

OFFICE OF THE COUNCIL AUDITOR

FY 2019/2020 PROPOSED BUDGET

FINANCE COMMITTEE MEMBERS

Aaron Bowman – Chair
LeAnna Cumber – Vice Chair
Randy DeFoor
Terrance Freeman
Tommy Hazouri
Ju’Coby Pittman
Ron Salem



Meeting #2
August 9, 2019

**COUNCIL AUDITOR’S OFFICE
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**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2019/20 BUDGET
PUBLIC LIBRARIES
GENERAL FUND / GENERAL SERVICES DISTRICT (S/F 011)**

PROPOSED BUDGET BOOK - Page # 285-286

BACKGROUND:

The Jacksonville Public Library system consists of a main library and twenty regional, community and neighborhood branch libraries.

REVENUES:

1. Charges for Services:

- The increase of \$24,975 is to better align with recent actuals related to internet printing.

2. Miscellaneous Revenue:

- The increase of \$500 is to better align with actual collection of fees for using library copiers.

EXPENDITURES:

1. Salaries:

- The increase of \$837,903 is mainly due to an increase of \$551,332 in permanent and probationary salaries. This is mainly due to the salary increases agreed to in approved collective bargaining agreements, raises approved in MBRC, and end of probation increases. There is also an increase of \$197,988 in overtime salaries in order to pay for police officers to be on-site at various libraries, \$80,059 in part time salaries due to salary increases agreed to in approved collective bargaining agreements as mentioned above, and \$16,791 in special pay pensionable.

2. Pension Costs:

- The net decrease of \$31,520 is mainly due to employee turnover and an overall reduction in the contribution to the General Employee Pension Plan.

3. Employer Provided Benefits:

The net increase of \$66,833 is mainly due to an increase of \$83,434 in health insurance costs due to changes in elections and employee turnover. This is partially offset by a decrease of \$21,967 in workers compensation insurance which is based on actuary projections.

4. Insurance Costs and Premiums:

- The net increase of \$18,580 is due to an increase of \$29,230 in miscellaneous insurance offset by a decrease of \$10,650 in general liability insurance due to a favorable claims history.

5. Professional Services:

- The increase of \$54,335 is due to an increase in contractual services primarily to cover janitorial services related to the additional hours approved in FY 2018/19. These funds were not budgeted for in FY 2018/19.

**COUNCIL AUDITOR'S OFFICE
 COMMENTS AND RECOMMENDATIONS
 MAYOR'S PROPOSED FY 2019/20 BUDGET
 PUBLIC LIBRARIES
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6. Other Operating Expenses:

- The net increase of \$104,707 is mainly due to an increase of \$138,676 in hardware/software maintenances and licenses. This increase is attributable to the costs of information search subscriptions, data storage, GIS mapping, site administration, and support services. Additionally, the City purchased additional licenses for staff and technical training. This is partially offset by a decrease of \$28,553 in furniture and equipment.

7. Library Materials:

- The increase of \$200,000 is for the purchase of library materials. The requested amount will be spent as follows:

FY 2019/20 LIBRARY MATERIALS BUDGETED	
<u>MATERIALS</u>	<u>COST</u>
Print (Adult, Teen, Juvenile)	\$ 1,655,513
Electronic Databases	\$ 396,681
Electronic Books	\$ 541,686
Electronic Audio, Video, Music & Other E-Formats	\$ 831,330
DVD (Adult, Juvenile)	\$ 125,961
Music (Adult, Juvenile, Physical)	\$ 318,424
Magazines (Adult, Teen, Juvenile)	\$ 15,545
Spoken Audio (Adult, Teen, Juvenile)	\$ 114,013
TOTAL	<u>\$ 3,999,153</u>

8. Indirect Cost:

- This is an allocation of costs to operate central services of the City (e.g. Finance and Administration, Employee Services and City Council) as calculated by the City's independent consulting firm. The decrease is due to depreciation being removed from this study.

STATE AID:

In addition to City funding, the Public Library Department receives a State Grant. For FY 2019/20, the estimated State Grant is \$818,734. The library has not yet finalized the budget for this grant.

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2019/20 BUDGET
PUBLIC LIBRARIES
GENERAL FUND / GENERAL SERVICES DISTRICT (S/F 011)**

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RECOMMENDATION:

We recommend that contractual services be decreased by \$12,000. This is because the proposed amount includes costs related to janitorial services that are already budgeted in the Library Facilities Trust (15W). This will have a positive impact on Special Council Contingency of \$12,000.

**COUNCIL AUDITOR'S OFFICE
 COMMENTS AND RECOMMENDATIONS
 MAYOR'S PROPOSED FY 2019/20 BUDGET
 PUBLIC LIBRARIES
 GENERAL FUND / GENERAL SERVICES DISTRICT (S/F 011)**

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Total weekly hours of operation increased by 48 hours within FY 2018/19 due to operational changes. This was in addition to the 72 hours added by the FY 2018/19 budget. Highlighted below and on the next page are the 48 hours added during FY 2018/19.

JPL Proposed Hours of Operation for 2018/19

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

Total Weekly Service Hours 1028

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 MAYOR'S PROPOSED FY 2019/20 BUDGET
 PUBLIC LIBRARIES
 GENERAL FUND / GENERAL SERVICES DISTRICT (S/F 011)**

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JPL Proposed Hours of Operation for FY 2019/20

Branch	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Total Hours
Argyle	Closed	12:00 - 8:00	12:00 - 8:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	48
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Bradham Brooks	Closed	12:00 - 8:00	12:00 - 8:00	1:00 - 9:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	48
Brentwood	Closed	12:00 - 8:00	12:00 - 8:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	48
Brown Eastside	Closed	12:00 - 8:00	12:00 - 8:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	48
Graham	Closed	12:00 - 8:00	12:00 - 8:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	48
Highlands	1:00 - 5:00	10:00 - 9:00	10:00 - 9:00	10:00 - 9:00	10:00 - 9:00	10:00 - 6:00	10:00 - 6:00	64
Mandarin	Closed	12:00 - 8:00	12:00 - 8:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	48
Maxville	Closed	12:00 - 8:00	12:00 - 8:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	48
Murray Hill	Closed	12:00 - 8:00	12:00 - 8:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	48
Pablo Creek	1:00 - 5:00	10:00 - 9:00	10:00 - 9:00	10:00 - 9:00	10:00 - 9:00	10:00 - 6:00	10:00 - 6:00	64
Regency Square	Closed	12:00 - 8:00	12:00 - 8:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	48
San Marco	Closed	12:00 - 8:00	12:00 - 8:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	48
South Mandarin	Closed	12:00 - 8:00	12:00 - 8:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	48
Southeast	1:00 - 5:00	10:00 - 9:00	10:00 - 9:00	10:00 - 9:00	10:00 - 9:00	10:00 - 6:00	10:00 - 6:00	64
University Park	Closed	12:00 - 8:00	12:00 - 8:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	48
Webb Wesconnect	1:00 - 5:00	10:00 - 9:00	10:00 - 9:00	10:00 - 9:00	10:00 - 9:00	10:00 - 6:00	10:00 - 6:00	64
West Regional	Closed	12:00 - 8:00	12:00 - 8:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	48
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Willowbranch	Closed	12:00 - 8:00	12:00 - 8:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	48
Main	1:00 - 5:00	10:00 - 6:00	11:00 - 7:00	11:00 - 7:00	10:00 - 6:00	10:00 - 6:00	10:00 - 6:00	52

Total Weekly Service hours 1076

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2019/20 BUDGET
PUBLIC LIBRARIES
LIBRARY CONFERENCE FACILITIES TRUST (S/F 15W)**

PROPOSED BUDGET BOOK - Page # 287-288

BACKGROUND:

The Library Conference Facility Trust was established per Ordinance 2006-237-E and is governed by Municipal Section 111.830. The Main Library charges a fee for the use of the conference facilities in order to cover the cost associated with operating and leasing conference facilities for business, recreational and social purposes. This is an "all years" fund and as such, during the budget process the amounts budgeted may include de-appropriating unused balances in both expense and revenue line items. The clean-up of an all years fund, as part of the annual budget, may cause negative totals. The upcoming fiscal year budget needs are netted against the all years' balances to determine the FY 2019/20 proposed "change" to the all years' appropriation.

REVENUES:

1. Investment Pool/Interest Earnings
 - The increase of \$26,398 is related to an all years' adjustment to align the budgeted amount with actuals. We will have a recommendation below regarding this item.
2. Miscellaneous Revenue
 - The decrease of \$26,255 is due to an anticipated decrease in rental revenue for city facilities in FY 2019/20 based on recent activity. See Recommendation below.

EXPENDITURES:

1. Salaries
 - The increase of \$21,310 is mainly due to an all years' clean-up within the proposed budget to address a negative budgetary balance within the terminal leave line item in the amount of \$20,858. Salaries are otherwise relatively flat due to employee turnover.
2. Pension Costs
 - The decrease of \$29,380 is due to an "all years" reduction to the proposed budget in the amount of \$41,737 related to excess budgetary capacity within the defined benefit pension line items and there no longer being any employees in the subfund that are members of the plan. This was slightly offset by an increase in defined contribution costs.
3. Employer Provided Benefits
 - The decrease of \$9,427 is due to an "all years" reduction to the proposed budget due to excess budgetary capacity within the health insurance line item being used. Employer Provided Benefits are relatively flat otherwise.
4. Professional and Contractual Services
 - The increase of \$7,644 is due to an increase in contractual services to be used for emergency custodial services.

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COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2019/20 BUDGET
PUBLIC LIBRARIES
LIBRARY CONFERENCE FACILITIES TRUST (S/F 15W)**

PROPOSED BUDGET BOOK - Page # 287-288

5. Other Operating Expenses

- The net increase of \$38,460 is mainly due to an increase of \$46,500 in furniture and equipment (under \$1,000) to purchase audiovisual equipment, chairs, tables, and new flooring for the conference facility. This is partially offset by a decrease of \$5,000 in travel expenses and a decrease in \$3,450 in employee training.

6. Capital Outlay

- The decrease of \$24,347 is primarily due to a decrease in office furniture and equipment.

7. Contingencies

- The decrease of \$3,819 is due to the pension reform reserves not being added to in FY 2019/20.

EMPLOYEE CAP CHANGES:

There are no changes to position cap.

SERVICE LEVEL CHANGES:

None.

RECOMMENDATION:

We recommend an "all years" clean-up to this account that will decrease two different investment pool earning line items by a combined \$80,291. This will be offset with an increase to rental of city facilities by \$80,291. This will have no impact on Special Council Contingency.

**COUNCIL AUDITOR’S OFFICE
 COMMENTS AND RECOMMENDATIONS
 MAYOR’S PROPOSED FY 2019/20 BUDGET
 PUBLIC HEALTH DEPARTMENT
 GENERAL FUND/GENERAL SERVICES DISTRICT (S/F 011)**

PROPOSED BUDGET BOOK – Page # 283-284

BACKGROUND

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

EXPENDITURES

1. Internal Service Charges

- The decrease of \$73,813 is primarily due to a reduction in building maintenance charges based on the prior year’s actual costs.

2. Grants, Aids and Contributions

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

Program Name	FY2018/19		FY2019/20		
	State	City	State	City	
Sexually Transmitted Diseases	\$ 357,226	\$ 147,000	\$ 292,486	\$ 147,000	(a)
Immunization	\$ 172,178	\$ 258,292	\$ 172,178	\$ 258,292	
Hospital Emergency Room Alternatives	\$ 86,780	\$ 150,243	\$ 86,780	\$ 350,243	(b)
Total	\$ 616,184	\$ 555,535	\$ 551,444	\$ 755,535	

(a) The decrease of \$64,740 in State funding for the Sexually Transmitted Diseases Program is due to a decrease in the overall State allocation which resulted in County Health Department dollars decreasing as well.

(b) The increase of \$200,000 in City funding for the Hospital Emergency Room Alternatives Program (HERAP) is to fund a new program within HERAP intended to reduce HIV transmission. This will be accomplished through two components within the new program:

1. The Test and Treat protocol which will focus on connecting newly diagnosed or “lost to care” clients with care within 72 hours of identification, significantly reducing the time between identification and medication initiation.
2. The PrEP program which is a bio-medical intervention that allows clients who are at risk of HIV infection to take one (1) pill per day to reduce their chances of contracting HIV. PrEP reduces HIV transmission by 90% for sexual transmission and 70% for injection drug use transmission.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2019/20 BUDGET
PUBLIC HEALTH DEPARTMENT
GENERAL FUND/GENERAL SERVICES DISTRICT (S/F 011)**

PROPOSED BUDGET BOOK – Page # 283-284

SERVICE LEVEL CHANGES:

The new program within HERAP intended to reduce HIV transmission as mentioned above.

EMPLOYEE CAP CHANGES:

There are no City funded positions for this Department.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2019/20 BUDGET
JACKSONVILLE HOUSING FINANCE AUTHORITY
HOUSING FINANCE AUTHORITY (S/F 721)**

BACKGROUND:

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

ESTIMATED REVENUES:

1. Investment Proceeds:

- The increase of \$12,162 is based on prior years' collections.

ESTIMATED EXPENDITURES:

1. Salaries:

- The increase of \$6,806 is mainly due to the general wage increases related to collective bargaining that had not all been accounted for in recent years since costs are only allocated to the subfund based on actual time and effort of staff.

2. Pension Costs:

- The increase of \$2,605 is primarily due to the salary increases noted above.

3. Professional Services:

- The increase of \$5,000 is to account for a potential increase in bond team costs if bids come in higher than the current contract.

4. OGC Legal:

- The increase of \$3,739 is based on recent usage of legal services.

5. Miscellaneous:

- The decrease of \$7,523 is to better align with actual expenditures.

6. Indirect Costs:

- 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.

SERVICE LEVEL CHANGES:

There is no change in service level.

AUTHORIZED POSITION CAPS:

There are no authorized employees in this subfund.

RECOMMENDATION:

We recommend that Schedule N be revised to correct the heading to "2019/20 Budget".

**Jacksonville Housing Finance Authority
2019/20 Proposed Budget**

	<u>FY 2018/2019</u>	<u>FY 2019/2020</u>	<u>Change From FY19</u>	
	<u>Approved</u>	<u>Proposed</u>	<u>Percent</u>	<u>Dollar</u>
Estimated Revenues:				
36142 Realized Gain/Loss on Sale	\$ 55,000	\$ 55,000	0.0%	\$ -
36907 Miscellaneous Sales	75,000	78,019	4.0%	3,019
36936 Mortgage Interest	30,000	30,000	0.0%	-
38502 Bond Issuer Fees	125,000	125,000	0.0%	-
361101 Investment Proceeds	35,000	47,162	34.7%	12,162
Total Estimated Revenues	\$ 320,000	\$ 335,181	4.7%	\$ 15,181
Estimated Expenditures:				
Personnel *				
01201 Salaries	\$ 64,645	\$ 71,451	10.5%	\$ 6,806
01401 Salaries Overtime	-	-	0.0%	-
01511 Special Pay	870	899	3.3%	29
02101 Payroll Taxes	-	-	0.0%	-
02102 Medicare Taxes	872	1,053	20.8%	181
02201 Pension Contributions	4,962	5,082	2.4%	120
02201B Unfunded Pension Liability	11,588	14,073	21.4%	2,485
02207 Disability Trust Fund	181	217	19.9%	36
02303 Group Life Insurance	209	251	20.1%	42
02304 Group Hospitalization	10,976	10,723	(2.3%)	(253)
Total Personnel	\$ 94,303	\$ 103,749	10.0%	\$ 9,446
Operating Expenses				
03109 Professional Services	\$ 145,000	\$ 150,000	3.4%	\$ 5,000
04002 Travel Expenses	10,000	10,000	0.0%	-
04205 OGC Legal	31,261	35,000	12.0%	3,739
04221 Copy Center	-	1,500	N/A	1,500
04217 Fleet Management	-	-	0.0%	-
04221 Mailroom	409	409	0.0%	-
04223 Computer Data Center	2,359	2,359	0.0%	-
04404 Lease Purchase	-	-	0.0%	-
04603 Repairs and Maintenance	1	1	0.0%	-
04801 Advertising	1,000	1,000	0.0%	-
04938 Miscellaneous	16,392	8,869	(45.9%)	(7,523)
05101 Office Supplies	1,500	1,500	0.0%	-
05206 Food & Beverage	1,000	1,000	0.0%	-
05216 Other Operating Expenses	1	1	0.0%	-
05401 Employee Training	7,500	7,500	0.0%	-
05402 Dues, Subscriptions, Memberships	4,000	4,000	0.0%	-
Total Operating Expenses	\$ 220,423	\$ 223,139	1.2%	\$ 2,716
Other Expenses				
06302 Improvements Other Than Buildings	\$ 1	\$ 1	0.0%	\$ -
06402 Other Heavy Equipment	1	1	0.0%	-
09904 Indirect Costs	5,272	8,291	57.3%	3,019
Total Other Expenses	\$ 5,274	\$ 8,293	57.2%	\$ 3,019
Total Estimated Expenditures	\$ 320,000	\$ 335,181	4.7%	\$ 15,181

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

**Jacksonville Housing Finance Authority
2018/2019 Budget**

Estimated Revenues:

36142 Realized Gain/Loss on Sale	\$	55,000
36907 Miscellaneous Sales		78,019
36936 Mortgage Interest		30,000
38502 Bond Issuer Fees		125,000
361101 Investment Proceeds		47,162
Total Estimated Revenues	\$	335,181

Estimated Expenditures:

Personnel *

01201 Salaries	\$	71,451
01401 Salaries Overtime		-
01511 Special Pay		899
02101 Payroll Taxes		-
02102 Medicare Taxes		1,053
02201 Pension Contributions		5,082
2201B Unfunded Pension Liability		14,073
02207 Disability Trust Fund		217
02303 Group Life Insurance		251
02304 Group Hospitalization		10,723
Total Personnel	\$	103,749

Operating Expenses

03109 Professional Services	\$	150,000
04002 Travel Expenses		10,000
04205 OGC Legal		35,000
04211 Copy Center		1,500
04217 Fleet Management		-
04221 Mailroom		409
04223 Computer Data Center		2,359
04404 Lease Purchase		-
04603 Repairs and Maintenance		1
04801 Advertising		1,000
04938 Miscellaneous		8,869
05101 Office Supplies		1,500
05206 Food & Beverage		1,000
05216 Other Operating Expenses		1
05401 Employee Training		7,500
05402 Dues, Subscriptions, Memberships		4,000
Total Operating Expenses	\$	223,139

Other Expenses

06302 Improvements Other Than Buildings	\$	1
06402 Other Heavy Equipment		1
09904 Indirect Costs		8,291
Total Other Expenses	\$	8,293

Total Estimated Expenditures \$ 335,181

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

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2019/20 BUDGET
FLEET MANAGEMENT DIVISION
FLEET MANAGEMENT OPERATIONS (S/F 511)**

PROPOSED BUDGET BOOK – Page #133-135

BACKGROUND:

This internal service fund accumulates and allocates the costs of the operation of the City's Motor Pool and recovers its costs via charges to its users/customers. Fleet Management is responsible for all of the maintenance and fueling of the entire City owned vehicle fleet. In addition, Fleet Management provides fuel and some maintenance services for JEA and other local and State governmental entities.

REVENUE:

1. Charges for Services:
 - This represents the costs billed to other departments and government agencies and is directly related to the budgeted expenditures in this fund.
2. Miscellaneous Revenue:
 - The net decrease of \$50,000 is mainly due to a reduction in revenue from reimbursement for warranty work based on actuals.
3. Transfers from Fund Balance
 - This represents the pension reform contingency being appropriated and placed back into contingency as seen below.

EXPENDITURES:

1. Salaries:
 - The net increase of \$331,356 is primarily due to an increase in salaries of \$354,210 as a result of pay increases related to collective bargaining and some salary adjustments during the fiscal year. This is being partially offset by decreases in part-time salaries of \$18,148 to reflect actual usage.
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 2019/20.
3. Pension Costs:
 - The net increase of \$10,381 is mainly due to employee turnover and salary increases.
4. Employer Provided Benefits:
 - The net decrease of \$74,693 is mainly due to a decrease in workers' compensation cost allocation due to an overall decrease in workers' compensation costs.
5. Internal Service Charges:
 - The net increase of \$74,221 is mainly due to an increase for fleet vehicle replacement of \$63,711 for the purchase of support vehicles and a trailer, an increase for tech refresh

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2019/20 BUDGET
FLEET MANAGEMENT DIVISION
FLEET MANAGEMENT OPERATIONS (S/F 511)**

PROPOSED BUDGET BOOK – Page #133-135

allocation of \$61,748 for new computers, and an increase of \$11,815 in building maintenance—citywide allocation based on historical actuals. These are partially offset by a decrease in computer system maintenance allocation of \$56,260 mainly due to service charges and maintenance costs for the Fleet Management System Replacement project in FY 2018/19.

6. Professional and Contractual Services

- The increase of \$34,970 is due to an increase in contractual services due to the city entering into a new contract in FY 2018/19 with the City's vehicle parts supplier.

7. Other Operating Expenses:

- The net increase of \$1,108,787 is mainly due to an increase of \$600,000 in third-party repairs based on recent actuals, an increase of \$366,069 in fuel costs based on a higher projected price per gallon of fuel, an increase in third-party accident repair of \$105,000 based on actuals, and an increase of \$31,000 in tires based on actuals.

8. Supervision Allocation:

- This amount represents the administrative costs of the Fleet Management Division that are allocated to the Vehicle Replacement Fund (S/F 512).

9. Indirect Cost:

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

10. Contingencies:

- This represents part of the overall pension reserves set aside to offset salary increases agreed to in the collective bargaining agreements.

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

None.

CAPITAL OUTLAY CARRYFORWARD:

This area has \$121,000 for other heavy equipment listed on the carryforward schedule.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2019/20 BUDGET
FLEET MANAGEMENT DIVISION
VEHICLE REPLACEMENT (S/F 512)**

PROPOSED BUDGET BOOK – Page #136-138

BACKGROUND:

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

REVENUE:

1. Charges for Services:

- This revenue represents the charges billed to other departments and agencies for both prior and current year vehicle replacements. The increase of \$3,190,536 is due to a larger number of vehicles being replaced in recent years.

2. Investment Pool / Interest Earnings:

- The increase of \$145,020 in interest earnings is based on current year actuals.

3. Miscellaneous Revenue:

- The decrease of \$134,812 is attributable to a decrease of \$115,000 in anticipated revenue from the sale of surplus vehicles and a decrease of \$19,812 in revenue from third party insurances based on prior year actuals.

4. Transfers from Fund Balance:

- Fund balance is being appropriated to re-establish the pension reform contingency.

EXPENDITURES:

1. Salaries:

- The increase of \$6,905 is mainly due to anticipated pay increases of 4.5% to be effective October 1st due to collective bargaining agreements related to pension reform.

2. Other Operating Expenses:

- The decrease of \$419,145 is mainly due to a reduction in leased covert vehicles to be used by the Jacksonville Sheriff's Office that are being replaced with new vehicles.

3. Supervision Allocation:

- This amount represents the administrative costs of the Division which are allocated to each activity within Fleet Management.

4. 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.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2019/20 BUDGET
FLEET MANAGEMENT DIVISION
VEHICLE REPLACEMENT (S/F 512)**

PROPOSED BUDGET BOOK – Page #136-138

5. Contingencies:

- The proposed contingency amount is part of the overall pension reform reserves being set aside to offset future salary increases agreed to in the collective bargaining agreements.

6. Transfers to Other Funds:

- This amount represents the excess revenue over expenditure total in this subfund that is available to fund a portion of the FY 2019/20 vehicle replacements and is being transferred to the Direct Vehicle Replacement fund (S/F 513).

7. Debt Management Fund Repayments:

- This amount represents the interest and principal debt repayment for vehicles purchased with borrowed funds. The decrease of \$129,650 is due to not using borrowed funds to purchase vehicles in recent years.

EMPLOYEE CAP CHANGE:

There are no changes to the overall employee cap.

CAPITAL OUTLAY CARRYFORWARD:

There is a total capital outlay carryforward of \$60,096 associated with the FY 2018/19 vehicle replacements that might not be purchased by the end of the fiscal year.

SERVICE LEVEL CHANGES:

None.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2019/20 BUDGET
FLEET MANAGEMENT DIVISION
DIRECT REPLACEMENT (S/F 513)**

PROPOSED BUDGET BOOK – Page #139-140

BACKGROUND:

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

REVENUE:

1. Investment Pool / Interest Earnings:

- The increase of \$52,385 in interest earnings is based on current year actuals.

2. Transfers From Other Funds:

- This amount represents a transfer of \$25,481,850 from the Vehicle Replacement fund (S/F 512) and a transfer of \$1,640,813 from the General Fund/GSD (S/F 011) to fund all FY 2019/20 vehicle replacements with cash.

EXPENDITURES:

1. Capital Outlay:

- This amount represents the total capital requirement for the FY 2019/20 vehicle replacements.

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

None.

CAPITAL OUTLAY CARRYFORWARD:

There is a capital outlay carryforward of \$2,464,482 associated with the FY 2018/19 vehicle replacements that might not be purchased by the end of the fiscal year.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2019/20 BUDGET
FINANCE AND ADMINISTRATION
COPY CENTER / CENTRAL MAILROOM (S/F 521)**

PROPOSED BUDGET BOOK - Page # 141-142

BACKGROUND:

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

REVENUE:

1. Charges for Services:
 - This amount of \$2,850,180 represents costs billed to other departments and government agencies and is directly related to the budgeted expenditures in this fund.
2. Transfers From Fund Balance:
 - Fund balance is being appropriated to re-establish the pension reform contingency.

EXPENDITURES:

1. Salaries:
 - The increase of \$8,297 is primarily due to the scheduled increase in salaries pursuant to the approved collective bargaining agreements.
2. Pension Costs:
 - The increase of \$7,374 is mostly due to employee turnover and salary increases noted above.
3. Internal Service Charges:
 - The net increase of \$5,289 is mainly driven by an increase of \$5,535 to replace five desktop computers and monitors.
4. Professional and Contractual Services:
 - This is made up of the consolidated copier contract (\$1,400,000) and courier service (\$44,986).
5. Other Operating Expenses:
 - The increase of \$128,986 is mostly due to an \$80,000 increase in commercial printing and binding costs related to a request from Emergency Preparedness to mail special needs registrations and distribute hurricane guides. The increase also includes \$46,400 related to increases in the cost of postage and certified mail.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2019/20 BUDGET
FINANCE AND ADMINISTRATION
COPY CENTER / CENTRAL MAILROOM (S/F 521)**

PROPOSED BUDGET BOOK - Page # 141-142

6. 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 Copy Center/Central Mailroom is within the Procurement Division and was impacted by a change in how the Procurement Office's costs are allocated.

7. Contingencies:

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

EMPLOYEE CAP CHANGES:

None.

SERVICE LEVEL CHANGES:

None.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2019/20 BUDGET
FINANCE AND ADMINISTRATION
ITD OPERATIONS (S/F 531)**

PROPOSED BUDGET BOOK – Page #143-145

BACKGROUND:

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

REVENUE:

1. Charges for Services:

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

2. Investment Pool / Interest Earnings:

- The increase of \$12,627 is based on current year actuals.

3. Transfers from Fund Balance:

- Fund balance is being appropriated to re-establish the pension reform contingency.

EXPENDITURES:

1. Salaries:

- The increase of \$580,942 is primarily due to an increase of \$546,821 as a result of pay increases related to collective bargaining and due to some end-of-probation increases and promotions that occurred during FY 2018/19. There is also an increase of \$42,205 in part-time salaries to fund an existing part-time lead telecommunication technician position dedicated to the VoIP Project.

2. Salary & Benefit Lapse:

- This amount represents an estimated salary and benefit lapse based on the average turnover ratio and estimated number of vacancies in FY 2019/20.

3. Pension Costs:

- The increase of \$58,866 in pension costs is mainly due to an increase in defined contribution costs due to the salary increases noted above. This was somewhat offset by a slight decrease in the City's contribution to the General Employee Pension Plan.

4. Employer Provided Benefits:

- The decrease of \$22,786 is mainly due to a decrease of \$18,501 in health insurance based on employee elections and turnover and a decrease of \$17,116 in workers' compensation due to an overall decrease in cost for the City based on actuarial projections.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2019/20 BUDGET
FINANCE AND ADMINISTRATION
ITD OPERATIONS (S/F 531)**

PROPOSED BUDGET BOOK – Page #143-145

5. Internal Service Charges:

- The increase of \$1,440,183 is primarily due to an increase of \$1,270,292 in IT system development project allocations from new and previously approved projects. This mainly relates to the CARE System Replacement, the PBX Telecommunications Upgrade, and the Enterprise Financial and Resource Management Solution (1Cloud). There is also an increase of \$186,701 in IT equipment refresh charges related to the upgrade of the storage area network (SAN).

6. Insurance Costs and Premiums:

- The increase of \$20,433 is due to an increase in miscellaneous insurance costs related to the City's new Cyber Liability Insurance.

7. Professional and Contractual Services:

- The increase of \$538,999 is mainly due to an increase in software hosting services in connection with the Enterprise Financial / Resource Management Solution (1Cloud), Microsoft Office365, and the Command Central AWARE / Real Time Crime Center.

8. Other Operating Expenses:

- The decrease of \$97,054 is primarily due to a decrease of \$114,180 in software and licenses and a decrease of \$100,000 in telephone and data lines based on prior year actuals. This was somewhat offset by an increase of \$64,450 in subscriptions and memberships related to subscription based training for 1Cloud and an increase of \$48,000 in repairs and maintenance costs mainly related to the repair and replacement of existing cameras.

9. Grants, Aids and Contributions:

- This amount represents a payment to JEA for fiber connections to the Cecil 911 Center.

10. Supervision Allocation:

- This amount represents the administrative cost of the Division which is allocated to Radio Communications S/F 534.

11. 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.

12. Contingencies:

- The proposed contingency amount is part of the overall pension reform reserves being set aside to offset salary increases agreed to in the collective bargaining agreements.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2019/20 BUDGET
FINANCE AND ADMINISTRATION
ITD OPERATIONS (S/F 531)**

PROPOSED BUDGET BOOK – Page #143-145

EMPLOYEE CAP CHANGES:

None.

CAPITAL OUTLAY CARRYFORWARDS:

There is a total capital outlay carryforward of \$1,113,270 associated with the FY 2018/19 security camera equipment that might not be purchased by the end of the fiscal year.

SERVICE LEVEL CHANGES:

None.

RECOMMENDATION:

We recommend that the independent authority – internal service revenue be decreased by \$84,386 since the City has not executed an agreement with the independent agencies regarding colocation services and internet cost sharing yet. This should be offset by a decrease in the pension reform contingency. This will have no impact on Special Council Contingency.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2019/20 BUDGET
FINANCE AND ADMINISTRATION
RADIO COMMUNICATIONS (S/F 534)**

PROPOSED BUDGET BOOK – Page #146-148

BACKGROUND:

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

REVENUE:

1. Charges for Services:
 - This represents the costs billed to other departments and government agencies and is directly related to the budgeted expenditures in this fund.
2. Investment Pool / Interest Earnings:
 - The increase of \$17,589 in interest income is based on current year actuals.
3. Transfers from Fund Balance:
 - Fund balance is being appropriated to re-establish the pension reform contingency.

EXPENDITURES:

1. Salaries:
 - The net increase of \$20,244 is mainly due to an increase of \$12,699 in overtime based on current year actuals and an increase of \$6,195 in salaries due to anticipated pay increases to be effective October 1st related to collective bargaining.
2. Salary & Benefit Lapse:
 - This reflects an estimated salary and benefit lapse based on the average turnover ratio and estimated number of vacancies in FY 2019/20.
3. Pension Costs:
 - The net decrease of \$6,424 is due to a slight decrease in costs related to the general employee defined benefits plan.
4. Employer Provided Benefits:
 - The decrease of \$12,838 is primarily due to a decrease of \$9,553 in workers compensation insurance due to an overall decrease in costs for the City based on actuarial projections and a decrease of \$3,309 in health insurance.
5. Internal Service Charges:
 - The decrease of \$94,368 is mainly due to a decrease of \$78,878 in computer system maintenance and security allocation costs attributable to a reduction in IT labor hours needed for the radio redundant back up system project. This is also due to a reduction of \$16,792 in radio equipment refresh related to the replacement of four portable radios in the prior year.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2019/20 BUDGET
FINANCE AND ADMINISTRATION
RADIO COMMUNICATIONS (S/F 534)**

PROPOSED BUDGET BOOK – Page #146-148

6. Other Operating Expenses:

- The net increase of \$38,732 is due to an increase of \$62,737 in hardware/software maintenance and licenses associated with the annual maintenance of the Fire Station Alerting System and the Text to Speech license. This was somewhat offset by a decrease of \$25,000 in repairs and maintenance costs of radio equipment based on prior year actuals.

7. Capital Outlay:

- This funding is to purchase required portable and mobile radio equipment for new JFRD rescue units at fire stations 11, 12 and 41, and for JFRD personnel at fire stations 65 and 30. This also provides funding for the Microwave Network Radio Sites project included in the IT Five-Year Plan.

8. Grants, Aids & Contributions:

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

9. Supervision Allocation:

- This amount represents the administrative costs of ITD S/F 531 that are being allocated to this subfund.

10. Contingencies:

- The proposed contingency amount is part of the overall pension reform reserves that were set aside to offset salary increases agreed to in the collective bargaining agreements.

11. Debt Management Fund Repayments:

- This budgeted amount includes debt repayment of \$1,063,763 for the First Coast Radio buyout and \$565,757 for the P25 Fire Station Paging Project.

EMPLOYEE CAP CHANGES:

There are no changes to the employee cap.

CAPITAL OUTLAY CARRYFORWARDS:

There is a capital carryforward of \$139,166 for the purchase of specialized radio equipment and a capital carryforward of \$15,289 for the P25 Radio – Fire Station Paging Project.

SERVICE LEVEL CHANGES:

None.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2019/20 BUDGET
FINANCE AND ADMINISTRATION
TECHNOLOGY SYSTEM DEVELOPMENT (S/F 536)**

PROPOSED BUDGET BOOK – Page #149-150

BACKGROUND:

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

REVENUE:

1. Charges for Services:

- There is no new revenue in this subfund because customers were fully billed for the remaining project spending in FY 2018/19.

2. Transfers from Other Funds:

- This reduction is due to a one-time transfer received from the new IT system development fund (S/F 53A) in FY 2018/19.

3. Transfers from Fund Balance:

- Fund balance is being appropriated to pay the FY 2019/20 debt management fund repayments.

EXPENDITURES:

1. Debt Management Fund Repayments:

- This amount represents the anticipated FY 2019/20 interest and principal payback for projects authorized in prior years.

EMPLOYEE CAP CHANGES:

There are no positions in this subfund.

CAPITAL OUTLAY CARRYFORWARDS:

None.

SERVICE LEVEL CHANGES:

None.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
 COMMENTS AND RECOMMENDATIONS
 MAYOR'S PROPOSED FY 2019/20 BUDGET
 FINANCE AND ADMINISTRATION
 TECHNOLOGY EQUIPMENT REFRESH (S/F 537)**

PROPOSED BUDGET BOOK – Page #151-152

BACKGROUND:

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

REVENUE:

1. Charges for Services:

- This amount represents the customer billings for both the FY 2019/20 proposed refresh and previously approved equipment replacement.

EXPENDITURES:

1. Professional and Contractual Services

- This amount represents the cost of deploying Emtec (the City's desktop service provider) to conduct technology refresh activities. The decrease is due to fewer computers being refreshed in FY 2019/20 than in the prior year. Although the overall number of computers being refreshed decreased, the total amount spent in computer refresh remained about the same since a higher number of computers over \$1,000 are being replaced.

2. Other Operating Expenses:

- This amount represents the purchase of computer and network equipment that do not meet the \$1,000 capital threshold. The decrease is mainly due to fewer computers being refreshed in FY 2019/20 than in the prior year.

Computer Refresh Count	FY 2018-19	FY 2019-20	Change
Computers Under \$1,000	1,659	1,283	(376)
Computers Over \$1,000 (Shown in Capital Outlay)	17	224	207
Total PC Refresh Count	1,676	1,507	(169)

(Continued on Next Page)

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2019/20 BUDGET
FINANCE AND ADMINISTRATION
TECHNOLOGY EQUIPMENT REFRESH (S/F 537)**

PROPOSED BUDGET BOOK – Page #151-152

3. Capital Outlay:

- This amount represents the purchase of computers, servers, and network equipment that meet the \$1,000 capital threshold.

<u>Activity</u>	<u>Amount</u>
Mobile Data Terminals (MDT) for JFRD	\$ 13,860
Storage Area Network (SAN)	250,000
Network Equipment	306,302
Desktops / Laptops (224 PCs)	240,515
	<u><u>\$ 810,677</u></u>

4. Cash Carryover:

- This represents the excess of FY 2019/20 budgeted revenues over expenditures. These funds must be appropriated by City Council before they can be used.

EMPLOYEE CAP CHANGES:

There are no positions in this subfund.

CAPITAL OUTLAY CARRYFORWARDS:

Per Schedule AF, there is a capital carryforward of \$236,831 for the purchase of computers and network equipment over \$1,000.

SERVICE LEVEL CHANGES:

None.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
 COMMENTS AND RECOMMENDATIONS
 MAYOR'S PROPOSED FY 2019/20 BUDGET
 FINANCE AND ADMINISTRATION
 RADIO EQUIPMENT REFRESH (S/F 538)**

PROPOSED BUDGET BOOK – Page #153-154

BACKGROUND:

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

REVENUE:

1. Charges for Services:
 - This amount represents the customer billings for radios.

EXPENDITURES:

1. Capital Outlay:
 - This amount represents the mobile and portable radios which are slated for purchase in FY 2019/20 and are included in the IT Five-Year Plan.

Department/Division	Mobile		Radio Dispatch		Portable		Total Count	Total Cost
	Radios	Cost	Consoles	Cost	Radios	Cost		
Office of the Sheriff	253	\$ 974,126	-	\$ -	402	\$ 1,719,141	655	\$ 2,693,267
Fire and Rescue	77	185,810	1	13,005	105	487,268	183	686,083
Special Events	-	-	-	-	30	57,306	30	57,306
Animal Care & Protective Services	-	-	-	-	18	34,384	18	34,384
Municipal Code Compliance	-	-	-	-	8	15,281	8	15,281
Environmental Quality	-	-	-	-	2	3,820	2	3,820
Solid Waste	-	-	-	-	4	7,641	4	7,641
	330	\$ 1,159,936	1	\$ 13,005	569	\$ 2,324,841	900	\$ 3,497,782

2. Cash Carryover:
 - This represents the excess of FY 2019/20 budgeted revenues over expenditures due to timing issues between capital spending and billing.

EMPLOYEE CAP CHANGES:

There are no positions in this subfund.

CAPITAL OUTLAY CARRYFORWARDS:

None.

SERVICE LEVEL CHANGES:

None.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
 COMMENTS AND RECOMMENDATIONS
 MAYOR'S PROPOSED FY 2019/20 BUDGET
 FINANCE AND ADMINISTRATION
 IT SYSTEM DEVELOPMENT (S/F 53A)**

PROPOSED BUDGET BOOK – Page #155-156

BACKGROUND:

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

REVENUE:

1. Charges for Services:
 - This amount represents billings to departments and agencies for IT system development projects.

2. Debt Funding – Debt Management Fund:
 - This amount represents the proposed borrowing for projects in FY 2019/20. See table of IT System Development Capital Projects below. The detail by project including operating costs is also presented in Ordinance 2019-507.

EXPENDITURES:

Project Title	Capital Outlay		Total Capital Outlay	(A)	Total
	Pay-Go	Debt Funded		Other Expenses	
City Council Chamber Upgrade	\$ 48,000	\$ -	48,000	\$ -	48,000
Disaster Recovery / Data Redundancy	35,000	-	35,000	-	35,000
Enterprise Financial / Resource Mgmt Solution	-	14,520,758	14,520,758	241,684	14,762,442
Enterprise Permit / Land Use Management	3,880,000	-	3,880,000	105,877	3,985,877
PBX Telecommunications Upgrade	-	756,700	756,700	21,025	777,725
	\$ 3,963,000	\$ 15,277,458	\$ 19,240,458	\$ 368,586	\$ 19,609,044

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

1. Capital Outlay:
 - This amount represents the funding for the purchase of computer equipment and software with Pay-Go funds for the FY 2019/20 proposed projects. The detail by project, including operating costs, can also be found in ordinance 2019-507.

2. Capital Outlay – Debt Funded:
 - This amount includes \$12,673,572 in professional services expenses associated with the development of the new Enterprise Financial / Resource Management Solution. This also includes \$520,000 to purchase equipment and \$236,700 in professional services associated with the PBX phone system upgrade.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2019/20 BUDGET
FINANCE AND ADMINISTRATION
IT SYSTEM DEVELOPMENT (S/F 53A)**

PROPOSED BUDGET BOOK – Page #155-156

3. Capitalized Internal Service – Debt Funded:
 - This amount represents internal service charges associated with the development of the new Enterprise Financial / Resource Management Solution.

4. Debt Management Fund Repayments:
 - This amount represents the anticipated FY 2019/20 interest and principal payback for loans issued for projects for the current and previous years'.

5. Cash Carryover:
 - The FY 2019/20 estimated revenues over expenses is being placed in a cash carryover to be used for future debt management fund repayments.

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

There are no positions in this subfund.

RECOMMENDATIONS:

None.

Council Auditor's Office
Comparison of Approved FY 2018/19 and Proposed FY 2019/20
Five-Year IT Plans

FISCAL YEAR 2020 - 2024 IT SYSTEM DEVELOPMENT PROJECTS		Prior Years	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24
Projects by Funding Source							
	Debt Management Funds	22,338,282	15,277,458	17,872,532	3,917,227	7,452,777	6,408,927
	Pay- Go: Equipment/Radio Refresh	11,783,715	5,621,868	5,532,025	3,997,768	4,682,934	2,840,245
	Increase in On-Going Operating Cost	██████████	798,781	3,008,868	220,237	619,709	622,854
	Pay-Go: Other	3,908,748	4,101,688	2,714,654	1,055,610	-	-
	Total Per Year	38,030,745	25,799,795	29,128,079	9,190,842	12,755,420	9,872,026

Functional Area	Program Area	Project Title	Previous Capital Approp.	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24
Citywide	Application - Citywide	Microsoft Office 365	-	238,925	-	-	-	-
City Council	Application - Department Specific	City Council Chamber Upgrade	566,900	48,000	362,660	5,250	5,513	5,750
Code Compliance	Application - Department Specific	Lien Tracking System	-	-	360,000	-	-	-
Fleet Mgmt	Application - Department Specific	Fleet Management System - Replacement	-	-	650,000	77,000	-	-
JHRC	Application - Department Specific	Case Management System - JHRC	90,000	-	388,200	24,049	422	434
Real Estate	Application - Department Specific	Real Estate Management System	185,000	-	400,000	-	-	-
ITD	Backup and Recovery	Disaster Recovery / Data Redundancy	110,000	35,000	35,000	1,000,000	-	-
Citywide	Enterprise Solution	Enterprise Financial / Resource Mgmt Solution	18,905,427	14,762,442	13,288,686	1,360,000	5,428,333	5,071,066
Citywide	Enterprise Solution	Enterprise Permit / Land Use Management	3,356,748	3,985,877	1,713,460	-	-	-
Citywide	Infrastructure / Equipment	Computer, Laptop and Tablet Equipment Refresh	2,449,700	1,700,027	1,700,027	-	-	-
ITD	Infrastructure / Equipment	Network Equipment Refresh	1,548,047	339,829	340,000	340,000	340,000	340,000
ITD	Infrastructure / Equipment	PBX: Telecommunications Upgrade	1,915,104	777,725	764,772	-	-	-
ITD	Infrastructure / Equipment	Security Upgrades - Technology / ITD	390,000	-	270,000	-	225,000	-
ITD	Infrastructure / Equipment	Server Equipment Refresh	708,155	275,500	130,000	130,000	130,000	130,000
Citywide	Radio System	P25 Radio - Radio Site Expansion	-	-	1,908,927	1,954,291	1,954,368	1,954,531
Citywide	Radio System	Radio - Microwave Network Radio Sites	167,000	138,688	154,654	55,610	-	-
Citywide	Radio System	Radio - Mobile Radio Refresh	4,741,122	1,172,941	1,157,523	1,157,523	1,842,689	-
Citywide	Radio System	Radio - Portable Radio Refresh	2,298,542	2,324,841	2,370,245	2,370,245	2,370,245	2,370,245
Citywide	Radio System	Radio - Redundant Backup System	-	-	2,539,835	668,574	-	-
JFRD	Public Safety	JFRD Mobile Data Terminal Replacements	599,000	-	594,090	48,300	458,850	-

Council Auditor's Office
Comparison of Approved FY 2018/19 and Proposed FY 2019/20
Five-Year IT Plans

Projects Removed / Rolled Off the Schedule

Functional Area	Project Title	5-Year Plan	Previous Capital Approp.	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	Total Project Budget
* ME Office	Case Management System - Medical Examiner	FY 18/19	617,514	-	73,000	-	-	-	-	690,514
* Citywide	CARE System Upgrade / Replacement	FY 18/19	685,000	2,075,000	75,000	-	-	-	-	2,835,000
Citywide	Command Central AWARE / Real Time Crime Center	FY 18/19	-	1,899,146	-	-	-	-	-	1,899,146
JFRD / JSO	Unified CAD - 911 Call System Replacement	FY 18/19	4,540,636	1,873,644	-	-	-	-	-	6,414,280

New Projects that were Added

Functional Area	Project Title	5-Year Plan	Previous Capital Approp.	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	Total Project Budget
Code Compliance	Lien Tracking System	FY 19/20	-	-	-	360,000	-	-	-	360,000

* The amounts under FY 2019/20 were the ongoing operational increases that would be realized in FY 2019/20 which are included in the Proposed Budget.

Council Auditor's Office
Comparison of Approved FY 2018/19 and Proposed FY 2019/20
Five-Year IT Plans

Projects on the Schedule in Both Years

Functional Area	Project Title	5-Year Plan	Previous Capital Approp.	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	Total Project Budget
Citywide	Microsoft Office 365	FY 18/19	-	213,000	229,130	-	-	-	-	442,130
Citywide	Microsoft Office 365	FY 19/20	-		238,925	-	-	-	-	238,925
City Council	City Council Chamber Upgrade	FY 18/19		566,900	100,000	-	-	-		666,900
City Council	City Council Chamber Upgrade	FY 19/20	566,900		48,000	362,660	5,250	5,513	5,750	994,073
Fleet Mgmt	Fleet Management System - Replacement	FY 18/19	-	-	650,000	77,000	-	-		727,000
Fleet Mgmt	Fleet Management System - Replacement	FY 19/20	-		-	650,000	77,000	-	-	727,000
JHRC	Case Management System - JHRC	FY 18/19		90,000	20,800	-	-	-		110,800
JHRC	Case Management System - JHRC	FY 19/20	90,000		-	388,200	24,049	422	434	503,105
Real Estate	Real Estate Management System	FY 18/19		185,000	17,250	-	-	-		202,250
Real Estate	Real Estate Management System	FY 19/20	185,000		-	400,000	-	-	-	585,000
ITD	Disaster Recovery / Data Redundancy	FY 18/19	-	237,500	-	20,000	250,000	-		507,500
ITD	Disaster Recovery / Data Redundancy	FY 19/20	110,000		35,000	35,000	1,000,000	-	-	1,180,000
Citywide	Enterprise Financial / Resource Mgmt Solution	FY 18/19	11,761,771	8,789,258	10,516,712	3,916,490	-	11,761,771		46,746,002
Citywide	Enterprise Financial / Resource Mgmt Solution	FY 19/20	18,905,427		14,762,442	13,288,686	1,360,000	5,428,333	5,071,066	58,815,954
Citywide	Enterprise Permit / Land Use Management	FY 18/19	576,748	3,393,320	4,297,510	1,680,000	-	-		9,947,578
Citywide	Enterprise Permit / Land Use Management	FY 19/20	3,356,748		3,985,877	1,713,460	-	-	-	9,056,085
Citywide	Computer, Laptop and Tablet Equipment Refresh	FY 18/19	934,060	1,700,000	1,700,000	1,700,000	-	-		6,034,060
Citywide	Computer, Laptop and Tablet Equipment Refresh	FY 19/20	2,449,700		1,700,027	1,700,027	-	-	-	5,849,754
ITD	Network Equipment Refresh	FY 18/19	1,269,066	278,981	340,000	340,000	340,000	340,000		2,908,047
ITD	Network Equipment Refresh	FY 19/20	1,548,047		339,829	340,000	340,000	340,000	340,000	3,247,876

Council Auditor's Office
Comparison of Approved FY 2018/19 and Proposed FY 2019/20
Five-Year IT Plans

Projects on the Schedule in Both Years (continued)

Functional Area	Project Title	5-Year Plan	Previous Capital Approp.	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	Total Project Budget
ITD	PBX: Telecommunications Upgrade	FY 18/19	668,860	1,281,839	493,025	488,269	644,888	22,693		3,599,574
ITD	PBX: Telecommunications Upgrade	FY 19/20	1,915,104		777,725	764,772	-	-	-	3,457,601
ITD	Security Upgrades - Technology / ITD	FY 18/19	190,000	300,505	76,000	36,000	36,000	36,000		674,505
ITD	Security Upgrades - Technology / ITD	FY 19/20	390,000		-	270,000	-	225,000	-	885,000
ITD	Server Equipment Refresh	FY 18/19	562,855	145,300	130,000	130,000	130,000	130,000		1,228,155
ITD	Server Equipment Refresh	FY 19/20	708,155		275,500	130,000	130,000	130,000	130,000	1,503,655
Citywide	P25 Radio - Radio Site Expansion	FY 18/19	-	-	1,908,927	1,954,291	1,954,368	1,954,531		7,772,117
Citywide	P25 Radio - Radio Site Expansion	FY 19/20	-		-	1,908,927	1,954,291	1,954,368	1,954,531	7,772,117
Citywide	Radio - Microwave Network Radio Sites	FY 18/19	-	167,000	147,210	169,100	60,810	-		544,120
Citywide	Radio - Microwave Network Radio Sites	FY 19/20	167,000		138,688	154,654	55,610	-	-	515,952
Citywide	Radio - Mobile Radio Refresh	FY 18/19	3,581,186	1,198,085	1,198,056	1,198,085	1,198,085	1,150,578		9,524,075
Citywide	Radio - Mobile Radio Refresh	FY 19/20	4,741,122		1,172,941	1,157,523	1,157,523	1,842,689	-	10,071,798
Citywide	Radio - Portable Radio Refresh	FY 18/19	-	2,298,542	2,314,059	2,322,455	2,322,455	2,322,455		11,579,966
Citywide	Radio - Portable Radio Refresh	FY 19/20	2,298,542		2,324,841	2,370,245	2,370,245	2,370,245	2,370,245	14,104,363
Citywide	Radio - Redundant Backup System	FY 18/19	-	-	1,950,000	418,000	-	-		2,368,000
Citywide	Radio - Redundant Backup System	FY 19/20	-		-	2,539,835	668,574	-	-	3,208,409
JFRD	JFRD Mobile Data Terminals / Replacements	FY 18/19	599,000	-	-	646,980	52,600	-		1,298,580
JFRD	JFRD Mobile Data Terminals / Replacements	FY 19/20	599,000		-	594,090	48,300	458,850	-	1,700,240

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2019/20 BUDGET
HUMAN RIGHTS COMMISSION
GENERAL FUND/GENERAL SERVICES DISTRICT (S/F 011)**

PROPOSED BUDGET BOOK – Page #176-177

BACKGROUND:

The Jacksonville Human Rights Commission (JHRC) within the City focuses on promoting and encouraging fair treatment and equal opportunity for all. The Commission strives to eliminate discrimination and promote mutual understanding and respect. Equal Opportunity/Equal Access (EO/EA), the only division under JHRC, resolves non-compliance with equal opportunity employment laws and investigates allegations made by job applicants and city employees.

REVENUES:

1. Intergovernmental Revenue:
 - The budgeted amount of \$39,000 is a projected reimbursement from the Equal Employment Opportunity Commission for employment discrimination investigations.

EXPENDITURES:

1. Salaries:
 - The increase of \$11,063 is primarily due to anticipated pay increases to be effective October 1st due to approved collective bargaining agreements offset by decreases due to employee turnover.
2. Pension Costs:
 - The decrease of \$42,210 is mainly due to employee turnover which resulted in fewer employees in the defined benefit plan.
3. Internal Service Charges:
 - The decrease of \$138,145 is primarily due to costs in the FY 2018/19 budget related to a new case management system. This system does not have additional funding planned until FY 2020/21.

EMPLOYEE CAP CHANGES:

There are no changes to the overall employee cap.

SERVICE LEVEL CHANGES:

None.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2019/20 BUDGET
OFFICE OF ETHICS, COMPLIANCE, & OVERSIGHT
OFFICE OF ETHICS, COMPLIANCE, & OVERSIGHT (S/F 011)**

PROPOSED BUDGET BOOK - Page # 214-215

BACKGROUND:

The Office of Ethics, Compliance, and Oversight addresses citywide ethics, compliance, and oversight challenges.

REVENUES:

1. Contributions From Local Units:

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

EXPENDITURES:

Significant changes in expenditures are as follows:

1. Salaries:

- The net increase of \$33,505 is primarily due to additional hours for the Executive Director position and the general wage increase approved in the collective bargaining agreements.

2. Internal Service Charges:

- The net increase of \$7,540 is primarily due to an increase in the General Counsel allocation of \$7,184 caused by an increase in usage.

SERVICE LEVEL CHANGES:

There is no change in service level.

EMPLOYEE CAP CHANGES:

None.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2019/20 BUDGET
OFFICE OF INSPECTOR GENERAL
GENERAL FUND / GENERAL SERVICES DISTRICT (S/F 011)**

PROPOSED BUDGET BOOK – Page #221-222

BACKGROUND:

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

REVENUE:

1. Contribution from Local Units:

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

EXPENDITURES:

1. Salaries:

- The net increase of \$39,093 is mainly the result of the 4.5% general wage increase and employee turnover.

2. Pension Costs:

- The net increase of \$4,988 is due to turnover which has resulted in fewer positions in the defined benefit plan and more in the defined contribution plan.

3. Employer Provided Benefits:

- The net decrease of \$6,318 is mainly due to changes in employee elections regarding City health insurance coverage and a decrease in workers' compensation cost allocation due to an overall decrease in costs citywide.

4. Internal Service Charges:

- The net increase of \$18,991 is primarily due to an increase in computer system maintenance allocation of \$21,217 due to scheduled phone system upgrades, partially offset by a decrease in ergonomic assessment allocation of \$1,250 due to this being a one-time expense in FY 2018/19.

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

None.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2019/20 BUDGET
MEDICAL EXAMINER
GENERAL FUND/GENERAL SERVICES DISTRICT (S/F 011)**

PROPOSED BUDGET BOOK - Page # 187-188

BACKGROUND:

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

REVENUE:

1. Charges for Services:
 - The net increase of \$135,702 is primarily due to increases of \$105,930 for District IV, \$38,794 for cremation approval, and \$19,228 for Medical Examiner Services as a result of an increase in anticipated case load to be more aligned with current actuals. The offset is a decrease of \$28,250 in services for District III to be more aligned with current case load.

EXPENDITURES:

1. Salaries:
 - The increase of \$183,591 is primarily due to the anticipated pay increases to be effective October 1st related to collective bargaining from pension reform. There is also an increase from bringing the new Medical Examiner on at a higher rate.
2. Pension Cost:
 - The net decrease of \$10,824 is the net result of employee turnover and a lower required contribution to the General Employees Pension Plan.
3. Employer Provided Benefits:
 - The decrease of \$9,602 is driven by a decrease of \$7,200 in Workers' Compensation Insurance due to an overall decrease in costs for the City based on actuary projections and a decrease of \$5,796 in Group Hospitalization Insurance based on employee elections. The decrease is partially offset by an increase of \$2,770 in Medicare tax due to the increase in salaries as noted above.
4. Internal Service Charges:
 - The net increase of \$207,817 is mostly due to increases of:
 - \$151,349 for IT System Development related to a full year billing for the Case Management System implemented in FY 2018/19.
 - \$86,510 for the Building Maintenance allocation due to prior year actual maintenance costs and an overall increase in maintenance City-wide.
 - \$22,828 for the replacement of network equipment and nine desktop computers.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2019/20 BUDGET
MEDICAL EXAMINER
GENERAL FUND/GENERAL SERVICES DISTRICT (S/F 011)**

PROPOSED BUDGET BOOK - Page # 187-188

- The increase is partially offset by a decrease of \$55,363 in Computer Systems Maintenance and Security due to a decrease in costs related to the implementation of the Case Management System that is occurring in FY 2018/19.
5. Insurance Costs and Premiums:
- The decrease of \$20,128 is driven by a decrease of \$21,065 in Miscellaneous Insurance due to the removal of funding for malpractice insurance from the Medical Examiner's budget. The City had considered purchasing a policy in FY 2018/19.
6. Professional and Contractual Services:
- The decrease of \$146,979 is a result of no longer needing to contract with the prior Medical Examiner since the new Medical Examiner has been appointed.
7. Other Operating Expenses:
- The decrease of \$15,468 is due to a decrease of \$22,804 in Lease-Purchase Agreements resulting from finishing payments on an x-ray machine and a decrease of \$6,500 in Employee Training that is primarily due to the cost of classes for Forensic Photographer and Forensic Investigator certifications that were taken in FY 2018/19. The decrease is partially offset by an increase of \$7,339 in Other Operating Supplies due to expected increases in workload and an increase of \$6,900 in Maintenance Contracts on Equipment for the now owned x-ray machine.

EMPLOYEE CAP CHANGES:

None.

SERVICE LEVEL CHANGES:

None

RECOMMENDATION:

None

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2019/20 BUDGET
MILITARY AFFAIRS AND VETERANS DEPARTMENT
GENERAL FUND/GENERAL SERVICES DISTRICT (S/F 011)**

PROPOSED BUDGET BOOK – Page # 189-190

BACKGROUND:

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

REVENUE:

Miscellaneous Revenue:

- The \$50 is expected from the sale of a software program that manages client appointments and information. The program is sold directly to county veterans' service offices throughout the State. This revenue was decreased by \$100 based on a decrease in demand.

EXPENDITURES:

1. Salaries:

- The increase of \$50,025 is mostly due to the scheduled increase in salaries pursuant to the approved collective bargaining agreements and funding for 1,040 part-time hours for a Clerical Support Aide II that were previously funded through vacancies in permanent positions.

2. Pension Costs:

- The net decrease of \$5,661 is due to an overall slight decrease in the City's required contribution to the General Employee's Pension Plan.

3. Employer Provided Benefits:

- The net increase of \$5,864 is due to an increase of \$6,298 for group hospitalization insurance as a result of one new employee enrolling in the plan. This is partially offset by a decrease of \$1,479 in workers' compensation insurance due to an overall decrease in costs for the City based on actuary projections.

4. Internal Service Charges:

- The net decrease of \$6,430 is mostly due to the elimination of \$24,077 that was budgeted to replace computers and monitors in FY 2018/19. This is partially offset by an increase of \$13,061 in computer costs related to updating the Lebanoff Allen Veterans Administrative Tracking System as well as Office 365 and Enterprise Document Management maintenance.

**COUNCIL AUDITOR'S OFFICE
 COMMENTS AND RECOMMENDATIONS
 MAYOR'S PROPOSED FY 2019/20 BUDGET
 MILITARY AFFAIRS AND VETERANS DEPARTMENT
 GENERAL FUND/GENERAL SERVICES DISTRICT (S/F 011)**

PROPOSED BUDGET BOOK – Page # 189-190

5. Grants, Aids & Contributions:

- This category consists of the cost for the Active Military Combat Duty Grant Program, which provides assistance for the families and homes of qualified military personnel that have served in combat duty. The decrease of \$2,400 is due to anticipated usage in the upcoming fiscal year.

FOOD AND BEVERAGE EXPENDITURES:

SF	Indexcode	Amount	Description of each Service/Event that requires the purchase of food/beverage	Explanation that the Service/Event serves a public purpose
011	MVOD011	\$650	Bottled Water-Memorial Day and Purple Heart events.	Serves approximately 3,000 attendees at the Memorial Day Observance in May and at the Purple Heart Trail Walk in August.
011	MVOD011	\$650	Three (once every 4th month) Working Lunch Meetings with Base Commanding Officers.	Serves approximately 20 attendees each at the Quarterly Area Base Commanding Officers Luncheons.

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

None.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2019/20 BUDGET
NON-DEPARTMENTAL/FUND LEVEL ACTIVITIES
EMERGENCY CONTINGENCY(S/F 018)**

PROPOSED BUDGET BOOK - Page # 88-89

BACKGROUND:

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

REVENUES:

1. Investment Pool/Interest Earnings:
 - The increase is due to a higher balance and a higher projected interest rate.
2. Transfers from Fund Balance:
 - This amount is the actual cash balance in the fund as of June 30, 2019.

EXPENDITURES:

1. Cash Carryover:
 - This amount is the estimated FY 2019/20 ending cash balance.

EMPLOYEE CAP CHANGES:

There are no employees associated with this subfund.

RECOMMENDATION:

None.