

**OFFICE OF THE CITY COUNCIL**

117 WEST DUVAL STREET, SUITE 425

4TH FLOOR, CITY HALL

JACKSONVILLE, FLORIDA 32202

904-630-1377

**FINANCE COMMITTEE BUDGET HEARING #6 MINUTES**

 **August 24, 2017**

**9:00 a.m.**

**Location:** City Council Chamber, City Hall – St. James Building; 117 West Duval Street,

**In attendance:** Council Members Garrett Dennis (Chair), Danny Becton, Lori Boyer (arr. 10:47 a.m., dep. 4:48 p.m.), Katrina Brown, Reggie Brown, Reggie Gaffney, Matt Schellenberg (arr. 9:19 a.m.)

**Also**: Council Member Tommy Hazouri (dep. 12:10), Joyce Morgan (arr. 2:10 p.m.), Greg Anderson (arr. 3:00 p.m.); Peggy Sidman and Paige Johnston – Office of General Counsel; Kyle Billy, Brian Parks and Kim Taylor - Council Auditor’s Office; Crystal Shemwell and Katrin McDonald – Legislative Services Division; Sam Mousa, Ali Korman Shelton and Jordan Elsbury – Mayor’s Office; Mike Weinstein, Angela Moyer – Finance and Administration Department; Jeff Clements – Council Research Division

**Meeting Convened**: 9:04 a.m.

Chairman Dennis convened the meeting and the attendees introduced themselves for the record. Mr. Dennis referred to the committee’s action during Budget Hearing #5 and said that he wanted to bring the Mayor’s $30 million Safer Neighborhoods initiative back for discussion at the wrap-up meeting for more detailed discussion. Chief Administrative Officer Sam Mousa noted that there is detailed information for each of these projects in the CIP book.

**Page references from this point refer to Auditor’s Budget Hearing #6 handout.**

Employee Services Department

Diane Moser, Director of the Employee Services Department, made a presentation on the City’s Equal Opportunity/Equal Access Recruiting annual report. She reviewed the City’s employment goals, which include discovering and eliminating areas of under-representation, securing diversity representative of the community in all areas of employment, and minimizing complaints of discrimination. Ms. Moser outlined the City’s challenges is addressing under-representation in firefighter classifications (heavily male), filling positions requiring a commercial driver’s license and recruiting for professional positions that require specialized skills. She noted that the City has a low turnover rate in some job categories that makes increasing diversity difficult when there are no vacancies to be filled. She also noted that state-mandated veteran’s preference is an important hiring consideration. Ms. Moser described the City’s diversity efforts in advertising, recruiting and hiring practices.

Ms. Moser presented statistics on the racial/ethnic and gender diversity of the City’s workforce both in total and by department. Particular efforts are being made to recruit for under-represented categories. Committee members asked questions about innovative recruiting efforts that might change persistent patterns and suggested increasing efforts to reach younger people (middle and high schoolers) with internships and work-study programs to introduce students to potential City careers. In response to a question about the City’s relative pay levels, Ms. Moser said that the last comprehensive salary survey was conducted in 2014. The City recognized that its salaries were comparatively low, but the salary increases negotiated with the unions as part of the pension reform effort should help to remedy that disparity. Mr. Mousa described the administration’s mid-year salary reclassifications to address particular hiring and retention problems as they are identified. He reiterated the Mayor’s and administration’s commitment to diverse recruitment and hiring at all levels. Council Member R. Brown requested information on ethnic and gender diversity by salary levels and supervisory/management level. He also requested information on departmental training budgets and college tuition reimbursement to improve skill sets from within.

In response to a proposal by Chairman Dennis to make the $435,000 in the Employee Services budget for tuition reimbursement available to all City employees (currently it is budgeted for Sheriff’s Office and Fire and Rescue Department employees pursuant to collective bargaining agreements), Deputy General Counsel Peggy Sidman cautioned the committee about making any decisions before knowing the effect of that motion on the collective bargaining agreements. CFO Mike Weinstein said that the administration planned to revisit the tuition reimbursement benefit as part of collective bargaining in FY17-18 and said that if the Council wishes to make that benefit available to all employees, it might allocate funds in a contingency account in the upcoming budget to revive that former benefit and instruct the administration to begin preparing a program. Sam Mousa said that the administration is committed to restore that program that was cut several years ago and suggested making an allocation from the pension unfunded accrued actuarial liability reserve account in the budget for that purpose.

Jacksonville Human Rights Commission

In response to a question from Council Member Hazouri, Charlene Taylor-Hill, Executive Director of the JHRC, said that no employment complaints have been filed with the commission as a result of the passage of the City’s human rights ordinance, and two complaints alleging housing discrimination based on sexual orientation are under investigation. Council Member Hazouri asked how the City is enforcing the provision of the Mayor’s executive order that prohibited City contractors from discriminating on the basis of sexual orientation. Ms. Taylor-Hill said that her office does not deal with City vendors; she suggested that the Procurement Division is the appropriate enforcement entity. Sam Mousa invited the council members to refer any allegations of discrimination on the part of vendors to his office for investigation. Council Member Hazouri felt that the current system of relying on contractors and vendors providing the City with signed affidavits indicating their compliance with the executive order lacks rigor and enforceability.

In response to a question from Council Member Hazouri about whether the citizens can repeal a Council-adopted ordinance via referendum, Ms. Sidman reported that they cannot. In response to a follow-up question about whether the City Charter could be amended by referendum to create a mechanism to allow such citizen repeal of ordinances, Ms. Sidman said that she would need to research the issue.

Downtown Vision Inc.

Jim Cordon, CEO of Downtown Vision, Inc. said that DVI pays rent at a below-market rate to the City for its office space in the Ed Ball Building and that it asked the City to increase its contribution this year to provide four additional Downtown Ambassadors. Council Member R. Brown questioned the elimination of tables and chairs from Hemming Park by Friends of Hemming Park, believing that it makes the park less inviting and usable for the public.

Jacksonville Children’s Commission/Jacksonville Journey

**Motion**: on p. 16, approve Auditor’s recommendation to move $26,553 of salary and benefit lapse from operating contingency to “above the line”– **approved**

**Motion:** on p. 16, approve Auditor’s recommendation #2 to move $444,064 of the $13 million program funding “below the line” to program contingency –

In response to a question from Council Member Boyer for clarification, Mr. Mousa reported that the LEAP program is reflected in the Library’s budget and the portion of the JFRD Explorer Program formerly in the Jacksonville Journey budget is currently not budgeted.

**Motion** (Dennis): require that a minimum of 6,500 children be served in after-school programs and that a minimum of 6,000 children be served during 5 weeks of summer camp programs –

Sam Mousa said that the Kids Hope Alliance (KHA) bill pending in Council needs to run in conjunction with the budget ordinance and should be up for final approval at the second council meeting in September. He said that existing contracts with service providers will remain in place for the next six months, and the proposed new KHA board would come before the City Council after it is created to deal with the remainder of the budget that is proposed to be placed “below the line” in the budget ordinance. The Mayor is meeting with service providers and may propose amendments to the KHA ordinance while it is debated in committee. He felt the portion of the Dennis amendment regarding 2018 summer camps would be best left to the KHA board for discussion at a later date, but the proposal regarding current after-school programs is timely for action now. He cautioned that contracts with many after-school providers are already in place and he did not know if they would accommodate the 6,500 minimum slots being proposed. Council Member Boyer felt that establishing minimum service provisions would be better addressed via an Ordinance Code amendment or other ordinance separate from the budget so that it will survive the annual budget cycle. Council Member Crescimbeni suggested deferring this discussion of minimum required slots to the debate on the Kids Hope Alliance ordinance.

Matt Kane, Chair of the Jacksonville Children’s Commission board, said that the recent audit of Children’s Commission after-school programs found that the programs are being successful (statistically significant) in producing improved outcomes for the children who participate, particularly at the middle school level. He said that the need for after-school programs in the community is huge and any additional funding would be helpful in serving more children. In response to a question, Mr. Kane said that he had read the Kids Hope Alliance legislation and believes that it has very good objectives and agrees with the concept of combining the Children’s Commission and Jacksonville Journey into a single entity, although he has issues with some aspects of the proposal. He believes the current independence of the Children’s Commission is important and is a “best practice” in Florida which should not be lost. A second issue is the appointment mechanism and residency requirement for board members and how to obtain the best possible candidates. A third issue is the potential restrictiveness of the program categories, which may reflect current conditions but not be flexible enough as issues and conditions change. For example, he feels more attention needs to be paid to mental health issues, which is not a specifically mentioned category. Finally, Mr. Kane felt that the proposal codifies existing practices that have existed for years and don’t really need codifying. He noted that funding is a perennial issue and that the Council annually waives the Ordinance Code requirement requiring funding for the Children’s Commission at a rate equivalent to half a mill.

Ms. Boyer suggested that the budget ordinance be amended to prohibit executing contracts for summer camp programs until the money for those programs is moved “above the line”, which presumably will happen after the Kids Hope Alliance ordinance is dealt with.

The Dennis amendment was **withdrawn**.

In response to a question from Council Member K. Brown, Mr. Kane described the differences in the contract requirements for after-school programming from the old to the new contracts. The new contracts are less prescriptive about time and programming and more focused on enrichment activities and overall outcomes. He said that the JCC’s preference is to contract out training and service provision wherever possible rather than do it in-house. Scott Wiley, Chairman of the Beaches Boys and Girls Club and a Jacksonville Journey board member, described the after-school programs the Boys and Girls Club provides.

**The committee was in recess from 12:39 p.m. to 2:03 p.m.**

Council Member Schellenberg requested that Chief Judge Moran and Supervisor of Elections Mike Hogan be scheduled first on tomorrow’s wrap-up meeting agenda. Ms. Boyer suggested that there was no need for the Chief Judge to appear, since the committee knows his two requests and has no questions. Chairman Dennis said that he has heard from Supervisor Hogan that he would prefer to appear in the afternoon.

**Motion** (Becton): approve the administration’s request to correct an oversight in the budget to bring Jacksonville Journey funds “above the line” to support the SAIL program curriculum development and data analysis for the next 6 months in the amounts of $75,000 for the Florida Institute of Education (UNF) contract and $37,500 for the NLP Logix contract –

Council Member R. Brown questioned how UNF was chosen for its sole-source contract and whether other options had been explored. He opposed spending limited funding on contracts for products and services that he believes could be obtained at little or no cost from other sources, and stated that early learning and literacy are the primary responsibility of the School Board and the City should not be taking on this mission. In response to a question, Mr. Mousa said that the administration’s hope is that the Kids Hope Alliance will be legislatively approved and established by the end of December 2017 and that the program would be in full operation by the end of March 2018. Chairman Dennis told Mr. Mousa that he has heard concerns expressed in the community about the language creating the board and allowing non-Jacksonville residents to serve on the KHA board.

The Becton motion was **approved**.

The motion to approve Council Auditor’s amendment #2 (moved before the lunch recess) was **approved**.

**Motion** (Becton): attach pages 17a and 17b of the Auditor’s Budget Hearing #6 handout to the budget ordinance as an exhibit – **approved**.

Council Member Boyer questioned whether, or to what extent, the Children’s Commission could transfer funds among line items if the two lists are officially included in the budget. She requested the Auditor’s Office and OGC to craft language for consideration at tomorrow’s wrap-up meeting to address limited transfer ability for appropriations on the two lists.

In response to a question from Chairman Dennis about the future Jax Journey and Children’s Commission personnel, Mr. Mousa said that the 4 Journey positions will be moved to the LEAP program in the Library budget. The future of the 38 Children’s Commission employees will be up to the new Kids Hope Alliance board of directors and executive director. Mr. Mousa said that 3 of the existing Children’s Commission employees are in the civil service system and 35 are appointed; he will provide a report on how many of the 35 appointed employees have civil service reversion rights. In response to a question from Chairman Dennis about whether the proposed restructuring to the Kids Hope Alliance would jeopardize any grant funding the Children’s Commission currently receives, Children’s Commission CEO Jon Heymann said that the impact can’t be known until the Kids Hope Alliance is formed, a board appointed, and that board begins making decisions about its priorities and what types of programs it will pursue. Mr. Mousa said that the Kids Hope Alliance legislation currently provides that no programs will be provided in-house unless specifically required as a condition of grants received.

In response to a question from Council Member R. Brown, Mr. Heymann explained a change in the process for approving youth travel expenditures, eliminating the requirement that all expenditures must be paid on a reimbursement basis. Council Member Brown requested that the committee consider appropriating additional funds in the wrap-up session for this purpose.

Public Works Department

Council Member Boyer requested information from the department on the costs of increasing right-of-way maintenance; Public Works Director John Pappas said that he will provide information on a variety of increased service scenarios. Ms. Boyer also asked the department to address its capacity to handle additional capital project work in the form of engineering capacity, contract management, etc. In response to a question from Council Member Becton, Mr. Mousa explained the City’s relationship with the Florida Department of Transportation with regard to median and right-of-way maintenance after tree planting projects and the City’s responsibility to pick up the cost of maintenance of those areas, with FDOT reimbursing the City the amount it would have paid to mow the grass. Council Member R. Brown asked about the use of prison inmate labor on stormwater maintenance projects. Mr. Brown asked Mr. Pappas to provide information on the cost to increase inmate work crews. Mr. Brown advocated for City Council members to be notified when City mowing contracts are up for renewal so that they can have input regarding past performance of contractors.

In response to a question from Council Member Schellenberg, Mr. Pappas described a new technology available to perform traffic studies by tracking cellphone movements on roadways to follow vehicle movements from origin to destination. In response to a question from Council Member Anderson about Public Works equipment, Mr. Pappas said that equipment purchases over the past couple of years have allowed the department to become much more proactive rather than reactive in maintaining stormwater facilities. SWAT (Storm Water Action Team) crews target areas of the city for intensive ditch and pipe maintenance, moving from area to area in a proactive fashion. Each zone also has a crew dedicated to dealing with emergency situations.

Council Member R. Brown requested the Public Works Department to provide him with information after the budget process on the methodology used in other cities to evaluate road surface conditions and prioritize resurfacing needs.

**Motion**: on p. 25, approve Auditor’s recommendation to increase State Shared Revenues and Grants, Aids and Contributions by $325,546 – **approved**.

**Motion**: on p. 27, approve Auditor’s recommendation to increase Tree Protection Trust Fund authorized expenditures by $50,000 and offset by a like increase in investment pool earnings – **approved**.

**Motion**: on p. 34, approve Auditor’s recommendation to reduce external host fees by $15,647 to reflect the same tonnage as other subfunds and offset with a decrease to miscellaneous services and charges – **approved**.

**Motion**: on p. 42, approve Auditor’s recommendation to reduce Professional Services and Charges in the Stormwater Services subfund by $4,012 and reduce the loan from the General Fund/GSD by the same amount – **approved**.

In response to a question from Council Member Boyer, Mr. Billy explained that the subsidy from the General Fund to Stormwater Services is being characterized as a loan rather than a contribution because the enterprise fund is supposed to be self-supporting from its fee revenues. Mr. Mousa reported that no interest is being charged on this loan, which should begin repayment in a couple of years when debt service being supported by stormwater fees is paid off and that revenue will be available to repay this loan. Mr. Weinstein said that this fee will be discussed in January as part of the larger review of City fees.

**Motion**: on p. 45, approve Auditor’s recommendation to remove the Yates Building Capital Outlay carryforward of $77,927 from the Public Buildings budget – **approved**.

Neighborhoods Department

**Motion**: on p. 49, approve Auditor’s recommendation #1 to increase budgeted revenue for siltation inspection fees and water conservation well permits by $30,000 each – **approved**.

**Motion**: on p. 49, approve Auditor’s recommendation #2 to eliminate the allowance for bad debts – **approved**.

Council Member Boyer requested additional information about the trend in state support for the Mosquito Control budget.

**Motion**: on p. 54, approve Auditor’s recommendation to move $55,345 from the contingency fund to the Air Pollution Tag Fee subfund and offset by an increase in the Specialized Equipment line within the subfund and a transfer from fund balance in the Air Pollution Tag Fee subfund 121 – **approved**.

In response to a question from Council Member R. Brown, Stephanie Burch, Director of the Neighborhoods Department, described the department’s new zoned contracts for contractors to board up and eventually demolish abandoned nuisance properties. Ms. Burch explained the mandatory notice requirements that govern how quickly the City takes action on a nuisance property after the initial citation.

State and Federal Grants

In response to a question from Council Member K. Brown about the $250,000 grant for Sheriff’s Office police hiring, Budget Officer Angela Moyer said that these are pre-existing positions and the vast majority of funding is already in the General Fund for these positions.

**Motion**: on p. 63, approve Auditor’s recommendation #1 to include language in the budget ordinance concerning Schedules B1a and B1b to include a requirement for quarterly reporting to the Finance Committee of all grants received during the quarter – **approved**.

**Motion**: on p. 63, approve Auditor’s recommendation #2 to add language to the budget ordinance concerning the grants requiring a match clarifying that the additional appropriation cap is 10% or $20,000, whichever is greater – **approved**.

**Motion**: on p. 63, approve Auditor’s recommendation #3 to use leftover FIND match funds from FY15-16 in the amount of $169,718 to match FY17-18 grants - **approved**

**Motion**: on p. 63/64, approve Auditor’s recommendation #4a to remove the Ryan White grant of $6 million from Schedule B1a and appropriate via separate legislation – **approved**

**Motion**: on p. 63/64, approve Auditor’s recommendation #4b to remove the Air Pollution Tag Fee from Schedule B1a as it is not really a grant – **approved**

**Motion**: on p. 63/64, approve Auditor’s recommendation #4c to remove the Asbestos Program from Schedule B1a as it is not really a grant – **approved**

**Motion**: on p. 63/64, approve Auditor’s recommendation #4d to delete the first sentence of the descriptions of the two Defense Infrastructure Grants describing project locations – **approved**

**Motion**: on p. 63/64, approve Auditor’s recommendation #4e to revise the descriptions of the third Defense Infrastructure Grant – **approved**

**Motion**: on p. 63/64, approve Auditor’s recommendation #4f to change the name of the Justice Assistance Grant (DAWN) to the Edward Byrne Memorial Justice Assistance Grant (JAG) Program – Local Solicitation and increase the number of FTE positions from 3 to 4 – **approved**

**Motion**: on p. 63/64, approve Auditor’s recommendation #4g to include an index code for the City’s match on Schedule B1c - **approved**

**Motion**: on p. 63/64, approve Auditor’s recommendation #4h to correct a project name on Schedule B1c from Mandarin Boat Ramp Dock and Extension to Mandarin Boat Ramp Dock Extension and ADA Kayak Launch - **approved**

Council Member R. Brown advocated for each department having a designated grant writer assigned to a centralized grants office and that the City write many more grant applications to leverage all available funds. Mr. Mousa said that grant administration has vastly improved over the last two years and is examining and evaluating all possible avenues for grant funding. Mr. Brown said the City continues to lag in obtaining cleanup and redevelopment funds for designated brownfields.

Mr.Billy raised an Auditor’s Office concern about the clarity of the wording on Schedule B1c as to whether the FIND grants must be separately approved, by Council or by MBRC, before expenditure.

**Motion** (Becton): amend Schedule B1c to include language clarifying that FIND grants must be appropriated by separate Council action before expenditure – **approved**.

Outstanding items

* $30 million Safer Neighborhoods initiative discussion
* $200,000 allocation for tuition reimbursement for non-JSO, non-JFRD employees
* Language addressing Jacksonville Children’s Commission limited transfer ability for appropriations on the two lists of existing service providers included in the budget (pp. 17a and 17b in Auditor’s Budget Hearing #6 handout)
* Allocation of additional funds for the youth travel grants program in the JCC budget
* Costs of various scenarios for increasing right-of-way maintenance activities
* Public Works Department capacity to handle additional capital project work in the form of engineering capacity, contract management capability, etc.
* Public Works information on the cost to increase use of inmate work crews for right-of-way and stormwater system maintenance

Special Council Contingency

Council Member Becton reported that the Special Council Contingency fund stands at $2, 923,668.

**Meeting adjourned:** 5:22 p.m.

Minutes: Jeff Clements, Council Research

8.24.17 Posted 6:00 p.m.

Tapes: Finance Budget Hearing #6 – LSD

 8.24.17

Materials: Council Auditor’s Budget Meeting #6 handout – LSD

 8.24.17