

OFFICE OF THE COUNCIL AUDITOR

FY 2020/2021 PROPOSED BUDGET

FINANCE COMMITTEE MEMBERS

Matt Carlucci – Chair
Randy DeFoor – Vice Chair
LeAnna Cumber
Joyce Morgan
Brenda Priestly Jackson
Ron Salem, Pharm. D.
Scott Wilson



Meeting #3
August 13, 2020

**COUNCIL AUDITOR'S OFFICE
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**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2020/21 BUDGET
TAX COLLECTOR (FUND 00193)**

PROPOSED BUDGET BOOK - Page # 365-367

BACKGROUND:

The Tax Collector's budget includes funding for three (3) divisions identified as branch agencies, current and delinquent taxes, and supervision and general collection. There are nine (9) branches and one (1) satellite office which process various transactions such as property and local business taxes, driver's license services, and fast title services.

REVENUES:

1. Charges for Services:

- The net decrease of \$475,522 is mainly attributed to the economy and how transactions are currently being processed. For example, there are Driver License Renewals being processed through the state website, which do not result in revenue to the Tax Collector's Office and other items have a decrease for (e.g., tag and title registrations) due to the current economy. There is a slight offset for an increase of \$140,000 in Collection Fees – Delinquent Tax Sales based on current actual revenue.

2. Investment Pool/Interest Earnings:

- The increase of \$17,072 is based on anticipated earnings contingent upon the available cash balance and the projected interest rate, which is also consistent with current earnings.

3. Transfers from Other Funds:

- The decrease of \$486,041 is a decrease in the transfer from the General Fund/General Services District (00111) which is what balances revenue and expenditures in this fund. This was made possible due to the pension reform reserve of \$1,119,899 being used to reduce the contribution from the General Fund/General Services District (00111). The proposed General Fund/General Services District (00111) subsidy is \$7,094,274.

4. Transfers from Fund Balance:

- The amount of \$1,119,899 is the FY 2019/20 portion of the pension reform contingency is being used to reduce the contribution from the General Fund/General Services District. (See Discussion Point)

EXPENDITURES:

1. Salaries:

- The net decrease of \$30,895 is mainly due to a decrease of \$46,963 in salaries part time due to an anticipated reduced usage of greeters and an increased reliance on kiosks and appointments. This is offset slightly by some salary increases resulting in permanent and probationary salaries increasing by \$25,905 that have already occurred.

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2. Pension Costs:
 - The net increase of \$169,311 is mainly due to an increase of \$93,970 in the defined benefit pension plan based on an increase in the required contribution and \$75,669 in the defined contribution pension plan due to employee turnover.
3. Employer Provided Benefits:
 - The decrease of \$62,576 is mainly due to a decrease in health insurance due to health plan election changes by employees.
4. Internal Service Charges:
 - The net decrease of \$63,609 is mainly due to a decrease of \$52,482 in ITD replacements due to there being a one-time network equipment refresh in FY 2019/20 and none in FY 2020/21 and a \$16,675 decrease in City-wide building maintenance allocation based on current usage.
5. Insurance Costs and Premiums:
 - The increase of \$6,961 is due to an increase in general liability insurance due to claims history.
6. Other Operating Expenses:
 - The increase of \$131,318 is mainly due to an increase of \$139,035 in rentals due to contractual increases to lease amounts and a new lease for the Marietta Branch Office location. There is also an increase of \$20,000 in postage due to an expected increase in the mailing of replacement license plates. This is somewhat offset by a decrease of \$44,314 in hardware/software maintenance & licenses due to a decrease in costs for the Nemo-Q customer queuing system and the Databank document management system.
7. Contingencies:
 - The amount of \$1,119,899 is to be used to reduce the General Fund/General Services District (00111) subsidy.

SERVICE LEVEL CHANGES:

None.

CAPITAL OUTLAY CARRYFORWARD:

Per Schedule AF, there is a capital carry forward request of \$750,000 in office equipment related to the relocation of the westside branch (which is open but there is some capital outlay to be completed) and the acquisition of a new Tax Collector System authorized by City Council with ordinance 2020-180-E.

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EMPLOYEE CAP CHANGES:

None.

DISCUSSION POINT:

The Mayor's proposed budget includes a transfer from fund balance of \$1,119,849 to cover costs in the Tax Collector's budget. Our calculation of the projected fund balance available at 9/30/20, which the Tax Collector's Office agrees with, indicates there will be a shortfall in available fund balance of \$350,000 based on revenue shortfalls in FY 19/20. The Administration has indicated that they will cover the FY 19/20 revenue shortfall (which would then provide adequate fund balance to appropriate) via separate legislation if needed. Otherwise this shortfall in revenue would have a negative impact on Special Council Contingency of \$350,000, unless costs reductions are identified.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2020/21 BUDGET
SUPERVISOR OF ELECTIONS
GENERAL FUND / GENERAL SERVICES DISTRICT (FUND 00111)**

PROPOSED BUDGET BOOK - Page # 362-363

BACKGROUND:

The Supervisor of Elections Office registers all voters in Duval County, educates voters on State and local laws and how to vote, staffs early voting sites prior to an election, staffs the call center prior to an election, processes absentee ballots, and conducts State and local elections of Duval County in accordance with the elections laws of Florida. In FY 2019/20 there were two county-wide elections (1 Presidential Preference Primary Election and 1 Primary Election). In FY 2020/21 there will be one countywide election (1 General Election).

REVENUE:

1. Miscellaneous Revenue:

- This revenue is related to election services being offered to candidates and private organizations such as petition verifications and record requests. The increase of \$3,000 is based on prior year collections.

EXPENDITURES:

1. Salaries:

- The decrease of \$1,255,065 is mainly due to a decrease of \$1,176,990 in part time salaries and \$66,913 in overtime due to one less countywide election in FY 2020/21.

2. Pension Costs:

- The increase of \$39,344 is primarily due to an overall increase in the required contribution to the General Employee Pension Plan as required by the actuarial study.

3. Employer Provided Benefits:

- The decrease of \$22,680 is mainly due to decreases of \$18,131 in Medicare tax due to the decrease in part-time salaries and \$6,496 in health insurance due to changes in health plan elections by employees.

4. Internal Service Charges:

- The net decrease of \$77,053 is due to the following decreases:
 - \$122,691 in technology refresh mainly due to the one-time cost of replacing 120 computers in FY 2019/20.
 - \$17,096 in utility costs based on recent actuals.
 - \$8,807 in building maintenance costs based on recent actuals.
- The decrease is offset by an increase of \$73,984 in computer costs related to the conversion to the new phone system.

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 MAYOR'S PROPOSED FY 2020/21 BUDGET
 SUPERVISOR OF ELECTIONS
 GENERAL FUND / GENERAL SERVICES DISTRICT (FUND 00111)**

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5. Professional and Contractual Services:

- The increase of \$234,329 is due to an increase of \$250,000 in Other Professional Services to cover any unexpected expenses that arise due to COVID-19 or State requirements, such as adding Early Voting days or precincts. This increase is offset by decreases to security guard and janitorial services due to having one less election in FY 2019/20.

6. Other Operating Expenses:

- The net decrease of \$255,459 is due to having one election instead of two. Specifically decreases of:
 - \$118,284 in other operating supplies which includes printing of sample and vote by mail ballots. Note there is funding for ballots to be sent to 50% of voters if requested.
 - \$85,210 in miscellaneous services and charges related to the cost of election equipment transportation and wireless upload of election results.
 - \$50,000 in external printing in binding related to providing election materials.
 - \$35,000 in advertising and promotion costs.
 - \$25,625 in other rent related to polling place rentals.
- These decreases are offset by increases of:
 - \$25,071 in postage based on an anticipated increase of mailed votes related to COVID-19.
 - \$14,000 in other office supplies based on anticipated additional costs of cleaning, sanitization materials, and PPE items related to COVID-19.
 - \$13,863 in software licenses based on contract requirements with the vendor.

7. Debt Management Fund Repayments:

- This amount represents repayment of the funds borrowed to purchase voter check-in machines. The decrease of \$188,191 is based on the amortization schedule for the loan.

FOOD AND BEVERAGES EXPENDITURE:

Amount	Description of each Service/Event that requires the purchase of food/beverage	Explanation that the Service/Event serves a public purpose
3,000	Food for Election staff on election day, Canvassing Board deliberations, and senior citizen voter education events.	Food for Election staff on election day, Canvassing Board deliberations, and senior citizen voter education events.
1,500	Food and beverage for visits from foreign delegations	To provide light refreshments during tours given for the purpose of informing foreign delegates of how elections are conducted in Duval County.

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SUPERVISOR OF ELECTIONS
GENERAL FUND / GENERAL SERVICES DISTRICT (FUND 00111)**

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EMPLOYEE CAP CHANGES:

There are no changes to the number of positions. Part time hours are decreasing from 184,448 hours in FY 2019/20 to 97,216 hours in FY 2020/21 due to the decrease in the number of elections.

SERVICE LEVEL CHANGES:

The number of countywide elections is decreasing from two in FY 2019/20 to one in FY 2020/21.

RECOMMENDATION:

None.

**COUNCIL AUDITOR’S OFFICE
 COMMENTS AND RECOMMENDATIONS
 MAYOR’S PROPOSED FY 2020/21 BUDGET
 CLERK OF THE COURTS – OPERATIONS (FUND 00192)**

PROPOSED BUDGET BOOK – Page # 381-383

BACKGROUND:

Pursuant to Article 5 of the Florida Constitution and Section 28 of the Florida Statutes, the Clerk of the Court is the official recorder of all instruments that may, by law, be recorded in the county. Examples of these instruments include deeds, marriage licenses, and documentary stamps. A fee of \$10 for the first page and \$8.50 for each additional page is charged each time a document is recorded with the Clerk of the Court. The County side of the Clerk (Fund 00192) receives \$5.00 for the first page and \$4.00 for each additional page. The rest of the fee goes into various other accounts. This fund has Clerk County operations and Clerk Court-related costs that are a County obligation.

Distributed to/Used For	1 st Page	Each Add'l Page	Subfund
City of Jacksonville (Clerk of Court County Related Duties)	\$ 5.00	\$ 4.00	00192 – Clerk of Court
Clerk of the Court (Public Records Modernization Trust Fund – County Related IT Needs Except Salaries)	1.00	0.50	Not Budgeted by City
Clerk of the Court (Public Records Modernization Trust Fund – Court Related IT Needs Including Salaries)	1.90	1.90	
Florida Association of Court Clerks and Comptrollers Inc.	0.10	0.10	
City of Jacksonville (Technology for State Trial Courts, State Attorney, and Public Defender)	2.00	2.00	15203 – Recording Fees Technology
	<u>\$ 10.00</u>	<u>\$ 8.50</u>	

REVENUES:

1. Charges for Services:
 - The net increase of \$135,000 is primarily due to increases of \$418,000 in Recording Fees based on recent collections. This was offset partially by decreases in passport application fees of \$188,000 and fees remitted to the county from county clerk of \$103,000.
2. Transfers from Fund Balance:
 - The transfer of \$739,447 from fund balance is to balance the budget.

EXPENDITURES:

1. Salaries:
 - The net decrease of \$19,196 is primarily due to salary adjustments related to the actual impact of employee turnover offset slightly by end of probation increases.
2. Salary and Benefit Lapse:
 - This reflects an estimated salary and benefit lapse based on the average turnover ratio and estimated number of vacancies in FY 2020/21.

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COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2020/21 BUDGET
CLERK OF THE COURTS – OPERATIONS (FUND 00192)**

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3. Pension Costs:
 - The net increase of \$18,181 is primarily due to an increase in the required contribution to the general employees defined benefit pension plan and employee turnover resulting in higher contributions to the defined contribution plan.
4. Employer Provided Benefits:
 - The net decrease of \$21,602 is primarily driven by a decrease in group hospitalization insurance related to employee election changes.
5. Internal Service Charges:
 - The increase of \$269,095 is primarily driven by an increase of \$152,540 in the courthouse building cost allocation related to an overall increase in facility costs, the addition of \$48,585 for a planned refresh of equipment in FY 2020/21, and an increase of \$39,089 in computer systems maintenance and security related to increased charges for the phone system.
6. Other Operating Expenses:
 - The net increase of \$92,951 is primarily due to an increase of \$81,671 in software licensing and maintenance caused by an increase in the contractual price for the acclaim system and the addition of Microsoft Office licenses. There is also the addition of \$10,000 for cell phones.
7. Supervision Allocation:
 - This is an allocation for the Clerk of the Courts administrative staff time paid for by the State to this fund.
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.
9. Contingencies:
 - The amount in FY 2019/20 represented the pension reform reserves in this fund. There is no amount in FY 2020/21 due to the funds being used to balance the FY 2020/21 budget.

SERVICE LEVEL CHANGES:

There are no significant service level changes.

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COMMENTS AND RECOMMENDATIONS
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CLERK OF THE COURTS – OPERATIONS (FUND 00192)**

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CAPITAL OUTLAY CARRYFORWARDS:

Per Schedule AF, there are capital carryforward requests for the following items:

- \$321,556 for computer equipment for a new Tax Deed system
- \$26,634 for Capital Professional Service Costs associated with a new Tax Deed system

EMPLOYEE CAP CHANGES:

None.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2020/21 BUDGET
COURTS
GENERAL FUND / GENERAL SERVICES DISTRICT (FUND 00111)**

PROPOSED BUDGET BOOK – Page #369-370

BACKGROUND:

This budget includes the Circuit and County Courts' expenses as well as the Guardian Ad Litem. The County is responsible for providing facilities, maintenance, utilities, security, communications, existing radio systems and the existing Multi-Agency Criminal Justice Information System (CJIS) to the Courts pursuant to Florida Statute 29.008.

REVENUES:

1. Debt Funding: Debt Management Fund
 - This represents debt funding for year two of a three-year project to replace the audio/visual equipment at the Courthouse Complex.

EXPENDITURES:

1. Pension Costs
 - The decrease of \$3,735 is to match anticipated employee defined contribution pension contributions.
2. Employer Provided Benefits:
 - The net decrease of \$3,946 is primarily due to a decrease in group hospitalization insurance caused by employee election changes.
3. Internal Service Charges:
 - The increase of \$1,024,100 is primarily due to an increase of \$659,758 in allocated Courthouse building costs, which is caused by a reallocation of costs from the Court Cost Courthouse Trust (Fund 15202) due to less revenue in that fund and an overall increase in facility costs. There is also an increase of \$324,643 in computer system maintenance and security charges related to voice and fax as well as correcting how an ITD employee dedicated to the Courts is allocated.
4. Insurance Costs and Premiums:
 - The decrease of \$3,325 is mainly due to the recent favorable claims history for general liability insurance.
5. Other Operating Expenses
 - The decrease of \$17,300 is related to FY 2019/20 funding added for the purchase of non-capital software and computer items.
6. Capital Outlay – Debt Funded
 - The \$433,333 is the year two funding to replace the audio/visual equipment in the Courthouse Complex.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2020/21 BUDGET
COURTS
GENERAL FUND / GENERAL SERVICES DISTRICT (FUND 00111)**

PROPOSED BUDGET BOOK – Page #369-370

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

None.

RECOMMENDATION:

None.

**COUNCIL AUDITOR’S OFFICE
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MAYOR’S PROPOSED FY 2020/21 BUDGET
COURTS
COURT COST COURTHOUSE TRUST (FUND 15202)**

PROPOSED BUDGET BOOK – Page #371-372

BACKGROUND:

As a result of Ordinance 2010-561-E, the State Court Facilities Surcharge was increased from \$15 to \$30. The surcharge is levied on non-criminal traffic violations and the criminal violations listed in Section 318.17 of the Florida Statutes and is to be used exclusively to fund the maintenance and the capital improvements associated with court facilities. Pursuant to Section 634.102 of the Municipal Code, no less than 25% of the \$30 fee should be spent on maintenance.

This is an “all years” fund, which means once dollars are appropriated, the appropriation stays in place from year to year rather than lapsing.

REVENUE:

1. Charges for Services:
 - This amount reflects the anticipated court facilities surcharge revenue of \$2,227,086 for FY 2020/21. The decrease factors in recent impacts from COVID-19.
2. Transfers from Other Funds:
 - This is a transfer from General Fund / General Services District (Fund 00111) to cover budgeted expenses over anticipated revenue.

EXPENDITURES:

1. Internal Service Charges:
 - This amount represents the required 25% of revenues that must be used for building maintenance. The costs for maintaining the courthouse complex reside in the public buildings internal service fund and part of the cost is allocated to this fund via an internal service charge. The rest of the maintenance costs are billed to General Fund / General Services District (Fund 00111).
2. Debt Service:
 - The net decrease of \$283,498 is due to a decrease in debt service pursuant to the portion of the amortization schedule for the 2011A Special Revenue Bond issue that provided \$38 million of funding for the courthouse to which this revenue was pledged against.

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

None.

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COURTS
COURT COST COURTHOUSE TRUST (FUND 15202)**

PROPOSED BUDGET BOOK – Page #371-372

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
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MAYOR'S PROPOSED FY 2020/21 BUDGET
COURTS
TEEN COURT PROGRAMS TRUST (FUND 15204)**

PROPOSED BUDGET BOOK – Page #373-374

BACKGROUND:

This program provides Duval County youth with an alternative to a conviction record by diverting them into programs where they are subject to peer group involvement as part of the rehabilitation process, and/or exposure to community service work, positive role models, law students, and the judicial system. In addition, a second program, the Teen Court Truancy Program has been developed in an effort to reduce truancy. These programs are funded by a \$3 fee charged pursuant to Florida Statute 938.19 against each person that pleads guilty or is found guilty of a traffic violation in accordance with Chapter 316 of the Florida Statutes.

REVENUE:

1. Fines and Forfeits:
 - This amount reflects the revenue received from the \$3 fee. The decrease of \$20,323 is based on recent actual collections.
2. Transfers from Other Funds:
 - This \$55,000 is a transfer from the General Fund / General Services District for the Neighborhood Accountability Board.
3. Transfers from Fund Balance:
 - The transfer of \$104,575 from fund balance balances the budget.

EXPENDITURES:

1. Pension Costs:
 - The increase of \$8,937 is due to an increase in contributions to the City's pension plans.
2. Internal Service Charges
 - The increase of \$2,379 is due to an increase in computer system maintenance based on various charges increasing for cell phones and infrastructure costs.
3. Professional Services:
 - This is mainly made up of the \$55,000 for the Neighborhood Accountability Board.

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

None.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2020/21 BUDGET
COURTS
COURT COSTS \$65 FEE (FUND 15213)**

PROPOSED BUDGET BOOK – Page #375-376

BACKGROUND:

Municipal Code Section 111.385 and the Florida Statute Section 939.185 authorize a \$65 fee on felony, misdemeanor, or criminal traffic offenses. This revenue is split into four separate activities which receive 25% of the total revenue: Legal Aid, Duval County Law Library, Juvenile Drug Court, and Judicial Support. Pursuant to Florida Statute, any remaining funding at year end will be transferred into the Judicial Support activity.

REVENUE:

Courts

1. Charges for Services:
 - The decrease of \$40,536 is due to an expected decrease in revenue from the \$65 fee based on recent actuals. This represents three – fourths of collections.
2. Miscellaneous Revenue:
 - The amount of \$38,800 is revenue received by the Duval County Library for copier services for the public and Continuing Learning Education seminars for lawyers.

Finance and Administration

3. Charges for Services:
 - The decrease of \$13,512 is due to an expected decrease in revenue from the \$65 fee based on recent actuals. This represents the one-fourth that is sent to Jacksonville Area Legal Aid (JALA).

Jax Citywide Activities

4. Transfers from Fund Balance:
 - A fund balance appropriation is being budgeted mainly to cover the funding shortfall in the Juvenile Drug Court activity.

EXPENDITURES:

Courts

1. Internal Service Charges:
 - The increase of \$2,936 is due to an increase in costs of implementing 1Cloud and an increase in charges for network infrastructure services.
2. Professional and Contractual Services:
 - The increase of \$89,604 is due to an anticipated increase in contractual services to support the Courts and flexibility for any costs that may come up related to COVID-19.
3. Library Materials
 - The decrease of \$11,328 is to balance the budget.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2020/21 BUDGET
COURTS
COURT COSTS \$65 FEE (FUND 15213)**

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Finance and Administration

4. Other Operating Expenses

- This amount represents the portion of the \$65 fee that is designated for legal aid and provided to JALA.

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

None.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2020/21 BUDGET
JUDICIAL – VARIOUS
RECORDING FEES TECHNOLOGY (FUND 15203)**

PROPOSED BUDGET BOOK – Page #384-385

BACKGROUND:

This fund receives \$2 for each page recorded by the Clerk into the Official Record pursuant to Florida Statute 28.24(12)(e)(1). These funds are to be used on the technology costs for the State Courts, State Attorney, and Public Defender as outlined in Florida Statute 29.008(1)(f)(2). Funds should be disbursed once the three parties mutually agree with the distribution of the funds pursuant to Section 111.388 of the Municipal Code.

REVENUES:

Courts

1. Charges for Services
 - This revenue is from the \$2 recording fee based on recent actuals. This revenue is tied to the recording of deeds and mortgages. The increase is to align with recent collections.

Non-Departmental / Fund Level Activities

2. Transfers from Fund Balance
 - The decrease is due to the proposed budget not requiring a transfer from fund balance to balance the budget.

EXPENDITURES:

Courts

1. Internal Service Charges
 - The net increase of \$48,849 is mainly due to an increase of \$82,705 in IT replacements caused by a planned PC refresh in FY 2020/21. This increase is offset partially by a decrease of \$33,856 in computer systems maintenance charges related to agency specific application services.
2. Professional and Contractual Services
 - The increase of \$14,142 is due to an increase in the cost of the Court's IT contracts.
3. Other Operating Expenses
 - The net decrease of \$45,522 is mainly due to a one-time purchase of non-capital software and computer items in FY 2019/20.
4. Capital Outlay
 - The decrease of \$152,599 is due to a one-time purchase of computer equipment in FY 2019/20.

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COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2020/21 BUDGET
JUDICIAL – VARIOUS
RECORDING FEES TECHNOLOGY (FUND 15203)**

PROPOSED BUDGET BOOK – Page #384-385

Jax Citywide Activities

5. Cash Carryover

- The cash carryover of \$97,370 represents the excess of estimated revenue over expenditures in the proposed budget, which is subject to the allocation of funds amongst the three parties pursuant to the required MOU.

State Attorney

6. Professional and Contractual Services

- The increase of \$9,842 is mainly due to an increase in charges related to the State Attorney's case management information system.

7. Capital Outlay

- The decrease of \$100,909 is due to a one-time purchase of computer equipment and software in FY 2019/20.

Public Defender

8. Internal Service Charges

- The increase of \$116,304 is mainly due to an increase of \$119,430 in IT replacements caused by a planned PC refresh in FY 2020/21.

9. Other Operating Expenses

- The net decrease of \$7,132 is mainly due to a one-time purchase of \$16,000 for non-capital software and computer items in FY 2019/20 and a decrease of \$3,000 for hardware and software maintenance. This amount is offset by an increase of \$11,868 in repairs and maintenance primarily due to an increase in funding for reimbursements to the State of Florida for hardware and software maintenance.

EMPLOYEE CAP CHANGES:

There are no authorized positions in this fund.

SERVICE LEVEL CHANGES:

None.

COMMENT:

Section 111.388 of the Municipal Code requires the three areas sign an agreement before funds are disbursed from this fund. While an MOU has been signed by the three parties, there are still aspects that are being worked out. The MOU would eliminate funding for PC refresh that was included in the budget of the Information Technologies Division for replacement of devices of the Court Administration and Public Defender.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2020/21 BUDGET
PUBLIC DEFENDER
GENERAL FUND / GENERAL SERVICES DISTRICT (FUND 00111)**

PROPOSED BUDGET BOOK – Page #377-378

BACKGROUND

Chapter 29.008 of the Florida Statutes requires that the Public Defender be provided with office space, utilities, maintenance, security, and communication services as may be necessary for the proper and efficient functioning of their offices.

EXPENDITURES

1. Internal Service Charges:

- The increase of \$101,766 is primarily due to an increase of \$49,280 in building costs for the Jake Godbold Building, which is caused by an increase of \$10,848 in debt service payments and an increase of \$38,432 in facility costs, as well as an increase of \$51,633 in computer system maintenance/security allocation primarily caused by the new phone system.

2. Other Operating Expenses:

- The decrease of \$14,095 is due to the elimination of software and computer items. This was a one-time expenditure in FY 2019/20 to purchase non-capital software and computer accessories.

3. Capital Outlay

- The removal of \$46,125 is due to the elimination of computer equipment. This was a one-time expenditure in FY 2019/20 to replace laptops and computer equipment.

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

None.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2020/21 BUDGET
STATE ATTORNEY
GENERAL FUND / GENERAL SERVICES DISTRICT (FUND 00111)**

PROPOSED BUDGET BOOK – Page #379-380

BACKGROUND

Chapter 29.008 of the Florida Statutes requires the City of Jacksonville to provide the State Attorney with office space, utilities, maintenance, security, and communication services as may be necessary for the proper and efficient functioning of their offices.

EXPENDITURES

1. Internal Service Charges:

- The net increase of \$277,003 is mainly due to an increase of \$165,200 in computer systems maintenance and security primarily related to the new phone system and an increase of \$112,749 in the building cost allocation in the State Attorney's Office due to the overall increase in the building costs.

2. Capital Outlay

- The elimination of \$25,000 in capital outlay is due to a one-time purchase of audio/visual equipment in FY 2019/20.

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

None.

RECOMMENDATION:

None.

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COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2020/21 BUDGET
PARKS, RECREATION AND COMMUNITY SERVICES
GENERAL FUND / GENERAL SERVICES DISTRICT (FUND 00111)**

PROPOSED BUDGET BOOK - Page # 267-269

BACKGROUND:

The Parks, Recreation and Community Services Department is comprised of seven divisions: Disabled Services, Natural and Marine Resources, Office of the Director, Recreation and Community Programming, Senior Services, Social Services, and Sports and Entertainment.

REVENUE:

(Note – The revenue amounts assume all revenue generating activities will be operation by October 1, except for Community Center Rentals.)

1. Charges for Services:

- The \$348,000 includes revenue from organized events, tennis lessons, summer camps and docks.

2. Miscellaneous Revenue:

- The \$535,475 includes revenue from overtime reimbursement, rental of facilities and other miscellaneous charges.

EXPENDITURES:

1. Salaries:

- The increase of \$190,739 is mostly due to changes during the current year including one vacant position in the Extension Office at a higher salary (\$107,104) due to switching a position from an Administrative Aide to an Extension Office Operations Manager. Additionally there were other increases from reclassifying and various special pay increases.

2. Pension Costs:

- The increase of \$212,573 is driven mainly by an increase in the City's required contribution to the defined benefit plan and employee turnover resulting in increased contributions to the defined contribution plan.

3. Employer Provided Benefits:

- The net decrease of \$35,834 is primarily due to a decrease in health insurance resulting from employee election changes.

4. Internal Service Charges:

- The net decrease of \$477,504 is mostly due to the following decreases:
 - \$286,358 in computer system maintenance mostly due to decreases in wide area network charges, debt service charges associated with implementation of the new phone system, enterprise application service charges related to Citrix, and Directory Services and Office 365;

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- \$107,971 in information technology replacements due to a lower number of computers that are scheduled to be refreshed than in the current fiscal year;
- \$96,840 in city-wide building maintenance due to a reduction in the allocation percentage based on recent year actuals;
- \$66,186 in fleet parts, oil and gas based on decreases in fuel cost; and
- \$51,582 in fleet vehicle replacement due to more vehicles being paid off than added in recent years.

The decreases were partially offset by an increase of \$158,551 in Ed Ball building cost allocations mostly due to a new allocation of space for the Office of Sports and Entertainment but also due to recent maintenance costs in the building.

5. Insurance Costs and Premiums:

- The net decrease of \$61,237 is primarily due to a decrease of \$180,929 in general liability insurance due to recent positive claims experience. The offset is an increase of \$122,589 in miscellaneous insurance mostly due to an overall increase in the property insurance premium cost.

6. Professional and Contractual Services:

- The increase of \$300,235 is driven by the addition of \$250,000 in order to provide some funding for a Council Budget Priority Request (Ordinance 2020-152-A) related to human trafficking. There was also a scheduled contractual increase of \$50,235 associated with the City's state-mandated in-jail substance abuse education, treatment, and case management services.

7. Other Operating Expenses:

- The \$6,509,450 is made up of various expenditures, the largest of which include state mandated funding for the Baker Act (\$1,219,264), welfare-shelter (\$1,047,974), and pool chemicals (\$507,000). In addition, there is \$1,738,410 related to repairs and maintenance and other operating supplies.

8. Grants, Aids & Contributions:

- The \$3,058,132 represents the City's match, which includes an overmatch of \$2,949,280, for the Jacksonville Senior Service Program. This combined with the grant of \$1,359,007 pays for salary and benefits of City employees and various contractual services.

SERVICE LEVEL CHANGES:

None

EMPLOYEE CAP CHANGES:

None

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FOOD AND BEVERAGES EXPENDITURES:

FY21 Proposed	Description of each Service/Event that requires the purchase of food/beverage	Explanation that the Service/Event serves a public purpose
8,910	To pay for food and non-alcoholic beverages at the COJ suite during Jaguar games.	The City's Jaguar Suite is used to showcase our stadium, our city and to entice business and other opportunities for our city.
3,000	This account funds supplies for the Family & Consumer Sciences program & partial Expanded Food & Nutrition program educational programming which will generate an annual projected average of 25,000 contacts reaching a range of groups including at-risk youth, seniors, limited income adults and general public.	All items are used in educational programming for teaching purposes only. These programs teach how to achieve a healthy lifestyle by using the dietary guidelines and food guide pyramid to establish eating patterns, manage resources and reduce the risk of certain chronic diseases.
6,000	More than 700 seniors throughout the community (Senior Centers, Senior residences, church groups, neighborhood associations etc) are invited to these meetings. Seniors have raised their families, owned businesses, worked hard over the years, this is a way to honor them and let them know their city cares about them.	More than 700 seniors throughout the community (Senior Centers, Senior residences, church groups, neighborhood associations etc) are invited to these meetings. Seniors have raised their families, owned businesses, worked hard over the years, this is a way to honor them and let them know their city cares about them.
2,500	SNL Nutrition program	Food for annual special events
9,600	SNL snacks	Snacks for SNL
500	Joseph Lee Day	Summer playday for approximately 500 kids
2,000	Annual special events	Food for annual special events
9,500	After school & summer program	Snacks for summer & after school programs

DIVISION CHANGES:

Parks & Recreation Division Expenses	2019/20 Adopted	2020/21 Proposed	\$ Change from FY 20	% Change from FY 20	
Disabled Services	\$ 678,997	\$ 680,824	\$ 1,827	0.3%	
Natural and Marine Resources	\$ 1,804,516	\$ 2,020,943	\$ 216,427	12.0%	A
Parks, Recreation & Community Services - Office of the Director	\$ 3,129,091	\$ 3,064,484	\$ (64,607)	-2.1%	B
Recreation and Community Programming	\$ 26,248,050	\$ 25,920,998	\$ (327,052)	-1.2%	C
Senior Services	\$ 6,242,424	\$ 6,162,805	\$ (79,619)	-1.3%	
Social Services	\$ 10,049,380	\$ 10,294,640	\$ 245,260	2.4%	D
Sports and Entertainment	\$ 793,369	\$ 933,938	\$ 140,569	17.7%	E
Department Total	\$ 48,945,827	\$ 49,078,632	\$ 132,805	0.3%	

- A** For Natural and Marine Resources, the net increase of \$216,427 is primarily due to three positions that moved in from the Office of the Director.
- B** For the Office of the Director the net decrease of \$64,607 is primarily due to the net effect of the three positions that were moved to Natural and Marine Resources (as noted above) and temporarily filling a vacancy at a higher rate in order to provide an Office Operations Manager for the Cooperative Extension Office while the University of Florida works to hire and train a new Director.

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C For Recreation and Community Programming the net decrease of \$327,052 is mainly due to decreases of:

- \$404,820 in various internal service allocations, including:
 - \$186,419 in computer system maintenance mostly due to decreases in wide area network charges and enterprise application service charges related to Citrix, Directory Services and Office 365;
 - \$71,398 in information technology replacements due to a lower number of computers that are scheduled to be refreshed;
 - \$63,846 in fleet parts, oil and gas charges based on decreases in fuel costs;
 - \$45,245 in fleet vehicle replacement due to more vehicles being paid off than added in recent years.
- \$71,317 in net general liability and miscellaneous insurance costs mostly due to positive claims experience.

The decreases were partially offset by an increase of \$149,016 in employee costs mostly due to an increase in the pension contribution and employee election changes.

D For Social Services the net increase of \$245,260 is mostly due to an increase of \$300,235 in professional and contractual services to provide some funding related to the human trafficking program as requested by Council (\$250,000) and for an increase in the contract cost for in-jail adult substance abuse education, treatment, and case management (\$50,235).

E For Sports and Entertainment the net increase of \$140,569 is primarily due to the additional allocation for space in the Ed Ball building noted above. Funding for event contributions is flat as shown below:

Event Contributions	FY 2019-20 Approved	FY 2020-21 Proposed
The Players Championship	75,000	75,000
Jacksonville Jaguar Suite Tickets	22,500	22,500
WW Ranch - Motocross Race	15,000	15,000
Spartan Race - Kids Race	10,000	10,000
2021 Junior World Skeet Championships	5,000	5,000
Walk-off Charities of Jax, Inc,	10,000	10,000
City Marketing Sponsorships	29,500	29,500
Total	\$ 167,000	\$ 167,000

RECOMMENDATIONS:

None.

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HUGUENOT PARK (FUND 11301)**

PROPOSED BUDGET BOOK – Page # 273 - 275

BACKGROUND:

The Huguenot Memorial Park Maintenance and Improvements and Lifeguard Services Trust Fund is governed by Ordinance Code Section 111.126. This trust fund is funded by entrance fees, annual pass fees, camper rentals, miscellaneous sales and charges, and concession commissions, as well as a subsidy from the General Fund/General Services District (Fund 00111). The code states that expenditures from the trust fund shall be for park maintenance, capital improvements and lifeguard services and to offset operating expenses associated with the park.

REVENUE:

1. Charges for Services
 - Entrance fees, annual passes and camper rental revenues are proposed at the same levels as FY 2019/20. This seems reasonable based on collections recent collections.
2. Transfers from Other Funds
 - The transfer from the General Fund/GSD of \$359,002 is to balance the fund.
3. Transfers from Fund Balance
 - There is no proposed transfer from fund balance in FY 2020/21 because none are projected to be available.

EXPENDITURES:

1. Salaries
 - The increase of \$1,007 in salaries is primarily due to an end of probation increase.
2. Salary & Benefit Lapse
 - There is a proposed salaries/benefits lapse of \$5,085 based on the average turnover ratio and estimated number of vacancies in FY 2020/21.
3. Pension Costs:
 - The increase of \$2,813 is primarily due to an increase in contributions to the general employee defined contribution plan.
4. Internal Service Charges
 - The decrease of \$22,398 is primarily due to a decrease in fleet vehicle replacement due to vehicles purchased in FY 2014/15 being paid off.
5. Insurance Costs and Premiums
 - The increase of \$1,331 is primarily due to an increase in direct billings related to insurance for watercrafts.

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HUGUENOT PARK (FUND 11301)**

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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.

SERVICE LEVEL CHANGES:

Huguenot Park is currently providing limited camper rental services due to the impacts of COVID-19.

EMPLOYEE CAP CHANGES:

None.

RECOMMENDATION:

None.

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PARKS, RECREATION AND COMMUNITY SERVICES
KATHRYN A. HANNA PARK (FUND 11302)**

PROPOSED BUDGET BOOK – Page # 276 - 278

BACKGROUND:

The Kathryn A. Hanna Park Maintenance and Improvements and Lifeguard Services Trust Fund was established by Section 111.125 of the Municipal Code to receive all revenues and interest earned by the City from admission fees, rentals of facilities, and other funds from activities and events occurring at Hanna Park. The generated revenues are used to offset the expenditures for personnel, operating, and capital outlay.

REVENUE:

1. Charges for Services
 - There is a \$15,000 decrease in entrance fees, which is consistent with recent activity levels.
2. Investment Pool / Interest Earnings
 - The decrease of \$6,900 is based on a slight decrease in the projected interest rate compared to the rate used in FY 2019/20.
3. Transfer from Fund Balance
 - There is no proposed transfer from fund balance. The amount budgeted in FY 2019/20 was related to the pension reform contingency.

EXPENDITURES:

1. Salaries
 - The increase of \$2,830 is primarily due to increases of \$1,195 in leave sellback based on projections by Employee Services and \$964 in salaries resulting from a few salary increases offset partly by employee turnover.
2. Salary & Benefit Lapse
 - There is a proposed salaries/benefits lapse of \$8,464 based on the average turnover ratio and estimated number of vacancies in FY 2020/21.
3. Pension Costs
 - The increase of \$23,484 is due to increases in the general employee pension plans. Specifically, the defined benefit pension contributions are increasing by \$18,759 based on an increase in the required contribution and the defined contributions plan are increasing by \$4,722 due to employee turnover.
4. Employer Provided Benefits
 - The increase of \$5,546 is primarily due to an increase in group hospitalization insurance based on health plan elections by employees.

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KATHRYN A. HANNA PARK (FUND 11302)**

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5. Insurance Costs and Premiums

- The increase of \$50,072 is due to increases of \$48,079 in general and auto liability insurance based on an increase in recent claims history and \$1,993 in miscellaneous insurance due to an increase in property insurance premium costs.

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.

7. Contingency

- There is no proposed contingency in FY 2020/21. The amount budgeted in FY 2019/20 was related to the pension reform.

8. Transfers to Other Funds

- The proposed transfer amount of \$200,000 to the capital project fund will be used to repair the onsite amphitheater.

9. General Fund Loan

- There is no General Fund/GSD loan repayment proposed in FY 2020/21 due to the loan being paid off in FY 2019/20. The funds were borrowed in FY 2018/19 to pay for capital projects using cash.

10. Cash Carryover

- This amount represents proposed revenues in excess of proposed expenditures.

SERVICE LEVEL CHANGES:

Hanna Park is currently providing limited camper rental services due to the impacts of COVID-19.

EMPLOYEE CAP CHANGES:

None.

RECOMMENDATION:

None.

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PARKS, RECREATION AND COMMUNITY SERVICES
FLORIDA BOATER IMPROVEMENT PROGRAM (FUND 11306)**

PROPOSED BUDGET BOOK – Page # 279-280

BACKGROUND:

Pursuant to Section 110.413 of the Municipal Code, this fund was established to provide boat-related activities (including recreational channel marking and public launching facilities); removal of floating structures deemed a hazard to public safety and health, and manatee and marine mammal protection. Funds are appropriated annually by City Council. Projects that cost \$30,000 or less are approved by the Director of Parks, Recreation and Community Services. Projects larger than \$30,000 require a separate approval of the Council. Revenues are derived from recreational vessel registration fees paid in accordance with Florida Statute 328.72. This is an “all years” sub-fund.

REVENUES:

1. Charges for Services:
 - The amount of \$120,000 represents the anticipated FY 2020/21 revenue for boat registration fees based on historical amounts from prior years.
2. Investment Pool/ Interest Earnings:
 - This represents an appropriation of existing investment pool earnings and is being used to balance the budget.

EXPENDITURES:

1. Professional and Contractual Services:
 - The amount of \$130,050 will be utilized for repairs of city-owned boat ramps or other allowable activities.

EMPLOYEE CAP CHANGES:

There are no authorized positions in this subfund.

RECOMMENDATIONS:

None.

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PARKS, RECREATION & COMMUNITY SERVICES
CECIL FIELD COMMERCE CENTER (FUND 11308)**

PROPOSED BUDGET BOOK - Page # 281-283

BACKGROUND:

The Cecil Field Commerce Center includes the community center, aquatics complex, and the athletic complex.

REVENUES:

1. Charges for Services:
 - This amount represents estimated revenue for entrance fees and organized event charges.
2. Transfers from Other Funds:
 - The amount of \$1,261,932 is a transfer from the General Fund/GSD to balance the fund.

EXPENDITURES:

1. Salaries:
 - The increase of \$3,484 is due to salary adjustments related to end of probation increases.
2. Salary and Benefit Lapse:
 - The proposed salaries and benefits lapse of \$3,071 is based on the average turnover ratio and estimated number of vacancies in FY 2020/21.
3. Pension Costs:
 - The increase of \$7,291 is mainly due to an increase in the required contribution for the City's defined benefit pension plan.
4. Employer Provided Benefits
 - The decrease of \$3,561 is mainly due to a decrease in group hospitalization insurance related to changes in employee elections.
5. Internal Service Charges:
 - The net increase of \$14,336 is mainly due a planned refresh of equipment in FY 2020/21 and an increase in computer system maintenance/security allocation related to increased charges for the new phone system.
6. Professional and Contractual Services:
 - The decrease of \$69,335 is due to reduced contract costs for maintenance at the Cecil Field Commerce Center related to an anticipated decrease in contract costs in FY 2020/21.
7. Indirect Costs:
 - The amount of \$150,241 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.

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 PARKS, RECREATION & COMMUNITY SERVICES
 CECIL FIELD COMMERCE CENTER (FUND 11308)**

PROPOSED BUDGET BOOK - Page # 281-283

SERVICE LEVEL CHANGES:

There is no change in service level.

EMPLOYEE CAP CHANGES:

There is no change in the employee cap.

FOOD AND BEVERAGES EXPENDITURES:

FY21 Proposed	Description of each Service/Event that requires the purchase of food/beverage	Explanation that the Service/Event serves a public purpose
125	Summer Enrichment Camp	End of the summer celebration/Joseph Lee Day
50	Homeschool Sports and Fitness Program	End of the year celebration - Recognize Accomplishments
100	Community Special Events	Quarterly family night out events in Aquatic Center / Community Center
200	Mommy and Me Toddler Program	Weekly time for parents and toddlers to participate in a structured program (tumbling, art, etc...)
125	Senior Time Out Program	Bi-weekly social time for neighborhood seniors

RECOMMENDATION:

None.

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PARKS, RECREATION, & COMMUNITY SERVICES
DERELICT VESSEL REMOVAL FUND (FUND 11543)**

PROPOSED BUDGET BOOK - Page # 288-289

BACKGROUND

This fund was established pursuant to 110.414 of the Municipal Code. This fund can be funded periodically by the City Council, also grant awards from the Florida Coastal Protection Trust Fund are to be deposited into this Fund without City Council action. Monies in this account are to be used to remove vessels that have been declared derelict by the Florida Fish and Wildlife Conservation Commission Division of law enforcement, or for the purpose outlined in the state grant. This is an all years' fund.

REVENUE

1. Transfers From Other Funds:

- This amount is a transfer from the General Fund/General Service District (Fund 00111) to fund the 2020 City Council budget priority request to provide funding for the removal of abandoned and derelict vessels and floating structures.

EXPENDITURES

2. Other Operating Expenses:

- This funding has been placed in demolition and site clearing within the Natural and Marine Resources Division for the removal of abandoned and derelict vessels and floating structures.

RECOMMENDATION

None.

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PARKS, RECREATION, AND COMMUNITY SERVICES
EQUESTRIAN CENTER – NFES HORSE (FUND 45102)**

PROPOSED BUDGET BOOK – Page #290-291

BACKGROUND:

Ordinance 2014-331-E transferred the management of the Equestrian Center from SMG to the Northeast Florida Equestrian Society (NFES)/H.O.R.S.E. Therapies, Inc. Ordinance 2015-620-E amended and restated the contract with NFES.

REVENUE:

Transfers from Other Funds:

- The FY 2020/21 proposed transfers, totaling \$466,139, include \$251,450 from the Taye Brown Regional Trust Fund (Fund 43303) and \$214,689 from the General Fund/GSD (Fund 00111).

EXPENDITURES:

Professional and Contractual Services:

- This amount will be paid to the Northeast Florida Equestrian Society to cover the gap between their estimated revenues and estimated expenditures of the Equestrian Center for Fiscal Year 2020/21.

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

There are no employees in this fund.

CONCERN:

The balance of the Taye Brown Regional Trust Fund (Fund 43303) has decreased from approximately \$1.3 million at the beginning of Fiscal Year 2014/15 to an estimated \$50,000 at the end of Fiscal Year 2019/20 due to annual contributions to the Equestrian Center. Based on annual revenue collections of about \$200,000 per year, the contribution from the General Fund/GSD may have to continue and even increase in future years unless there is a change to the operations of the Equestrian Center.

RECOMMENDATION:

None.

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PARKS, RECREATION & COMMUNITY SERVICES
SPECIAL EVENTS (FUND 00113)**

PROPOSED BUDGET BOOK - Page # 270-272

BACKGROUND:

Special Events is an activity under the Sports and Entertainment Division within the Department of Parks, Recreation and Community Services. Overall the budget within Special Events is budgeted with normal expenditures for normal events.

REVENUE:

1. Charges for Services:
 - The amount of \$76,000 represents the anticipated revenue from the sale of 1,000 tickets for the Florida/Georgia game that the City is contractually obligated to purchase.
2. Miscellaneous Revenue:
 - This amount of \$323,544 includes the Jaguars' portion for the cost of the risers for the temporary seating for the Florida/Georgia game due to the Club Improvements approved by Amendment #14 to the Jaguar Lease.
3. Investment Pool / Interest Earnings:
 - The amount of \$34,477 is the projected Investment Pool Earnings for FY 2020/21 based on available cash and the interest rate projected by Treasury.
4. Transfer From Other Funds:
 - The \$8,857,081 is transfer from the General Fund/GSD (Fund 00111) to support operations within the Office of Special Events. The increase of \$1,054,100 is for the Florida/Georgia game.
5. Transfers from Fund Balance:
 - The \$101,314 is the pension reform reserve being appropriated in order to fund additional costs related to the Florida/Georgia game.

EXPENDITURES:

1. Salaries:
 - The decrease of \$76,682 in salaries is primarily due to one less position as described in the employee cap changes section below.
2. Employer Provided Benefits:
 - The net decrease of \$21,792 is mostly due to the reduction of one position and employee election changes.
3. Pension Costs:
 - The decrease of \$47,373 is primarily due to the reduction of one position.

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SPECIAL EVENTS (FUND 00113)**

PROPOSED BUDGET BOOK - Page # 270-272

4. Internal Service Charges:

- The net decrease of \$159,812 is primarily due the following decreases:
 - \$66,304 in radio allocations mostly due to removal of the one-time costs for purchasing 30 radios in the current year;
 - \$46,480 in building cost allocations for the St. James Building due to a reduction in space due to moving some of the office to the Ed Ball Building;
 - \$29,678 for guard service and security cost allocations due to the removal of a direct billing that was specific to FY 2019/20;
 - \$17,283 in copy center charges due to less usage by the Department.

5. Insurance Costs and Premiums:

- The net increase of \$68,860 resulted from an increase of \$68,936 in miscellaneous insurance primarily due to a direct billing for special events insurance that is more than double the cost for FY 2019/20.

6. Other Operating Expenses:

- The increase of \$1,389,800 is for the Florida/Georgia game related to a new contract related to the game that is still in negotiations. This increase would be related to the guarantee payment to each school increasing from \$250,000 to \$1,000,000 in FY 2020/21.

7. Grants, Aids & Contributions:

- This amount includes a contribution of \$470,000 to other governments for travel related expenses for the Florida/Georgia game (\$350,000 for University of Georgia airfare and \$60,000 to each team for travel and lodging) and a contribution of \$84,875 to the Bob Hayes Track event. This amount also includes \$379,757 for a payment to the Jaguars for the loss of revenue for home game attributable to the temporary seating being erected for the Florida/Georgia game (See Recommendation Below).

8. Contingencies:

- The decrease of \$101,314 is due to the pension reform reserve being used to offset increases in costs and reduce the contribution from the General Fund/GSD.

Handout Continues on Next Page

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 SPECIAL EVENTS (FUND 00113)**

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Below is the cost for each proposed event:

Events Proposed FY 2020/21	Equipment Rentals	Advertising	Event Contribution	Misc. Services & Charges	Subsidies & Contributions To Other Gov	Subsidies & Contributions To Private Org	FY 2020/2021 Proposed	FY 19-20 Totals(*)	Inc. / (Dec.)
4TH OF JULY/ NYE CELEBRATION	12,500			48,600			61,100	61,100	-
LIGHT BOAT PARADE	4,500	6,000		49,500			60,000	60,000	-
BOB HAYES TRACK						84,875	84,875	84,875	-
FLORIDA / GEORGIA GAME	2,526,816	121,000	2,000,000	617,500	470,000	379,757	6,115,073	4,725,073	1,390,000
JAX BEACH FIREWORKS SUBSIDY				25,000			25,000	25,000	-
JAX HAPPENINGS	2,000	4,000		8,000			14,000	14,000	-
JAZZ FESTIVAL	15,000	4,500		394,174			413,674	413,674	-
MAYOR'S INITIATIVES	8,000	8,000		45,000			61,000	61,000	-
MEMORIAL WALL/ SEA & SKY	134,800			165,200			300,000	300,000	-
MLK JR BREAKFAST/ACTIVITIES	5,000	5,000		46,711			56,711	56,711	-
MUSIC FESTIVALS	2,500	3,000		20,000			25,500	25,500	-
VETERANS DAY PARADE	3,000	2,000		15,000			20,000	20,000	-
WORLD OF NATIONS	15,000	5,000		85,000			105,000	105,000	-
Total	\$2,729,116	\$ 158,500	\$2,000,000	\$1,519,685	\$ 470,000	\$ 464,632	\$ 7,341,933	\$5,951,933	\$1,390,000

*Excludes the cost of security.

FOOD AND BEVERAGE EXPENDITURES:

FY21 Proposed	Description of each Service/Event that requires the purchase of food/beverage	Explanation that the Service/Event serves a public purpose
34,422	City events including: Florida-Georgia Game, Sea and Sky, World of Nations, Jazz Festival.	Signature city event - supports volunteers/hospitality

SERVICE LEVEL CHANGES:

None

EMPLOYEE CAP CHANGES:

The authorized position cap is decreasing by one (1) position due to one position being transferred into the Office of Sports and Entertainment within the General Fund/GSD.

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COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2020/21 BUDGET
PARKS, RECREATION & COMMUNITY SERVICES
SPECIAL EVENTS (FUND 00113)**

PROPOSED BUDGET BOOK - Page # 270-272

RECOMMENDATIONS:

1. We recommend removing the funding of \$379,757 for payment to the Jaguars for lost revenue caused by the temporary seats for the Florida/Georgia game because of the timing of the Jaguar home games before (October 18) and after (November 8) the Florida/Georgia game (October 31). This should be offset by a reduction of the transfer in from the General Fund/GSD. **This will have a positive impact to special council contingency of \$379,757.**
2. We recommend that funding for temporary seating of \$2,077,011 for the Florida/Georgia game be removed due to expected capacity limits. This should be offset with a reduction in Miscellaneous Revenue of \$309,544 for the portion of the temporary seating paid for by the Jaguars and the remaining amount of \$1,767,467 should be offset by a reduction of the transfer in from the General Fund/GSD. **This will have a positive impact to special council contingency of \$1,767,467.**
3. We recommend the increase in contributions to each of the schools \$1.5 million total (\$750,000 each) for the Florida/Georgia game be placed below the line until a new contract is brought to City Council for approval. This will have no impact to Special Council Contingency.

ADDITIONAL RECOMMENDATIONS – TAX SLAYER BOWL GAME

4. We recommend that funding of \$409,000 for bleacher seating be removed from the budget. There is currently no contract in place and the requirement to provide these seats already ceased. **This will have a positive impact to Special Council Contingency of \$409,000.**
5. We recommend funding of \$444,234, for the Tax Slayer Bowl Game, be placed below the line until a new contract is brought forward for City Council approval. This would be added to the \$250,000 that is already included within a contingency related to the game. This will have no impact to Special Council Contingency.

The net positive impact to Special Council Contingency would be \$2,556,224.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2020/21 BUDGET
PARKS, RECREATION AND COMMUNITY SERVICES
CITY VENUES – CITY (FUND 47101)**

PROPOSED BUDGET BOOK – Page #294-296

BACKGROUND:

ASM Global has been retained by the City to manage six public facilities which include TIAA Bank Field, the VyStar Veterans Memorial Arena, Jacksonville Baseball Stadium, Times Union Center for the Performing Arts, Prime Osborn Convention Center, and the Ritz Theatre and Museum. A contract between the City and ASM Global (formerly SMG) was approved by Ordinance 2017-375-E. The contract has a term of April 1, 2017 to March 31, 2022 with two additional one-year renewal periods. This fund contains the City's costs related to the venues.

REVENUE:

1. Bed / Tourist Development Tax:
 - The decrease of \$3,568,533 in Tourist Development Tax is due to the economic impact of COVID-19.
2. Other Taxes:
 - The budgeted amount of \$2,000,004 is for the State Sales Tax Rebate, which is a distribution from the State for having a professional sports franchise.
3. Miscellaneous Revenue:
 - The budgeted amount of \$4,644,366 includes the following:
 - The Jaguar supplemental rent payment per Amendment #8 of the Jaguar Lease for TIAA Stadium for fiscal year 2020/2021 is \$3,883,700, which is a decrease of \$818,056, due to the supplemental rent for improvements under Amendment #7 falling off.
 - The Jumbo Shrimp rent payment for 121 Financial Park for fiscal year 2020/2021 is \$254,616 and 80% of the rental fee is deposited into this sub-fund which is \$203,693 and 20%, which is \$50,923, is deposited into the Capital Projects – City Venues Surcharge fund.
 - The VyStar naming rights payment for the arena fiscal year 2020/2021 is \$556,973.
4. Transfers from Other Funds:
 - The transfer of \$19,893,623 is from the General Fund/General Services District to balance revenues and expenditures. This represents an increase of \$3,473,650 from fiscal year 2019/2020.

EXPENDITURES:

1. Internal Service Charges:
 - The decrease of \$237,228 is primarily due to a decrease in Computer System Maintenance and Security of \$142,339 due to the elimination of enterprise allocation costs and a decrease of \$91,630 in ITD Replacements for the refresh of 39 computers in fiscal year 2020/2021 versus a refresh of 79 computers in fiscal year 2019/2020.

**COUNCIL AUDITOR'S OFFICE
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PARKS, RECREATION AND COMMUNITY SERVICES
CITY VENUES – CITY (FUND 47101)**

PROPOSED BUDGET BOOK – Page #294-296

2. Insurance Costs and Premiums:
 - The increase of \$256,361 is primarily due to an increase of \$543,338 in Miscellaneous Insurance for the increase in property insurance premiums. The increase is offset by a decrease of \$286,211 for a loss deductible that was paid in fiscal year 2019/2020 related to fire damage at the Times Union Center for the Performing Arts.
3. Professional and Contractual Services:
 - This is the contracted amount the City will pay ASM Global for the management of the facilities.
4. Other Operating Expenses:
 - This represents mostly utility expenses for the venues. The amount budgeted has remained flat in anticipation of a full schedule of events at the venues.
5. Capital Outlay:
 - Capital Outlay in the amount of \$590,898 includes \$265,000 in Other Heavy Equipment for tangible property at each of the venues, which could include housekeeping equipment, operations equipment, and event equipment. There is also \$325,898 in Other Construction Costs at the Vystar Veteran Memorial Arena.
6. Debt Service:
 - The \$10,191,806 is a transfer to City Venues – Debt for TIAA Bank Field bond payments:
 - \$6,445,000 in principal payments
 - \$3,745,806 in interest payments
 - \$1,000 for fiscal agent fees
7. Debt Management Fund Repayments:
 - The last payment was made for the Stadium Wi-Fi improvements in fiscal year 2019/2020.
8. Transfers to Other Funds:
 - The transfer of \$12,953,167 includes the following:
 - \$12,797,470 transfer to City Venues – ASM to balance the budget within City Venues – ASM, which is an increase of \$163,590.
 - \$100,000 for a payback of a \$2,115,000 loan from the General Capital Projects fund approved by the fiscal year 2003/2004 Budget Ordinance 2003-876-E. This will be the last payment for this loan.
 - \$55,697 transfer to the Veterans Memorial Arena Trust, which represents 10% of the annual Naming Rights Fee paid by VyStar.

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PARKS, RECREATION AND COMMUNITY SERVICES
CITY VENUES – CITY (FUND 47101)**

PROPOSED BUDGET BOOK – Page #294-296

EMPLOYEE CAP CHANGES:

There are no City employees associated with this sub-fund.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
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PARKS, RECREATION AND COMMUNITY SERVICES
CITY VENUES – ASM (FUND 47102)**

PROPOSED BUDGET BOOK – Page #297-298

BACKGROUND:

ASM (formerly SMG) has been retained by the City to manage six public facilities which include TIAA Bank Field, the VyStar Veterans Memorial Arena, Jacksonville Baseball Stadium, Times Union Center for the Performing Arts, Prime Osborn Convention Center, and the Ritz Theatre and Museum. A contract between the City and ASM was approved by Ordinance 2017-375-E. The contract has a term of April 1, 2017 to March 31, 2022 with two additional one-year renewal periods. This fund contains ASM's costs related to the operation and management of the venues.

REVENUE:

1. Charges for Services:
 - The increase of \$459,340 is primarily due to the following:
 - An increase of \$589,000 in Other Ticket Surcharge – Incentive Fees and an increase of \$434,324 in Contractual Services Revenue primarily due to the anticipation of hosting the fiscal year 2019/2020 postponed events in fiscal year 2020/2021 and the budgeted events for fiscal year 2020/2021.
 - The increases are offset by a decrease of \$613,984 in Parking Fees in anticipation of parking lots at the sports complex being unavailable due to the Hart Bridge construction.
2. Miscellaneous Revenue:
 - The increase of \$737,288 is primarily due to increases of \$181,081 in Rental of City Facilities and \$500,593 in Concession Sales for the budgeting of a concert to be held at TIAA Bank Field.
3. Transfers from Other Funds:
 - The transfer of \$12,797,470 is from the City Venues – City fund, which is ultimately from the General Fund/GSD.

EXPENDITURES:

1. Salaries:
 - The decrease of \$634,830 is due to in house 24/7 security being eliminated and contracted out.
2. Employer Provided Benefits:
 - The decrease of \$178,208 is due to in house 24/7 security being contracted out.

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CITY VENUES – ASM (FUND 47102)**

PROPOSED BUDGET BOOK – Page #297-298

3. Professional and Contractual Services:

- The increase of \$2,069,539 is primarily due to the following:
 - An increase of \$908,839 in Contractual Services due to the anticipation of hosting the fiscal year 2019/2020 postponed events in fiscal year 2020/2021 and the budgeted events for fiscal year 2020/2021.
 - An increase of approximately \$843,000 for the outsourcing of 24/7 security.
 - An increase of \$198,600 for Contractual Services – JSO & JFRD.

EMPLOYEE CAP CHANGES:

There are no City employees associated with this sub-fund.

RECOMMENDATION:

None.

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PARKS, RECREATION AND COMMUNITY SERVICES
CAPITAL PROJECTS – CITY VENUES SURCHARGE (FUND 47103)**

PROPOSED BUDGET BOOK – Page #299-300

BACKGROUND:

This fund includes the budgeted ticket surcharges authorized by Ordinance Code Section 123.102(i) which can only be used for capital expenditures and capital maintenance. The facilities that have a ticket surcharge include TIAA Bank Field, the Baseball Stadium, the VyStar Veterans Memorial Arena and the Times Union Center for the Performing Arts.

REVENUE:

1. Charges for Services:
 - The amount of \$2,082,656 includes:
 - The NFL Ticket Surcharge in the amount of \$990,171 which is a decrease of \$585,304.
 - The Facility Fees (Ticket User Fees) in the amount of \$1,092,485 from TIAA Bank Field, VyStar Veterans Memorial Arena, Baseball Stadium, and the Times Union Center for the Performing Arts. This represents a decrease of \$1,027,645.
 - Since this fund is an all years fund the decreases are to help offset the fiscal year 2019/2020 revenue shortfalls.
2. Rental of City Facilities:
 - The amount \$50,923 represents 20% of the annual rental fee for the Baseball Stadium. Pursuant to Ordinance 2018-574-E, 20% of the annual rental fee is to be deposited into this fund to be used for capital maintenance and capital expenditures at the Baseball Stadium.

EXPENDITURES:

1. Capital Outlay:
 - The capital funding for each of the venues is listed on the following page, which is based on the projected surcharge revenue for each venue. Consistent with the prior year, an expense for Administrative Support Costs is included at an amount of \$53,339. The Administrative Support Cost is 2.5% of the total available funds and is used by ASM to hire a contract employee to manage projects.

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 PARKS, RECREATION AND COMMUNITY SERVICES
 CAPITAL PROJECTS – CITY VENUES SURCHARGE (FUND 47103)**

PROPOSED BUDGET BOOK – Page #299-300

	Description	Amount
<u>TIAA Bank Field</u>		
Building Systems	Safety Systems Fall Protection	\$ 10,000
Exterior Finishes	Shade Structures (Gates - over screening and ticket scanning)	\$ 425,000
Interior Finishes	Concourse and Restroom Finishes	\$ 517,854
Security and Access Control	X-ray Machines, Safety	\$ 150,000
	Total	\$ 1,102,854
<u>Baseball Stadium</u>		
Building Systems	Dugout/Bleachers/Miscellaneous	\$ 58,883
	Total	\$ 58,883
<u>VyStar Veterans Memorial Arena</u>		
Building Systems	Fall Arrest, Safety Systems Fall Protection, Lighting, New Lighting Controller and Repairs, Fire Alarm, Ice Plant, Miscellaneous Contingencies	\$ 444,702
Food Service	Food Service Equipment	\$ 50,000
Interior Finishes	Suite Level and Club Flooring	\$ 50,000
Security and Access Controls	Catwalk Door	\$ 5,000
	Total	\$ 549,702
<u>Times Union Center for the Performing Arts</u>		
Building Systems	Chillers	\$ 368,801
	Total	\$ 368,801
	Total Requested Projects	\$ 2,080,240
	Administrative Support Costs	\$ 53,340
	FY 20 Total Budget	\$ 2,133,579

EMPLOYEE CAP CHANGES:

There are no City positions associated with this sub-fund.

RECOMMENDATIONS:

None

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CITY VENUES – DEBT SERVICE (FUND 47105)**

PROPOSED BUDGET BOOK – Page #301-302

BACKGROUND:

This subfund is for the debt payments related to each venue managed by ASM Global.

REVENUE:

1. Investment Pool/Interest Earnings:
 - The budgeted amount of \$68,652 is the projected Investment Pool Earnings for fiscal year 2020/2021 based on available cash and the interest rate projected by Treasury.
2. Transfers from Other Funds:
 - The transfer of \$2,123,525 is a transfer from the Sports Complex Capital Maintenance Enterprise Fund.
3. Transfer In to Pay Debt Service:
 - The transfer of \$19,164,172 includes:
 - \$5,712,258 from the Better Jacksonville Trust Fund for the VyStar Veterans Memorial Arena and Baseball Stadium debt
 - \$3,260,108 from the Sports Complex Capital Maintenance Enterprise Fund for the Scoreboard electronics and infrastructure
 - \$10,191,806 from the City Venues – City for TIAA Bank Field

EXPENDITURES:

1. Fiscal and Other Debt Fees:
 - The debt service payments include principal and interest costs and fiscal agent fees, which are based on a repayment schedule that was established at the time the bonds were issued. See the table on the following page for fiscal year 2020/2021 payments.
2. Debt Management Fund Repayments:
 - The \$2,123,525 is the principal (\$600,000) and interest (\$1,523,525) payments to the Debt Management Fund for the Amphitheater and Covered Flex Field approved through Amendment #14 of the Jaguar Lease.

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 CITY VENUES – DEBT SERVICE (FUND 47105)**

PROPOSED BUDGET BOOK – Page #301-302

TIAA Bank Field

Account Title	Principal	Interest	Fiscal Agent Fee	Total
2012 Capital Improvement Revenue Refunding Bonds	\$6,445,000	\$3,787,500	\$1,000	\$10,233,500
Short-term Debt - Scoreboard (Electronics)	1,000,000	472,500	1,000	1,473,500
2017A Special Revenue Bonds	785,000	1,014,250	0	1,799,250
Total	\$8,230,000	\$5,274,250	\$2,000	\$13,506,250

VyStar Veterans Memorial Arena

Account Title	Principal	Interest	Fiscal Agent Fee	Total
2012 Better Jacksonville Sales Tax Revenue Refunding Bonds	\$0	\$1,611,335	\$0	\$1,611,335
2012A Better Jacksonville Sales Tax Revenue Refunding Bonds	0	2,918,500	0	2,918,500
Total	\$0	\$4,529,835	\$0	\$4,529,835

Baseball Stadium

Account Title	Principal	Interest	Fiscal Agent Fee	Total
2012 Better Jacksonville Sales Tax Revenue Refunding Bonds	\$0	\$425,489	\$0	\$425,489
2012A Better Jacksonville Sales Tax Revenue Refunding Bonds	0	771,250	0	771,250
Total	\$0	\$1,196,739	\$0	\$1,196,739
Total Debt Payments for City Venues	\$8,230,000	\$11,000,824	\$2,000	\$19,232,824

EMPLOYEE CAP CHANGES:

There are no City positions associated with this sub-fund.

RECOMMENDATIONS:

None

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PARKS, RECREATION AND COMMUNITY SERVICES
SPORTS COMPLEX CAPITAL MAINTENANCE ENTERPRISE FUND (FUND 46101)**

PROPOSED BUDGET BOOK – Page #292-293

BACKGROUND:

Ordinance 2009-817-E mandates that the Convention Development Tax collected pursuant to Municipal Code Chapter 764, be allocated to the Sports Complex Capital Maintenance Enterprise Fund. These funds are to be used exclusively to construct, extend, enlarge, remodel, repair, improve or maintain the Sports Complex which includes TIAA Bank Field, VyStar Veterans Memorial Arena and the Jacksonville Baseball Stadium.

Pursuant to Section 6(d) of Amendment #12 and Section 9(d) of Amendment #14 to the Jaguar Lease, the City will use part of the Convention Development Tax revenues to make the principal and interest payments on the \$43,109,000 City share of the North End Zone and Video Board Improvements and the \$45,000,000 City share of the 2015 Stadium Improvements, respectively. This is an “all years” fund.

REVENUES:

1. Taxes:
 - The decrease of \$3,367,129 in Conventional Development Tax is due to the economic impact of COVID-19. (Note – This revenue is partially shared with the Beaches and Baldwin and that is why \$4,716,000 is budgeted instead of \$5,000,000 like the Tourist Development Tax).
2. Investment Pool/Interest Earnings:
 - There is not a budgeted amount for Investment Pool Earnings for fiscal year 2020/2021 based on the current condition of the fund.
3. Transfers from Other Funds:
 - The amount of \$667,633 is a transfer from the General Fund/GSD to help cover the debt service payments in fiscal year 2020/2021.

EXPENDITURES:

1. Capital Outlay:
 - The decrease of \$2,888,672 in Capital Outlay is due to the fund not having excess revenue available, after debt service payments have been budgeted, to fund capital improvement projects for fiscal year 2020/2021 at the sports complex. Although there are no capital improvements budgeted for fiscal year 2020/2021, there were two bills that appropriated money in this current fiscal year for TIAA Bank Field for the repair and replacement of critical systems. The two ordinances are listed below:
 - 2020-250-E appropriated \$2,200,000 from the General Fund/GSD fund balance
 - 2020-263-E authorized the borrowing from the City’s commercial paper facility and/or issuance of fixed-rate debt in the amount of \$5,800,000.

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PARKS, RECREATION AND COMMUNITY SERVICES
SPORTS COMPLEX CAPITAL MAINTENANCE ENTERPRISE FUND (FUND 46101)**

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2. Debt Service:
 - The \$3,260,108 is a transfer to the City Venues – Debt fund for the Scoreboard electronics and infrastructure.

3. Transfers to Other Funds:
 - The transfer of \$2,123,525 is a transfer to the City Venues – Debt fund for the principal and interest payments to the Debt Management Fund for the Amphitheater and Covered Flex Field approved through Amendment #14 of the Jaguar Lease.

EMPLOYEE CAP CHANGES:

There are no City employees associated with this sub-fund.

RECOMMENDATION:

None

**COUNCIL AUDITOR'S OFFICE
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PARKS, RECREATION AND COMMUNITY SERVICES
VETERANS MEMORIAL ARENA TRUST (FUND 11518)**

PROPOSED BUDGET BOOK – Page #286-287

BACKGROUND:

Section 111.255 requires that the City annually deposit ten percent of the City's annual license fee revenues received pursuant to the VyStar Arena Naming Rights Agreement into the Veterans Memorial Arena Trust Fund. The purpose of the trust fund is to provide periodic funding to support veterans' programs and initiatives for veterans residing in Duval County. The Veterans Council of Duval County (VCDC) will evaluate eligible programs and initiatives and make funding recommendations by April 1 of each year. This is an all years' fund.

REVENUE:

1. Transfers from Other Funds:
 - The budgeted amount of \$55,697 represents ten percent of the fiscal year 2020/2021 license fee pursuant to the VyStar Arena Naming Rights Agreement.

EXPENDITURES:

1. Contingencies:
 - The budgeted amount of \$55,697 has been placed into a contingency line pending funding recommendations from the VCDC.

EMPLOYEE CAP CHANGES:

There are no City positions associated with this sub-fund.

RECOMMENDATIONS:

None