

# **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 #4**  
**August 23, 2018**

**COUNCIL AUDITOR’S OFFICE  
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**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2018/19 BUDGET  
DOWNTOWN VISION, INC. (DVI)**

**BACKGROUND:**

Downtown Vision Inc. (DVI) is a not-for-profit 501(c)(6) organization whose mission is to build and maintain a healthy and vibrant downtown community and to promote downtown as an exciting place to live, work and visit. A public hearing on the assessment roll for DVI was scheduled for August 21, 2018 at the regular City Council Finance Committee meeting.

DVI operates an affiliate 501(c)(3) organization called Downtown Vision Alliance (DVA) to attract donated dollars. The budget for DVA is not included in the FY 2018/19 Mayor's Proposed Budget.

<u>ESTIMATED REVENUES</u>	<u>FY 2018/19 Proposed</u>	<u>Council Adopted 2017/18</u>	<u>Change</u>	<u>Change in %</u>
Assessed Properties	\$ 794,285	\$ 769,627	\$ 24,658	3.2%
City of Jacksonville	456,775	458,491	(1,716)	(0.4%)
Other Sources	255,307	165,261	90,046	54.5%
Total Estimated Revenues	<u>\$ 1,506,367</u>	<u>\$1,393,379</u>	<u>\$ 112,988</u>	<u>8.1%</u>

**APPROPRIATIONS**

	Clean, Safe and Attractive	Mktg, Promotions, Special Projects	Business & Stakeholder Support	Management & General	Mayor's FY 2018/19 Proposed	Council Adopted FY 2017/18	Change	Change in %
Personnel Services	\$ 86,796	\$ 228,555	\$ 86,796	\$ 53,193	\$ 455,236	\$ 467,781	\$ (12,545)	(2.7%)
Operating Expenses	716,125	212,636	66,990	55,276	1,051,028	925,598	125,430	13.6%
Total Appropriations	<u>\$ 802,921</u>	<u>\$ 441,191</u>	<u>\$ 153,786</u>	<u>\$ 108,469</u>	<u>\$ 1,506,367</u>	<u>\$1,393,379</u>	<u>\$ 112,988</u>	<u>8.1%</u>

**ESTIMATED REVENUES:**

1. Assessed Properties:

- DVI's main source of revenue has been a 1.1 mill special assessment of downtown commercial property owners. The budgeted assessment is estimated to be \$794,285. The increase of \$24,658 from FY 2017/18 is due to higher property values.

2. City Contribution:

- The amount of \$456,775 is the City's contribution to DVI. This contribution represents 1.1 mils of the City's assessed property value.

3. Other Sources:

- The net increase of \$90,046 is mainly due to an increase of \$61,839 in special events/sponsorships/miscellaneous due to higher revenue projected for the annual DTJax Gala fundraiser and remaining CDBG funds from a grant awarded in FY 2017/18 to DVA (**See Recommendation 1**). The net increase is also due to an increase of \$26,649 in contracted services due to DVI's new project with JTA that has ambassadors provide support at some Skyway stations.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2018/19 BUDGET  
DOWNTOWN VISION, INC. (DVI)**

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**APPROPRIATIONS:**

1. Personnel Services:

- The net decrease of \$12,545 is due to a decrease of \$18,559 in salaries and payroll taxes due to employee turnover. This is somewhat offset by an increase of \$6,118 in employee benefits due to a higher cost of health insurance.

2. Operating Expenses:

- The net increase of \$125,430 is mainly due to increases in costs for the Ambassador team and the DTJax Gala fundraiser.

**SERVICE LEVEL CHANGES:**

DVI has entered into an agreement with JTA to assign Ambassadors to some Skyway stations. Ambassadors assigned to the Skyway will be expected to provide a variety of services to transit users such as offering directions to and from Skyway stations, greeting passengers, and recording useful data for DVI and JTA.

**RECOMMENDATION:**

Schedule AE should be revised to:

1. Other Sources needs to be reduced by \$18,333 due to the inclusion of remaining grant funds from the CDBG that were given to the DVA in FY 2017/18. DVA funds should not be included in DVI's budget. This should be offset with a reduction to Operating Expenses within the Clean, Safe and Attractive expenses category.
2. Reflect \$455,340 for the total amount appropriated to personnel services. The amount of \$455,236 shown on the original Schedule AE appears to be incorrect due to a mathematical error.

All changes above are reflected on the revised schedule on the next page.

**BUSINESS IMPROVEMENT DISTRICT  
(DOWNTOWN VISION, INC.)  
JACKSONVILLE, FLORIDA  
BUDGET - FISCAL YEAR 2018/19**

**ESTIMATED REVENUES**

Assessed Properties (1)	\$ 794,285
City of Jacksonville (2)	456,775
Other Sources (3)	236,974
<b>Total Estimated Revenue</b>	<b>\$ 1,488,034</b>

**REVISED SCHEDULE AD**

**APPROPRIATIONS**

	Clean, Safe and Mktg, Attractive (4)	Promotions, Special Projects (5)	Business & Stakeholder Support (6)	Management & General (7)	Total
Personnel Services	\$ 86,796	\$ 228,555	\$ 86,796	\$ 53,193	\$ 455,340
Operating Expenses	697,792	212,636	66,990	55,276	\$ 1,032,694
<b>Total Appropriations</b>	<b>\$ 784,588</b>	<b>\$ 441,191</b>	<b>\$ 153,786</b>	<b>\$ 108,469</b>	<b>\$ 1,488,034</b>

- (1) Commercial property owners in DVI's Downtown district pay 1.1 mills of their property's assessed value to DVI.
- (2) This reflects a contribution from the City of Jacksonville equal to 1.1 mills of the value of the City's owned property (minus a rent credit of \$33,988 for Downtown Vision's office space in the Ed Ball Building.)
- (3) This represents all other income for Downtown Vision, including fee-for-service contracts, voluntary contributions from exempt organizations, grants, sponsorships and revenues generated from special events.
- (4) These contracted services include a team of Clean & Safe Ambassadors, a supervising project manager, uniforms, supplies and equipment. This line item includes 50% of the Director of District Services salary plus 25% of administrative budget.
- (5) Includes salaries for Vice President of Marketing, Communications Manager, Events Manager and includes 25% of the admin budget.
- (6) Includes salary for 50% of Director of District Services and 25% of admin budget.
- (7) This represents 25% of the admin budget. The admin budget includes the CEO and Business Administrator positions.

**REVISED SCHEDULE AE**

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

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**PROPOSED BUDGET BOOK - Page # 174-176**

**BACKGROUND:**

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

**REVENUE:**

1. Miscellaneous Revenue:
  - This amount totaling \$40,600 includes revenue for the rental of City facilities for the River City Brewing Company lease payment and fees for applications that are submitted to the Downtown Development Review Board.

**EXPENDITURES:**

1. Salaries:
  - The increase of \$101,777 is primarily due to the addition of two new positions totaling \$69,497, anticipated pay increases of 4.5% to be effective October 1<sup>st</sup> due to approved collective bargaining agreements totaling \$22,162, and a separate pay increase for one employee that was approved in FY 2017/18 totaling \$9,345.
2. Pension Costs:
  - The increase of \$31,129 is primarily due to salary increases and the addition of two employees.
3. Employer Provided Benefits:
  - The increase of \$21,655 is mainly due to an increase in health insurance due to the elimination of the five pay period “holidays” that occurred in FY 2017/18 as well as the addition of two new positions.
4. Internal Service Charges:
  - The increase of \$240,450 is mainly due to the increases of \$181,382 in legal fees to align with actual past and current usage and \$53,229 in computer system maintenance/security allocations for application maintenance of the DIA.coj.net website and GIS Cartography.
5. Other Operating Expenses:
  - The net increase of \$18,000 is primarily due to an increase of \$15,000 in Advertising and Promotion for the sponsorship of J Magazine and WJCT promotions.

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

**PROPOSED BUDGET BOOK - Page # 174-176**

**FOOD AND BEVERAGE EXPENDITURES:**

SF	Indexcode	Amount	Description of each Service/Event that requires the purchase of food/beverage	Explanation that the Service/Event serves a public purpose
011	DIAD011DIA	\$750	DIA Public Meetings	Water, coffee, tea associated with holding Public Meetings.

**EMPLOYEE CAP CHANGES:**

The cap increased by two (2) new positions, including one City Planner III and one Market Analyst.

**SERVICE LEVEL CHANGES:**

None.

**RECOMMENDATION:**

None.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2018/19 BUDGET  
DOWNTOWN INVESTMENT AUTHORITY  
PUBLIC PARKING (S/F 412)**

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**PROPOSED BUDGET BOOK - Page # 177-179**

**BACKGROUND:**

The Office of Public Parking is a part of the Downtown Investment Authority. The agency manages city owned parking lots (Bay/Ocean Street and Forsyth Street) and garages (Ed Ball, Main Library, St. James Building, Water Street and Yates Building). Revenues are generated through daily and monthly parking fees, as well as other fines and forfeitures.

**REVENUE:**

1. Licenses and Permits

- The increase of \$1,697 is due to actual increases in collections of wrecker and towing fees in the current year.

2. Charges for Services

- The net increase of \$213,784 is primarily due to:
  - An increase of \$109,505 in monthly parking fees based on current year collections.
  - An increase of \$95,177 in daily parking fees based on current year collections and new collections from five (5) parking lots in the Southbank area that will begin operations during FY 2018/19.
  - An increase of \$55,788 in late fees based on current year collections.

The increase is partially offset by decreases of:

- \$43,535 in parking fees for special events due to staffing issues that resulted in a number of special events not being supported.
- \$9,134 out of service rentals based on current year collections.

3. Fines and Forfeits

- The net increase of \$101,360 is due to a net increase in parking fines based on current year collections.

4. Investment Pool / Interest Earnings

- Investment Pool Earnings is increasing \$10,009 based on interest earned on projected available cash.

5. Miscellaneous Revenue

- The increase of \$10,003 is mainly the result of the utility bills for the Enterprise Rent-a-car facility in the library parking garage being included in this line item now and an increase in the late fee assessment.



**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2018/19 BUDGET  
DOWNTOWN INVESTMENT AUTHORITY  
PUBLIC PARKING (S/F 412)**

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**PROPOSED BUDGET BOOK - Page # 177-179**

6. Transfer from Fund Balance

- The transfer from fund balance of \$626,597 represents the carryforward of \$139,622 for the FY 2017/18 pension reform contingency and \$486,975 to balance the subfund due to one-time costs included in the FY 2018/19 Budget.

**EXPENDITURES:**

1. Salaries

- The net increase of \$69,302 is mostly due to the scheduled pay raises related to the collective bargaining agreements.

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 net increase of \$45,515 is mostly due to an increase of \$49,869 for health insurance due to the end of the five contribution "holidays" received by participants in the health insurance plan during FY 2017/18. This is partially offset by a decrease of \$5,476 for workers' compensation insurance due to lower risk ratings.

4. Internal Service Charges

- The net increase of \$33,410 is due to increases of:
  - \$80,469 in guard services and security system monitoring mainly due to adding guard service to the library parking garage.
  - \$23,917 in computer system maintenance and security due to the increased ERP implementation allocation costs.
  - \$9,158 in fleet parts/oil/gas allocation due to an increase in actual usage.
  - \$8,255 in tech refresh allocation for the replacement of 19 computers.

The increase is partially offset by an \$89,383 decrease in fleet vehicle replacement costs as four (4) vehicles were purchased and fully paid off in FY 2017/18.

5. Insurance Costs and Premiums

- The increase of \$25,040 is the result of increases of \$13,683 in miscellaneous insurance due to higher overall costs for the city and \$11,357 in general liability insurance due to an increase in claims during FY 2017/18.

6. Professional and Contractual Services

- The \$618,753 in contractual services is for the planned installation of the Parker Accounts Receivable Information System (PARIS), an online billing and accounts receivable software. This purchase will result in a recurring cost of \$1,875 per year.

**COUNCIL AUDITOR'S OFFICE  
 COMMENTS AND RECOMMENDATIONS  
 MAYOR'S PROPOSED FY 2018/19 BUDGET  
 DOWNTOWN INVESTMENT AUTHORITY  
 PUBLIC PARKING (S/F 412)**

**PROPOSED BUDGET BOOK - Page # 177-179**

7. Other Operating Expenses

- The increase of \$26,972 is mostly due to an increase of \$51,609 in credit card fees due to the increased number of meters accepting credit cards added in FY 2017/18. This is partially offset by a decrease of \$34,039 due to a reduction in pressure washing and re-striping costs from FY 2017/18.

8. Capital Outlay

- The capital outlay of \$230,969 is for the replacement of 130 obsolete parking meters for credit card accepting meters.

9. Supervision Allocation

- This amount represents the share of the departmental administration costs from the Downtown Investment Authority which are allocated to this fund.

10. 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.

11. Contingencies

- The proposed contingency amount of \$176,794 is part of the overall pension reform reserves being set aside as funds to be available to cover future salary increases.

**CAPTIAL OUTLAY CARRYFORWARD:**

DIPP412ON – On Street Parking	06429 – Specialized Equipment	\$16,565
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**EMPLOYEE CAP CHANGES:**

There are no changes in the authorized position cap.

**SERVICE LEVEL CHANGES:**

There are five (5) parking lots located in the Southbank area that will begin operation in early FY 2018/19.

**RECOMMENDATION:**

None.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2018/19 BUDGET  
DOWNTOWN ECONOMIC DEVELOPMENT FUND (S/F 75B)**

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**PROPOSED BUDGET BOOK - Page # 180-181**

**BACKGROUND:**

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

**REVENUES:**

1. Transfers From Other Funds:

- This represents a transfer from the General Fund/GSD (S/F 011) to fund future downtown development projects approved by the Downtown Investment Authority.

**EXPENDITURES:**

1. Cash Carryover:

- The \$2,500,000 will be placed in a cash carryover for future appropriation by Council.

**EMPLOYEE CAP CHANGES:**

There are no authorized positions in this subfund.

**SERVICE LEVEL CHANGES:**

None.

**RECOMMENDATIONS:**

None.

**COUNCIL AUDITOR'S OFFICE  
CITY OF JACKSONVILLE  
SOUTHBANK TAX INCREMENT DISTRICT USD1 A (SUB-FUND 182)  
2018/19 MAYOR'S PROPOSED BUDGET**

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**BUDGET BOOK REFERENCE - Page #131-132**

	2018/19 MAYOR'S PROPOSED BUDGET	2018/19 DIA APPROVED BUDGET	INCREASE/ (DECREASE)	Footnote
<b>REVENUE</b>				
<b>Ad Valorem Taxes - General Fund/GSD</b>	<b>\$ 4,256,079</b>	<b>\$ 4,256,079</b>	<b>\$ (0)</b>	(A)
<b>EXPENDITURES</b>				
Other Operating Expenses	3,204,183	3,402,467	198,284	(B)
Debt Service:				
2014 Special Revenue, Strand	178,004	178,004	-0-	
Transfers to Other Funds:				
Transfer Out to General Fund/GSD	425,608	425,608	-0-	(C)
Transfer Out to Subfund 32U	250,000	250,000	-0-	(D)
Subtotal Transfers Out	675,608	675,608	-0-	
Plan Authorized Expenditures	198,284	-0-	(198,284)	(E)
<b>Total Expenditures</b>	<b>\$ 4,256,079</b>	<b>\$ 4,256,079</b>	<b>\$ (0)</b>	

**COUNCIL AUDITOR'S OFFICE  
CITY OF JACKSONVILLE  
SOUTHBANK TAX INCREMENT DISTRICT USD1 A (SUB-FUND 182)  
2018/19 MAYOR'S PROPOSED BUDGET**

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**Revenue**

(A) The Mayor's proposed ad valorem tax revenue is calculated as follows:

Base Year	1980
<b>Preliminary Taxable Values</b>	\$ 480,678,386
Less Taxable Value in Base Year	89,127,781
<b>Taxable Value Incremental Increases</b>	<b>\$ 391,550,605</b>
Taxable Value Percentage Changes	439.3%
Operating Millage Rates	11.4419 mills
Collection Rate	95.0%
Total Ad Valorem Revenue	\$ 4,256,079

**Expenditures**

(B) Other Operating Expenses includes the following items:

	Mayor's Proposed 2018/19	DIA Approved 2018/19	Increase/ (Decrease)	
Strand (REV grant)	425,000	425,000	-0-	
Peninsula (REV grant)	625,000	625,000	-0-	
SunGard (REV grant)	8,000	8,000	-0-	
Southbank Riverwalk Wayfaring Signage	100,000	100,000	-0-	
Waterfront Activation	18,183	216,467	198,284	
JEA Southside Generating Station Public Infrastructure	1,750,000	1,750,000	-0-	(F)
Southbank Retail Enhancement	178,000	178,000	-0-	(G)
One Call Commercial Revitalization Incentive	100,000	100,000	-0-	
<b>Total</b>	<b>\$ 3,204,183</b>	<b>\$ 3,402,467</b>	<b>\$ 198,284</b>	

(C) This transfer represents administrative and overhead costs pursuant to Ord. 2012-364-E.

(D) This transfer represents funding for the Southbank Parking project.

(E) The Mayor's proposed budget placed the balance of budgeted revenue in excess of budgeted expenditures into Plan Authorized Projects. This amount was reallocated by the DIA Board to Waterfront Activation.

(F) This represents funding for public infrastructure improvements on the site of the former JEA Southside Generating Station.

(G) Per the CRA plan, the retail enhancement program provides recoverable grants to property or business owners with qualified projects to assist with paying some of the costs associated with renovating or preparing commercial space for retail, salon, restaurant, gallery or other similar use for occupancy.

**Recommendation**

1. We recommend that Budget Ordinance Schedule V be revised and all necessary entries be made to the budget to reflect the DIA Board approved budget.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2018/19 BUDGET  
SOUTHSIDE TID CAPITAL PROJECTS (S/F 32U)**

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**PROPOSED BUDGET BOOK - Page #143-144**

**BACKGROUND:**

This subfund is used to house capital projects that are funded by the Downtown Southside CRA/Tax Increment District. The appropriations below were approved by the DIA Board.

**REVENUE:**

Transfer from Other Funds:

- There is a \$250,000 transfer from the Downtown Southside CRA/Tax Increment District (Subfund 182).

**EXPENDITURES:**

Capital Outlay:

- \$250,000 is being appropriated to the Southbank Parking capital project.

**SERVICE LEVEL CHANGES:**

There is no change in service level.

**AUTHORIZED POSITION CAPS:**

There is no authorized position cap for this subfund.

**RECOMMENDATION:**

None

**COUNCIL AUDITOR'S OFFICE  
CITY OF JACKSONVILLE  
DOWNTOWN NORTHBANK WEST TAX INCREMENT DISTRICT USD1B (SUB-FUND 183)  
2018/19 MAYOR'S PROPOSED BUDGET**

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BUDGET BOOK REFERENCE - Page #133-134

	2018/19 MAYOR'S PROPOSED BUDGET	2018/19 DIA APPROVED BUDGET	INCREASE/ (DECREASE)	Footnote
<b>REVENUE</b>				
<b>Ad Valorem Taxes - General Fund/GSD</b>	<b>\$ 5,210,436</b>	<b>\$ 5,210,436</b>	<b>\$ (0)</b>	(A)
<b>EXPENDITURES</b>				
Other Operating Expenses:				
MPS Urban Core Garage	2,200,000	2,200,000	-0-	(B)
JTA/Fidelity Parking Lease	13,494	13,494	-0-	
Hallmark/220 Riverside REV grant	360,000	360,000	-0-	
Pope & Land/Brooklyn REV grant	325,000	325,000	-0-	
Expanded Retail Enhancement Program	517,363	581,874	64,511	(C)
Subtotal Other Operating Expenses	3,415,857	3,480,368	64,511	
Transfers to Downtown East TID	1,792,079	1,727,568	(64,511)	(D)
Transfers to General Fund/GSD	2,500	2,500	-0-	(E)
<b>Total Expenditures</b>	<b>\$ 5,210,436</b>	<b>\$ 5,210,436</b>	<b>\$ (0)</b>	

**COUNCIL AUDITOR'S OFFICE  
CITY OF JACKSONVILLE  
DOWNTOWN NORTHBANK WEST TAX INCREMENT DISTRICT USD1B (SUB-FUND 183)  
2018/19 MAYOR'S PROPOSED BUDGET**

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**Revenue**

(A) The Mayor's proposed ad valorem tax revenue is calculated as follows:

Base Year	1981	
<b>Preliminary Taxable Values</b>	\$ 693,985,878	
Less Taxable Value in Base Year	214,636,423	
<b>Taxable Value Incremental Increases</b>	<b>\$ 479,349,455</b>	
Taxable Value Percentage Changes	223.3%	
Operating Millage Rates	11.4419	mills
Collection Rate	95.0%	
Total Ad Valorem Revenue	\$ 5,210,436	

**Expenditures**

- (B) The City has an agreement with MPS in which the City guarantees a return on MPS's investment in three downtown parking garages. The City makes semi-annual loans to MPS in order to insure cash flows sufficient to cover all operating and ownership expenses, required reserves, a 6.75% return on the \$3 million ownership equity (8.75% if performance goals are met) and a Debt Service Coverage Ratio of 1.0.
- (C) Per the CRA plan, the retail enhancement program provides recoverable grants to property or business owners with qualified projects to assist with paying some of the costs associated with renovating or preparing commercial space for retail, salon, restaurant, gallery or other similar use for occupancy.
- (D) This transfer represents a subsidy to the Downtown East TID (Subfund 181) in order to balance revenues and expenditures within that TID.
- (E) The transfer to the General Fund - GSD represents the \$2,500 for the cost of the annual independent audit.

**Recommendation**

1. We recommend that Budget Ordinance Schedule V be revised and all necessary entries be made to the budget to reflect the DIA Board approved budget.



**COUNCIL AUDITOR'S OFFICE  
CITY OF JACKSONVILLE  
DOWNTOWN NORTHBANK EAST TAX INCREMENT DISTRICT USD1C (SUB-FUND 181)  
2018/19 MAYOR'S PROPOSED BUDGET**

**BUDGET BOOK REFERENCE - Page #129-130**

	2018/19 MAYOR'S PROPOSED BUDGET	2018/19 DIA APPROVED BUDGET	INCREASE/ (DECREASE)	Footnote
<b>REVENUE</b>				
Ad Valorem Taxes - General Fund/GSD	\$ 2,863,008	\$ 2,863,008	-0-	(A)
Carling repayment	506,487	506,487	-0-	(B)
Lynch/11E repayment	595,247	595,247	-0-	(C)
Transfer from Northside West TID	1,792,079	1,727,568	(64,511)	(D)
<b>Total Revenue</b>	<b>\$ 5,756,821</b>	<b>\$ 5,692,310</b>	<b>\$ (64,511)</b>	
<b>EXPENDITURES</b>				
Other Operating Expenses:				
Vestcor (Lynch Building) - Payback	800,000	800,000	-0-	(E)
MPS Arena and Sports Complex Garages	2,000,000	2,000,000	-0-	(F)
Commercial Revitalization Program	5,000	5,000	-0-	
Kraft Food/Maxwell House REV grant	95,000	95,000	-0-	
Retail Enhancement Program	-0-	340,330	340,330	(G)
Subtotal Other Operating Expenses	2,900,000	3,240,330	340,330	
Debt Service:				
2006C ETR, Carling	2,174,385	2,174,385	-0-	
Plan Authorized Projects	404,841	-0-	(404,841)	(H)
Transfers to Other Funds:				
Contribution to Community Development (Subfund 1A1)	75,000	75,000	-0-	(I)
Transfer Out to General Fund - GSD (Subfund 011)	202,595	202,595	-0-	(J)
Subtotal Transfers Out	277,595	277,595	-0-	
<b>Total Expenditures</b>	<b>\$ 5,756,821</b>	<b>\$ 5,692,310</b>	<b>\$ (64,511)</b>	

**COUNCIL AUDITOR'S OFFICE  
CITY OF JACKSONVILLE  
DOWNTOWN NORTHBANK EAST TAX INCREMENT DISTRICT USD1C (SUB-FUND 181)  
2018/19 MAYOR'S PROPOSED BUDGET**

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**Revenue**

(A) The Mayor's proposed ad valorem tax revenue is calculated as follows:

Base Year	1984
<b>Preliminary Taxable Values</b>	\$ 465,134,515
Less Taxable Value in Base Year	201,743,546
<b>Taxable Value Incremental Increases</b>	<b>\$ 263,390,969</b>
Taxable Value Percentage Changes	130.6%
Operating Millage Rates	11.4419 mills
Collection Rate	95.0%
Total Ad Valorem Revenue	\$ 2,863,008

- (B) This amount represents the repayment for the Carling/Roosevelt Building redevelopment loan pursuant to the amortization schedule approved by Ord. 2014-280-E.
- (C) This amount represents the repayment for the Lynch/11E Building redevelopment loan pursuant to the amortization schedule approved by Ord. 2017-504-E. The Budget Ordinance 2018-504 will need to include a waiver of Ord. 2000-1079-E and 2001-795-E in order to deposit this revenue in Subfund 181. The addition of this waiver was approved in meeting #1.
- (D) This amount represents a transfer from Subfund 183 in order to balance this subfund.

**Expenditures**

- (E) This amount represents the annual loan repayment to the Self-Insurance fund (Subfund 561) for the Lynch Building/11E redevelopment project. The City borrowed \$17,816,000 from the City's Self-Insurance fund to finance the project. The loan is scheduled to be paid off 7/1/2033 per the revised amortization schedule approved by Ordinance 2017-504-E.
- (F) The City has an agreement with MPS in which the City guarantees a return on MPS' investment in three downtown parking garages. The City makes semi-annual loans to MPS in order to insure cash flows sufficient to cover all operating and ownership expenses, required reserves, a 6.75% return on the \$3 million ownership equity (8.75% if performance goals are met) and a Debt Service Coverage Ratio of 1.0.
- (G) Per the CRA plan, the retail enhancement program provides recoverable grants to property or business owners with qualified projects to assist with paying some of the costs associated with renovating or preparing commercial space for retail, salon, restaurant, gallery or other similar use for occupancy.
- (H) The Mayor's proposed budget placed the balance of budgeted revenue in excess of budgeted expenditures into Plan Authorized Projects. This amount was reallocated by the DIA Board to the Retail Enhancement Program.
- (I) The Contribution to Community Development is the annual payment on the CDBG loan for the Museum of Contemporary Art. This is an interest-free loan of \$1,500,000 to be repaid in twenty annual installments of \$75,000. The FY 2018/19 payment is the 19th installment.
- (J) The transfer to the General Fund - GSD represents full repayment of the FY 17/18 General Fund - GSD loan of \$200,095 and \$2,500 for the cost of the annual independent audit.

**Recommendation**

1. We recommend that Budget Ordinance Schedule for this TID (S/F 181) that is incorrectly labeled as Schedule U be revised and relabeled as Schedule V with the rest of the DIA TIDs and all necessary entries be made to the budget to reflect the approved DIA Board budget.

**COUNCIL AUDITOR'S OFFICE  
CITY OF JACKSONVILLE  
JACKSONVILLE BEACH TAX INCREMENT DISTRICTS USD2 A&B (SUB-FUND 184)  
2018/19 MAYOR'S PROPOSED BUDGET**

**BUDGET BOOK REFERENCE - Page #135-136**

	<b>2018/19 PROPOSED BUDGET</b>	
<b>TAXABLE VALUES &amp; RATES</b>		
Base Years	1983 & 1986	
Preliminary Taxable Values	\$ 996,689,672	
Less Taxable Value in Base Years	48,790,640	
<b>Taxable Value Incremental Increases</b>	<b>\$ 947,899,032</b>	
Taxable Value Percentage Increases	1942.8%	
Operating Millage Rates	8.1512	mills
Collection Rate	95.0%	

**REVENUE**

Ad Valorem Taxes - GF / GSD	<b>\$ 7,340,189</b>
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**EXPENDITURES**

Contribution to Jacksonville Beach	<b>\$ 7,340,189</b>
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**Percentage of USD2 Taxes Received by City of Jacksonville**

	<b>Countywide Levy</b>	<b>USD2 Levy</b>	
2018/19 Beaches Preliminary Taxable Values	\$ 3,609,573,719	\$ 3,609,573,719	
Levy (A)	11.4419 mills	8.1512 mills	
Collection Rate	95.5%	95.5%	
Taxes	\$ 39,441,864	\$ 28,098,351	
Less TIF	-	7,340,189	
<b>Net Revenue to City</b>	<b>\$ 39,441,864</b>	<b>\$ 20,758,162</b>	
	100.00%	52.63%	- Percentage of countywide levy collected from USD2 after TIF and Interlocal Agreement reductions.

**FOOTNOTES**

(A) 8.1512 mills is 3.2907 mills less than the General Service District millage. Per the interlocal agreement, Jacksonville Beach's millage rate shall be 3.2907 mills less than the General Service District rate. The USD2 levy is 71.24% of the 11.4419 mill rate levied county-wide.

**RECOMMENDATIONS:** None.

**JACKSONVILLE INTERNATIONAL AIRPORT AREA REDEVELOPMENT  
TAX INCREMENT DISTRICT GSA (SUB-FUND 185)  
2018/19 CRA BOARD APPROVED BUDGET**

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**BUDGET BOOK REFERENCE - Page #137-138**

	<b>2018/19 APPROVED BUDGET</b>	<b>Footnote</b>
<b>REVENUE</b>		
Ad Valorem Taxes - General Fund/GSD	11,685,008	<b>(A)</b>
<b>Total Revenue</b>	<b>11,685,008</b>	
<b>EXPENDITURES</b>		
Operating Expenses		
Internal Service/OGC Legal	11,895	
Professional and Contractual Services	1,000	
Travel	500	
Advertising and Promotion	1,000	
Office Supplies	500	
Employee Training	300	
Dues, subscriptions	342	
Supervision Allocation	70,594	<b>(B)</b>
Non-Departmental Expenditures		
REV Grants	2,453,000	<b>(C)</b>
QTI Grants	19,800	<b>(D)</b>
Debt Service		
2014 Special Revenue, RAMCO	476,805	<b>(E)</b>
Transfers to Other Funds		
Transfers Out to General Fund/GSD	2,500	<b>(F)</b>
Plan Authorized Projects (TBD)	8,646,772	<b>(G)</b>
<b>Total Expenditures</b>	<b>11,685,008</b>	

**COUNCIL AUDITOR'S OFFICE  
CITY OF JACKSONVILLE  
JACKSONVILLE INTERNATIONAL AIRPORT AREA REDEVELOPMENT  
TAX INCREMENT DISTRICT GSA (SUB-FUND 185)  
2018/19 CRA BOARD APPROVED BUDGET**

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**Revenue**

A. Ad valorem tax revenue is calculated as follows:

Base Year		1993
Preliminary Taxable Values	\$	1,264,197,263
Less Taxable Value in Base Year		189,200,262
Taxable Value Incremental Increases	<b>\$</b>	<b>1,074,997,001</b>
Taxable Value Percentage Increases		568.2%
Operating Millage Rates		11.4419 mills
Collection Rate		95.0%
Total Revenue	\$	11,685,008

**Expenditures**

B. This amount represents the administrative costs of the CRA which are allocated from the Office of Economic Development.

C. REV grant payments include the following:

Amazon	\$	1,500,000
RAMCO		745,000
Ecolab		47,000
River City Crossing REV grant		161,000
Total	\$	2,453,000

D. QTI payments include the following:

Mercedes Benz QTI	\$	16,200
Safariland QTI		3,600
Total	\$	19,800

E. This amount represents debt service on bonds that were used to finance road improvements related to the River City Marketplace, which is operated by RAMCO.

F. The transfer to the General Fund - GSD represents funding for the CRA's annual independent audit.

G. The Plan Authorized Projects funding is equal to budgeted revenue in excess of budgeted expenditures. This amount will be placed in a Trust Fund Authorized Expenditures account for future appropriation.

**Recommendations:**

None.

**KING SOUDEL TAX INCREMENT DISTRICT GSK (SUB-FUND 186)  
2018/19 CRA BOARD APPROVED BUDGET**

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**BUDGET BOOK REFERENCE - Pages #139-140**

	<b>2018/19 APPROVED BUDGET</b>	<b>Footnote</b>
	<u>                    </u>	<u>                    </u>
<b>REVENUE</b>		
Ad Valorem Taxes - General Fund/GSD	702,916	<b>(A)</b>
<b>Total Revenue</b>	<b><u>702,916</u></b>	
<b>EXPENDITURES</b>		
Operating Expenses		
Internal Service/OGC Legal	12,164	
Professional and Contractual Services	1,000	
Travel	500	
Advertising and Promotion	1,000	
Office Supplies	500	
Employee Training	300	
Dues, subscriptions	342	
Supervision Allocation	55,423	<b>(B)</b>
Transfers to Other Funds		
Transfer Out to TID Capital Project Subfund 32V	629,187	<b>(C)</b>
Transfer Out to General Fund/GSD	2,500	<b>(D)</b>
<b>Total Expenditures</b>	<b><u>\$ 702,916</u></b>	

**COUNCIL AUDITOR'S OFFICE  
CITY OF JACKSONVILLE  
KING SOUDEL TAX INCREMENT DISTRICT GSK (SUB-FUND 186)  
2018/19 CRA BOARD APPROVED BUDGET**

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**Revenue**

(A) Ad valorem tax revenue is calculated as follows:

Base Year		<u>2008</u>
Preliminary Taxable Values		135,731,799
Less Taxable Value in Base Year		<u>71,064,917</u>
<b>Taxable Value Incremental Increases</b>		<b><u>\$ 64,666,882</u></b>
Taxable Value Percentage Increases		91.0%
Operating Millage Rates		11.4419 mills
Collection Rate		95.0%
Total Revenue	\$	702,916

**Expenditures**

(B) This amount represents the administrative costs of the CRA which are allocated from the Office of Economic Development.

(C) The transfer to Subfund 32V represents funding for the Gateway Soudel Norfolk project.

(D) The transfer to the General Fund - GSD represents funding for the CRA's annual independent audit.

**Recommendation:**

We recommend that Budget Ordinance Schedule T be revised and all necessary entries be made to the budget to reflect the CRA Board approved budget.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2018/19 BUDGET  
SOUTEL/KING TID CAPITAL PROJECTS (S/F 32V)**

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**PROPOSED BUDGET BOOK – N/A**

**BACKGROUND:**

This subfund is used to house capital projects that are funded by the King Soutel CRA/Tax Increment District. The appropriations below were approved by the CRA Board.

**REVENUE:**

Transfer from Other Funds:

- There is a \$629,187 transfer from the King Soutel CRA/Tax Increment District (Subfund 186).

**EXPENDITURES:**

Capital Outlay:

- \$629,187 is being appropriated to the Gateway Soutel Norfolk capital project.

**SERVICE LEVEL CHANGES:**

There is no change in service level.

**AUTHORIZED POSITION CAPS:**

There is no authorized position cap for this subfund.

**RECOMMENDATION:**

The appropriations above were not included in the Mayor's proposed budget and were subsequently approved by the CRA Board at their August 14, 2018 meeting. We recommend that all necessary adjustments be made to budget these appropriations.



**RENEW ARLINGTON TAX INCREMENT DISTRICT GSRA (SUB-FUND 187)  
2018/19 CRA BOARD APPROVED BUDGET**

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**BUDGET BOOK REFERENCE - Page #141-142**

	<b>2018/19 APPROVED BUDGET</b>	<b><u>Footnote</u></b>
<b>REVENUE</b>		
Ad Valorem Taxes - General Fund/GSD	<u>755,215</u>	<b>(A)</b>
<b>Total Revenue</b>	<b><u><u>755,215</u></u></b>	
<b>EXPENDITURES</b>		
Operating Expenses		
Internal Service/OGC Legal	7,516	
Professional and Contractual Services	1,000	
Travel	900	
Advertising and Promotion	1,000	
Office Supplies	500	
Employee Training	700	
Dues, subscriptions	342	
Supervision Allocation	55,423	<b>(B)</b>
Transfers to Other Funds		
Transfers Out to General Fund/GSD	2,500	<b>(C)</b>
Plan Authorized Projects (TBD)	<u>685,334</u>	<b>(D)</b>
<b>Total Expenditures</b>	<b><u><u>755,215</u></u></b>	

**COUNCIL AUDITOR'S OFFICE  
CITY OF JACKSONVILLE  
RENEW ARLINGTON TAX INCREMENT DISTRICT GSRA (SUB-FUND 187)  
2018/19 CRA BOARD APPROVED BUDGET**

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**Revenue**

(A) Ad valorem tax revenue is calculated as follows:

Base Year	2015
Preliminary Taxable Values	\$ 279,820,575
Less Taxable Value in Base Year	210,342,375
<b>Taxable Value Incremental Increases</b>	<b>\$ 69,478,200</b>
 Taxable Value Percentage Increases	 33.0%
 Operating Millage Rates	 11.4419 mills
 Collection Rate	 95.0%
 Total Revenue	 \$ 755,215

**Expenditures**

- (B) This amount represents the administrative costs of the CRA which are allocated from the Office of Economic Development.
- (C) The budgeted transfer to the General Fund - GSD represents funding for the CRA's annual independent audit.
- (D) The Plan Authorized Projects funding is equal to budgeted revenue in excess of budgeted expenditures. This amount will be placed in a Trust Fund Authorized Expenditures account for future appropriation.

**Recommendations:**

None

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

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**PROPOSED BUDGET BOOK - Page # 287-288**

**BACKGROUND:**

The Office of Economic Development serves as the economic development agency for the City of Jacksonville, implementing policies that result in sustainable job growth, raising personal incomes and creating a broader tax base for the community. The office also oversees the administration of local and state incentives, redevelopment at the Cecil Commerce Center and provides staff support to three Community Redevelopment Areas.

**EXPENDITURES:**

1. Salaries:
  - The increase of \$54,653 is primarily due to anticipated pay increases to be effective October 1<sup>st</sup> related to collective bargaining.
2. Pension Costs:
  - The increase of \$38,582 is mainly due to salary increases.
3. Employer Provided Benefits:
  - The net increase of \$23,527 is mainly due to an increase in health insurance costs attributable to the elimination of the five contribution “holidays.”
4. Internal Service Charges:
  - The net decrease of \$5,834 is driven by a decrease of \$20,197 in computer system maintenance/security costs attributable to a decrease in IT application maintenance charges associated with the maintenance of Duval Maps, Duval Property Application, and JEDC Cartography & data updates. This is partially offset by an increase of \$9,054 in OGC allocation due to an overall increase in OGC costs.
5. Grants, Aids & Contributions:
  - This funding is a grant for the UNF Small Business Development Center.
6. Supervision Allocation:
  - This amount represents administrative costs that are being allocated to the Cecil Field Trust Fund (S/F 1DE) and three Community Redevelopment Areas (CRA) funds in which the department provides staff support. The CRAs include the Jacksonville International Airport CRA (S/F 185), Moncrief Soutel CRA (S/F 186), and the Renew Arlington CRA (S/F 187). The increase of \$17,166 is due to salary increases related to the approved collective bargaining agreements.

**EMPLOYEE CAP CHANGES:**

The authorized position cap is unchanged.

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

---

**PROPOSED BUDGET BOOK - Page # 287-288**

**SERVICE LEVEL CHANGES:**

None.

**RECOMMENDATION:**

None.

**COUNCIL AUDITOR'S OFFICE  
 COMMENTS AND RECOMMENDATIONS  
 MAYOR'S PROPOSED FY 2018/19 BUDGET  
 CECIL FIELD TRUST FUND (S/F 1DE)**

**PROPOSED BUDGET BOOK - Page # 289-290**

**BACKGROUND:**

Established per Ordinance 98-1052-E, all revenues received or earned by the City from the development and operation of the Cecil Commerce Center are deposited into this trust fund. The funds are used for the improvements, repairs, or maintenance costs of City's facilities at Cecil Commerce Center or other costs of undertaking City obligations, goals and objectives at Cecil Commerce Center. The Office of Economic Development manages most of the operations except for a portion of the forestry-related activities that are managed by Parks, Recreation, and Community Services Department. This is an "all years" subfund, which means once dollars are appropriated, the appropriation stays in place from year to year rather than lapsing. A schedule that shows a true year-to-year budget without any "all years" adjustments is below.

	FY 2017/18 Appropriation of Prior Years Revenue	FY 2017/18 Approved Current Year Activity	FY 2018/19 Appropriation of Prior Years Revenue	FY 2018/19 Proposed Current Year Activity	Change
<b>REVENUE</b>					
<b>NON-DEPARTMENTAL / FUND LEVEL ACTIVITIES</b>					
Investment Pool / Interest Earnings	-	79,937	-	61,669	(18,268)
Transfers From Other Funds	-	-	-	-	-
	-	79,937	-	61,669	(18,268)
<b>OFFICE OF ECONOMIC DEVELOPMENT</b>					
Charges for Services	(2,184)	-	-	-	-
Miscellaneous Revenue	471,700	878,697	-	1,034,008	155,311
Transfers From Component Units	5,470	-	-	-	-
	474,986	878,697	-	1,034,008	155,311
<b>PARKS, RECREATION &amp; COMMUNITY SVCS</b>					
Charges for Services	9,120	-	-	1,350	1,350
Miscellaneous Revenue	-	70,000	-	-	(70,000)
	9,120	70,000	-	1,350	(68,650)
<b>TOTAL REVENUE</b>	<b>484,106</b>	<b>1,028,634</b>	<b>-</b>	<b>1,097,027</b>	<b>68,393</b>
<b>EXPENDITURES</b>					
<b>NON-DEPARTMENTAL / FUND LEVEL ACTIVITIES</b>					
Transfers to Other Funds	-	-	-	-	-
<b>OFFICE OF ECONOMIC DEVELOPMENT</b>					
Salaries	-	-	-	-	-
Pension Costs	-	-	-	-	-
Employer Provided Benefits	-	-	-	-	-
Internal Service Charges	-	794	-	-	(794)
Insurance Costs and Premiums	-	99,834	-	116,961	17,127
Professional and Contractual Services	(50,000)	1,566,529	-	1,517,587	(48,942)
Other Operating Expenses	(345,496)	2,047	(727,199)	-	(2,047)
Supervision Allocation	-	106,258	-	113,455	7,197
Indirect Cost	-	67,437	-	9,541	(57,896)
	(395,496)	1,842,899	(727,199)	1,757,544	(85,355)
<b>PARKS, RECREATION &amp; COMMUNITY SVCS</b>					
Professional and Contractual Services	-	65,337	-	66,682	1,345
<b>TOTAL EXPENDITURES</b>	<b>(395,496)</b>	<b>1,908,236</b>	<b>(727,199)</b>	<b>1,824,226</b>	<b>(84,010)</b>

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2018/19 BUDGET  
CECIL FIELD TRUST FUND (S/F 1DE)**

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**PROPOSED BUDGET BOOK - Page # 289-290**

**REVENUES:**

Non-Departmental / Fund Level Activities

1. Investment Pool / Interest Earnings:
  - The decrease of \$18,268 is to align with actual earnings.

Office of Economic Development

2. Miscellaneous Revenue:
  - The increase of \$155,311 is due to an increase in rental revenue from leasing of City facilities located at Cecil Commerce Center to better align with the actual revenues being collected in the current year.

Parks, Recreation & Community Services

3. Miscellaneous Revenue:
  - The decrease of \$70,000 is due to no new timber sales expected in FY 2018/19.

**EXPENDITURES:**

Office of Economic Development

1. Insurance Costs and Premiums:
  - The increase of \$17,127 is due to an increase in miscellaneous insurance due to an increase in premiums that the City pays for property insurance.
2. Professional and Contractual Services:
  - The proposed amount of \$1,517,587 is primarily associated with the building and property maintenance contract at Cecil Commerce Center and for forestry management services. The decrease of \$48,942 is the result of additional funds for engineering and program management services not being needed.
3. Other Operating Expenses:
  - This represents an “all years” adjustment de-appropriating budget capacity within Miscellaneous Services and Charges to fund the operating expenses of FY 2018/19 within this subfund. These funds were previously appropriated for a contract that has been moved to Professional Services.
4. Supervision Allocation:
  - This amount represents the administrative costs of Office of Economic Development staff for the time they spend on activities related to Cecil Commerce Center.
5. 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 decrease of \$57,896 is due to a timing issue and going forward the FY 2018/19 amount should be more consistent with the allocation amount

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2018/19 BUDGET  
CECIL FIELD TRUST FUND (S/F 1DE)**

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**PROPOSED BUDGET BOOK - Page # 289-290**

*Parks, Recreation & Community Services*

6. Professional and Contractual Services:

- The proposed amount of \$66,682 is for forestry management services provided by the Florida Forest Service in connection with the part of the City's preservation properties managed by Parks, Recreation, and Community Services Department.

**SERVICE LEVEL CHANGES:**

There are no significant service level changes.

**AUTHORIZED POSITION CAP:**

There are no positions in this subfund.

**RECOMMENDATION:**

None

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

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**PROPOSED BUDGET BOOK – Page #300-301**

**BACKGROUND:**

The Office of Sports and Entertainment enhances the region's economy by attracting special events and sports organizations to the City of Jacksonville. The department was created by Ordinance 2014-289-E and includes the Office of Film and Television and the Office of Special Events. This portion of the department's budget only includes the General Fund / General Services District (S/F 011) activities.

**EXPENDITURES:**

1. Salaries:

- The increase of \$12,422 is mainly for an increase of \$34,999 in Part-time Salaries to hire part-time staff on an as needed basis. This increase is offset by a decrease of \$24,856 in Salaries due to a vacancy for the Sports and Entertainment Officer.

2. Pension Costs:

- The decrease of \$6,138 is due to employee turnover.

3. Internal Service Charges:

- The increase of \$26,819 is primarily due to an increase of \$40,646 in Computer System Maintenance/Security for a Film and Television standalone website. The increase is offset by a decrease of \$13,210 in the legal cost allocation based on actual utilization of legal services.

4. Insurance Costs and Premiums:

- The increase of \$75,411 is for General Liability Insurance based on a recent claim.

5. Other Operating Expenses:

- The increase of \$45,151 is primarily due to an increase of \$40,000 for Event Contribution and an increase of \$8,910 in Food for the City of Jacksonville suite during Jaguar games. On the following page is a list of the Event Contributions.



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

**PROPOSED BUDGET BOOK – Page #300-301**

Event Contributions	FY 2017-18 Approved	FY 2018-19 Proposed
The Players Championship	75,000	75,000
Florida-Georgia Hall of Fame (busts, merchandise, luncheon)	52,500	50,000
Jacksonville Jaguar Suite Tickets	21,000	25,000
P1 Powerboat Races	10,000	10,000
26.2 with Donna	10,000	10,000
Gator Bowl Sports	6,600	-
Annual Film & Television Award Industry Reception	2,500	-
TaxSlayer Bowl	2,400	-
NCAA Men's Basketball 1st & 2nd Rounds	-	25,000
NCAA Track & Field Championships	-	25,000
<b>Total</b>	<b>\$ 180,000</b>	<b>\$ 220,000</b>

**FOOD AND BEVERAGE EXPENDITURES:**

SF	Indexcode	FY19 Request	Description of each Service/Event that requires the purchase of food/beverage	Explanation that the Service/Event serves a public purpose
011	SPET011SE	8,910	To pay for food and non-alcoholic beverages at the COJ suite during Jaguar games.	The city's Jaguar suite is used to showcase our stadium, our city and to entice business and other opportunities for our city.

**SERVICE LEVEL CHANGES:**

There are no significant service level changes.

**EMPLOYEE CAP CHANGES:**

There are no changes to the authorized position cap.

**RECOMMENDATION:**

None.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2018/19 BUDGET  
SPECIAL EVENTS (S/F 01A)**

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**PROPOSED BUDGET BOOK – Page # 302-304**

**BACKGROUND:**

Special Events is an activity under the Office of Sports and Entertainment. It has its own subfund (S/F 01A) that is project driven to provide transparency to better track revenues and costs for individual events.

**REVENUE:**

1. Charges for Services:
  - This amount represents the anticipated revenue from the sale of 1,000 tickets for the Florida/Georgia game that the City is contractually obligated to purchase.
2. Miscellaneous Revenue:
  - This amount includes Jaguars portion for the cost of the risers for the temporary seating for the Florida/Georgia game due to the Club Improvements approved by Amendment #14 to the Jaguar Lease at an amount of \$294,703.
3. Transfer From Other Funds:
  - There is a \$6,775,372 transfer from the General Fund/General Services District (S/F 011) to support operations within the Office of Special Events. The increase is due to an increase in Equipment Rentals for the Florida/Georgia game temporary seating and to cover the Jaguars' loss of revenues due to the timing of the installation of the temporary seating.
4. Transfers from Fund Balance:
  - The \$74,154 is the Fiscal Year 2017/2018 pension reform reserves being appropriated to be placed back into reserves.

**EXPENDITURES:**

1. Salaries:
  - The decrease of \$17,836 in salaries is due to a decrease of \$75,000 in Overtime Salaries so that another event could be added in Fiscal Year 2018/2019. The decrease is offset by an increase in Salaries in the amount of \$56,568 due to the general wage increases in the collective bargaining agreements.
2. Internal Service Charges:
  - The decrease of \$36,021 is primarily due to a decrease of \$161,669 in Computer System Maintenance/Security due to agency specific application services in connection with the development of the Special Events website and mobile app that were completed in the current fiscal year. There is an offsetting increase in Radio Equipment Refresh in the amount of \$121,024 to refresh most of Special Events portable radios.

**COUNCIL AUDITOR'S OFFICE  
 COMMENTS AND RECOMMENDATIONS  
 MAYOR'S PROPOSED FY 2018/19 BUDGET  
 SPECIAL EVENTS (S/F 01A)**

**PROPOSED BUDGET BOOK – Page # 302-304**

3. Professional and Contractual Services:
  - The increase of \$15,000 is an enhancement request for increased security at City events.
  
4. Other Operating Expenses:
  - The increase of \$387,855 is due to the following:
    - An increase of \$332,355 in Equipment Rentals primarily for the temporary seating associated with the Florida/Georgia game. Due to the Jaguar home game on October 21, 2018 the expedited costs are associated with the starting and stopping of building the temporary seating. The last time expedited costs were paid was in Fiscal Year 2016/2017.
    - An increase of \$43,195 in Miscellaneous Services and Charges and \$6,000 in Advertising and Promotion for the Light Boat Parade, which was not funded by the City in Fiscal Year 2017/18.
  
5. Grants, Aids & Contributions:
  - This amount includes a contribution of \$470,000 to other governments for travel related expenses for the Florida/Georgia game (\$350,000 for University of Georgia airfare and \$60,000 to each team for travel and lodging) and a contribution of \$84,875 to the Bob Hayes Track event.
  - The increase of \$334,647 is a payment to the Jaguars for the loss of revenue for the October 21, 2018 home game attributable to the temporary seating being erected for the Florida/Georgia game. Even though this payment is not a contractual obligation, in Fiscal Year 2016/2017 the City covered lost revenue in the amount of \$191,192 for the Jaguars.

Below is the cost for each proposed event:

Events Proposed FY 2018/19	Equipment Rentals	Advertising	Event Contribution	Misc. Services & Charges	Subsidies & Contributions To Other Gov	Subsidies & Contributions To Private Org	FY 2018/2019 Proposed	FY 17-18 Totals	Inc./{(Dec.)
4TH OF JULY/NYE CELEBRATION	12,500			48,600			61,100	61,100	-
LIGHT BOAT PARADE	4,500	6,000		49,500			60,000	-	60,000
BOB HAYES TRACK						84,875	84,875	84,875	-
FLORIDA / GEORGIA GAME	2,348,177		600,000	175,000	470,000	334,647	3,927,824	3,265,322	662,502
JAX BEACH FIREWORKS SUBSIDY				25,000			25,000	25,000	-
JAX HAPPENINGS	2,000	4,000		8,000			14,000	14,000	-
JAZZ FESTIVAL	15,000	4,500		394,174			413,674	413,674	-
MAYOR'S INITIATIVES	8,000	8,000		45,000			61,000	61,000	-
MEMORIAL WALL/SEA & SKY	34,800			165,200			200,000	200,000	-
MLK JR BREAKFAST/ACTIVITIES	5,000	5,000		46,711			56,711	56,711	-
MUSIC FESTIVALS	2,500	3,000		20,000			25,500	25,500	-
VETERANS DAY PARADE	3,000	2,000		15,000			20,000	20,000	-
WORLD OF NATIONS	15,000	5,000		85,000			105,000	105,000	-
<b>Total</b>	<b>\$2,450,477</b>	<b>\$ 37,500</b>	<b>\$ 600,000</b>	<b>\$1,077,185</b>	<b>\$ 470,000</b>	<b>\$ 419,522</b>	<b>\$5,054,684</b>	<b>\$4,332,182</b>	<b>\$722,502</b>

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6. Contingencies:

- The amount of \$101,314 includes the \$74,154 Fiscal Year 2017/2018 pension reform reserves and an amount of \$27,160 for the Fiscal Year 2018/2018 pension reform reserves.

**FOOD AND BEVERAGE EXPENDITURES:**

SF	Indexcode	Description of each Service/Event that requires the purchase of food/beverage	Amount	Explanation that the Service/Event serves a public purpose
01A	SPET01ASE	Jazz Festival	\$ 34,422	Signature city event - supports volunteers/hospitality
01A	SPET01ASE	FL/GA Game		
01A	SPET01ASE	Sea and Sky		
01A	SPET01ASE	Environmental Awards		
01A	SPET01ASE	World of Nations		

**SERVICE LEVEL CHANGES:**

There are no significant service level changes.

**EMPLOYEE CAP CHANGES:**

There are no changes to the authorized position cap.

**RECOMMENDATION:**

None

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CITY VENUES – CITY (4K1)**

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**PROPOSED BUDGET BOOK – Page #305-307**

**BACKGROUND:**

SMG has been retained by the City to manage six public facilities which include TIAA Bank Field, the Memorial Arena, Jacksonville Baseball Stadium, Times Union Center for the Performing Arts, Prime Osborn Convention Center, and the Ritz Theatre and Museum. The Office of Sports and Entertainment is the contract manager of the SMG contract. A new contract between the City and SMG was approved by Ordinance 2017-375-E. The contract has a term of April 1, 2017 to March 31, 2022 with two additional one-year renewal periods. This sub-fund contains the City's costs related to the venues.

**REVENUE:**

1. Taxes:

- The taxes include the 2 Cent Tourist Development Tax budgeted at \$9,000,000 and the State Sales Tax Rebate budgeted at \$2,000,004. The increase of \$1,100,000 is due to a projected increase in the 2 Cent Tourist Development Tax collections based on projected growth.

2. Investment Pool/Interest Earnings:

- The budgeted amount of \$39,954 is the projected Investment Pool Earnings for fiscal year 2018/2019 based on available cash and the interest rate projected by Treasury.

3. Miscellaneous Revenue:

- The budgeted amount of \$4,833,080 includes the Jaguar rent payment and the Jumbo Shrimp rent payment.
  - The Jaguar supplemental rent payment per Amendment #8 of the Jaguar Lease for fiscal year 2018/2019 is \$4,718,763 which is a decrease of \$15,956.
  - The Jumbo Shrimp rent payment for fiscal year 2018/2019 is \$114,317.

4. Transfers from Other Funds:

- The transfer of \$14,413,820 is from the General Fund/General Services District (S/F 011) to balance revenues and expenditures. This represents a decrease of \$717,725 from fiscal year 2017/2018.

**EXPENDITURES:**

1. Internal Service Charges:

- The increase of \$96,922 is primarily due to an increase of \$124,839 in Computer System Maintenance/Security allocation for the costs for the ERP system and Microsoft 365.

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 CITY VENUES – CITY (4K1)**

**PROPOSED BUDGET BOOK – Page #305-307**

- The increase is partially offset by a decrease of \$31,989 for Building Maintenance due to eliminating the allocation since Public Buildings does not perform any maintenance at the venues.
2. Insurance Costs and Premiums:
- There is an increase of \$212,125 in the Miscellaneous Insurance allocation due to the Flex Field and Amphitheater being added to the City’s insurance coverage and both shown in the allocation for the first time.
3. Professional and Contractual Services:
- The increase of \$392,685 is primarily due to a \$385,000 contribution from the City for the Florida State versus Boise State Football Game to be held on August 31, 2019.
4. Capital Outlay:
- Capital Outlay for Other Heavy Equipment includes the following:

	<b>TIAA Bank Field</b>	<b>Memorial Arena</b>	<b>Baseball Stadium</b>	<b>Performing Arts Center</b>	<b>Convention Center</b>	<b>Ritz Theatre</b>	<b>Total</b>
Audio/Visual Equipment	\$ 10,000	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ 15,000
Event Equipment	\$ 20,000	\$ 10,000	\$ -	\$ 20,000	\$ 10,000	\$ -	\$ 60,000
Housekeeping Equipment	\$ 20,000	\$ 10,000	\$ 20,000	\$ 20,000	\$ 10,000	\$ -	\$ 80,000
Landscape and Turf Equipment	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000
Operations Equipment	\$ 10,000	\$ 10,000	\$ 5,000	\$ 20,000	\$ 10,000	\$ 10,000	\$ 65,000
Parking Equipment	\$ 10,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ 15,000
Technical Equipment	\$ 10,000	\$ 5,000	\$ 5,000	\$ -	\$ -	\$ -	\$ 20,000
<b>Total</b>	\$ 90,000	\$ 40,000	\$ 30,000	\$ 60,000	\$ 35,000	\$ 10,000	\$ 265,000

5. Debt Service:
- This is a transfer to subfund 4K6 City Venues – Debt for TIAA Bank Field bond payments:
    - \$450 for Fiscal Agent Fees
    - \$5,945,000 in Principal payments
    - \$4,291,744 in Interest payments
6. Transfers to Other Funds:
- The transfer of \$11,707,419 includes the following:
    - \$832,000 for a payback of a \$5,000,000 loan from subfund 322 approved by Ordinance 2004-338-E which was Amendment #7 to the Jaguar Lease

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**PROPOSED BUDGET BOOK – Page #305-307**

for improvements to the stadium. The last payment for this loan will be in fiscal year 2019/2020.

- \$100,000 for a payback of a \$2,115,000 loan from subfund 322 approved by the fiscal year 2003/2004 Budget Ordinance 2003-876-E. The last payment for this loan will be in fiscal year 2020/2021.
- \$10,775,419 transfer to City Venues – SMG (4K2)

7. Debt Management Fund Repayments:

- This is the principal payment of \$250,000 and interest payment of \$7,708 for the Stadium Wi-Fi approved by Ordinance 2014-455-E, which is the Amended and Restated Amendment #12 to the Jaguar Lease.

**EMPLOYEE CAP CHANGES:**

There are no City employees associated with this sub-fund.

**RECOMMENDATION:**

None

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CITY VENUES – SMG (4K2)**

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**PROPOSED BUDGET BOOK – Page #308-310**

**BACKGROUND:**

SMG has been retained by the City to manage six public facilities which include TIAA Bank Field, the Memorial Arena, Jacksonville Baseball Stadium, Times Union Center for the Performing Arts, Prime Osborn Convention Center, and the Ritz Theatre and Museum. The Office of Sports and Entertainment is the contract manager of the SMG contract. A new contract between the City and SMG was approved by Ordinance 2017-375-E. The contract has a term of April 1, 2017 to March 31, 2022 with two additional one-year renewal periods. This sub-fund contains SMG's costs related to the operation and management of the venues.

**REVENUE:**

1. Charges for Services:

- The increase of \$2,297,905 is primarily due to the following:
  - An increase of \$1,971,503 in Contractual Services Revenue mainly for increases at Daily's Place, TIAA Bank Field for the FSU/Boise State football game in August 2019, and the Memorial Arena due to high profile concerts and the NCAA Tournament.
  - There is an increase of \$163,885 in Other Ticket Surcharge-Incentives Fees at the Performing Arts Center due to the FSCJ Artist Series Broadway shows and at the Arena due to high profile concerts and the NCAA Tournament.
  - An increase of \$105,224 in Other Ticket Surcharge-Club/Suites primarily at the Arena due to high profile concerts and the NCAA Tournament.

2. Investment Pool/Interest Earnings:

- The amount of \$16,000 is SMG's projected investment earnings for fiscal year 2018/2019.

3. Miscellaneous Revenue:

- The increase of \$1,386,030 is primarily due to
  - An increase of \$750,717 in Concession Sales mainly at the Arena.
  - An increase of \$318,941 in Rental of City Facilities primarily at the Memorial Arena.
  - An increase of \$151,125 in Contribution from Private Sources for Daily's Place operations. This is the annual operating overhead payment from Bold Events.
  - An increase of \$126,020 in Non-Dwelling Rent due to a new cell tower contract.
  - An increase of \$91,550 in Advertising Fees mainly due to the planned events at the Arena for Fiscal Year 2018/2019.



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CITY VENUES – SMG (4K2)**

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**PROPOSED BUDGET BOOK – Page #308-310**

4. Transfers from Other Funds:

- The transfer of \$10,775,419 is from City Venues – City (4K1), which is ultimately from the General Fund/GSD.

**EXPENDITURES:**

1. Salaries:

- The increase of \$1,212,032 is primarily due to a request to increase salaries by 4.5% to be in line with City salary increases, due to bringing security in-house at the facilities, plus two additional positions added during Fiscal Year 2017/2018 for Daily's Place. Also, included are two enhancements:
  - \$125,000 for enhanced security which includes two additional people at the loading docks and one additional person at the Arena for 24/7 coverage.
  - \$25,000 for the Red Team Program, which is a new initiative by the NFL that requires venues to self-audit security and safety functions.

Even with the reasons for the increase mentioned above, it appears as though salaries are over budgeted by \$98,852. See Recommendation

2. Professional and Contractual Services:

- There is an increase of \$1,999,527 which is primarily due to:
  - Contractual Services increasing by \$1,409,568 mainly at TIAA Bank Field, Memorial Arena and Performing Arts Center due to the planned events in Fiscal Year 2018/2019 at these venues.
  - An increase of \$1,080,879 in Contractual Services – SMG, which is for the operations at Daily's Place.
  - An increase in Contractual Services – JSO/JFRD of \$276,266, which is based on the Sheriff's Office and the Fire/Rescue Department's estimated overtime costs at the venues for Fiscal Year 2018/2019.
- The increase is offset by a decrease of \$767,186 in Professional Services primarily due to bringing security at the facilities in-house. However, included in Professional Services is an enhancement of \$75,000 in Professional Services for the NFL Safety Act.

3. Other Operating Expenses:

- The increase of \$378,125 is primarily due to:
  - An increase in Repairs and Maintenance of \$222,500 which is due to increases in SMG's maintenance agreements in an amount of \$192,500 and including a budget of \$30,000 for repairs and maintenance at Daily's Place.

**COUNCIL AUDITOR'S OFFICE  
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**PROPOSED BUDGET BOOK – Page #308-310**

- An increase of \$125,000 in Other Utilities, which now includes Daily's Place in the amount of \$52,000 and there is an estimated increase of \$80,000 at the Arena due to the planned events for Fiscal Year 2018/2019.
- An increase of \$49,500 in Garbage Collection/Sanitation Service, going from \$331,679 to \$381,179.

**EMPLOYEE CAP CHANGES:**

There are no City employees associated with this sub-fund.

**RECOMMENDATION:**

1. We recommend that SMG Salaries be reduced by \$98,852, which will reduce the transfer from City Venues – City (4K1) and ultimately reduce the transfer from the General Fund/GSD into City Venues – City (4K1). This will have a positive impact to Special Council Contingency.

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CAPITAL PROJECTS – CITY VENUES SURCHARGE (S/F 4K3)**

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**PROPOSED BUDGET BOOK – Page #124-126**

**BACKGROUND:**

This sub-fund includes the budgeted ticket surcharges authorized by Ordinance Code Section 123.102(i) which can only be used for capital expenditures and capital maintenance. The facilities that have a ticket surcharge include TIAA Bank Field, the Baseball Stadium, the Veterans Memorial Arena and the Times Union Center for the Performing Arts.

**REVENUE:**

1. Charges for Services:

- The amount of \$3,648,744 includes:
  - The NFL Ticket Surcharge in the amount of \$1,603,115.
  - The Facility Fees (Ticket User Fees) in the amount of \$2,045,629 from TIAA Bank Field, Memorial Arena, Baseball Stadium and the Performing Arts Center.
- The increase of \$246,381 is primarily due to an increase of \$227,066 in Facility Fees, due to the following:
  - TIAA Bank Field Facility Fees increase by \$60,440 mainly due to the FSU/Boise St. football game.
  - The Times Union Performing Arts Center Facility Fees increased by \$30,866 due to a more favorable projected Broadway series in Fiscal Year 2018/2019.
  - The Memorial Arena Facility Fees increased by \$135,760 due to the NCAA basketball games and higher profile concerts for Fiscal Year 2018/2019.

**EXPENDITURES:**

1. Capital Outlay:

- The capital funding for each of the venues is listed on the following page, which is based on the projected surcharge revenue for each venue. For fiscal year 2018/2019 an expense for Administrative Support Costs is included at an amount of \$91,218. The Administrative Support Cost is 2.5% of the total available funds and will be used by SMG to hire a contract employee to manage projects.

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 CAPITAL PROJECTS – CITY VENUES SURCHARGE (S/F 4K3)**

**PROPOSED BUDGET BOOK – Page #124-126**

	Description	Amount
<b><u>TIAA Bank Field</u></b>		
Audio/Visual/Scoreboard/Broadcast	Control room equipment, gate audio fiber, sound system upgrades	\$ 225,000
Building Systems	Boilers, water heaters, PRVs, Refridgeration, Misc. Building Systems	\$ 660,248
Exterior Finishes	Steel painting, SEZ Pill Box graphics	\$ 160,000
Furniture, Fixtures and Equipment	Personnel Lifts	\$ 25,000
Interior Finishes	Press box finishes, LR development, loading dock security	\$ 380,000
Network and Computer Systems	Servers, switches, routers, wirelss, IDF relocate	\$ 235,000
Security and Access Control	Security cameras and access control	\$ 150,000
	Total	<u>\$1,835,248</u>
<b><u>Baseball Stadium</u></b>		
Audio/Visual/Scoreboard/Broadcast	Concourse TVs	\$ 22,266
Building Systems	Fire suppression and water heaters	\$ 40,898
Exterior Finishes	3rd base plaza development	\$ 25,000
	Total	<u>\$ 88,164</u>
<b><u>Memorial Arena</u></b>		
Audio/Visual/Scoreboard/Broadcast	Control room, sound system, marketing and box office displays	\$ 350,000
Building Systems	Fire alarm system, miscellaneous building systems	\$ 300,000
Furniture, Fixtures and Equipment	Premium furniture, utility carts	\$ 130,000
Food Service	Equipment	\$ 50,000
Interior Finishes	Miscellaneous flooring	\$ 9,466
Network and Computer Systems	Servers, switches, routers,wireless	\$ 50,000
Security and Access Controls	Security cameras and suite access control	\$ 100,000
Waterproofing	Continued waterproofing	\$ 75,000
	Total	<u>\$1,064,466</u>
<b><u>Performing Arts</u></b>		
Audio/Visual/Scoreboard/Broadcast	Line array, monitors (sound system) for Moran Theater	\$ 250,000
Building Systems	Miscellaneous building systems	\$ 100,000
Food Service	Miscellaneous concessions equipment	\$ 50,000
Interior Finishes	Carpet, theater floors, restroom finishes	\$ 130,000
Network and Computer Systems	Servers, switches, routers,wireless	\$ 20,000
Security and Access Controls	Cameras, guest screening	\$ 19,648
	Total	<u>\$ 569,648</u>
	<b>Total Requested Projects</b>	<b><u>\$3,557,526</u></b>
	<b>Administrative Support Costs</b>	<b><u>\$ 91,218</u></b>
	<b>FY 19 Total Budget</b>	<b><u>\$3,648,744</u></b>

**COUNCIL AUDITOR'S OFFICE  
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CAPITAL PROJECTS – CITY VENUES SURCHARGE (S/F 4K3)**

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**PROPOSED BUDGET BOOK – Page #124-126**

**EMPLOYEE CAP CHANGES:**

There are no City positions associated with this sub-fund.

**RECOMMENDATIONS:**

None

**COUNCIL AUDITOR'S OFFICE  
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CITY VENUES – DEBT SERVICE (S/F 4K6)**

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**PROPOSED BUDGET BOOK – Page #155-156**

**BACKGROUND:**

This subfund is for the debt payments related to each venue managed by SMG.

**REVENUE:**

1. Investment Pool/Interest Earnings:
  - The budgeted amount of \$66,880 is the projected Investment Pool Earnings for fiscal year 2018/2019 based on available cash and the interest rate projected by Treasury.
2. Transfers from Other Funds:
  - The transfer of \$2,181,928 is a transfer from the Sports Complex Capital Maintenance sub-fund (4G1).
3. Transfer In to Pay Debt Service:
  - The transfer of \$19,076,445 includes:
    - \$5,712,258 from the Better Jacksonville Trust Fund (1I1) for the Memorial Arena and Baseball Stadium debt
    - \$3,126,993 from the Sports Complex Capital Maintenance sub-fund (4G1) for the Scoreboard electronics and infrastructure
    - \$10,237,194 from the City Venues – City (4K1) for TIAA Bank Field and the Performing Arts Center

**EXPENDITURES:**

1. Debt Management Fund Repayments:
  - The \$2,181,928 is the principal (\$180,000) and interest (\$2,001,928) payments to the Debt Management Fund for the Amphitheater and Covered Flex Field approved through Amendment #14 of the Jaguar Lease.
2. Fiscal and Other Debt Fees:
  - The debt service payments include principal and interest costs and fiscal agent fees, which are based on a repayment schedule that was established at the time the bonds were issued. See the table on the following page for fiscal year 2018/2019 payments.

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 CITY VENUES – DEBT SERVICE (S/F 4K6)**

**PROPOSED BUDGET BOOK – Page #155-156**

<b>TIAA Bank Field</b>				
<b>Account Title</b>	<b>Principal</b>	<b>Interest</b>	<b>Fiscal Agent Fee</b>	<b>Total</b>
2012 Capital Improvement Revenue Refunding Bonds	\$5,945,000	\$ 4,332,300	\$ 450	\$ 10,277,750
Short-term Debt - Scoreboard (Electronics)	\$ 960,000	\$ 386,250	\$ 1,000	\$ 1,347,250
2017A Special Revenue Bonds	\$ 705,000	\$ 1,086,750	\$ -	\$ 1,791,750
Total	\$7,610,000	\$ 5,805,300	\$ 1,450	\$ 13,416,750
<b>Memorial Arena</b>				
<b>Account Title</b>	<b>Principal</b>	<b>Interest</b>	<b>Fiscal Agent Fee</b>	<b>Total</b>
2012 Better Jacksonville Sales Tax Revenue Refunding Bonds	\$ -	\$ 1,611,335	\$ -	\$ 1,611,335
2012A Better Jacksonville Sales Tax Revenue Refunding Bond	\$ -	\$ 2,918,500	\$ -	\$ 2,918,500
Total	\$ -	\$ 4,529,835	\$ -	\$ 4,529,835
<b>Baseball Stadium</b>				
<b>Account Title</b>	<b>Principal</b>	<b>Interest</b>	<b>Fiscal Agent Fee</b>	<b>Total</b>
2012 Better Jacksonville Sales Tax Revenue Refunding Bonds	\$ -	\$ 425,490	\$ -	\$ 425,490
2012A Better Jacksonville Sales Tax Revenue Refunding Bond	\$ -	\$ 771,250	\$ -	\$ 771,250
Total	\$ -	\$ 1,196,740	\$ -	\$ 1,196,740
<b>Total Debt Payments for City Venues</b>	<b>\$7,610,000</b>	<b>\$11,531,875</b>	<b>\$ 1,450</b>	<b>\$ 19,143,325</b>

**EMPLOYEE CAP CHANGES:**

There are no City positions associated with this sub-fund.

**RECOMMENDATIONS:**

None

**COUNCIL AUDITOR'S OFFICE  
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SPORTS COMPLEX CAPITAL MAINTENANCE (4G1)**

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**PROPOSED BUDGET BOOK – Page #121-123**

**BACKGROUND:**

Ordinance 2009-817-E mandates that the Convention Development Tax collected pursuant to Municipal Code Chapter 764, be allocated to the Sports Complex Capital Maintenance Enterprise Fund. The 4G1 sub-fund was established for this purpose. These funds are to be used exclusively to construct, extend, enlarge, remodel, repair, improve or maintain the Sports Complex which includes TIAA Bank Field, Memorial Arena and the Jacksonville Baseball Stadium.

Pursuant to Section 6(d) of Amendment #12 and Section 9(d) of Amendment #14 to the Jaguar Lease, the City will use part of the Convention Development Tax revenues to make the principal and interest payments on the \$43,109,000 City share of the North End Zone and Video Board Improvements and the \$45,000,000 City share of the 2015 Stadium Improvements, respectively. This is an “all years” fund.

**REVENUES:**

1. Taxes:

- Although the proposed budget reflects a decrease of \$167,591, the Convention Development Tax is actually expected to increase \$1,271,840 from \$7,328,160 to \$8,600,000. In fiscal year 2017/2018, excess revenue totaling \$1,439,431 that had accumulated in the fund was appropriated along with the current year's anticipated revenues of \$7,328,160. In the proposed fiscal year 2018/2019, only the anticipated revenue of \$8,600,000 is being budgeted. The increase of \$1,271,840 is due to a projected increase in the Convention Development Tax collections based on prior years' growth rates. (Note – This revenue is partially shared with Beaches and Baldwin and that is why \$8,600,000 is budgeted instead of \$9,000,000 like the Tourist Development Tax).

**EXPENDITURES:**

1. Capital Outlay:

- The Capital Funding for each of the venues is listed in detail on the following page. For fiscal year 2018/2019 an expense for Administrative Support Costs is included at an amount of \$83,346. The Administrative Support Cost is 2.5% of the total available funds and will be used by SMG to hire a contract employee to manage projects.



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 SPORTS COMPLEX CAPITAL MAINTENANCE (4G1)**

**PROPOSED BUDGET BOOK – Page #121-123**

	Description	Amount
<b><u>TIAA Bank Field</u></b>		
Building Systems	Concessions electrical/plumbing improvements	\$ 80,000
Exterior Finishes	Concession build out, practice field canopy, perimeter fence	\$ 700,000
Furniture, Fixtures and Equipment	Concessions portables	\$ 100,000
Food Services	Replace concessions and kitchen equipment	\$ 157,434
Interior Finishes	Continue site renovations, concession stand rebranding	\$ 1,037,914
Security and Access Control	Parking lot cameras	\$ 100,000
Waterproofing	Continued waterproofing	\$ 100,000
	Total	\$ 2,275,348
<b><u>Baseball Stadium</u></b>		
Audio/Visual/Scoreboard/Broadcast	Gate, concourse audio	\$ 50,000
Building Systems	Fire alarm system, flush valves, misc. building systems	\$ 170,000
Exterior Finishes	Exterior fence, backstop net	\$ 190,000
Interior Finishes	Miscellaneous flooring	\$ 40,000
Network and Computer Systems	Servers, switches, router, wireless	\$ 25,000
Security and Access Control	Security cameras and access control	\$ 50,000
Waterproofing	Continued waterproofing	\$ 150,000
	Total	\$ 675,000
<b><u>Memorial Arena</u></b>		
Building Systems	Ice melt pit cover system	\$ 75,149
Furniture, Fixtures and Equipment	Personnel lifts	\$ 125,000
Interior Finishes	Miscellaneous flooring	\$ 100,000
	Total	\$ 300,149
	<b>Total Budget for Projects</b>	<b>\$ 3,250,497</b>
	<b>Administrative Support Costs</b>	<b>\$ 83,346</b>
	<b>Total FY 2018/2019 Budget</b>	<b>\$ 3,333,843</b>

2. Debt Service:

- The \$3,126,993 is a transfer to City Venues – Debt (4K6) for the Scoreboard electronics and infrastructure.

3. Transfers to Other Funds:

- The transfer of \$2,181,928 is a transfer to the City Venues – Debt (4K6) for the principal and interest payments to the Debt Management Fund for the Amphitheater and Covered Flex Field approved through Amendment #14 of the Jaguar Lease.

**EMPLOYEE CAP CHANGES:**

There are no City employees associated with this sub-fund.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2018/19 BUDGET  
OFFICE OF SPORTS AND ENTERTAINMENT  
SPORTS COMPLEX CAPITAL MAINTENANCE (4G1)**

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**RECOMMENDATION:**

None