

**OFFICE OF THE CITY COUNCIL**

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4TH FLOOR, CITY HALL

JACKSONVILLE, FLORIDA 32202

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**FINANCE COMMITTEE BUDGET HEARING #5 MINUTES**

 **August 24, 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, Matt Schellenberg, Terrance Freeman (arr. 9:17)

Peggy Sidman and Paige Johnston – 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**: 9:05 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 #5 handout.**

Chairman Anderson asked the committee to begin thinking about a process for prioritizing and considering the enhancement requests next week and allocating the accumulated Special Council Contingency fund. He said that a list of requested enhancements will be assembled and distributed to all council members next week for consideration. In response to comments by Council Member Gaffney about mowing and sidewalk maintenance, CAO Sam Mousa said that the proposed budget contains a $450,000 increased from last year for enhanced mowing and litter pickup activities. Chairman Anderson noted that the Special Council Contingency is a one-time funding source and that Mr. Mousa has cautioned the committee several times about undertaking enhancements that entail ongoing expenses given the uncertainty about future revenues.

Mayor’s Office

In response to a question from Council Member Boyer, Mr. Mousa confirmed that the City’s phone system is being changed out in phases building by building, a process that has already begun. CFO Mike Weinstein said that all numbers are being changed from 630- to 255- prefixes and for the time being all calls to the old numbers will roll over to the new number. Council Member Boyer urged the administration to consider changing the City Council numbers in conjunction with the change in council membership that will take place next July after the spring elections to save on the printing of new business cards and stationery for the old council and then again for the new council taking office July 1st.

Advisory Boards and Commissions

In response to a question from Council Member Morgan, Mr. Mousa explained that this budget subfund supports the 3 boards that have full-time staff and/or operating expenses. The vast majority of other boards and commissions don’t have dedicated budgets but are supported through other budgets. Council Member Boyer suggested changing the name of this budget handout page to Regulatory Boards rather than advisory boards and commissions since these have substantive power and are not just advisory.

Employee Services Department

Kyle Billy noted that a large allocation for computer costs associated with the new Enterprise Resource Planning (ERP) system is being budgeted, for the time being, in this department rather than being spread out among all departmental budgets based on the number of departmental employees. Eventually when the ERP system is fully implemented the costs will be distributed among the departments again.

Group Health

Council Member Becton explained the premium holidays taken in the current year’s budget due to good claims performance and noted that once again premiums will not be increasing for next year. In response to a question from Council Member Boyer, Director of Employee Services Diane Moser described the Go365 health and wellness initiative that is helping to incentivize employee health and fitness and reduce health care claims. Ms. Boyer noted that Go365 is partnering with the managers of the Timucuan Historical and Ecological Preserve to encourage employees to hike in the preserve to accumulate points toward prizes. In response to a question from Council Member Schellenberg, Ms. Moser said that 390 City employees have signed up with UF Health to be their primary health care provider at a reduced premium cost and with lower co-pays. Council Member Gulliford urged that the independent authorities (JEA, JPA, etc.) be strongly encouraged to join the City’s UF Health employee health care plan. Council Member Gaffney suggested that the City give priority in its grant process to non-profit agencies that offer their employees membership in the UF Health care network.

Health Wellness Fund

No recommendations.

**The committee was in recess from 10:02 to 10:13 a.m.**

Kids Hope Alliance

**Motion**: on p. 13, approve Council Auditor’s recommendation to attach a revised Schedule M to the Budget Ordinance that includes the City match for grant funding and specifically names the entities receiving funding from the programs not associated with a grant that have not been competitively bid; also include the following provisions in the Budget Ordinance:

 a) Invoke the exemption of Section 126.107(g) for those entities and program purposes specifically listed on Schedule M and for any entities specifically listed in the award for a grant shown on Schedule M;

 b) For Special Needs Programs in Full Service Schools, authorize the Mayor and corporation secretary to execute amendments extending the existing contracts for three months through September 30, 2019 and increasing the funding under such contracts by the amounts shown in Schedule M;

 c) For the entities specifically listed on Schedule M (other than Full Service Schools providers), authorize the Mayor and corporation secretary to execute six (6) month extensions of existing contracts with an option to extend for additional six (6) months at the discretion of the KHA Board with a corresponding increase in the maximum indebtedness;

 d) For any entities specifically listed in a grant award, authorize the Mayor and corporation secretary to execute contracts in accordance with the grant program and terms;

 e) For entities specifically listed on Schedule M, waive the requirements of Section 77.111(a) which requires the provider contracts to be competitively bid;

 f) Enable Kids Hope Alliance to accept grants for different amounts than those listed on Schedule M in a manner that follows the same practice as to how the City can receive grants for different amounts than those on Schedules B1-a (no match) and B1-b (with match);

 g) Waive Section 77.113 regarding KHA budget transfer authority;

 h) Any transfers from one Essential Services Category to another Essential Services Category shall require City Council approval; and

 i) The KHA may transfer, through a transfer directive, expenditures from service provider to service provider within each Essential Services Category provided that the KHA does not transfer appropriations greater than 10% of the individual Essential Services Category.

In response to a question from Council Member Boyer, Deputy General Counsel Peggy Sidman explained the limitation on the budget transfer authority referenced in recommendation (g) above.

The Council Auditor recommendations were **approved unanimously**.

Joe Peppers, CEO of the Kids Hope Alliance, thanked the City Council and the participating service provider agencies for helping to effect the transition from the Children’s Commission to the Kids Hope Alliance. KHA board chair Kevin Gay thanked Mike Weinstein for his good work as interim CEO of the KHA before the hiring of Mr. Peppers. Mr. Peppers said that RFPs for next year’s service provision will be issued in early 2019 after the KHA completes its strategic planning process. The proposed budget provides for the current provider contracts to be extended for 6 months until that process is completed. He said that the agency intends to utilize smaller provider agencies in the future to help extend its reach throughout the community. Council Member Gulliford expressed the feeling that the educational system has failed the youth that aren’t interested in going on to higher education by not having enough vocational career training, and he hoped the KHA could help to fill that void. Mr. Peppers said that the KHA has submitted a $1.1 million grant application to fund a YouthBuild vocational training program. In response to a question from Council Member Gaffney, Mr. Peppers explained the mental health services in schools that will be funded in the budget for 28 mental health professionals in 28 full service schools.

In response to another question from Mr. Gaffney about providing grief counseling services and burial expenses, Mr. Peppers said that the KHA does not have any funding currently but believes that a trauma response team is needed in Jacksonville to provide grief counseling and trauma-informed care for families and young witnesses to crime. He said that $60,000 would provide a start on creating such a program. Council Member Newby suggested the need for more programming targeted at girls. Mr. Pepper said that funding has been granted by the Sheriff’s Office Law Enforcement Trust Fund to enable the KHA to make small grants to small service providers. He described how the KHA will publicize the availability of grants to small agency providers next year. In response to a question from Council Member Love, Mr. Peppers said that the KHA will be coordinating with the Parks and Recreation Department and the Public Library to discuss opportunities to share space and leverage the availability of public facilities for programming. Council Member Boyer applauded the increased emphasis on mental health programming, which is vitally important. Several committee members praised the leadership and the work of the Kids Hope Alliance. Mr. Mousa indicated the administration’s interested in promoting expanded vocational training opportunities for youth.

Youth Travel Trust

Mr. Peppers said that no travel grants were made in the current year while the KHA’s strategic planning process is underway but a new process will be available next year. Budget Director Angela Moyer said that this is not an all-years fund so the $40,794 would lapse at the end of the year if not used. Brian Parks suggested that the funding be allowed to lapse into fund balance and then reappropriated back to this fund if desired.

**Motion** (Boyer): allocate the $40,794 from FY17-18 year-end fund balance to this line item in FY18-19 -

After further discussion, Ms. Boyer withdrew her motion.

Public Works Department

Public Works Director John Pappas described the increased funding for an additional contract litter control crew and described the additional mowing enabled by the increase in the current year budget. In response to a question from Ms. Boyer, Mr. Pappas explained that the $450,000 additional funding is intended to be split between litter pickup and mowing, which will require an amendment to shift part of the funding from the Solid Waste Sanitation Division where it is initially budgeted to the Mowing Division. Mr. Mousa said that recent bids for mowing service have come in very favorably in recent weeks so more mowing will be accomplished with the available funding. In response to a question from Council Member Love, Mr. Pappas described the shift of 3 position equivalents from being billed to the Stormwater Utility to being billed to the Public Works Department General Fund budget. In response to a question from Council Member Boyer about potential enhancements in the Public Works budget that would be most helpful in addressing common complaints and service needs, Mr. Mousa said that an additional VacCon truck would be the top priority for Public Works enhancement.

Mr. Mousa reported that the City expects to save $600,000 in street light electricity costs between 2017 and 2019 due to the conversion to LED street lights. Council Members Gulliford and Boyer indicated interest in sponsoring legislation to amend the Ordinance Code to end the exemption for non-taxable organizations from paying the stormwater utility fee, which would generate considerable additional revenue for stormwater services. Assistant General Counsel Paige Johnston gave a brief overview of her research earlier in the year regarding use of jail inmates as labor crews for litter control and agreed to re-circulate the memo to the Finance Committee and the administration. In response to a question from Council Member Becton about the Traffic Engineering Division, Mr. Pappas said that the department is using more contractual and consultant services rather than hiring additional employees.

**The committee was in recess from 12:06 to 1:20 p.m.**

**Motion**: on p.21, move $200,000 from the Solid Waste Sanitation Division’s $450,000 identified for “second litter pickup crew” to the Mowing and Landscape Division to fund additional mowing – **approved unanimously**.

Council Member Gulliford posed questions about trends in illegal dumping and household hazardous waste and advocated for additional solid waste and hazardous waste disposal sites distributed throughout the city.

Tree Protection Fund

Mr. Billy reported that the balance in fund 15F (Ordinance Code fund) is $19 million, in 15N (Charter fund) is $4.1 million, and in the BJP fund is $1.7 million.

Solid Waste Disposal

Mr. Billy noted that the solid waste user fee is insufficient to cover the costs of operation and that a General Fund transfer via a loan is required to make the fund whole. Mr. Mousa said that the transfer is in the form of a loan because of the legal requirements of the City’s interlocal agreements with the Beaches cities and Baldwin and the implications that has for the applicability of the user fee. Mr. Mousa reported that one large factor in this year’s budget is the reversal of revenues and expenses associated with the curbside recycling program – the City used to be paid $2.5 million per year for the materials it delivered to the single-stream recycling center, now with the changes in the worldwide recycling market the City has to pay the recycling contractor approximately the same amount to process the materials because the market value for the end products has dried up. He also noted that the specialized recycling side-loader trucks have caused unanticipated problems because they can’t be used for picking up yard waste or bulk waste. In response to a concern expressed by Council Member Morgan about the poor performance of the franchise solid waste haulers, Mr. Mousa said that administration is considering ideas for incentives (bonus payments for good performance) instead of penalties for poor performance which doesn’t seem to be achieving the desired results in some neighborhoods. Mr. Billy suggested that a calculation be done to determine the value of the landfill capacity being saved by the diversion of recyclable materials to obtain a full understanding of the costs and benefits of recycling.

Contamination Assessment

No recommendations

Landfill Closure

No recommendations

Solid Waste Facilities Mitigation

No recommendations

Solid Waste Facilities Mitigation Class III

No recommendations

Solid Waste Mitigation Capital Projects

No recommendations

Stormwater Services

Mr. Billy noted that the budget ordinance contains a waiver to the minimum annual appropriation to stormwater capital projects to allow allocation of $6 million instead of the $10 million required. Mr. Mousa explained that there are $25 million in projects currently on the books in various stages of design and construction so an additional $4 million appropriation could not be expended in the next year due to capacity limitations. Council Member Boyer explained the allocation of the stormwater utility fee revenues among stormwater operations, pay-as-you-go capital projects, drainage system rehabilitation, and debt service on previously-issued bonds for drainage work. Mr. Mousa noted that there is also funding for drainage work in the General Fund’s CIP which doesn’t funnel through the Stormwater Utility. Council Member Boyer indicated that there may be justification for an enhancement to add an additional project engineer in the Public Works Department to help deal with the backlog of drainage work on the books.

In response to a question from Council Member Becton about the failure of the stormwater utility fee revenue to cover the full costs of drainage services, Mr. Mousa said that the fee will be examined during the course of the administration’s comprehensive fee study. The administration recognizes that the fee is currently insufficient to meet the costs but the services are absolutely needed and the fee must be supplemented by the General Fund to get the work done. Mr. Mousa directed the Public Works Department to provide Mr. Becton with a description of all of the functions performed by the Stormwater Utility.

Public Building Allocations

Mr. Mousa discussed the addition of $3 million in funding next year for new and expanded installation of security cameras in several departments after a task force evaluates all the needs and prioritizes the order of installations and chooses a standard hardware system. These cameras will be monitored by the Sheriff’s new comprehensive crime data center.

**Motion**: on p. 44, approve the Auditor’s recommendation to move the $3,000,000 in repairs and maintenance in the Camera Maintenance/Upgrade/Replace activity to a contingency within the same activity until the task force in charge of evaluating security camera needs on a city-wide basis has been established and can bring forth its recommendations – **approved unanimously**.

**Motion**: in the budget ordinance in Sec. 11.9 regarding the transfer of $250,000 from fund balance to re-establish the Public Buildings emergency fund, correct the fiscal year reference to FY18-19 – **approved unanimously**.

**The committee was in recess from 2:55 to 3:07 p.m.**

Neighborhoods Department

In response to a question from Council Member Morgan, Neighborhoods Department Director Stephanie Burch discussed the use of part-time hours for snipe sign enforcement. Ms. Morgan said she is being flooded with constituent calls about insufficient code enforcement. Ms. Burch said that a team has been formed to focus on systematic (rather than reactive) enforcement inspections and invited council members to report areas that need to be targeted. In response to a question from Council Member Becton, Ms. Burch explained the replacement of the home-grown CARE complaint system and the 630-CITY phone complaint system that will be implemented in conjunction with the introduction of the ERP system. The systems should be much more user-friendly, will translate multiple languages, and will have better capabilities. Mr. Becton said one of the greatest frustrations among constituents is when a CARE ticket is reported as closed when the issue still exists in the field. Council Member Boyer echoed the concern that cases are closed in the CARE system when the problem has not been resolved in the field. Ms. Boyer understood that Dr. Georgette Dumont in the Public Administration Department at UNF had done a study of the CARE system and said she would contact her to obtain the results of that study.

Mosquito Control

In response to a question from Council Member Becton, Ms. Burch said that the purchase of the new helicopter would not incur any new operational costs. The division is building and installing the spraying equipment for the helicopter in-house.

Air Pollution Tag Fee

No recommendations

Air Pollution EPA

In response to a question from Council Member Morgan, Ms. Burch reported that the 2 positions being eliminated have been unfilled for several years in anticipation of decreased federal funding for this function; this year the positions are finally being eliminated.

Ambient Air Monitoring

No recommendations

Hazardous Waste Program

**Motion**: on p. 56, approve Auditor’s recommendation that the Fleet Vehicle Replacement Allocation be increased by $5,751 within the Hazardous Waste Program activity to include the repayment for a vehicle purchased in FY 2015/16 that has not been fully repaid to Fleet Management. This will be offset with an increase in the Transfer from Fund Balance. Also, revenue needs to be increased by $5,751 within the

Vehicle Replacement subfund (S/F 512) to account for the additional revenue, which will be offset by a decrease in Transfer From Retained Earnings – **approved unanimously**.

Animal Care and Protective Services

No recommendations

Veterinary Services

No recommendations

Spay and Neuter Trust

No recommendations

Community Development Division

**Motion**: approve the Auditor’s recommendation to increase the revenue line for the Independent Living grant by $8,404, increase the Transfer to General Fund line by the same amount, and allocate the General Fund transfer to Special Council Contingency – **approved unanimously**

Grant Schedules B1-A, B1-B, B1-C

Council Member Boyer asked if any additional steps needed to be taken to ensure that all of the funds shown on the grant schedules are appropriated for expenditure without further Council action. She felt the schedules did not contain all of the funding sources (grant and local match) usually shown on a budget transfer document and was concerned that ultimate expenditure authority might not be granted for all funding sources.

**Motion**: on p. 62, approve the Auditor’s recommendation that the language in the bill concerning the B1-C schedule be revised to strike “and authorizes” on page 15, line 16 – **approved unanimously**.

**Motion**: on p. 62, approve the Auditor’s recommendation that a Revised Schedule B1-C be attached to the Budget Ordinance to properly reflect the correct project list that was approved by Council in Resolution 2018- 56-A. The change to the project list is to remove Chowder Ted’s Restaurant and replace

that project with Reed Island Dock and Development. This change will reduce the FIND Grant match by $224,000, from $1,960,000 to $1,736,000, which will have a positive impact to Special Council Contingency – **approved unanimously**

Council Member Gulliford posed several questions about maximum amounts and repayment conditions of housing downpayment assistance programs. He said that a recent study of the Jacksonville housing market found that many households spend over 40% of their annual household income on housing, indicating a tremendous need for more affordable housing options.

**Motion**: on p. 62, revise the language of the FIND grant on p. 15 of the budget ordinance to read that “The Council hereby approves the list of FIND grants in Schedule B1-C and approves the appropriation ~~and authorizes~~ of the grants received and the contingency for local match upon receiving…” – **approved unanimously**.

Next meetings

Tuesday, Thursday and Friday, August 28, 30 and 31.

Chairman Anderson urged the members to review the debt affordability study in advance of next week to make that discussion go more easily. Peggy Sidman requested that when the committee considers enhancements based on contracting with outside agencies, the committee be very specific about terms and deliverables so the contract can be appropriately drafted by the General Counsel’s Office.

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
* Clerk of the Courts – collection rate on the $3 and $65 fees

Special Council Contingency

Brian Parks reported that the Special Council Contingency fund stands at +$847,331

Enhancement requests

* Additional funding for Public Service grants
* Additional funding for Cultural Service grants
* AGAPE $150,000 additional funding request
* City Council Legislative Services – add an additional Legislative Assistant position ($45,666 salary and benefits, unfunded) for succession planning – no impact to Special Council Contingency
* City Council - council member communications allowance of $2,416 and $2,183 for City hall parking for new council members for July 1 – September 30, 2019
* Increased library hours
* Tax Collector – 4 new entry level positions ($147,904 - salaries and benefits)
* Chief Judge Mahon requested an ongoing enhancement of $10,509 in Other Equipment Under $1,000 for purchase of replacement chairs for the courthouse (can this be paid for out of the 1S1 fund?)
* Parks, Recreation and Community Services – add one unfunded position to potentially hire a current intern into a permanent position
* Kids Hope Alliance - $60,000 for grief counseling and trauma-informed care for children affected by violent crime
* Public Works Department – purchase additional VacCon truck for $360,000
* Public Works Department – add one additional engineer position in the Engineering Division ($70,000 recurring)
* WJCT mobile broadcasting/emergency response First Alert radio network vehicle - $200,000

**Meeting adjourned:** 4:30 p.m.

Minutes: Jeff Clements, Council Research

8.24.18 Posted 5:30 p.m.

Tapes: Finance Budget Hearing #5 – LSD

 8.24.18

Materials: Council Auditor’s Budget Meeting #5 handout - LSD

 8.24.18