

**OFFICE OF THE CITY COUNCIL**

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4TH FLOOR, CITY HALL

JACKSONVILLE, FLORIDA 32202

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**FINANCE COMMITTEE BUDGET HEARING #2 MINUTES**

 **August 17, 2018**

**9:00 a.m.**

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

**In attendance:** Council Members Greg Anderson, Joyce Morgan, Lori Boyer, Reggie Gaffney, Bill Gulliford, Jim Love, Council President Aaron Bowman (temporary appointment as a voting member)

**Excused**: Council Member Sam Newby

**Also**: Council Members Al Ferraro, Danny Becton, John Crescimbeni, Ju’Coby Pittman (arr. 9:25), Matt Schellenberg (arr. 10:35); Peggy Sidman – Office of General Counsel; Kyle Billy and Brian Parks - Council Auditor’s Office; Adri Maguire-Segui - Legislative Services Division; Sam Mousa – Mayor’s Office; Mike Weinstein and Angela Moyer – Finance and Administration Department

**Meeting Convened**: 9:00 a.m.

Chairman Anderson convened the meeting and the attendees introduced themselves for the record. President Bowman will be acting as a voting member of the committee today in place of the excused Council Member Newby. Brian Parks reviewed the remaining pending items from the end of yesterday’s meeting. Chief Administrative Officer Sam Mousa said that he would send the administration’s septic tank prioritization methodology (discussed at the last meeting) to all council members. Deputy General Counsel Peggy Sidman said that the Council President will file the legislation discussed yesterday to separate out the Public Service Grant appropriation from the budget ordinance and process it as a stand-alone bill so that a council member conflict of interest can be avoided.

**Page references from this point refer to Auditor’s Budget Hearing #2 handout.**

Public Library

Kyle Billy reviewed the library’s budget, which includes funding for 13 new positions to extend library hours by 8 hours per week at 9 branches (72 additional hours per week). Ronnie King, Chair of the Library Boar and Library Director Tim Rogers thanked the committee for last year’s extra infusion of funding for collections acquisitions and for their support of the 72 additional hours of service in this year’s budget. Council Member Becton requested additional evening hours one night a week for the Southeast Library in his district because of the need for use of its community rooms for meeting purposes, since his district does not have a community center to fill that need. Director Rogers said the system doesn’t want to have individual libraries deviating from the standard system-wide schedule, but hoped that additional hours could be added in future budgets that would serve this need. Several committee members thanked the administration for the additional funding for the extended hours. Council Member Ferraro thanked the Mayor’s Office for starting the process of siting and constructing a library in Oceanway, which has been sorely needed for years.

Council Member Crescimbeni asked the members and attendees to vote early and often in the JetBlue Airlines online contest to win a $25,000 prize for the Jacksonville Public Library. Council Member Gulliford asked that consideration be given in future years to extending hours at the Beaches Library to include Sunday afternoon. Council Member Boyer also advocated for more evening hours so that the San Marco library community room can be open for use. She said that the predominance of hours during the working day prevents many people from being able to access the libraries in the evenings and on weekends, and that the community would be even more supportive if they had more access hours. Sam Mousa reported that the administration has identified several potential locations for an Oceanway library but has not had success in getting the owners to consider selling the land. Council Member Ferraro is talking to the owners of several potential sites about a purchase price.

**Motion**: on p. 7, approve the Council Auditor’s recommendation that security guards be increased by $24,000 and contractual services by $8,285 in the Library Conference Facilities Trust to address the issues noted above, 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 – **approved unanimously**.

Council Member Boyer asked about any plans for use of the vacant space off the front lobby of the Main Library and suggested that it might make a good site for a proposed relocated downtown visitor information center. Mr. Rogers said that the both the Main Library and several branch libraries are seeing increasing use of the facilities by homeless persons and consideration is being given to how the library might serve some of the needs of these persons (not social service needs, but perhaps educational needs). The library is working with the Parks, Recreation and Community Services Department on potential service provision ideas. In response to a question from Council Member Pittman about whether the Main Library works with non-profits to use the conference center as a site for fundraising activities, Board Chair King said that the library has adopted a discounted rental fee for that space on weeknights (Monday-Thursday) for non-profits.

Health Department

Erin Hess, Acting Administrator of the Duval County Health Department, reported that a “rightsizing” process is underway at the department to try and improve efficiency and operations. The department’s state and federal funding is down about 10% ($4 million) in the upcoming fiscal year. Her goal is that the reduction will not affect any direct service provision to citizens and will all be in the administrative operation. Position reductions will be done largely through attrition and retirements. Council Member Crescimbeni asked the Health Department for additional information about a change in the state definition of “food” for the purpose of restaurants defining their percentage of food vs. alcoholic beverage sales, which may impact City zoning considerations for restaurant locations.

Jacksonville Housing Finance Authority

**Motion**: on p. 10, approve Council Auditor’s recommendation 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. Include a revised Schedule N to reflect the change – **approved unanimously**.

Finance and Administration Department

Fleet Management

Council Member Gulliford suggested that heavy equipment be leased rather than purchased so that maintenance would be the responsibility of the leasing company. Angela Moyer reported that some years ago the City did a very detailed examination of its equipment fleet and sold off many units that weren’t needed often and got the fleet down to a good level. Specialized equipment is leased or rented as needed. Council Member Love recommended increased use of electric vehicles as the wave of the future. Council Member Boyer said that she has heard from a constitutent that only one of the City’s VacCon sewer maintenance trucks is currently in service and asked Mr. Mousa to investigate how many the City has and how many are in operation currently. Council Member Gulliford asked the administration to investigate contracting with a company to perform storm drain vacuuming service. Mr. Mousa reported that the City has a fleet of 5 VacCon trucks, of which 4 are in operation and 1 is awaiting repair. In response to a question from Council Member Pittman, Fleet Manager Chris Tongol reported that surplus vehicles are sold via electronic auction on a web site as they become available. In response to a question from Council Member Crescimbeni about how autobody repairs are done, Erik Preacher of the division said that the City contracts out all but very minor body work to one of several auto dealerships and smaller independent body shops. In response to a question from Chairman Anderson, Mr. Tongol reported that parts management was outsourced several years ago and all parts are sold to the City at cost, with a markup for the contractor’s administrative cost.

Council Member Gulliford asked for details about the City’s lease agreement for 91 covert vehicles for the Sheriff’s Office. Chief Financial Officer Mike Weinstein said that the administration is in negotiations with the leasing company to end the lease agreement and purchase the vehicles instead.

**The committee was in recess from 10:36 to 10:46 a.m.**

Information Technology

In response to a question from Council Member Schellenberg, IT Chief Ken Lathrop said that the IT Division has been working with the University of North Florida to recruit interns and entry level employees and the partnership has been successful. CFO Mike Weinstein said that the IT Division has asked the Mayor’s Budget Review Committee for pay scale adjustments to keep pay levels competitive with the private sector job market. The same is done for Fleet Management. He also noted that the Curry administration when it first came into office made a very considerable effort to whittle down and prioritize the IT Division’s project list and to bill for development projects on a logical, time-specific basis. Council Member Morgan asked about the division’s minority recruitment efforts. In response to a question from Council Member Love about computer security issues, particularly the threat of ransomware, Mr. Lathrop described the division’s robust security measures and their attempts to secure the email system.

In response to a question from Council Member Becton about whether the email system can be adjusted to allow correspondence from known safe sources through the quarantine system more quickly, Mr. Lathrop said that as of October 2018 the City will migrate off of the Microsoft Outlook system to an Office 365 email system that will allow instantaneous access to all received emails, including those in the quarantine folder.

**Motion**: on p. 25, approve Auditor’s recommendation to replace 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 – **approved unanimously**.

5-Year Information Technology Plan

**Motion**: on p. 28, approve Auditor’s recommendation 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 – **approved unanimously**.

In response to a question from Council Member Becton, Mr. Lathrop explained the division’s hardware refresh prioritization, which is based on replacing the oldest equipment first over a 3-4 year cycle. In response to a question from Chairman Anderson, Mr. Lathrop described the fire department radios being purchased and said that they have a minimum 10 year expected lifespan. The total radio refresh project will cost $18.5 million over the next 8 years for 4,683 radios.

**Motion**: on p. 31, approve Auditor’s recommendation for 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 – **approved unanimously**.

Mr. Mousa described the Curry administration’s termination of the previous contract for the Enterprise Resource Planning (ERP) system. A new RFP was drafted and new proposals were received. A joint venture of Oracle (software) and AST Corporation (implementation) was selected and training of users has begun. Council Member Boyer lauded the progress being made on the conversion but noted that there will be substantial conversion costs from the old systems to the new ERP, which will need to be budgeted over the next several years. The budget for the project has grown substantially since the first iteration of the ERP was discussed several years ago.

In response to a question from Council Member Boyer about the why certain projects were proposed to be removed from the IT project schedule, Budget Officer Angela Moyer said that projects were either completed, are still in process but have sufficient funding, or are no longer needed because they will be incorporated into other projects. In response to a question from Council Member Becton about the software cost of the ERP versus the project implementation /management cost, Ms. Moyer and Mr. Lathrop said the software cost is slightly less than $3 million and the remaining $28 million is for personnel and management costs. The Oracle ERP system is cloud-based and does not permit customization by the end user. City processes will need to be changed to match the functionality of the ERP, not the other way around.

In response to a question from Council Member Morgan about the CARE complaint system replacement, Mr. Lathrop said that the City is replacing the custom-built application with an off-the-shelf product with greater capabilities and efficiencies. Mr. Mousa said it’s possible the new system might require fewer operators in the call center if the input via computer and smartphone is easier for citizens to do directly, but that remains to be determined. Council Member Schellenberg asked if CARE issues could be automatically referred to City Council members so that he can keep abreast of the issues arising in his district and the progress being made toward their resolution.

**The committee was in recess from 12:00 to 1:03 p.m.**

Human Rights Commission

**Motion**: on p. 37, approve the Auditor’s recommendation 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 – **approved unanimously**

In response to a question from Council Member Morgan, Charlene Taylor-Hill, Executive Director of the Human Rights Commission, explained the backlog of filings and investigations that has accumulated and the need for the contract employee to help work through that backlog. In response to a question from Council Member Boyer, Ms. Hill said that the JHRC is reimbursed for cases it processes on behalf of the U.S. Equal Employment Opportunity Commission.

Office of Ethics, Compliance and Oversight

Carla Miller, Director of the Ethics Office, thanked the City Council for its consistent support of the ECO office and reported that all state requirements are being met. She noted that City employees/officers are becoming much more proactive, seeking advice before taking action rather than after a problem has occurred.

Office of Inspector General

No recommendations.

Medical Examiner

Mr. Mousa reported that the administration has acquired temporary body storage space and a modular office during the current fiscal year to address the overcrowding issue, and all of the Medical Examiner’s requests in the current budget have been approved. The budget includes $500,000 to begin the planning for construction of a new ME facility (location, size, functions). Council Member Gulliford thanked Dr. Valerie Rao, the District Medical Examiner, for her years of service and advocacy for the needs for the needs of the office as she approaches retirement. Dr. Rao said that her office processed 614 drug death cases last year and the numbers appear like they might be slightly lower this year, although they receive overdose cases every day. She said that the office’s accreditation was downgraded from full to provisional status when the space issues became severe, but was restored when the new temporary facilities were acquired. The accreditation will again be reduced to provisional status when Dr. Rao retires at the end of this month until a new fully certified medical examiner is appointed by the Medical Examiner Selection Committee and approved by the Governor. Dr. Rao thanked the City Council for their support of the office’s needs.

Military Affairs and Veterans

No recommendations.

Emergency Contingency

No recommendations were made. In response to a question from Council Member Boyer, Mr. Weinstein reported that the fund is at 5.1% of the General Fund, within the target range of 5-7%.

Emergency Incidents

**Motion**: on p. 46, approve the Auditor’s recommendation 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 – **approved unanimously**.

In response to a question from Council Member Boyer, Mr. Mousa said the City had received slightly less than $28 million of the $43.5 million reimbursable expenses attributable to Hurricane Matthew from FEMA and the State of Florida, with $15.8 million in reimbursements still pending. Hurricane Irma costs were $70.2 million of which $52.65 million is reimbursable. The City has submitted 8 reimbursement requests to date but has not received any reimbursements. $10 million of the Hurricane Matthew reimbursement will be for the reconstruction of the Jacksonville Beach Pier, design for which will begin after a decision is made about how high above the water line to rebuild the pier.

Next meetings

Wednesday, Thursday and Friday, August 22-24.

Outstanding items

* Non-departmental expenditures - Constitutional gas tax to fiscal agent
* Sheriff Williams – progress in hiring the 100 new officers, overall employment level, and the deployment of those new officers
* Sheriff Williams – red light camera removal
* Sheriff Williams – false alarm data since the implementation of the new registration system

Special Council Contingency

Brian Parks reported that the Special Council Contingency fund stands at +$501,841

Enhancement requests

* AGAPE additional funding request
* Additional funding for Public Service and Cultural Service grants
* City Council Legislative Services – additional Legislative Assistant position ($45,666)
* City Council - council member communications allowance of $2,416 and $2,183 for City hall parking for new council members
* City Council/Legislative Services Division – additional Legislative Assistant position earmarked for succession planning
* Increased library hours

Council Member Boyer said she understands that the additional City Council position only requires a position authorization, not additional funding. The committee discussed Council Member Becton’s desire for evening hours at the Southeast Branch Library expressed earlier in the meeting and decided to include a general enhancement item on the list for additional library hours.

**Meeting adjourned:** 2:01 p.m.

Minutes: Jeff Clements, Council Research

8.17.18 Posted 4:00 p.m.

Tapes: Finance Budget Hearing #2 – LSD

 8.17.18

Materials: Council Auditor’s Budget Meeting #1 handout - LSD

 8.17.18