

OFFICE OF THE COUNCIL AUDITOR

FY 2018/2019 PROPOSED BUDGET

FINANCE COMMITTEE MEMBERS

Greg Anderson – Chair
Joyce Morgan – Vice Chair
Lori N. Boyer
Reginald Gaffney
Bill Gulliford
Jim Love
Sam Newby



Meeting #2
August 17, 2018

**COUNCIL AUDITOR’S OFFICE
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**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2018/19 BUDGET
PUBLIC LIBRARIES
GENERAL FUND / GENERAL SERVICES DISTRICT (S/F 011)**

PROPOSED BUDGET BOOK - Page # 359-361

BACKGROUND:

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

REVENUES:

1. Charges for Services:

- The \$275,025 amount represents revenue collected from printing charges anticipated in FY 2018/19.

2. Miscellaneous Revenue:

- The increase of \$300 is due to an anticipated increase in collections of fees for using library copiers in FY 2018/19.

EXPENDITURES:

1. Salaries:

- The increase of \$1,178,793 is mainly due to an increase of \$984,874 in permanent and probationary salaries. This is mainly due to the salary increases agreed on in approved collective bargaining agreements, and for 13 new proposed positions in order to extend library hours by eight hours per week at nine branches for a total of 72 hours per week. There is also an increase of \$168,634 in part-time salaries in order to raise part-time employees pay up to the entry level for their equivalent full-time employee.

2. Pension Costs:

- The net increase of \$270,449 is mainly due to an increase of \$237,412 in the City's defined contribution pension plan due to the 13 new proposed positions as mentioned above and employee turnover.

3. Employer Provided Benefits:

The net increase of \$537,614 is mainly due to an increase of \$515,230 of health insurance costs due to the elimination of the five contribution "holidays" for the City and participants that occurred in FY 2017/18 and an increase of \$17,919 in medicare tax related to salary increases noted above.

4. Internal Service Charges:

- The net increase of \$349,584 is primarily due to increases of \$548,271 in IT tech equipment refresh due to more computers being refreshed in FY 2018/19, \$194,624 in building maintenance allocation due to an increase in actual maintenance costs in prior years, and \$43,239 in copier consolidation allocation due to service costs for library card readers to be used by patrons to pay for copies at the libraries, and increased usage. This is partially offset by a decrease of \$384,148 in computer systems maintenance/security

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due to a reduction in agency specific application service charges and the completion of system infrastructure upgrades. There is also a decrease of \$60,381 in utilities due to an overall decrease in electricity costs citywide.

5. Insurance Costs and Premiums:

- The increase of \$94,234 is due to an increase of \$64,216 in miscellaneous insurance due to property insurance premiums increasing and an increase of \$30,018 in general liability insurance due an increase in the number of claims.

6. Professional Services:

- The net increase of \$25,102 is mostly due to an increase of \$41,433 in security guard services related to the extension of library hours as mentioned above. This is offset by a net decrease of \$16,331 in contractual services due to a cost reduction in library materials being moved between the branches.

7. Other Operating Expenses:

- The net increase of \$68,574 is mainly due to the following increases:
 - \$43,545 in hardware/software maintenances and licenses for annual maintenance and server upgrades, website consulting services, and due to a library marketing system that was not budgeted in FY 2017/18;
 - \$12,843 in maintenance contracts on equipment due to annual maintenance of security gates and self-check machines and to repair microfilm printers as needed;
 - \$5,798 in dues, subscriptions, and memberships for new Shutterstock and Lyrisis memberships; and
 - \$5,000 in parking costs due to the proposed MOU agreement between the City's Parking Division and Public Libraries for Q-vouchers that allows one hour parking for library patrons at the main library.

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 COMMENTS AND RECOMMENDATIONS
 MAYOR'S PROPOSED FY 2018/19 BUDGET
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8. Library Materials:

- There is no change in this line item for FY 2018/19. The requested amount will be spent as follows:

**FY 2018/19 LIBRARY MATERIALS BUDGETED
 EXPENDITURES**

<u>MATERIALS</u>	<u>COST</u>
Print (Adult, Teen, Juvenile)	\$ 1,902,926
Electronic Databases	\$ 415,535
Electronic Books	\$ 395,561
Electronic Audio, Video, Music & Other E-Formats	\$ 548,410
DVD (Adult, Juvenile)	\$ 220,107
Music (Adult, Juvenile, Physical)	\$ 21,579
Magazines (Adult, Teen, Juvenile)	\$ 125,361
Spoken Audio (Adult, Teen, Juvenile)	\$ 155,370
LEAP Program	<u>\$ 14,304</u>
TOTAL	<u>\$3,799,153</u>

9. Indirect Cost:

- This is an allocation of costs to operate central services of the City (e.g. Finance and Administration, Employee Services and City Council) as calculated by the City's independent consulting firm.

STATE AID:

In addition to City funding, the Public Library Department receives a State Grant. For FY 2018/19, the estimated State Grant is \$756,317. The library has not yet finalized the budget for this grant.

SERVICE LEVEL CHANGES:

There are 72 total hours being added between nine branches (8 hours per branch).

CAPITAL OUTLAY CARRYFORWARD:

None.

EMPLOYEE CAP CHANGES:

The authorized position cap increased by 13 positions in order to extend library hours by 72 additional hours per week at nine branches (8 hours per branch). Part-time hours decreased by 8,000 based on actual need.

RECOMMENDATION:

None.

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 COMMENTS AND RECOMMENDATIONS
 MAYOR'S PROPOSED FY 2018/19 BUDGET
 PUBLIC LIBRARIES
 GENERAL FUND / GENERAL SERVICES DISTRICT (S/F 011)**

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The proposed hours of operation will increase by 72 hours in FY 2018/19.

JPL Proposed Hours of Operation for 2017/18								
Branch	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Total Hours
Argyle	Closed	Closed	1:00 - 9:00	10:00 - 6:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	40
Beaches	Closed	Closed	1:00 - 9:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	40
Bradham - Brooks	Closed	10:00 - 6:00	10:00 - 6:00	1:00 - 9:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	48
Brentwood	Closed	12:00 - 8:00	10:00 - 6:00	10:00 - 6:00	12:00 - 8:00	10:00 - 6:00	10:00 - 6:00	48
Brown Eastside	Closed	12:00 - 8:00	12:00 - 8:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	48
Graham	Closed	10:00 - 6:00	12:00 - 8:00	10:00 - 6:00	12:00 - 8:00	10:00 - 6:00	10:00 - 6:00	48
Highlands	1:00 - 5:00	1:00 - 9:00	1:00 - 9:00	10:00 - 6:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	52
Mandarin	Closed	10:00 - 6:00	1:00 - 9:00	1:00 - 9:00	10:00 - 6:00	Closed	10:00 - 6:00	40
Maxville	Closed	10:00 - 6:00	12:00 - 8:00	10:00 - 6:00	12:00 - 8:00	Closed	10:00 - 6:00	40
Murray Hill	Closed	Closed	1:00 - 9:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	40
Pablo Creek	1:00 - 5:00	1:00 - 9:00	10:00 - 6:00	1:00 - 9:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	52
Regency Square	Closed	10:00 - 6:00	10:00 - 6:00	1:00 - 9:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	48
San Marco	Closed	Closed	1:00 - 9:00	10:00 - 6:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	40
South Mandarin	Closed	Closed	10:00 - 6:00	1:00 - 9:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	40
Southeast	1:00 - 5:00	1:00 - 9:00	1:00 - 9:00	10:00 - 6:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	52
University Park	Closed	10:00 - 6:00	1:00 - 9:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	48
Webb Wesconnett	1:00 - 5:00	1:00 - 9:00	10:00 - 6:00	1:00 - 9:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	52
West Regional	Closed	Closed	1:00 - 9:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	40
Westbrook	Closed	10:00 - 6:00	12:00 - 8:00	10:00 - 6:00	12:00 - 8:00	10:00 - 6:00	10:00 - 6:00	48
Willowbranch	Closed	Closed	10:00 - 6:00	1:00 - 9:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	40
Main	1:00 - 5:00	10:00 - 6:00	11:00 - 7:00	11:00 - 7:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	52

**COUNCIL AUDITOR'S OFFICE
 COMMENTS AND RECOMMENDATIONS
 MAYOR'S PROPOSED FY 2018/19 BUDGET
 PUBLIC LIBRARIES
 GENERAL FUND / GENERAL SERVICES DISTRICT (S/F 011)**

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JPL Proposed Hours of Operation for 2018/19								
Branch	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Total Hours
Argyle	Closed	1:00 - 9:00	1:00 - 9:00	10:00 - 6:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	48
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Brentwood	Closed	12:00 - 8:00	10:00 - 6:00	10:00 - 6:00	12:00 - 8:00	10:00 - 6:00	10:00 - 6:00	48
Brown Eastside	Closed	12:00 - 8:00	12:00 - 8:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	48
Graham	Closed	10:00 - 6:00	12:00 - 8:00	10:00 - 6:00	12:00 - 8:00	10:00 - 6:00	10:00 - 6:00	48
Highlands	1:00 - 5:00	1:00 - 9:00	1:00 - 9:00	10:00 - 6:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	52
Mandarin	Closed	10:00 - 6:00	1:00 - 9:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	48
Maxville	Closed	10:00 - 6:00	12:00 - 8:00	10:00 - 6:00	12:00 - 8:00	10:00 - 6:00	10:00 - 6:00	48
Murray Hill	Closed	1:00 - 9:00	1:00 - 9:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	48
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Willowbranch	Closed	10:00 - 6:00	10:00 - 6:00	1:00 - 9:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	48
Main	1:00 - 5:00	10:00 - 6:00	11:00 - 7:00	11:00 - 7:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	52

Total Weekly Service Hours

1028

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2018/19 BUDGET
PUBLIC LIBRARIES
LIBRARY CONFERENCE FACILITIES TRUST (S/F 15W)**

PROPOSED BUDGET BOOK - Page # 362-364

BACKGROUND:

The Library Conference Facility Trust was established per Ordinance 2006-237-E and is governed by Municipal Section 111.830. The Main Library charges a fee for the use of the conference facilities in order to cover the cost associated with operating and leasing conference facilities for business, recreational and social purposes. This is an “all years” fund and as such, during the budget process the amounts budgeted may include de-appropriating unused balances in both expense and revenue from the prior fiscal year (FY 2017/18). The clean-up of an all years fund, as part of the annual budget, may cause negative totals. The upcoming fiscal year budget needs are netted against the all year’s balances to determine the FY 2018/19 proposed “change” to the all year’s appropriation.

REVENUES:

1. Investment Pool/Interest Earnings
 - The increase of \$1,616 is due to an increase in anticipated investment pool earnings in FY 2018/19.
2. Miscellaneous Revenue
 - The decrease of \$25,000 is due to an anticipated decrease in rental revenue for city facilities in FY 2018/19 based on recent activity.

EXPENDITURES:

1. Salaries
 - The increase of \$5,313 is mainly due to an increase in permanent and probationary salaries related to the general wage increase per collective bargaining.
2. Pension Costs
 - The decrease of \$10,151 is the result of employee turnover resulting in no employee being a member of the defined benefit plan and all employees being on the defined contribution plan.
3. Employer Provided Benefits
 - The decrease of \$4,114 is primarily due to a reduction in health insurance costs due to employee turnover resulting in different plans being elected.
4. Professional and Contractual Services
 - The decrease of \$40,700 is due to a decrease of \$22,500 in security/guard services, and a decrease of \$18,200 in contractual services. These funds were mistakenly removed from the budget. **See Recommendation 1**

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2018/19 BUDGET
PUBLIC LIBRARIES
LIBRARY CONFERENCE FACILITIES TRUST (S/F 15W)**

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5. Other Operating Expenses

- The increase of \$27,585 is mainly due to following increases:
 - \$7,500 in repairs and maintenance for carpet and wall cleaning, repair of kitchen equipment and to clean auditorium seats,
 - \$5,996 in dues, subscriptions and memberships mainly for annual "Meeting Professionals International" (MPI) memberships for staff,
 - \$5,000 in travel expense to send three employees to the annual MPI meeting and three employees to the Sunshine Education summit,
 - \$5,000 in repairs and maintenance supplies to purchase replacement signage, materials and services for courtyard maintenance, and to repair a sprinkler system, and
 - \$3,450 in employee training for summit registration fees.

6. Capital Outlay

- The increase of \$10,610 is due to an increase in office furniture and equipment in order to purchase new digital projectors, screens, wall plates and cabling for conference rooms. The current equipment does not always work properly for customers who rent conference rooms.

7. Contingencies

- The proposed contingency amount of \$3,819 is this subfund's FY 2018/19 portion of the overall pension reform reserves being set aside as funds to be available to offset future salary increases agreed to in the recently approved collective bargaining agreements.

EMPLOYEE CAP CHANGES:

There are no changes to position cap.

SERVICE LEVEL CHANGES:

None

RECOMMENDATION:

We recommend that security guards be increased by \$24,000 and contractual services by \$8,285 to address the issues noted above. This should be offset by a decrease in dues, subscriptions, and memberships of \$3,450 which is double budgeted, and an increase to rental of facilities in the amount of \$28,835 which represents revenue previously collected. This will have no impact to Special Council Contingency.

**COUNCIL AUDITOR'S OFFICE
 COMMENTS AND RECOMMENDATIONS
 MAYOR'S PROPOSED FY 2018/19 BUDGET
 PUBLIC HEALTH DEPARTMENT
 GENERAL FUND/GENERAL SERVICES DISTRICT (S/F 011)**

PROPOSED BUDGET BOOK – Page # 357-358

BACKGROUND:

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

EXPENDITURES:

1. Internal Service Charges:

- The net increase of \$39,774 is mostly due to increases of \$27,853 and \$6,405 in building maintenance and radio cost allocations, respectively. The increase in allocation of the building maintenance cost is due to an overall increase in building maintenance costs citywide, while the increase in radio allocation is due to an increase in the number of radios in service from 48 in FY 2017/18 to 64 in FY 2018/19.

2. Insurance Costs and Premiums:

- The increase of \$6,920 is due to an increase in premiums for property insurance.

3. Grants, Aids & Contributions:

- City funding has been provided for three programs, as listed below. The chart also includes funding that was provided by the State.

Program Name	FY2017/18		FY2018/19		
	State	City	State	City	
Sexually Transmitted Diseases	\$ 386,518	\$ 147,000	\$ 357,226	\$ 147,000	
Immunization	\$ 128,674	\$ 258,292	\$ 172,178	\$ 258,292	
Hospital Emergency Room Alternatives	\$ 262,499	\$ 150,243	\$ 86,780	\$ 150,243	(a)
Wesconnett - Westside Area	\$ 360,452	\$ 150,000	N/A	N/A	(b)
Total	\$ 1,138,143	\$ 705,535	\$ 616,184	\$ 555,535	

- (a) The decrease of \$175,719 in State funding for the Hospital Emergency Room Alternatives Program (HERAP) is due to the program changing focus to provide case management and education services to HIV clients with co-morbidities and OB clients to improve pregnancy outcomes and decrease infant mortality.
- (b) The decrease of \$150,000 in City funding is due to the completion of the Duval County Health Department expansion of service to the Wesconnett – Westside Area that was included as a one-time cost in FY 2017/18.

**COUNCIL AUDITOR'S OFFICE
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MAYOR'S PROPOSED FY 2018/19 BUDGET
PUBLIC HEALTH DEPARTMENT
GENERAL FUND/GENERAL SERVICES DISTRICT (S/F 011)**

PROPOSED BUDGET BOOK – Page # 357-358

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

There are no City funded positions for this Department.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2018/19 BUDGET
JACKSONVILLE HOUSING FINANCE AUTHORITY
HOUSING FINANCE AUTHORITY (S/F 721)**

BACKGROUND:

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

ESTIMATED REVENUES:

No changes in revenue.

ESTIMATED EXPENDITURES:

No changes in expenditures. See recommendation below.

SERVICE LEVEL CHANGES:

There is no change in service level.

AUTHORIZED POSITION CAPS:

There is no authorized position cap for this subfund.

RECOMMENDATION:

We recommend that Schedule N be revised to decrease the FY 2018/19 proposed amount for indirect costs by \$4,973 to correct the budgeted amount. Salaries should be increased by \$2,486 and group hospitalization should be increased by \$2,487 to offset this issue.

Since the General Fund/GSD is budgeted to receive the correct amount, there is no impact to Special Council Contingency.

**Jacksonville Housing Finance Authority
2018/19 Proposed Budget**

	<u>FY 2017/2018</u>	<u>FY 2018/2019</u>	<u>Change From FY18</u>	
	<u>Approved</u>	<u>Proposed</u>	<u>Percent</u>	<u>Dollar</u>
Estimated Revenues:				
36142 Realized Gain/Loss on Sale	\$ 55,000	\$ 55,000	0.0%	\$ -
36907 Miscellaneous Sales	75,000	75,000	0.0%	-
36936 Mortgage Interest	30,000	30,000	0.0%	-
38502 Bond Issuer Fees	125,000	125,000	0.0%	-
361101 Investment Proceeds	35,000	35,000	0.0%	-
Total Estimated Revenues	\$ 320,000	\$ 320,000	0.0%	\$ -
Estimated Expenditures:				
Personnel *				
01201 Salaries	\$ 62,159	\$ 62,159	0.0%	\$ -
01401 Salaries Overtime	-	-		-
01511 Special Pay	870	870	0.0%	-
02101 Payroll Taxes	-	-		-
02102 Medicare Taxes	872	872	0.0%	-
02201 Pension Contributions	4,962	4,962	0.0%	-
02201B Unfunded Pension Liability	11,588	11,588		-
02207 Disability Trust Fund	181	181	0.0%	-
02303 Group Life Insurance	209	209	0.0%	-
02304 Group Hospitalization	8,489	8,489	0.0%	-
Total Personnel	\$ 89,330	\$ 89,330	0.0%	\$ -
Operating Expenses				
03109 Professional Services	\$ 145,000	\$ 145,000	0.0%	\$ -
04002 Travel Expenses	10,000	10,000	0.0%	-
04203 ITD Replacement	-	-		-
04205 OGC Legal	31,261	31,261	0.0%	-
04221 Mailroom	409	409	0.0%	-
04223 Computer Data Center	2,359	2,359	0.0%	-
04404 Lease Purchase	-	-		-
04603 Repairs and Maintenance	1	1	0.0%	-
04801 Advertising	1,000	1,000	0.0%	-
04938 Miscellaneous	16,392	16,392	0.0%	-
05101 Office Supplies	1,500	1,500	0.0%	-
05206 Food & Beverage	1,000	1,000	0.0%	-
05216 Other Operating Expenses	1	1	0.0%	-
05401 Employee Training	7,500	7,500	0.0%	-
05402 Dues, Subscriptions, Memberships	4,000	4,000	0.0%	-
Total Operating Expenses	\$ 220,423	\$ 220,423	0.0%	\$ -
Other Expenses				
06302 Improvements Other Than Buildings	\$ 1	\$ 1	0.0%	\$ -
06402 Other Heavy Equipment	1	1	0.0%	-
09904 Indirect Costs	10,245	10,245	0.0%	-
Total Other Expenses	\$ 10,247	\$ 10,247	0.0%	\$ -
Total Estimated Expenditures	\$ 320,000	\$ 320,000	0.0%	\$ -

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

**Jacksonville Housing Finance Authority
2018/19 Budget**

Estimated Revenues:

36142 Realized Gain/Loss on Sale	\$	55,000
36907 Miscellaneous Sales		75,000
36936 Mortgage Interest		30,000
38502 Bond Issuer Fees		125,000
361101 Investment Proceeds		35,000
Total Estimated Revenues	\$	320,000

Estimated Expenditures:

Personnel *

01201 Salaries	\$	64,645
01401 Salaries Overtime		-
01511 Special Pay		870
02101 Payroll Taxes		-
02102 Medicare Taxes		872
02201 Pension Contributions		4,962
02201B Unfunded Pension Liability		11,588
02207 Disability Trust Fund		181
02303 Group Life Insurance		209
02304 Group Hospitalization		10,976
Total Personnel	\$	94,303

Operating Expenses

03109 Professional Services	\$	145,000
04002 Travel Expenses		10,000
04205 OGC Legal		31,261
04221 Mailroom		409
04223 Computer Data Center		2,359
04603 Repairs and Maintenance		1
04801 Advertising		1,000
04938 Miscellaneous		16,392
05101 Office Supplies		1,500
05206 Food & Beverage		1,000
05216 Other Operating Expenses		1
05401 Employee Training		7,500
05402 Dues, Subscriptions, Memberships		4,000
Total Operating Expenses	\$	220,423

Other Expenses

06302 Improvements Other Than Buildings	\$	1
06402 Other Heavy Equipment		1
09904 Indirect Costs		5,272
Total Other Expenses	\$	5,274

Total Estimated Expenditures **\$** **320,000**

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

Revised Schedule N

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2018/19 BUDGET
FLEET MANAGEMENT DIVISION
FLEET MANAGEMENT OPERATIONS (S/F 511)**

PROPOSED BUDGET BOOK – Page #200-202

BACKGROUND:

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

REVENUE:

1. Charges for Services:
 - This represents the costs billed to other departments and government agencies and is directly related to the budgeted expenditures in this fund.
2. Investment Pool Earnings:
 - The decrease of \$23,000 is mainly due to actual interest earnings based on the cash balance in this subfund.
3. Miscellaneous Revenue:
 - The net increase of \$10,000 is mainly due to an expected increase in revenue from reimbursement for warranty work based on the purchase of new vehicles.
4. Transfers from Fund Balance
 - This represents the FY 2017/18 pension reform contingency being appropriated and placed back into contingency below where it is added to the FY 2018/19 portion.

EXPENDITURES:

1. Salaries:
 - The increase of \$315,830 is mainly due to the following:
 - An increase in salaries of \$273,937 as a result of pay increases related to collective bargaining and some salary adjustments during the fiscal year.
 - An increase in part-time salaries of \$30,748 due to the establishment of an apprentice program with vocational schools.
 - An increase in over-time salaries of \$6,414 due to historical trends.
2. Salary & Benefit Lapse:
 - This reflects an estimated salary and benefit lapse based on the average turnover ratio and estimated number of vacancies in FY 2018/19.
3. Pension Costs:
 - The net increase of \$48,978 is mainly due to employee turnover and salary increases.

**COUNCIL AUDITOR’S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR’S PROPOSED FY 2018/19 BUDGET
FLEET MANAGEMENT DIVISION
FLEET MANAGEMENT OPERATIONS (S/F 511)**

PROPOSED BUDGET BOOK – Page #200-202

4. Employer Provided Benefits:
 - The net increase of \$133,127 is mainly due to not having the five contribution “holidays” that occurred in FY 2017/18.

5. Internal Service Charges:
 - The net increase of \$156,857 is mainly due to an increase for fleet vehicle replacement (\$107,684) for the purchase of a new fuel truck and other support vehicles, computer system maintenance allocation (\$24,385) based on usage, and building maintenance–citywide allocation (\$12,776) based on historical actuals.

6. Other Operating Expenses:
 - The increase of \$1,246,959 is mainly due to an increase of \$1,205,335 in fuel costs based on a higher projected price per gallon of fuel, an increase of \$50,000 in environmental services and an increase of \$19,000 in tires. This was partially offset by a decrease of \$16,000 in equipment rental based on actuals and the elimination of \$11,500 in large volume containers due to no activity the last two fiscal years.

7. Supervision Allocation:
 - This amount represents the administrative cost of the Division that is allocated to the Vehicle Replacement Fund (S/F 512).

8. Indirect Cost:
 - This is an allocation of costs to operate central services of the City (e.g. Finance and Administration, Employee Services and City Council) as calculated by the City’s independent consulting firm. The reason for the increase is due to this area moving into the Finance and Administration Department.

9. Contingencies:
 - The increase of \$128,612 is the FY 2018/19 portion of the pension reform contingency.

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

The proposed budget increases the number of authorized part-time hours by 2,080 to 9,802.

CAPITAL OUTLAY CARRYFORWARD:

This area has \$6,879 for repairs and renovation listed on the carryforward schedule.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2018/19 BUDGET
FLEET MANAGEMENT DIVISION
VEHICLE REPLACEMENT (S/F 512)**

PROPOSED BUDGET BOOK – Page #203-205

BACKGROUND:

This is an internal service fund that accounts for the replacement of City owned vehicles. Vehicles purchased in this subfund are purchased with borrowed funds.

REVENUE:

1. Charges for Services:
 - This revenue represents the charges billed to other departments and agencies for both prior and current year vehicle replacements. The increase of \$4,629,075 is due to a larger number of vehicles being replaced in recent years.
2. Investment Pool / Interest Earnings:
 - The increase of \$67,283 in interest earnings is based on current year actuals.
3. Miscellaneous Revenue:
 - The increase of \$465,000 is attributable to an increase of \$315,000 in anticipated revenue from the sale of surplus vehicles and an increase of \$150,000 in revenue from third party insurances based on prior year actuals.
4. Other Sources:
 - This represents the amount of borrowed funds to be used to replace vehicles. There is no anticipated borrowing to purchase vehicle in FY 2018/19.
5. Transfers from Fund Balance:
 - Fund balance is being appropriated to re-establish the FY 2017/18 portion of the pension reform contingency.

EXPENDITURES:

1. Salaries:
 - The increase of \$4,817 is mainly due to anticipated pay increases to be effective October 1st related to collective bargaining.
2. Pension Costs:
 - The increase of \$5,871 is due to an increase in contributions to the City's defined benefit plan.
3. Employer Provided Benefits:
 - The increase of \$9,305 is mainly due to an increase in health insurance attributable to the elimination of the five contribution "holidays" that occurred in FY2017/18.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2018/19 BUDGET
FLEET MANAGEMENT DIVISION
VEHICLE REPLACEMENT (S/F 512)**

PROPOSED BUDGET BOOK – Page #203-205

4. Other Operating Expenses:
 - The increase of \$859,886 is due to the leasing of 91 covert vehicles to be used by the Jacksonville Sheriff's Office in connection with Ordinance 2018-456.
5. Capital Outlay:
 - This amount represents the purchase of vehicles in the proposed budget with borrowed funds. There is no borrowed capital spending in FY 2018/19.
6. Supervision Allocation:
 - This amount represents the administrative cost of the Division which is allocated to each activity within Fleet Management.
7. Indirect Cost:
 - This is an allocation of costs to operate central services of the City (e.g. Finance and Administration, Employee Services and City Council) as calculated by the City's independent consulting firm.
8. Contingencies:
 - The proposed contingency amount is part of the overall pension reform reserves being set aside to offset future salary increases agreed to in the collective bargaining agreements. The total includes \$17,093 from FY 2017/18 and \$4,378 for the FY 2018/19 portion.
9. Transfers to Other Funds:
 - This amount represents the excess revenue over expenditure total in this subfund that is available to fund a portion of the FY 2018/19 vehicle replacements and is being transferred to the Direct Vehicle Replacement fund (S/F 513).
10. Debt Management Fund Repayments:
 - This amount represents the interest and principal debt repayment for vehicles purchased with borrowed funds. The increase of \$1,979,031 is due to the increase in vehicle replacements in recent years with corresponding increases in borrowing.

EMPLOYEE CAP CHANGE:

There are no changes to the overall employee cap.

CAPITAL OUTLAY CARRYFORWARD:

There is a total capital outlay carryforward of \$23,532 associated with the FY 2017/18 vehicle replacements that might not be purchased by the end of the fiscal year. This amount was increased during Meeting #1 with the approval of the Revised Schedule AF.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2018/19 BUDGET
FLEET MANAGEMENT DIVISION
VEHICLE REPLACEMENT (S/F 512)**

PROPOSED BUDGET BOOK – Page #203-205

SERVICE LEVEL CHANGES:

None.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2018/19 BUDGET
FLEET MANAGEMENT DIVISION
DIRECT REPLACEMENT (S/F 513)**

PROPOSED BUDGET BOOK – Page #206-207

BACKGROUND:

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

REVENUE:

1. Investment Pool / Interest Earnings:

- The increase of \$58,310 in interest earnings is based on current year actuals.

2. Transfers From Other Funds:

- This amount represents a transfer of \$21,811,138 from the Vehicle Replacement fund (S/F 512) and a one-time transfer of \$8,690,824 from the General Fund – General Services District (S/F 011) to fund vehicle replacement with cash. The increase is due to the City using pay-go funds instead of borrowing for all vehicle purchases in FY 2018/19.

3. Transfers from Fund Balance:

- The transfer of \$200,000 from fund balance is being utilized to help purchase all vehicles with cash.

EXPENDITURES:

1. Capital Outlay:

- This amount represents the total capital requirement for the FY 2018/19 vehicle replacements. The increase is due to more vehicles being purchased with pay-go funds in FY 2018/19 than in the prior year.

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

None.

CAPITAL OUTLAY CARRYFORWARD:

There is a capital outlay carryforward of \$2,803,277 associated with the FY 2017/18 vehicle replacements that might not be purchased by the end of the fiscal year. Note this amount was reduced during meeting one to match the current balance.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2018/19 BUDGET
FINANCE AND ADMINISTRATION
COPY CENTER / CENTRAL MAILROOM (S/F 521)**

PROPOSED BUDGET BOOK - Page # 208-210

BACKGROUND:

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

REVENUE:

1. Charges for Services:

- This amount of \$2,606,946 represents costs billed to other departments and government agencies and is directly related to the budgeted expenditures in this fund.

2. Investment Pool / Interest Earnings:

- This amount represents anticipated interest earnings for FY 2017/18 based on the projected available cash balance of the subfund.

3. Transfers From Fund Balance:

- This amount of \$18,594 represents the prior year portion of the contingency associated with the overall pension reform reserves.

EXPENDITURES:

1. Salaries:

- The increase of \$11,452 is primarily due to the anticipated pay increases of 4.5% to be effective October 1st due to approved collective bargaining agreements.

2. Employer Provided Benefits:

- The increase of \$11,192 is primarily due to an increase of \$11,142 for health insurance resulting from the five contribution "holidays" being eliminated.

3. Professional and Contractual Services:

- The increase of \$58,000 is for the Copier Consolidation Contract due to an additional 24 copiers being added to the City's libraries for the public to use (\$28,360) and the annual service cost to the City for card reader devices for those copiers in order to accept the customer payments (\$29,640). The additional revenue from the copiers is included in the budget for Public Libraries.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2018/19 BUDGET
FINANCE AND ADMINISTRATION
COPY CENTER / CENTRAL MAILROOM (S/F 521)**

PROPOSED BUDGET BOOK - Page # 208-210

4. Contingencies:

- The proposed contingency amount of \$23,458 is part of the overall pension reform reserves being set aside as funds to be available to offset future salary increases agreed to in the approved collective bargaining agreements.

EMPLOYEE CAP CHANGES:

There are no changes to the overall employee cap.

SERVICE LEVEL CHANGES:

None.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2018/19 BUDGET
FINANCE AND ADMINISTRATION
ITD OPERATIONS (S/F 531)**

PROPOSED BUDGET BOOK – Page #211-213

BACKGROUND:

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

REVENUE:

1. Charges for Services:

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

2. Investment Pool / Interest Earnings:

- The increase of \$24,526 is based on current year actuals.

3. Transfers from Fund Balance:

- Fund balance is being appropriated to re-establish the FY 2017/18 pension reform contingency.

EXPENDITURES:

1. Salaries:

- The net increase of \$465,773 is primarily due to anticipated pay increases of 4.5% to be effective October 1st related to collective bargaining agreements from pension reform, as well as some mid-year promotions.

2. Pension Costs:

- The increase of \$87,507 in pension costs is mainly due to employee turnover and salary increases.

3. Employer Provided Benefits:

- The increase of \$243,201 is mainly due to an increase in health insurance in connection with the elimination of the five contribution “holidays” that occurred in FY 2017/18.

4. Internal Service Charges:

- The increase of \$3,383,554 is primarily due to an increase of \$3,252,608 in IT system development project allocations from new and previously approved projects, mainly the Enterprise Financial and Resource Management Solution. There is also an increase of \$76,784 in the building cost allocation of the Ed Ball building.

5. Professional and Contractual Services:

- The increase of \$2,447,919 is mainly due to an increase in software hosting services for projects in the IT Five-Year Plan. This includes software hosting costs of \$1,645,602 for

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2018/19 BUDGET
FINANCE AND ADMINISTRATION
ITD OPERATIONS (S/F 531)**

PROPOSED BUDGET BOOK – Page #211-213

the Enterprise Financial and Resource Management Solution, \$546,631 for Microsoft Office365 and \$438,320 for the Enterprise Permit and Land Use Management System. This is somewhat offset by the removal of one-time expenditures in FY 2017/18.

6. Other Operating Expenses:

- The increase of \$765,086 is primarily attributable to the maintenance and purchase of software licenses in connection with the Motorola Fire Computer Aided Dispatch (CAD) System, the Command Central AWARE / Real Time Crime Center, and McAfee Security.

7. Supervision Allocation:

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

8. Indirect Cost:

- This is an allocation of costs to operate central services of the City (e.g. Finance and Administration, Employee Services and City Council) as calculated by the City's independent consulting firm. The increase in allocation is due to Information Technologies being moved into the Finance and Administration Department.

9. Contingencies:

- The proposed contingency amount is part of the overall pension reform reserves being set aside to offset future salary increases agreed to in the collective bargaining agreements. The total includes \$1,017,931 from FY 2017/18 and \$258,353 for the FY 2018/19 pension reform contingency.

EMPLOYEE CAP CHANGES:

None.

CAPITAL OUTLAY CARRYFORWARDS:

None.

SERVICE LEVEL CHANGES:

None.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2018/19 BUDGET
FINANCE AND ADMINISTRATION
RADIO COMMUNICATIONS (S/F 534)**

PROPOSED BUDGET BOOK – Page #214-216

BACKGROUND:

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

REVENUE:

1. Charges for Services:
 - This represents the costs billed to other departments and government agencies and is directly related to the budgeted expenditures in this fund.
2. Investment Pool / Interest Earnings:
 - The decrease of \$14,175 in interest income is based on current year actuals.
3. Transfers from Fund Balance:
 - Fund balance is being appropriated to re-establish the FY 2017/18 pension reform contingency.

EXPENDITURES:

1. Salaries:
 - The net decrease of \$8,081 is due to vacant positions being filled at a lower salary rate. This is offset somewhat by anticipated pay increases to be effective October 1st related to collective bargaining.
2. Salary & Benefit Lapse:
 - This reflects an estimated salary and benefit lapse based on the average turnover ratio and estimated number of vacancies in FY 2018/19.
3. Employer Provided Benefits:
 - The increase of \$16,997 is mainly due to an increase in health insurance in connection with the elimination of the premium contribution “holidays” that occurred in FY 2017/18.
4. Professional and Contractual Services:
 - The decrease of \$85,439 is due to one-time funding provided in FY 2017/18 for the replacement and installation of uninterrupted power supply (UPS) equipment at various radio tower sites.
5. Other Operating Expenses:
 - The decrease of \$26,882 is due to a decrease of \$78,816 in operating supplies which was partially offset by an increase of \$45,250 in repairs and maintenance costs of radio tower sites.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2018/19 BUDGET
FINANCE AND ADMINISTRATION
RADIO COMMUNICATIONS (S/F 534)**

PROPOSED BUDGET BOOK – Page #214-216

6. Capital Outlay:

- This funding has been provided to purchase new and replacement radio equipment for JFRD personnel, equipment for new JFRD rescue units, and to fund the Microwave Network Radio Sites project.

7. Grants, Aids & Contributions:

- This funding is to reimburse JEA for the tower rental costs at three leased sites and for the related utilities, repair, and maintenance costs.

8. Supervision Allocation:

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

9. Indirect Cost:

- This is an allocation of costs to operate central services of the City (e.g. Finance and Administration, Employee Services and City Council) as calculated by the City's independent consulting firm.

10. Contingencies:

- The proposed contingency amount is part of the overall pension reform reserves being set aside to offset future salary increases agreed to in the collective bargaining agreements. The total includes \$63,531 from FY 2017/18 and \$15,867 for the FY 2018/19 pension reform contingency.

11. Debt Management Fund Repayments:

- The budgeted amount includes debt repayment for the P25 fire station paging project of \$241,595 and \$1,063,613 for the First Coast Radio buyout.

EMPLOYEE CAP CHANGES:

There are no changes to the employee cap.

CAPITAL OUTLAY CARRYFORWARDS:

There is a total capital carryforward of \$352,917 for the P25 Radio – Fire Station Paging project and a total capital carryforward of \$364,589 for the purchase of specialized radio equipment.

SERVICE LEVEL CHANGES:

None.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2018/19 BUDGET
FINANCE AND ADMINISTRATION
TECHNOLOGY SYSTEM DEVELOPMENT (S/F 536)**

PROPOSED BUDGET BOOK – Page #217-218

BACKGROUND:

In prior years, this internal service fund housed IT system development projects. Projects in the IT Five-Year plan cross fiscal years so this fund was replaced with an all-years fund (S/F 53A). This fund will continue to pay the debt payments for loans issued prior to FY 2017/18. The final debt service payment will be in FY 2020/21.

REVENUE:

1. Charges for Services:
 - This amount represents the final billing to customers for all remaining project spending in this subfund.
2. Transfers from Other Funds:
 - This amount represents billing revenue received in the new IT system development fund (S/F 53A) during FY 2017/18 for projects paid for out of this fund.

EXPENDITURES:

1. Debt Management Fund Repayments:
 - This amount represents the anticipated FY 2018/19 interest and principal payback for projects authorized in prior years.
2. Cash Carryover:
 - This amount represents the FY 2018/19 revenues in excess of the required debt service. This funding will drop into fund balance and will be used through FY 2020/21 to pay the debt service on projects paid for out of this subfund.

EMPLOYEE CAP CHANGES:

There are no positions in this subfund.

CAPITAL OUTLAY CARRYFORWARDS:

None.

SERVICE LEVEL CHANGES:

None.

RECOMMENDATION:

We recommend replacing Schedule B4a of the Budget Ordinance to (1) correct the beginning project budget amounts for two projects (CAD – 911 Call System Replacement and Enterprise Document Management Solution) and (2) correct a project number (Enterprise Financial / Resource Management Solution). This has no effect on the projects and also has no impact to Special Council Contingency. Revised Schedule B4a is on the next page.

FISCAL YEAR 2018 - 2019 IT SYSTEM DEVELOPMENT CAPITAL PROJECTS

Debt Management Fund: 14,196,502
 Pay-Go / Full Customer Billing: 3,165,000
 17,361,502

Project Number	Indexcode	Project Name	20,782,003 Project Budget	0 De-appropriation / Adj Project Budget	17,361,502 FY 19 New Project Funding	38,143,505 Revised Project Budget	8,971,322 FY19 Customer Billing
IT0801	04	FRFO011FO	JFRD - Mobile Data Terminals Refresh	552,300	0	552,300	194,937
IT0803	04	AFIT531CSCS	Security Upgrades - Technology / ITD	190,000	0	200,000	137,652
IT0809	05	AFIT531CSCS	Disaster Recovery / Data Redundancy	0	0	110,000	110,000
IT0811	01	MEME011	Case Management Systems - ME	617,514	0	617,514	54,489
ITC001	02	AFIT531CSCS	PBX Telecommunications Upgrade	668,860	0	1,246,244	168,986
ITCAD1	01	FRFO011CM / SHPS011SSCM	CAD - 911 Call System Replacement *	250,000	0	250,000	67,969
ITCAD1	02	FRFO011CM / SHPS011SSCM	Unified CAD System - JSO / JFRD	4,290,636	0	1,873,644	1,661,941
ITCC01	01	CCSS011AD	Council Chambers AV Upgrade / Replacement	0	0	520,000	45,884
ITDS01	05	AFIT531CSCS	Enterprise Document Management Solution *	870,581	0	870,581	22,342
ITEF01	01 / 02	AFIT531CSCS	Enterprise Financial / Resource Management Solution	12,102,312	0	7,143,656	3,070,845
ITEP01	01	See EPLU Tab	Enterprise Permit / Land Use Management	562,500	0	2,780,000	2,780,000
ITES01	01	AFIT531CSCS	CARE System Upgrade and Replacement	677,300	0	2,000,000	274,247
ITJH01	01	JHRC011CR	Case Management System - JHRC	0	0	90,000	90,000
ITPW01	01	PWRE011	Real Estate Management System	0	0	185,000	185,000
ITSH01	01	SHPS011SSIT	Command Central AWARE / Real Time Crime Center	0	0	1,212,958	107,030

* Project budget amount corrected. No change or impact on project budget.

**COUNCIL AUDITOR’S OFFICE
 COMMENTS AND RECOMMENDATIONS
 MAYOR’S PROPOSED FY 2018/19 BUDGET
 FINANCE AND ADMINISTRATION
 TECHNOLOGY EQUIPMENT REFRESH (S/F 537)**

PROPOSED BUDGET BOOK – Page #219-220

BACKGROUND:

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

REVENUE:

1. Charges for Services:
 - This amount represents the customer billings for both the FY 2018/19 proposed refresh and previously approved equipment replacement.

EXPENDITURES:

1. Professional and Contractual Services:
 - This amount represents the cost of deploying Emtec (the City’s desktop service provider) to conduct technology refresh activities. The increase is due to more computers being refreshed in FY 2018/19 than in the prior year.
2. Other Operating Expenses:
 - This amount represents the purchase of network equipment that does not meet the \$1,000 capital threshold. The decrease of \$342,460 is primarily due to all personal computers in FY 2018/19 being budgeted in Capital Outlay below (See Recommendation).
3. Capital Outlay:
 - This amount represents the purchase of computers, servers, and network equipment that meet the \$1,000 capital threshold. The increase of \$902,808 is mainly due to more computers being replaced in FY 2018/19.

Activity	Amount
Mobile Data Terminals (MDT) for JFRD	\$ 58,050
Fire Inspection Tablets	1,820
Servers	145,300
Network Equipment	171,565
Desktops /Laptops	1,515,640
	\$ 1,892,375

4. Cash Carryover:
 - This represents the excess of FY 2018/19 budgeted revenues over expenditures. These funds must be appropriated by City Council before they can be used.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2018/19 BUDGET
FINANCE AND ADMINISTRATION
TECHNOLOGY EQUIPMENT REFRESH (S/F 537)**

PROPOSED BUDGET BOOK – Page #219-220

EMPLOYEE CAP CHANGES:

There are no positions in this subfund.

CAPITAL OUTLAY CARRYFORWARDS:

Per Schedule AF, there is a capital carryforward of \$242,227 for the purchase of computers and network equipment over \$1,000.

SERVICE LEVEL CHANGES:

None.

RECOMMENDATION:

We recommend that Capital Outlay of \$1,492,690 in Computer Equipment and Software be moved to Software, Computer Items Under \$1,000 in Other Operating Expenses since the computers to be purchased with these funds cost less than \$1,000. This will have no impact on Special Council Contingency.

**COUNCIL AUDITOR'S OFFICE
 COMMENTS AND RECOMMENDATIONS
 MAYOR'S PROPOSED FY 2018/19 BUDGET
 FINANCE AND ADMINISTRATION
 RADIO EQUIPMENT REFRESH (S/F 538)**

PROPOSED BUDGET BOOK – Page #221-222

BACKGROUND:

This internal service fund accounts for the refresh and replacement of the City's radio equipment.

REVENUE:

1. Charges for Services:
 - This amount represents the customer billings for the previous and proposed radio purchases which are directly related to the expenditures in this subfund.
2. Transfers from Fund Balance:
 - This transfer from fund balance is to balance the budget.

EXPENDITURES:

1. Capital Outlay:
 - This amount represents the mobile and portable radios which are slated for purchase in FY 2018/19 and are included in the IT Five-Year Plan.

Department	Mobile Radios	Cost	Portable Radios	Cost	Total Count	Total Cost
Office of the Sheriff	253	\$ 1,003,145	402	\$ 1,687,596	655	\$ 2,690,741
Fire and Rescue	76	\$ 194,940	105	\$ 473,130	181	\$ 668,070
Radio Shop Services	0	\$ -	4	\$ 16,792	4	\$ 16,792
Office of Special Events	0	\$ -	64	\$ 121,024	64	\$ 121,024
	329	\$ 1,198,085	575	\$ 2,298,542	904	\$ 3,496,627

EMPLOYEE CAP CHANGES:

There are no positions in this subfund.

CAPITAL OUTLAY CARRYFORWARDS:

None.

SERVICE LEVEL CHANGES:

None.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
 COMMENTS AND RECOMMENDATIONS
 MAYOR'S PROPOSED FY 2018/19 BUDGET
 FINANCE AND ADMINISTRATION
 IT SYSTEM DEVELOPMENT (S/F 53A)**

PROPOSED BUDGET BOOK – Page #223-224

BACKGROUND:

This all-year internal service fund houses the IT system development projects for FY 2017/18 and onward. This fund is all-years and project driven to allow multi-year tracking, transparency and accountability related to IT projects. This internal service fund accumulates and allocates the cost of IT system development for the City of Jacksonville and various independent agencies.

REVENUE:

1. Charges for Services:

- This amount represents billings to departments and agencies for IT system development projects.

2. Other Sources:

- This represents the proposed borrowing for projects in FY 2018/19. See table of IT System Development Capital Projects below. The detail by project including operating costs is also presented in Ordinance 2018-507.

EXPENDITURES:

1. Internal Service – Capital Expense:

- This amount represents internal service billings from the IT operating fund (S/F 531) for IT employee costs associated with the Enterprise Financial / Resource Management Solution (ERP) project included in the IT Five-Year Plan.

2. Capital Outlay:

- This amount represents the capital funding for the FY 2018/19 proposed projects. The detail by project, including operating costs, can be found in ordinance 2018-507.

Project Title	Capital Outlay		Total Capital Outlay	Other Expenses*	Total
	Pay-Go	Borrowed Funds			
City Council AV Upgrade / Replacement	\$ -	\$ 520,000	520,000	\$ -	520,000
Case Management System - JHRC	90,000	-	90,000	-	90,000
Real Estate Management System	185,000	-	185,000	-	185,000
Disaster Recovery / Data Redundancy	110,000	-	110,000	127,500	237,500
CARE System Upgrade / Replacement	-	2,000,000	2,000,000	75,000	2,075,000
Enterprise Financial / Resource Mgmt Solution	-	4,593,656	4,593,656	4,195,602	8,789,258
Enterprise Permit / Land Use Management	2,780,000	-	2,780,000	613,320	3,393,320
PBX: Telecommunications Upgrade	-	1,246,244	1,246,244	35,595	1,281,839
Security Upgrades - Technology / ITD	-	200,000	200,000	100,505	300,505
Command Central AWARE / Real Time Crime Center	-	1,212,958	1,212,958	686,188	1,899,146
Unified CAD - 911 Call System Replacement	-	1,873,644	1,873,644	-	1,873,644
	\$ 3,165,000	\$11,646,502	\$ 14,811,502	\$5,833,710	\$ 20,645,212

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2018/19 BUDGET
FINANCE AND ADMINISTRATION
IT SYSTEM DEVELOPMENT (S/F 53A)**

PROPOSED BUDGET BOOK – Page #223-224

*These are other expenses such as software maintenance and licenses, professional services and software hosting services associated with these IT projects. All operating related expenses are budgeted in Information Technology (S/F 531).

3. Transfers to Other Funds:

- This amount represents billing revenue received in FY 2017/18 for projects paid for out of the IT system development fund (S/F 536). These funds are being returned to that fund to pay the future debt service.

4. Debt Management Fund Repayments:

- This amount represents the anticipated FY 2018/19 interest and principal payback for loans issued for projects.

5. Cash Carryover:

- The FY 2018/19 estimated revenues over expenses is being placed in a cash carryover to be used for future debt management fund repayments.

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

None.

CAPITAL OUTLAY CARRYFORWARDS:

None.

RECOMMENDATION:

We recommend an all-years budget adjustment to move \$90,000 in professional services to a capitalized professional services line for the Enterprise Document Management Solution project. This will have no impact on the project or on Special Council Contingency.

FISCAL YEAR 2019 - 2023 IT SYSTEM DEVELOPMENT PROJECTS

Projects by Funding Source

	Prior Years	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23
Debt Management Funds	19,062,781	14,196,502	15,464,639	7,294,397	2,590,427	13,670,698
Pay- Go: Equipment/Radio Refresh	6,347,167	5,436,548	5,497,115	5,505,540	3,990,540	3,943,033
Increase in On-Going Operating Cost		3,681,070	1,247,715	427,633	97,429	104,297
Pay-Go: Other	576,748	3,332,000	4,027,210	1,869,100	310,810	-
Total Per Year	25,986,696	26,646,120	26,236,679	15,096,670	6,989,206	17,718,028

Functional Area	Program Area	Project Title	Previous Capital Appropriation	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23
Citywide	Application - Citywide	Microsoft Office 365	-	213,000	229,130	-	-	-
City Council	Application - Department Specific	City Council AV Upgrade / Replacement	-	520,000	100,000	-	-	-
Fleet Mgmt	Application - Department Specific	Fleet Management System - Replacement	-	-	650,000	77,000	-	-
JHRC	Application - Department Specific	Case Management System - JHRC	-	90,000	20,800	-	-	-
ME Office	Application - Department Specific	Case Management System - Medical Examiner	617,514	-	73,000	-	-	-
Real Estate	Application - Department Specific	Real Estate Management System	-	185,000	17,250	-	-	-
ITD	Backup and Recovery	Disaster Recovery / Data Redundancy	-	237,500	-	20,000	250,000	-
Citywide	Enterprise Solution	CARE System Upgrade / Replacement	685,000	2,075,000	75,000	-	-	-
Citywide	Enterprise Solution	Enterprise Financial / Resource Mgmt Solution	11,761,771	8,789,258	10,516,712	3,916,490	-	11,761,771
Citywide	Enterprise Solution	Enterprise Permit / Land Use Management	576,748	3,393,320	4,297,510	1,680,000	-	-
Citywide	Infrastructure / Equipment	Computer, Laptop and Tablet Equipment Refresh	934,060	1,700,000	1,700,000	1,700,000	-	-
ITD	Infrastructure / Equipment	Network Equipment Refresh	1,269,066	278,981	340,000	340,000	340,000	340,000
ITD	Infrastructure / Equipment	PBX: Telecommunications Upgrade	668,860	1,281,839	493,025	488,269	644,888	22,693
ITD	Infrastructure / Equipment	Security Upgrades - Technology / ITD	190,000	300,505	76,000	36,000	36,000	36,000
ITD	Infrastructure / Equipment	Server Equipment Refresh	562,855	145,300	130,000	130,000	130,000	130,000
Citywide	Radio System	P25 Radio - Radio Site Expansion	-	-	1,908,927	1,954,291	1,954,368	1,954,531
Citywide	Radio System	Radio - Microwave Network Radio Sites	-	167,000	147,210	169,100	60,810	-
Citywide	Radio System	Radio - Mobile Radio Refresh	3,581,186	1,198,085	1,198,056	1,198,085	1,198,085	1,150,578
Citywide	Radio System	Radio - Portable Radio Refresh	-	2,298,542	2,314,059	2,322,455	2,322,455	2,322,455
Citywide	Radio System	Radio - Redundant Backup System	-	-	1,950,000	418,000	-	-
Citywide	Public Safety	Command Central AWARE / Real Time Crime Center	-	1,899,146	-	-	-	-
JFRD	Public Safety	JFRD Mobile Data Terminal Replacements	599,000	-	-	646,980	52,600	-
JFRD / JSO	Public Safety	Unified CAD - 911 Call System Replacement	4,540,636	1,873,644	-	-	-	-

Council Auditor's Office
Comparison of Approved FY 2017/18 and Proposed FY 2018/19
Five-Year IT Plans

Projects Removed from Schedule with Funding in Out Years

Functional Area	Project Title	5-Year Plan	Previous Capital Appropriations	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	Total Project Budget
Grants Office	Grants Management Software	FY 17/18	-	109,007	88,985	88,985	88,985	88,985	-	464,947
JFRD	Fire Inspection System	FY 17/18	-	236,671	80,830	80,830	80,830	80,830	-	559,991
Citywide	Enterprise Document Management Solution	FY 17/18	1,123,164	75,050	25,695	26,980	28,329	29,745	-	1,308,963
JFRD	P25 Radio - Fire Station Paging	FY 17/18	3,000,000	-	57,064	58,493	116,047	119,420	-	3,351,024

Projects Removed from Schedule without Funding in Out Years

Functional Area	Project Title	5-Year Plan	Previous Capital Appropriations	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	Total Project Budget
Citywide	Enterprise Auto Vehicle Locator	FY 17/18	463,864	-	-	-	-	-	-	463,864
ITD	Network UPS Replacement	FY 17/18	-	16,775	-	-	-	-	-	16,775
Citywide	P25 Radio - Radio Tower UPS Replacement	FY 17/18	165,536	264,585	-	-	-	-	-	430,121

New Projects that were Added

Functional Area	Project Title	5-Year Plan	Previous Capital Appropriations	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	Total Project Budget
City Council	City Council AV Upgrade / Replacement	FY 18/19	-	-	520,000	100,000	-	-	-	620,000
JHRC	Case Management System - JHRC	FY 18/19	-	-	90,000	20,800	-	-	-	110,800
Real Estate	Real Estate Management System	FY 18/19	-	-	185,000	17,250	-	-	-	202,250
Citywide	Command Central AWARE / Real Time Crime Center	FY 18/19	-	-	1,899,146	-	-	-	-	1,899,146

Council Auditor's Office
Comparison of Approved FY 2017/18 and Proposed FY 2018/19
Five-Year IT Plans

Projects Where Budgeted Amounts Changed Year over Year

Functional Area	Project Title	5-Year Plan	Previous Capital Appropriations	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	Total Project Budget
Citywide	Microsoft Office 365	FY 17/18		138,924	534,696	471,696	471,696	471,696		2,088,708
Citywide	Microsoft Office 365	FY 18/19			213,000	229,130	-	-	-	442,130
Fleet Mgmt	Fleet Management System - Replacement	FY 17/18		-	590,000	40,000	40,000	40,000		710,000
Fleet Mgmt	Fleet Management System - Replacement	FY 18/19				650,000	77,000	-	-	727,000
ME Office	Case Management System - Medical Examiner	FY 17/18		617,514	66,000	66,000	66,000	66,000		881,514
ME Office	Case Management System - Medical Examiner	FY 18/19	617,514			73,000	-	-	-	690,514
ITD	Disaster Recovery / Data Redundancy	FY 17/18		159,000	109,000	109,000	109,000	109,000		595,000
ITD	Disaster Recovery / Data Redundancy	FY 18/19			237,500	-	20,000	250,000	-	507,500
Citywide	Enterprise Financial / Resource Mgmt Solution	FY 17/18	12,225,400	-	-	-	-	-		12,225,400
Citywide	Enterprise Financial / Resource Mgmt Solution	FY 18/19	11,761,771		8,789,258	10,516,712	3,916,490	-	-	34,984,231
Citywide	Enterprise Permit / Land Use Management	FY 17/18	14,248	687,500	2,406,250	2,406,250	500,000	500,000		6,514,248
Citywide	Enterprise Permit / Land Use Management	FY 18/19	576,748		3,393,320	4,297,510	1,680,000	-	-	9,947,578
Citywide	Computer, Laptop and Tablet Equipment Refresh	FY 17/18		1,016,670	2,741,846	1,953,534	1,968,191	-		7,680,241
Citywide	Computer, Laptop and Tablet Equipment Refresh	FY 18/19	934,060		1,700,000	1,700,000	1,700,000	-	-	6,034,060
ITD	Network Equipment Refresh	FY 17/18	1,040,384	316,390	340,000	340,000	340,000	340,000		2,716,774
ITD	Network Equipment Refresh	FY 18/19	1,269,066		278,981	340,000	340,000	340,000	340,000	2,908,047
ITD	PBX: Telecommunications Upgrade	FY 17/18		713,300	551,042	634,225	774,256	856,708		3,529,531
ITD	PBX: Telecommunications Upgrade	FY 18/19	668,860		1,281,839	493,025	488,269	644,888	22,693	3,599,574
ITD	Security Upgrades - Technology / ITD	FY 17/18		290,550	101,350	310,350	159,350	168,350		1,029,950
ITD	Security Upgrades - Technology / ITD	FY 18/19	190,000		300,505	76,000	36,000	36,000	36,000	674,505
ITD	Server Equipment Refresh	FY 17/18	456,255	106,600	130,000	130,000	130,000	130,000		1,082,855
ITD	Server Equipment Refresh	FY 18/19	562,855		145,300	130,000	130,000	130,000	130,000	1,228,155
Citywide	P25 Radio - Radio Site Expansion	FY 17/18		-	1,517,260	1,517,260	1,517,360	1,517,360		6,069,240
Citywide	P25 Radio - Radio Site Expansion	FY 18/19			-	1,908,927	1,954,291	1,954,368	1,954,531	7,772,117
Citywide	Radio - Microwave Network Radio Sites	FY 17/18		-	159,714	159,714	159,714	159,714		638,856
Citywide	Radio - Microwave Network Radio Sites	FY 18/19			167,000	147,210	169,100	60,810	-	544,120

Council Auditor's Office
Comparison of Approved FY 2017/18 and Proposed FY 2018/19
Five-Year IT Plans

Projects Where Budgeted Amounts Changed Year over Year (continued)

Functional Area	Project Title	5-Year Plan	Previous Capital Appropriations	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	Total Project Budget
Citywide	Radio - Mobile Radio Refresh	FY 17/18	2,381,658	1,199,528	1,199,088	1,199,088	1,199,088	1,199,088		8,377,538
Citywide	Radio - Mobile Radio Refresh	FY 18/19	3,581,186		1,198,085	1,198,056	1,198,085	1,198,085	1,150,578	9,524,075
Citywide	Radio - Portable Radio Refresh	FY 17/18		-	2,238,738	2,253,792	2,262,052	2,262,052		9,016,634
Citywide	Radio - Portable Radio Refresh	FY 18/19			2,298,542	2,314,059	2,322,455	2,322,455	2,322,455	11,579,966
Citywide	Radio - Redundant Backup System	FY 17/18		-	1,961,994	362,477	12,874	13,386		2,350,731
Citywide	Radio - Redundant Backup System	FY 18/19			-	1,950,000	418,000	-	-	2,368,000
JFRD	JFRD Mobile Data Terminals (MDT) Replacement	FY 17/18	46,700	552,300	-	-	646,980	52,600		1,298,580
JFRD	JFRD Mobile Data Terminal Replacements	FY 18/19	599,000		-	-	646,980	52,600	-	1,298,580
JFRD / JSO	Unified CAD - 911 Call System Replacement	FY 17/18	3,001,627	1,668,814	264,379	323,505	351,046	363,124		5,972,495
JFRD / JSO	Unified CAD - 911 Call System Replacement	FY 18/19	4,540,636		1,873,644	-	-	-	-	6,414,280
Citywide	CARE System Upgrade / Replacement	FY 17/18	110,000	700,000	1,340,000	540,000	540,000	540,000		3,770,000
Citywide	CARE System Upgrade / Replacement	FY 18/19	685,000		2,075,000	75,000	-	-	-	2,835,000

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2018/19 BUDGET
HUMAN RIGHTS COMMISSION
GENERAL FUND/GENERAL SERVICES DISTRICT (S/F 011)**

PROPOSED BUDGET BOOK – Page #246-247

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 \$39,000 is a projected reimbursement from the EEOC for employment discrimination investigations. The decrease of \$27,350 is to better align the budgeted revenues with actual historic revenues.

EXPENDITURES:

1. Salaries:
 - The increase of \$19,692 is primarily due to anticipated pay increases of 4.5% to be effective October 1st due to approved collective bargaining agreements.
2. Pension Costs:
 - The increase of 25,834 is due to salary increases noted above and employee turnover.
3. Internal Service Charges:
 - The increase of \$220,252 is primarily due to increases of \$105,694 in Computer System Maintenance and Security costs and \$90,000 in IT System Development for the JHRC Case Management System. Note that the \$90,000 cost for professional services related to the Case Management System was erroneously included in both line items (see recommendation below). There was also an

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2018/19 BUDGET
HUMAN RIGHTS COMMISSION
GENERAL FUND/GENERAL SERVICES DISTRICT (S/F 011)**

PROPOSED BUDGET BOOK – Page #246-247

increase of \$19,081 in OGC Legal as a result of a significant increase in usage in FY 2017/18.

4. Professional and Contractual Services:

- The \$31,800 increase is for an Equal Employment Opportunity (EEO) contract investigator to continue working through the department's current backlog of pending intakes and closure of aged cases. The contract investigator was originally funded in the current year through a transfer directive that became effective in February 2018.

EMPLOYEE CAP CHANGES:

There are no changes to the overall employee cap.

SERVICE LEVEL CHANGES:

None

RECOMMENDATION:

We recommend that \$90,000 in Computer System Maintenance and Security allocation be removed from the Jacksonville Human Rights Commission budget and reallocated. This will have no impact on Special Council Contingency.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2018/19 BUDGET
OFFICE OF ETHICS, COMPLIANCE, & OVERSIGHT
OFFICE OF ETHICS, COMPLIANCE, & OVERSIGHT (S/F 011)**

PROPOSED BUDGET BOOK - Page # 291-292

BACKGROUND:

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

REVENUES:

1. Transfers From Component Units:

- This represents revenue from various Independent Authorities (JEA, JAA, JPA and JTA) for ethics training provided by the office.

EXPENDITURES:

1. Salaries:

- The net increase of \$42,370 is due to an anticipated pay increase of \$5,198 to be effective October 1st related to collective bargaining and an increase of \$37,172 due to funding for an additional part-time position.

2. Pension Costs:

- The net increase of \$5,913 is mainly due to an increase of \$5,083 in the Defined Benefit Contribution – Unfunded Liability.

3. Employer Provided Benefits:

- The net increase of \$3,314 is mainly due to an increase in Group Hospitalization Insurance of \$3,360 due to there being no contribution “holidays” in FY 2018/19.

4. Internal Service Charges:

- The net increase of \$10,587 is mainly due to an increase in charges from General Counsel allocation of \$8,343 due to an increase in usage, and an increase in Computer System Maintenance Allocation of \$1,530 due to new charges for Microsoft Office 365 and the cost of Cisco VOIP System Multi-Year Implementation.

5. Other Operation Expenses:

- The net increase of \$2,000 is due to an increase in Travel Expense of \$500 and an increase in Employee Training of \$1,500 based on anticipated actual expenditures.

SERVICE LEVEL CHANGES:

There is no change in service level.

EMPLOYEE CAP CHANGES:

None.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2018/19 BUDGET
OFFICE OF INSPECTOR GENERAL
GENERAL FUND / GENERAL SERVICES DISTRICT (S/F 011)**

PROPOSED BUDGET BOOK – Page #298-299

BACKGROUND:

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

REVENUE:

1. Transfers from Component Units:

- This revenue represents contributions made to the Office of Inspector General from JAA, JEA, JPA and JTA.

EXPENDITURES:

1. Salaries:

- The net increase of \$9,521 is the net result of change in salaries due to turnover, general wage increases due to collective bargaining and changing a part-time position to full-time.

2. Pension Costs:

- The net decrease of \$26,004 is due to turnover which has resulted in less positions in the defined benefit plan and more in the defined contribution plan.

3. Employer Provided Benefits:

- The increase of \$5,512 is mainly due to not having the five contribution “holidays” that occurred in FY 2017/18.

4. Internal Service Charges:

- The overall increase of \$9,245 is mainly due to the following:
 - An increase in OGC Legal allocation of \$4,013 due to usage.
 - An increase in building cost allocation for the Yates Building of \$2,357 due to an overall increase in total building costs.
 - An increase in copier consolidation allocation of \$1,911 based on usage.

5. Other Operating Expenses:

- The net decrease of \$5,405 is mainly due to the following:
 - A decrease in other operating supplies of \$2,000 based on projected usage.
 - A decrease in hardware/software maintenance and licenses of \$1,930 due to one-time expenses in FY 2017/18.
 - A decrease of \$1,820 in furniture and equipment under \$1,000 due to one-time expenses in FY 2017/18.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2018/19 BUDGET
OFFICE OF INSPECTOR GENERAL
GENERAL FUND / GENERAL SERVICES DISTRICT (S/F 011)**

PROPOSED BUDGET BOOK – Page #298-299

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

The proposed budget increases the number of authorized positions by one to nine positions.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2018/19 BUDGET
MEDICAL EXAMINER
GENERAL FUND/GENERAL SERVICES DISTRICT (S/F 011)**

PROPOSED BUDGET BOOK - Page # 255-257

BACKGROUND:

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

REVENUE:

1. Charges for Services:

- The net increase of \$56,645 is primarily due to increases of \$77,875 for District III, \$38,785 for District IV, and \$15,440 for cremation approval as a result of an overall increase in case load. The offset is a decrease of \$75,455 in Medical Examiner Services charges based on actual revenues from the current year, which were lower than the FY 2017/18 projections.

EXPENDITURES:

1. Salaries:

- The increase of \$299,365 is primarily due to the combination of anticipated pay increases to be effective October 1st related to collective bargaining (\$105,135), the addition of two positions (\$58,860), and funding one position that was unfunded during FY 2017/18 (\$46,294). There were also increases that resulted from salary increases for four employees (\$50,461), the conversion of one autopsy technician senior position to a supervisor position (\$18,369), and turnover that included two positions filled at higher rates and three that were filled at lower rates (net \$18,144).

2. Pension Cost:

- The net increase of \$33,160 is due to an increase of \$42,303 in the contribution to the defined contribution plan as a result of the two new positions and plan election changes related to two other positions. The increase is partially offset by a decrease of \$10,027 in the contribution to the defined benefit plan that is driven by the plan election changes noted above.

3. Employer Provided Benefits:

- The increase of \$58,304 is driven by an increase of \$48,516 in Group Hospitalization Insurance due to the elimination of the five pay period "holidays" that occurred in FY 2017/18 and the addition of two positions. There were also increases of \$4,492 in Workers' Compensation Insurance due to an overall increase in cost and the two additional positions and \$4,325 in Medicare Tax that resulted from the increase in salaries noted above.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2018/19 BUDGET
MEDICAL EXAMINER
GENERAL FUND/GENERAL SERVICES DISTRICT (S/F 011)**

PROPOSED BUDGET BOOK - Page # 255-257

4. Internal Service Charges:
 - The net increase of \$95,472 is mainly driven by increases of \$105,321 for Computer System Maintenance and Security and \$54,489 for IT System Development, both related to the new Medical Examiner Case Management System. These increases are somewhat offset by a decrease of \$32,646 in Tech Refresh & Pay-Go due to the FY 2017/18 one-time purchase of computers and network equipment, and the elimination of one-time expenses of \$29,033 for Ergonomic Assessment/Equipment that was billed in FY 2017/18.

5. Insurance Costs and Premiums:
 - The decrease of \$3,480 is driven by a decrease of \$3,699 in General Liability Insurance due to recent favorable claims history.

6. Professional and Contractual Services:
 - The increase of \$153,700 is driven by the cost of a consultant that will provide services until a new Medical Examiner is appointed.

7. Other Operating Expenses:
 - The increase of \$30,903 is mostly due to an increase of \$10,089 in Other Operating Supplies resulting from an overall increase in workload, an increase of \$8,955 in Employee Training that is primarily due to the cost of classes for forensic investigator certifications that are required every five (5) years, and an increase of \$4,500 in Fuel, Oil, and Gas that resulted from the addition of a morgue cooler and a mobile office that were obtained FY2017/18.

EMPLOYEE CAP CHANGES:

The authorized position cap increased from 29 positions to 31 as a result of adding one Forensic Investigator and one Clerical Support Aide (Records Clerk). In addition, the budget adds 2,080 part-time hours to allow the existing Salaries Part Time dollars to be used for one or more visiting physicians.

SERVICE LEVEL CHANGES:

None

RECOMMENDATION:

None

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2018/19 BUDGET
MILITARY AFFAIRS AND VETERANS DEPARTMENT
GENERAL FUND/GENERAL SERVICES DISTRICT (S/F 011)**

PROPOSED BUDGET BOOK – Page # 258-259

BACKGROUND:

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

REVENUE:

Miscellaneous Revenue:

- The \$150 is expected from the sale of a software program that manages client appointments and information. The program is sold directly to county veterans' service offices throughout the State. This was decreased by \$350 based on prior year actuals.

EXPENDITURES:

1. Salaries:

- The net increase of \$29,731 is mostly due to the scheduled increase in salaries pursuant to the approved collective bargaining agreements. This is partially offset by a new hire at a lower rate than the previous employee. There is also an increase of \$1,375 in special pay – pensionable based on prior year actuals.

2. Pension Costs:

- The amount reflected in the Proposed Budget Book for pension costs for this Department is an error. The correct pension costs of \$156,315 is included in the Budget Ordinance, which is an increase of \$15,606 over FY 2017/18.

3. Employer Provided Benefits:

- The increase of \$6,731 for health insurance is mainly the result of the five contribution “holidays” given to the City and participants during FY 2017/18. This is partially offset by plan election changes by employees.

4. Internal Service Charges:

- The increase of \$25,770 is mostly due to an increase of \$24,077 for the replacement of 19 computers and 30 monitors.

5. Grants, Aids & Contributions:

- This category consists of the cost for the Active Military Combat Duty Grant Program, which provides assistance for the families and homes of qualified military personnel that have served in combat duty.

**COUNCIL AUDITOR'S OFFICE
 COMMENTS AND RECOMMENDATIONS
 MAYOR'S PROPOSED FY 2018/19 BUDGET
 MILITARY AFFAIRS AND VETERANS DEPARTMENT
 GENERAL FUND/GENERAL SERVICES DISTRICT (S/F 011)**

PROPOSED BUDGET BOOK – Page # 258-259

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	MVOD011	\$650	Bottled Water-Memorial Day and Purple Heart events.	Serves approximately 3,000 attendees at the Memorial Day Observance in May and at the Purple Heart Trail Walk in August.
011	MVOD011	\$650	Working lunch meetings every fourth month with Base Commanding Officers.	Serves approximately 20 attendees at each Area Base Commanding Officers Luncheons.

Note: The food and beverage expenditure amounts shown here are the revised amounts as recommended in budget hearing #1.

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

None.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2018/19 BUDGET
NON-DEPARTMENTAL/FUND LEVEL ACTIVITIES
EMERGENCY CONTINGENCY(S/F 018)**

PROPOSED BUDGET BOOK - Page # 147-148

BACKGROUND:

This fund is the General Fund/General Services District's Emergency Contingency. It was moved to a separate fund pursuant to Ordinance 2005-807-E which established section 106.106 of the Municipal Code. Section 106.106 sets the targeted level for the Emergency Reserve as between 5% and 7% of the Operating Budget. The Proposed Budget is within the target levels.

REVENUES:

Investment Pool/Interest Earnings:

- This amount is made up of anticipated interest earnings for FY 2018/19.

Transfers from Other Funds:

- There is no transfer from the General Fund/GSD in the Proposed Budget.

Transfers from Fund Balance:

- This represents the estimated FY 2017/18 ending cash balance.

EXPENDITURES:

Cash Carryover:

- This amount is the estimated FY 2018/19 ending cash balance.

EMPLOYEE CAP CHANGES:

There are no employees associated with this subfund.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2018/19 BUDGET
EMERGENCY INCIDENTS (S/F 165)**

PROPOSED BUDGET BOOK - Page # 149-150

BACKGROUND:

This subfund houses the City's costs, and FEMA and State reimbursements for emergency incidents such as a hurricane, tornado, other major weather related events, and/or other massive infrastructure failures or other disasters, whether man made or caused by nature.

REVENUE:

1. Transfers From Other Funds

- This represents a transfer from the General Fund – GSD (SF 011) for the City's estimated non-reimbursable costs related to Hurricane IRMA, net of excess funds previously transferred for Hurricane Matthew. JFRD's July 20 estimate of costs related to Hurricane Matthew and Hurricane Irma total approximately \$117.3 million. Only 87.5% of the total allowable expenses are subject to reimbursement, leaving the City to fund the remainder. See recommendation below.

EXPENDITURES:

1. Contingencies

- The funding discussed above is being placed in a contingency until the final costs and offsetting Federal/State reimbursement amounts are known. Any residual balance will be returned to the General Fund – GSD. The FY 2018/19 amount also includes the transfer of \$800,000 from the Hurricane Matthew contingency set up in FY 2017/18 to the Hurricane Irma contingency based on revised estimates.

AUTHORIZED POSITION CAP

There are no authorized positions in this subfund.

RECOMMENDATION:

We recommend that the FY 2018/19 amount for the proposed transfer from the General Fund - GSD be increased by \$1,800,000, to \$8,000,000, to ensure that the City provides enough funding to cover its portion of the total costs (12.5%). This will also increase the FY 2018/19 proposed contingency of \$6,200,000 by \$1,800,000. This will be offset by an increase in the transfer from fund balance within the General Fund – GSD. This will have no impact to Special Council Contingency.