

**OFFICE OF THE CITY COUNCIL**

**RESEARCH DIVISION**

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**FINANCE COMMITTEE BUDGET HEARING #2 MINUTES**

 **August 13, 2021**

**9:00 a.m.**

**Location:** City Council Chamber

**In attendance:** Committee members Ron Salem (Chair), Danny Becton, Michael Boylan, Reggie Gaffney, Matt Carlucci, Terrance Freeman

**Excused**: Committee member Ju’Coby Pittman

**Also**: Kim Taylor and Brian Parks – Council Auditor’s Office; Jeff Clements– Council Research Division; Paige Johnston – Office of General Counsel; Bernadette Smith and Maritza Sanchez – Legislative Services Division; Angela Moyer and Randall Barnes – Finance and Administration Department; Brian Hughes and Stephanie Burch – Mayor’s Office

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

CAO Brian Hughes said the administration will have a presentation to make at a future meeting regarding designation of essential and non-essential employees in the event of declared emergencies.

Chairman Salem informed the committee that next week’s regular Finance Committee meeting will have a very lengthy agenda. He encouraged the members to consult with the Council Auditor, Public Works Department, and the Mayor’s Office about the Jacksonville Jaguars’ proposed new performance center project and get any questions answered in advance so that the debate on the bill goes efficiently.

**All page references from this point refer to Council Auditor’s Budget Hearing #2 handout**

**Medical Examiner’s office**

In response to a question from Council Member Carlucci, Dr. Robert Pietak, District 4 Medical Examiner, said that his office has seen a great increase in workload due to the COVID pandemic. A change in state law has allowed physicians to certify COVID deaths so that the Medical Examiner’s Office no longer is responsible for performing that function for every potential COVID-related death. In response to a question from Chairman Salem, Mr. Hughes said that site selection is complete for the new Medical Examiner facility location and there is funding in next year’s CIP to get construction underway. Chairman Salem encouraged the committee members to tour the current facility to see the conditions under which the staff is working. Dr. Pietak said his staff is meeting with the architect on the new facility and giving input on desired design features. In response to a question from Council Member Boylan, Dr. Pietak described the typical process of performing an examination and autopsy and generating a final report.

**Health Department**

Ernesto Rubio, Interim Health Officer for Duval County, expressed thanks for the City’s funding and said the department has a very good relationship with the City administration.

**Public Libraries**

Tim Rogers, Library Director, introduced members of the Library Board and several Friends of the Library groups in attendance. He gave an overview of the library system’s response to the COVID pandemic in terms of new operating procedures, changes in hours of operation, etc. All libraries are now open and operating at pre-COVID hours (the Main Library is open longer hours), although no libraries are currently open on Sundays, which requires forced overtime to cover those hours. Their research has shown that fewer than 1,000 library patrons use libraries exclusively on Sunday, so it did not seem prudent to require that sacrifice from employees in the current environment. Use of electronic library resources has increased tremendously in the COVID environment.

Council Member Boylan asked about the library’s evolution in the use of library facilities and physical collection resources. Mr. Rogers said the largest growth in use of library resources is the demand of use of meeting rooms by community groups. There is funding in this year’s budget to upgrade technology in meeting spaces. With regard to the collection, there has been a 60% increase in the use of digital resources over the last several years, although the demand for physical materials is rising again after they were unavailable during the COVID shutdown. Certain areas of the community don’t access digital resources as much because of lack of reader devices and lack of good high-speed internet access in some neighborhoods. Mr. Boylan asked if multiple libraries could share their licenses for e-materials to work around the problem of limited licenses for popular materials. Mr. Rogers said that several consortium arrangements are being explored. In response to another question from Mr. Boylan about the possibility of a book home delivery service, Mr. Rogers said that is under consideration as well.

Brian Hughes said that the Mayor is very supportive of libraries and increasing hours and collections. There is a new library branch in the CIP for construction in the near future. He also noted that the $100 million allocation for the Special Committee on Parks and Quality of Life is expected to provide additional funding to libraries and community and senior centers as well as to parks. The Main Library conference center has been the location of a COVID mortgage relief program intake operation and is now a vaccine site. Council Member Gaffney asked about the library’s budget for activities. Mr. Rogers said the library has been studying five 1960s-era libraries and determining how they need to evolve to meet future needs. Brentwood Elementary School closed at the end of the last school year and has been offered to the library system as a potential site for a replacement Brentwood Branch library. The Public Works Department has been assessing the property for its feasibility for library and other community uses.

Council Member Freeman talked about the Grade Level Reading Initiative which is designed to reach the 67% of youth who are reading below their grade level at the end of third grade. He noted that there is a serious digital divide in the community so electronic resources are not always available to all communities equally. He asked about an overall assessment of the conditions of the 5 libraries discussed earlier and when cost estimates will be available. He hopes that the report will be available soon enough so that the Special Committee on Parks and Quality of Life can benefit from its work and can allocate funding. Chairman Salem asked about the possibility of working with the school system on joint facilities that might serve the needs of both systems. Mr. Rogers said the two systems have been in discussions about how the library might assist particularly elementary schools with increased literacy efforts in the schools, if not necessarily physical facilities.

**Jacksonville Housing Finance Authority**

**Motion**: on p. 13 approve Auditor’s recommendation #1 to increase personnel subtotal by $1 to $111,132 so all amounts tie and add up properly – **approved**.

**Motion**: on p. 13 approve Auditor’s recommendation #2 to adjust the note on the bottom of schedule N to reflect the new salary allocation percentages of 18.5% of the Chief of Housing position, 36% of the Director of Finance position, and 50% of the Contract Compliance Manager Position – **approved**.

Tom Daly, Chief of Housing and Community Development, briefly described the purpose of the Housing Finance Authority.

**Finance and Administration Department**

**Copy Center**

In response to a question from Council Member Boylan, Chief of Procurement Greg Pease said that the Copy Center has a budget for the paper it uses and individual departments purchase their own paper for their internal use. Council Member Carlucci asked Mr. Pease to assist the City Council staff in procuring a new color copier for the Council office.

**Fleet Management**

Boylan asked how many vehicles the division manages. Chris Tongol, Chief of Fleet Management, said the City’s fleet is just over 4,200 vehicles, plus another 20 or so of the Health Department that the City maintains. In response to a question from Chairman Salem, Mr. Tongol said that oil changes and transmission work are contracted out to private providers. Some minor body work and collision damage repairs are done in-house, more complicated jobs are contracted out.

With regard to the vehicle replacement fund and the remaining balance left from previous borrowing for vehicle purchases, Budget Officer Angela Moyer said that the remaining borrowed balance is $2.6M, and FY22-23 will be the last year of payout on previous borrowing for replacement vehicles. She explained the process of charging using agencies a replacement fee to build the funds needed to purchase replacement vehicles in future years.

**The committee was in recess from 10:33 to 10:50**

**Information Technology Division**

In response to a question from Council Member Boylan, ITD Chief Ken Lathrop described the breadth of the division’s services. Brian Hughes said that the federal American Recovery Act appropriation ordinance will include funds to completely replace Sheriff’s Office and Fire and Rescue Department radio systems more quickly than would otherwise be possible.

**Technology Equipment Refresh (Fund 53104)**

**Motion**: on p. 33 approve Auditor’s recommendation that $950,490 in computer equipment be added to the capital outlay carryforward (Schedule AF) for the purchase of computer equipment that will not be encumbered by the end of the fiscal year – **approved**.

**IT System Development Fund**

**Motion**: on p. 36 approve Auditor’s recommendation that Schedule A4 in Ordinance 2021-504 (Budget Ordinance) be revised so that the cumulative prior year amounts broken down by funding type be removed since they are not accurate (adopt revised schedule on p. 37) – **approved**.

In response to a question from Council Member Becton, Mr. Lathrop provided details on the 1Cloud implementation and the challenges it has faced. The new system is a 4-phase project: Phase 1 - accounting and procurement; Phase 2 - human resources and payroll, Phase 3 – budget; Phase 4 - training. The implementation of the accounting module has been problematic in terms of data conversion, which was further complicated by the retirement of numerous employees in both the Accounting Division and the IT Division. The old legacy FAMIS system is still in place for data storage purposes only; no new transactions or records are being posted to that system. Mr. Hughes said that the COVID pandemic shutdown had a tremendously negative impact on the implementation process, particularly the accounting system. The City is being very careful about the data conversion process so that the new system is properly populated with accurate historical data.

In response to a follow-up question from Mr. Becton, Mr. Lathrop said that the implementation of huge enterprise-wide systems always present challenges and issues that have to be researched and worked through. Data is more readily available in real time now and will be even more available in the future. Dashboard functions will be available to council members for instantaneous access when the historical data conversion is finished. Mr. Hughes said that he can assemble a team after the budget process is completed to meet with City Council and discuss what kind of data accessibility, functions and features it would like to see. Council Member Boylan asked about data accessibility with regard to Americans With Disabilities Act considerations, particularly in the Planning and Development Department. Mr. Lathrop and Mr. Hughes said that the City is constantly working on ADA accessibility issues.

Ms. Taylor said that this year for the first time the previous year’s fiscal year-end report was not released on time because of the 1Cloud implementation issues, and the City had to request an extension from the Florida Department of Revenue of its reporting deadline. Quarterly financial reports have not been released for the last 3 quarters, which is a serious concern. Mr. Hughes reiterated that the phase-in of the new accounting module of 1Cloud was happening exactly when the COVID pandemic hit and largely shut down both the City and its contractors for a long period. He believes the process will be caught up by the end of this calendar year. City Treasurer said that close-out of the FY19-20 was extremely challenging, but they now have a draft financial report prepared and have started doing monthly close-outs for FY20-21 that will lead to the production of quarterly reports again. They are being extremely careful about closing out October 2020 as the first month of the current fiscal year, but expect the speed to pick up thereafter.

**Inspector General’s Office**

Chairman Salem complimented the IG’s Office on their progress to date in getting other agencies and officials to contribute to the IG’s budget.

**The committee was in recess from 11:47 a.m. to 1:02 p.m.**

**Jax Human Rights Commission**

Kim Taylor reviewed proposed budget for the Human Rights Commission and noted that the revenue amount of $39,100 is reimbursement from the EEOC for discrimination investigations. There are no changes to the overall employee cap, and no recommendations from the Auditor. Wendy Byndloss, Jax Human Rights Commission Director, was in attendance for questions. Council Member Boylan asked about the study circle program, and request projected costs to update/continue program in 6 months. Ms. Byndloss said she is already planning to continue the program with existing staff, but extra support would help it be continuous. A study circle is a group of 8 to 12 people who meet regularly over a period of weeks or months to address a critical public issue in a democratic, collaborative way. Participants examine the issue from many points of view and identify areas of common ground. They emerge with recommendations for action that will benefit the community. CM Gaffney said he wants to meet with Ms. Byndloss to learn more about the commission’s work.

**Office of Ethics, Compliance and Oversight**

For this department, there is an increase of one position due to Carla Miller’s retirement. There are no Auditor recommendations. The committee members expressed their appreciation to Ms. Miller for her years of service. Ms. Miller gave thanks to the Council for 20 years of support. The office workload has increased to about 1,000 requests for assistance this year, up from 600 previously. Council Member Becton asked about the new position for an attorney, and whether it will be permanent. Ms. Miller explained that they need another attorney to handle the conflict assessment work to free Ms. Oberdorfer to focus on director responsibilities. Council Members Gaffney and Boylan spoke of their gratitude for Ms. Miller’s service to the City.

**Military Affairs and Veterans Services Department**

**Motion**: on p. 45 approve Auditor’s recommendation to remove the funding of $100,000 for Professional and Contractual Services as this was a one-time enhancement for the FY 20/21 budget to continue providing services to homeless veterans while there was a lapse in the Department of Labor Homeless Veterans Reintegration Program grant. Ms. Moyer requested that the committee leave one dollar in professional services to keep account open for transfers if needed– **approved.**

**Motion:** Ms. Taylor explained a second grant recommendation- the $20,000 United Way Worldwide Veterans Grant Rent Utility Assistance to be added back to continuation schedule, no City match; and clarified that there are two Dept. of Economic Opportunity grants, the Florida Defense Alliance and Florida Defense Support Task Force grants, both for $500,000, with no City match. Only one was listed previously - **approved.**

Council Member Boylan asked if there is a Military Affairs trust fund for donations to expand services. Bill Spann, Director, said that they serve 10,000 veterans per year with the budget. Harrison Conyers, Military Affairs and Veterans Services Manager, said they have three trust funds already, funded through outreach, corporations, the Jaguars, and the Memorial Wall Fund funded by City Council. The grants and trust funds effectively triple the department’s operating budget**.** Council Member Carlucci asked if there is a plan to relocate the Memorial Wall. Ms. Burch said there is currently no plan to move it.

**Emergency Contingency**

Ms. Taylor explained that this is essentially a “rainy day” fund, with the target of 5-7% of the overall operating budget. There are no employees associated with the account and no Auditor’s recommendations. Council Member Salem noted that reserves are important, and gave appreciation to the Curry administration for taking steps through pension reform and other methods to bolster the City’s reserves. Randall Barnes, Treasurer, said that the reserve funds also help bolster the City credit ratings. Council Member Becton asked about FEMA hurricane reimbursements of which $55 million is still outstanding. Ms. Taylor said that the monies will eventually be paid, FEMA funds move slowly, and that the reimbursement will not impact the reserves accounts. Council Member Carlucci asked about the self-insurance fund, and if it is utilized for storm damage. Ms. Taylor said those funds may not be used for property damage claims.

Before the meeting adjourned, Ms. Taylor said the Special Council Contingency balance stands at a positive $332,230.

**Meeting adjourned:** 2:06 p.m.

Minutes: Jeff Clements, Council Research Division

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8.19.21 Posted 1:00 p.m.