



OFFICE OF THE CITY COUNCIL

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FINANCE COMMITTEE BUDGET HEARING #3 MINUTES

August 15, 2024
9:00 a.m.

Location: City Council Chamber, City Hall – St. James Building

In attendance: Council Members Ron Salem (Chair), Raul Arias, Rory Diamond, Nick Howland, Will Lahnen, Ju’Coby Pittman (arr. 9:06)

Excused: Council Member Terrance Freeman

Also: Council Members Michael Boylan, Randy White (arr. 9:25); Kim Taylor, Brian Parks, Phillip Peterson - Council Auditor’s Office; Mary Staffopoulos, Shannon MacGillis – Office of General Counsel; Merriane Lahmeur, Steven Libby – Legislative Services Division; Darnell Smith, Karen Bowling, Joe Inderhees, Brittany Norris, Scott Wilson, Bill Delaney – Mayor’s Office; Anna Brosche, Angela Moyer – Finance Department

Meeting Convened: 9:00 a.m.

Chairman Salem convened the meeting and the attendees introduced themselves for the record. Council Auditor Kim Taylor distributed and briefly discussed a list of the committee’s actions in the hearings last week and a list of the items the committee has deferred for later discussion and designated contingency items. Council Member Diamond said he wants the OED loan to Jacksonville University for its Law School “above the line”

Motion (Diamond): Appropriate \$3M for the remaining portion of the \$6.5M approved previously for Jacksonville University Law School, increasing use of Operating Reserves by a corresponding amount.

Council Member Arias urged support for all local higher education institutions, including the FSCJ fire academy burn building project discussed yesterday. Chairman Salem said JU needs the money by October 1st so that is why the Office of Economic Development made the request to move the money in the budget ordinance. Council Member Diamond said having a downtown law school is demonstrative of a big time city.

The Diamond motion was approved unanimously via a voice vote.

Council Member Boylan said the funding for Jax Cares and Jacksonville Area Legal Aid aren’t really enhancements because their allocations were increased last year because the need for their services is so

great. He will be meeting with the administration at 10:00 a.m. today to discuss their importance. He said he doesn't believe they should have been placed on the enhancement list. Council Member Pittman asked about revisiting the \$10M Self-Help Revolving Loan Fund initiative funding cut in a previous meeting. Chairman Salem said everything on the deferred or contingency list will be discussed on wrap-up day. Council Auditor Kim Taylor said the Sports and Entertainment Office will be moved to last on the agenda today due to a scheduling conflict.

All page references from this point refer to Council Auditor's Meeting #3 handout.

Tax Collector

CM Arias noted there was a \$1M salary increase in this budget last year but no new employees. Sherry Hall, Chief Administrative Officer for the Tax Collector's Office, said staff got 7% raises and the office is appropriately staffed for the growing workload as the county's population increases. Separate legislation will be filed shortly to provide funding for new technology, including remote kiosks in retail stores. Council Member Howland asked about staff retention due to the raises last year. Ms. Hall said it helped some but there is still some natural turnover. She will provide retention information.

Supervisor of Elections Office

Motion: on p. 7, tentatively approve Auditor's recommendation #1 to increase the employee cap by two, from 32 to 34 and reduce part-time hours by 4,160 within the Registration Division. This will require \$130,647 in personnel costs to be moved from part-time to full-time salary and benefits related line items

Motion: on p. 7, tentatively approve Auditor's recommendation #2 to transfer \$292,872 from Printing and Binding within the Elections Division to Overtime (\$49,000), Postage (\$121,853), and Other Operating Supplies (\$35,096) within the Elections Division and to Travel Expense (\$19,818), Printing and Binding (\$60,000), and Employee Training (\$7,105) within the Registration Division –

Supervisor of Elections Jerry Holland explained the need to transfer funds within the current budget to provide for the November election and to amend the next year's budget to reflect the changes the change in the current year will cause. At Council Member Boylan's request, Mr. Holland said his office is fully funded and ready to go for the November election. His budget is less for the 2024 election than it was for the 2020 general election due to increased efficiency. He will be making a request next year for salary increases. Council Member Howland asked how much of the \$800,000 being moved in this year's budget will become a baseline for future years. Mr. Holland said a portion of it will be added to the baseline, but the budget varies widely up and down depending on the number of elections per fiscal year.

The two motions were approved unanimously via a voice vote.

Courts – General Fund/GSD

Kim Taylor said fees had been covering the cost of internal service charges for the courthouse but this year there is a General Fund subsidy because the Clerk of the Courts fund balance is no longer sufficient to cover these costs.

Clerk of the Courts Jody Phillips made two budget requests: \$200,000 from the City for carpet replacements in the courthouse and a \$189,000 transfer from the courts' fund balance for computer replacements. President White asked about the current fund balance – Ms. Taylor said it is about \$1.5M of which \$800,000 is programmed for use in the budget. Mr. Phillips said real estate sales are down and that has reduced revenue. He would like to see \$200,000 per year placed into the Public Buildings Division budget every year for courthouse needs. Council Member Howland asked if \$200,000 for carpet would need to be a CIP item; Ms. Taylor said it would not.

Motion (Howland): add \$200,000 into the Public Buildings budget for courthouse repairs and maintenance and increase the use of Operating Reserve by a corresponding amount - **approved unanimously via a voice vote.**

Motion (Howland): appropriate \$190,000 from Clerk of Courts fund balance for computer and monitor replacements - **approved unanimously via a voice vote.**

Motion: on p. 13, tentatively approve Auditor’s recommendation that the \$30,000 for annual costs associated with the Evolv security system be removed as it has already been included in the FY2024/25 budget for JSO - **approved unanimously via a voice vote.**

Council Member Boylan said there is a significant opportunity to make technology improvements in the court system as found by the JSO Primary Facilities Special Committee and he doesn’t want that element to be overlooked.

Council Member Pittman asked for more information on the Neighborhood Accountability Board. Stacey Smiley with Teen Court said their caseload is increasing and the funds pay for parenting skill training, battery avoidance, and other support services. The services are provided in various locations including at the courthouse, some in-home, and some online. There are 4 Neighborhood Accountability Boards spread around the city. KHA has a separate diversion program that is a step up from Teen Court if the services offered there are not sufficient.

Judicial – Recording Fees Technology Fund

Council Member Lahnen asked how long the fee has been \$65 – Ms. Taylor said as long as she can remember. She noted that collections are difficult given the clientele. Changing the fee would require a change in state statute. Council Member Arias said this is another example of fees not being sufficient to cover costs.

Council Member Boylan asked Jim Kowalski of Jacksonville Area Legal Aid (JALA) to discuss a pending grant application and their eviction diversion programs. Mr. Kowalski said the Critical Quality of Life Issues special committee got the eviction diversion program created, the first in Florida, but did it in 2 tracks – “people funding” (Jewish Family Services, courthouse, JALA) and “landlord funding” for emergency rent assistance. The City has supported \$2M for the emergency rental assistance portion but is not funding the people part of the equation. The RFP that is out now is for the funding that goes to the landlords but doesn’t provide for the staff to run the program. Council Member Pittman urged funding the people who run the program because if we don’t then homelessness just gets worse. They have great experience and knowledge to make things work. Chairman Salem asked if there is any assistance to JALA in the proposed budget – Ms. Taylor said there are no General Fund dollars. Over \$1M was provided directly in the current budget and JALA also applies for Public Service Grants.

Fourth Circuit Court Chief Judge Lance Day said the courts’ technology needs are outstripping the revenue from the \$2 fee. The chief judges around the state are considering asking for an increase by the state in that fee. Council Member Lahnen asked if General Fund dollars have been used in the past – Ms. Taylor said yes, on occasion. Council Member Pittman asked about the impact of not getting the City funding or getting half the request. Steve Siegel, First Assistant State Attorney, said the funding is critical because it funds an effort to be more efficient through technology via an attorney portal, the Granicus public records request function, etc. This amount is the bare minimum needed and would impair operations if not received. Council Member Howland asked if it was requested through MBRC. Mr. Siegel said they asked for an enhancement there but were not successful.

Motion: on p. 22 tentatively approve the three parties' request to have \$380,000 in costs via a transfer directive which would have a negative impact of \$231,541 on the Operating Reserve. All expenditure amounts were agreed to by the three parties. Also include a \$267,000 carryover from the current fiscal year for computer equipment (\$200,000 for courts, \$67,000 for Public Defender)– **approved unanimously via a voice vote.**

Chief Judge Day said the court system is losing 8 positions that were funded with federal COVID pandemic funding, and they want to save some of those positions. Several aren't needed because of more Zoom meetings but they want to hire a second county-funded magistrate for serving pro se clients, a new truancy court, and other functions, a magistrate's assistant, a case manager, and an IT specialist. Kim Taylor said that request totals \$319,475 for the 4 positions. Chairman Salem asked if these will be permanent positions; Judge Day said they will need to be funded in the future. Council Member Lahnen recommended taking up this request on wrap-up day with all the other requests and several committee members agreed. Chief Judge Day said he could live without the magistrate assistant position, if necessary, with other staff doubling up to cover that function. Mr. Salem asked for a prioritized list of the 4 positions.

The committee was in recess from 10:35 to 10:45 a.m.

Military Affairs and Veterans Services

Motion: on p. 27, tentatively approve Auditor's recommendation #1 to correct the Food and Beverages Schedule to update the language which was left out of one column – **approved unanimously via a voice vote.**

Motion: on p. 27, tentatively approve Auditor's recommendation #2 to correct Schedule B1a to remove a duplicative Defense Infrastructure Grant - Florida Defense Alliance and then increase the amount listed from \$500,000 to \$2,580,100 for original one – **approved unanimously via a voice vote.**

Council Member Arias asked about the increase in pension cost despite the lower salary figure. Ms. Taylor said long-term employees' pension costs go up. Harrison Conyers, Director of Military Affairs and Veterans Services, described employee changes in the last year, several retirements and salary changes for existing employees.

Office of Sports and Entertainment

Alex Alston, Sports and Entertainment Officer, discussed the consolidation of several separate line items for event sponsorships into a single line for allocation as needed. Council Member Arias asked if those funds will be used for local non-sports events; Mr. Alston said they could.

Motion (Arias): on p. 50, increase the \$12,000 allocation for food and beverage to \$22,000 using Operating Reserves in a corresponding amount - **approved unanimously via a voice vote.**

Council Member Lahnen asked for an update on why Jacksonville isn't hosting the Sea and Sky event for next year. Mr. Alston said his understanding was that the Blue Angels wanted to visit another city. Regarding the tent for the Veterans Day event, Mr. Alston said Military Affairs and Veterans Services is looking at getting funding for a permanent structure at that site. Council Member Howland asked about the lack of an HBCU football game this year. Mr. Alston said the finances of last year's game didn't work out and it wasn't affordable. He said his office will be looking for future HBCU game opportunities. In response to a question from Council Member Howland, Ms. Taylor explained why \$1 is left in the Jax Beach fireworks account – because if there is a zero balance then nothing can be transferred into that

account. Leaving \$1 to hold the account open means it can be changed later in the year if opportunities present themselves. It is a common practice in the CIP. Mr. Howland said he wants to look at that practice further and possibly zero out some or all of those \$1 accounts. He asked about the purpose of the \$100,00 for the Non-profit Community Open House and whether it is already covered in the Mayor's Initiatives category. Ms. Taylor said she will research that.

Council Member Arias said \$155,000 is too much for tent rental - lots of other good things could be with that money and a better solution is needed. Mr. Arias said the City needs to be sensitive to other communities aside from just the Black community about holding events that honor them. The Hispanic community is the third largest ethnic group in Jacksonville but has nothing in the budget. He asked what the City is committing to the October 3 Hispanic Heritage event and said he understands that the event organizers were told to seek private funding for that event. Mayor's Chief of Staff Darnell Smith said the administration is committed to recognizing and honoring all of Jacksonville's populations but was trying to be fiscally conservative in the proposed budget. There is a mechanism for the City to help in fundraising for such events and that should have happened for the Hispanic Heritage event. Mr. Arias asked for a firm commitment that the Hispanic festival will be supported.

Motion (Arias) – on p. 53, move \$35,000 from the Mayor's Initiatives category to a new activity for Hispanic Heritage Initiatives – **approved unanimously via a voice vote.**

Mr. Alston said the Special Events office does support the Hispanic Heritage event already through the Mayor's Initiatives category and he is fine with creating a specific line item for it.

Council Member Diamond said the City has long funded the Jax Beach fireworks display that lots of non-Beaches residents attend and urged that the funding be restored for that event

Motion (Diamond) – on p. 53, move \$34,999 from Non-Profit Community Open House item to restore the funding for the Jax Beach fireworks.

Motion (Diamond) – on p. 53, amend the prior motion to move \$34,999 from Mayor's Initiatives to restore the funding for the Jax Beach fireworks – **approved unanimously via a voice vote.**

The Diamond motion as amended was approved 5-1 via a voice vote (Pittman opposed).

Council Member Pittman said the committee seems intent on dismantling the mayor's initiatives. She expressed disappointment with the City's marketing of the Bethune Cookman/Southern University football game last year. Ms. Pittman asked about the use of the music festivals line item. Mr. Alston said it supports various events throughout the year that seek City assistance. Chairman Salem said the tent is an absolute necessity for the Veteran's Day event because of the heat. The City needs to determine if the Sports Complex is the permanent location for the Veterans Memorial Wall before putting up a permanent structure. He said the Greek and Palestinian communities put on their annual festivals without any City support through private fundraising. Mr. Salem said he always buys his own Florida/Georgia tickets and wants to be sure the City's tickets are paid for and not given away for free.

Motion: on p. 58, tentatively approve Auditor's recommendation to move the \$350,000 enhancement for repairs to the Arena from Other Construction Costs to Repairs and Maintenance -

Council Member Diamond asked about Sea and Sky and the impact of insurance rates on pilot participation. Mr. Alston said the civilian pilots said the insurance cost was too high, but that had nothing to do with the Blue Angels' non-appearance at the event. Mr. Diamond said he thinks the City could have

done more to accommodate the private pilots to make the event work. Mr. Alston said he is ready as soon as the calendar turns to 2025 to try to book the Blue Angels for the 2027 show.

Chairman Salem asked Mike Kenny, Jacksonville manager of ASM Global, if there are any big needs at the venues that the Council needs to be aware of that are not shown in this budget. Mr. Kenny said he does have several requested enhancements and CIP projects. He said he has more information about 121 Financial Field and the Jumbo Shrimp that will be discussed during the CIP meeting.

The motion was approved unanimously via a voice vote.

Council Member Howland said this fund seems to have some of the biggest salary and professional services cost increases of any fund and asked why that is. Mr. Kenny said part of the professional services cost is due to the minimum wage increase that impacts lots of concession workers and security guards. Mr. Howland said he will explore that further with Mr. Kenny. Mr. Kenny said part of that expense will change with the new Jaguars lease and how game day expenses are covered by the team versus the City. Council Member Lahnen asked about the Flex Field budget. Mr. Kenny said it is the operational budget for the year before it is converted to a multi-use facility by removing the turf field and installing a different floor. Council Member Arias asked why the venues budget shows a 4% increase in salaries when most City employees are only getting 3% cost of living adjustments. Ms. Taylor said those are ASM employees, not City employees. Mr. Arias said he wants to see more information. Mr. Lahnen asked if the \$2.5M for EverBank Field projects is absolutely needed before the renovation. Mr. Kenny said the funds will only be used for items needed to keep the facility operating for the next couple of years. Mr. Arias asked about the loss of the sales tax rebate for sports franchises. Heather Reber of the Auditor's Office said Florida law limits it to 30 years and is non-renewable. Chairman Salem said the governor and Florida Legislature no longer support allocating tax funds for sports facilities.

In response to a question from Council Member Arias about placing funding allocations into non-specific buckets, Mr. Kenny said the funding for the public venues is being used in a reactionary way, dealing with issues as they arise and can't be predicted. They need the ability to react quickly when something breaks to keep events going and wouldn't want to have to go through a lengthy City spending approval process. They sometimes don't get all the funding they request for projects so need the ability to spread costs over multiple years to get some things done. Chairman Salem said he has long experience with ASM and they are a national firm that are experts in their field; the City needs to trust them to do their job.

Mr. Salem asked Mr. Kenny if it has been challenging to get the Veterans Council of Duval County to approve expenditures from the Veterans Memorial Arena Trust Fund. Mr. Kenny said he will check with his staff and report back. Council Member Arias asked if ASM works with the Military Affairs and Veterans Services Department on veteran's related events. Alex Alston said the Veterans Council takes applications from organizations interested in doing things for veterans and distributes funding to those uses. Changes in leadership at the Council have slowed some things down. Harrison Conyers said the VCDC, City, and ASM all get to vote on using these funds. There used to be 1 organization that got all the funds and did 3 big events a year. Now the funds are being distributed to multiple organizations and supporting 8-10 smaller events per year.

The meeting was in recess from 12:21 to 1:00 p.m.

Parks, Recreation and Community Affairs

Motion: on p. 33, amend the Ryan White grant to correct the number of employees and part-time hours – **approved unanimously via a voice vote.**

Council Member Lahnen asked Daryl Joseph, Director of the Parks, Recreation and Community Services Department, about the reduction in departmental revenues. Mr. Joseph said many facilities are under construction and not available for rental. Mr. Lahnen asked about the increase in emergency shelter funding in the Social Services Division; Mr. Joseph said it's due to increased demand for assistance. Mr. Lahnen asked that the administration check for any overlap with the mayor's transition team allocation. He asked if there is a military discount for admission to Hanna Park; Mr. Joseph said there is and it is being used. Council Member Diamond congratulated the department on Hanna Park being completely self-sufficient. Mr. Joseph said a new pavilion has been built on the beach which is rentable for events and will increase revenue.

Equestrian Center

Motion: on p. 47, use \$221,696 from the Trail Ridge Mitigation Fund to subsidize the Equestrian Center budget – **approved unanimously via a voice vote.**

Several committee members praised the work of the department and its staff. Mr. Joseph said attendance at the swimming pools has doubled since last year since many more pools are open this year. They are fully staffed with lifeguards this summer and will begin hiring for next year after the first of the year.

Jacksonville Human Rights Commission

Chairman Salem asked if the new positions approved by the council in last year's budget are in this year's budget – Dr. Rudolph Jamison, Executive Director of the JHRC, said they are and they both work in the area of housing discrimination case intake. The primary job of the JHRC is to process complaints in the areas of housing and employment discrimination and community relations. Council Member Arias asked what the JHRC could do with more funding and employees. Council Member Pitman asked what the JHRC does in relation to what the Mayor's Diversity, Equity and Inclusion Officer does. Dr. Salem said JHRC's primary function is intake and investigation of discrimination complaints, with some outreach in the area of defusing community tensions. He said Diversity Manager Jimmy Midyette and the JHRC's attorney participate heavily in determining if discrimination allegations meet the required standards for investigation. Council Member Diamond asked Dr. Jamison to come back to the wrap-up day and discuss what more the commission could do to encourage community inclusion and equity.

Office of Ethics, Compliance and Oversight

Council Member Diamond said the ECO Office is a an unsung hero of Jacksonville's city government and does very important work. He is interested in enhancing the salaries of the employees to ensure staff retention. City Ethics Officer Kirby Oberdorfer said the Ethics Commission voted to approve a \$10,000 raise for her and she asked for 5% raises for her two employees for next year which were not included in the proposed budget. One of her two part-time employees has resigned as of the end of this fiscal year in September. Chairman Salem noted the changes in state law regarding the reporting of potential ethics complaints may have a substantial impact on the office's staff. Mr. Diamond advocated for keeping the ECO budget and positions as proposed and finding additional funding for salary enhancements (\$12,814).

Motion (Diamond): move \$12,814 from part-time to full-time salary for enhancements for full-time employees – **died for lack of a second.**

Council Member Arias said the committee should follow its precedent and hold this item for a decision on the wrap-up day. Ms. Oberdorfer clarified that the \$12,814 does not include the potential 3% cost of living increase being discussed for City employees.

Office of Inspector General

Council Member Diamond thanked Inspector General Matt Lascell and his staff for their good work and the speed with which investigations are undertaken. Council Member Arias asked who oversees the IG's Office. Mr. Lascell said his office is independent and is overseen by the Inspector General Selection and Retention Committee. They investigate complaints and also do proactive investigations if they identify potential problem areas, particularly areas where large amounts of money are involved. Their completed reports are posted on their website and sent to a distribution list. He reviewed the 7 members of the IG Selection and Retention Committee, who are all ex officio members. Council Member Pittman asked how they turn recommendations into action after their investigations. Mr. Lascell said they have only recommendation power, not enforcement power. If no action is taken, they ask again for a response.

Chairman Salem asked for a report from the Council Auditor tomorrow on how much of the funding approved last year for the Mayor's initiatives has been expended to date.

Meeting adjourned: 1:53 p.m.

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Posted 8.26.24 4:15 p.m.