillators (AED) in City facilities without AEDs per the request of JFRD and Risk Management.

**COUNCIL AUDITOR'S OFFICE
 COMMENTS AND RECOMMENDATIONS
 MAYOR'S PROPOSED 2016/17 BUDGET
 PUBLIC WORKS
 PUBLIC BUILDINGS ALLOCATIONS (S/F 5A1)**

PROPOSED BUDGET BOOK – Page # 367 – 369

9. Transfers To Other Funds:

- The \$2,767,795 is the debt to be paid from the General Fund – GSD (S/F 011) for the Haverty building debt allocation and the Ed Ball building build-out allocation. This represents a transfer from this fund to the General Fund – GSD for the debt service costs.

CAPITAL OUTLAY CARRYFORWARD:

Activity	Location/Use	Not to Exceed
5A1 - PWPB5A1MAPR - 06330	1087 Haines St. – Repairs related to a sprinkler leak	\$59,520
5A1 - PWPB5A1MAPR - 06338	Various Buildings – Work related to properties that have reverted back to the City due to unpaid taxes	\$64,915
5A1 - PWPB5A1MAPR – 06429	Various Buildings – AED	\$474
5A1 - PWPB5A1YB - 06505	Yates Building - Office of Inspector General – Build out	\$95,000

SERVICE LEVEL CHANGES:

There are no significant service level changes to the budget.

EMPLOYEE CAP CHANGES:

None.

RECOMMENDATION:

None.

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

PROPOSED BUDGET BOOK – Page # 223 – 225

BACKGROUND:

The Neighborhoods Department (previously called the Regulatory Compliance Department) includes the Animal Care & Protective Services, Municipal Code Compliance, Environmental Quality, Mosquito Control, and Office of the Director Divisions. As part of the reorganization pursuant to Ordinance 2016-140-E, the Office of the Director within the Intragovernmental Services Department, which included Call Center (630-CITY) and Fight Blight Awareness Campaign activities, was moved into the Neighborhoods' Office of the Director. Also related to the reorganization, the Housing & Community Development Division within the Planning and Development Department was moved into the newly established Office of Neighborhood Services within the Neighborhoods' Office of the Director.

	FY 2015/16 Adopted (Adj. for Re-org)	FY 2016/17 Proposed	Change	%
REVENUE				
Charges for Services	1,279,640	1,425,941	146,301	10.3%
Fines and Forfeits	76,446	77,752	1,306	1.7%
Miscellaneous Revenue	11,300	32,324	21,024	65.0%
TOTAL REVENUE	1,367,386	1,536,017	168,631	11.0%
EXPENDITURES				
Salaries	7,886,527	8,166,569	280,042	3.4%
Pension Costs	2,108,111	2,388,875	280,764	11.8%
Employer Provided Benefits	1,977,085	1,977,118	33	0.0%
Internal Service Charges	4,434,799	4,996,349	561,550	11.2%
Insurance Costs and Premiums	201,081	108,162	(92,919)	-85.9%
Other Operating Expenses	602,666	739,123	136,457	18.5%
Professional and Contractual Services	976,958	898,253	(78,705)	-8.8%
Capital Outlay	8	5	(3)	-60.0%
TOTAL EXPENDITURES	18,187,235	19,274,454	1,087,219	5.6%

	FY 2015/16 Adopted	FY 2016/17 Proposed	Change
AUTHORIZED POSITIONS	201	204	3
PART-TIME HOURS	17,975	17,975	-

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

PROPOSED BUDGET BOOK – Page # 223 – 225

REVENUE:

1. Charges for Services:

- The net increase of \$146,301 is primarily due to an increase in siltation inspection fees of \$100,000 in the Environmental Quality Division and an increase of \$57,537 in animal licenses and permits in the Animal Care & Protective Services Division. Both of these increases are based on current actual revenues taking into account any fee decreases identified below. Had fees not been decreased, revenue within this department would have been increased by an even greater amount.

2. Miscellaneous Revenue:

- The net increase of \$21,024 is mainly attributable to an increase of \$21,724 in miscellaneous sales and charges of which the majority is in the Municipal Code Compliance Division. This increase is based on actual historical data.

FEE CHANGES:

Description	Current Fee	New Fee	Change	Estimated Units	Additional Projected Revenue
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Mosquito Control Division

Sikorsky Helicopter (Flight Hour)	\$ 1,492	\$ 1,836	\$ 344	4	\$ 1,376
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Total Mosquito Control Division **\$ 1,376**

Environmental Quality Division

Air Pollution Maintenance

EU < 25 tpy	\$ 225	\$ 221	\$ (4)	168	\$ (672)
EU > 75 & < 100tpy	1,329	1,297	(32)	6	(192)
Gass Tank Fees Per Tank	133	130	(3)	779	(2,337)
					\$ (3,201)

Water Quality

Collection System Permitting	\$ 1,004	\$ 902	\$ (102)	90	\$ (9,180)
Class III	1,597	998	(599)	1	(599)
Class VII	3,194	1,995	(1,199)	1	(1,199)
					\$ (1,798)

Well Permit Type

Well Permit - Domestic (F)	\$ 347	\$ 217	\$ (130)	52	\$ (6,760)
Well Permit - Domestic (H)	164	112	(52)	198	(10,296)
Irrigation - Domestic (F)	334	300	(34)	25	(850)
Irrigation - Domestic (H)	165	111	(54)	195	(10,530)
Monitoring	164	150	(14)	917	(12,838)
Air Conditioning - Domestic	332	116	(216)	3	(648)
Air Conditioning - Commercial (H)	193	116	(77)	8	(616)
DOH/PS	336	315	(21)	9	(189)
Misc. (Commercial/Ind/Fire)(H)	168	72	(96)	7	(672)
					\$ (43,399)

EPB

EPB Variance Request Fee	\$ 3,000	\$ 2,788	\$ (212)	2	\$ (424)
Irrigation Variance Fee	150	148	(2)	2	(4)
					\$ (428)

Total Environmental Quality Division **\$ (48,826)**

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

PROPOSED BUDGET BOOK – Page # 223 – 225

EXPENDITURES:

1. Salaries:

- The net increase of \$280,042 is partially due to the net addition of three (3) positions with total permanent and probationary salaries of \$116,233. The remaining increase can primarily be attributed to salary increases and promotions given throughout the year. Most notably, there was a structured increase in pay rates for code compliance officers effective March 5, 2016 which resulted in a \$174,129 increase within the Municipal Code Compliance Division.

2. Pension Costs:

- The net increase of \$280,764 is mainly due to the increase in the defined benefit contribution rate coupled with the salary increases identified above.

3. Internal Service Charges:

- The net increase of \$561,550 is mainly attributable to an increase of \$649,948 in computer system maintenance/security charges due to continued development and updates related to several systems, the researching of possible new ERP systems, and changes in the billing method. It was offset by a decrease of \$123,719 in building cost allocation for the Ed Ball building due to a reduction in total building costs.

4. Insurance Costs and Premiums:

- The decrease of \$92,919 is mainly due to a decrease of \$65,789 in general liability insurance due to a more accurate allocation for this department in the proposed budget. There also was a reduction of \$22,986 in miscellaneous insurance in Mosquito Control due to the elimination of contributions Mosquito Control was making in an attempt to replace the helicopter. This practice has been eliminated.

5. Other Operating Expenses:

- The net increase of \$136,457 is due primarily to increases within the Mosquito Control Division consisting of \$64,220 in other operating supplies for fuel and chemicals, \$47,876 in repair and maintenance supplies for parts and tools to service the helicopter, and \$10,126 employee training for pilot training.

6. Professional and Contractual Services:

- The net decrease of \$78,705 is primarily due the Animal Care and Protective Services Division moving an \$85,000 data entry contract out of the General Fund – GSD (S/F 011) into Veterinary Services (S/F 15G).

SERVICE LEVEL CHANGES:

None.

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

PROPOSED BUDGET BOOK – Page # 223 – 225

EMPLOYEE CAP CHANGES:

The authorized cap is increasing by three (3) positions. Two (2) animal behavior coordinator positions are proposed to be added to the Animal Care & Protective Services Division and one (1) city planner supervisor position was transferred during the year to the Office of the Director from the Community Planning Division within the Planning and Development Department.

DIVISION CHANGES:

Division	FY 2015/16 Adopted	FY 2016/17 Proposed	Change	
Animal Care & Protective Services	\$ 3,446,889	\$ 3,470,404	\$ 23,515	(A)
Environmental Quality	3,130,076	3,024,903	(105,173)	(B)
Mosquito Control	2,000,111	2,089,977	89,866	(C)
Municipal Code Compliance	6,024,226	6,544,237	520,011	(D)
Office of Director	3,585,933	4,144,933	559,000	(E)
Department Total	\$ 18,187,235	\$ 19,274,454	\$ 1,087,219	

- A. There is an increase of \$23,515 in the Animal Care & Protective Services Division. Significant changes within this division include an increase of \$85,753 in computer system maintenance and security mainly due to additional application support charges for maintenance of the Unpaid Citation System and a net increase of \$46,884 in defined benefit pension costs due to the increase in the defined benefit contribution rate. These increases are offset by decreases of \$85,000 in professional services which was moved to Veterinary Services (S/F 15G) and \$21,165 in general liability insurance due to a reduction in claims made in comparison to previous years. Although the cap is increasing by two (2) positions, the additional cost was offset by other salary adjustments.
- B. The decrease of \$105,173 in the Environmental Quality Division is primarily due to an \$81,866 decrease in computer system maintenance and security due to the billing method changes and a decrease of \$51,095 in building cost – Ed Ball due to a decrease in total building costs. These decreases are somewhat offset by a net increase \$33,924 in defined benefit pension due to the increased contribution rate.
- C. The increase of \$89,866 in the Mosquito Control Division is primarily due to increases in other operating supplies of \$64,220 for fuel and chemicals, repair and maintenance supplies of \$47,876 for parts and tools to service the helicopter, and \$55,925 in computer system maintenance and security due to the continued development of Field Seeker Program (Phase III) along with cartography and data updates. It was somewhat offset by a decrease in salaries of \$57,142 mostly due to a transfer of one (1) position from this division to the Office of the Director and hiring new employees at a lower rate.
- D. The increase of \$520,011 in the Municipal Code Compliance Division is primarily due to increases of \$219,249 in salaries and \$94,396 in defined benefit pension costs which are directly related to the structured raise for code compliance officers during FY 2015/16. There is also an increase of \$160,350 in computer system maintenance and security due to the continued development and updates related to the CARE, PICS, BizTalk and Lien Tracking systems.

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

PROPOSED BUDGET BOOK – Page # 223 – 225

- E. The increase of \$559,000 is mainly due to an increase of \$429,786 in computer system maintenance and security, partly for the assessment of possible new ERP systems for the department and partly due to changes in the billing method. Also, there was an increase in salaries of \$93,074 mostly due to the transfer of two (2) positions, one (1) from the Mosquito Control Division and one (1) from the Community Planning Division within the Planning and Development Department. Additionally, defined benefit pension increased by \$106,616 due to the noted pay increases and the increase in the contribution rate. Those increases were somewhat offset by a decrease in building allocation (Ed Ball) costs of \$39,556 due to a reduction in total building costs and a decrease in general liability insurance of \$40,671 due to a more accurate allocation for this department in the proposed budget.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2016/17 BUDGET
NEIGHBORHOODS
MOSQUITO CONTROL (S/F 012)**

PROPOSED BUDGET BOOK – Page # 227-228

BACKGROUND:

Subfund 012 is mandated by Florida Statute 388.261 to administer mosquito control activities within the county. The proposed budget for the Mosquito Control Division in FY 2016/17 will continue to support efforts to control the population of mosquitoes and help reduce mosquito borne illnesses in Duval County.

REVENUE:

1. Intergovernmental Revenue:

- The increase of \$4,301 is due to an increase in the funding being provided by the Florida Department of Agriculture and Consumer Services.

2. Investment Pool / Interest Earnings:

- There is a \$1,181 decrease in investment pool earnings which is more in line with current year actuals.

EXPENDITURES:

1. Other Operating Expenses:

- The net increase of \$3,120 is mainly due to an increase in other operating supplies of \$4,335 for the purchase of additional mosquito control chemicals. This was somewhat offset by a \$1,625 reduction in employee training.

SERVICE LEVEL CHANGES:

There are no significant service level changes.

EMPLOYEE CAP CHANGES:

There are no positions in this subfund.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2016/17 BUDGET
NEIGHBORHOODS
AIR POLLUTION TAG FEE (S/F 121)**

PROPOSED BUDGET BOOK – Page 229-230

BACKGROUND:

The Air Pollution Tag fee within the Environmental Quality Division helps support activities which ensure compliance with the National Ambient Air Quality Standards (NAAQS). Activities include but are not limited to permit compliance, inspection of air pollution sources, and citizen complaints.

REVENUE:

1. State Shared Revenue:
 - The increase of \$27,793 is primarily due to an increase in anticipated revenue from auto license air pollution control fees to better reflect actual revenues.
2. Investment Pool/Interest Earnings
 - The decrease of \$2,191 is primarily due to a reduction in anticipated investment pool earnings for FY 2016/17 based on current actual revenues.
3. Transfers from Fund Balance:
 - The decrease of \$168,470 is primarily due to a decrease in funds needed to cover budgeted expenditures over projected revenue in FY 2016/17.

EXPENDITURES

1. Salaries
 - The decrease of \$106,242 is primarily due to a decrease of \$100,636 in probationary salaries due to one (1) position being eliminated and due to filling vacancies at lower salary rates.
2. Pension Costs
 - The net decrease of \$26,315 is primarily due to a reduction in defined benefit pension plan costs of \$25,998 due to the salary changes mentioned above.
3. Employer Provided Benefits:
 - The decrease of \$24,754 is primarily due to a decrease of \$18,201 in group hospitalization insurance and a decrease of \$5,220 in workers compensation insurance due to the salary changes mentioned above.
4. Other Operating Expenses:
 - The net increase of \$5,003 is primarily due to an increase in other operating supplies of \$4,246 to purchase and maintain inventory of replacement and repair parts required to operate new equipment and due to an increase of \$1,100 in office supplies to cover costs of toner/inkjet cartridges for existing printers.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2016/17 BUDGET
NEIGHBORHOODS
AIR POLLUTION TAG FEE (S/F 121)**

PROPOSED BUDGET BOOK – Page 229-230

5. Capital Outlay:

- Capital outlay is budgeted at \$85,000 for the purchase of replacement chemical gas calibrators and analyzers. These purchases represent the last year of five (5) year plan overhaul monitoring equipment based on an audit conducted by the Environmental Protection Agency.

SERVICE LEVEL CHANGES:

There are no significant service level changes.

EMPLOYEE CAP CHANGES:

The employee cap decreased from seven (7) to six (6) positions.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
 COMMENTS AND RECOMMENDATIONS
 MAYOR'S PROPOSED FY 2016/17 BUDGET
 NEIGHBORHOODS
 AIR POLLUTION EPA (S/F 127)**

PROPOSED BUDGET BOOK – Page 231-233

BACKGROUND:

The Clean Air Act of 1970 allows for the Air Pollution EPA grant, within the Environmental Quality Division, to help support activities to ensure compliance with Federal and State Air Quality Standards. Activities include but are not limited to permit compliance, ambient air monitoring, and citizen complaints.

This is an “all years” sub-fund, which means that once dollars are appropriated, the appropriation stays in place from year to year rather than lapsing. A schedule that shows a true year-to-year budget without any “all years” adjustments is below.

	Adopted FY 2015/16 Before Adjustment	Proposed FY 2016/17	Change
REVENUE			
REGULATORY COMPLIANCE			
Intergovernmental Revenue	531,521	603,521	72,000
NON-DEPARTMENTAL			
Miscellaneous Revenues	8,756	8,710	(46)
Transfers From Other Funds	424,271	424,272	1
TOTAL REVENUE	964,548	1,036,503	71,955
EXPENDITURES			
REGULATORY COMPLIANCE			
Salaries	622,139	505,868	(116,271)
Pension Costs	187,497	159,262	(28,235)
Employer Provided Benefits	124,529	89,862	(34,667)
Internal Service Charges	61,100	42,757	(18,343)
Insurance Costs and Premiums	2,382	2,510	128
Other Operating Expenses	12,977	27,188	14,211
Capital Outlay	-	72,001	72,001
Indirect Cost	57,586	57,586	-
NON-DEPARTMENTAL			
Contingencies	-	79,469	79,469
TOTAL EXPENDITURES	1,068,210	1,036,503	(31,707)

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2016/17 BUDGET
NEIGHBORHOODS
AIR POLLUTION EPA (S/F 127)**

PROPOSED BUDGET BOOK – Page 231-233

REVENUE:

1. Intergovernmental Revenue:

- The increase of \$72,000 is due to an anticipated increase in the federal match for the Air Pollution EPA grant.

2. Transfers From Other Funds:

- The amount of \$424,272 represents a transfer from the General Fund/General Service District (S/F 011), which is the City's required match for the Air Pollution Control EPA Grant.

EXPENDITURES:

1. Salaries:

- The net decrease of \$116,271 is primarily due to a decrease of \$152,940 in probationary salaries due to two (2) positions being eliminated and vacancies being filled at lower rates. This is partially offset by an increase of \$50,000 in part-time salaries to pay a part-time professional engineer until a full-time employee is hired and trained.

2. Pension Costs:

- The net decrease of \$28,235 is primarily due to a decrease of \$27,870 in defined benefit pension plan costs due to two (2) positions being eliminated and vacancies being filled at lower rates.

3. Employer Provided Benefits

- The net decrease of \$34,667 is primarily due to a decrease of \$26,337 in group hospitalization insurance which is due to two (2) positions being eliminated.

4. Internal Service Charges:

- The net decrease of \$18,343 is primarily due to a decrease of \$21,995 in computer system maintenance/security charges. 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.

5. Other Operating Expenses:

- The net increase of \$14,211 is mainly due to an increase of \$5,146 in other operating supplies which is used to cover the cost of parts for existing equipment and proposed new equipment and an increase in repairs and maintenance of \$5,000 which covers costs of maintenance contracts and repairs for new equipment.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2016/17 BUDGET
NEIGHBORHOODS
AIR POLLUTION EPA (S/F 127)**

PROPOSED BUDGET BOOK – Page 231-233

6. Capital Outlay

- The increase of \$72,001 is due to an increase of \$72,000 in specialized equipment purchase anticipated in FY 2016/17 to replace aging monitors and calibrators. This was made possible due to additional federal funding as mentioned above which is specifically granted to fund year four (4) of the five year plan to overhaul monitoring equipment based on an audit conducted by the Environmental Protection Agency.

7. Contingencies:

- The increase of \$79,469 represents a budgetary reserve needed to balance the budget for this subfund.

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

The employee cap decreased from 13 to 11 positions.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2016/17 BUDGET
NEIGHBORHOODS
AMBIENT AIR MONITORING (S/F 128)**

PROPOSED BUDGET BOOK – # 235-236

BACKGROUND:

The Environmental Quality Division is mandated by the U.S. Department of Environmental Protection to monitor air quality in Duval County and observe progress whenever possible.

REVENUES:

1. Intergovernmental Revenue:
 - There is no change for budgeted revenues, which consists of a grant from the Florida State Department of Environmental Protection.

2. Investment Pool/Interest Earnings:
 - There is no change for budgeted revenues, which consists of investment pool earnings.

EXPENDITURES:

1. Other Operating Expenses:
 - There is no change for other operating expenses, which consists of travel, office supplies, clothing, uniforms and safety equipment, and employee training.

SERVICE LEVEL CHANGES:

There are no significant service level changes.

EMPLOYEE CAP CHANGES:

There are no positions associated with this subfund.

RECOMMENDATIONS:

None

**COUNCIL AUDITOR'S OFFICE
 COMMENTS AND RECOMMENDATIONS
 MAYOR'S PROPOSED FY 2016/17 BUDGET
 NEIGHBORHOODS
 HAZARDOUS WASTE PROGRAM (S/F 154)**

PROPOSED BUDGET BOOK – Page 237-238

BACKGROUND

Duval County is mandated by Florida Statute 403.7225 to perform hazardous waste assessments within the county. Employees perform hazardous waste verification inspections that include pollution prevention, outreach, and education and compliance assistance activities. They inspect types, amounts, and sources of hazardous waste generated by generators and companies.

REVENUE

1. Charges for Services:
 - The net increase of \$12,723 is due to a net increase in hazardous waste fees to align with actual revenues.

2. Transfers from Fund Balance:
 - This amount represents the shortfall of revenues to cover proposed expenditures for FY 2016/17.

FEE CHANGES:

Description	Current Fee	Proposed Fee	Change	Estimated Units	Additional Expected Revenue Due To Increased Fees
Waste Generator Classification 20-100 kg/m	\$287	\$305	\$18	618	\$11,124
					\$11,124

EXPENDITURES

1. Pension Costs
 - The net decrease of \$2,536 is mainly attributable to a decrease of \$4,803 in defined benefit plan costs. This is offset by an increase in defined contribution plan of \$2,266 due to a change in employee elections.

2. Internal Service Charges
 - The net decrease of \$28,453 is due to a decrease in computer system maintenance/security charges of \$6,007. 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, a decrease of \$20,252 in fleet vehicle replacement which is due to a vehicle being paid off in PY 2015/16. See recommendation 1.

3. Other Operating Expenses:
 - The net decrease of \$17,581 is primarily due to a decrease of \$6,545 in other operating supplies and a decrease of \$5,090 in dues, subscriptions and memberships in order to

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2016/17 BUDGET
NEIGHBORHOODS
HAZARDOUS WASTE PROGRAM (S/F 154)**

PROPOSED BUDGET BOOK – Page 237-238

better reflect actual costs in FY 2015/16. A decrease of \$5,000 in advertising and promotion which is due to a reduction of anticipated usage for FY 2016/17.

4. Supervision Allocation

- The \$40,428 represents the ½ (one-half) of employee's salary from GAS Storage Tank Inspection (S/F 15M). The net increase of \$4,454 is due to the employee receiving a raise.

SERVICE LEVEL CHANGES:

There are no service level changes.

EMPLOYEE CAP CHANGES:

There are no changes to the employee cap.

RECOMMENDATION:

1. We recommend that \$5,748 be removed from fleet vehicle replacement allocation. This amount was budgeted in error and no further vehicle payments are needed. This has no impact on Special Council Contingency.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2016/17 BUDGET
NEIGHBORHOODS
ANIMAL CARE AND PROTECTIVE SERVICES TRUST FUND (S/F 15D)**

PROPOSED BUDGET BOOK – Page # 239-240

BACKGROUND:

Ordinance 2010-527-E grants the Animal Care and Protective Services Division authority to oversee the Animal Care and Protective Services Training and Cruelty Prevention Trust Fund. Revenues are derived from a \$5 surcharge on civil penalties related to animal cruelty ordinances. The revenue generated by this surcharge is used to supplement travel and training related to animal care for employees within the Neighborhoods Department. This is an “all years” sub-fund.

REVENUE:

1. Licenses and Permits:
 - There is a decrease of \$302 in dangerous dog permit revenue based on historical actual revenues.
2. Fines and Forfeits:
 - The net decrease of \$1,108 is due to a \$1,700 reduction in animal cruelty surcharges offset by a \$592 increase in animal care & control civil penalty. These changes are in line with historical actual revenues.
3. Miscellaneous Revenue:
 - There is a \$900 reduction in fees for classes (see recommendation).

EXPENDITURES:

1. Other Operating Expenses:
 - The decrease is due to a \$300 reduction in travel expenses related to certification trips.
2. Cash Carryover:
 - There is no proposed cash carryover for FY 2016/17.

SERVICE LEVEL CHANGES:

There are no service level changes.

EMPLOYEE CAP CHANGES:

There are no positions in this subfund.

RECOMMENDATION:

There are no fees for classes deposited into this trust fund. We recommend eliminating the remaining \$600 in fees for classes revenues and reducing travel expenses by \$600. This will have no impact on the Special Council Contingency.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2016/17 BUDGET
NEIGHBORHOODS
VETERINARY SERVICES (S/F 15G)**

PROPOSED BUDGET BOOK – Page# 241 - 242

BACKGROUND

Ordinance 2010-527-E grants the Animal Care and Protective Services Division (ACPS) authority to oversee the Veterinary Services Trust Fund as described in Code Section 111.455. Revenues are derived from a portion of animal license fees and may be expended on medical equipment and supplies to support impounded and distressed animals. This is an “all years” sub-fund.

REVENUE:

1. Charges for Services:
 - The increase of \$8,500 in animal licenses and permits is based on historical revenue.
2. Miscellaneous Revenue:
 - The increase of \$1,500 in fees for euthanasia certification classes is based on actual revenues collected in recent years.

EXPENDITURES:

1. Professional and Contractual Services:
 - There is an increase of \$85,000 in professional services for a data entry contract that was moved to this subfund from the Animal Care and Protective Services Division within the General Fund/General Services District (S/F 011).
2. Other Operating Expenses:
 - The net decrease of \$74,990 is primarily due to a budgetary decrease of \$73,095 in trust fund authorized expenditures in order to balance this all years subfund.

SERVICE LEVEL CHANGES:

There are no significant service level changes.

EMPLOYEE CAP CHANGES:

There are no positions in this subfund.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
 COMMENTS AND RECOMMENDATIONS
 MAYOR'S PROPOSED FY 2016/17 BUDGET
 NEIGHBORHOODS
 SPAY AND NEUTER TRUST FUND (S/F 1H2)**

PROPOSED BUDGET BOOK – Page # 245 - 246

BACKGROUND:

Ordinance 2010-527-E grants the Animal Care and Protective Services Division (ACPS) authority to oversee the Spay and Neuter Trust Fund. Revenues are derived from a portion of licensing fees and revenues generated by the adoption of animals for the purpose of promoting and performing sterilization procedures.

This is an “all years” sub-fund, which means once dollars are appropriated, the appropriation stays in place from year to year rather than lapsing. A schedule that shows a true year-to-year budget without any “all years” adjustments is below.

	FY 2015/16	FY 2016/17	FY 2016/17	
		Budget	Office	
		All Years	Proposed	
	Approved	Adjustments	Before	Change
	<u> </u>	<u> </u>	<u> </u>	
REVENUE				
ANIMAL CARE & CONTROL				
Charges for Services	687,239	-	632,725	(54,514)
Fine and Forfeits	-	(7,245)	-	-
Miscellaneous Revenue	15,000	-	5,000	(10,000)
Transfers from Fund Balance	-	(22,613)	-	-
TOTAL REVENUE	702,239	(29,858)	637,725	(64,514)
EXPENDITURES				
NON-DEPARTMENTAL				
Cash Carryover	(66)	-	-	66
ANIMAL CARE & CONTROL				
Salaries	75,061	1,854	75,000	(61)
Pension Costs	25,144	(33,537)	6,000	(19,144)
Employer Provided Benefits	11,596	-	12,317	721
Internal Service Charges	1,232	(958)	1,759	527
Insurance Costs and Premiums	288	-	368	80
Professional and Contractual Services	502,521	-	502,521	-
Other Operating Expenses	86,463	2,783	39,760	(46,703)
TOTAL EXPENDITURES	702,239	(29,858)	637,725	(64,514)

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2016/17 BUDGET
NEIGHBORHOODS
SPAY AND NEUTER TRUST FUND (S/F 1H2)**

PROPOSED BUDGET BOOK – Page # 245 - 246

REVENUE:

1. Charges for Services:

- The net decrease of \$54,514 is mainly due to a net reduction in costs for FY 2016/17. Because expenditures are decreasing, the revenues needed to cover those costs are also decreasing.

2. Miscellaneous Revenue:

- The \$10,000 decrease is due to a budgeted reduction in contributions from private sources based on anticipated contributions in FY2016/17.

EXPENDITURES:

1. Pension Costs:

- The net decrease of \$19,144 is due to election changes by an employee switching from the defined benefit plan to the defined contribution plan.

2. Other Operating Expenses:

- The decrease of \$46,703 is due to a deauthorization of \$49,601 in “all years” budgeted trust fund authorized expenditures to align with “all years” actual expenditures that are mostly used for veterinary supplies and services.

SERVICE LEVEL CHANGES:

There are no service level changes.

EMPLOYEE CAP CHANGES:

There are no changes to the authorized cap.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2016/17 BUDGET
NEIGHBORHOODS
ADULT ARCADES (S/F 1HK)**

PROPOSED BUDGET BOOK – Page # 111 - 112

BACKGROUND:

During the FY 2015/16 budget process, enforcement of adult arcade amusement centers was shifted to the Office of the Sheriff pursuant to section 155.112 of the Municipal Code. In recent years, expenses related to the enforcement of section 155.112 were recorded in the Office of the Sheriff and supplemented by a supervision allocation to this subfund. At this time, no future expenditures related to enforcement are projected. The FY 2016/17 proposed budget includes the cleanup of net budgetary balances within the indexes for Arcade Inspection (EROD1HKAI) and Environmental Protection – All Years (JXSF1HK). These adjustments are offset with a transfer of available cash to the General Fund – GSD (S/F 011) to cover one time capital items within the Office of the Sheriff (see Concern noted below).

This is an “all years” sub-fund, which means once dollars are appropriated, the appropriation stays in place from year to year rather than lapsing. All line items with the exception of transfer to other funds are all years adjustments.

REVENUE:

- All amounts in the proposed budget are clean up amounts in place in order to match budgeted amounts to actuals.

EXPENDITURES

1. Net Negative Budgetary Balances (all categories)

- The net negative amounts in the proposed budget are clean up amounts in place in order to match budgeted amounts to actuals.

2. Transfers to Other Funds

- The \$331,218 represents the available cash balance within the index codes previously mentioned. These funds are being transferred to the General Fund – GSD (S/F 011) to supplement the purchase of gear and equipment for the new police officers and CSOs included in the proposed budget. See Recommendation below.

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

There are no positions in this subfund.

RECOMMENDATION:

We recommend the elimination of the transfer from this subfund to the General Fund – GSD (S/F 011) with the offset being a cash carryover within this subfund. Based on the prior legal advice, these funds can only be used on enforcement activity in accordance with Chapters 155 & 156 of the Municipal Code. This will have a negative impact of \$331,218 on the Special Council Contingency.

**COUNCIL AUDITOR’S OFFICE
 COMMENTS AND RECOMMENDATIONS
 MAYOR’S PROPOSED FY 2016/17 BUDGET
 NEIGHBORHOODS
 CODE ENFORCEMENT REVOLVING FUND (S/F 1L2)**

PROPOSED BUDGET BOOK – Page # 247 -248

BACKGROUND:

Pursuant to Municipal Code Section 111.470, this is an all-years sub fund that is used to maintain nuisance abatement revenue received from code violations, liens and interest pursuant to Ordinance Code sections 518.211 (nuisance abatement liens), 518.308 (demolition liens), and 91.107 and 91.112 (administrative liens). This is an “all-years” subfund.

REVENUE

Housing / Neighborhoods

1. Fines and Forfeits & Miscellaneous Revenue:

- As of August 9, 2016, available revenues within this subfund totaled \$729,609. Of this amount, \$294,702 is proposed to be appropriated as part of the FY 2016/17 budget. This is a decrease from FY 2015/16 due to having less available revenue at the time the budget was prepared. As of August 9, 2016, additional revenue of \$434,908 is available to appropriate.

EXPENDITURES

Public Works

1. Professional and Contractual Services:

- In the FY 2015/16, appropriated revenue totaling \$750,881 was transferred to the General Fund – GSD (S/F 011) to supplement funding for mowing, tree removal and demolition related to nuisance abatement on private property. To better track these revenues going forward, the funds will be expensed directly out of this subfund for the same purpose. The total funding of \$294,702 included in the proposed budget is for private property mowing. According to the department, due to the fact that this is an all years subfund and that they have available capacity as of August 9, 2016 of \$174,084 for tree removal, they will file separate legislation when additional funds are needed. Although no funding is appropriated in this subfund for demolition and site clearing, funding of \$403,826 is included in the General Fund – GSD (S/F 011), which is consistent with FY 2015/16.

The chart below summarizes the funding included in the Mayor’s Proposed Budget, taking into account the General Fund – GSD (S/F 011) and the nuisance abatement lien revenue funding.

	FY 15/16 Approved	FY 16/17 Proposed
Public Works - Private Property Tree Removal	\$ 250,000	\$ -
Public Works - Private Property Mowing	453,588	294,702
Neighborhoods - Demolition & Nuisance Abatement	403,826	403,826
	\$ 1,107,414 *	\$ 698,528

* In FY 2015/16 \$750,881 was appropriated from this subfund (S/F 1L2) and transferred to the General Fund - GSD (S/F 011) to relieve the impact on the General Fund - GSD (S/F 011). Additionally, during FY 2015/16, two pieces of legislation appropriated an additional \$1,610,271.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2016/17 BUDGET
NEIGHBORHOODS
CODE ENFORCEMENT REVOLVING FUND (S/F 1L2)**

PROPOSED BUDGET BOOK – Page # 247 -248

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

There are no positions in this subfund.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2016/17 BUDGET
STATE AND FEDERAL GRANT PROGRAM
SCHEDULES B1-A, B1-B & B1-C**

BACKGROUND:

The State and Federal Grant Program is a list of grants attached to the budget ordinance as Schedules B1-A, B1-B and B1-C. Below is a brief explanation of each of the schedules.

- **Schedule B1-A:** Represents continuing multi-year grants or recurring grants in which the City applies for annually and for which the City anticipates securing. These grants require no City match. An additional 15% appropriation of grant funds is also approved for these grants if the additional funding becomes available during the term of the grant or during any extension of the grant. These grants are not appropriated until a grant award has been received and MBRC approval of the Budget Revision is obtained. The Director of Finance is authorized to make the necessary accounting adjustments to reflect the actual grant revenues received without further Council approval.
- **Schedule B1-B:** Represents continuation grants that require a City match. An additional 10% appropriation of grant funds is also approved for these grants if the additional funding becomes available during the term of the grant or during any extension of the grant. These grants are not appropriated until a grant award has been received and MBRC approval of the Budget Revision is obtained. The Director of Finance is authorized to make the necessary accounting adjustments to reflect the actual grant revenues received without further Council approval.
- **Schedule B1-C:** Represents provisional grants. These are grants the City could apply for during the year. If a grant award is received these grants will be appropriated through separate legislation.

RECOMMENDATIONS:

We recommend that the Revised Schedules B1-A, B1-B and B1-C be attached to the budgeted ordinance. Below are the recommended revisions to the schedules which will have no impact to Special Council Contingency.

- Add the Justice Assistance Grant to the B1-A schedule with a grant award amount of \$419,845 and no match required. The grant also includes 3 FTE positions and 5,200 Part-time hours.
- The Ryan White grant of \$5,500,000 on the B1-A schedule needs to be removed due to a conflict of interest with a Council Member. This grant will be appropriated through separate legislation.
- Remove the Shelter Retrofit Funds of \$185,000 from the B1-A schedule since this is not a Federal or State grant. These are funds appropriated from the Hurricane Public Shelter Fee, which is a fee required by the Amended Development Order of the Nocatee Development of Regional Impact. These funds should be appropriated through separate legislation.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2016/17 BUDGET
STATE AND FEDERAL GRANT PROGRAM
SCHEDULES B1-A, B1-B & B1-C**

- The State Aid to Libraries grant on the B1-A schedule needs to be reduced to \$1,024,351 to reflect the correct grant award amount for fiscal year 2016/2017.
- On the B1-A schedule, clarify the description of the COPS Matching Grant to include a statement that this helps offset the City's total cost of the 15 officers.
- On the B1-A schedule, remove the Beach Renourishment - State Contribution of \$871,000 since this is a reimbursement of funds to the City and not the state providing funds for a grant. Once the reimbursement is received it will be appropriated through separate legislation.
- For the National Pollutant Discharge Elimination System (NPDES)/MS4 Permit Grant on the B1-A schedule the department name within the project description needs to be changed from Regulatory Compliance to Neighborhoods Department.
- On the B1-B schedule the two of the Florida Inland Navigation District (FIND) grants are incorrectly identified as "FIND Grant – Phase 2 Construction". The FIND grant with the award amount of \$924,199 should be Half Moon Island Park and Boat Ramp Phase 2A. The FIND grant with the award amount of \$80,360 should be Exchange Club Island Pavilions.
- The four FIND grants on the B1-B schedule should be moved to the B1-C schedule since separate legislation will be needed to appropriate part of the matching funds not included in the fiscal year 2106/2017 budget. This will reduce the reserve amount on the B1-B schedule by the partial match amount of \$735,014 and increase the reserve amount on the B1-C by \$735,014.
- The COPS Hiring Grant should be included on Schedule B1-B since it is a continuation grant that requires a city match. The B1-B schedule should also include the COPS Hiring Grant match funding of \$507,312.

FY17 Continuing / Receiving Grants Requiring No City Match

City Department/ Division	Grantor	Grant Name	Project Description	Grant Award	Match Requested	Overmatch Requested	In Kind Contribution	FTE Positions	Part Time Hours
Constitutional Officers - Court Administration	Department of Health and Human Services - Substance Abuse and Mental Health Services Administration	Adult Drug Court and Mental Health Court Enhancement	A joint solicitation with the Department of Justice, Bureau of Justice Assistance. Grant proposal to enhance Adult Drug Court with 4 additional evidence-based treatment modalities to provide intensive case management and to increase drug and alcohol testing among the population. This grant will provide services to participants in the Adult Drug Court program for 3 years and must be renewed each project year.	\$323,480	\$0	\$0	\$0	0	0
Finance and Administration/ Office of the Director - Grants Compliance	US Department of Justice, Bureau of Justice Assistance	Justice Assistance Grant	This grant provides funding for programs designed and intended to reduce crime and improve public safety in Duval county. These programs serve violent and non-violent criminals, provide for crime prevention as well as provide opportunities to adult and juvenile offenders and ex-offenders.	\$419,845	\$0	\$0	\$0	3	5,200
Fire & Rescue - Emergency Preparedness	Department of Homeland Security	State Homeland Security Grant Program (SHSGP) Emergency Management	Funds to improve the ability of Duval County first responders/receivers to prevent and respond to terrorist attacks using chemical, biological, radiological, nuclear or explosive weapons (WMDs) and other hazards.	\$45,000	\$0	\$0	\$0	0	0
Fire & Rescue - Emergency Preparedness	Department of Homeland Security	State Homeland Security Grant Program (SHSGP) USAR/HazMat	Funds to improve the ability of Duval County first responders/receivers to prevent and respond to terrorist attacks USAR/HazMat incidents.	\$347,057	\$0	\$0	\$0	0	0
Fire & Rescue - Emergency Preparedness	Florida Department of Community Affairs	Emergency Management and Preparedness & Assistance (EMPA)	Funds created by the Florida Legislature in 1993 to implement necessary improvements in the emergency management programs statewide. These funds benefit preparation for catastrophic events throughout Duval County. Grant matched with FREP011 general fund, no set aside match required.	\$118,000	\$0	\$0	\$118,000	3	0
Fire & Rescue - Emergency Preparedness	United States Department of Health & Human Services	EMS County Award	Funds allocated from the Department of Health to enhance and improve pre-hospital emergency medical services to the citizens of Duval County.	\$150,000	\$0	\$0	\$0	0	0
Fire & Rescue - Emergency Preparedness	Department of Homeland Security	Emergency Management Performance Grant (EMPG)	Federal funds awarded through the State's Emergency Management Division to local jurisdictions to prepare for catastrophic events. Grant matched with FREP011 general fund, no set aside match required.	\$201,604	\$0	\$0	\$198,803	0	1,500
Jacksonville Public Library	State of Florida/Department of State	State Aid to Libraries	Operational enhancements to all state libraries to include funds for additional material and non-capital improvements.	\$1,024,351	\$0	\$0	\$0	0	0
Jacksonville Sheriff's Office	Florida Department of Law Enforcement	JAG - Public Safety Analyst Project	The JSO is requesting the continuation of two crime analyst positions with FY 16JAG-C funds. Maintaining these positions will allow JSO to continue information sharing on cross-jurisdictional criminal activity and intelligence to all jurisdictions located within Duval County.	\$106,607	\$0	\$0	\$0	2	0
Jacksonville Sheriff's Office	Department of Justice	State Criminal Alien Assistance Program (SCAAP)	Provides federal payments to localities that incurred correctional officer salary costs for incarcerating a specific population of individuals.	\$42,487	\$0	\$0	\$0	0	0
Jacksonville Sheriff's Office	Florida Department of Law Enforcement	Criminal Justice Training	Continuation of funding exclusively for advanced and specialized training for law enforcement and correctional officers and for administrative costs as approved by the FDLE Criminal Justice Standards and Training Commission (CJSTC), in accordance with Chapter 943.25 Florida Statutes, for the 2017-2018 fiscal year (07/01/17 - 06/30/18).	\$200,000	\$0	\$0	\$0	0	0
Jacksonville Sheriff's Office	Florida Department of Transportation	High Visibility Enforcement Bicycle & Pedestrian Safety Campaign	To fund overtime for officers to conduct bicycle and pedestrian safety deployments in targeted hot-spots.	\$75,176	\$0	\$0	\$0	0	0
Jacksonville Sheriff's Office	Florida Office of Attorney General	Victims of Crime Act (VOCA)	Continuation of one full-time victim advocate position, supplies, and equipment to provide services to victims following an act of crime.	\$59,617	\$0	\$0	\$14,904	1	0
Medical Examiner	Florida Department of Law Enforcement	Coverdell Forensic Grant	Forensic Science Improvement Grant Program	\$2,780	\$0	\$0	\$0	0	0
Jacksonville Sheriff's Office	Florida Department of Law Enforcement	COPS Matching Grant	Provides match funding towards the federal COPS Hiring Project, which will help offset the total cost off the 15 officers	\$250,000					
Military Affairs and Veterans	Enterprise Florida Inc.	Defense Reinvestment Grant Program	Military Base and Mission Advocacy - Provide federal advocacy for the growth of the military investment in Duval County. The grant secures a federal advocacy firm that lobbies Congress and the Pentagon for increased investment in Duval County military bases and missions. The fiscal impact of the military in Jacksonville is 14.2 billion dollars a year. Currently there are over 50,000 active duty military and defense employees in Duval County.	\$100,000	\$0	\$0	\$0	0	0
Military Affairs and Veterans	Enterprise Florida Inc.	Defense Infrastructure Grant	NAS Jacksonville Military Services for OLF Whitehouse-Encroachment Protection. Funding is utilized along with DOD funding to purchase development easement rights for properties around OLF Whitehouse. The development rights easements are acquired from willing sellers and secure OLF Whitehouse from encroachment.	\$200,000	\$0	\$0	\$0	0	0

FY17 Continuing / Receiving Grants Requiring No City Match

City Department/ Division	Grantor	Grant Name	Project Description	Grant Award	Match Requested	Overmatch Requested	In Kind Contribution	FTE Positions	Part Time Hours
Military Affairs and Veterans	Enterprise Florida Inc.	Defense Infrastructure Grant	NA Mayport Gate 5 Roadway Improvement	\$175,000	\$0	\$0	\$0	0	0
Military Affairs and Veterans	Enterprise Florida, Inc.	Florida Defense Support Task Force	Maritime Research and Development Center Advocacy. This grant will allow for advocacy to attract federal funding to construct a Navy R and D center near NS Mayport that will further benefit the base. This grant will further secure NS Mayport by adding a Federal R and D center linked to the undersea training range. The R and D center will partner with local colleges and universities to provide the research.	\$200,000	\$0	\$0	\$0	0	0
Military Affairs and Veterans	Jacksonville Jaguar Foundation	Jacksonville Foundation Veterans Resource and Reintegration Center	Grant provides funding for a one-stop Veterans resource and reintegration center. The center is managed by MAV Department and enhances the the ability to provide social services, housing assistance, career related services and financial assistance to Veterans and transitioning military. Additionally, the grant funds local Veteran serving agencies through community services mini-grants.	\$200,000	\$0	\$0	\$0	3	0
Military Affairs and Veterans	United States Department of Labor Veterans Education and Training Service	Homeless Veterans Stand Down	A two day resource and career fair that provides services and nutrition for homeless and at-risk Veterans. The event provides, clothing, medical care, dental, mental health, food, haircuts and VA assistance. Additionally there is a career fair that is designed to meet the needs of homeless and at-risk Veterans.	\$10,000	\$0	\$0	\$0	0	0
Neighborhoods/Environmental Quality	FL Dept of Environmental Protection	Air Pollution Tag Fee	Compliance with National Ambient Air Quality Standards is critical to the protection of the community's health and welfare. This grant supports this effort via permit compliance; inspection of air pollution sources; citizen complaint response, etc. This revenue is also used for addressing odor pollution and controlling emissions from mobile and stationary sources.	\$616,000	\$0	\$0	\$0	7	0
Neighborhoods/Environmental Quality	FL Dept of Environmental Protection	Asbestos Program	EQD receives 80% of all fees collected in Duval County by the State of Florida for asbestos-related activities. This funding can only be utilized for asbestos-related activities within Duval County.	\$8,362	\$0	\$0	\$0	0	0
Neighborhoods/Environmental Quality	Dept of Homeland Security	Monitoring Demonstration Study (Air)	There are two staff members assigned to this account to perform various air pollution monitoring within Duval County in accordance with requirements outlined by the Department of Homeland Security.	\$286,463	\$0	\$0	\$0	2	0
Neighborhoods/Environmental Quality	U.S. Environmental Protection Agency	Particulate Matter 103 Grant	The U.S. EPA provides this grant to EQD to operate an ambient air quality monitoring network for particulate matter 2.5 microns or less. Staff in this activity operates standard and continuous monitoring for this pollutant. All data collected at these sites must comply with EPA's Quality Assurance Plan.	\$85,621	\$0	\$0	\$0	1	0
Neighborhoods/Environmental Quality	FL Dept of Environmental Protection	Gas Storage Tank Cleanup	The Florida Department of Environmental Protection (FDEP) provides funding to the City of Jacksonville to manage the cleanup of petroleum contaminated sites within Duval County and surrounding counties. This grant aids in protecting the drinking water sources from petroleum contamination. This program addresses leaking storage tanks and the sites affect every Council district and socioeconomic area. EQD administers contractor cleanup of over 400 contaminated sites.	\$1,615,904	\$0	\$0	\$0	22	5,200
Neighborhoods/Environmental Quality	FL Dept of Environmental Protection	Gas Storage Tank Inspection	The FDEP provides funding to EQD to perform inspections of covered facilities to ensure compliance with State regulation regarding leak detection, upgrades, tank and distribution replacements and financial responsibility (insurance). Faced with over 25,000 leaking underground storage tanks in the late 1980s, Florida established an Inland Protection Trust Fund to clean up historical spills. The State established this program to ensure the facilities take measures to avoid leaks now and into the future.	\$363,492	\$0	\$0	\$0	8	0
Neighborhoods/Mosquito Control	Florida Department of Agriculture & Consumer Services	Mosquito Control State 1	Local Mosquito program to provide public health pest control. Award is subject to change due to State budget.	\$47,310	\$0	\$0	\$47,310	0	0
Neighborhoods/Mosquito Control	Florida Department of Transportation	Clean It Up - Green It Up	Promotion of Great American Cleanup/Drive It Home-Keep Our Paradise Litter Free Trash Off. Provides funding for cleanup supplies and materials for community and countywide cleanups.	\$15,000	\$0	\$0	\$0	0	0
Neighborhoods/Mosquito Control	Florida Inland Navigation District	Water Way Cleanup Program	Neighborhood Cleanup Support - Organized volunteer groups cleaning public rights-of-ways or other public areas are eligible for planning assistance and free support materials such as bags and gloves. Annual Community Cleanups; Adopt-A-Road. Groups make a long-term commitment to perform monthly cleanups on city roadways and Litter Free Events.	\$5,000	\$0	\$0	\$0	0	0
Parks, Recreation and Community Services/Senior Services	State Department of Elder Affairs	Senior Companion Program	This grant allows for continued services and expand center-based group respite and educational/events to 14+ elders with first-stage memory loss along with their caregivers and stipends to 14 low-income volunteers. Stipends are paid by the State.	\$2,000	\$0	\$0	\$0	0	0

FY17 Continuing / Receiving Grants Requiring No City Match

City Department/ Division	Grantor	Grant Name	Project Description	Grant Award	Match Requested	Overmatch Requested	In Kind Contribution	FTE Positions	Part Time Hours
Parks, Recreation and Community Services	State Department of Elder Affairs/ElderSource	EHEAP	Emergency Home Energy Assistance For The Elderly Program (EHEAP) is designed to provide crisis assistance to eligible low-income households with at least one individual aged 60 or older experiencing a heating or cooling emergency. The program allows for payments to utility companies, the purchase of blankets, portable heaters and fans, repairs of existing heating or cooling equipment, and the payment of reconnection fees.	\$135,081	\$0	\$0	\$0	0	1,300
Public Works - Engineering / Construction Management and Neighborhoods - Environmental Quality	Florida Department of Transportation	National Pollutant Discharge Elimination System (NPDES) MS4 Permit Grant	Grant will provide for Phase 1 Permit Cycle 3 requirements, which includes a Monitoring Plan (MS4 Permit). The City and FDOT are co-permittees of this national program. The National Pollutant Discharge Elimination system permit requires that FDOT perform stormwater discharge compliance and water quality assessments, TMDL (Total Maximum Daily Loads) monitoring for nutrient levels in the Lower St. Johns Basin (Duval County), illicit discharge and improper disposal proactive inspections, and other means of monitoring the impairment of waterways. Through the Interlocal Agreement, the City provides services to FDOT as required by the MS4 Permit. Grant is joint item between the Public Works and Neighborhoods Departments.	\$400,000	\$0	\$0	\$0	0	0
Total Schedule B1a:				\$7,831,237	\$0	\$0	\$379,017	52	13,200

FY17 Continuation Grant With City Match

City Department/ Division	Grantor	Grant Name	Project Description	Grant Award	Match Requested	Overmatch Requested	In Kind Contribution	FTE Positions	Part Time Hours
Constitutional Officers - Court Administration	US Department of Justice, Bureau of Justice Assistance	Adult Drug Court and Mental Health Court Enhancement	This project is a joint solicitation with the Substance Abuse and Mental Health Services Administration. This grant period is three years.	\$299,975	\$987	\$0	\$100,013	0	0
Constitutional Officers - Supervisor of Elections	State of Florida/ Department of State	Help America Vote Act (HAVA)	Grant shall be used for the following federal election administration activities: voter education, poll worker training, standardizing election results reporting or other approved activities. This may include mailing or publishing sample ballots, voter info cards, demonstrations, voter guides, etc.	\$200,000	\$30,000	\$0	\$0	0	0
Fire & Rescue - Emergency Preparedness	Florida DCA Division of Emergency Management	Hazard Analysis Agreement	Funds from State of Florida to identify and conduct on-site evaluation of facilities in Duval County that house hazardous materials.	\$25,000	\$25,000	\$25,000	\$0	1	0
Jacksonville Sheriff's Office	Department of Justice	COPS Hiring Grant	To hire 15 new sworn law enforcement officers.	\$625,000	\$507,312	\$0	\$0	15	0
Military Affairs and Veterans	United States Department of Labor Veterans Education and Training Service	Homeless Veterans Reintegration Program	Jacksonville Urban Homeless Reintegration Program. To provide case management, job training, transitional housing assistance and social supports to homeless Veterans. The grant has the goal of enrolling 120 homeless Veterans and finding employment for 79. The grant provides funding for job training through the Clara White Mission and life skills training and homeless shelter case management through Sulzbacher Center.	\$216,400	\$30,000	\$0	\$0	4	0
Parks, Recreation and Community Services/Social Services Division	Department of Justice, Office of Justice Programs, Office of the Florida Attorney General	Victims of Crime Act (VOCA)	Information and Referrals for Crime Victims.	\$146,328	\$36,587	\$0	\$0	5	0
Parks, Recreation and Community Services/Senior Services	State Department of Elder Affairs/ElderSource	RELIEF Project (Respite for Elders Living Everyday Families)	This grant allows for continued services and expand in-home and group respite services and educational/services to 154+ elders and stipends to 22 low-income volunteers with additional services through 40 faith-based organizations. expand evening in-home respite services to 25 caregiver/families and stipends and training to 25 low-income senior volunteers	\$105,000	\$17,500	\$0	\$0	1	0
Parks, Recreation and Community Services/Senior Services	Corporation of National Community Services	Foster Grandparent Program of Duval County	Volunteer program for seniors 55 and older to tutor and mentor at risk and special needs children.	\$356,695	\$81,046	\$0	\$22,884	3	1,300
Parks, Recreation and Community Services/Senior Services	State Department of Elder Affairs /ElderSource	Jacksonville Senior Service Program (JSSP)	Provides activities and programs that promote healthy living for citizens of Duval County 60 years of age and over. Grantor requires match funds. Additional funds needed as local match to support the 56 program staff for 19 Centers; 26 transportation buses for services, and other operating cost within the program.	\$1,088,524	\$108,852	\$2,862,451	\$0	56	5,200
Parks, Recreation and Community Services	Corporation for National and Community Services	Retired and Senior Volunteer Program	RSVP Provides diverse volunteer opportunities for persons 55 years and older. The Program encourages and provides opportunities for at least 600 seniors (age 55+) to be volunteers within the program are trained to read weekly to Duval County Public School pre-k and kindergarten whose families are economically disadvantaged.	\$69,049	\$195,000	\$0	\$0	3	1,300
Total Schedule B1b:				\$3,131,971	\$1,032,284	\$2,887,451	\$122,897	88	7,800

FY 16 Request for Reserve for Federal Grants Match / Overmatch: \$3,919,735
 Nutrition Services Incentive Program Match/overmatch: \$2,971,303 RPAH011JSSP 08231
 COPS Hiring Grant Match \$507,312 SHPO011PTCA
 Reserve for Federal Matching Grants (B1b) Net: \$441,120 JXRS011CCFMG 09910

FY17 Provisional Grants

City Department/ Division	Grantor	Grant Name	Project Description	Grant Award	Match Requested	Overmatch Requested	In Kind Contribution	FTE Positions	Part Time Hours
Fire & Rescue - Emergency Preparedness	Federal Emergency Management Agency (FEMA)	Assistance to Firefighters Grant Program (AFG)	Provide Fire Prevention and Safety Program for Fire Prevention Division.	500,000	50,000	0	0	0	0
Fire & Rescue - Emergency Preparedness	Federal Emergency Management Agency (FEMA)	Fire Prevention and Safety Grant Program (FP)	Funds to develop and implement a reporting program and hardware for Life and Fire Safety inspections.	500,000	25,000	0	0	0	0
Fire & Rescue - Emergency Preparedness	Florida Department of Health	EMS Matching Grant	Funds to purchase 12-lead AEDs for rescue/emergency medical services.	162,000	54,000	0	0	0	0
Fire & Rescue - Emergency Preparedness	Federal Emergency Management Agency (FEMA)	Assistance to Firefighters Grant Program (AFG)	Funds to provide equipment for the Rescue Division.	795,000	79,500	0	0	0	0
Fire & Rescue - Emergency Preparedness	Federal Emergency Management Agency (FEMA)	Port Security Grant Program (PSGP)	Funds to purchase and equip two hazardous materials marine firefighting boats, trailers and equipment.	750,000	250,000	0	0	0	0
Jacksonville Public Library	IMLS	LSTA	Opportunity Works @ JPL project - aimed at adult and adult digital literacy career development and soft skills.	100,000	33,500	0	14,318	3	1,200
Jacksonville Sheriff's Office	Department of Homeland Security	Port Security Grant Program	Port security projects include: Upgrade to Remote Operated Vehicle, the Maritime Navigation and Surveillance Project, the Maritime Non-Ballistic Head Protection Project, and build-out of the Maritime Hazardous Device Trailer to enhance port security and response.	215,329	0	0	0	0	0
Planning and Development - Community Planning	FL Div of Historical Resources	Small Matching Grants	Digitization of historical documents	17,000	0	0	0	0	0
Parks, Recreation and Community Services/Social Services Division	U.S. Department of Justice (DOJ)/ Office of Violence Against Woman (OVW)	Safe Havens Grant	Supervised Visitation Services for Victims of Sexual Assault, Child Abuse, Stalking and Domestic Violence	391,213	0	0	0	0	0
Parks, Recreation and Community Services - Office of Director	FIND Grant - Phase 2 Construction	Northshore Kayak Launch	Build Accessible shoreline kayak launch	\$68,972	\$86,684	\$0	\$0	0	0
Parks, Recreation and Community Services - Office of Director	FIND Grant - Phase 2 Construction	Charles Reese Fishing Pier	Build 100' long fishing pier and covert old ramp into kayak launch	\$138,735	\$174,362	\$0	\$0	0	0
Parks, Recreation and Community Services - Office of Director	FIND Grant - Phase 2 Construction	Half Moon Island Park and Boat Ramp (Phase 2A)	Build boat ramp, entrance, parking and shoreline revetment	\$924,199	\$1,161,533	\$0	\$0	0	0
Parks, Recreation and Community Services - Office of Director	FIND Grant - Phase 2B Construction	Exchange Club Island Pavilions	Construct two pavilions and associated sidewalks	\$80,360	\$100,996	\$0	\$0	0	0
Total Schedule B1c:				\$4,642,808	\$2,015,575	\$0	\$14,318	3	1,200

FY 17 Request for Reserve for Federal Grants \$2,015,575
FY 16 Reserve for Federal Grants Budgeted Amount \$985,014 JXRS011CCFP 09910
Unfunded Amount \$1,030,561

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

PROPOSED BUDGET BOOK - Page # 129-130

BACKGROUND

The Downtown Investment Authority (DIA) was created by Ordinance 2012-364-E to revitalize Jacksonville's urban core by utilizing community redevelopment area (CRA) resources to spur economic development. The agency has oversight for development of the existing Downtown Northbank CRA and the Southside CRA. This portion of the department's budget only includes the General Fund – GSD (SF 011) activities.

REVENUE

1. Miscellaneous Revenue

- This amount totaling \$39,820 includes revenue for the rental of City facilities for the River City Brewing Company lease payment and fees for applications that are submitted to the Downtown Development Review Board.

EXPENDITURES

1. Pension Costs

- The increase of \$4,059 is consistent with the scheduled increase for the City's contribution rate.

2. Internal Service Charges

- The net increase of \$51,984 is mainly attributable to increases of \$40,854 in legal fees to align with actual past usage and \$12,598 in computer system maintenance/security allocations for additional application support.

3. Professional and Contractual Services

- The increase of \$25,000 is to fund anticipated property disposition costs such as appraisals and environment surveys.

4. Other Operating Expenses

- The net decrease of \$27,426 is mainly due to a reduction of \$25,000 in event contributions to provide additional funding for the professional and contractual services noted above and an additional decrease of \$2,726 in miscellaneous services and charges that is based on actual usage.

5. Supervision Allocation

- The total of \$38,372 represents the administrative cost for one manager and one analyst to supervise Public Parking Fund (S/F 412) activities in accordance with a reorganization prescribed by Ordinance 2016-140-E. This cost has been allocated to S/F 412.

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

PROPOSED BUDGET BOOK - Page # 129-130

CAPITAL OUTLAY CARRYFORWARD:

There is a capital outlay carryforward of \$314,563 associated with proposals for professional services that the department is currently evaluating, in addition to real estate services for properties that the department is in the process of disposing of.

FOOD AND BEVERAGE 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
011	DIAD011DIA	\$750	Various public meetings (e.g., Board, project status, property disposition)	Funds will provide water, coffee, and tea associated with holding public meetings.

EMPLOYEE CAP CHANGES:

None.

SERVICE LEVEL CHANGES:

None.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
 COMMENTS AND RECOMMENDATIONS
 MAYOR'S PROPOSED FY 2016/17 BUDGET
 DOWNTOWN INVESTMENT AUTHORITY
 PUBLIC PARKING (S/F 412)**

PROPOSED BUDGET BOOK – Page #131-133

BACKGROUND:

Ordinance 2016-140-E reorganized the On Street and Off Street Parking from being held within the Office of Economic Development to residing within the Downtown Investment Authority. As part of the FY 2016/17 budget, the On-Street Parking fund (S/F 411) and Off-Street Parking fund (S/F 412) have been combined into S/F 412, which was renamed Public Parking. Public Parking manages both parking lots (Bay Street, Courthouse/Liberty Street, Forsythe Street, and JEA) and parking garages (City Hall Annex, Ed Ball, Main Library, St. James Building, Water Street and Yates Building). Revenues are generated through daily and monthly parking fees, as well as other fines and forfeitures.

	FY 2015/16 Adopted	FY 2016/17 Proposed	Change from FY 2015/16	
			PERCENT	DOLLAR
REVENUE				
Licenses and Permits	-	14,863	100%	14,863
Charges for Services	3,253,802	3,507,102	7.8%	253,300
Fines and Forfeits	580,000	526,199	(9.3%)	(53,801)
Investment Pool / Interest Earnings	5,793	16,029	176.7	10,236
Miscellaneous Revenue	25,815	34,286	32.8%	8,471
Transfers From Other Funds	1,350,435	-	(100%)	(1,350,435)
TOTAL REVENUE	5,215,845	4,098,479	(21.4%)	(1,117,366)
EXPENDITURES				
Salaries	1,314,309	1,281,432	(2.5%)	(32,877)
Salary & Benefit Lapse	(46,117)	(52,023)	12.8%	(5,906)
Pension Costs	319,758	346,068	8.2%	26,310
Employer Provided Benefits	342,374	336,115	(1.8%)	(6,259)
Internal Service Charges	562,144	731,544	30.1%	169,400
Insurance Costs and Premiums	95,728	107,153	11.9%	11,425
Professional and Contractual Services	100,001	1	(100%)	(100,000)
Other Operating Expenses	1,115,113	960,540	(13.9%)	(154,573)
Capital Outlay	514,413	2	(100%)	(514,411)
Supervision Allocation	-	38,372	100%	38,372
Indirect Cost	171,314	171,314	0.0%	-
Transfers to Other Funds	390,351	-	(100%)	(390,351)
Cash Carryover	336,457	177,961	(47.1%)	(158,496)
TOTAL EXPENDITURES	5,215,845	4,098,479	(21.4%)	(1,117,366)
AUTHORIZED POSITION CAP				
	FY 2015/16 Adopted	FY 2016/17 Proposed	CHANGE	
	36	36	0	
	4,780	4,780	0	

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2016/17 BUDGET
DOWNTOWN INVESTMENT AUTHORITY
PUBLIC PARKING (S/F 412)**

PROPOSED BUDGET BOOK – Page #131-133

REVENUE:

1. Licenses and Permits

- The increase of \$14,863 represents:
 - citation dismissal fees of \$7,863. This was budgeted in error. See recommendation below.
 - Section 804.1202 Wrecker and Towing Firm Fees of \$7,000. Ordinance 2015-451-E, authorized the towing of unattended vehicles after 24 hours and allowed Public Parking to use the rotating wrecker call list established by the Sheriff. Public Parking receives \$15 for each vehicle towed.

2. Charges for Services

- The increase of \$253,300 is mainly due a \$409,794 increase in projected revenues for parking fees – monthly. The increase is offset by projected decreases of \$72,616 in parking fees – daily, \$53,091 in parking late fees, and \$24,570 in parking meter rental – out of service.

3. Fines and Forfeits

- The decrease of \$53,801 is mainly due to a projected \$48,426 decrease in net parking fines due to reduced collections in FY 2015/16.

4. Investment Pool / Interest Earnings

- This amount represents anticipated interest earnings for FY 2016/17.

5. Miscellaneous Revenue

- This amount represents tenant revenue of \$28,990 and miscellaneous sales and charges of \$5,296.

EXPENDITURES:

1. Salaries

- The decrease of \$32,877 is mainly due to a \$44,294 decrease in permanent and probationary salaries due to employee turnover and filling position at lower salary. This is offset within increases to overtime based on FY2015/16 actuals.

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 \$26,310 is mainly due to increase in the defined benefit contribution rate.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2016/17 BUDGET
DOWNTOWN INVESTMENT AUTHORITY
PUBLIC PARKING (S/F 412)**

PROPOSED BUDGET BOOK – Page #131-133

4. Employer Provided Benefits
 - The decrease of \$6,259 is mainly due to a \$4,667 decrease in workers' compensation insurance and changes in employee health plan selection by employees.
5. Internal Service Charges
 - The increase of \$169,400 is mainly due a \$233,107 increase in utilities allocation. This is partially offset by a \$80,055 decrease in computer sys maintenance/security allocation 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 \$11,425 is mainly attributable to an overall increase in general and auto liability based on the actuarial study.
7. Professional Contractual Services
 - There is no professional or contractual service in the proposed budget. The prior year amount is for a parking study and is on the capital outlay carryforward schedule.
8. Other Operating Expenses
 - The decrease of \$154,573 is mainly due to decreases of:
 - \$275,000 in lease payments due to the closing of the manufacturer of the parking control equipment that was going to be leased. A provider has not yet been contracted. The prior year amount is on the capital outlay carryforward schedule.
 - \$10,000 for in house engineering services for assessment of the courthouse parking lot due to the closing of the lot after it collapsed.The decrease is partially offset by increases of:
 - \$92,179 in repairs and maintenance due to garage door maintenance and control contracts and general maintenance and repair.
 - \$33,940 in repairs to buildings and equipment for CCTV equipment.
 - \$5,000 in other operating supplies.
9. Capital Outlay
 - There is no capital outlay in the proposed budget. The prior year amount is for replacement parking meters and is on the capital outlay carryforward schedule.
10. Supervision Allocation
 - This amount represents the share of the departmental administration costs from the Downtown Investment Authority (General Fund – GSD), which are allocated to this fund.

**COUNCIL AUDITOR'S OFFICE
 COMMENTS AND RECOMMENDATIONS
 MAYOR'S PROPOSED FY 2016/17 BUDGET
 DOWNTOWN INVESTMENT AUTHORITY
 PUBLIC PARKING (S/F 412)**

PROPOSED BUDGET BOOK – Page #131-133

11. Cash Carryover

- This amount represents estimated revenues over expenses. It is being placed in a cash carryover for future appropriation and to cover any residual cash deficits that may remain from the movement of the on-street parking fund (S/F 411) into this fund.

CAPITAL OUTLAY CARRYFORWARD:

Other Operating Expenses	Public Parking	Amount
Specialized Equipment – Parking Meters	411 – DIPP411ON – 06429	\$512,037
Contractual Services – Parking Study	412 – DIPP412FAC - 03410	\$100,000
Lease – Federal APD equipment	412 – DIPP412FAC – 04408	\$275,000

EMPLOYEE CAP CHANGES:

None

SERVICE LEVEL CHANGES:

None

RECOMMENDATIONS:

1. We recommend removing the citation dismissal fees of \$7,863 from this subfund and moving it into the Handicap Parking Fines (S/F 1H8). This was inaccurately included in this budget. This will be offset with a decrease in cash carryover with this subfund (S/F 412) and an increase in cash carryover for Handicap Parking Fines (S/F 1H8). This has no impact on Special Council Contingency.

2. We recommend reducing the utilities allocation by \$282,668 and increasing the cash carryover by the corresponding amount. This was due to an error within the allocation model. Additionally, Public Buildings (S/F 5A1), needs electricity reduced by \$282,668 and a decrease to the interfund billing revenue line item. This has no impact on Special Council Contingency.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2016/17 BUDGET
DOWNTOWN ECONOMIC DEVELOPMENT FUND (S/F 75B)**

PROPOSED BUDGET BOOK - Page # 135-136

BACKGROUND:

This trust fund was created by Ordinance 2000-1079-E and is utilized for redevelopment projects in the City's Downtown Community Redevelopment Areas. This is an "all years" subfund.

REVENUE:

1. Miscellaneous Revenue
 - This \$1,900,000 represents an appropriation of existing revenue from the Vestcor company loan repayments related to a prior economic development deals.
2. Transfers From Other Funds
 - This \$250,000 represents a transfer from the Southside Tax Increment District (S/F 182) for the Southbank Retail Enhancement Program.

EXPENDITURES:

1. Capital Outlay
 - This \$100,000 represents the estimated funding that will be necessary for capital improvements to real estate parcels that are owned by the City in order to prepare the parcels for disposal (e.g., fee simple transfer, lease, license).
2. Grants, Aids and Contributions
 - This \$850,000 represents future economic agreements to provide forgivable loans as determined necessary by the DIA in order to provide support for cultural, artistic, educational, civic, and park and open spaces programming projects that promote and draw attention and people to the downtown area.
3. Payment to Fiscal Agents
 - This \$1,200,000 represents future economic agreements to provide interest bearing loans as determined necessary by the DIA in order to simultaneously leverage additional funding and support projects that have the potential to spur economic development downtown (e.g., multi-family housing, office/retail development, and other commercial projects).

EMPLOYEE CAP CHANGES:

There are no authorized positions in this subfund.

SERVICE LEVEL CHANGES:

None.

CONCERN:

There is a lack of specific detail for the \$2,150,000 of expenditures in this subfund. Should Council desire to obtain additional details before the funds are appropriated, all or part of the balance may be placed in a designated contingency.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2016/17 BUDGET
DOWNTOWN ECONOMIC DEVELOPMENT FUND (S/F 75B)**

PROPOSED BUDGET BOOK - Page # 135-136

RECOMMENDATIONS:

1. The proposed budget appropriates \$1,900,000 of the miscellaneous revenue. However, the available balance is only \$1,785,250. Therefore, we recommend reducing miscellaneous revenue and forgivable loans (part of payment to fiscal agent) by \$114,750 to align with the available balance.
2. We recommend removing the proposed \$250,000 transfer in from the Southside TID (S/F 182) to avoid placing tax increment funds in this account. Forgivable loans will also need to be reduced by \$250,000 to balance the account.
3. We recommend moving the remaining expenditure capacity to a contingency account until more specific details can be provided on how the funds will be used. These expenditures include all remaining funds for forgivable loans, the \$1,200,000 for payments to fiscal agents, and the 100,000 for capital outlay expenditures.

These recommendations will have no impact on Special Council Contingency.