

# **OFFICE OF THE COUNCIL AUDITOR**

## **FY 2020/2021 PROPOSED BUDGET**

### **FINANCE COMMITTEE MEMBERS**

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**Meeting #4**  
**August 14, 2020**

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

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**PROPOSED BUDGET BOOK - Page # 95-96**

**BACKGROUND:**

The Downtown Investment Authority (DIA) was created by Ordinance 2012-364-E to revitalize Jacksonville's urban core by utilizing community redevelopment area (CRA) resources to spur economic development. The agency has oversight for the development for the existing Downtown Northbank CRA and the Southbank CRA. This portion of the department's budget only includes the General Fund / General Services District activities.

**REVENUE:**

1. Miscellaneous Revenue:

- This amount totaling \$51,300 includes revenue for the rental of City facilities for the River City Brewing Company lease payment and fees for applications that are submitted to the Downtown Development Review Board.

**EXPENDITURES:**

1. Salaries:

- The increase of \$57,678 is primarily due to filling vacant positions in FY2019/20 at a higher than budgeted amount.

2. Pension Costs:

- The increase of \$24,475 is mainly due to an increase of \$18,222 in City's contribution to the Defined Benefits Pension Plan based on the most recent actuarial study and an increase of \$6,081 in the Defined Contribution Pension Plan attributable to new employees being enrolled in this plan.

3. Employer Provided Benefits:

- The decrease of \$11,385 is mainly due to a decrease in health insurance based on employee elections.

4. Internal Service Charges:

- The increase of \$63,245 is mainly due to an increase of \$39,216 in legal service costs based on prior years actuals and an increase of \$19,828 in computer system maintenance and security costs due to the maintenance of the DIA website and the addition of voice and fax service charges.

5. Insurance Costs and Premiums:

- The increase of \$8,738 is mainly due to the addition of \$7,941 in miscellaneous insurance associated with the purchase of drive cam licenses. (See recommendation below)

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

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6. Professional and Contractual Services:

- This amount represents various contractual and professional services such as appraisals, environmental monitoring, transcription services, audits, and special projects. The decrease of \$30,000 is based on current year actuals.

7. Other Operating Expenses:

The increase of \$23,175 is mainly due to an increase of \$10,000 in advertising and promotions and an addition of \$10,000 in event contributions for the Downtown Concert Series.

8. Supervision Allocation:

- This amount represents the administration cost of the Downtown Investment Authority for the supervision of Public Parking (Fund 41102) and the CRA activities.

**FOOD AND BEVERAGE EXPENDITURES:**

Amount	Description of each Service/Event that requires the purchase of food/beverage	Explanation that the Service/Event serves a public purpose
\$750	DIA Public Meetings	Water, coffee, tea associated with holding Public Meetings.

**EMPLOYEE CAP CHANGES:**

There are no changes to employee cap, but 200 unfunded part-time hours were added in case a part-time employee is needed in FY 2020/21.

**SERVICE LEVEL CHANGES:**

None.

**RECOMMENDATIONS:**

We recommend that \$7,941 in miscellaneous insurance be moved from out of the General Fund/GSD activity and into Public Parking - Parking Enforcement since this expenditure relates to drive cams licenses used by that area. This will be offset by an increase in transfer from fund balance within Public Parking. This will have a positive impact of \$7,941 to Special Council Contingency.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2020/21 BUDGET  
DOWNTOWN INVESTMENT AUTHORITY  
PUBLIC PARKING (FUND 41102)**

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**PROPOSED BUDGET BOOK - Page # 97-99**

**BACKGROUND:**

The Office of Public Parking is a part of the Downtown Investment Authority. The agency manages parking lots (Bay/Ocean Street, Courthouse/Liberty Street, Forsyth Street, Jacksonville Landing, and five parking lots in the Southbank area) and garages (Ed Ball, Main Library, St. James Building, Water Street, and Yates Building). Revenues are generated through daily and monthly parking fees, as well as other fines and forfeitures.

**REVENUE:**

1. Charges for Services:

- The net decrease of \$329,787 is primarily due to decreases of:
  - \$198,649 in monthly parking fees due to an anticipated increase of parkers working from home.
  - \$81,746 in daily parking fees due to the decrease in downtown traffic.
  - \$48,632 in parking late fees based on prior year actuals.
  - \$36,417 in special event parking fees based on the anticipated cancelling of special events and reduced attendance.
  - \$24,247 in the delinquent parking fees received from collections based on prior year actuals.
- The decrease is partially offset by an increase of \$33,340 in out of service parking meters and a decrease of \$27,677 in fees paid to collection companies based on prior year actuals.

2. Fines and Forfeits:

- The decrease of \$159,635 is mainly due to a decrease of \$154,367 in net parking fines related to reduced traffic and increased compliance because of COVID-19.

3. Investment Pool / Interest Earnings:

- The decrease of \$15,035 is based on the available cash balance and the projected interest rate.

4. Transfer from Fund Balance:

- This amount represents a transfer from Fund Balance of \$196,021 used to balance the fund. Part of this is the pension reform reserve balance of \$176,794.

**EXPENDITURES:**

1. Salaries:

- The net decrease of \$36,805 is mostly due to a decrease in Permanent and Probationary Salaries of \$26,887 due to employee turnover at lower rates and decrease of leave sellback of \$9,031.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2020/21 BUDGET  
DOWNTOWN INVESTMENT AUTHORITY  
PUBLIC PARKING (FUND 41102)**

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**PROPOSED BUDGET BOOK - Page # 97-99**

2. Salary & 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.
3. Pension Costs:
  - The net increase of \$10,994 is due to an increase in the required contribution to the general employees defined benefit plan.
4. Employer Provided Benefits:
  - The decrease of \$23,535 is mainly due to a decrease of \$13,159 in Group Hospitalization Insurance due to employee elections and a decrease of \$9,965 in Worker's Compensation costs due to recent favorable claims experience.
5. Internal Service Charges:
  - The net decrease of \$88,838 is mainly due to decreases of:
    - \$65,059 in computer costs related to the implementation of the parking citation management system, debt collection system, and new phone system in FY 2019/20.
    - \$25,779 in vehicle replacement costs due to a vehicle purchased in FY 2019/20 that was paid back in one year.
6. Insurance Costs and Premiums:
  - The increase of \$33,975 is primarily due to an increase in miscellaneous insurance resulting from an increase in property insurance premium costs citywide.
7. Other Operating Expenses:
  - The decrease of \$27,784 is primarily due a decrease in repairs and maintenance costs based on prior year actuals.
8. Capital Outlay:
  - The decrease of \$214,696 is due to the removal of one-time costs in FY 2019/20 for the installation of CCTV security surveillance systems at the Yates and Library garages.
9. Supervision Allocation:
  - This amount represents the share of the departmental administration costs from the Downtown Investment Authority which are allocated to this fund. The increase of \$88,864 is due to an update to the time allocated to this area in the supervision allocation calculation.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2020/21 BUDGET  
DOWNTOWN INVESTMENT AUTHORITY  
PUBLIC PARKING (FUND 41102)**

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**PROPOSED BUDGET BOOK - Page # 97-99**

10. 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.

11. Contingency:

- The contingency is being utilized to help balance the FY 2020/21 budget.

12. Cash Carryover:

- This represented the amount that revenues exceeded expenses in FY 2019/20.

**CAPITAL OUTLAY CARRYFORWARDS:**

Per Schedule AF, the proposed capital carryforward total is an amount not to exceed \$214,693 and includes the following estimates for equipment which might not be purchased by the end of the year:

- \$123,725 for the installation of a CCTV security surveillance system at the Yates Building Garage.
- \$90,968 for the installation of a CCTV security surveillance system at the Main Library Garage.

**EMPLOYEE CAP CHANGES:**

None.

**SERVICE LEVEL CHANGES:**

Public Parking began managing the parking lot at the old Jacksonville Landing during FY 2019/20.

**RECOMMENDATION:**

We recommend that Schedule AF be revised to include carryovers of:

- \$264,623 for the installation of a CCTV security surveillance system at the Water Street Garage.
- \$25,058 for the replacement of parking meters on Riverplace Boulevard.

This recommendation has no impact to Special Council Contingency.

**COUNCIL AUDITOR'S OFFICE  
CITY OF JACKSONVILLE  
DOWNTOWN NORTHBANK CRA TRUST (FUND 10801)  
2020/21 MAYOR'S PROPOSED BUDGET**

**BUDGET BOOK REFERENCE - PAGE #55-56**

	<b>2019/20 APPROVED BUDGET</b>	<b>2020/21 PROPOSED BUDGET</b>	<b>INCREASE/ (DECREASE)</b>	<b>Footnote</b>
<b>REVENUES</b>				
Property Taxes - Northeast USD1-C	\$ 3,142,573	\$ 3,357,257	\$ 214,684	(A)
Property Taxes - Northwest USD1-B	5,619,545	6,081,017	461,472	(A)
Debt Repayment (Lynch /11E)	595,247	595,247	0	(B)
Debt Repayment (Carling Loan)	506,487	506,487	0	(C)
<b>Total Revenues:</b>	<b>\$ 9,863,852</b>	<b>\$ 10,540,008</b>	<b>\$ 676,156</b>	
<b>EXPENDITURES</b>				
Administrative Expenditures				
Supervision Allocation	434,063	773,696	339,633	(D)
Professional Services	51,782	-	(51,782)	(E)
Advertising and Promotion	100,000	100,000	-	
Annual Independent Audit	2,500	2,500	-	
Total Administrative Expenditures:	588,345	876,196	287,851	
Financial Obligations				
Recaptured Enhanced Value (REV) grants				
Hallmark / 220 Riverside (leg: 2012-270)	372,960	399,502	26,542	
Pope & Land / Brooklyn (leg: 2012-703 amend: 2013-288)	336,700	397,572	60,872	
Lofts at Jefferson Station (DIA resolution 2017-10-05)	-	157,000	157,000	(F)
MPS Subsidy Downtown Garages	4,200,000	5,000,000	800,000	(G)
Parking Lease - JTA / Fidelity	13,494	-	(13,494)	(H)
Commercial Revitalization Program	5,000	-	(5,000)	
Debt Service / Loan Repayments				
CDBG Loan Repayment - MOCA	75,000	-	(75,000)	(I)
Lynch Bldg Loan Repayment	800,000	800,000	-	(J)
Total Financial Obligations:	5,803,154	6,754,074	950,920	
Plan Authorized Expenditures				
Professional Services	-	50,000	50,000	(K)
Downtown Master Plan	200,000	-	(200,000)	
Downtown Development Loans	950,000	-	(950,000)	
Retail Enhancement Program	307,242	-	(307,242)	
Waterfront Activation	500,000	-	(500,000)	
Unallocated Plan Authorized Expenditures	1,515,111	2,859,738	1,344,627	(L)
Total Plan Authorized Expenditures:	3,472,353	2,909,738	(562,615)	
<b>Total Expenditures:</b>	<b>\$ 9,863,852</b>	<b>\$ 10,540,008</b>	<b>\$ 676,156</b>	



**COUNCIL AUDITOR'S OFFICE  
CITY OF JACKSONVILLE  
DOWNTOWN NORTHBANK CRA TRUST (FUND 10801)  
2020/21 MAYOR'S PROPOSED BUDGET**

**Revenue**

(A) The Mayor's proposed ad valorem tax revenue is calculated as follows:

	Northbank West USD1B 1981	Northbank East USD1C 1984	
Base Year	<u>1981</u>	<u>1984</u>	
Preliminary Taxable Values	\$ 774,077,727	\$ 510,604,413	
Less Taxable Value in Base Year	<u>214,636,423</u>	<u>201,743,546</u>	
<b>Taxable Value Incremental Increases</b>	<b><u>\$ 559,441,304</u></b>	<b><u>\$ 308,860,867</u></b>	
Taxable Value Percentage Changes	260.6%	153.1%	
Operating Millage Rates	11.4419	11.4419	mills
Collection Rate	95.0%	95.0%	
Total Ad Valorem Revenue	\$ 6,081,018	\$ 3,357,257	

(B) This amount represents the repayment for the Lynch/11E Building redevelopment loan pursuant to the amortization schedule approved by Ord. 2014-280-E. The Budget Ordinance 2020-504 includes a waiver of Ord. 2000-1079-E and 2001-795-E in order to deposit this revenue in Fund 10801 instead of the Downtown Economic Development Fund (00116).

(C) This amount represents the repayment for the Carling/Roosevelt Building redevelopment loan pursuant to the amortization schedule approved by Ord. 2014-280-E.

**Expenditures**

(D) The FY 2020/21 amount of \$773,696 represents an allocation of DIA's personnel costs, internal service allocations, and various administrative costs (workers' compensation, travel, liability insurance, miscellaneous services and charges, office supplies, training, and dues and subscriptions) based on the Northbank CRA's proportionate share of those costs.

(E) The budgeted amount in the prior year was a one-time expenditure for website development.

(F) DIA Resolution 2017-10-05 authorized an economic development agreement for the construction of a residential apartment complex located at 799 Water Street. The economic development agreement authorized a REV grant in a total amount not to exceed \$2,980,000.

(G) The City has an agreement with MPS to construct and operate three downtown parking garages (Sports Complex, Arena, and Courthouse). The City makes semi-annual loans to MPS in order to ensure cash flows sufficient to cover all operating and ownership expenses, required reserves, a 6.75% return on the \$3 million ownership equity (8.75% if performance goals are met) and a Debt Service Coverage Ratio of 1.0. The increase of \$800,000 is to cover anticipated losses incurred during periods when revenue at the sports complex garages and at the Courthouse garages have been severely impacted by COVID-19 closures.

(H) The Parking Lease - JTA / Fidelity relates to a small piece of leased property next to the Fuller Warren bridge on the Northbank between Riverside Ave. and the river used for parking. The rent due is currently suspended per the lease terms because of FDOT's current construction project on the Fuller Warren. The lease remains in effect and rent will resume when the project is completed.

(I) The Contribution to Community Development was the annual payment on the CDBG loan for the Museum of Contemporary Art. This was an interest-free loan of \$1,500,000 to be repaid in twenty annual installments of \$75,000. The FY 19/20 payment was the final installment.

(J) This amount represents the annual loan repayment to the Self-Insurance fund (56101) for the Lynch Building/11E redevelopment project. The City borrowed \$17,816,000 from the City's Self-Insurance fund to finance the project. The loan is scheduled to be paid off 7/1/2033 per the revised amortization schedule approved by Ordinance 2017-504-E.

**COUNCIL AUDITOR'S OFFICE  
CITY OF JACKSONVILLE  
DOWNTOWN NORTHBANK CRA TRUST (FUND 10801)  
2020/21 MAYOR'S PROPOSED BUDGET**

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(K) This amount is to provide some flexibility for this fund.

(L) This amount represents the balance of budgeted revenue in excess of budgeted expenditures, which can be reallocated by the DIA Board at a future date.

**Recommendations**

We recommend making the following expenditure changes to align the proposed budget to the budget approved by the DIA board:

Add \$100,000 in plan authorized expenditures for bid and CRA plan update.

Add \$400,000 in plan authorized expenditures for Retail Enhancement Program.

Add \$100,000 in plan authorized expenditures for the Waterfront Activation.

Add \$262,006 in plan authorized expenditures for the Facade Grant Program.

Add \$1,500,000 in plan authorized expenditures for the two way conversion of Forsyth and Adams street.

(Move \$100,000 in advertising and promotion from the administrative expenditure section to create a marketing line in the plan authorized expenditure section of the Budget Ordinance Schedule V.)

This will be offset by a decrease of \$2,362,006 in unallocated plan authorized expenditures.

We recommend that Budget Ordinance Schedule V be revised to reflect the recommendations above and reflect the schedule as shown on the following page. None of these recommendations have an impact on Special Council Contingency.

**DOWNTOWN NORTHBANK CRA TRUST  
FUND 10801**

<b>REVENUES</b>	FY21 Proposed
Property Taxes - Northwest USD1-B	6,081,017
Property Taxes - Northeast USD1-C	3,357,257
Debt Repayment (Lynch /11E)	595,247
Debt Repayment (Carling Loan)	506,487
Total Revenues:	<u>10,540,008</u>

<b>EXPENDITURES</b>	FY21 Proposed
<b>Administrative Expenditures</b>	
Supervision Allocation	773,696
Advertising and Promotion	-
Annual Independent Audit	2,500
Total Administrative Expenditures:	<u>776,196</u>
<b>Financial Obligations</b>	
Recaptured Enhanced Value (REV) grants	
Hallmark / 220 Riverside (leg: 2012-270)	399,502
Pope & Land / Brooklyn (leg: 2012-703 amend: 2013-288)	397,572
Lofts at Jefferson Station (DIA resolution 2017-10-05)	157,000
MPS Subsidy Downtown Garages	5,000,000
Lynch Bldg Loan Repayment	800,000
Total Financial Obligations:	<u>6,754,074</u>
<b>Plan Authorized Expenditures</b>	
Professional Services	50,000
Bid and CRA Plan Update	100,000
Retail Enhancement Program	400,000
Waterfront Activation	100,000
Façade Grant Program	262,006
Marketing	100,000
Two Way Conversion - Forsyth & Adams	1,500,000
Unallocated Plan Authorized Expenditures	497,732
Total Plan Authorized Expenditures:	<u>3,009,738</u>
Total Expenditures:	<u>10,540,008</u>

**COUNCIL AUDITOR'S OFFICE  
CITY OF JACKSONVILLE  
DOWNTOWN SOUTHBANK CRA TRUST (FUND 10802)  
2020/21 MAYOR'S PROPOSED BUDGET  
BUDGET BOOK REFERENCE - PAGE #57-58**

	<u>2019/20 APPROVED BUDGET</u>	<u>2020/21 PROPOSED BUDGET</u>	<u>INCREASE/ (DECREASE)</u>	<u>Footnote</u>
<b>REVENUES</b>				
Property Taxes	4,707,693	5,618,309	910,616	(A)
<b>Total Revenues:</b>	<u><b>4,707,693</b></u>	<u><b>5,618,309</b></u>	<u><b>910,616</b></u>	
<b>EXPENDITURES</b>				
Administrative Expenditures				
Supervision Allocation	420,815	326,684	(94,131)	(B)
Professional Services	-	-	-	
Annual Independent Audit	2,500	2,500	-	
Total Administrative Expenditures:	<u>423,315</u>	<u>329,184</u>	<u>(94,131)</u>	
Financial Obligations				
Recaptured Enhanced Value (REV) grants				
Strand (leg: 2001-1329 amend: 2002-755 & 2006-1131)	440,300	496,006	55,706	
Peninsula (leg: 2001-1329 amend: 2002-755 & 2006-1131)	647,500	703,054	55,554	
SunGard (leg: 2015-780)	8,288	13,244	4,956	
Home Street Apartments (DIA Resolution 2017-08-03)	-	145,000	145,000	(C)
JEA Southside Gen Station Public Infrastructure Improvements	2,190,930	2,000,000	(190,930)	(D)
One Call Commercial Revitalization Incentive	100,000	100,000	-	
Debt Service Interest - Strand Bonds 2014 Special Rev	177,294	169,937	(7,357)	
Debt Service Principal - Strand Bonds 2014 Special Rev	<u>142,000</u>	<u>197,000</u>	<u>55,000</u>	
Total Financial Obligations:	<u>3,706,312</u>	<u>3,824,241</u>	<u>117,929</u>	
Plan Authorized Expenditures				
Professional Services	-	50,000	50,000	(E)
Waterfront Activation	166,111	-	(166,111)	
Unallocated Plan Authorized Expenditures	<u>411,955</u>	<u>1,414,884</u>	<u>1,002,929</u>	(F)
<b>Total Plan Authorized Expenditures:</b>	<u><b>578,066</b></u>	<u><b>1,464,884</b></u>	<u><b>886,818</b></u>	
<b>Total Expenditures:</b>	<u><b>4,707,693</b></u>	<u><b>5,618,309</b></u>	<u><b>910,616</b></u>	

**COUNCIL AUDITOR'S OFFICE  
CITY OF JACKSONVILLE  
DOWNTOWN SOUTHBANK CRA TRUST (FUND 10802)  
2020/21 MAYOR'S PROPOSED BUDGET**

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**Revenue**

(A) The Mayor's proposed ad valorem tax revenue is calculated as follows:

Base Year	<u>1980</u>	
Preliminary Taxable Values	\$ 606,000,801	
Less Taxable Value in Base Year	<u>89,127,781</u>	
<b>Taxable Value Incremental Increases</b>	<b><u>\$ 516,873,020</u></b>	
Taxable Value Percentage Changes	579.9%	
Operating Millage Rates	11.4419	mills
Collection Rate	95.0%	
Total Ad Valorem Revenue	\$ 5,618,309	

**Expenditures**

- (B) The FY 20/21 amount of \$326,684 represents an allocation of DIA's personnel costs, internal service allocations, and various administrative costs (workers' compensation, travel, liability insurance, miscellaneous services and charges, office supplies, training, and dues and subscriptions) based on the Southbank CRA's proportionate share of those costs.
- (C) DIA Resolution 2017-08-03 authorized an economic development agreement for the construction of a residential apartment complex located at 1444 Home Street within the Southbank Tax Increment District. The economic development agreement authorized a REV grant in a total amount not to exceed \$2,530,000.
- (D) This amount represents funding for public infrastructure improvements on the site of the former JEA Southside Generating Station (also known as the District project). Per Ord. 2018-313-E, the maximum City contribution for the infrastructure improvements is \$23.0 million. To date, \$7,977,526 has been appropriated for the improvements.
- (E) This amount is to provide some flexibility for this fund.
- (F) This amount represents the balance of budgeted revenue in excess of budgeted expenditures, which can be reallocated by the DIA Board at a future date.

**Recommendations**

We recommend adding the following expenditures to align the proposed budget to the budget approved by the DIA board:

- Add \$250,000 in future debt reduction.
- Add \$350,000 in plan authorized expenditures for Southbank Parking.
- Add \$250,000 in plan authorized expenditures for Retail Enhancement.
- Add \$50,000 in plan authorized expenditures for bid and CRA plan update.
- Add \$1,413 in financial obligations - debt service interest for Strand Bonds 2014 Special Revenue.

These adjustments will be offset by a decrease of \$901,413 in unallocated plan authorized expenditures.

We recommend that Budget Ordinance Schedule V be revised to reflect the recommendations above and reflect the schedule as shown on the following page. This has no impact on Special Council Contingency.

**DOWNTOWN SOUTHBANK CRA TRUST  
FUND 10802**

<b>REVENUES</b>	<b>FY21 Proposed</b>
Property Taxes	5,618,309
Total Revenues:	5,618,309
<b>EXPENDITURES</b>	<b>FY21 Proposed</b>
Administrative Expenditures	
Supervision Allocation	326,684
Professional Services	-
Annual Independent Audit	2,500
Total Administrative Expenditures:	329,184
Financial Obligations	
Recaptured Enhanced Value (REV) grants	
Strand (leg: 2001-1329 amend: 2002-755 & 2006-1131)	496,006
Peninsula (leg: 2001-1329 amend: 2002-755 & 2006-1131)	703,054
SunGard (leg: 2015-780)	13,244
Home Street Apartments (DIA Resolution 2017-08-03)	145,000
JEA Southside Gen Station Public Infrastructure Improvements	2,000,000
One Call Commercial Revitalization Incentive	100,000
Debt Service Interest - Strand Bonds 2014 Special Rev	171,350
Debt Service Principal - Strand Bonds 2014 Special Rev	197,000
Total Financial Obligations:	3,825,654
Future Years Debt Reduction	
Future Debt Reduction	250,000
Total Future Years Debt Reduction:	250,000
Plan Authorized Expenditures	
Retail Enhancement	250,000
Southbank Parking	350,000
Professional Services	50,000
Bid and CRA Plan Update	50,000
Unallocated Plan Authorized Expenditures	513,471
Total Plan Authorized Expenditures:	1,213,471
Total Expenditures:	5,618,309

**COUNCIL AUDITOR'S OFFICE  
CITY OF JACKSONVILLE  
JACKSONVILLE BEACH TAX INCREMENT (FUND 10803)  
2020/21 MAYOR'S PROPOSED BUDGET  
BUDGET BOOK REFERENCE - Page #59-60**

	<u>USD2A</u> Jax Beach Downtown	<u>USD2B</u> Jax Beach South Bank	<u>2020/21</u> <u>PROPOSED</u> <u>BUDGET</u>
<b>TAXABLE VALUES &amp; RATES</b>			
Base Years	1983	1986	1983 & 1986
Preliminary Taxable Values	\$ 657,585,310	\$ 423,687,941	\$ 1,081,273,251
Less Taxable Value in Base Years	42,271,886	6,518,754	48,790,640
<b>Taxable Value Incremental Increases</b>	<b>\$ 615,313,424</b>	<b>\$ 417,169,187</b>	<b>\$ 1,032,482,611</b>
Taxable Value Percentage Increases	1455.6%	6399.5%	2116.1%
Operating Millage Rates (mills)	8.1512	8.1512	8.1512
Collection Rate	95.0%	95.0%	95.0%
<b>REVENUE</b>			
<b>Ad Valorem Taxes - GF / GSD</b>	<b>\$ 4,764,766</b>	<b>\$ 3,230,408</b>	<b>\$ 7,995,174</b>
<b>EXPENDITURES</b>			
<b>Contribution to Jacksonville Beach</b>	<b>\$ 4,764,766</b>	<b>\$ 3,230,408</b>	<b>\$ 7,995,174</b>

**Percentage of USD2 Taxes Received by City of Jacksonville**

	<u>Countywide Levy</u>	<u>USD2 Levy</u>
2020/21 Jax Beach Preliminary Taxable Values	\$ 4,054,029,981	\$ 4,054,029,981
Levy	11.4419 mills	8.1512 mills (A)
Collection Rate	95.5%	95.5%
Taxes	\$ 44,298,444	\$ 31,558,175
Less TIF	-	7,995,174
<b>Net Revenue to City</b>	<b>\$ 44,298,444</b>	<b>\$ 23,563,001</b>
	100.00%	53.19% (B)

**FOOTNOTES**

(A) 8.1512 mills is 3.2907 mills less than the General Services District millage. Per the interlocal agreement, Jacksonville Beach's millage rate shall be 3.2907 mills less than the General Services District rate. The USD2 levy is 71.24% of the 11.4419 mill rate levied county-wide.

(B) Percentage of countywide levy collected from USD2 after TIF and Interlocal Agreement reductions.

**RECOMMENDATIONS:**

None.

**COUNCIL AUDITOR'S OFFICE  
CITY OF JACKSONVILLE  
JACKSONVILLE INTERNATIONAL AIRPORT AREA REDEVELOPMENT  
TAX INCREMENT DISTRICT GSA (FUND 10804)  
2020/21 CRA BOARD APPROVED BUDGET  
BUDGET BOOK REFERENCE - Page #61-62**

	<u>2019/20 APPROVED BUDGET</u>	<u>2020/21 PROPOSED BUDGET</u>	<u>INCREASE/ (DECREASE)</u>	<u>Footnote</u>
<b>REVENUE</b>				
Property Taxes	\$ 13,065,456	\$ 14,346,202	\$ 1,280,746	(A)
<b>Total Revenue:</b>	<u><u>13,065,456</u></u>	<u><u>14,346,202</u></u>	<u><u>1,280,746</u></u>	
<b>EXPENDITURES</b>				
Administrative Expenditures				
Professional and Contractual Services	1,000	1,000	-	
Travel	500	250	(250)	
Local Mileage	-	150	150	
OGC Internal Service	6,940	6,000	(940)	
Advertising and Promotion	1,000	1,000	-	
Office Supplies	500	500	-	
Employee Training	300	700	400	
Dues, subscriptions	342	342	-	
Supervision Allocation	90,590	95,354	4,764	
Annual Independent Audit	2,500	2,500	-	
Total Administrative Expenditures:	<u>103,672</u>	<u>107,796</u>	<u>4,124</u>	
Financial Obligations				
Recaptured Enhanced Value (REV) grants				
Amazon (leg: 2016-285)	1,500,000	1,400,000	(100,000)	(B)
RAMCO (leg: 2004-274)	745,000	745,000	-	
Uptown / River City Crossing (leg: 2016-791)	240,000	265,000	25,000	(C)
Ecolab (leg: 2014-749)	50,000	-	(50,000)	(D)
Qualified Target Industry (QTI) grants				
Mercedes Benz (leg: 2016-402)	16,200	16,200	-	
Safariland I (leg: 2016-653)	3,600	-	(3,600)	(E)
Amazon (leg: 2016-285)	75,000	75,000	-	
Debt Service Interest - RAMCO 2014 Special Rev	472,905	432,503	(40,402)	(F)
Debt Service Principal - RAMCO 2014 Special Rev	<u>780,000</u>	<u>1,080,000</u>	<u>300,000</u>	(F)
Total Financial Obligations:	<u>3,882,705</u>	<u>4,013,703</u>	<u>130,998</u>	
Plan Authorized Expenditures				
Capital Projects				
Harts Road Bridge Replacement	-	-	-	
Duval Rd Mobility - Sidewalks: Airport to Biscayne	1,524,750	0	(1,524,750)	(G)
Duval Rd Mobility - Resurfacing: Airport to Biscayne	658,284	0	(658,284)	(H)
Ranch Rd Mobility - Sidewalks: Duval to Tradeport	195,000	0	(195,000)	(I)
Unallocated Plan Authorized Expenditures	<u>6,701,045</u>	<u>10,224,703</u>	<u>3,523,658</u>	(J)
Total Plan Authorized Expenditures:	<u>9,079,079</u>	<u>10,224,703</u>	<u>1,145,624</u>	
<b>Total Expenditures:</b>	<u><u>\$ 13,065,456</u></u>	<u><u>\$ 14,346,202</u></u>	<u><u>\$ 1,280,746</u></u>	



**COUNCIL AUDITOR'S OFFICE  
CITY OF JACKSONVILLE  
JACKSONVILLE INTERNATIONAL AIRPORT AREA REDEVELOPMENT  
TAX INCREMENT DISTRICT GSA (FUND 10804)  
2020/21 CRA BOARD APPROVED BUDGET**

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**Revenue**

(A) Ad valorem tax revenue is calculated as follows:

Base Year	<u>1993</u>	
Preliminary Taxable Values	\$ 1,509,021,678	
Less Taxable Value in Base Year	<u>189,200,262</u>	
Taxable Value Incremental Increases	<u><b>\$ 1,319,821,416</b></u>	
Taxable Value Percentage Increases	697.6%	
Operating Millage Rates	11.4419	mills
Collection Rate	95.0%	
Total Revenue	\$ 14,346,202	

**Expenditures**

- (B) The decrease in the recapture enhanced value (REV) grant for Amazon is directly related to a decrease in the assessed value of the tangible personal property.
- (C) The increase in the recapture enhanced value (REV) grant for Uptown/River City Crossing is directly related to an increase in the assessed value of the properties being developed.
- (D) The recapture enhanced value (REV) grant for Ecolab received its final payment in FY 2019/20.
- (E) The Qualified Target Industry grant funding for Safariland is complete.
- (F) This amount represents debt service on bonds that were used to finance road improvements related to the River City Marketplace, which is operated by RAMCO.
- (G) The construction of new sidewalks from Duval Rd - Airport to Biscayne was fully funded as of FY 2019/20.
- (H) The roadway resurfacing from Duval Rd - Airport to Biscayne was fully funded as of FY 2019/20.
- (I) The construction of new sidewalks from Ranch Rd - Duval to Tradeport was fully funded as of FY 2019/20.
- (J) This amount represents the balance of budgeted revenue in excess of budgeted expenditures, which can be reallocated by the CRA Board at a future date.

**Recommendation**

None.

**COUNCIL AUDITOR'S OFFICE  
CITY OF JACKSONVILLE  
KING SOUDEL TAX INCREMENT DISTRICT GSK (FUND 10805)  
2020/21 CRA BOARD APPROVED BUDGET  
BUDGET BOOK REFERENCE - Pages #63-64**

	<u>2019/20 APPROVED BUDGET</u>	<u>2020/21 PROPOSED BUDGET</u>	<u>INCREASE/ (DECREASE)</u>	<u>Footnote</u>
<b>REVENUE</b>				
Property Taxes	\$ 824,582	\$ 1,144,264	\$ 319,682	(A)
<b>Total Revenue:</b>	<u><u>824,582</u></u>	<u><u>1,144,264</u></u>	<u><u>319,682</u></u>	
<b>EXPENDITURES</b>				
Administrative Expenditures				
Professional and Contractual Services	1,000	1,000	-	
Travel	500	250	(250)	
Local Mileage	-	150	150	
OGC Internal Service	14,035	8,000	(6,035)	(B)
Advertising and Promotion	1,000	1,000	-	
Office Supplies	500	500	-	
Employee Training	300	700	400	
Dues, subscriptions	342	342	-	
Supervision Allocation	70,097	80,871	10,774	(C)
Annual Independent Audit	2,500	2,500	-	
Total Administrative Expenditures:	<u>90,274</u>	<u>95,313</u>	<u>5,039</u>	
Plan Authorized Expenditures				
Capital Projects				
Gateway Soutel Norfolk Crossing	-	-	-	
Unallocated Plan Authorized Expenditures	734,308	1,048,951	314,643	(D)
Total Plan Authorized Expenditures:	<u>734,308</u>	<u>1,048,951</u>	<u>314,643</u>	
<b>Total Expenditures:</b>	<u><u>\$ 824,582</u></u>	<u><u>\$ 1,144,264</u></u>	<u><u>\$ 319,682</u></u>	

**COUNCIL AUDITOR'S OFFICE  
CITY OF JACKSONVILLE  
KING SOUDEL TAX INCREMENT DISTRICT GSK (FUND 10805)  
2020/21 CRA BOARD APPROVED BUDGET**

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**Revenue**

(A) Ad valorem tax revenue is calculated as follows:

Base Year	<u>2008</u>	
Preliminary Taxable Values	176,334,864	
Less Taxable Value in Base Year	<u>71,064,917</u>	
<b>Taxable Value Incremental Increases</b>	<b><u>\$ 105,269,947</u></b>	
Taxable Value Percentage Increases	148.1%	
Operating Millage Rates	11.4419	mills
Collection Rate	95.0%	
Total Revenue	\$ 1,144,264	

**Expenditures**

- (B) Legal fees are decreasing by \$6,035 to better align with current usage.
- (C) This amount represents the administrative costs of the CRA which are allocated from the Office of Economic Development. The increase is due to an update in the allocation.
- (D) This amount represents the balance of budgeted revenue in excess of budgeted expenditures, which can be reallocated by the CRA Board at a future date.

**Recommendation**

None.

**COUNCIL AUDITOR'S OFFICE  
CITY OF JACKSONVILLE  
RENEW ARLINGTON TAX INCREMENT DISTRICT GSRA (FUND 10806)  
2020/21 CRA BOARD APPROVED BUDGET  
BUDGET BOOK REFERENCE - Page #65-66**

	<u>2019/20 APPROVED BUDGET</u>	<u>2020/21 PROPOSED BUDGET</u>	<u>INCREASE/ (DECREASE)</u>	<u>Footnote</u>
<b>REVENUE</b>				
Property Taxes	\$ 1,316,900	\$ 1,660,519	\$ 343,619	(A)
<b>Total Revenue:</b>	<u><u>1,316,900</u></u>	<u><u>1,660,519</u></u>	<u><u>343,619</u></u>	
<b>EXPENDITURES</b>				
Administrative Expenditures				
Part-Time Salaries	-	75,000	75,000	(B)
Medicare	-	1,088	1,088	(B)
Professional and Contractual Services	1,000	1,000	-	
Travel	900	250	(650)	
Local Mileage	500	650	150	
OGC Internal Service	7,348	25,000	17,652	(C)
General Liability Insurance	-	345	345	
Advertising and Promotion	1,000	3,000	2,000	
Office Supplies	500	500	-	
Employee Training	700	1,100	400	
Dues, subscriptions	342	342	-	
Supervision Allocation	70,097	97,478	27,381	(D)
Annual Independent Audit	2,500	2,500	-	
Total Administrative Expenditures:	<u>84,887</u>	<u>208,253</u>	<u>123,366</u>	
Plan Authorized Expenditures				
Unallocated Plan Authorized Projects	1,232,013	1,452,266	220,253	(E)
<b>Total Expenditures:</b>	<u><u>\$ 1,316,900</u></u>	<u><u>\$ 1,660,519</u></u>	<u><u>\$ 343,619</u></u>	

**COUNCIL AUDITOR'S OFFICE  
CITY OF JACKSONVILLE  
RENEW ARLINGTON TAX INCREMENT DISTRICT GSRA (FUND 10806)  
2020/21 CRA BOARD APPROVED BUDGET**

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**Revenue**

(A) Ad valorem tax revenue is calculated as follows:

Base Year	<u>2015</u>	
Preliminary Taxable Values	\$ 363,106,743	
Less Taxable Value in Base Year	<u>210,342,375</u>	
<b>Taxable Value Incremental Increases</b>	<b><u>\$ 152,764,368</u></b>	
Taxable Value Percentage Increases	72.6%	
Operating Millage Rates	11.4419	mills
Collection Rate	95.0%	
Total Revenue	\$ 1,660,519	

**Expenditures**

- (B) These funds will cover one part-time employee who will provide technical work in the design, development, and review of construction projects for the Renew Arlington Mandatory Compliance Grant Program. An additional 600 hours will be transferred in from another area during the year. It could be from the part time hours vacancy pool.
- (C) Legal fees are expected to increase based on the implementation of the Renew Arlington Overlay and Mandatory Compliance Program.
- (D) This amount represents the administrative costs of the CRA which are allocated from the Office of Economic Development. The increase is due to an update in the allocation.
- (E) This amount represents the balance of budgeted revenue in excess of budgeted expenditures, which can be reallocated by the CRA Board at a future date.

**Recommendation**

None.

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

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**PROPOSED BUDGET BOOK - Page # 222-223**

**BACKGROUND:**

The Office of Economic Development serves as the economic development agency (outside of downtown) for the City of Jacksonville, implementing policies that result in sustainable job growth, raising personal incomes and creating a broader tax base for the community. The office also oversees the administration of local and state incentives, redevelopment at the Cecil Commerce Center and provides staff support to three Community Redevelopment Areas and, with the passage of ordinance 2019-395-E, the Jacksonville Film and Television office was moved into the Department.

**EXPENDITURES:**

1. Salaries:

- The decrease of \$5,382 is primarily due to a decrease of \$12,888 in permanent and probationary salaries related to employee turnover. This decrease is partially offset by an increase of \$7,692 in leave sellback based on current leave balances.

2. Pension Costs:

- The net increase of \$64,265 is mainly attributable to having the Film and TV Office moved into the Department in FY 2018/19 and this being the first year this impact was factored into the allocation. There was also an increase in the required contribution.

3. Internal Service Charges:

- The net decrease of \$10,282 is driven by a decrease of \$16,605 in ITD replacements related to the refresh of computers in FY 2019/20 and \$9,906 in OGC legal charges based on actual usage. This is partially offset by an increase of \$17,231 in computer system maintenance/security costs attributable to the addition of voice and fax charges and the implementation of the new phone system.

4. Insurance Costs and Premiums:

- The decrease of \$3,738 is due to a decrease in general liability insurance due to recent claims experience.

5. Other Operating Expenses:

- The increase of \$4,000 is mainly to cover travel, training, and subscription expenses related to the Film and TV Office being added under the Office of Economic and Development in FY 2018/19.

6. Grants, Aids & Contributions:

- The increase of \$150,000 is related to the Corridor Eight Business Improvement grant that will provide funds for commercial and retail renovations along Moncrief Rd. This item was on the Council Priorities request at an amount of \$250,000.

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

**PROPOSED BUDGET BOOK - Page # 222-223**

7. Supervision Allocation:

- This amount represents administrative costs that are being allocated to the Cecil Field Trust Fund (Fund 11312) and three Community Redevelopment Area (CRA) funds in which the department provides staff support. The CRAs include the Jacksonville International Airport CRA (Fund 10804), King/Soutel CRA (Fund 10805), and the Renew Arlington CRA (Fund 10806). The increase of \$50,969 is due to pension increases mentioned above.

**FOOD AND BEVERAGE EXPENDITURES:**

<b>FY 2020/21 Proposed</b>	<b>Description of each Service/Event that requires the purchase of food/beverage</b>	<b>Explanation that the Service/Event serves a public purpose</b>
\$200	Coffee for meetings with prospects.	To further redevelopment efforts in Jacksonville to promote job creation and private capital investment.

**EMPLOYEE CAP CHANGES:**

None.

**SERVICE LEVEL CHANGES:**

There is \$150,000 added related to the Corridor Eight Business Improvement grant that will provide funds for commercial and retail renovations along Moncrief Rd.

**RECOMMENDATION:**

None.

**COUNCIL AUDITOR’S OFFICE  
 COMMENTS AND RECOMMENDATIONS  
 MAYOR’S PROPOSED FY 2020/21 BUDGET  
 CECIL COMMERCE CENTER (FUND 11312)**

**PROPOSED BUDGET BOOK - Page # 224-225**

**BACKGROUND:**

Established per Ordinance 98-1052-E, all revenues received or earned by the City from the development and operation of the Cecil Commerce Center are deposited into this trust fund. The funds are used for the improvements, repairs, or maintenance costs of the City’s facilities at Cecil Commerce Center or other costs of undertaking City obligations, goals and objectives at Cecil Commerce Center. The Office of Economic Development manages most of the operations except for a portion of the forestry-related activities that are managed by the Parks, Recreation, and Community Services Department. This is an “all years” subfund, which means once dollars are appropriated, the appropriation stays in place from year to year rather than lapsing.

**REVENUES:**

Jax Citywide Activities

1. Investment Pool / Interest Earnings:
  - The decrease of \$12,898 is to align with recent actual earnings.

Office of Economic Development

2. Miscellaneous Revenue:
  - The increase of \$698,308 is mainly due to an increase of \$668,004 in gains/loss on the sale of real property related to an “all years” adjustment to appropriate actual revenue earned in the prior year and is being used to balance the fund.

**EXPENDITURES:**

Jax Citywide Activities

1. Other Operating Expenses:
  - The increase of \$18,750 is based on the following changes related Quality Target Industry (QTI) and Economic Development Manufacturing Employer (EDME) grants located at the Cecil Commerce Center.

<b>Company Name</b>	<b>Grant Type</b>	<b>FY 2019/20 Approved Budget</b>	<b>FY 2020/21 Proposed Budget</b>
General Electric	EDME	\$ 200,000	\$ 200,000
Amazon	QTI	\$ 48,750	\$ 48,750
General Electric	QTI	\$ 125,000	\$ 116,250
Grace AeroSpace	QTI	\$ -	\$ 2,500
JinkoSolar	QTI	\$ 25,000	\$ 50,000
<b>Total</b>		<b>\$ 398,750</b>	<b>\$ 417,500</b>



**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2020/21 BUDGET  
CECIL COMMERCE CENTER (FUND 11312)**

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**PROPOSED BUDGET BOOK - Page # 224-225**

Office of Economic Development

2. Insurance Cost and Premiums:

- The increase of \$43,869 in miscellaneous insurance is mainly due to an increase in property insurance premium costs citywide.

3. Professional and Contractual Services:

- The proposed amount of \$1,517,587 is primarily associated with the building and property maintenance contract at Cecil Commerce Center.

4. Other Operating Expenses:

- The amount in FY 2019/20 was an “all years” adjustment de-appropriating budget capacity within Miscellaneous Services and Charges.

5. Supervision Allocation:

- This amount represents the administrative costs of Office of Economic Development staff for the time they spend on activities related to Cecil Commerce Center. The increase of \$8,050 is mainly due to pension cost increases.

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.

Parks, Recreation & Community Services

7. Professional and Contractual Services:

- The Department has the “all years” capacity for professional and contractual services and does not need to appropriate additional funds in FY 2020/21.

8. Capital Outlay:

- The amount in FY 2019/20 represents an “all years” adjustment de-appropriating budget capacity within construction work-in-progress and other construction costs.

**SERVICE LEVEL CHANGES:**

None.

**AUTHORIZED POSITION CAP:**

There are no positions in this subfund.

**RECOMMENDATION:**

None.

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

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**PROPOSED BUDGET BOOK - Page # 305-306**

**BACKGROUND:**

The Planning and Development Department manages existing and future development within the City of Jacksonville. Matters pertaining to zoning, the comprehensive plan, concurrency, land use, various trades inspections and building codes fall within the purview of this department. The general fund portion of the Planning and Development Department consists of the Office of the Director, Community Planning Division, Current Planning Division, Development Services Division, and Transportation Planning Division.

**REVENUE:**

1. Permits and Fees

- The decrease of \$55,000 is due to a reduction in expected revenue collections by the Department. This revenue relates to fees received for the collection of right-of-way permits.

2. Charges for Services

- The decrease of \$199,000 is due to a reduction in expected revenue collections by the Department. This revenue relates to charges for zoning and rezoning fees and comprehensive/amendment fees.

**EXPENDITURES:**

1. Salaries

- The net increase of \$40,001 is mainly due to an increase of \$38,461 in permanent and probationary salaries due to pay increases during FY 2019/20.

2. Pension Costs

- The net increase of \$79,240 is mainly due to an increase of \$69,013 in the defined benefit pension plan based on an increase in the required contribution and an increase of \$10,112 in the defined contribution pension plan due to employee turnover.

3. Internal Service Charges

- The net increase of \$112,171 is mainly due to an increase of \$62,206 in the Ed Ball building cost allocation due to an overall increase in total building costs and an increase of \$36,916 in computer system maintenance & security due to application maintenance service charges related to the update of the mobility fee calculator, the addition of Voice and FAX charges, and an increase in IT security services.

4. Other Operating Expenses

- The \$64,240 represents funding for various items including advertising, office supplies, travel, and employee training.

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

**PROPOSED BUDGET BOOK - Page # 305-306**

5. Professional and Contractual Services
  - The \$354,854 represents funding for the mobility plan study, annual traffic count services, and court reporter services.
  
6. Supervision Allocation
  - This amount represents the net allocation of expenses within the Office of the Director Division being allocated out to Building Inspection (Fund 15104) and Concurrency Management (Fund 10101). This allocation is partly reduced by the allocation of a portion of the salary and benefits expenses for Development Services Division employees housed in Building Inspection (Fund 15104) that perform duties related to the Division's activities in the General Fund/GSD (Fund 00111).

**SERVICE LEVEL CHANGES:**

None.

**EMPLOYEE CAP CHANGES:**

There is no change in authorized positions.

**DIVISION CHANGES:**

Division	FY 2019/20 ADOPTED	FY 2020/21 PROPOSED	Change	Notes
Community Planning	\$ 1,430,305	\$ 1,496,445	\$ 66,140	(A)
Current Planning	1,250,386	1,318,136	67,750	(B)
Development Services	670,310	712,177	41,867	(C)
Office of the Director	100	100	0	(D)
Transportation Planning	685,946	720,651	34,705	(E)
<b>Department Total</b>	<b>\$ 4,037,047</b>	<b>\$ 4,247,509</b>	<b>210,462</b>	

A. The increase of \$66,140 in the Community Planning Division is due, in part, to the addition of \$23,911 in the defined benefit pension plan based on the required contribution, an increase of \$19,331 in computer system maintenance & security due to application maintenance costs associated with the zoning application tracking system and the addition of Voice and FAX service charges, and an increase of \$9,984 in salaries due to pay increases.

B. The increase of \$67,750 in the Current Planning Division is the result of several increases, including the addition of \$24,013 in the defined benefit pension plan based on the required contribution, increases in salaries of \$17,517 primarily due to pay increases, and group hospitalization insurance of \$9,668 due to changes in employees' elections.

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

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**PROPOSED BUDGET BOOK - Page # 305-306**

- C. The increase of \$41,867 in the Development Services Division is due to an increase in supervision allocation resulting from an overall increase in personnel costs being allocated to the General Fund/GSD (Fund 00111) from the Building Inspection Fund (Fund 15104) based on an increase in the allocation rate between FY 2019/20 and FY 2020/21.
  
- D. All expenses, net of revenue, within the Office of the Director Division are being allocated out to other divisions and the Building Inspection Fund (Fund 15104).
  
- E. The increase of \$34,705 in the Transportation Planning Division is due, in part, to increases of \$17,267 in computer system maintenance & security due to costs associated with the update of the mobility fee calculator, \$7,280 in the defined contribution plan due to employee turnover, and \$6,398 in the defined benefit pension plan based on the required contribution.

**RECOMMENDATION:**

Based on a request from the Mayor's Administration, we recommend that the funding of \$300,000 for the newly created Resiliency Office be moved from the Neighborhoods Department (Fund 00111) to the Planning and Development Department (00111). The Resiliency Office is more in-line with the goals of the Planning and Development Department (00111). This would have no effect on Special Council Contingency.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2020/21 BUDGET  
PLANNING & DEVELOPMENT  
CONCURRENCY MANAGEMENT SYSTEM (FUND 10101)**

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**PROPOSED BUDGET BOOK - Page # 307-309**

**BACKGROUND:**

The Concurrency and Mobility Management System Office manages the Concurrency and Mobility Management System (CMMS) which measures the potential impact of a proposed development on the adopted minimum levels of service for all public facilities (except traffic circulation and mass transit). It also manages the collection of mobility fees pertaining to traffic circulation and mass transit public facilities consistent with the 2030 Mobility Plan (as established in the 2030 Comprehensive Plan) when an application for a final development order or final development permit is submitted. The CMMS ensures that the adopted levels of service and performance standards are not degraded by the issuance of a final development order, or a final development permit. It provides the local structure for administering the state law, Chapter 163, Part II, Florida Statutes.

**REVENUE:**

1. Charges for Services:

- The decrease of \$97,000 is mainly due to a decrease of \$100,000 in Concurrency Management Fees due to an anticipated decrease by the Department. This revenue relates to fees received in connection with applications, appeals, administration, enforcement, and management of the Concurrency Management System.

2. Investment Pool/Interest Earnings:

- The decrease of \$11,045 is based on anticipated earnings based on the available cash balance and the projected interest rate.

3. Transfer from Fund Balance:

- There is a proposed transfer from fund balance of \$431,264 to balance the subfund.

**EXPENDITURES:**

1. Salaries:

- The increase of \$5,810 is mainly due to end of probation pay increases.

2. Pension Costs:

- The net increase of \$20,370 is primarily due to an increase of \$11,871 in the defined benefit pension plan based on the required contribution and an increase of \$7,166 in the defined contribution pension plan due to employee turnover.

3. Internal Service Charges:

- The net decrease of \$11,750 is mainly due to a decrease in IT project costs related to the Enterprise Permit/Land Use Management system.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2020/21 BUDGET  
PLANNING & DEVELOPMENT  
CONCURRENCY MANAGEMENT SYSTEM (FUND 10101)**

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**PROPOSED BUDGET BOOK - Page # 307-309**

4. Supervision Allocation:

- This allocation is in place to reimburse the general fund for employees from the Office of the Director within the General Fund – GSD (Fund 00111) who perform a percentage of their work in this fund.

5. Indirect Cost:

- This amount 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:**

None.

**EMPLOYEE CAP CHANGES:**

None.

**CONCERN:**

As stated in previous budget reviews, with changes made by Ordinance 2015-249-E, this fund's annual revenues are no longer sufficient to cover annual expenditures as evidenced by \$431,264 being transferred from fund balance to balance the budget. The fund will have approximately that amount available at the end of FY 2019/20. That means this fund does not have sufficient fund balance to keep it solvent past FY 2020/21. This will require a change to how funds are distributed, potential fee increases, or an increase in the contribution from the General Fund/General Services District (Fund 00111).

**RECOMMENDATION:**

None.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2020/21 BUDGET  
PLANNING AND DEVELOPMENT  
BUILDING INSPECTION (EXCLUDING FIRE RESCUE) (FUND 15104)**

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**PROPOSED BUDGET BOOK - Page # 310-313**

**BACKGROUND:**

The Building Inspection fund accounts for the finances of the Building Inspection Division within the Planning and Development Department, and to a lesser degree, the finances of the Fire Plans Review Section of the Jacksonville Fire and Rescue Department. The Building Inspection Division is responsible for ensuring that existing and future developments and construction comply with the Florida Building Code and local ordinances. The Division's primary roles are to ensure the safety of buildings and related landscapes by performing inspections and enforcing building, electrical, plumbing, mechanical, and other related City codes. In addition, the Division performs reviews of various permit applications and plans examination.

**REVENUE:**

*(Note – Like many areas, it is difficult to estimate what revenues will look like next year. This area is further complicated based on the current moratorium on many fees. The budget is built on the assumption that the revenues in this area will continue on a similar trajectory as that prior to COVID-19 once the moratorium is finished on October 27, 2020. If that does not occur, there is fund balance available in the fund to help offset revenue shortfalls.)*

Jax Citywide Activities

1. Investment Pool / Interest Earnings

- The decrease of \$59,573 is due to projected investment pool earnings based on a decreased rate of return and a lower average cash balance within this fund.

2. Transfer From Fund Balance

- There is a proposed transfer from fund balance of \$3,721,697 to balance the fund.

Planning and Development

3. Permits and Fees

- The decrease of \$26,450 is mainly due to the temporary moratorium on certain fees until October 27, 2020 pursuant to 2020-235-E.

4. Inspection Fees

- The decrease of \$1,068,500 is primarily due to decreases of \$588,000 in building inspection fees, \$175,000 in electrical inspection fees, \$150,000 in plumbing inspection fees, and \$142,000 in building permit review fees. All of these decreases are due to the temporary moratorium on certain fees until October 27, 2020 pursuant to 2020-235-E.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2020/21 BUDGET  
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**PROPOSED BUDGET BOOK - Page # 310-313**

**EXPENDITURES:**

*Planning and Development*

1. Salaries
  - The decrease of \$113,271 is primarily the result of a decrease in part-time salaries of \$90,090 due to a one-time cost that was requested in FY 2019/20 but is not budgeted in FY 2020/21, and in salaries of \$35,960 due to employee turnover.
2. Pension Costs
  - The increase of \$129,290 is mainly due to an increase of \$97,890 in the defined benefit pension plan based on an overall increase in the required contribution and \$31,682 in the defined contribution pension plan due to employee turnover.
3. Employer Provided Benefits
  - The net decrease of \$25,434 is primarily due to a decrease in health insurance charges based on employee turnover and election changes.
4. Internal Service Charges
  - The net decrease of \$1,714,300 is primarily due to a decrease of \$2,046,000 in ITD system development due to less implementation costs of the Enterprise Permit/Land Use Management System (EPLU) in FY 2020/21 and \$64,612 in fleet vehicle replacement due to less vehicles being replaced in FY 2020/21 than in FY 2019/20 due to the fact this fund pays back all replacement costs in one year. This is somewhat offset by an increase of \$247,484 in computer system maintenance & security due to an increase in implementation costs of 1Cloud and in IT security services, and \$133,934 in Ed Ball building cost allocation due to an overall increase in building costs.
5. Professional and Contractual Services
  - The decrease of \$744,399 is mainly due to \$750,000 of funding in FY 2019/20 to purchase a document management system. The funding is no longer needed in FY 2020/21.
6. Other Operating Expenses
  - The decrease of \$21,580 is primarily due to a decrease in other operation supplies based on current year actuals.
7. Capital Outlay
  - The FY 2019/20 capital outlay amount of \$21,163 was funding for a one-time purchase of scanning equipment that is to be used to scan site plans and other documents. The funding is no longer needed in FY 2020/21.



**COUNCIL AUDITOR'S OFFICE  
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8. Supervision Allocation

- This amount represents the net allocation of expenses within the Planning Department's Office of the Director Division in the General Fund/GSD (Fund 00111) being allocated out to Building Inspection (Fund 15104). This allocation is partly reduced by the allocation of a portion of the salary and benefits expenses for Development Services Division employees housed in Building Inspection (Fund 15104) that perform duties related to the Division's General Fund/GSD (Fund 00111) activities.

9. Indirect Cost

- This amount 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:**

None.

**EMPLOYEE CAP CHANGES:**

The authorized position cap decreased by one position as part of ordinance 2016-734-E which states to redline the first four Civil Service positions that are vacated because of retirements. This is the second position to be deleted out of four.

**RECOMMENDATION:**

None.