



OFFICE OF THE CITY COUNCIL

117 WEST DUVAL STREET, SUITE 425
4TH FLOOR, CITY HALL
JACKSONVILLE, FLORIDA 32202
904-255-5137

FINANCE COMMITTEE BUDGET HEARING #2 MINUTES

August 9, 2024
9:00 a.m.

Location: City Council Chamber, City Hall – St. James Building; 117 West Duval Street,
In attendance: Council Members Ron Salem (Chair), Raul Arias, Rory Diamond, Nick Howland, Will Lahnen, Ju’Coby Pittman
Excused: Council Member Raul Arias

Also: Council Members Randy White, Joe Carlucci, Jimmy Peluso; Kim Taylor, Brian Parks, Phillip Peterson - Council Auditor’s Office; Jeff Clements – Council Research Division; Mary Staffopoulos, Shannon MacGillis – Office of General Counsel; Merriane Lahmeur and Steven Libby – Legislative Services Division; Steve Cassada – Public Information Division; Anna Brosche, Angela Moyer – Finance Department; Karen Bowling, Darnell Smith, Joe Inderhees, Brittany Norris, Scott Wilson, Bill Delaney - Mayor’s Office

Meeting Convened: 9:01 a.m.

Chairman Salem convened the meeting and the attendees introduced themselves for the record. Mr. Salem noted the development of 2 lists of actions taken by the committee – one of items completely removed from the budget and other for items being deferred for later consideration. As of yesterday’s meeting, the proposed budget still contains \$5,403,402 in funding from the Operating Reserve. Mr. Salem said that Phillip Peterson and Council Member Lahnen searched the Capital Improvement Plan (CIP) for completed projects that had remaining fund balances. Mr. Peterson said they identified \$3.6M in unused funds and need to determine the source of origin of those funds to see where they have to be returned and how they can be used.

Council Member Pittman asked that the committee reconsider yesterday’s elimination of the \$10M Self-Help Venture Funds initiative for affordable housing before the end of the budget hearing process.

Page references from this point refer to Auditor’s Budget Hearing #2 handout.

Mayor’s Office

Council Member Diamond asked about the Mayor’s Office travel budget increase. Council Auditor Kim Taylor said it went up by \$10,000 which was offset by reductions in other areas. Mr. Diamond asked to identify the office’s dues, subscriptions and membership allocations.

Motion (Diamond): put \$28,838 for Mayor’s Office dues, subscriptions and memberships “below the line” for later consideration –

Council Member Pittman asked for a history of those expenditures and urged consistency with the treatment of prior administrations. Council Member Freeman said a previous administration discontinued some of the City’s organizational memberships because of philosophical disagreements with stands taken by those organizations and a previous City Council urged their reinstatement because they wanted the City to participate in those organizations. Budget Officer Moyer described the various uses of the subscription funds for items such as software licenses.

The Diamond motion was approved unanimously via a voice vote.

Council Member Howland said the Mayor’s Office salary line went up over \$600,000 last year and mean and median salaries were up over 30%, so this year’s low increase has to be considered in that context.

Chairman Salem asked about the \$3,600 auto allowance; Ms. Taylor said that is for the Chief Administrative Officer. Mr. Salem asked who else in City government gets an auto allowance. Ms. Moyer said the constitutional officers are specifically provided with auto allowance in the Ordinance Code. The Library Director is the only other employee with such an allowance. The Code also provides for mileage allowances.

Motion (Diamond on behalf of Salem): move the Mayor’s Office \$3,000 auto allowance “below the line” for further consideration later -

Chief Financial Officer Anna Brosche said any mileage reimbursement is done in accordance with standard city policy.

The Diamond motion passed 5-1 (Pittman opposed).

Council Member Diamond said the Mayor thwarted the City Council’s will last year by shifting funding from other areas of the budget to fund the Director of Diversity, Equity and Inclusion (DEI) position in the Mayor’s Office that the Council wanted eliminated.

Motion (Diamond) – permanently remove the funding for the DEI position (\$232,121 for salary and benefits) and reduce the Mayor’s Office employee position cap by 1 -

Mr. Diamond said he will be introducing separate legislation to prohibit the Mayor from having a DEI position. Mary Staffopoulos of the Office of General Counsel said the Council can’t target a specific position by name for elimination; the Council’s power is to control employee caps and salary allocation. Council Member Howland said what the Council did last year was shift the funding for the DEI position to other positions but didn’t specifically deal with the Mayor’s Office employee cap. Council Member Lahnen asked what the DEI position prohibition is specifically intended to eliminate. Mr. Diamond said his intention is just to eliminate the Mayor’s Office DEI position, not touching the work of the Jacksonville Human Rights Commission (JHRC) or other entities that have related responsibilities. Mr. Howland said the JHRC is already doing the work that is appropriate and Council added more staff for them yesterday. Mr. Diamond said his motion is intended to reflect the will of a majority of the citizens and he wants to dial back the cynicism about motives that seems to have become attached to this issue. Council Member Pittman asked to hear from the Mayor’s Office before a vote is taken. Mayor’s Chief of Staff Darnell Smith said DEI is a taboo subject at the state level and it is incumbent on local government to make efforts to help people feel like they belong in their communities and that government works

equally for everyone here. Council Member Howland reiterated that the JHRC already performs the functions that Mr. Smith has been describing. Council Member Peluso said the DEI position means a lot to many people because the city is more diverse than most counties in Florida and has done great work in many areas. Council Member Freeman said that too many initiatives and agencies are placing people into self-interested silos rather than unifying them. He believes most people have the same goal, but there are philosophical differences in how to get there. Mr. Smith said the JHRC's primary work is to process and investigate complaints workplace and housing discrimination complaints, not the outreach that the current DEI Director does. He said the administration is rethinking the DEI position and considering a new title and enhanced focus on analytics.

The Diamond amendment was approved 4-2 (Lahnen and Pittman opposed)

Medical Examiner's Office

In response to a question from Chairman Salem, Tim Crutchfield, Director of Operations for the District 4 Medical Examiner's office, said the construction of the new facility is on track and should be completed in October of 2025. They hope to be able to close the existing facility one day and open the new facility the next.

Health Department

Council Member Howland listed several increases in health-related items in this year's budget as evidence of the Council's commitment to health.

Jacksonville Public Library

Chairman Salem asked about the car allowance for the Library Director position. Tim Rogers, Chief Librarian, said he has a \$600 per month allowance which is the same as the former library director and was offered to him as part of his compensation package by the Library Board when he was hired. In response to a question from Council Member Pittman, Mr. Rogers discussed the plan to renovate the old Brentwood Elementary School as a branch library (doubling the size of the existing branch on Pearl Street) and community center with meeting rooms. There is \$8.2M in the current budget to get started and a full price will be determined after an architect is hired and the project is fully developed. There is no plan at present for what to do with the existing branch library building, which was built as a theater.

In response to a question from Chairman Salem, Mr. Rogers discussed the finances of the library conference facility. The facility operated with positive cash flow before the COVID pandemic and has been slowly regaining financial viability over the past few years. There is still a General Fund subsidy to that budget. One difficulty is the amount of usage of the facility by City agencies for meetings and activities, which is twice the amount of private paying activities. The OGC has opined that the library can't charge City agencies for their use of a public building.

Police and Fire Pension Administration

Motion: on p. 22, tentatively approve Auditor's multi-part recommendation to remove and replace Schedule AB and AC with Revised Schedule AB and Revised Schedule AC as follows:

a. Increase "Personnel" by \$180,728 on Schedule AC in order to accurately reflect the pension costs and employee provided benefits costs as determined by the budget office. This will be offset by increasing "Trust Fund Revenues" by \$180,728 on Revised Schedule AB in order to balance the budget.

b. Increase "Operating Expenses" by \$6,926 on Schedule AC in order to accurately reflect the internal service allocations as determined by the budget office. This will be offset by increasing the "Trust Fund Revenues" by \$6,926 on Revised Schedule AB in order to balance the budget.

c. Remove the “Adopted FY 24” amounts from the schedule, adding a subtotal for administrative costs and making other formatting changes as depicted on Revised Schedule AB and AC based on all of the recommendations.

The motion was approved unanimously via a voice vote.

Council Member Freeman asked Tim Johnson, Executive Director of the PFPF, to schedule a meeting with him to review the status of a piece of pending legislation.

General Employees Pension Fund

Mr. Freeman said he has gotten some questions about whether general employees will be receiving a wage increase after the public safety union raises were announced. Ms. Brosche said funding for 3% increases is being budgeted in a contingency account. In response to a question from Council Member Lahnen about the difference in management costs from PFPF to GEPP. Andy Robinson, pension manager, said the asset management fees are going up because assets invested are going up and the GEPP invests more in alternative investments than PFPF.

The meeting was in recess from 10:28 to 10:41 a.m.

Correctional Officers’ Pension Fund

In response to a question from Chairman Salem, Mr. Robinson said the reason for the increase in money management fees for this fund are the same as for the General Employees’ Pension – more assets under management and increased use of alternative investments (such as private equity) which have somewhat higher fees.

Finance Department

General Fund/General Services District

Motion: on p. 35, tentatively approve Auditor’s recommendation #1 that the \$400,000 of capital improvements other than buildings be removed from Schedule AF as the transfer of funds did not happen and there is nothing to carryforward – **approved unanimously via a voice vote.**

Motion: on p. 35, tentatively approve Auditor’s recommendation #2 to update to the language on Schedule B 1a for Edward Byrne Memorial–Justice Assistance Grant 10/1/20-9/30/24 to reflect that the grant is expected to be extended through FY 2024/25 – **approved unanimously via a voice vote.**

In response to a question from Chairman Salem about implementation of the 1Cloud enterprise management system, Anna Brosche said the system still has some functionality stabilization issues that are being worked, but the system is working better and is now producing required reports in a timely manner. Mr. Salem asked about the new Finance Department compliance manager position and whether that relates to grant management. Ms. Brosche said it does not; it is for functions like monitoring the indigent care contract, overseeing franchise agreements, TDC tax auditing and enforcement, etc. Mr. Salem asked what Mike Weinstein will be doing now that the stadium negotiation process is completed. Ms. Brosche said he will be involved in the handoff of stadium contracts and construction issues, negotiations with independent authorities on behalf of the mayor, and other assignments as determined by the mayor. Council Member Diamond questioned the need to keep Mr. Weinstein on staff for another full year. Ms. Brosche said that he was assigned to her department by the Mayor’s Office. Mr. Salem asked that the committee further discuss his status later in the hearing process.

Driver Education Safety Trust Fund

Council Member Lahnen asked why this fund isn't handled by the School District. Ms. Taylor said the revenue is generated by a portion of a fee collected on civil traffic fines which comes to the City and is distributed by it for use.

Office of Administrative Services

Kelly O'Leary, Deputy CAO, said the 2 positions that were proposed to be used for a Lean Initiatives Program Manager and a Change Manager are being withdrawn. Council Member Diamond advocated for increasing the number of animal control officers by 10 rather than the 3 being proposed in the budget to address a serious lack of resources to deal with animal safety problems in a timely manner. Chairman Salem asked for statistics on the need for more employees and the magnitude of the problems being faced by Animal Care for discussion later in the budget hearing process.

Ms. O'Leary said the Lean and Change positions would be absorbed within the Information Technologies budget

Motion (Howland): remove 2 positions and \$153,660 from salaries and benefits within Administrative Services and add 2 positions and \$115,349 for salaries and benefits within the Office of Economic Development for the EBO Office - **approved unanimously via a voice vote.**

Fleet Management Operations

Chairman Salem asked about the 7 unfunded positions and what it would take to fund and activate them later in the fiscal year. Ms. Taylor said they could be funded administratively but only from reallocated funds within this fund, not transfers from other funds. Moving the positions to other areas of the government would require Council approval. Division Chief Chris Tongol said the unfunded positions need to be kept for future use because of the growing demand for services. Angela Moyer said outsourcing repair work to external vendors has been expensive and they used the salary from defunding the 7 positions to raise salaries for remaining positions to hire better quality people who can do more work in-house. President White asked the division to try to find resources to get the Parks and Recreation Department a new lift truck to replace one that is frequently out of service.

Vehicle Replacement Fund

Ms. Taylor noted that the failure to charge an annual fee for vehicle replacement should be a 1-year situation and not happen again lest the City get back into the situation it used to face in having to borrowing to buy vehicles. Ms. Moyer said there is a tremendous delay in getting large equipment like fire apparatus delivered once ordered; since they take so long to arrive we miss a year or two in vehicle replacement charges until they are actually delivered. Ms. Taylor cautioned against over-scrubbing the replacement list and not replacing vehicles that need to be replaced.

Motor Pool – Direct Replacement Fund 51103

Motion: on p. 58, tentatively approve Auditor's recommendation that Budget Ordinance Schedule AF be revised to remove the capital outlay carryforward request of \$63,402 as these funds are already spent/encumbered in the current fiscal year – **approved unanimously via a voice vote.**

Motor Vehicle Inspection

Council Member Lahnen asked if this revenue comes from the bus company or from the school district. Chris Tongol said it is contractual revenue from the school district. Chairman Salem asked about inspections of taxicabs. Mr. Tongol said they no longer inspect cabs but do ensure compliance with the requirements for insurance and driver background checks. Ms. Brosche said those requirements derive from a number of years ago when the Council debated how to regulate rideshare companies. The state

now regulates rideshares and our local regulations may need to be revised to reflect the changes. Council Member Diamond suggested that OGC look at the state and local regulations and determine what needs to be fixed in our Code. Council Member Freeman recounted a brief history of the taxicab and rideshare regulatory debate from years ago.

Copy Center

Motion: on pp. 61, tentatively approve Auditor’s recommendation to adjust the budget to reflect the full amount JEA is contributing to cover the cost of the hurricane guides. This results in a decrease of \$50,000 in the printing and binding commercial expense account, which would be offset by a decrease of \$50,000 in the interfund – internal service funds revenue account. The Fire and Rescue Department within the General Services/GSD Fund (00111), which is charged for the City’s portion of the hurricane guides cost, will have a corresponding decrease of \$50,000 in the copy center allocation expense account – **approved unanimously via a voice vote.**

The hearing was in recess from 11:45 a.m. to 12:45 p.m.

Technology Solutions Department

Council Member Lahnen asked about the 10 new unfunded positions in the departmental budget. Wanyonyi Kendrick, Director of the Information Solutions Department, said 8 positions are being transferred into the department to take over desktop computer service functions currently being outsourced to reduce the costs. The Budget Office will track the savings, expected to be \$200,000 in the first year. Ms. Kendrick said the department could get by with 6 positions at a cost of \$500,000. Council Member Howland asked about the comparative performance level of City employees versus contractors; Ms. Kendrick said she anticipates it will be better. In response to a question from Chairman Salem, Ms. Kendrick said the current contract ends at the conclusion of the fiscal year on September 30th. MR. Salem clarified that the motion will be for 6 new positions, not the 10 shown in the proposed budget. He likes the idea of setting up an accounting mechanism to measure the cost and productivity of in-house versus outsourced work.

Motion (Howland) – increase the ITD employee cap by 6 positions – **approved unanimously via a voice vote.**

Radio Communication Fund

Motion: on p. 65, tentatively approve Auditor’s amendment to increase the employee cap by one position to be consistent with Ordinance 2024-425-E. This will be offset with a decrease of one position within the Information Technologies Fund (53101) as was done in the bill. This will require removing \$57,911 in salaries and benefits within the Information Technologies Fund and transferring that amount into this fund so that salaries and benefits can be increased by a corresponding amount – **approved unanimously by voice vote.**

Council Member Lahnen asked if the new IT projects would show up again in the CIP discussion. Ms. Taylor said they have a separate ITech 5-year plan that is the technology CIP. Ms. Kendrick said the department is doing an engineering study to determine where the next radio towers should be located so the construction of new towers is being pushed back by one fiscal year. Enhanced radio encryption got more funding last year and that project is expected to be complete in the spring of 2025.

Emergency Reserve Fund

Ms. Taylor said the fund has reached the 7% minimum target set by code. Ms. Brosche said the Emergency Reserve is evaluated each year at budget time and any amount needed to be added to reach the minimum target amount is proposed.

Meeting adjourned: 1:18 p.m.

Jeff Clements - Council Research Division

jeffc@coj.net 904-255-5137

Posted 8.13.24 9:30 a.m.