

OFFICE OF THE COUNCIL AUDITOR

FY 2025/2026 PROPOSED BUDGET

FINANCE COMMITTEE MEMBERS

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Meeting #5
August 21, 2025

**COUNCIL AUDITOR'S OFFICE
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**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2025/26 BUDGET
OFFICE OF SPORTS AND ENTERTAINMENT
CITY VENUES – CITY (FUND 47101)**

PROPOSED BUDGET BOOK – Page #260 - 262

BACKGROUND:

ASM Global has been retained to manage seven public facilities which include EverBank Stadium, VyStar Veterans Memorial Arena, VyStar Ballpark, Performing Arts Center, Prime Osborn Convention Center, Ritz Theatre and Museum, and the Flex Field. A contract between the City and ASM Global was approved by Ordinance 2022-321-E. The contract has a term of October 1, 2022 through September 30, 2027 with one additional five-year renewal period. This fund contains the costs directly paid by the City related to the venues.

REVENUE:

1. Charges for Services:
 - The budgeted amount of \$100,000 is for parking fees at the Stadium.
2. Miscellaneous Revenue:
 - The decrease of \$5,152,592 is due to a decrease of \$7,476,032 in contribution from private sources related to one-time FY 2024/25 payment by ASM to the City of the surplus in the subsidy from the City to ASM related to FY 2022/23 operations. This was partially offset by:
 - An increase of \$2,297,755 bringing the base and supplemental rent payment from the Jaguars to \$6,660,077 per Amendment #8 of the Jaguar Lease for EverBank Stadium due to scheduled increases related to the Jaguars paying their portion of the construction improvements in 2002 (south endzone sports bar and restaurant).
 - An increase of \$18,807 bringing the total for the VyStar naming rights agreement for the Arena to \$645,684 (3% increase as required by the Ordinance 2019-95-E) of which 10% is transferred to the Veterans Memorial Arena Trust.
 - An increase of \$6,878 bringing the total portion of the Jumbo Shrimp rent payment for VyStar Ballpark deposited into this fund to \$236,136 (3% increase as required by the Ordinance 2018-574-E which authorized 80% of the rental fee to be deposited into this fund and 20% deposited into the Capital Projects – City Venues Surcharge fund (47103).
3. Investment Pool / Interest Earnings
 - The decrease of \$190,273 appears to be a budgeting error. **See Recommendation.**
4. Transfers from Other Funds:
 - The transfer of \$34,136,961 is from the General Fund/General Services District to balance revenues and expenditures in this fund.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2025/26 BUDGET
OFFICE OF SPORTS AND ENTERTAINMENT
CITY VENUES – CITY (FUND 47101)**

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EXPENDITURES:

1. Internal Service Charges:
 - The decrease of \$64,886 is primarily due to a decrease in computer system maintenance & security allocation of \$46,072 due to an overall decrease in the operating costs of the Information Technologies Fund (53101).
2. Insurance Costs and Premiums – Allocations:
 - The decrease of \$520,161 is due to overall decrease in budgeted property insurance premium based on the FY 2024/25 rates.
3. Professional and Contractual Services:
 - This is the contracted amount the City will pay ASM Global for the management of the facilities per Ordinance 2022-321-E. This consists of a fixed fee of \$132,195, incentive fee of \$132,195, and performance fee of \$759,490 pursuant to the contract. The fixed fee and incentive fees are increasing by 3% pursuant to the contract. The performance fee is budgeted as 2.6% of ASM's total revenue and is capped at \$820,000 annually pursuant to the contract.
4. Other Operating Expenses:
 - In the proposed budget, this represents utility expenses for the venues, including electricity, water, and chilled water – AC system. The decrease of \$333,046 is mostly due to \$350,000 that was included for repairs in the budget for FY2024/25 for the VyStar Veterans Memorial Arena, which is now being budgeted in City Venues – ASM (47102) in the proposed budget.
5. Capital Outlay:
 - Capital Outlay in the amount of \$605,000 is detailed on the following page and includes the following:

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COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2025/26 BUDGET
OFFICE OF SPORTS AND ENTERTAINMENT
CITY VENUES – CITY (FUND 47101)**

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Description	Amount
<u>EverBank Stadium</u>	
Tools and Cleaning Equipment	\$ 20,000
Furniture	25,000
Stadium Equipment	25,000
XRay Machine	35,000
Subtotal	105,000
<u>VyStar Veterans Memorial Arena</u>	
Interior Finishes	350,000
Furniture	20,000
Floor Machines	15,000
Misc. Tools and Equipment	5,000
Subtotal	390,000
<u>VyStar Ballpark</u>	
Furniture	10,000
Subtotal	10,000
<u>Performing Arts Center</u>	
Back of House/Dressing Room Furniture	15,000
Subtotal	15,000
<u>Prime Osborn Convention Center</u>	
Amplifiers/Speakers/ AV	50,000
Furniture	25,000
Subtotal	75,000
<u>Ritz Theatre</u>	
Stage Equipment	10,000
Subtotal	10,000
FY 26 Total Budget	\$ 605,000

6. Transfers to Other Funds:

- The transfer of \$28,719,987 includes the following:
 - \$28,655,419 transfer to the City Venues – ASM fund to balance the budget within that fund, which is an increase of \$5,445,929.
 - \$64,568 transfer to the Veterans Memorial Arena Trust, which represents 10% of the annual naming rights fee paid by VyStar.

SERVICE LEVEL CHANGES:

None.

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COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2025/26 BUDGET
OFFICE OF SPORTS AND ENTERTAINMENT
CITY VENUES – CITY (FUND 47101)**

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EMPLOYEE CAP CHANGES:

There are no City employees associated with this fund.

RECOMMENDATIONS:

No investment pool earnings were proposed to be budgeted for FY 2025/26. We recommend budgeting \$200,000 for investment pool earnings and decreasing the transfer from the General Fund/GSD by the same amount. This would have a positive impact of \$200,000 on the Special Council Contingency.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2025/26 BUDGET
OFFICE OF SPORTS AND ENTERTAINMENT
CITY VENUES – ASM (FUND 47102)**

PROPOSED BUDGET BOOK – Page #263 - 264

BACKGROUND:

ASM Global has been retained to manage seven public facilities which include EverBank Stadium, VyStar Veterans Memorial Arena, Vystar Ballpark, Performing Arts Center, Prime Osborn Convention Center, Ritz Theatre and Museum, and the Flex Field. A contract between the City and ASM Global (formerly SMG) was approved by Ordinance 2022-321-E. The contract has a term of October 1, 2022 through September 30, 2027 with one additional five-year renewal period. This fund contains ASM's costs related to the operation and management of the venues.

REVENUE:

1. Charges for Services:

- The decrease of \$1,349,781 is due to the following:
 - A decrease of \$1,275,182 in contractual services revenues (ASM's reimbursable expenses for events) to reflect a decrease in the EverBank Stadium-related events caused by the construction at the stadium
 - A decrease of \$372,750 in parking fees mostly due to a decrease in the Everbank Stadium-related events caused by construction (limited parking for the Jaguars games will be used to accommodate seasonal ticket holders)
 - An increase of \$300,000 in club & suite license fees for VyStar Veterans Memorial Arena is to align with recent actuals
 - A decrease of \$1,849 in ticket incentive fees is based due to the elimination of \$527,200 in incentive fees at the stadium due to the ongoing construction offset by \$525,351 in increases at the other locations.

2. Miscellaneous Revenue:

- The increase of \$484,492 is primarily due to an increase of \$489,000 in advertisement fees due to align with the recent actuals at the arena.

3. Investment Pool / Interest Earnings:

- The budgeted amount of \$312,000 is the anticipated interest earnings based on available cash on hand.

4. Transfers from Other Funds:

- The transfer of \$28,655,419 is from the City Venues – City (Fund 47101), which is ultimately from the General Fund/GSD and used to balance the budget within this fund.

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COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2025/26 BUDGET
OFFICE OF SPORTS AND ENTERTAINMENT
CITY VENUES – ASM (FUND 47102)**

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EXPENDITURES:

1. Salaries:
 - The increase of \$289,384 includes 3% salary increases for 134 full-time employees (totaling \$265,718) and part-time rate increases of \$23,665 to adjust the rates of part-time employees.
2. Pension Costs:
 - The pension costs remain flat at \$233,789 consistent with current year actuals. Per ASM, the proposed budget is sufficient.
3. Employer Provided Benefits:
 - The slight net increase of \$8,170 is mostly due to an increase in payroll taxes caused by the increase in salaries.
4. Insurance Costs and Premiums:
 - The increase of \$160,077 is due to an increase in ASM's general liability insurance rates.
5. Professional and Contractual Services:
 - The increase of \$2,259,018 is primarily due to the following:
 - An increase of \$2,940,975 for contractual services – JSO & JFRD based on JSO's and JFRD's estimates of the average number of events, staffing levels, hours worked, and rate of pay (which increased due to recent collective bargaining agreements) for providing services for events at the venues. **See Recommendation 1.**
 - An increase of \$142,000 for security guard service to provide 24/7 security at the VyStar Ballpark. **See Recommendation 2.**
 - A decrease of \$864,558 in contractual services due to a decrease in the Everbank Stadium-related events caused by construction
6. Other Operating Expenses:
 - The increase of \$416,466 is primarily due to the following:
 - An increase of \$363,800 in repairs and maintenance which is driven by an increase of \$350,000 in repairs and maintenance for Veterans Memorial Arena due to this expense being budgeted in City Venues – City (Fund 47101) for FY 2024/25. There is a corresponding decrease of \$350,000 in other operating expenses in the proposed budget for that fund.
 - An increase of \$97,866 in event contribution due to an increase of \$95,000 in event contribution for VyStar Veterans Memorial Arena. This expense is a suite/club/sponsorship expense that is directly associated with the corresponding income from club & suite license fees

**COUNCIL AUDITOR'S OFFICE
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MAYOR'S PROPOSED FY 2025/26 BUDGET
OFFICE OF SPORTS AND ENTERTAINMENT
CITY VENUES – ASM (FUND 47102)**

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7. Capital Outlay:

- The budgeted amount of \$1,544,525 is for a one-time reimbursement for Jaguars visitors' locker room upgrade from FY 2019/20. At the time the City approved \$750,000 in FY 2019/20. The Jaguars advanced funded \$1.6 million of the project pursuant to Amendment #10 of the Jaguar contract with the intent of being reimbursed in FY 2020/21. Given the impact of COVID on the Convention Development Tax which would have funded the remaining project, there was no funding provided in the FY 2020/21 budget. We were not aware of this issue at the time, otherwise we would have brought it to the attention of City Council.

SERVICE LEVEL CHANGES:

There will be 24/7 security at the VyStar Ballpark. There will be fewer events at the stadium (only Jaguars games, FL/GA Game, and TaxSlayer Gator Bowl for which capacity would be reduced) and Daily's Place (only few events in the fall) due to construction.

EMPLOYEE CAP CHANGES:

There are no City employees associated with this fund.

RECOMMENDATIONS:

1. We recommend reducing contractual services – JSO & JFRD by \$443,120 to adjust for the number of Jaguar games at the stadium in the fiscal year. This was due to timing of when the budget was submitted and the schedule being approved by the NFL. JSO and JFRD are in agreement with this recommendation. This will be offset with corresponding adjustments to the transfers and to overtime in the applicable areas. This will have a positive impact on Special Council Contingency of \$443,120.
2. Per ASM, the funding for 24/7 security at the VyStar Ballpark was budgeted in the incorrect account. We recommend moving \$142,000 from the Security Guard Service to Other Professional Services. This will have no impact on Special Council Continency.

These recommendations would have a positive impact to Special Council Contingency of \$443,120.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2025/26 BUDGET
OFFICE OF SPORTS AND ENTERTAINMENT
CAPITAL PROJECTS – CITY VENUES SURCHARGE (FUND 47103)**

PROPOSED BUDGET BOOK – Page # 265 - 266

BACKGROUND:

This fund includes the budgeted ticket surcharges authorized by Section 123.102 of the Municipal Code, which can only be used for capital expenditures and capital maintenance. The facilities that have a ticket surcharge include EverBank Stadium, the VyStar Ballpark, the VyStar Veterans Memorial Arena, and the Performing Arts Center.

REVENUE:

1. Charges for Services:

- The amount of \$4,443,166 includes:
 - The NFL Ticket Surcharge is decreasing by \$141,629 to \$2,084,500. The decrease is due to the reduced capacity caused by the stadium construction which is slightly offset by the CPI increase in the ticket surcharge.
 - Other Ticker Surcharges are increasing by \$34,309 to \$2,358,666 due to increases in the anticipated events attendance at the VyStar Veterans Memorial Arena, VyStar Ballpark, and the Performing Arts Center, which are expected to be offset by a decrease in the attendance for events at the Stadium due to construction.

2. Miscellaneous Revenue:

- The amount of \$57,315 for FY 2024/25 represents 20% of the annual rental fee for the VyStar Ballpark. The amount for FY 2025/26 should be \$59,034 (**See Recommendation**). 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 VyStar Ballpark.

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 past practice, an expense for Administrative Support Costs is included at 2.5% of the total available funds.

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**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2025/26 BUDGET
OFFICE OF SPORTS AND ENTERTAINMENT
CAPITAL PROJECTS – CITY VENUES SURCHARGE (FUND 47103)**

PROPOSED BUDGET BOOK – Page # 265 - 266

Description	Amount
<u>EverBank Stadium</u>	
Building Systems	\$ 2,079,187
Subtotal	\$ 2,079,187
<u>VyStar Veterans Memorial Arena</u>	
Building Systems	\$ 1,000,000
Interior Finishes	\$ 422,279
Security	\$ 50,000
Subtotal	\$ 1,472,279
<u>VyStar Ballpark</u>	
Building Systems	\$ 159,568
Subtotal	\$ 159,568
<u>Performing Arts Center</u>	
Building Systems	\$ 621,052
Subtotal	\$ 651,052
Total Requested Projects	\$ 4,332,086
Administrative Support Costs	\$ 111,080
FY 2025/26 Total Budget	\$ 4,443,166

EMPLOYEE CAP CHANGES:

There are no City positions associated with this fund.

RECOMMENDATIONS:

We recommend increasing the rental of City facilities by \$59,034 and increasing other construction costs by \$57,558 at VyStar Ballpark (for building systems) and the administrative fee by \$1,476. Additionally, the existing funding for VyStar Ballpark needs to be changed to Building Systems as reflected above. This will have no impact on Special Council Contingency.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2025/26 BUDGET
OFFICE OF SPORTS AND ENTERTAINMENT
CITY VENUES – DEBT SERVICE (FUND 47105)**

PROPOSED BUDGET BOOK – Page # 267 - 268

BACKGROUND:

This fund accounts for the debt payments related to each City venue managed by ASM Global.

REVENUE:

1. Bed / Tourist Development Tax
 - The increase of \$534,025 is due to an increase in the 2 Cent Tourist Development Tax based on recent collections.
2. Investment Pool/Interest Earnings:
 - The budgeted amount of \$654,566 is the projected Investment Pool Earnings for FY 2025/26 based on available cash and the interest rate projected by the City's Treasury Division.
3. Transfers from Other Funds:
 - The transfer of \$2,374,775 is a transfer from the Sports Complex Capital Maintenance Enterprise Fund (46101) to cover the Debt Management Fund repayment for the Amphitheater and Covered Flex Field (Ordinance 2015-781-E).
4. Transfer In to Pay Debt Service:
 - The transfer of \$37,627,657 includes:
 - \$34,546,922 from the Better Jacksonville Trust Fund for the VyStar Veterans Memorial Arena and 121 Financial Ballpark debt
 - \$3,080,735 from the Sports Complex Capital Maintenance Enterprise Fund (46101) for the scoreboard electronics and infrastructure debt
5. Transfers from Fund Balance:
 - The transfer of \$9,009,611 from the fund balance is needed to balance the budget and was funding restricted for debt service payments that was over and above the payments in prior years. There is no additional amount for future years.

EXPENDITURES:

1. Fiscal and Other Debt Fees:
 - The budgeted amount of \$46,064,961 represents debt service payments for 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 a portion of which is paying for the original stadium debt. See the table on the following page for FY 2025/26 payments.

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MAYOR'S PROPOSED FY 2025/26 BUDGET
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CITY VENUES – DEBT SERVICE (FUND 47105)**

PROPOSED BUDGET BOOK – Page # 267 - 268

Everbank Field

Account Title	Principal	Interest	Fiscal Agent Fee	Total
2017A Special Revenue Bonds	\$1,000,000	\$797,250	\$2,000	\$1,799,250
2021A Special Revenue Bonds	985,000	334,750	0	1,319,750
2022A Special Revenue Bonds	6,180,000	1,708,250	0	7,888,250
Total	\$8,165,000	\$2,840,250	\$2,000	\$11,007,250

VyStar Veterans Memorial Arena

Account Title	Principal	Interest	Fiscal Agent Fee	Total
2022 Better Jacksonville Sales Tax Revenue Refunding Bonds	\$20,296,025	\$515,519	\$0	\$20,811,544
2023 Better Jacksonville Sales Tax Revenue Refunding Bonds	5,844,871	240,224	0	6,085,096
2024 Better Jacksonville Sales Tax Revenue Refunding Bonds	0	834,602	0	834,602
Total	\$26,140,897	\$1,590,346	\$0	\$27,731,242

VyStar Ballpark

Account Title	Principal	Interest	Fiscal Agent Fee	Total
2022 Better Jacksonville Sales Tax Revenue Refunding Bonds	\$5,362,174	\$136,199	\$0	\$5,498,373
2023 Better Jacksonville Sales Tax Revenue Refunding Bonds	1,544,347	63,473	0	1,607,819
2024 Better Jacksonville Sales Tax Revenue Refunding Bonds	0	220,276	0	220,276
Total	\$6,906,521	\$419,948	\$0	\$7,326,469

Total Debt Payments for City Venues	\$41,212,417	\$4,850,544	\$2,000	\$46,064,961
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**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2025/26 BUDGET
OFFICE OF SPORTS AND ENTERTAINMENT
CITY VENUES – DEBT SERVICE (FUND 47105)**

PROPOSED BUDGET BOOK – Page # 267 - 268

2. Debt Management Fund Repayments:

- The budgeted amount of \$14,669,775 consists of the following:
 - the principal (\$1,150,000) and interest (\$1,224,775) payments to the Debt Management Fund for the Amphitheater and Covered Flex Field approved through Amendment #14 of the Jaguar Lease (Ordinance 2015-781-E)
 - the principal (\$4,420,000) and interest (\$7,875,000) payments to the Debt Management Fund for City Venues capital projects, which is mainly for the ongoing stadium renovation project.

3. Contingencies:

- The contingency in the FY 2024/25 budget represented the excess of the 2 Cent Tourist Development Tax over applicable debt service. These funds were set aside for future debt service on the 2024 Stadium Renovations as required by law.

EMPLOYEE CAP CHANGES:

There are no City positions associated with this fund.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2025/26 BUDGET
OFFICE OF SPORTS AND ENTERTAINMENT
SPORTS COMPLEX CAPITAL MAINTENANCE ENTERPRISE FUND (FUND 46101)**

PROPOSED BUDGET BOOK – Page #258 - 259

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 EverBank Stadium, VyStar Veterans Memorial Arena and the Vystar Ballpark.

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.

Note – Once the new Stadium Lease Agreement takes effect, this revenue stream will be dedicated exclusively to EverBank Stadium.

REVENUES:

1. Bed / Tourist Development Tax:

- The increase of \$546,231 in Conventional Development Tax is based on year-to-date actual revenue. (Note – Per Florida Statute 212.0305, this revenue is partially shared with the Beaches and Baldwin which is why \$10,098,650 is budgeted instead of \$11,068,127 like the Tourist Development Tax.)

EXPENDITURES:

1. Capital Outlay:

- The increase of \$560,662 in Capital Outlay is based on the increased revenue. After debt service payments have been budgeted, any excess revenue available can fund capital improvement projects in the fiscal year. Capital funding for each of the venues is listed in detail on the following page. Consistent with past practice, an expense for Administrative Support Costs at 2.5% of each project is included at an amount of \$116,078.

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COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2025/26 BUDGET
OFFICE OF SPORTS AND ENTERTAINMENT
SPORTS COMPLEX CAPITAL MAINTENANCE ENTERPRISE FUND (FUND 46101)**

PROPOSED BUDGET BOOK – Page #258 - 259

<u>Description</u>	<u>Amount</u>
<u>EverBank Stadium</u>	
Building Systems	\$ 2,208,942
Audio Visual	\$ 885,000
Food Service	\$ 75,000
Subtotal	\$ 3,168,942
 <u>VyStar Veterans Memorial Arena</u>	
Building Systems	\$ 900,000
Interior Finishes	\$ 102,182
Audio Visual	\$ 50,000
Security And Access Control	\$ 50,000
Subtotal	\$ 1,102,182
 <u>Vystar Ballpark</u>	
Building Systems	\$ 205,938
Security	\$ 50,000
Subtotal	\$ 255,938
Total Budget for Projects	\$ 4,527,062
Administrative Support Costs	\$ 116,078
Total FY 2025/2026 Budget	\$ 4,643,140

2. Debt Service:
 - The \$3,080,735 is a transfer to the City Venues – Debt fund (47105) for the scoreboard electronics and infrastructure debt service.
3. Transfers to Other Funds:
 - The transfer of \$2,374,775 is a transfer to the City Venues – Debt fund (47105) for the principal and interest payments to the Debt Management Fund for the Amphitheater and Covered Flex Field approved through Amendment #14 to the Jaguar Lease.

EMPLOYEE CAP CHANGES:

There are no City employees associated with this fund.

RECOMMENDATIONS:

None.

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COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2025/26 BUDGET
OFFICE OF SPORTS AND ENTERTAINMENT
VETERANS MEMORIAL ARENA TRUST (FUND 11518)**

PROPOSED BUDGET BOOK – Page #179 - 180

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 \$64,568 represents ten percent of the fiscal year 2025/26 license fee pursuant to the VyStar Arena Naming Rights Agreement.

EXPENDITURES:

1. Other Operating Expenses:
 - The budgeted amount of \$37,500 represents funding requested by the VCDC for grant awards of \$35,000 with the remaining \$2,500 for use by the VCDC.

Grant Awardee – Letter from VCDC	Amount
Friends of Jacksonville Veterans Treatment Court of Duval County	\$10,000
Support Committee at Jacksonville National Cemetery	\$1,000
Marine Corps League Detachment 059 Jacksonville	\$6,000
Women's Veterans Ignited	\$10,000
We Can Be Heroes	\$8,000
Total	\$35,000

2. Contingencies:
 - The residual amount of \$27,068 has been placed into a contingency line pending funding recommendations from the VCDC and future appropriation by City Council.

EMPLOYEE CAP CHANGES:

There are no City positions associated with this fund.

RECOMMENDATIONS:

None.

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COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2025/26 BUDGET
SPORTS & ENTERTAINMENT
OFFICE OF SPORTS & ENTERTAINMENT (FUND 00111)**

PROPOSED BUDGET BOOK - Page # 253-254

BACKGROUND:

The General Fund/General Services District portion of the Department houses the Office of Sports & Entertainment – Administration Division.

EXPENDITURES:

1. Salaries:

- The increase of \$100,529 in salaries is driven by the addition of one position from Public Works, the pay of the Department Head being properly budgeted, and the FY 2024/25 and the proposed FY 2025/26 increases.

2. Pension Costs:

- The increase of \$8,830 is due to the increase in salaries noted above.

3. Employer Provided Benefits:

- The increase of \$5,807 is driven by the addition of one employee.

4. Internal Service Charges:

- The decrease of 8,069 is due to an overall decrease in operating costs of the Technology Solutions Department to be allocated.

5. Other Operating Expenses:

- The \$316,332 amount is mostly for contributions to support events (\$272,000), the largest of which is The Players Championship. The remaining amount consists of food, advertising, and other expenses to run the Department. The net decrease of \$193,096 is driven by the removal of one-time contributions added for the Florida Black Expo (\$100,000), Hispanic Chamber of Commerce (\$100,000), and the Gullah/Geechee Local African American Festival (\$35,000) originally approved during the wrap-up budget hearing in FY 2024/25.

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**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2025/26 BUDGET
SPORTS & ENTERTAINMENT
OFFICE OF SPORTS & ENTERTAINMENT (FUND 00111)**

PROPOSED BUDGET BOOK - Page # 253-254

Event Contributions	FY 2024-25 Approved	FY 2025-26 Proposed
The Players Championship	135,000	145,000
Florida Black Expo - Florida Black Excellent Fest	100,000	
Hispanic Chamber of Commerce	100,000	
Various Sporting Sponsorships	43,000	1,786
Gullah Geechee Local African American Festival	35,000	
Jacksonville Jaguar Suite Tickets	29,000	38,664
Greenscape (Arbor Day)	15,000	15,000
Atlantic Sun Conference		50,000
Jim & Tabitha Furyk Foundation		6,050
Atlantic Beach Classic		6,000
Jacksonville Area Golf Association	-	5,000
Springing the Blues Festival		4,500
Total	\$ 457,000	\$ 272,000

FOOD AND BEVERAGES EXPENDITURES:

FY 2025/26 Requested	Description of each service / event that requires the purchase of food and/or beverages	Explanation that the service / event serves a public purpose
\$ 22,000	Food and non-alcoholic beverage purchases for Sports & Entertainment outreach, development, and networking occasions. Locations include but are not limited to all City Sports & Entertainment Venue Suite Services, grocers & catering/restaurants.	The City's Venue Suites, and business development meeting are used to showcase our city and to entice business and other opportunities for our city.

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

The cap is increasing by one position from 5 positions to 6 positions due to one position being transferred to Sports and Entertainment from Public Works.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2025/26 BUDGET
SPORTS & ENTERTAINMENT
SPECIAL EVENTS – GENERAL FUND (FUND 00113)**

PROPOSED BUDGET BOOK - Page # 255-257

BACKGROUND:

The Office of Special Events is a division under the Office of Sports and Entertainment. It is housed within its own subfund (00113) that is activity-driven to better track event revenue and costs and provide transparency.

REVENUE:

1. Charges for Services:

- The amount of \$200,550 represents the anticipated revenue from the sale of tickets for the Florida/Georgia game that the City is contractually obligated to purchase. The increase of \$25,550 is to better align with recent actuals.

2. Miscellaneous Revenue:

- The amount of \$406,170 includes the reimbursement from the Jaguars for its portion of the temporary seat cost pursuant to Amendment 14 of the agreement with the Jaguars and revenue from permit fees and a chargeback to various event holders for staff overtime work at the events.

3. Transfer From Other Funds:

- The \$10,701,104 is a transfer from the General Fund/GSD (Fund 00111) to support operations within the Office of Special Events.

EXPENDITURES:

1. Salaries:

- The net increase of \$94,572 in salaries is mainly due to the FY 2024/25 and proposed FY2025/26 increases as well as some other increases and an increase of \$27,823 in overtime salaries to better align with recent actuals.

2. Calculated Vacancy Rate Contra Expense:

- This reflects an estimated salary and benefit lapse based on the average turnover ratio and estimated number of vacancies in FY 2025/26.

3. Pension Costs- Defined Benefit UAAL:

- This increase of \$54,449 is the result of the method of allocating unfunded liability costs being changed and the cost being moved to a non-departmental line item.

4. Employer Provided Benefits:

- The increase of \$19,890 is mainly due to employee election changes for Group Hospitalization Insurance.

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SPORTS & ENTERTAINMENT
SPECIAL EVENTS – GENERAL FUND (FUND 00113)**

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5. Internal Service Charges
 - The net decrease of \$48,357 is due to a decrease of \$37,877 in computer system maintenance costs due to an overall decrease in operating costs of the Technology Solutions Department to be allocated and a decrease in \$17,861 in General Counsel legal costs.
6. Insurance Costs and Premiums - Allocations:
 - The increase of \$21,083 is due to the increase in miscellaneous insurance due to the cost of the Special Events policy to better align with the current cost.
7. Other Operating Expenses:
 - The net increase of \$187,701 is mainly due to an increase of \$200,000 for the Memorial Wall Sea and Sky Spectacular event. This was funded in FY 2024/25 via Ordinance 2025-71-E since at the time of the budget it was not thought this event would occur.
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 \$184,875 to the Bob Hayes Track event which continues a \$100,000 increase approved in FY 2022/23 to hold the event at UNF.

(Continued on Next Page)

**COUNCIL AUDITOR'S OFFICE
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MAYOR'S PROPOSED FY 2025/26 BUDGET
SPORTS & ENTERTAINMENT
SPECIAL EVENTS – GENERAL FUND (FUND 00113)**

PROPOSED BUDGET BOOK - Page # 255-257

Below is the cost for each proposed event:

Events	Equipment Rentals	Advertising	Event Contributions	Miscellaneous Services & Charges	Subsidies & Contributions To Other Governments	Subsidies & Contributions To Private Organizations	FY 2025/26 Proposed	FY 2024/2025 Approved	Increase (Decrease)
4th of July and New Years Celebration	12,500			288,500			301,000	301,000	-
Bob Hayes						184,875	184,875	184,875	-
Florida-Georgia Game	1,540,960	121,000	3,992,000	600,000	470,000		6,723,960	6,711,960	12,000
Hispanic Heritage Initiatives				35,000			35,000	35,000	-
Jax Beach Fireworks Subsidy				25,000			25,000	35,000	(10,000)
Jax Happenings	1,500	4,000		8,000			13,500	13,500	-
Jazz Festival-Activity	15,000	4,500		724,174			743,674	743,674	-
Light Parade	4,500	6,000		49,500			60,000	60,000	-
Mayor's Initiatives	8,000	7,000	-	50,000			65,000	65,001	(1)
Memorial Wall - Sea and Sky	134,800			220,200			355,000	155,000	200,000
MLK Jr 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	1,742,760	157,500	3,992,000	2,167,085	470,000	184,875	8,714,220	8,512,221	201,999

FOOD AND BEVERAGE EXPENDITURES:

Description of each service / event that requires the purchase of food and/or beverages	Explanation that the service / event serves a public purpose	FY26 Proposed
Food and non-alcoholic beverage purchases to support Special Event hosting, productions and supporting activations. Events include, but are not limited to Florida Georgia, Sea & Sky, Jazz Fest, World of Nations Etc.	Signature city event - supports volunteers/hospitality	34,422

SERVICE LEVEL CHANGES:

Funding for the Sea and Sky event is included in the proposed budget.

EMPLOYEE CAP CHANGES:

None.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED 2025/26 BUDGET
PUBLIC WORKS
GENERAL FUND/GENERAL SERVICES DISTRICT (FUND 00111)**

PROPOSED BUDGET BOOK – PAGE # 332- 334

BACKGROUND:

The general fund portion of the Public Works Department consists of the Office of the Director and six other Divisions: Development Services, Engineering and Construction Management, Mowing & Landscape Maintenance, Real Estate, Right-of-Way (R-O-W) & Stormwater Maintenance, and Traffic Engineering. The Public Buildings activity is also within the Public Works Department and is administered as an internal service fund.

The Development Services Division handles floodplain management, site plan review, addressing, right-of-way permitting, concurrency/mobility and zoning counter operations that assists with various applications and certificates of use. The Engineering and Construction Management Division's primary responsibility is to plan and design public works projects. The Mowing & Landscape Maintenance Division maintains the landscape, including grass, trees, other vegetation and irrigation, on various City owned property while managing all citywide mowing contracts for both public and private property. The Real Estate Division manages the financial aspects of the City's real estate holdings in terms of acquisition, appraisals, disposals, inventories, and usage assessments. The R-O-W & Stormwater Maintenance Division plans and builds streets, highways and drainage facilities. The Traffic Engineering Division installs, maintains and regulates all street markings, signs, signals and other traffic control devices on City owned roadways.

REVENUES:

1. Permits and Fees

- The \$472,392 budget amount is mainly made up of right-of way filing fees.

2. Intergovernmental Revenue

- The \$578,970 budget amount reflects the State of Florida Department of Transportation (FDOT) funding for mowing, litter removal, and tree trimming for public right-of-ways on certain State roads pursuant to contractual agreements.

3. Miscellaneous Revenue

- The increase of \$195,030 is primarily due to increased reimbursements from the FDOT for the maintenance of traffic signals of \$141,548 to \$3,814,545 and streetlights of \$95,070 to \$3,264,948 on State roads. These increases are the result of changes in the Maintenance and Compensation Agreements between the City of Jacksonville and the Florida Department of Transportation, which were made by the State for FY 2025/26.

EXPENDITURES:

1. Salaries

- The increase of \$741,185 is mainly due to an increase of \$715,081 in permanent and probationary salaries mainly due to the FY 2024/25 and the proposed FY 2025/26 increases. There is also an increase of \$32,269 to \$156,661 in part-time salaries to better align with usage.

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2. Pension Costs

- The decrease of \$54,932 is primarily due to employee turnover.

3. Pension Costs – Defined Benefit UAAL

- The decrease of \$2,914,567 is the result of the method of allocating unfunded liability costs being changed and the cost being moved to a non-departmental line item.

4. Employer Provided Benefits

- The net decrease of \$49,685 is primarily due to a decrease of \$111,883 in workers compensation costs due to a change to using the discounted amounts instead of the undiscounted amounts from the actuarial reports. This decrease is partially offset by an increase of \$50,014 in group health insurance costs due to changes in plan type elections by employees.

5. Internal Service Charges

- The net decrease of \$324,276 is mainly due to the following decreases:
 - \$295,283 in fleet vehicle replacements mainly due to older vehicles being paid off.
 - \$204,847 in computer systems maintenance and security costs due to an overall decrease in the budget for the Information Technologies fund (53101).
 - \$104,579 in fleet part, oil and gas costs mainly due to a decrease in estimated fuel costs compared to the budget for FY 2024/25.
 - \$61,702 in legal charges to align with actual usage.

These decreases are offset by an increase of \$215,114 in Public Works utilities allocation and an increase of \$104,720 in building maintenance – citywide which is based on prior year actuals.

6. Insurance Costs and Premiums - Allocations

- The decrease of \$149,630 is due to a decrease of \$122,865 in general liability insurance associated with a decrease in prior year claims, and a decrease of \$26,765 in miscellaneous insurance costs mainly due to drive cam costs being moved to Fleet.

7. Professional and Contractual Services

- This line is mainly made up of contractual services for mowing, tree trimming, and street light maintenance. The decrease of \$133,579 is due to a decrease of \$72,249 in professional services mainly due to the removal of \$77,000 of a City Council enhancement added in FY 2024/25 for the Clean Communities Initiative and a decrease of \$61,330 in contractual services.

8. Other Operating Expenses

- This line is mainly made up of electricity costs for street lots in the amount of \$12,658,493.

**COUNCIL AUDITOR'S OFFICE
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PUBLIC WORKS
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PROPOSED BUDGET BOOK – PAGE # 332- 334

9. Capital Outlay

- The \$200,000 will be used for the purchase and installation of streetlights.

10. Supervision Allocation

- The FY 2025/26 net positive amount of \$291,935 reflects \$839,073 charged by the Building Inspection Division (15104) for employees that perform duties related to the Development Services Division's activities in the General Fund/GSD (00111) offset by \$322,259 charged by the Engineering and Construction Management Division to capital projects and \$224,879 charged by the Office of Director to Stormwater Services (44101) and Solid Waste (43101).

DIVISIONAL SUMMARY – EXCLUDES PENSION COSTS – DB UAAL:

DIVISION	FY 2024/25 APPROVED	FY 2025/26 PROPOSED	CHANGE		
			AMOUNT	%	
Development Services	\$ 928,641	\$ 840,273	\$ (88,368)	(9.52%)	A
Engineering	\$ 3,597,561	\$ 3,659,016	\$ 61,455	1.71%	B
Mowing & Landscape	\$ 26,382,356	\$ 26,218,962	\$ (163,394)	(0.62%)	C
Office of the Director	\$ 2,664,818	\$ 2,560,407	\$ (104,411)	(3.92%)	D
Real Estate	\$ 831,299	\$ 780,493	\$ (50,806)	(6.11%)	E
R-O-W and Stormwater	\$ 10,170,190	\$ 10,103,534	\$ (66,656)	(0.66%)	F
Traffic Engineering	\$ 20,055,908	\$ 20,163,351	\$ 107,443	0.54%	G
TOTAL	\$ 64,630,773	\$ 64,326,036	\$ (304,737)	(0.47%)	

- A. The proposed budget amount of \$840,273 in the Development Services Division is mainly associated with supervision allocation costs charged by the Building Inspection Division (15104) for employees that perform duties related to the Development Services Division's activities in the General Fund/GSD (00111).
- B. The net increase of \$61,455 in the Engineering Division is primarily due to the following increases:
- \$90,823 in salaries mainly related to FY 2024/25 and the proposed FY 2025/26 increases partially offset by positions that were reclassified with lower salaries and employee turnover.
 - \$25,715 in legal charges which are based on actual usage.
 - \$25,692 in fleet vehicle replacement costs mainly due to the full years costs of a vehicle purchased in FY 2024/25 being budgeted.
 - \$25,961 in group health insurance costs which is due to changes in elections and employee turnover.

**COUNCIL AUDITOR'S OFFICE
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These increases are partially offset by the following decreases:

- \$77,000 in other professional services due to the removal of funding for the Clean Communities Initiative that was a City Council enhancement added in FY 2024/25.
- \$25,211 in computer systems maintenance and security costs due to the overall decrease in the Technology Solutions budget being allocated.

- C. The net decrease of \$163,394 in the Mowing & Landscape Division is mainly due to a decrease in general liability insurance which is allocated based on prior year claim history.
- D. The net decrease of \$104,411 in the Office of the Director Division is primarily due to the impact of the negative supervision allocation costs proposed amount of \$224,879 which represents the salaries and benefits costs charged by the Office of Director to Stormwater Services (44101) and Solid Waste (43101). There is also a decrease of \$53,033 in computer systems maintenance and security due to an overall decrease in the Technology Solutions budget being allocated, and a decrease of \$31,856 in legal costs which is based on recent usage.

These decreases are partially offset by the following increases:

- \$147,559 in permanent and probationary salaries mainly due to the FY 2024/25 and the FY 2025/26 increases and an additional position being added to the Division.
- \$32,269 in part-time salaries to better align with anticipated needs based on recent actuals.
- \$18,438 in group health insurance mainly related to a new position being added.

- E. The net decrease of \$50,806 in the Real Estate Division is mainly due to the following decreases:
- \$46,710 in legal charges which is based on actual usage.
 - \$13,619 in group health insurance costs which is based on changes in plan type elections associated with employee turnover.
 - \$11,053 in other professional services costs which is based on anticipated need based on recent actuals.

These decreases are offset by an increase of \$35,258 in permanent and probationary salaries mainly due to the FY 2024/25 and the proposed FY 2025/26 increases.

- F. The net decrease of \$66,656 in the R-O-W and Stormwater Division is mainly due to the following decreases:
- \$201,890 in fleet vehicle replacement costs mainly due to older vehicles being paid off.
 - \$65,624 in computer systems maintenance and security costs due to a decrease in the Technology Solutions budget.
 - \$47,303 in the defined contribution plan due to employee turnover.
 - \$47,207 in fleet part, oil and gas costs due to a decrease in fuel costs compared to the projections for FY 2024/25.

**COUNCIL AUDITOR'S OFFICE
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PUBLIC WORKS
GENERAL FUND/GENERAL SERVICES DISTRICT (FUND 00111)**

PROPOSED BUDGET BOOK – PAGE # 332- 334

- \$43,096 in ITD replacement costs due to less computers being refreshed compared to FY 2024/25.

These decreases are partially offset by the following increases:

- \$154,794 in general liability insurance which is based on prior year claim history.
- \$139,692 in permanent and probationary salaries mainly due to the FY 2024/25 and the proposed FY 2025/26 increases partially offset by the removal of three positions from the Division.
- \$46,703 in city wide building maintenance costs due to an increase in the allocation percentage which is based on prior year actuals.

G. The net increase of \$107,443 in the Traffic Engineering Division is mainly due to the following increases:

- \$273,362 in permanent and probationary salaries mainly due to FY 2024/25 and proposed FY 2025/26 increases and the net addition of one position being moved into this Division.
- \$121,806 in Public Works utilities allocations which are based on prior year actuals.
- \$58,017 in city wide building maintenance costs due to an increase in the allocation percentage which is based on prior year actuals.

These increases are offset by the following decreases:

- \$125,554 in general liability insurance which is based on prior year claim history.
- \$76,584 in electricity for streetlights which is mainly based on prior year actuals.
- \$61,102 in fleet vehicle replacement costs mainly due to older vehicles being paid off.
- \$53,651 in contractual services.
- \$38,011 in workers compensation due to a change to using the discounted amounts and not the undiscounted amounts from the actuarial reports.

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

The employee cap is decreasing by two due to:

- 2 positions are proposed to be eliminated,
- 1 position is proposed to be transferred in from the Solid Waste Disposal Fund (43101), and
- 1 position was transferred out to the Office of Sports and Entertainment during FY 2024/25.

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PUBLIC WORKS
GENERAL FUND/GENERAL SERVICES DISTRICT (FUND 00111)**

PROPOSED BUDGET BOOK – PAGE # 332- 334

FOOD AND BEVERAGES EXPENDITURE:

FY 2025/26 Proposed	Description	Explanation
\$120	Employee Recognition Program: Funding to support employee appreciation for the purpose of employee retention & recruitment	Employee Appreciation/Retention: One employee will be selected as Public Works Employee of the Year and will be rewarded by having lunch with the Director.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED 2025/26 BUDGET
PUBLIC WORKS
TREE PROTECTION & RELATED EXPENDITURES (FUND 15304)**

PROPOSED BUDGET BOOK – PAGE # 340 - 342

BACKGROUND:

The City of Jacksonville's Tree Protection and Related Expenditures Trust Fund provides that protected trees are required to be conserved during the clearing of land for development purposes wherever and whenever reasonably possible. To the extent that protected trees are lost or destroyed, the developer mitigates their loss or destruction by planting replacement trees or by paying a monetary contribution to the Fund. All monetary contributions are to be used exclusively for planting trees, incidental landscaping, and maintaining trees along the public rights-of-way and on public lands within Duval County. Pursuant to Municipal Code Section 111.760 the amount appropriated from these funds for tree maintenance in any fiscal year cannot exceed twenty-five percent of the budgeted amount for tree maintenance within the Public Works Department. This is an "all years" fund, which means once dollars are appropriated, the appropriation stays in place from year to year rather than lapsing.

REVENUES:

1. Miscellaneous Revenue:

- The proposed \$774,046 budgeted for FY 2025/26 is from monetary contributions and will provide the source of funding for tree protection activities in FY 2025/26.

EXPENDITURES:

1. Salaries

- The increase of \$138,589 is mainly due to the addition of three new positions.

2. Pension Costs

- The increase of \$16,631 is due to the addition of three new positions.

3. Pension Costs – Defined Benefit UAAL

- The increase of \$11,940 is due to a change in the method used for allocating the defined benefit unfunded liability.

4. Employer Provided Benefits

- The increase of \$31,338 is due to the addition of three new positions.

5. Other Operating Expenses:

- The proposed amount of \$479,657 is mainly for the tree maintenance that represents a 25% match of the amount budgeted in Public Works General Fund/GSD of \$1,753,066 and Stormwater Services fund of \$165,000.

SERVICE LEVEL CHANGES:

There is no change in service level.

EMPLOYEE CAP CHANGES:

The employee cap is increasing by three. The additional positions include one City Arborist position, one Landscape Architect position, and one Associate Urban Forester position.

**COUNCIL AUDITOR'S OFFICE
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PUBLIC WORKS
TREE PROTECTION & RELATED EXPENDITURES (FUND 15304)**

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RECOMMENDATION:

We recommend adding the allocation from the Vehicle Replacement fund for \$7,596 to account for the allocation for the three new proposed vehicles to be purchased. This will be offset with an increase to contributions from private sources. This will have no impact on Special Council Contingency.

**COUNCIL AUDITOR'S OFFICE
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BEACH EROSION – LOCAL (FUND 11404)**

PROPOSED BUDGET BOOK – Page # 81-82

BACKGROUND:

The Beach Erosion - Local fund is primarily governed by the Local Cooperation Agreement (established in 1978) between the Federal Government (Army Corps of Engineers) and the City of Jacksonville. The agreement provides for periodic renourishment of the County's beaches and to maintain the design profile for a total of 50 years (through the year 2028). The State is not a party to the aforementioned agreement but has participated in previous years in each phase of beach renourishment by contributing a percentage of the "local share". State funding is not guaranteed and is subject to State legislative approval. Total project costs are shared between federal and non-federal (County and State) funding at the level of 61.6% and 38.4%, respectively. The State of Florida covers up to 46.89% of the County and State portion.

The Local Cooperation Agreement and a related Beach Renourishment Financing Plan account for County beach renourishment projects every five (5) years. The next county beach renourishment project is scheduled to begin in FY 2028/29.

This is an "all years" fund.

REVENUE:

1. Transfers from Other Funds:

- The Transfer from Other Funds of \$500,000 is an interfund transfer from the General Fund/General Services District (Fund 00111) as part of the local-share obligations.

EXPENDITURES:

1. Cash Carryover:

- This represents the City building reserves to cover future beach renourishment costs.

EMPLOYEE CAP CHANGES:

There are no authorized positions in this fund.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
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MAYOR'S PROPOSED 2025/26 BUDGET
VARIOUS DEPARTMENTS
STORMWATER SERVICES (FUND 44101)**

PROPOSED BUDGET BOOK – PAGE # 343-346

	FY 24-25 ADOPTED	FY 25-26 PROPOSED	DOLLAR CHANGE	% CHANGE
REVENUE				
Jax Citywide Activities				
Investment Pool / Interest Earnings	\$ 329,725	\$ 1,295,828	\$ 966,103	293.0%
	329,725	1,295,828	966,103	293.0%
Public Works				
Stormwater User Fees	34,128,565	34,192,541	63,976	0.2%
	34,128,565	34,192,541	63,976	0.2%
TOTAL REVENUE	\$ 34,458,290	\$ 35,488,369	\$ 1,030,079	3.0%
EXPENDITURES				
Citywide Activities				
Pension Costs - Defined Benefit UAAL	\$ -	\$ 1,140,397	\$ 1,140,397	
Debt Management Fund Repayments	459,955	582,666	122,711	26.7%
Transfers to Other Funds	11,618,891	11,431,799	(187,092)	-1.6%
	\$ 12,078,846	\$ 13,154,862	\$ 1,076,016	8.9%
Office of Administrative Services				
Salaries	\$ 73,549	\$ 30,464	\$ (43,085)	-58.6%
Pension Costs	9,666	7,252	(2,414)	-25.0%
Pension Costs - Defined Benefit UAAL	43,935	-	(43,935)	-100.0%
Employer Provided Benefits	14,263	5,193	(9,070)	-63.6%
Internal Service Charges	22,633	20,211	(2,422)	-10.7%
Insurance Costs and Premiums - Allocations	45,761	17,584	(28,177)	-61.6%
Professional and Contractual Services	7,444	7,444	-	0.0%
Other Operating Expenses	8,063	8,063	-	0.0%
Capital Outlay	1	1	-	0.0%
Indirect Cost	197,320	114,136	(83,184)	-42.2%
	\$ 422,635	\$ 210,348	\$ (212,287)	-50.2%
Public Works				
Salaries	\$ 6,590,502	\$ 7,302,773	\$ 712,271	10.8%
Pension Costs	480,798	539,457	58,659	12.2%
Pension Costs - Defined Benefit UAAL	484,344	-	(484,344)	-100.0%
Employer Provided Benefits	1,474,990	1,445,145	(29,845)	-2.0%
Internal Service Charges	3,700,485	2,902,051	(798,434)	-21.6%
Insurance Costs and Premiums - Allocations	67,035	32,111	(34,924)	-52.1%
Professional and Contractual Services	8,057,153	8,561,853	504,700	6.3%
Other Operating Expenses	574,793	601,923	27,130	4.7%
Capital Outlay	1	1	-	0.0%
Supervision Allocation	-	157,888	157,888	
Indirect Cost	526,708	579,957	53,249	10.1%
	\$ 21,956,809	\$ 22,123,159	\$ 166,350	0.8%
TOTAL EXPENDITURES	\$ 34,458,290	\$ 35,488,369	\$ 1,030,079	3.0%
AUTHORIZED POSITION CAP				
Authorized Positions	53	56	3	
Part-Time Hours	-	1,300	1,300	

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED 2025/26 BUDGET
VARIOUS DEPARTMENTS
STORMWATER SERVICES (FUND 44101)**

PROPOSED BUDGET BOOK – PAGE # 343-346

BACKGROUND:

Stormwater Services subfund provides the Public Works Department with a dedicated funding source for stormwater services. Funding is primarily provided by a user fee. The stormwater fee is billed to all owners of property in the municipal City of Jacksonville limits that contains impervious area. The fee is based on the total amount of impervious area on the property. For a typical homeowner, that would include not just the house itself, but things like patios, walkways and driveways. The owner of an average single family house is charged \$5 per month. Non-residential properties (such as businesses) are analyzed individually to determine the exact amount of impervious area.

Section 754.110 of the Municipal Code provides for the value of Stormwater User Fees to be waived for 501(c)(3) organizations and individuals or families who are economically disadvantaged. The City's General Fund/GSD covers the cost of the fees waived.

REVENUES:

Jax Citywide Activity

1. Investment Pool / Interest Earnings:

- The \$1,295,828 represents anticipated interest earnings for FY 2025/26.

Public Works

1. Stormwater User Fees:

- The net increase of \$63,976 in stormwater user fees is consistent with current growth.

EXPENDITURES:

Citywide Activity

1. Pension Costs – Defined Benefit UAAL

- This cost has been moved to a non-departmental line item within this fund. The change is the result of the method of allocating unfunded liability costs being changed.

2. Debt Management Fund Repayments:

- This is debt repayments associated with stormwater projects that were authorized after the utility was established, but prior to October 1, 2015, when it was decided that the stormwater revenue stream would not be pledged for debt service of any new projects.

3. Transfers to Other Funds:

- This represents the transfer to Stormwater Services - Capital Projects (fund 44102) to be used as pay-go funds for various capital projects related to drainage system rehabilitation and stormwater capital projects.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED 2025/26 BUDGET
VARIOUS DEPARTMENTS
STORMWATER SERVICES (FUND 44101)**

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Office of Administrative Services

The Environmental Quality Division (EQ) within the Office of Administrative Services manages a portion of the Stormwater Management System Program, which is a vital part of the River Accord and helps the City meet Federal Clean Water Act and State regulations. Responsibilities include inspections of illicit connections to drainage systems, inspections of high priority industries, and surface water quality monitoring.

The City has an inter-local agreement with the Florida Department of Transportation (FDOT) that provides the City grant funding for the federally mandated National Pollutant Discharge Elimination System (NPDES) monitoring plan for the Municipal Separate Storm Sewer System (MS4) permit in Jacksonville. The grant expands the EQ's abilities to comply with Stormwater management regulations by funding personnel salaries and benefits, supplies, and services. Public Works and Neighborhoods are requesting \$380,034 in grant funding, and EQ is able to reduce its budget for these line items.

1. Salaries:

- The net decrease of \$43,085 is mainly due to the transfer of one position from the Environmental Quality Division to Public Works / Stormwater Maintenance. This was slightly offset by FY 2024/25 and the proposed FY 2025/26 salary increases.

2. Pension Costs – Defined Benefit UAAL:

- The reduction of \$43,935 is due to moving this expense to a non-departmental line within this fund.

3. Insurance Costs and Premiums:

- The decrease of \$28,177 is due to a decrease in general liability insurance based on recent claims history.

4. Indirect Cost:

- This is an allocation of costs to operate central services of the City (e.g., employee, accounting, and procurement services) as calculated by the City's independent consulting firm.

Public Works

The Stormwater Services subfund uses its dedicated funding source to complete various flood and drainage mitigation projects, clean canals and ditches, address stormwater treatment issues, maintain collection and pumping systems, as well as stormwater treatment facilities (ponds). Funding is provided by a user fee. Public Works allocates employee activity and the related expenses between the General Fund/General Services District (fund 00111) and Stormwater Services (fund 44101).

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1. Salaries:

- The increase of \$712,271 is mainly due to changes in the way salaries are split between the General Fund/GSD (Fund 00111) and Stormwater Service (Fund 44101) within the Stormwater Maintenance Division and the Mowing Division. The increase is also due to the transfer of four positions from the Office of Administrative Services (one from within this fund and three from the General Fund/GSD) to this area, salary increases in FY 2024/25 and in the proposed FY 2025/26 budget, and due to employee turnover. Note – The employee cap of this fund only includes employees that are 100% charged to this area. The other employees are included in the General Fund/GSD cap. Therefore, the salary increases cannot be compared to only the 51 Public Works employees included in the employee cap of this fund. The pay changes also relate to the equivalent of approximately 88 additional employees (based on the time allocation of 181 additional employees).

2. Pension Costs – Defined Benefit UAAL

- The reduction of \$484,344 is due to moving this expense to a non-departmental line within this fund.

3. Employer Provided Benefits:

- The decrease of \$29,845 is mainly due to a decrease of \$28,947 in worker's compensation due to a change in using the discounted amounts and not the undiscounted amounts from the actuarial reports.

4. Internal Service Charges:

- The decrease of \$798,434 is due mainly due to a decrease of \$647,576 in fleet vehicle replacements due to fewer vehicles being billed that were replaced in prior years, a decrease of \$134,743 in fleet part, oil and gas charges due to an overall decrease in projected fuel costs, and a decrease of \$29,634 in computer system maintenance and security due to an overall decrease in the operating costs of the Information Technologies Fund (53101).

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5. Insurance Costs and Premiums – Allocations:

- The decrease of \$34,924 is due to a decrease of \$22,843 in miscellaneous insurance associated with the operating costs of DriveCams which are being allocated through fleet management instead and a decrease of \$12,081 in general liability insurance based on recent claims history.

6. Professional and Contractual Services:

- The increase of \$504,700 is mainly due to an increase of \$406,700 in contractual services costs for multiple contracts to perform drainage work, roadside ditch cleaning and regrading, and drainage repairs. This is also due to an increase of \$98,000 in other professional services related to the National Pollution Discharge Elimination System Permit.

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7. Other Operating Expenses:

- The increase of \$27,130 is mainly due to an increase of \$16,850 in equipment rentals for barriers and barricades and an increase of \$10,000 in landfill charges based on current year actuals.

8. Supervision Allocation:

- The addition of \$157,888 in supervision allocation represents a portion of the administrative costs of two Public Works Office of Director employees who perform work-related activities for this fund.

9. Indirect Cost:

- This is an allocation of costs to operate central services of the City (e.g., employee, accounting, and procurement services) as calculated by the City's independent consulting firm.

SCHEDULE B1 GRANTS:

B1a – Schedule of Continuation Grants/Programs with No City Match

Grantor	Grant Name	Grant Description	Estimated Grant Award	In Kind Contribution	FTE Positions	Part Time Hours
Florida Department of Transportation	National Pollutant Discharge Elimination System / MS4 Permit Grant	Grant will provide for Phase 1 Permit Cycle 3 requirements, which includes a Monitoring Plan. Perform stormwater discharge compliance and water quality assessments, total maximum daily load monitoring for nutrient levels in the Lower St. Johns basin, illicit discharge and improper disposal proactive inspections, and other means of monitoring the impairment of waterways.	\$380,034	\$0	0	0

EMPLOYEE CAP CHANGES:

The cap is going from 53 positions to 56 positions due to three positions from the Office of Administrative Services General Fund (00111) being moved to this fund. 1,300 part-time hours were added as part of the budget process.

SERVICE LEVEL CHANGES:

None.

RECOMMENDATION:

None.

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PUBLIC WORKS
PUBLIC BUILDING ALLOCATIONS (FUND 54101)**

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BACKGROUND:

This internal service fund accounts for the revenue and expenditures of Public Buildings related to building operation, maintenance, utilities, and security. The costs are billed to the building occupants based on occupied square footage.

REVENUE:

1. Internal Service Revenue:

- This amount reflects the total proposed charges for building maintenance, security, and utilities to be collected from all users and is directly related to the budgeted expenditures in this fund.

2. Miscellaneous Revenue:

- This amount represents the tenant revenue for non-City occupants of city buildings. Examples include Quiznos, Brick, and Mayo Clinic at Ed Ball Building. The increase is due to an increase in non-City occupants in the Ed Ball building based on current year actuals.

3. Investment Pool / Interest Earnings:

- The \$306,016 represents interest earnings in FY 2025/26.

4. General Fund Loan:

- The funding in FY 2024/25 represented a one-time \$1 million loan from the General Fund to help spread the cost of connecting the Ed Ball Building to the JEA chilled water line over a two-year period. This loan is being repaid in FY 2025/26.

5. Transfers from Fund Balance:

- This transfer from fund balance is for emergency funds to address unanticipated repairs, requests, or emergency issues as they arise throughout the fiscal year. The use of these funds requires approval from the Chief Financial Officer or the Chief Administrative Officer pursuant to the Budget Ordinance.

EXPENDITURES:

1. Salaries:

- The increase of \$250,461 is mainly due to the impact of the FY 2024/25 and the proposed FY 2025/26 increases.

2. Calculated Vacancy Rate Contra Expense:

- The salary and benefit lapse is based on the average turnover ratio and estimated number of vacancies in FY 2025/26.

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3. Pension Costs – Defined Benefit UAAL:
 - The increase of \$236,402 in general employees defined benefit unfunded liability is primarily due to a change in the allocation methodology.
4. Internal Service Charges:
 - The internal service charges are mainly related to allocating utility costs (\$6,612,315), building maintenance (\$854,680), and guard services (\$1,815,782) within this fund to multi-tenant buildings (e.g., City Hall, Ed Ball Building, Yates Building). This makes it so costs can be allocated out to the occupants of the buildings and allows the City to understand the cost of each building. The actual costs paid for these services are in other lines (e.g., utilities are in Other Operating Expenses and guard services out of Professional and Contractual Services that are explained elsewhere in this handout).
 - The actual decrease after excluding internal charges from within the fund (i.e., for allocations from other funds), is \$84,272 and is mainly related to decreases in computer systems maintenance and security and fleet parts, oil and, gas.
5. Inter-Departmental Billing:
 - The \$25,000 is for the billings from the Jacksonville Fire and Rescue Department to perform fire inspections at City buildings.
6. Insurance Costs and Premiums - Allocations:
 - The decrease of \$333,867 is the result of a decrease in the City's property insurance premium.
7. Professional and Contractual Services:
 - The professional and contractual services are mainly made up of janitorial services (\$4,793,822) and security guard services (\$3,616,675) as well as other various contractual services such as HVAC, plumbing, and generator repairs.
 - The increase of \$376,670 is mainly due to an increase of \$407,380 in janitorial services due to increases in minimum wages and an increase of \$142,038 in security guard services attributable to increases in hourly rates. This was somewhat offset by a decrease of \$174,735 in contractual services based on current year actuals.
8. Other Operating Expenses:
 - This is mainly made up of \$18,413,391 in utility costs and \$3,677,000 for the cost of repairs and maintenance and supplies for the various City Buildings. The net decrease of \$496,260 is mainly due to a decrease in utility costs.
9. Capital Outlay:
 - This funding is to replace any broken and outdated Automated External Defibrillators (AED) for City facilities.

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10. Indirect Cost:

- This is an allocation of costs to operate central services of the City (e.g., employee, accounting, and procurement services) as calculated by the City's independent consulting firm.

11. Transfers to Other Funds:

- This amount represents a transfer from this fund to the General Fund/GSD to pay for the Jake Godbold building debt allocation and the Ed Ball building build-out allocation. The decrease is due to a one-time transfer made in FY 2024/25 from this fund to the Authorized Capital Project fund (Fund 32124) of \$2 million to connect the Ed Ball building to the JEA chilled water line as well as FY 2025/26 having the last debt payment on the Jake Godbold building.

12. General Fund – Loan / Loan Repayment:

- This amount represents the repayment of the \$1 million loan from the General Fund made in FY 2024/25 to help spread the cost of connecting the Ed Ball Building to the JEA chilled water line over a two-year period.

EMPLOYEE CAP CHANGES:

There is no change in authorized positions.

SERVICE LEVEL CHANGES:

None.

CAPITAL OUTLAY CARRYFORWARD:

None.

RECOMMENDATION:

None.

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PUBLIC WORKS
BUILDING INSPECTION (EXCLUDING FIRE RESCUE) (FUND 15104)**

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	FY 24-25 ADOPTED	FY 25-26 PROPOSED	%	DOLLARS
REVENUE				
Fire and Rescue				
Charges for Services	\$1,119,650	\$1,009,248	-9.9%	-\$110,402
Fines and Forfeits	3,080	0	-100.0%	-3,080
	\$1,122,730	\$1,009,248	-10.1%	-\$113,482
Jax Citywide Activities				
Investment Pool / Interest Earnings	\$676,699	\$597,797	-11.7%	-\$78,902
Transfers from Fund Balance	4,228,475	4,275,384	1.1%	46,909
	\$4,905,174	\$4,873,181	-0.7%	-\$31,993
Public Works				
Permits and Fees	\$2,673,000	\$3,495,207	30.8%	\$822,207
Inspection Fees	15,951,000	16,291,725	2.1%	340,725
Charges for Services	987,600	999,521	1.2%	11,921
Fines and Forfeits	436,000	126,907	-70.9%	-309,093
Miscellaneous Revenue	62,000	91,137	47.0%	29,137
	\$20,109,600	\$21,004,497	4.5%	\$894,897
TOTAL REVENUE	\$26,137,504	\$26,886,926	2.9%	\$749,422

EXPENDITURES				
Fire and Rescue				
Salaries	\$1,298,197	\$1,453,391	12.0%	\$155,194
Calculated Vacancy Rate Contra Expense	-3,222	-6,282	95.0%	-3,060
Pension Costs	229,085	365,339	59.5%	136,254
Pension Costs - Defined Benefit UAAL	406,223	0	-100.0%	-406,223
Employer Provided Benefits	197,332	161,412	-18.2%	-35,920
Internal Service Charges	162,408	98,967	-39.1%	-63,441
Insurance Costs and Premiums - Allocations	4,340	4,107	-5.4%	-233
Professional and Contractual Services	1	1	0.0%	0
Other Operating Expenses	15,287	14,102	-7.8%	-1,185
Capital Outlay	1	1	0.0%	0
Indirect Cost	131,603	151,758	15.3%	20,155
	\$2,441,255	\$2,242,796	-8.1%	-\$198,459

Jax Citywide Activities				
Pension Costs - Defined Benefit UAAL	\$0	\$2,111,901	N/A	\$2,111,901
Transfers to Other Funds	0	360,000	N/A	360,000
	\$0	\$2,471,901	N/A	\$2,471,901
Public Works				
Salaries	\$11,252,452	\$12,715,313	13.0%	\$1,462,861
Calculated Vacancy Rate Contra Expense	-129,513	-184,885	42.8%	-55,372
Pension Costs	1,154,143	1,332,961	15.5%	178,818
Pension Costs - Defined Benefit UAAL	1,892,748	0	-100.0%	-1,892,748
Employer Provided Benefits	1,898,981	1,954,485	2.9%	55,504
Internal Service Charges	4,711,866	3,966,596	-15.8%	-745,270
Insurance Costs and Premiums	518	518	0.0%	0
Insurance Costs and Premiums - Allocations	121,354	68,048	-43.9%	-53,306
Professional and Contractual Services	1,110,000	1,595,000	43.7%	485,000
Other Operating Expenses	942,679	458,283	-51.4%	-484,396
Capital Outlay	1	100,001	10000000.0%	100,000
Supervision Allocation	-146,054	-839,073	474.5%	-693,019
Indirect Cost	887,074	1,004,982	13.3%	117,908
	\$23,696,249	\$22,172,229	-6.4%	-\$1,524,020

TOTAL EXPENDITURES **\$26,137,504** **\$26,886,926** **2.9%** **\$749,422**

	FY 24-25 ADOPTED	FY 25-26 PROPOSED	CHANGE
AUTHORIZED POSITION CAP			
Fire and Rescue	13	13	0
Public Works	176	182	6
Authorized Positions	189	195	6
Part-Time Hours			
Fire and Rescue	0	0	0
Public Works	9,100	9,100	0
Part-Time Hours	9,100	9,100	0

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PUBLIC WORKS
BUILDING INSPECTION (EXCLUDING FIRE RESCUE) (FUND 15104)**

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BACKGROUND:

The Building Inspection fund accounts for the finances of the Building Inspection Division within the Public Works 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.

Note – The below information is based on the summary page provided in the handout.

REVENUE:

Jax Citywide Activities

1. Investment Pool / Interest Earnings:

- The \$597,797 represents the anticipated returns in FY 2025/26.

2. Transfer From Fund Balance:

- There is a proposed transfer from fund balance of \$4,275,384 to balance the fund.

Public Works

3. Permits and Fees:

- The increase of \$822,207 is primarily due to increases of \$753,431 in building permit review fees, \$47,513 in site clearing permit fees, and \$19,573 in site development review fees based on recent actuals.

4. Inspection Fees:

- The net increase of \$340,725 is due to increases in building inspection fees based on recent actuals.

5. Fines and Forfeits:

- The decrease of \$309,093 is primarily due to the elimination of permit reactivation and reinstatement fees as a result of changes to state law.

6. Miscellaneous Revenue:

- The increase of \$29,137 is due to increases of \$20,327 in miscellaneous permit fees and \$8,810 in sales of printed materials such as books, maps, and regulations based on recent actuals.

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EXPENDITURES:

Jax Citywide Activities

1. Pension Costs – Defined Benefit UAAL
 - This cost has been moved to a non-departmental line item within this fund. The change is the result of the method of allocating unfunded liability costs being changed.
2. Transfer to Other Funds
 - There is a proposed transfer of \$360,000 related to the conversion of the Ed Ball 2nd floor space to an improved Fire Marshal's Plan Review Office.

Public Works

3. Salaries:
 - The increase of \$1,462,861 is primarily due to the FY 2024/25 and the proposed FY 2025/26 increases, as well as the addition of six positions.
4. Calculated Vacancy Rate Contra Expense:
 - This reflects an estimated salary and benefit lapse based on the average turnover ratio and estimated number of vacancies in FY 2025/26.
5. Pension Costs
 - The increase of \$178,818 is due to the salary increases and six additional positions noted above.
6. Pension Costs – Defined Benefit UAAL
 - The decrease is the result of the cost being moved to a non-departmental line item within this fund.
7. Employer Provided Benefits
 - The net increase of \$55,504 is mainly due to the addition of six positions.
8. Internal Service Charges
 - The net decrease of \$745,270 is mainly due to decreases of:
 - \$756,082 in vehicle replacement charges due to 16 vehicles being purchased and paid for in full during FY 2024/25.
 - \$121,385 in legal costs due to a decrease in recent usage.
 - \$55,673 in Fleet parts, oil, and gas costs due to a decrease in budgeted fuel costs.
 - \$47,118 in IT replacement costs due to the replacement of 41 computers paid for during FY 2024/25.
 - This decrease is partially offset by increases of \$123,914 in Ed Ball building costs due to an increase in the space utilized and \$63,008 in IT charges due to the percentage allocation being based on the proposed FY 2024/25 amounts, which did not account for

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an adjustment to correct the billing to this fund. This correction would reduce billing to the this fund by \$315,428. Given the restricted use of these funds, see **recommendation 1** below to reduce the amount.

9. Insurance Costs and Premiums – Allocations

- The decrease of \$53,306 is due to decreases of \$68,048 in general liability insurance due to a decrease in claims paid recently and \$27,827 in DriveCam costs due to these costs being moved to the Fleet Operating Fund (Fund 51101) and allocated through Fleet.

10. Professional and Contractual Services

- The net increase of \$485,000 is due to an increase of \$500,000 to add funding for outsourced Civil plan reviews. This is partially offset by the removal of \$15,000 for contractual services based on recent usage.

11. Other Operating Expenses

- The decrease of \$484,396 is mainly due to the removal of \$501,847 in funding for renovations and security improvements to the permitting space in the Ed Ball building paid for during FY 2024/25. This is partially offset by an increase of \$20,000 in employee training to increase staff efficiency.

12. Capital Outlay

- The increase of \$100,000 is related to one-time funding for renovations to the 1st floor of the Ed Ball building office space which is currently utilized by Building Inspection. See **Recommendation 2**.

13. Supervision Allocation

- The allocation includes the expenses within the Building Inspection (Fund 15104) being allocated to the Public Works Development Services Division (Fund 00111). The decrease of \$693,019 is due to expenses from the Office of Director of the Planning and Development Department no longer being allocated to Building Inspection (Fund 15104) as a result of the reorganization transferring Building Inspection to the Public Works Department. These costs used to significantly offset the allocation from this fund to the General Fund/GSD.

14. Indirect Cost

- This amount is an allocation of costs to operate central services of the City (e.g., employee, accounting, and procurement services) as calculated by the City's independent consulting firm.

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PUBLIC WORKS
BUILDING INSPECTION (EXCLUDING FIRE RESCUE) (FUND 15104)**

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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
\$300	Building Officials Association of FL (BOAF) training	Maintains job-related certifications for staff (Continued Education Credits or CEU's are earned)

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

The employee cap for Public Works Building Inspections is increasing by six from 176 positions to 182 positions, adding two Building Plans Examiner, two Building Code Enforcement Coordinator, and two Permit Assistant positions. There is no change to part-time hours.

RECOMMENDATION:

1. We recommend reducing the allocation from the Information Technologies Fund (53101) by \$315,425 to correct the billing. This will be offset with a reduction in transfer from fund balance in this fund and the billings will need to be charged to the General Fund/GSD instead. This will have a negative impact to Special Council Contingency of \$315,425.
2. We recommend that the \$100,000 in renovations for the Building Inspection spaces in the Ed Ball building be switched to a capital improvement project. This will have no impact on Special Council contingency.

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KIDS HOPE ALLIANCE
KIDS HOPE ALLIANCE (FUND 10901)**

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BACKGROUND:

Chapter 77 of the City's Ordinance Code established the Kids Hope Alliance (KHA) to be responsible for comprehensively developing, overseeing, managing, and implementing an Essential Services Plan for Kids ("Plan"). KHA is to primarily implement and manage the children and youth programs, services, and activities permitted under the Plan through third-party service providers and other City agencies and may only perform limited services in-house as specified in the Chapter. KHA is also responsible for improving the lives of children and youth in the City by working to ensure the safety, health, employability, and self-value of the children and youth and a more secure future for the children and youth.

Chapter 77 also identifies five (5) Essential Service Categories that identify the types of programs, services, and activities that are to be included in the plan and are comprised of 1) Early Learning, Literacy and School Readiness, 2) Juvenile Justice Prevention and Intervention Programming, 3) Out-of-School Programming, 4) Pre-teen and Teen Programming, 5) Special Needs, including but not limited to Mental Health, Behavioral Health, Emotional Health, and Physical Disabilities Programming.

REVENUE:

1. Investment Pool / Interest Earnings:
 - The \$634,313 represents anticipated interest earnings for FY 2025/26.
2. Transfer from Other Funds:
 - The \$56,470,767 represents the transfer from the General Fund / GSD (Fund 00111) to fund the Kids Hope Alliance.

EXPENDITURES:

1. Salaries:
 - The net increase of \$201,092 is primarily due to the FY 2024/25 and the proposed FY 2025/26 increases.
2. Calculated Vacancy Rate Contra Expense
 - This reflects an estimated salary and benefit lapse based on the average turnover ratio and estimated number of vacancies.
3. Pension Costs – Defined Benefit UAAL
 - The decrease of \$124,664 is the result of the method of allocating unfunded liability costs being changed.

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KIDS HOPE ALLIANCE
KIDS HOPE ALLIANCE (FUND 10901)**

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4. Professional and Contractual Services

- The \$375,219 will be used for a digital legislative management tool, a contract management system, the development and assessment of a security and privacy framework, and the ongoing community needs assessment project.

5. Other Operating Expenses

- The net decrease of \$30,679 is primarily due to the policy change to move travel and training for mayoral reporting departments to a non-departmental line item within the General Fund/GSD to provide an additional level of review and approval.

6. Debt Service:

- The \$398,147 represents the debt service payment for the Don Brewer Early Learning Center.

7. Contingencies:

- The proposed contingency amount of \$49,823,032 represents the Department's program funding for FY 2025/26 that will be approved via separate legislation (Ordinance 2025-511). The FY 2024/25 contingency amount of \$46,968,032 does not include additional funding of \$3,150,000 that was added to KHA's budget as part of the wrap up process of which \$2,855,000 was intended to be recurring. Below is more detail on the funding changes across the essential service categories.

Essential Services Category	Approved FY 2024/25 Contingency	Approved FY 2024/25 Wrap Up	Approved FY 2024/25 Total	Proposed FY 2025/26	Change		
					Dollar Amount	Percentage	
Early Learning	\$ 6,826,268	\$ -	\$ 6,826,268	\$ 5,197,000	\$ (1,629,268)	-23.87%	A
Juvenile Justice Prevention & Intervention	3,115,169	-	3,115,169	4,009,000	893,831	28.69%	B
Out of School	22,462,271	3,080,000	25,542,271	26,162,093	619,822	2.43%	C
Preteen & Teen	4,211,552	15,000	4,226,552	6,179,000	1,952,448	46.19%	D
Mayor's Youth at Work Partnership	1,300,000	55,000	1,355,000	-	(1,355,000)	-100.00%	E
Special Needs	9,005,245	-	9,005,245	8,275,939	(729,306)	-8.10%	F
Total Essential Services Programming	\$ 46,920,505	\$ 3,150,000	\$ 50,070,505	\$ 49,823,032	\$ (247,473)	-0.49%	G
Grief & Burial	47,527	-	47,527	-	(47,527)	-100.00%	
Total	\$ 46,968,032	\$ 3,150,000	\$ 50,118,032	\$ 49,823,032	\$ (295,000)	-0.59%	

- A. The decrease of \$1,629,268 is to more closely align the budget with actual expenditures.
- B. The increase of \$893,831 is to more closely align the budget with actual expenditures.
- C. The increase of \$619,822 is due to the net impact of adjustments to more closely align the budget with actual expenditures and removal of FY 2024/25 wrap up funding added of \$280,000.

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MAYOR'S PROPOSED FY 2025/26 BUDGET
KIDS HOPE ALLIANCE
KIDS HOPE ALLIANCE (FUND 10901)**

PROPOSED BUDGET BOOK - Page # 164 - 166

- D. The increase of \$1,952,448 is due to the net impact of Mayor's Youth at Work Partnership funding being moved to this category (\$1,355,000), adjustments to more closely align the budget with actuals, and removal of FY 2024/25 wrap-up funding of \$15,000.
 - E. The decrease of \$1,355,000 is due to this funding being moved to the Preteen & Teen program category.
 - F. The net decrease of \$729,306 is to more closely align the budget with actual expenditures, which is partially offset by an increase of \$47,527 due to Grief & Burial funding being moved to this category.
 - G. The Grief & Burial funding is being moved to the Special Needs program category.
8. Transfers to Other Funds:
- The \$250,000 represents:
 - a transfer of \$200,000 to the Kids Hope Alliance Trust Fund (Fund 10904) for small provider contracts.
 - a transfer of \$50,000 to the Youth Travel Trust (Fund 10905) to fund the annual appropriation for the Youth Travel Trust Fund.

FOOD AND BEVERAGES EXPENDITURES:

Description of each service / event that requires the purchase of food and/or beverages	Explanation that the service / event serves a public purpose	FY26 Proposed
Family, youth and community events held by KHA to promote its programming and services.	These events promote the programming offered by KHA providers. These services provide a positive impact to the children in Jacksonville.	\$2,500

EMPLOYEE CAP CHANGES:

None

SERVICE LEVEL CHANGES:

While adjustments are being made to the funding levels of KHA's Essential Services Categories, total funding is remaining relatively flat. KHA does not anticipate any service level changes and has indicated that all services are continuing at their current level. However, KHA will not be increasing the unit-of-service reimbursement rate paid to providers. As a result, providers will have to absorb the impact of the minimum wage increase and increased operating costs.

RECOMMENDATIONS:

None.

Note – Schedule M is revised on the following page to reflect the corrected operating and program support amount, grant information, as well as other formatting changes that we will recommend as part of 2025-511.

**Kids Hope Alliance Comprehensive Budget-Schedule M
Fiscal Year 2025-2026**

ESTIMATED REVENUE FROM GRANTS	Grant Period	Positions & PT Hours	Federal	State	Private Sources	Total External Funds	COJ Funds (Local Match)	Total Funds
Criminal Justice Reinvestment Grant (JJ)	04/01/2026-03/31/2027	.5 FT Staff	\$0	\$400,000	\$0	\$400,000	\$85,000	\$485,000
Department of Health & Human Services - SAMHSA-RECAST Program (JJ)	09/30/2026-09/29/2027	.5 FT Staff	\$1,000,000	\$0	\$0	\$1,000,000	\$0	\$1,000,000
Department of Health and Human Services- CREATE Program (SN)	09/30/2025-09/29/2026	.5 FT Staff	\$1,000,000	\$0	\$0	\$1,000,000	\$75,000	\$1,075,000
*Department of Justice- Project RISE Youth Program (JJ)	10/01/2025-09/30/2026	.5 FT Staff	\$0	\$0	\$0	\$0	\$0	\$0
Department of Treasury - SIPRA (SN)	10/01/2025-09/30/2026	1 FT Staff	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL ESTIMATED GRANT REVENUE			\$2,000,000	\$400,000	\$0	\$2,400,000	\$160,000	\$2,560,000

Essential Service Plans:

Early Learning Programs
 Juvenile Justice Prevention/Intervention Programs
 Out of School Time Programs
 Preteen and Teen Programs
 Special Needs Programs

Total Program Funding	Grant Match
\$5,197,000	
\$4,009,000	\$85,000
\$26,162,093	
\$6,179,000	\$75,000
\$8,275,939	
Subtotal \$49,823,032	\$160,000

Across All Essential Service Plans:

Youth Travel Trust Fund
 Kids Hope Alliance Trust Fund
 Jacksonville Upward Mobility Program Special Revenue Fund

	\$50,000
	\$200,000
	\$461,000
Total	\$50,534,032

KHA - Operating & Program Support Funds

Total City Funding:	\$57,566,080
Grant Funding from Above:	\$2,400,000
Total Funding Including Grants:	\$56,862,114

*KHA is requesting a 12 month no-cost extension for the DOJ Project RISE Grant

Revised Schedule M

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2025/26 BUDGET
JACKSONVILLE UPWARD MOBILITY PROGRAM SPECIAL REVENUE FUND
(FUND 10906)**

PROPOSED BUDGET BOOK - Page # 77-78

BACKGROUND:

Ordinance 2022-886-E created a new Ordinance Code Chapter 180 and Section 111.630 to establish the Jacksonville Upward Mobility Program (JUMP) and Jacksonville Upward Mobility Program Special Revenue Fund. The purpose of JUMP is to train, educate, and maintain a sustainable local workforce. Pursuant to Section 180.104, the City shall designate an amount equal to one percent of the approved economic development agreement incentives approved during a calendar year for projects located outside of the geographical boundaries of an established Community Redevelopment Area for inclusion in the next annual budget to deposit in the Jacksonville Upward Mobility Program Special Revenue Fund. Funding within the Jacksonville Upward Mobility Program Special Revenue Fund shall be utilized for apprenticeship, pre-apprenticeship, and skilled workforce training programs for residents. The CEO of the Kids Hope Alliance shall make grant and other expenditure recommendations which will be approved by City Council through the annual budget process or other legislation.

REVENUES:

1. Transfers from Other Funds
 - This represents a transfer from the General Fund/GSD based on the calculation established in Code Section 180.104.

EXPENDITURES:

1. Other Operating Expenses
 - This represents the FY 2025/26 funding for JUMP and will be used for contract renewals.

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

There are no authorized positions or part-time hours in this fund.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2025/26 BUDGET
KIDS HOPE ALLIANCE
KIDS HOPE ALLIANCE TRUST (FUND 10904)**

PROPOSED BUDGET BOOK - Page # 167 - 168

BACKGROUND:

Municipal Code Section 111.850-Part A created a trust fund account to be known as the Kids Hope Alliance Trust Fund. The Chief Executive Officer ("CEO") of the Kids Hope Alliance ("Board") shall deposit into the fund all donations and contributions of money, including gifts and grants, received for use toward achieving the purposes, functions and goals set forth in the Essential Services Plan for Kids and Chapter 77, Ordinance Code. All such donations and contributions shall be accounted for separately within the fund by the CEO. All sums placed into the fund, which shall include all interest earned or accrued thereon, shall be appropriated by the Council prior to expenditure, and shall be utilized for operating, maintaining and improving the Essential Services Plan for Kids provided in Chapter 77, Ordinance Code, and to provide funding for the Board's mini-grant program, which can award grants of up to \$25,000.

REVENUES:

1. Transfer From Other Funds

- The \$200,000 is a transfer from the General Fund/GSD (Fund 00111) through the Kids Hope Alliance fund (Fund 10901).

EXPENDITURES:

1. Grants, Aids & Contributions

- FY 2024/25 funding of \$199,999 was used for used for the Emerging Provider Academy contract renewals.

2. Contingencies

- Funding for FY 2025/26 is being placed in a contingency and will be appropriated as part of KHA's budget bill 2025-511.

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

There are no positions within this fund.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2025/26 BUDGET
KIDS HOPE ALLIANCE
YOUTH TRAVEL TRUST FUND (FUND 10905)**

PROPOSED BUDGET BOOK - Page # 169 - 170

BACKGROUND:

Municipal Code Section 111.850 - Part B created a trust fund account to be known as the Youth Travel Trust Fund. The Board of Directors of the Kids Hope Alliance is designated as the agent of the City for the purposes of determining and authorizing the allocation of a travel grant appropriation. The board shall also deposit into the fund all donations and contributions of money, including gifts and grants, received for use toward youth travel. All such donations and contributions shall be accounted for separately within the fund. The annual appropriation to this fund may not exceed \$50,000. This is an "all years" fund. KHA Board can accept and consider requests of up to \$25,000 from an organization with this funding covering no more than 50% of the total cost.

REVENUES:

1. Transfer From Other Funds

- This amount totaling \$50,000 is a transfer from the General Fund/GSD (Fund 00111) through the Kids Hope Alliance fund (Fund 10901) and represents the annual appropriation for the Youth Travel Trust Fund, which is not to exceed \$50,000.

EXPENDITURES:

1. Grants, Aids & Contributions

- FY 2024/25 funding of \$50,000 was for youth travel support provided to eligible organizations based on applications submitted to the Kids Hope Alliance.

2. Contingencies

- The FY 2025/26 funding of \$50,000 is being placed in a contingency account and will be appropriated to Grants, Aids & Contributions as part of KHA's budget bill 2025-511.

SERVICE LEVEL CHANGES:

None

EMPLOYEE CAP CHANGES:

There are no positions within this fund.

RECOMMENDATION:

None

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2025/26 BUDGET
OFFICE OF ETHICS, COMPLIANCE, & OVERSIGHT (FUND 00111)**

PROPOSED BUDGET BOOK - Page #242 - 244

BACKGROUND:

The Office of Ethics, Compliance, and Oversight addresses citywide ethics, compliance, and oversight challenges.

REVENUES:

1. Contributions From Local Units:

- This represents revenue from various Independent Authorities (JEA, JAA, JPA, JTA, JHA, and Police and Fire Pension Fund) for ethics training provided by the office. Currently there are agreements on file between the Ethics Office and all the Independent Authorities except for JEA.

EXPENDITURES:

1. Salaries:

- The net decrease of \$9,770 is mainly due to a decrease of \$36,403 in part-time salaries. This is partially offset by an increase of \$26,243 in salaries mainly due to the impact of the FY 2024/25 and the proposed FY 2025/26 increases.

2. Pension Costs – Defined Benefit UAAL:

- The decrease of \$157,829 is the result of the method of allocating unfunded liability costs being changed and the cost of being moved to a non-departmental line item.

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

None.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2025/26 BUDGET
OFFICE OF INSPECTOR GENERAL
GENERAL FUND / GENERAL SERVICES DISTRICT (00111)**

PROPOSED BUDGET BOOK – Pages #270 - 272

BACKGROUND:

The independent Office of Inspector General provides increased accountability, integrity, and oversight of the executive branch, legislative branch, constitutional officers, and independent authorities of the City of Jacksonville, to assist in promoting economy and efficiency, improving agency operations, and deterring and identifying waste, fraud, and abuse.

REVENUE:

1. Contribution from Local Units:

- This revenue represents contributions from JAA, JEA, JHA, JPA, JTA, and PFPF to provide funding support to the Office of Inspector General pursuant to a Memorandum of Understanding.

EXPENDITURES:

1. Salaries:

- The increase of \$66,015 is mainly due to the impact of FY 2024/25 and proposed FY 2025/26 COLA increases.

2. Pension Costs – Defined Benefit UAAL:

- The decrease of \$79,827 is the result of the method of allocating unfunded liability costs being changed and the cost of being moved to a non-departmental line item.

3. Internal Service Charges:

- The net decrease of \$31,536 is mainly due to a decrease of \$27,404 in OGC legal service based on recent usage and a decrease of \$7,111 in computer system maintenance and security costs mainly due to a decrease in the overall budget for the Information Technologies Fund (53101). This is partially offset by an increase of \$5,914 in ITD replacements for computer replacement scheduled for FY 2025/26.

4. Other Operating Expenses:

- The net decrease of \$14,102 is mainly due to a decrease of \$7,299 in hardware-software maintenance and license due to the cost being moved to the Technologies Solutions Department. Within the Technologies Department budget there is now budgeted \$51,859 for a case management system up from the previous budget amount of \$4,750. This is not being reflected in billings due to the billing for the Information Technologies Fund (53101) still being based on the same allocation percentage used for as the FY 24/25 budget. Separately, there was also a decrease of \$3,400 in travel expense based on usage.

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2025/26 BUDGET
OFFICE OF INSPECTOR GENERAL
GENERAL FUND / GENERAL SERVICES DISTRICT (00111)**

PROPOSED BUDGET BOOK – Pages #270 - 272

RECOMMENDATION:

None.