



**OFFICE OF THE CITY COUNCIL
RESEARCH DIVISION**

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FINANCE COMMITTEE BUDGET HEARING #7 MINUTES

**August 26, 2022
9:00 a.m.**

Location: City Council Chamber, 1st floor, City Hall

In attendance: Council Members Aaron Bowman (Chair), Matt Carlucci, Kevin Carrico (dep. 10:40), Joyce Morgan, Ju’Coby Pittman (arr. 9:15), Ron Salem, Randy White

Also: Council Members Terrance Freeman, Nick Howland, Michael Boylan, Sam Newby, Reggie Gaffney (arr. 10:12); Kim Taylor, Brian Parks, Heather Reber – Council Auditor’s Office; Paige Johnston, Mary Staffopoulos – Office of General Counsel; Jeff Clements – Council Research Division; Barbara Hobson – Legislative Services Division; Steve Cassada – Information Support Services; Angela Moyer – Budget Office; Brian Hughes, Leeann Krieg, Rachel Zimmer – Mayor’s Office; Joey Greive – Finance and Administration Department

Meeting Convened: 9:01 a.m.

Chairman Bowman convened the meeting and the attendees introduced themselves for the record. He outlined the agenda for the day which includes several wrap-up items, a discussion with JEA about their executive team insurance policy, and the allocation of funds to enhancement requests.

Wrap-up Items

Motion: approve Auditor’s recommendation to move the Downtown CRAs Riverwalk Enhancements and Signage to the project category on Schedule V – **approved**.

Motion: strike reference to Schedule A3 being approved and authorized in the budget ordinance since the schedule was approved via separate legislation – **approved**.

Ms. Taylor provided listings of the items funded with the first tranche and proposed to be funded with the second tranche of the federal American Rescue Plan (ARP) funds. She made a recommendation, out of an abundance of caution, to remove the ARP allocations to the 2 disability trust funds and switch to using that funding for roadway resurfacing in the ARP bill. In the budget ordinance reduce the roadway resurfacing funding and use the funds for the two disability trust funds allocations that were previously going to be funded in the ARP bill.

Motion: switch the funding source for the 2 disability trust accounts from the ARP bill to the budget ordinance and offset this in the budget ordinance with a reduction to roadway resurfacing, with intent to fund roadway resurfacing reduction in the ARP bill to ensure roadway resurfacing remains at total funding amount – **approved**.

In response to a question from Chairman Bowman about when the ARP Funds need to be spent, CFO Joey Greive said the funds must be encumbered by 2024 and spent by 2026. There is no difference in the rules for the expenditure of ARP tranche 1 and 2 funds.

Mr. Greive talked about the Animal Care and Control facility HVAC replacement project financing. There was a mistake in budgeting for the project and it should have been listed on the projects to be funded by debt.

Motion: add \$750,000 to the debt authorization list for the Animal Care and Control HVAC program – **approved**.

JEA follow-up

Chairman Bowman congratulated JEA CEO Jay Stowe on the creation of an office of economic development within JEA. It has already paid off with the recent approval of two economic development projects that represent several hundred million dollars in capital investment and hundreds of jobs. It was a great joint effort by the City, JEA, JPA and JTA and hopefully the beginning good things to come.

Mr. Stowe described the JEA's insurance policy that covers its executives for liability incurred in the course of their official duties. The cost for the policy will increase by \$60,000 next year due to both market forces and the claims record against the policy. The policy has been in place for many years and this is the only claim that has been made to date. JEA asked the insurer not to make payments for attorney fees claimed by the former CEO and CFO but the insurer chose to make the payments. The legal billings that have been covered by the insurance policy thus far amount to about \$3 million for the former CEO and CFO. JEA has not yet paid the \$250,000 deductible on the policy but has paid claims for board members and other employees that exceed the \$250,000 deductible. In response to a question from Council Member Salem about whether JEA is considering changing insurance carriers, Mr. Stowe said that the authority periodically bids out this policy and will continue that practice. Chairman Bowman said the City Council would appreciate hearing news directly from the JEA rather than through the media whenever possible. He noted that the Council passed an ordinance several years ago requiring the each of the independent authorities appear before the Council annually to discuss their operations and any notable issues, but that did not happen during the COVID pandemic. He recommended that that process be resumed.

The committee was in recess from 9:28 to 9:34 a.m.

Chairman Bowman explained the process by which the 23 enhancement requests for use of the Special Council Contingency fund will be individually reviewed by the proposing council member and/or a representative of a group for which funding is proposed. After that overview, each council member will get a ballot on which to rank their top three priority projects. The projects getting the most ranked votes will be taken up first. Council Members Howland and Carrico will be required to abstain from ranking or discussing the enhancement projects because of conflicts of interest arising from their employment with agencies that may receive funding as a result of enhancement requests. At the request of Council Member White, Mr. Bowman discussed his review of the enhancement requests and his idea for how the funds might be distributed most equitably to meet the Council's Strategic Plan goals and to impact the largest number of citizens citywide rather than in small pockets of the city. He said he believes it may be possible

to fund all 23 projects if the amounts of some of the requests are reduced. After all projects have been reviewed, the administration will be given the opportunity to address the projects to explain if any are already covered elsewhere in the budget or if there are any objections to projects for some reason.

All number references from this point refer to Council Auditor's Enhancement Requests handout

#11: Mike Fleming, board chair of Fire Watch, described the agency's Watch Stander Program and their programs to track veterans in crisis through their interactions with various service agencies.

#22: Mike Weinstein, CEO of the Kids Hope Alliance, gave an overview of the Career Pathways program which works in the area of workforce development and apprenticeships and explained how this program would coordinate with the school district.

#1: Council Member Carlucci explained the need for the study to look at how speed limit reductions could improve pedestrian safety. Laurie Santana, Chief of Transportation Planning, said the default speed limit in unsigned residential areas is 30 m.p.h. The \$120,000 proposed will cover the cost of a 10-month study by the City's contractual transportation consultant.

#2: Rebecca Johnson of Fruit of Barren Trees LLC discussed the group's plan for an affordable housing project in Durkeeville which includes a workforce development element for the homeowners.

#3: Council Member Howland described the USS Orleck project and the \$50,000 cost estimate from JEA to connect utilities to the ship. The group operating the ship has raised \$3 million privately. The project would supply power and water to Pier 1 of the Shipyards property in advance of the ship's relocation.

#4: Council Member Pittman described the plan to revitalize the Myrtle/Moncrief corridor via small business enhancement. A number of small businesses have been trained in how to apply to the City for participation in its business assistance programs so they have a greater chance of success.

#5: Council Member Newby described the proposal to develop a marketing campaign to rebrand and better publicize the Bob Hayes Track Meet as a national and international event and to create a permanent and a mobile Bob Hayes museum.

#6: Matt Stewart of the Mayport Waterfront Partnership described the request for funding to accomplish the master plan for Mayport commissioned and funded by the City several years ago.

#7: Council Member Gaffney explained the desire to fund 2 agencies that met the funding threshold for the Safety and Crime Commission Rise Up grants that were not funded for lack of sufficient resources.

#8: Council Member Gaffney explained the Bridge the Gap Community Garden and Food Distribution program supporting women.

#9: Council Member Gaffney said the Chandra Cheeseborough Track Meet is the second biggest meet in the city behind the Bob Hayes Meet and has the potential to grow in status with more investment.

#10: Council Member Gaffney described the work of Families of Slain Children in spreading the word about the victims of violence.

#12: Chairman Bowman described the history of the discount for City employee parking which is scheduled to end on September 30th. He noted that not all City employees pay for parking if they do not work in the downtown area.

#13: Angela Strain of WeCare Jax described the JaxCare Connect program to connect people to ongoing health care outside of the use of emergency rooms.

#14: Council Member Boylan said that approving the request would demonstrate a funding commitment to the more than 100 community members who have committed to supporting the work of the Special Committee to Address Critical Quality of Life Issues.

#15: Chairman Bowman said the Council has been supporting the A-Step program for the last two years and has been very successful to date. The project was previously funded via direct contracting which the Council is seeking to minimize. He described the careers that participants have been entering.

#16: Faye Johnson of Northeast Florida Healthy Start Coalition described the mobile pantry project to meet the needs of pregnant women and newborn babies with immediate assistance and connection to other available services.

#17: proposed by Council Member DeFoor as part of the Council's Strategic Plan process.

#18: proposed by Council Member DeFoor as part of the Council's Strategic Plan process.

#19: Susan King of Feeding Northeast Florida described the food needs in the region and the function of her agency trying to meet the exploding demand. They have seen a 35% reduction in food recovery from retailers because of supply chain issues. The food bank supplies many feeding programs in the area.

#20: Council Member Morgan explained that Florida Black Expo was funded last year via direct contract which the Council is trying to minimize. Mincy Pollock of Florida Black Expo said the event has taken place for 18 years and meets a substantial need in the community. It will move from the fall to February to avoid conflicts with hurricane season and the football season.

#21: Council Member Morgan said that Jacksonville Area Legal Aid plays an important role in the community and meets a vital need.

#23: Alan Bliss, President of the Jacksonville Historical Society, said the Casket Factory revitalization is a \$1.7M project of which \$700,000 has been raised privately. Council Member Carlucci said that substantial City funding will help the fundraising effort, particularly with getting state funding.

Chairman Bowman explained the ranking methodology and the process by which the projects will be ordered for consideration and voting. Kim Taylor said the requests exceed the available funds in Special Council Contingency by \$1,010,885. Council Member Salem suggested that the council members in attendance could voluntarily reduce their request amounts to the point where all 23 projects could be funded at some, perhaps reduced, level. Mr. Bowman asked the administration for any comments on the proposed projects. Brian Hughes said that the Mayport project is in the CIP for some funding but does need more. The administration agrees with the USS Olreck funding for Pier 1. Signage for vessel mooring areas is already in the budget. Derelict vessel removals are paid by the City and then reimbursed by the state, so additional funding is not absolutely needed. When the City gives capital funds to agencies like MOSH and the Jacksonville Zoo the parties enter into term sheets, so he would expect the same process for the Jacksonville Historical Society on the Casket Factory project.

Chairman Bowman made a proposal to reduce request #14 (\$1 million for the work of the Special Committee to address Critical Quality of Life Issues) to \$250,000; to reduce request #18 (\$200,000 for derelict vessel removal and anchorage area limitation signage) to \$0; and reduce request #17 (\$700,000 to

Art in Public Places/\$50,000 per council district) to the remaining balance in Special Council Contingency (\$639,115) divided 14 ways providing \$45,651 per district for public art.

Council Member Boylan asked Brian Hughes for a commitment from the administration to support the work of the Special Committee on Critical Quality of Life Issues to make up for this reduction in enhancement funding; Mr. Hughes committed to be supportive of the committee's work without committing to any specific dollar amounts until the committee identifies specific projects and proposed costs.

At the request of Council Member Morgan, Daryl Joseph, Director of the Parks, Recreation and Community Services Department, described the City's current \$84,000 annual financial commitment to the Bob Hayes Track Meet and Council Member Newby described the request for the \$100,000 enhancement for more marketing and the creation of Bob Hayes Track Meet permanent and mobile museums.

Paige Johnston of the General Counsel's Office discussed Council Member Carrico's and Howland's need to abstain, at the recommendation of the City Ethics Officer, from voting on any items that involve their employers. Kim Taylor recommended leaving an amount as undesignated in the Special Council Contingency that can later be appropriated via other ordinances so that it will be removed from the budget ordinance and Council Members Howland and Carrico can abstain from voting on those ordinances while voting on the rest of the budget. Requests #22 (Kids Hope Alliance – Career Pathways) and #11 (Fire Watch Council) will not be taken up today and Special Council Contingency can then be used to fund separate legislation on those items.

Council Member Carrico departed the meeting with an excused absence.

Motion: approve enhancement request #1 of \$120,000 for neighborhood speed reduction study – **approved.**

Motion: approve enhancement request #2 of \$165,000 for the FOBT Pipeline – Durkeeville affordable housing project – **approved.**

Motion: approve enhancement request #3 of \$50,000 for utility connections to Pier 1 to support the USS Orleck – **approved.**

Motion: approve enhancement request #4 of \$499,000 for the Myrtle/Moncrief small business corridor enhancements – **approved.**

Motion: approve enhancement request #5 of \$100,000 for the Bob Hayes Track Meet marketing and museum – **approved.**

Motion: approve enhancement request #6 of \$140,000 for the Mayport Waterfront Partnership – **approved.**

Motion: approve enhancement request #7 of \$18,000 for Safety and Crime Commission Rise Up grants – **approved.**

Motion: approve enhancement request #8 of \$75,000 for the Bridge the Gap, Inc. community garden and food distribution – **approved.**

Motion: approve enhancement request #9 of \$50,000 for the Chandra Cheeseborough Track Meet – **approved.**

Motion: approve enhancement request #10 of \$25,000 for Families of Slain Children – **approved.**

Motion: approve enhancement request #12 of \$400,000 for extension of the City employees' parking discount in City-owned facilities – **approved.**

Motion: approve enhancement request #13 of \$97,275 for JaxCare Connect – **approved.**

Motion: approve enhancement request #14 of \$250,000 for priorities of the Special Committee to Address Critical Quality of Life Issues – **approved.**

Motion: approve enhancement request #15 of \$175,000 for the Goodwill A-Step Program – **approved.**

Motion: approve enhancement request #16 of \$95,000 for the Northeast Florida Healthy Start Coalition – **approved.**

Motion: approve enhancement request #17 of \$639,115 for allocations of \$45,651 per council district for public art installations – **approved.**

Request #18 – Council Member Morgan asked if the administration is prepared to deal with derelict vessels and signage needs without this enhancement funding - Brian Hughes said they are. No motion was made on the enhancement request.

Motion: approve enhancement request #19 of \$500,000 for Feeding Northeast Florida – **approved.**

Motion: approve enhancement request #20 of \$50,000 for the Florida Black Expo – **approved.**

Motion: approve enhancement request #21 of \$66,000 for Jacksonville Area Legal Aid – **approved.**

Motion: approve enhancement request #23 of \$500,000 for the Jacksonville Historical Society's Casket Factory renovation project – **approved.**

Ms. Taylor said the Special Council Contingency stands at \$550,000 to the positive. Ms. Johnston said that council members need to work with the agencies for which they requested enhancements to get term sheets (where required as indicated on the enhancement request listing) by next Wednesday for the Office of General Counsel to draft appropriate language for the budget ordinance, including direct contracting waivers. Brian Hughes said the administration stands ready to provide assistance to the agencies receiving enhancements in preparing the term sheets.

At the request of Chairman Bowman, Ms. Johnston recommended that the committee vote to approve a substitute budget ordinance 2022-504 reflecting all changes made to date.

Motion: approve a Finance Committee substitute to 2022-504 incorporating all committee actions through the budget hearings to date – **approved 6-0** (Carrico excused).

Council President Freeman thanked the committee for its outstanding work throughout the process. Chairman Bowman thanked the administration for presenting a quality budget and the Council Auditor's Office, Office of General Counsel and City Council staff for their great work to bring the process to a successful conclusion.

Meeting adjourned: 11:29 a.m.

Minutes: Jeff Clements, Council Research Division

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8.30.22 Posted 5:00 p.m.