

**OFFICE OF THE CITY COUNCIL**

117 WEST DUVAL STREET, SUITE 425

4TH FLOOR, CITY HALL

JACKSONVILLE, FLORIDA 32202

904-630-1377

**FINANCE COMMITTEE BUDGET HEARING #4 MINUTES**

 **August 23, 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, Sam Newby

**Excused**:

**Also**: Council Members Danny Becton, Terrance Patterson (arr. 10:27), Matt Schellenberg (arr. 10:33), Ju’Coby Pittman (arr. 2:23)

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**: 9:03 a.m.

Chairman Anderson convened the meeting and the attendees introduced themselves for the record.

**Page references from this point refer to Auditor’s Budget Hearing #4 handout.**

Downtown Vision, Inc.

Jake Gordon, CEO of Downtown Vision, Inc. indicated his agreement with the Auditor’s two recommendations. Council Member Boyer asked where Downtown Vision Alliance’s donated dollars should be accounted for since it is an independent entity but supports DVI.

**Motion**: on p. 2, approve Council Auditor’s recommendation to revise Schedule AE to reduce Other Sources by $18,333 due to the inclusion of remaining grant funds from the CDBG that were given to the DVA in FY 2017/18, offset with a reduction to Operating Expenses within the Clean, Safe and Attractive expenses category – **approved unanimously.**

**Motion**: on p. 2, approve Council Auditor’s recommendation to reflect $455,340 for the total amount appropriated to personnel services on Revised Schedule AE to correct a mathematical error – **approved unanimously**.

Mr. Gordon thanked the Finance Committee and the Mayor’s administration for their support of DVI’s mission, particularly the City’s voluntary financial contribution. He noted that DVI is entering into an agreement with JTA to provide ambassador service at several Skyway stations. Mr. Gordon said that collections of the DVI special assessment exceed 98% each year. For the benefit of new Finance Committee members, CAO Sam Mousa explained that the City voluntarily pays the 1.1 mill special assessment on the value of its property to ensure that DVI’s work succeeds. Council Member Gulliford urged DVI to solicit churches and other non-profit organizations downtown to voluntarily make contributions equivalent to the special assessment on taxable properties. In response to a question from Council Member Gaffney, Mr. Gordon said that DVI does not collect any assessments from food trucks. Mr. Gaffney said that food trucks are still problematic, generating complaints from brick-and-mortar restaurants. Council Member Boyer said that the DVI board has been discussing whether its downtown boundary should be somewhat expanded to be closer to, but not necessarily as large as, the Downtown Investment Authority boundaries.

**Page references from this point refer to Auditor’s Independent Agencies Hearing handout.**

JEA

Chairman Anderson asked the committee to refrain from asking questions of JEA about its Plant Vogtle nuclear power purchase power agreement due to potential legal action on that subject. Phillip Peterson of the Council Auditor’s Office reviewed JEA’s revenues, expenditures, City contribution and capital improvement program. Ryan Wanamaker, Interim CFO of JEA, commented that the revenue projection for the remainder of the fiscal year is typical for summer months when electric usage is very high. Ms. Boyer noted that the budget includes greater contributions to capital construction instead of accelerated debt repayment as requested by the City Council last year. In response to a question from Council Member Love, Mr. Wanamaker described the major improvements planned for the Brandy Branch natural gas generating plant in the upcoming year and the ongoing electronic meter conversion project. Interconnections to the new solar farms will also take place over the next several years.

In response to a question from Council Member Becton, Mr. Wanamaker said that JEA is approximately 74% complete with its LED streetlight conversion project citywide (120,000 total fixtures to be replaced). He noted that the JEA board will be making a decision in the spring of 2019 about what to do regarding a new headquarters building. Nancy Kilgo of JEA reported that the board had originally proposed a land swap with the City of the current Church Street headquarter site for a vacant lot near the county courthouse but is now re-thinking that plan. The board is considering options for single-tenant buildings, either leased or owned.

In response to a question from Council Member Boyer, JEA CEO Aaron Zahn reported that the board on Tuesday approved a contribution of $15 million of revenue from the sale of the Southside Generating property to the City for septic tank phaseout purposes. The board requests that the JEA and City execute an interagency agreement for that purpose and also agree to an extension of the term of the current annual contribution agreement for several additional years on the same terms as currently existing to give the financial markets additional confidence about JEA’s future financial obligations. Mr. Zahn also noted that this year’s budget is a “stay the course” budget while the utility undergoes its strategic planning process for the next 10 years. Any changes in strategy will begin to appear in the FY19-20 budget.

Mr. Zahn reported that the JEA board has been focused in recent months on stabilizing JEA’s leadership team and operations and preparing to undergo its strategic planning process. JEA’s 4 core values will be: 1) value the customer, 2) financial value, 3) environmental value, and 4) community impact. These values will drive investment of assets and development of new initiatives.

Council Member Gulliford urged cooperative efforts by the City and JEA to promote the expansion of the district energy (chilled water) system to other buildings in downtown Jacksonville.

Public Works Department – 5-Year Road Program

**Motion**: on p. 32, approve Auditor’s recommendation to reduce the Transfer from Component Units by $250,000 to remove funding for the project Roadway Safety – Pedestrian Crossings. The funding for this project was budgeted to come from Local Option Gas Tax (LOGT) revenues and was inadvertently placed in this subfund – **approved unanimously**.

Mr. Mousa said that this year’s budget appropriates funds to specific sidewalk projects where costs exceed $100,000 so that they are authorized for construction without further Council action. There is also a pool of funds for projects with costs of less than $100,000 that does not require further Council appropriation.

Local Option Gas Tax

**Motion**: on p. 36, approve Auditor’s recommendations #1-4:

1. Correct the expenditure index code of two projects (Sidewalk Construction – New, and Tiger Hole Road Sidewalk) – **approved unanimously**

2. Correct the project number of the Bulls Bay Highway at Commonwealth Intersection Improvements project – **approved unanimously**

3. Fund the Roadway Safety – Pedestrian Crossings project ($250,000) from Local Option Gas Tax revenues (partner recommendation to p. 32 above)

Council Member Boyer said that a minimum of 20% of this fund must be spent on bicycle/pedestrian projects and she has heard from some constituents that they do not believe this threshold is being met.

4. Reduce the Transfer from Component Units (projected funding available at year end) revenue by $2,100,000 due to projected funding not being available. The Administration has recommended increasing the Debt Management Fund borrowing by $2,100,000 to provide funding for the Roadway Resurfacing project.

After some discussion, the Local Option Gas Tax recommendations were tabled for discussion later in the meeting.

JTA

Mr. Peterson reviewed the JTA’s operating and capital budgets, revenues and expenditures.

**Motion**: on p. 65, approve Auditor’s recommendations #1-9:

1. Increase the line item “Local Option Gas Tax” under “Bus” on Schedule O by $1,030,266 from $18,045,107 to $19,075,373 in order to bring JTA’s budget in agreement with the City’s. We also recommend increasing the line item “Contingency” under “Bus” by $1,030,266 from $658,479 to $1,688,745 on Schedule P. This will balance revenues and expenditures for Schedules O and P.

2. Increase the line item “Net Sales Tax – Operating” under “Bus” on Schedule O by $3,127,898 from $62,757,938 to $65,885,836 in order to bring JTA’s budget in agreement with the City’s. We also recommend increasing the line item “Contingency” under “Bus” on Schedule P by $3,127,898 from $1,688,745 to $4,816,643 on Schedule P. This will balance revenues and expenditures for Schedules O and P.

3. Increase the line item “Fringe Benefits” under “Bus” on Schedule P by $200,000 from $18,685,188 to $18,885,188 and decreasing the line item “Contingency” under “Bus” on Schedule P by $200,000 from $4,816,643 to $4,616,643 in order to correct an allocation error from the Skyway Division. This will balance revenues and expenditures for Schedules O and P. JTA concurs.

4. Increase the line item “City of Jacksonville (Paratransit Contribution)” under “CTC” on Schedule O by $37,012 from $1,406,593 to $1,443,605 and increasing the line item “Contingency” under “CTC” on Schedule P by $37,012 from $305,145 to $342,157 in order to bring JTA’s budget in agreement with the City’s. This will balance revenues with expenditures for Schedules O and P.

5. Decrease the line item “Fringe Benefits” under “Skyway” on Schedule P by $200,000 from $1,630,698 to $1,430,698 and increasing the line item “Contingency” under “Skyway” on Schedule P by $200,000 from $106,683 to $306,683 in order to correct the allocation error in Skyway that should have been recorded in Bus. This will balance revenues with expenditures for Schedules O and P.

6. Increase the line item “Non-Transportation Revenue” under “Engineering” on Schedule O by $40,772 from $26,560 to $67,332 and increasing the line item “Contingency” under “Engineering” on Schedule P by $40,772 from $332,032 to $372,804 in order to account for lease revenue that was not included for FY 2018/19. This will balance revenues with expenditures for Schedules O and P.

7. Remove and replace Budget Ordinance Schedule O and Schedule P with Revised Schedule O and Revised Schedule P to reflect the changes listed in Recommendations #’s 1-6.

8. Add a line item “Ferry Enhancements and Structural Improvements” to Schedule R and reallocating $3,356,900 from “St. Johns River Ferry Construction” leaving a balance of $278,158.

9. Amend the Budget Ordinance language related to JTA to reflect revised schedules and a revised sales tax revenue budget amount of $67,918,684

In response to a question from Council Member Boyer about whether excess local option gas tax funds could be allocated to the Mobility Works line item rather than the Contingency fund, JTA CEO Nat Ford said that the funds were budgeted in that fund at the recommendation of the Council Auditor and that Contingency funds could be reallocated to Mobility Works projects later if necessary. Ms. Boyer asked for confirmation that the JTA has sufficient funding to complete the “above the line” Mobility Works projects to which it is committed. Greg Hayes, CFO of the JTA, reported that one Mobility Works project has been completed and all others are in some stage of planning or construction except for the last two projects on the list (Tinseltown and Southside Boulevard intersection improvements) which will require FDOT participation; FDOT has asked that any design be deferred until FDOT is ready to fund its portion of the work. Council Member Schellenberg asked Mr. Ford to provide a list of the status of all of the Mobility Works projects and asked Mr. Peterson to provide information on the sales tax past and projected performance. Mr. Mousa reiterated that the JTA has committed to complete all of the projects currently “above the line” ($100.5 million) and that increasing Better Jacksonville Plan sales tax collections will enable 4 of the “below the line” projects to be completed by the City on a pay-as-you-go basis. He recommended to JTA that the $4.9 million currently allocated to the 2 “below the line” projects awaiting FDOT participation be shifted to the Kernan Boulevard widening project, to be matched by $32 million in City funding for immediate construction.

Mr. Ford said that the prospect for their Ultimate Urban Circulator (U2C) autonomous vehicle program is very bright and it is being looked at by other jurisdictions around the country. Several different vehicles are being tested and considered. JTA is training all of its employees in new technologies and changing the overall mindset from running vehicles on a strict timetable and requiring riders to accommodate themselves to the schedule to being much more customer-driven and flexible. He reported that ferry ridership is skyrocketing and the upcoming closure for substantial repair work in September will be the last major work needed for some time. Mr. Ford said that JTA had recently hired an experienced paratransit manager from another city in Florida to run the Connexxions system. In response to a question from Council Member Love, Mr. Ford said that JTA is coordinating with the Mayor’s Office and Public Works Department about the transportation needs on Bay Street as plans for numerous large developments are proposed.

Council Member Schellenberg requested a JTA organizational chart showing current and proposed employee slots before and after the addition of the 14 new positions included in the new budget. In response to another question from Mr. Schellenberg, Mr. Ford described how JTA considers and makes service changes as new developments occur around the city that might generate potential ridership. Several committee members complimented Mr. Ford on the JTA’s operations and cooperative spirit. Ms. Boyer asked Mr. Ford to circulate to council members the list of its surplus properties and whether any are being considered for disposal.

Recommendations #1-9 were **approved unanimously**.

JAA

Mr. Peterson reviewed the Aviation Authority’s revenues, expenditures and capital budget.

**Motion**: on p. 76, approve Auditor’s recommendations #1-2:

1. Decrease the expenditure line "Services and Supplies" by $783,067 for a revised total of $17,676,899, and an increase to the expenditure line "Operating Contingency" by the same $783,067 for a revised total of $3,283,067. The $783,067 is the amount that JAA over budgeted for JIA fire/rescue services. This amendment will result in JAA's budgeted cost for fire/rescue services equaling the City's budgeted revenues for providing the services.

2. Remove and replace Budget Ordinance Schedule G with Revised Schedule G which corrects the debt service amount (lowered by $36,140) and increases the Transfer to Passenger Facility Charge Reserve by the same amount. The recommendation in number 1 above will also be reflected in the Revised Schedule G.

3. Remove and replace Budget Ordinance Schedule H with Revised Schedule H which offers more line item detail of FY 2018/19 capital projects

Recommendations #1-3 were **approved unanimously**.

Steve Grossman, CEO of the JAA, noted that this will be his last appearance before the Finance Committee as he will shortly be retiring. He said that passenger traffic is up substantially at JIA and new service is being added and expanded to numerous cities. The construction of Terminal B that was not anticipated for 7 or 8 years is now looking like it might be needed in 2-3 years because of passenger growth. Cecil Airport is primed for a great deal of development. Committee members extended thanks to Mr. Grossman for his 9 years of service to the community.

JPA

Mr. Peterson reviewed the Port Authority’s revenues, expenditures and capital budget.

**Motion**: on p. 85, approve Auditor’s recommendations #1 and 2:

1. Attach Revised Schedule I to decrease the “Shared Revenue from Primary Govt” line under “Non- Operating Revenues” by $230,016 from $2,791,867 to $2,561,851. This amount will be in agreement with the amount the Finance Committee amended at its August 16, 2018 Budget Hearing that will be paid to JPA; also decrease the “Debt Service” line under “Non-Operating Expenditures” by $230,016 from $23,675,959 to $23,445,943 to balance the revenues and expenditures for JPA’s budget.

2. Attach Revised Schedule J (Capital) to clarify project names. CEO Eric Green and interim CFO Beth McCague indicated that they approved of the auditor’s recommendation.

Recommendations #1 and 2 were **approved unanimously**.

Mr. Green said that container traffic is up substantially at the port, both from the Asian trade and from Puerto Rico. He said that the port is not yet seeing any impacts from the current tariff war, but could see some impact if tariffs affect steel and automobile imports and exports. In response to a question from Council Member Becton about the funding for the harbor dredging project, Mr. Green said that one source is pre-paid crane rentals by 2 of the port’s large tenants. Negotiations are underway with two tenants to move from the Dames Point Terminal west of the Dames Point bridge to the Blount Island Terminal east of the bridge. The Mile Point project has been completed and 2-way traffic is flowing better for more hours of the day during different tidal conditions. Mr. Green introduced several new members of his executive team, who will be coming to meet with council members and discuss port operations.

**The committee was in recess from 12:03 to 1:15 p.m.**

**Page references from this point refer to Auditor’s Budget Hearing #4 handout.**

The committee removed Subfund 143 (Local Option Gas Tax) from the table. Council Member Boyer read a list of projects that qualify as pedestrian/bicycle projects that satisfy the requirement that at least 20% of Mobility Fee funds be used for that purpose.

**Motion**: on p. 36, approve Auditor’s recommendations #1-4:

1. Correct the expenditure index code of two projects (Sidewalk Construction – New, and Tiger Hole Road Sidewalk) –

2. Correct the project number of the Bulls Bay Highway at Commonwealth Intersection Improvements project –

3. Fund the Roadway Safety – Pedestrian Crossings project ($250,000) from Local Option Gas Tax revenues (partner recommendation to p. 32 above) -

4. Reduce the Transfer from Component Units (projected funding available at year end) revenue by $2,100,000 due to projected funding not being available. The Administration has recommended increasing the Debt Management Fund borrowing by $2,100,000 to provide funding for the Roadway Resurfacing project -

Recommendations #1-4 were **approved unanimously**.

Downtown Investment Authority

Council Member Boyer expressed the feeling that the DIA budget should somehow reflect the fact that a portion of its operating revenue comes from tax increment funds from CRAs for their administrative costs. Aundra Wallace, CEO of the DIA, announced that this would be his last budget hearing representing the DIA as he leaves to take a position with the Jacksonville Chamber of Commerce and thanked the Finance Committee and the city administration for their support of the work of the DIA, particularly the addition of 2 new employees to the DIA’s employee cap for next year.

Public Parking

**Motion**: on p. 8, approve Auditor’s recommendation to re-categorize the $618,753 for the PARCS system within its fund as a capital expense – **approved unanimously.**

Bob Carle, Chief of Public Parking, explained that the PARCS system will change out the access gates at all public parking facilities with more modern equipment. Council Member Becton recommended that the City consider implementing cellphone apps to pay for parking rather than buying more credit card-reader parking meters. Mr. Carle said that a drawback to those systems is the need to bury sensors in parking spaces that need to be dug up and replaced every few years. They are experimenting with sensors mounted on parking meter poles rather than underground. Depending on the finding with regard to sensor reliability and lifespan, consideration may be given to implementing the cellphone app. In response to a question from Council Member Gulliford about the potential for filling up the vacant retail space in the Main Library parking garage, Mr. Wallace said the space will be very expensive to develop since it’s just shell space with dirt floors, so tenants don’t want to make the investment in the build-out. Council Member Boyer urged the DIA to at least do an analysis of what it would take to make the space leasable and what the return on investment would be and how long it might take to recoup the costs. Mr. Wallace said the DIA wants to develop a strategy for developing the 9+ acres of City- and JTA-owned property around the West Bay Street/Jax Regional Transportation Center area, which should then encourage spinoff private investment. Council Member Boyer described all of the new parking lots that will come on line on the Southbank under the Acosta Bridge and the I-95 overland bridge.

Downtown Economic Development Fund

Council Member Boyer said that the DIA had requested that the $2.5 million in this fund be allocated to forgivable loans ($1 million) and repayable loans ($1.5 million).

**Motion**: on p. 9, allocate the $2.5 million in this fund to forgivable loans ($1 million) and repayable loans ($1.5 million) – **approved unanimously**.

Mr. Wallace updated the group on the process and timing for the DIA to consider convention center proposals. The RFP for old City Hall/Courthouse site on Bay Street produced 3 proposals that are being evaluated now, and the proposers will be interviewed in mid-September and a top proposer selected. At that point the DIA Board will need to determine whether or not to entertain the unsolicited convention center proposal submitted for the Shipyard property further east on Gator Bowl Boulevard and the unsolicited proposal received for an alternative (non-convention center) use on the Bay Street site. In response to a question from Council Member Gaffney about parking problems in Springfield, Mr. Wallace said that Public Parking is considering solutions for several neighborhoods that have problems with spillover parking from adjacent commercial areas. One possibility is to implement a residents-only parking permit system.

Tax Increment Districts

**Motion**: on p. 11, approve Auditor’s recommendation on Subfund 182 to revise Budget Ordinance Schedule V and all necessary entries be made to the budget to reflect the DIA Board approved budget – **approved unanimously**.

Council Member Boyer asked that the lump sum for Other Operating Expenses line be itemized so that the individual uses will be clear and traceable from year to year. Kyle Billy said that the detail the council member is requesting is in the budget ordinance, which is what the Council adopts.

**Motion**: specify that the committee is adopting the detail of the uses of Other Operating Expenses of Subfund 182 on Schedule V and requests that that detail be included in future mayor’s proposed budgets and Council Auditor’s budget handouts – **approved unanimously**.

**Motion**: on p. 14, approve Auditor’s recommendation on Subfund 183 to revise Budget Ordinance Schedule V and all necessary entries be made to the budget to reflect the DIA Board approved budget – **approved unanimously**.

**Motion**: specify that the committee is adopting the detail of the uses of Other Operating Expenses of Subfund 183 on Schedule V and requests that that detail be included in future mayor’s proposed budgets and Council Auditor’s budget handouts – **approved unanimously**.

**Motion**: on p. 16, approve Auditor’s recommendation on Subfund 181 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 – **approve unanimously**.

**Motion**: specify that the committee is adopting the detail of the uses of Other Operating Expenses of Subfund 181 on Schedule V and requests that that detail be included in future mayor’s proposed budgets and Council Auditor’s budget handouts – **approved unanimously**.

Council Member Boyer noted that this is the first budget in a number of years in which the downtown Northbank tax increment district is revenue-positive, meaning that it will meet all of its obligations out of current revenues and will pay back last year’s loan from the General Fund. In response to a question from Council Member Gulliford about the future of the MPS garages and the City’s subsidy for their operation, Mr. Mousa reported that he and Aundra Wallace had met with the MPS owners about options to increase operating hours and revenues to reduce the amount of the subsidy. The Sports Complex garages do not have automated access arms and don’t have card readers (cash-only operation on game days), so there will be additional costs to make them usable outside of staffed special events.

**Motion** (Boyer): on p. 19, amend the schedule for Subfund 185 to include project details and to change Authorized Projects to Authorized *Expenditures* – **approved unanimously**.

Ms. Boyer said that with $8.4 million being carried forward in the JIA CRA subfund, there is capacity in that fund to allocate $3 million to the Harts Road bridge replacement project without putting the project in the Capital Improvement Program which would preclude it from receiving CRA funds. Teresa Eichner said that the project had been amended out of the CIP two years ago but was not amended out last year, so it is ineligible to get CRA funds since it has not been out of the CIP for at least 3 years.

**Motion**: on p. 21, approve Auditor’s recommendation on Subfund 186 that Budget Ordinance Schedule T be revised and all necessary entries be made to the budget to reflect the CRA Board approved budget – approved unanimously.

**Motion**: on p. 21, amend the schedule for Subfund 186 to include project details and to change Authorized Projects to Authorized *Expenditures* – **approved unanimously**.

**Motion**: on p. 22, approve Auditor’s recommendation to revise the King Soutel CRA/Tax Increment District (Subfund 186) to transfer $629,187 in revenue from the King Soutel CRA/Tax Increment District (Subfund 186) and appropriate into the Gateway Soutel Norfolk capital project – **approved unanimously**.

**Motion**: on p. 24, amend the schedule for Subfund 186 to include project details and to change Authorized Projects to Authorized Expenditures – approved unanimously

**The committee was in recess from 2:55 to 3:06**

Council Member Boyer thanked Phillip Peterson and Teresa Eichner for their hard work today in identifying local option gas tax-funded bicycle/pedestrian projects in the budget the clearly exceed the minimum 20% threshold discussed earlier.

Deputy General Counsel Peggy Sidman requested clarification from the committee that the OGC and Auditor’s Office have the authorization to make the CRA schedules comply with the Boyer #2 amendment regarding project details discussed and approved for numerous subfunds above, and that where the detail is captured in the original schedule and no change is necessary, the correct schedule will not be replaced with a revised (but unchanged) schedule. The committee agreed that that was their intent.

Office of Economic Development

No recommendations.

Cecil Field Trust

No recommendations.

Office of Sports and Entertainment

No recommendations.

Mr. Mousa explained that the insurance line item increased by $75,000 due to a breach of contract claim paid out by the City to an event promoter. In response to a question from Council Member Boyer, Mr. Mousa said that the event allocations listed on page 31 of the handout are the General Fund/GSD contributions through Sports and Entertainment; funding for the events may also be included in subfunds.

Special Events

Mr. Mousa explained the additional cost for the Georgia/Florida extra seat installation because the Jaguars have a home game on the Sunday preceding the college game which complicates the installation process. The City also reimburses the Jaguars for lost revenue from the North End Zone premium facilities that are removed or covered over by the bleacher installation process and therefore unavailable to Jaguar users. Mr. Mousa reported that the universities are interested in extending their contract for the game but are not interested in reducing the seating capacity because ticket demand is so great.

City Venues – City

In response to a question from Council Member Gulliford, Mr. Mousa reported that the water leakage problems identified at the Veterans Memorial Arena several years ago were rectified by the construction company under their performance bond. He also reported that the CIP contains a project for repairs to the Convention Center roof. Council Member Boyer pointed out that the increasing tourist development tax revenue is relieving the General Fund of a portion of its subsidy to the Sports Complex.

City Venues - SMG

**Motion**: on p. 40, approve Auditor’s recommendation in Subfund 4K2 to reduce SMG Salaries 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 – **approved unanimously**.

Bill McConnell, General Manager of SMG Jacksonville discussed the decision to bring security guard service in-house instead of contracting out. He discussed the two new event and operations manager positions, a portion of the cost of which will be reimbursed by the Jaguars for time those employees spend on duties at Daily’s Place amphitheater. In response to a question from Council Member Boyer, Mr. Mousa explained that capital improvements at the SMG facilities are on two lists – one funded by the tourist development tax and the other by facility ticket surcharges. He also explained the addition of a new line item for Administrative Support Costs which represents SMG’s hiring of temporary contract employees to manage and inspect the $7 million in capital projects planned for the upcoming year. Council Member Morgan asked about the possibility of imposing a ticket surcharge for events at the Ritz Theater. Mr. Mousa said that the Ritz receives a General Fund allocation for its capital needs because it doesn’t have ticket surcharge revenues.

City Venues Surcharge

No recommendations

City Venues – Debt Service

No recommendations

Sports Complex Capital Maintenance

No recommendations

Next meetings

Friday, August 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
* Mobility/fair share bicycle/pedestrian projects
* Harts Road CRA project

Special Council Contingency

Council Member Morgan reported that the Special Council Contingency fund stands at +$614,927.

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

Chairman Anderson said the committee would spend some time tomorrow talking about how to handle enhancement requests.

**Meeting adjourned:** 4:19 p.m.

Minutes: Jeff Clements, Council Research

8.23.18 Posted 5:30 p.m.

Tapes: Finance Budget Hearing #4 – LSD

 8.23.18

Materials: Council Auditor’s Budget Meeting #4 handout - LSD

 8.23.18