

OFFICE OF THE COUNCIL AUDITOR

FY 2021/2022 PROPOSED BUDGET

FINANCE COMMITTEE MEMBERS

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Meeting #6
August 26, 2021

**COUNCIL AUDITOR’S OFFICE
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**COUNCIL AUDITOR'S OFFICE
 COMMENTS AND RECOMMENDATIONS
 MAYOR'S PROPOSED FY 2021/22 BUDGET
 EXECUTIVE OFFICE OF THE MAYOR
 GENERAL FUND / GENERAL SERVICES DISTRICT (FUND 00111)**

PROPOSED BUDGET BOOK- Page # 63

BACKGROUND:

This Department provides for the operating and salary expenditures of the Mayor's Office and Public Affairs.

EXPENDITURES:

1. Salaries:

- The increase of \$134,818 is the net result of pay increases and employee turnover.

2. Pension Costs:

- The net increase of \$41,551 is due to an increase in the City's required contribution to the general employees defined benefit pension plan and salary increases noted above increasing the defined contribution amount.

3. Inter-Departmental Billing:

- The amount of \$358,332 is the cost for the Mayor's security that resides in the Office of the Sheriff's budget. This expense has a revenue offset within JSO's budget.

4. Professional and Contractual Services:

- The decrease of \$199,999 is due to a one-time expenditure in FY 2020/21 of \$200,000 for the funding of mental health awareness initiatives designed to reduce mental health stigma. The funding allocated in FY 2020/21 was utilized to fund a three-year contract.

ACTIVITY LEVEL CHANGES:

	FY 2020/21 Adopted	FY 2021/22 Proposed	% Change from FY21	\$ Change from FY21	
Mayor's Public Affairs	\$ 1,258,657	\$ 1,033,198	-17.9%	- \$ 225,459	A
Office of the Mayor	\$ 3,396,603	\$ 3,586,200	5.6%	\$ 189,597	B
Department Total	<u>\$ 4,655,260</u>	<u>\$ 4,619,398</u>	-0.8%	- \$ 35,862	

A. The budget for the Public Affairs activity decreased by \$225,459 primarily due to a decrease of \$199,999 in professional services for the one-time funding of awareness initiatives designed to reduce mental health stigma in FY 2020/21. The funding allocated in FY 2020/21 was utilized to fund a three-year contract.

B. The budget for the Administration activity increased by \$189,597 mainly due to increases of \$149,090 in salaries caused by pay increases and promotions, \$25,131 in the defined benefit pension plan based on an increase in the required contribution, and \$15,649 in the defined contribution pension plan due to an increase in anticipated contributions.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2021/22 BUDGET
EXECUTIVE OFFICE OF THE MAYOR
GENERAL FUND / GENERAL SERVICES DISTRICT (FUND 00111)**

PROPOSED BUDGET BOOK- Page # 63

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

None.

RECOMMENDATION:

None.

**COUNCIL AUDITOR’S OFFICE
 COMMENTS AND RECOMMENDATIONS
 MAYOR’S PROPOSED FY 2021/22 BUDGET
 ADVISORY BOARDS & COMMISSIONS
 GENERAL FUND / GENERAL SERVICES DISTRICT (FUND 00111)**

PROPOSED BUDGET BOOK – Page # 50

BACKGROUND:

This budget includes the Civil Service Board, Construction Trades Qualifying Board (CTQB), and the Mayor’s Commission on the Status of Women.

REVENUES:

1. Charges for Services:
 - The decrease of \$125,000 is the result of the seasonality of CTQB contractor certification and renewal revenue. These certifications are issued or renewed for a two-year period beginning October 1 of the first year and expiring September 30 of the second year.

EXPENDITURES:

1. Salaries:
 - The Advisory Boards & Commissions consists of three (3) full-time employees with the CTQB and two (2) full-time employees with the Civil Service Board.
2. Pension Costs
 - The net increase of \$7,473 is due to increase in the required contribution to the defined benefit plan.
3. Internal Service Charges:
 - The net increase of \$31,612 is mainly due an increase of \$26,999 in computer systems maintenance and security driven by an increase in application support for the CTQB as well as an increase of \$16,333 in the Yates Building cost allocation due to an overall increase in maintenance costs. This is offset partially by a \$9,300 decrease in legal costs due to a decrease in recent actuals.

DIVISION SUMMARY

	FY 2020/21 Adopted	FY 2021/22 Proposed	% Change from FY21	\$ Change from FY21	
Boards and Commissions	\$ 244,713	\$ 253,897	3.8%	\$ 9,184	A
Construction Trades Qualifying Board	\$ 256,242	\$ 288,193	12.5%	\$ 31,951	B
Department Total	\$ 500,955	\$ 542,090	8.2%	\$ 41,135	

- A.** The budget for the Civil Service Board increased by \$9,184 due to an increase in the Yates Building cost allocation due to an overall increase in maintenance costs.
- B.** The budget for the Construction Trades Qualifying Board increased by \$31,951 mainly due to an increase of \$26,081 in computer systems maintenance and security driven by an increase in application support for the CTQB.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2021/22 BUDGET
ADVISORY BOARDS & COMMISSIONS
GENERAL FUND / GENERAL SERVICES DISTRICT (FUND 00111)**

PROPOSED BUDGET BOOK – Page # 50

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

There are no proposed changes in the employee cap.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2021/22 BUDGET
DOWNTOWN VISION, INC. (DVI)**

BACKGROUND:

Downtown Vision Inc. (DVI) is a not-for-profit 501(c)(6) organization whose mission is to build and maintain a healthy and vibrant downtown community and to promote downtown as an exciting place to live, work and visit. A public hearing on the DVI Budget was held August 17, 2021, at the regular City Council Finance Committee meeting.

Currently, Ordinance 2021-498 is before City Council which if passed would confirm the initial assessment and approve the assessment rate in Ordinance 2021-292-E.

DVI operates an affiliate 501(c)(3) organization called Downtown Vision Alliance (DVA) to attract donated dollars. The budget for DVA is not included in the FY 2021/22 Mayor's Proposed Budget.

	Proposed FY 2021/22	Council Adopted FY 2020/21	Change	Change in %
<u>ESTIMATED REVENUES</u>				
Assessed Properties	\$ 1,688,943	\$ 963,680	\$ 725,263	75.3%
City of Jacksonville	661,898	510,615	151,283	29.6%
Other Sources	183,336	225,043	(41,707)	(18.5%)
Total Estimated Revenues	<u>\$ 2,514,177</u>	<u>\$ 1,699,338</u>	<u>\$ 814,839</u>	<u>48.0%</u>

APPROPRIATIONS

	Clean, Safe and Attractive	Marketing, Promotions, Special Projects	Business & Stakeholder Support	Management & General	Mayor's FY 2021/22 Proposed	Council Adopted FY 2020/21	Change	Change in %
Personnel Services	\$ 121,972	\$ 296,211	\$ 263,427	\$ 77,195	\$ 758,805	\$ 612,400	\$ 146,405	23.9%
Operating Expenses	1,395,371	295,529	32,836	31,636	1,755,372	1,086,938	668,434	61.5%
Total Appropriations	<u>\$ 1,517,343</u>	<u>\$ 591,740</u>	<u>\$ 296,263</u>	<u>\$ 108,831</u>	<u>\$ 2,514,177</u>	<u>\$ 1,699,338</u>	<u>\$ 814,839</u>	<u>48.0%</u>

ESTIMATED REVENUES:

1. Assessed Properties:

- DVI's main source of revenue has been a 1.1 mill special assessment of downtown commercial and residential property owners. The budgeted assessment is estimated to be \$1,688,943 (**See Recommendations**). The increase from FY 2020/21 is due to higher property values and the expansion of DVI's downtown district pursuant to Ordinance 2021-292-E and Ordinance 2021-498.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2021/22 BUDGET
DOWNTOWN VISION, INC. (DVI)**

2. City Contribution:

- The amount of \$661,898 is the City's contribution to DVI. This contribution represents 1.1 mils of the City's assessed property value with no early payment discount. The increase is due to higher property values and the expansion of DVI's downtown district pursuant to Ordinance 2021-292-E and Ordinance 2021-498.

3. Other Sources:

- The net decrease of \$41,707 is mainly due to a decrease in the number of marketing sponsorships anticipated.

APPROPRIATIONS:

1. Personnel Services:

- The net increase of \$146,405 is mainly due to an increase of \$114,182 caused by the addition of three full-time positions that will be added in FY 2021/22.

2. Operating Expenses:

- The net increase of \$668,434 is mainly due to an increase of \$656,570 in professional fees and contract services mainly due to the expanded Ambassadors' contract which anticipates the addition of approximately 14 Downtown Ambassadors and related equipment to service the expanded DVI District.
- The proposed budget does not include rent for DVI's location in the Ed Ball Building. The rental lease agreement between DVI and the City expired on September 30, 2019 and the City and DVI have not entered into a new agreement.

SERVICE LEVEL CHANGES:

There will be the increased service for expanded DVI District. This will include the additional 14 Downtown Ambassadors and the three new full-time positions.

RECOMMENDATIONS:

1. We recommend reducing assessed properties by \$20,000 from \$1,688,943 to \$1,668,943 due to a keying error on Schedule AD. This will have no change in the total amount of revenues or appropriations. This change is reflected on the revised schedule on the next page.
2. We recommend amending Section 8.3 in the budget ordinance by reducing the anticipated revenue of \$2,350,841 by \$681,898 to \$1,668,943. This will reflect the amount for the assessed properties without the City of Jacksonville contribution and correct the \$20,000 keying error mentioned above.

These recommendations would have no impact on Special Council Contingency.

**BUSINESS IMPROVEMENT DISTRICT
(DOWNTOWN VISION, INC.)
JACKSONVILLE, FLORIDA
BUDGET - FISCAL YEAR 2021/22**

ESTIMATED REVENUES

Assessed Properties (1)	\$ 1,668,943
City of Jacksonville (2)	661,898
Other Sources (3)	183,336
Total Estimated Revenues	\$ 2,514,177

REVISED SCHEDULE AD

APPROPRIATIONS

	Clean, Safe and Attractive (4)	Marketing, Promotions, Special Projects (5)	Business & Stakeholder Support (6)	Management & General (7)	Total
Personnel Services	\$ 121,972	\$ 296,211	\$ 263,427	\$ 77,195	\$ 758,805
Operating Expenses	1,395,371	295,529	32,836	31,636	\$ 1,755,372
Total Appropriations	\$ 1,517,343	\$ 591,740	\$ 296,263	\$ 108,831	\$ 2,514,177

- (1) Commercial and residential property owners in DVI's Downtown district pay 1.1 mils of their property's assessed value to DVI, subject to residential property exemptions.
- (2) This reflects a contribution from the City of Jacksonville equal to 1.1 mils of the value of the City's owned property.
- (3) This represents all other income for Downtown Vision Inc., including fee-for-service contracts, voluntary contributions from exempt organizations, grants, sponsorships and revenues generated from special events.
- (4) These contracted services include a team of Clean & Safe Ambassadors, a supervising project manager, uniforms, supplies and equipment. This line item includes 50% of the Director of District Services salary plus 25% of administrative budget.
- (5) Includes salaries for Vice President of Marketing, Communications Manager, Events Manager and includes 25% of the admin budget.
- (6) Includes salary for Director of Experience, Stakeholder Support Manager, Public Realm Manager, 50% of Vice President of District Services, and 25% of admin budget.
- (7) This represents 25% of the admin budget. The admin budget includes the CEO, Business Administrator, and Administrative Assistant positions.

SCHEDULE AE

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2021/22 BUDGET
DOWNTOWN INVESTMENT AUTHORITY
GENERAL FUND / GENERAL SERVICES DISTRICT (FUND 00111)**

PROPOSED BUDGET BOOK - Page # 56

BACKGROUND:

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

REVENUE:

1. Miscellaneous Revenue:

- The proposed amount of \$51,300 includes revenue for the rental of City facilities for the River City Brewing Company lease payment and fees for applications that are submitted to the Downtown Development Review Board. **See Recommendation 1**

EXPENDITURES:

1. Salaries:

- The increase of \$59,848 is primarily due to a Project Manager position proposed to be added in FY 2021/22.

2. Pension Costs:

- The decrease of \$8,447 is mainly due to employee turnover and less employees on the defined benefit plan.

3. Employer Provided Benefits:

- The increase of \$10,879 is mainly due to an increase in health insurance due to the proposed position mentioned above.

4. Internal Service Charges:

- The decrease of \$98,280 is mainly due to a decrease of \$115,646 in legal charges based on recent actuals. This is partially offset by an increase of \$20,645 in building costs allocation- St James due to an increase in space allocated to this Department.

5. Professional and Contractual Services:

- This amount represents various contractual and professional services such as appraisals, environmental monitoring, transcription services, audits, and special projects. The decrease of \$110,000 is based on recent actuals.

**COUNCIL AUDITOR'S OFFICE
 COMMENTS AND RECOMMENDATIONS
 MAYOR'S PROPOSED FY 2021/22 BUDGET
 DOWNTOWN INVESTMENT AUTHORITY
 GENERAL FUND / GENERAL SERVICES DISTRICT (FUND 00111)**

PROPOSED BUDGET BOOK - Page # 56

6. Other Operating Expenses:

- The increase of \$108,518 is mainly due to an increase in event contributions. See table of events below:

Description of Event	FY 2020/21	FY 2021/22
Jazz Festival	\$ 5,000	\$ 5,000
Public Art Event	5,000	10,000
Downtown Concert Series	10,000	50,000
Downtown Events (tours, etc.)	-	5,000
Downtown Food Events	-	20,000
Downtown Literary Events	-	2,500
Downtown Sporting Events	-	10,000
Various Events	-	25,000
Total	\$ 20,000	\$ 127,500

7. Supervision Allocation:

- This amount represents the administrative costs of the Downtown Investment Authority for the supervision of Public Parking (Fund 41102) and the CRA activities. See **Recommendation 2**

FOOD AND BEVERAGE EXPENDITURES:

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

EMPLOYEE CAP CHANGES:

There is one position proposed to be added in FY 2021/22. This position is for a Project Manager who will be responsible for performing financial analysis for various projects. As proposed, there is also a decrease of 200 part-time hours for FY 2021/22. See **Recommendation 3**

SERVICE LEVEL CHANGES:

Additional funding of \$107,500 for various downtown events.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2021/22 BUDGET
DOWNTOWN INVESTMENT AUTHORITY
GENERAL FUND / GENERAL SERVICES DISTRICT (FUND 00111)**

PROPOSED BUDGET BOOK - Page # 56

RECOMMENDATIONS:

1. We recommend that revenue be decreased by \$42,800 due to the River City Brewing Company being closed and the City no longer receiving revenue from renting this facility. This will have a negative impact on Special Council Contingency of \$42,800.
2. We recommend that the supervision allocation charged be increased by \$104,846 to include an allocation of salaries for the proposed Project Manager position. This will have a positive impact on Special Council Contingency of \$104,846. In order to cover the updated cost allocation, we also recommend that the supervision allocation expense line item for the Northbank CRA (10801), Southbank CRA (10802), and the Public Parking (41102) fund be increased by \$67,842, \$24,669, and \$12,335, respectively. These increases will be offset by decreases in the Unallocated Plan Authorized Expenditures line items for the CRAs and cash carryover for Public Parking.
3. We recommend that the 200 part-time hours be added back in that were incorrectly deleted. This will have no impact on Special Council Contingency.

If the above recommendations are approved, this will have a positive impact on Special Council Contingency of \$62,046

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2021/22 BUDGET
DOWNTOWN INVESTMENT AUTHORITY
PUBLIC PARKING (FUND 41102)**

PROPOSED BUDGET BOOK - Page # 57

BACKGROUND:

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

REVENUE:

1. Charges for Services:

- The net increase of \$551,377 is due to increases of:
 - \$607,735 in daily parking fees due to an increase in daily parking rates to promote turnover and move daily parkers into the garages.
 - \$185,114 in out of service parking meter rentals based on increased construction downtown and an anticipated increase in meter bagging rates.
- The increase is partially offset by a decrease of \$188,679 in monthly parking fees as a result of corporate clients who left during COVID and have not returned, a decrease of \$26,583 in late fees based on recent actuals, and a \$29,942 increase in collection fees (contra account) paid based on recent actuals.

2. Fines and Forfeits:

- The increase of \$113,653 is due to a decrease in contributions to the Disabled Trust Fund as a result of a decrease in violations, which results in a net increase.

EXPENDITURES:

1. Salaries:

- The net increase of \$11,864 is mostly due to an increase in salaries as a result of employee turnover.

2. Salary & Benefit Lapse:

- This reflects an estimated salary and benefit lapse based on the average turnover ratio and estimated number of vacancies in FY 2021/22.

3. Pension Costs:

- The net increase of \$25,539 is mostly due to an increase in the required contribution to the General Employees' Pension Plan as required by the actuarial study.

4. Employer Provided Benefits:

- The decrease of \$17,395 is mainly due to a decrease of \$10,376 in Group Hospitalization Insurance due to employee election changes and a decrease of \$6,975 in Worker's Compensation costs based on recent claims history.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2021/22 BUDGET
DOWNTOWN INVESTMENT AUTHORITY
PUBLIC PARKING (FUND 41102)**

PROPOSED BUDGET BOOK - Page # 57

5. Internal Service Charges:

- The net decrease of \$38,887 is mainly due to decreases of:
 - \$32,818 in building maintenance costs city-wide based on recent actuals.
 - \$7,887 in vehicle repair costs based on recent actuals.
 - \$7,252 in computer replacement costs for purchases in FY 2020/21.
- The decrease is offset by an increase of \$14,237 in the allocation of building costs for the Yates building due to an increase in overall building costs.

6. Insurance Costs and Premiums:

- The increase of \$32,888 is due to increases of \$22,173 in General Liability insurance due to an increase in actual claim experience in recent years and \$10,715 in miscellaneous insurance resulting from an increase in property insurance premium costs.

7. Other Operating Expenses:

- The increase of \$56,102 is primarily due an increase in repairs and maintenance costs related to restriping the Yates Garage and the Ed Ball Garage ticketing equipment to allow after hours parking access.

8. Capital Outlay:

- The \$87,004 is for the installation of pay and display kiosks at the Riverplace Blvd. parking lot, painted signage in garages to facilitate customers locating their vehicles, and to replace the entry/exit loops at the Water St. Garage.

9. Supervision Allocation:

- This amount represents the share of the departmental administration costs from the Downtown Investment Authority which are allocated to this fund.

10. Indirect Cost:

- This is an allocation of costs to operate central services of the City (e.g. Finance and Administration, Employee Services and City Council) as calculated by the City's independent consulting firm.

11. Cash Carryover:

- This represented the amount that revenues exceeded expenses in FY 2021/22.

EMPLOYEE CAP CHANGES:

The part-time hours of 4,780 were removed from the budget in error.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2021/22 BUDGET
DOWNTOWN INVESTMENT AUTHORITY
PUBLIC PARKING (FUND 41102)**

PROPOSED BUDGET BOOK - Page # 57

SERVICE LEVEL CHANGES:

The Forsythe Parking Lot was sold to Vystar Credit Union on 6/30/2021 per Ordinance 2020-0073-E

RECOMMENDATIONS:

1. We recommend that Schedule AF be revised to include carryovers of:
 - \$123,725 for the installation of a CCTV security surveillance system at the Yates Garage.
 - \$90,968 for the installation of a CCTV security surveillance system at the Duval St. Garage.
2. We recommend that the part-time hours of 4,780 that were removed in error be added back into the budget.

These recommendations have no impact to Special Council Contingency.

**COUNCIL AUDITOR'S OFFICE
CITY OF JACKSONVILLE
DOWNTOWN NORTHBANK CRA TRUST (FUND 10801)
2021/22 MAYOR'S PROPOSED BUDGET
BUDGET BOOK REFERENCE - PAGE #33**

	2020/21 APPROVED BUDGET	2021/22 PROPOSED BUDGET	INCREASE/ (DECREASE)	Footnote
REVENUES				
Property Taxes - Northeast USD1-C	\$ 3,357,257	\$ 3,071,786	\$ (285,471)	(A)
Property Taxes - Northwest USD1-B	6,081,017	6,418,938	337,921	(A)
Interest Income	-	76,584	76,584	(B)
Debt Repayment (Lynch /11E)	595,247	595,247	-	(C)
Debt Repayment (Carling Loan)	506,487	506,487	-	(D)
Total Revenues:	\$ 10,540,008	\$ 10,669,042	\$ 129,034	
EXPENDITURES				
Administrative Expenditures				
Supervision Allocation	773,696	703,725	(69,971)	(E)
Professional Services	-	-	-	
Annual Independent Audit	2,500	2,500	-	
Total Administrative Expenditures:	776,196	706,225	(69,971)	
Financial Obligations				
Recaptured Enhanced Value (REV) grants				
Hallmark / 220 Riverside (leg: 2012-270)	399,502	397,533	(1,969)	
Pope & Land / Brooklyn (leg: 2012-703 amend: 2013-288)	397,572	386,823	(10,749)	
Lofts at Jefferson Station (DIA resolution 2017-10-05)	157,000	72,217	(84,783)	
MPS Subsidy Downtown Garages	5,000,000	5,200,000	200,000	(F)
Debt Service / Loan Repayment				
Lynch Bldg Loan Repayment	800,000	800,000	-	(G)
Total Financial Obligations:	6,754,074	6,856,573	102,499	
Plan Authorized Expenditures				
Capital Projects				
Two Way Conversion - Forsyth & Adams	1,500,000	1,200,000	(300,000)	
Historic Shotgun House Rehabilitation	-	250,000	250,000	(H)
Event Contribution	-	100,000	100,000	(I)
Urban Art	-	500,000	500,000	(I)
Subsidies and Contributions to Private Organizations	-	50,000	50,000	(I)
Parking and Programing	-	400,000	400,000	(I)
Professional Services	50,000	250,000	200,000	(J)
BID and CRA Plan Update	100,000	-	(100,000)	
Retail Enhancement Program	400,000	-	(400,000)	(K)
Waterfront Activation	100,000	-	(100,000)	(K)
Façade Grant Program	262,006	-	(262,006)	(K)
Marketing	100,000	200,000	100,000	(L)
Unallocated Plan Authorized Expenditures	497,732	156,244	(341,488)	(M)
Total Plan Authorized Expenditures:	3,009,738	3,106,244	96,506	
Total Expenditures:	\$ 10,540,008	\$ 10,669,042	\$ 129,034	

**COUNCIL AUDITOR'S OFFICE
CITY OF JACKSONVILLE
DOWNTOWN NORTHBANK CRA TRUST (FUND 10801)
2021/22 MAYOR'S PROPOSED BUDGET**

Revenue

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

	Northbank West USD1B 1981	Northbank East USD1C 1984	
Base Year	<u>1981</u>	<u>1984</u>	
Preliminary Taxable Values	\$ 805,165,720	\$ 484,341,591	
Less Taxable Value in Base Year	214,636,423	201,743,546	
Taxable Value Incremental Increases	<u>\$ 590,529,297</u>	<u>\$ 282,598,045</u>	
Taxable Value Percentage Changes	275.1%	140.1%	
Operating Millage Rates	11.4419	11.4419	mills
Collection Rate	95.0%	95.0%	
Total Ad Valorem Revenue	\$ 6,418,938	\$ 3,071,786	

(B) This represents estimated interest earnings based on the City's anticipated rate of return provided by Treasury.

(C) This amount represents the repayment for the Lynch/11E Building redevelopment loan pursuant to the amortization schedule approved by Ord. 2014-280-E. The Budget Ordinance 2021-504 includes a waiver of Ord. 2000-1079-E and 2001-795-E in order to deposit this revenue in Fund 10801 instead of the Downtown Economic Development Fund (00116).

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

Expenditures

(E) This amount represents the administrative costs of the CRA which are allocated from the DIA General Fund/General Services District. This amount does not include the additional \$67,842 that was recommended when DIA's budget was reviewed.

(F) The City has an agreement with MPS to construct and operate three downtown parking garages (Sports Complex, Arena, and Courthouse). The City makes semi-annual loans to MPS in order to ensure cash flows sufficient to cover all operating and ownership expenses, required reserves, a 6.75% return on the \$3 million ownership equity (8.75% if performance goals are met) and a Debt Service Coverage Ratio of 1.0.

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

(H) This represents a project to revitalize the Lavilla area by repairing blighted properties owned by the City to make them structurally sound and not deteriorating.

(I) These accounts represent different endeavors that are in various stages of the planning process. This includes holding events, constructing urban art such as bike racks, making contributions to organizations for offering programs, and putting up temporary and permanent entertainment and park fixtures.

(J) The increase of \$200,000 is primarily associated with the new Cathedral District Park and additional consultant support for the backlog of work.

(K) These activities in FY 2021/22 will be funded with prior year appropriations.

(L) The increase in Marketing is related to additional branding and signage associated with the BID program.

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

**COUNCIL AUDITOR'S OFFICE
CITY OF JACKSONVILLE
DOWNTOWN NORTHBANK CRA TRUST (FUND 10801)
2021/22 MAYOR'S PROPOSED BUDGET**

Recommendation

1) We recommend that the unappropriated (by City Council) interest income from FY 2020/21 be appropriated in the FY 2021/22 budget as a transfer from fund balance. The CRA has conservatively estimated this revenue at \$235,000 for the entire FY 2020/21. Based on discussions with the DIA this should be utilized to offset FY 21/22 funds being used for the MPS Subsidy Downtown Garages by a corresponding amount, which will keep MPS Subsidy Downtown Garages budgeted at \$5,200,000. We recommend appropriating the freed up FY 2021/22 funds to Unallocated Plan Authorized Expenditures.

2) We recommend that a revised Schedule V be attached to reflect the above recommendation and the adjustment previously recommended to increase the Supervision Allocation by \$67,842 (if approved) and decrease Unallocated Plan Authorized Expenditures by a corresponding amount.

These recommendations have no impact on Special Council Contingency.

**DOWNTOWN NORTHBANK CRA TRUST
FUND 10801**

REVENUES	FY22 Proposed
Property Taxes - Northeast USD1-C	3,071,786
Property Taxes - Northwest USD1-B	6,418,938
Interest Income	76,584
Transfer from Fund Balance (PY Interest Income)	235,000
Debt Repayment (Lynch /11E)	595,247
Debt Repayment (Carling Loan)	506,487
Total Revenues:	<u>10,904,042</u>
EXPENDITURES	FY22 Proposed
Administrative Expenditures	
Supervision Allocation	771,567
Annual Independent Audit	2,500
Total Administrative Expenditures:	<u>774,067</u>
Financial Obligations	
Recaptured Enhanced Value (REV) grants	
Hallmark / 220 Riverside (leg: 2012-270)	397,533
Pope & Land / Brooklyn (leg: 2012-703 amend: 2013-288)	386,823
Lofts at Jefferson Station (DIA resolution 2017-10-05)	72,217
MPS Subsidy Downtown Garages	5,200,000
Lynch Bldg Loan Repayment	800,000
Total Financial Obligations:	<u>6,856,573</u>
Plan Authorized Expenditures	
Capital Projects	
Two Way Conversion - Forsyth & Adams	1,200,000
Historic Shotgun House Rehabilitation	250,000
Event Contribution	100,000
Urban Art	500,000
Subsidies and Contributions to Private Organizations	50,000
Parking and Programing	400,000
Professional Services	250,000
Marketing	200,000
Unallocated Plan Authorized Expenditures	323,402
Total Plan Authorized Expenditures:	<u>3,273,402</u>
Total Expenditures:	<u>10,904,042</u>

**COUNCIL AUDITOR'S OFFICE
CITY OF JACKSONVILLE
DOWNTOWN SOUTHBANK CRA TRUST (FUND 10802)
2021/22 MAYOR'S PROPOSED BUDGET**

BUDGET BOOK REFERENCE - PAGE #34

	2020/21 APPROVED BUDGET	2021/22 PROPOSED BUDGET	INCREASE/ (DECREASE)	Footnote
REVENUES				
Property Taxes	5,618,309	5,762,069	143,760	(A)
Interest Income	-	69,520	69,520	(B)
Total Revenues:	5,618,309	5,831,589	213,280	
EXPENDITURES				
Administrative Expenditures				
Supervision Allocation	326,684	288,084	(38,600)	(C)
Annual Independent Audit	2,500	2,500	-	
Total Administrative Expenditures:	329,184	290,584	(38,600)	
Financial Obligations				
Recaptured Enhanced Value (REV) grants				
Strand (leg: 2001-1329 amend: 2002-755 & 2006-1131)	496,006	508,750	12,744	
Peninsula (leg: 2001-1329 amend: 2002-755 & 2006-1131)	703,054	67,023	(636,031)	(D)
SunGard (leg: 2015-780)	13,244	14,749	1,505	
Home Street Apartments (DIA Resolution 2017-08-03)	145,000	174,790	29,790	(E)
JEA Southside Gen Station Public Infrastructure Improvements	2,000,000	3,000,000	1,000,000	(F)
One Call Commercial Revitalization Incentive	100,000	100,000	-	
Debt Service Interest - Strand Bonds 2014 Special Rev	171,350	160,061	(11,289)	
Debt Service Principal - Strand Bonds 2014 Special Rev	197,000	207,000	10,000	
Total Financial Obligations:	3,825,654	4,232,373	406,719	
Future Years Debt Reduction				
Future Debt Reduction	250,000	-	(250,000)	(G)
Total Future Years Debt Reduction:	250,000	-	(250,000)	
Plan Authorized Expenditures				
Capital Projects				
Southbank Parking Project	350,000	550,000	200,000	(H)
Retail Enhancement	250,000	-	(250,000)	(I)
Event Contribution	-	25,000	25,000	(J)
Subsidies and Contributions to Private Organizations	-	25,000	25,000	(J)
Parks and Programing		200,000	200,000	(J)
Professional Services	50,000	200,000	150,000	(K)
BID and CRA Plan Update	50,000	-	(50,000)	
Unallocated Plan Authorized Expenditures	513,471	308,632	(204,839)	(L)
Total Plan Authorized Expenditures	1,213,471	1,308,632	95,161	
Total Expenditures:	5,618,309	5,831,589	213,280	

**COUNCIL AUDITOR'S OFFICE
CITY OF JACKSONVILLE
DOWNTOWN SOUTHBANK CRA TRUST (FUND 10802)
2021/22 MAYOR'S PROPOSED BUDGET**

Revenue

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

Base Year	1980
Preliminary Taxable Values	\$ 619,226,435
Less Taxable Value in Base Year	89,127,781
Taxable Value Incremental Increases	\$ 530,098,654
Taxable Value Percentage Changes	594.8%
Operating Millage Rates	11.4419 mills
Collection Rate	95.0%
Total Ad Valorem Revenue	\$ 5,762,069

(B) This represents estimated interest earnings based on the City's anticipated rate of return provided by Treasury.

Expenditures

- (C) This amount represents the administrative costs of the CRA which are allocated from the DIA General Fund/General Services District. This amount does not include the additional \$24,699 that was recommended when DIA's budget was reviewed.
- (D) The amount of \$67,023 proposed in FY 2021/22 represents the remaining financial obligation related to this REV grant.
- (E) DIA Resolution 2017-08-03 authorized an economic development agreement for the construction of a residential apartment complex located at 1444 Home Street within the Southbank Tax Increment District. The economic development agreement authorized a REV grant in a total amount not to exceed \$2,530,000.
- (F) This amount represents funding for public infrastructure improvements on the site of the former JEA Southside Generating Station (also known as the District project). Per Ord. 2018-313-E, the maximum City contribution for the infrastructure improvements is \$23.0 million. To date, \$10,051,653 has been appropriated for the improvements before the FY 2021/22 appropriation.
- (G) There is no future Debt Reduction budgeted for FY 2021/22. This account is used to periodically set funds aside to pay future grant obligations.
- (H) There is a \$200,000 increase in Southbank Parking Project related to the anticipated purchase of foreclosed property to be converted to parks.
- (I) Retail Enhancement in FY 2021/22 will be funded with prior year appropriations.
- (J) These accounts represent different endeavors that are in various stages of the planning process. This includes holding events, making contributions to organizations for offering programs and erecting temporary and permanent entertainment and park fixtures.
- (K) The increase of \$150,000 is due to a backlog of work associated with various projects, including Riverwalk lighting, shade and benches, construction of new parks, and other consulting support.
- (L) This amount represents the balance of budgeted revenue in excess of budgeted expenditures, which can be reallocated by the CRA Board at a future date. This amount is currently budgeted in the wrong activity, see Recommendation 2 below.

Recommendations

1. We recommend that the unappropriated (by City Council) interest income from FY 2020/21 be appropriated in the FY 2021/22 budget as a transfer from fund balance. The CRA has conservatively estimated this revenue at \$150,000 for the entire FY 2020/21. Based on discussions with the DIA this should be utilized to offset FY 21/22 funds being used for the Strand by a corresponding amount, which will keep Stand budgeted at \$508,750. We recommend appropriating the freed up FY 2021/22 funds to Unallocated Plan Authorized Expenditures.
2. We recommend that the amount included in the proposed budget for Trust fund Authorized Expenditures - SS Retail Enhancement Program be moved to Trust fund Authorized Expenditures - Unallocated Plan Authorized Expenditures to reflect the budget approved by the CRA Board and Budget Schedule V.
3. We recommend that a revised Schedule V be attached to reflect the above recommendation and the adjustment previously recommended to increase the Supervision Allocation by \$24,699 (if approved) and decrease Unallocated Plan Authorized Expenditures by a corresponding amount.

These recommendations have no impact to Special Council Contingency.

**DOWNTOWN SOUTHBANK CRA TRUST
FUND 10802**

REVENUES	FY22 Proposed
Property Taxes	5,762,069
Interest Income	69,520
Transfer from Fund Balance (PY Interest Income)	150,000
Total Revenues:	5,981,589
EXPENDITURES	
FY22 Proposed	
Administrative Expenditures	
Supervision Allocation	312,783
Annual Independent Audit	2,500
Total Administrative Expenditures:	315,283
Financial Obligations	
Recaptured Enhanced Value (REV) grants	
Strand (leg: 2001-1329 amend: 2002-755 & 2006-1131)	508,750
Peninsula (leg: 2001-1329 amend: 2002-755 & 2006-1131)	67,023
SunGard (leg: 2015-780)	14,749
Home Street Apartments (DIA Resolution 2017-08-03)	174,790
JEA Southside Gen Station Public Infrastructure Improvements	3,000,000
One Call Commercial Revitalization Incentive	100,000
Debt Service Interest - Strand Bonds 2014 Special Rev	160,061
Debt Service Principal - Strand Bonds 2014 Special Rev	207,000
Total Financial Obligations:	4,232,373
Future Years Debt Reduction	
Future Debt Reduction	-
Total Future Years Debt Reduction:	-
Plan Authorized Expenditures	
Capital Projects	
Southbank Parking Project	550,000
Event Contribution	25,000
Subsidies and Contributions to Private Organizations	25,000
Parks and Programing	200,000
Professional Services	200,000
Unallocated Plan Authorized Expenditures	433,933
Total Plan Authorized Expenditures:	1,433,933
Total Expenditures:	5,981,589

**COUNCIL AUDITOR'S OFFICE
CITY OF JACKSONVILLE
JACKSONVILLE BEACH TAX INCREMENT (FUND 10803)
2021/22 MAYOR'S PROPOSED BUDGET
BUDGET BOOK REFERENCE - Page #35**

	USD2A Jax Beach Downtown	USD2B Jax Beach South Bank	2021/22 PROPOSED BUDGET
TAXABLE VALUES & RATES			
Base Years	1983	1986	1983 & 1986
Preliminary Taxable Values	\$ 689,023,458	\$ 433,230,981	\$ 1,122,254,439
Less Taxable Value in Base Years	(42,271,886)	(6,518,754)	(48,790,640)
Taxable Value Incremental Increases	\$ 646,751,572	\$ 426,712,227	\$ 1,073,463,799
Taxable Value Percentage Increases	1530.0%	6545.9%	2200.1%
Operating Millage Rates (mills)	8.1512	8.1512	8.1512
Collection Rate	95.0%	95.0%	95.0%
REVENUE			
Ad Valorem Taxes - GF / GSD	\$ 5,008,211	\$ 3,304,306	\$ 8,312,517
EXPENDITURES			
Contribution to Jacksonville Beach	\$ 5,008,211	\$ 3,304,306	\$ 8,312,517

Percentage of USD2 Taxes Received by City of Jacksonville

	<u>Countywide Levy</u>	<u>USD2 Levy</u>
2021/22 Jax Beach Preliminary Taxable Values	\$ 4,250,262,255	\$ 4,250,262,255
Levy	11.4419 mills	8.1512 mills (A)
Collection Rate	95.5%	95.5%
Taxes	\$ 46,442,677	\$ 33,085,724
Less TIF	-	(8,312,517)
Net Revenue to City	\$ 46,442,677	\$ 24,773,207
	100.00%	53.34% (B)

FOOTNOTES

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

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

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
CITY OF JACKSONVILLE
JACKSONVILLE INTERNATIONAL AIRPORT AREA REDEVELOPMENT
TAX INCREMENT DISTRICT GSA (FUND 10804)
2021/22 CRA BOARD APPROVED BUDGET
BUDGET BOOK REFERENCE - Page #36**

	<u>2020/21 APPROVED BUDGET</u>	<u>2021/22 PROPOSED BUDGET</u>	<u>INCREASE/ (DECREASE)</u>	<u>Footnote</u>
REVENUE				
Property Taxes	\$ 14,346,202	\$ 15,739,607	\$ 1,393,405	(A)
Interest Income	-	\$ 149,544	149,544	(B)
Total Revenue:	<u><u>14,346,202</u></u>	<u><u>15,889,151</u></u>	<u><u>1,542,949</u></u>	
EXPENDITURES				
Administrative Expenditures				
Professional and Contractual Services	1,000	1,000	-	
Travel	250	800	550	
Local Mileage	150	150	-	
OGC Internal Service	6,000	3,000	(3,000)	(C)
Advertising and Promotion	1,000	1,000	-	
Office Supplies	500	500	-	
Employee Training	700	300	(400)	
Dues, subscriptions	342	175	(167)	
Supervision Allocation	95,354	89,026	(6,328)	(D)
Annual Independent Audit	2,500	2,500	-	
Total Administrative Expenditures:	<u>107,796</u>	<u>98,451</u>	<u>(9,345)</u>	
Financial Obligations				
Recaptured Enhanced Value (REV) grants				
Amazon (leg: 2016-285)	1,400,000	1,400,000	-	
RAMCO (leg: 2004-274)	745,000	791,000	46,000	
Uptown / River City Crossing (leg: 2016-791)	265,000	-	(265,000)	(E)
Qualified Target Industry (QTI) grants				
Mercedes Benz (leg: 2016-402)	16,200	16,200	-	
Amazon (leg: 2016-285)	75,000	75,000	-	
Debt Service Interest - RAMCO 2014 Special Rev	432,503	378,363	(54,140)	(F)
Debt Service Principal - RAMCO 2014 Special Rev	1,080,000	1,135,000	55,000	(F)
Total Financial Obligations:	<u>4,013,703</u>	<u>3,795,563</u>	<u>(218,140)</u>	
Plan Authorized Expenditures				
Capital Projects				
Main Street Widening	-	7,000,000	7,000,000	(G)
Unallocated Plan Authorized Expenditures	10,224,703	4,995,137	(5,229,566)	(H)
Total Plan Authorized Expenditures:	<u>10,224,703</u>	<u>11,995,137</u>	<u>1,770,434</u>	
Total Expenditures:	<u><u>\$ 14,346,202</u></u>	<u><u>\$ 15,889,151</u></u>	<u><u>\$ 1,542,949</u></u>	

**COUNCIL AUDITOR'S OFFICE
CITY OF JACKSONVILLE
JACKSONVILLE INTERNATIONAL AIRPORT AREA REDEVELOPMENT
TAX INCREMENT DISTRICT GSA (FUND 10804)
2021/22 CRA BOARD APPROVED BUDGET**

Revenue

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

Base Year	<u>1993</u>	
Preliminary Taxable Values	\$ 1,637,212,099	
Less Taxable Value in Base Year	<u>(189,200,262)</u>	
Taxable Value Incremental Increases	<u>\$ 1,448,011,837</u>	
Taxable Value Percentage Increases	765.3%	
Operating Millage Rates	11.4419	mills
Collection Rate	95.0%	

Total Revenue \$ 15,739,607

(B) This represents estimated interest earnings based on the City's anticipated rate of return provided by Treasury.

Expenditures

(C) Legal fees are decreasing by \$3,000 to better align with current usage.

(D) This amount represents the administrative costs of the CRA which are allocated from the Office of Economic Development. The decrease is due to OGC Legal Fees no longer being included in the calculation.

(E) Ordinance 2020-734-E extended the completion of construction schedule of the Uptown/River City Crossing recapture enhanced value (REV) grant through December 31, 2023, resulting in a delay of the initial payment to FY 2023/24.

(F) This amount represents debt service on bonds that were used to finance road improvements related to the River City Marketplace, which is operated by RAMCO.

(G) The Main St. widening project is a joint endeavor between the City, the FDOT, and the TPO and consists of widening Main St. between New Berlin Rd. and Max Leggett Pkwy. This amount represents the City's contribution to the project in FY 2021/22. The City appropriated \$9,000,000 in FY 2020/21 and is slated to appropriate an additional \$7,000,000 in FY 2022/23 for a total contribution of \$23,000,000. The full project cost has been estimated at \$44,500,000.

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

Recommendation

None.

**COUNCIL AUDITOR'S OFFICE
CITY OF JACKSONVILLE
KING SOUDEL TAX INCREMENT DISTRICT GSK (FUND 10805)
2021/22 CRA BOARD APPROVED BUDGET
BUDGET BOOK REFERENCE - Pages #37**

	<u>2020/21 APPROVED BUDGET</u>	<u>2021/22 PROPOSED BUDGET</u>	<u>INCREASE/ (DECREASE)</u>	<u>Footnote</u>
REVENUE				
Property Taxes	\$ 1,144,264	\$ 1,575,713	\$ 431,449	(A)
Interest Income	-	15,103	15,103	(B)
Total Revenue:	<u><u>1,144,264</u></u>	<u><u>1,590,816</u></u>	<u><u>446,552</u></u>	
EXPENDITURES				
Administrative Expenditures				
Professional and Contractual Services	1,000	1,000	-	
Travel	250	1,900	1,650	(C)
Local Mileage	150	150	-	
OGC Internal Service	8,000	10,900	2,900	(D)
Advertising and Promotion	1,000	1,000	-	
Office Supplies	500	500	-	
Employee Training	1,100	700	(400)	
Dues, subscriptions	342	175	(167)	
Supervision Allocation	80,871	75,235	(5,636)	(E)
Annual Independent Audit	2,500	2,500	-	
Total Administrative Expenditures:	<u>95,713</u>	<u>94,060</u>	<u>(1,653)</u>	
Plan Authorized Expenditures				
Unallocated Plan Authorized Expenditures	<u>1,048,551</u>	<u>1,496,756</u>	<u>448,205</u>	(F)
Total Plan Authorized Expenditures:	<u>1,048,551</u>	<u>1,496,756</u>	<u>448,205</u>	
Total Expenditures:	<u><u>\$ 1,144,264</u></u>	<u><u>\$ 1,590,816</u></u>	<u><u>\$ 446,552</u></u>	

**COUNCIL AUDITOR'S OFFICE
CITY OF JACKSONVILLE
KING SOUDEL TAX INCREMENT DISTRICT GSK (FUND 10805)
2021/22 CRA BOARD APPROVED BUDGET**

Revenue

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

Base Year	<u>2008</u>	
Preliminary Taxable Values	216,027,284	
Less Taxable Value in Base Year	<u>71,064,917</u>	
Taxable Value Incremental Increases	<u>\$ 144,962,367</u>	
Taxable Value Percentage Increases	204.0%	
Operating Millage Rates	11.4419	mills
Collection Rate	95.0%	

Total Revenue \$ 1,575,713

(B) This represents estimated interest earnings based on the City's anticipated rate of return provided by Treasury.

Expenditures

- (C) Travel expense is increasing by \$1,650 to allow staff to attend an annual conference that was held locally in FY 2020/21, which will increase the amount of funding needed.
- (D) Legal fees are increasing by \$2,900 to better align with current usage.
- (E) This amount represents the administrative costs of the CRA which are allocated from the Office of Economic Development. The decrease is due to OGC Legal Fees no longer being included in the calculation.
- (F) This amount represents the balance of budgeted revenue in excess of budgeted expenditures, which can be reallocated by the CRA Board at a future date.

Recommendation

None.

**COUNCIL AUDITOR'S OFFICE
CITY OF JACKSONVILLE
RENEW ARLINGTON TAX INCREMENT DISTRICT GSRA (FUND 10806)
2021/22 CRA BOARD APPROVED BUDGET**

BUDGET BOOK REFERENCE - Page #38

	<u>2020/21 APPROVED BUDGET</u>	<u>2021/22 PROPOSED BUDGET</u>	<u>INCREASE/ (DECREASE)</u>	<u>Footnote</u>
REVENUE				
Property Taxes	\$ 1,660,519	\$ 2,099,415	\$ 438,896	(A)
Interest Income	-	15,191	15,191	(B)
Total Revenue:	<u><u>1,660,519</u></u>	<u><u>2,114,606</u></u>	<u><u>454,087</u></u>	
EXPENDITURES				
Administrative Expenditures				
Part-Time Salaries	75,000	75,000	-	
Medicare	1,088	1,088	-	
Professional and Contractual Services	1,000	1,000	-	
Travel	250	1,900	1,650	(C)
Local Mileage	650	150	(500)	
OGC Internal Service	25,000	30,000	5,000	(D)
General Liability Insurance	345	379	34	
Advertising and Promotion	3,000	3,000	-	
Office Supplies	500	500	-	
Employee Training	1,100	700	(400)	
Dues, subscriptions	342	175	(167)	
Supervision Allocation	97,478	90,618	(6,860)	(E)
Annual Independent Audit	2,500	2,500	-	
Total Administrative Expenditures:	<u>208,253</u>	<u>207,010</u>	<u>(1,243)</u>	
Financial Obligations				
Infrastructure Development Grant College Park (CRA-2021-02)	<u>-</u>	<u>400,000</u>	<u>400,000</u>	(F)
Total Administrative Expenditures:	<u>-</u>	<u>400,000</u>	<u>400,000</u>	
Plan Authorized Expenditures				
Unallocated Plan Authorized Projects	1,452,266	1,507,596	55,330	(G)
Total Expenditures:	<u><u>\$ 1,660,519</u></u>	<u><u>\$ 2,114,606</u></u>	<u><u>\$ 54,087</u></u>	

**COUNCIL AUDITOR'S OFFICE
CITY OF JACKSONVILLE
RENEW ARLINGTON TAX INCREMENT DISTRICT GSRA (FUND 10806)
2021/22 CRA BOARD APPROVED BUDGET**

Revenue

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

Base Year		<u>2015</u>	
Preliminary Taxable Values		\$ 403,484,264	
Less Taxable Value in Base Year		<u>210,342,375</u>	
Taxable Value Incremental Increases		<u>\$ 193,141,889</u>	
Taxable Value Percentage Increases		91.8%	
Operating Millage Rates		11.4419	mills
Collection Rate		95.0%	
Total Revenue		\$ 2,099,415	

(B) This represents estimated interest earnings based on the City's anticipated rate of return provided by Treasury.

Expenditures

- (C) Travel expense is increasing by \$1,650 to allow staff to attend an annual conference that was held locally in FY 2020/21, which will increase the amount of funding needed.
- (D) Legal fees are anticipated to increase related to the Mandatory Compliance Program.
- (E) This amount represents the administrative costs of the CRA which are allocated from the Office of Economic Development. The decrease is due to OGC Legal Fees no longer being included in the calculation.
- (F) In FY 2020/21 the CRA Board approved a \$2,000,000 Infrastructure Development Grant (TID) for 903 University Blvd LLC. to develop mixed-use commercial and residential property at the former site of the Town and County Shopping Center. The \$400,000 represents the first of five equal annual instalments. See recommendation below.
- (G) This amount represents the balance of budgeted revenue in excess of budgeted expenditures, which can be reallocated by the CRA Board at a future date.

Recommendation

We recommend Schedule S be revised to properly reflect the CRA Board Resolution of the line named College Park to CRA-2021-06.

**RENEW ARLINGTON AREA CRA TRUST
FUND 10806**

REVENUES	FY22 Proposed
Property Taxes	2,099,415
Interest Income	15,191
Total Revenues:	<u>2,114,606</u>

EXPENDITURES	FY22 Proposed
Administrative Expenditures	
Salaries Part Time	75,000
Medicare Tax	1,088
Other Professional Services	1,000
Travel Expense	1,900
Local Mileage	150
General Liability Insurance	379
Advertising and Promotion	3,000
ISA-OGC Legal	30,000
Office Supplies - Other	500
Dues and Subscriptions	175
Employee Training Expenses	700
Supervision Allocated	90,618
Annual Independent Audit	2,500
Total Administrative Expenditures:	<u>207,010</u>
Financial Obligations	
Infrastructure Development Grant	
College Park (CRA-2021-06)	400,000
Total Financial Obligations:	<u>400,000</u>
Plan Authorized Expenditures	
Unallocated Plan Authorized Expenditures	1,507,596
Total Plan Authorized Expenditures:	<u>1,507,596</u>
Total Expenditures:	<u>2,114,606</u>

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2021/22 BUDGET
OFFICE OF ECONOMIC DEVELOPMENT
GENERAL FUND / GENERAL SERVICES DISTRICT (FUND 00111)**

PROPOSED BUDGET BOOK - Page # 106

BACKGROUND:

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

EXPENDITURES:

1. Salaries:

- The increase of \$41,530 is primarily due to an increase of \$30,000 in part-time salaries to be used by a part-time Compliance Support Specialist and an increase of \$9,574 in permanent and probationary salaries related to a salary increase.

2. Pension Costs:

- The increase of \$42,904 is mainly due to an increase in the required contribution to the defined benefit plan.

3. Internal Service Charges:

- The decrease of \$31,367 is mainly due to a decrease in legal charges based on actual usage.

4. Professional and Contractual Services:

- The decrease of \$50,000 is due to a decrease in other professional services to align with current contracts.

5. Grants, Aids & Contributions:

- The decrease of \$150,000 is related to the Corridor Eight Business Improvement grant budgeted as a Council priorities request for FY 2020/21.

6. Supervision Allocation:

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

**COUNCIL AUDITOR'S OFFICE
 COMMENTS AND RECOMMENDATIONS
 MAYOR'S PROPOSED FY 2021/22 BUDGET
 OFFICE OF ECONOMIC DEVELOPMENT
 GENERAL FUND / GENERAL SERVICES DISTRICT (FUND 00111)**

PROPOSED BUDGET BOOK - Page # 106

FOOD AND BEVERAGE EXPENDITURES:

FY 2021/22 Proposed	Description of each Service/Event that requires the purchase of food/beverage	Explanation that the Service/Event serves a public purpose
\$200	Coffee for meetings with prospects.	To further redevelopment efforts in Jacksonville to promote job creation and private capital investment.

EMPLOYEE CAP CHANGES:

There are 600 additional part time hours proposed to be added in FY 2021/22. The part time employee will be responsible with assisting with the overall administration of the Small Business Relief and Employee Retention program.

SERVICE LEVEL CHANGES:

None.

RECOMMENDATION:

None.

**COUNCIL AUDITOR’S OFFICE
 COMMENTS AND RECOMMENDATIONS
 MAYOR’S PROPOSED FY 2021/22 BUDGET
 CECIL COMMERCE CENTER (FUND 11312)**

PROPOSED BUDGET BOOK - Page # 107

BACKGROUND:

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

REVENUES:

1. Miscellaneous Revenue:

- The increase of \$623,226 is mainly due to an increase of \$570,303 in gains/loss on the sale of real property related to an “all years” adjustment to appropriate actual revenue earned in the prior year and is being used to balance the fund.

EXPENDITURES:

1. Insurance Cost and Premiums:

- The increase of \$15,484 in miscellaneous insurance is mainly due to an overall increase in property insurance premium costs.

2. Professional and Contractual Services:

- The proposed amount of \$2,096,594 is primarily associated with the building and property maintenance contract at Cecil Commerce Center. The increase is to align with recent actuals. In FY 2020/21, capacity was utilized that existed within that line item.

3. Other Operating Expenses:

- The increase of \$96,251 is based on the following changes related to Quality Target Industry (QTI) and Economic Development Manufacturing Employer (EDME) grants and the Infrastructure grant (Resolution 2021-375-A) located at the Cecil Commerce Center.

Company Name	Grant Type	FY 2020/21 Approved Budget	FY 2021/22 Proposed Budget
General Electric	EDME	\$ 200,000	\$ 200,000
Amazon	QTI	\$ 48,750	\$ 48,750
General Electric	QTI	\$ 116,250	\$ -
Grace AeroSpace	QTI	\$ 2,500	\$ 5,000
JinkoSolar	QTI	\$ 50,000	\$ 47,500
Boeing	Infrastructure	\$ -	\$ 212,500
Total		\$ 417,500	\$ 513,750

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2021/22 BUDGET
CECIL COMMERCE CENTER (FUND 11312)**

PROPOSED BUDGET BOOK - Page # 107

4. Supervision Allocation:

- This amount represents the administrative costs of Office of Economic Development staff for the time they spend on activities related to Cecil Commerce Center.

5. Indirect Cost:

- This is an allocation of costs to operate central services of the City (e.g. Finance and Administration, Employee Services and City Council) as calculated by the City's independent consulting firm. The decrease of \$50,852 is mainly related to the allocation of costs of the Council Auditor's Office included in the prior year.

SERVICE LEVEL CHANGES:

None.

AUTHORIZED POSITION CAP:

There are no positions in this fund.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2021/22 BUDGET
KIDS HOPE ALLIANCE
KIDS HOPE ALLIANCE (FUND 10901)**

PROPOSED BUDGET BOOK - Page # 90

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. Miscellaneous Revenue:

- The decrease of \$40,920 is in tenant revenues (rent) related to the Don Brewer Early Learning Center due to an amendment to the rental agreement which provided the rental space to the tenant at no cost, effective February 1, 2021. This was approved through Ordinance 2020-760-E.

2. Investment Pool / Interest Earnings:

- The \$77,038 represents anticipated interest earnings based on available cash and the interest rate projected by the Treasury Division for FY 2021/22.

3. Transfer from Other Funds:

- The \$35,300,495 represents the transfer from the General Fund / GSD (Fund 00111) to balance the fund.

4. Transfers from Fund Balance:

- The decrease of \$233,784 is due to the remaining pension reform reserve being appropriated in FY 2020/21.

EXPENDITURES:

1. Salaries:

- The net increase of \$60,217 is mostly due to funding one additional position and reclassifying various positions.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2021/22 BUDGET
KIDS HOPE ALLIANCE
KIDS HOPE ALLIANCE (FUND 10901)**

PROPOSED BUDGET BOOK - Page # 90

2. Salary & Benefit Lapse:
 - This represents an estimated salary and benefits lapse based on the average turnover ratio and estimated number of vacancies in FY 2021/22.
3. Pension Costs:
 - The net increase of \$71,777 is driven by an increase in the required contribution to the defined benefit plan.
4. Employer Provided Benefits:
 - The net decrease of \$19,115 is mostly due to the following decreases:
 - \$9,871 in worker's compensation mostly due to a decrease in recent actuals.
 - \$4,432 in group hospitalization insurance mostly related to changes in benefit elections due to turnover.
 - \$4,386 in Medicare tax mainly due to this line being slightly overbudgeted in FY 2020/21.
5. Internal Service Charges:
 - The net decrease of \$39,194 is driven by decreases of \$29,243 in ITD replacements due to no IT equipment refresh scheduled in FY 2021/22 and \$25,407 in computer system maintenance and security due to a decrease in IT charges related to voice and fax services and the implementation of the new phone system.
6. Professional and Contractual Services:
 - The net increase of \$56,989 is due to an increase of \$75,000 in other professional services to fund a contracted research manager offset by a decrease of \$18,011 related to background and drug screenings due to a third-party accepting responsibility for the costs.
7. Debt Service:
 - The \$447,145 represents the debt service payment for the Don Brewer Early Learning Center.
8. Contingencies:
 - The proposed contingency amount of \$28,779,956 represents the Department's program funding for FY 2021/22 pursuant to Ordinance 2021-511. The decrease of \$65,000 is mostly due to funding that was removed from KHA's budget related to the Jax Beach Club (\$29,000) and the Story Journeys Summer Learning Program (\$36,000). Below is detail on the funding that was moved within the essential service categories.
 - A net decrease of \$1,176,923 in the Out-of-School Time category mostly due to KHA's plans to use carryover funding that they expect to be available from FY 2020/21 to fund the FY 2021/22 programs.

**COUNCIL AUDITOR’S OFFICE
 COMMENTS AND RECOMMENDATIONS
 MAYOR’S PROPOSED FY 2021/22 BUDGET
 KIDS HOPE ALLIANCE
 KIDS HOPE ALLIANCE (FUND 10901)**

PROPOSED BUDGET BOOK - Page # 90

- An increase of \$591,600 in the Juvenile Justice Prevention & Intervention category mostly due to additional funding needed to execute the final year of contract renewals for this category and the local matches for two new grants.
- An increase of \$268,688 in the Preteen and Teen category due to additional funding needed to execute the contract renewals for this category.
- A net increase of \$251,635 in the Early Learning category mostly due to additional funds for expanded programming by the Early Learning Coalition.

9. Transfers to Other Funds:

- The \$250,000 represents a combination of a transfer of \$200,000 to the Kids Hope Alliance Trust Fund (Fund 10904) for small provider contract renewals and new small provider contracts, and 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:

FY22 Proposed	Description of each service / event that requires the purchase of food and/or beverages	Explanation that the service / event serves a public purpose
600	Water for Outdoor Events	Public events- to avoid liability from heat exhaustion

EMPLOYEE CAP CHANGES:

One position is proposed to be added to assist with contract management.

SERVICE LEVEL CHANGES:

The following programs were implemented during FY 2020/21 with funding from the Social Justice and Community Investment Special Committee and do not have proposed funding in the FY 2021/22 budget. Therefore, continuation of these programs past the initial program term will be subject to any unused funds or additional funding made available during FY 2021/22.

- Duval County Teen Court Program (\$140,000 - Ordinance 2020-758-E)
- Boys and Girls Club of NE Florida - Clanzel T. Brown (\$225,280 - Ordinance 2021-52-E)
- The First Coast Leadership Foundation Jacksonville, Inc. – Mentor to Thrive (\$102,867 - Ordinance 2021-288-E)
- Jacksonville Public Education Fund – 5000 Role Models (\$100,974 - Ordinance 2021-322-E)
- Operation Save our Sons – MenTurn (\$150,000 - Ordinance 2021-353-E)

In addition, it should be noted that Ordinance 2021-516 includes an additional \$1,005,157 of funding from the American Rescue Plan Act grant for KHA to provide recovery services to address learning losses and gaps related to the effects of COVID-19 on children.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2021/22 BUDGET
KIDS HOPE ALLIANCE
KIDS HOPE ALLIANCE (FUND 10901)**

PROPOSED BUDGET BOOK - Page # 90

RECOMMENDATIONS:

None.

**Kids Hope Alliance
Comprehensive Budget-Schedule M
Fiscal Year 2021-2022**

ESTIMATED REVENUE FROM GRANTS	Grant Period	Positions & PT Hours	Federal	State	Private Sources	Total External Funds	COJ Funds (Local Match)	Total Funds
State of FL. Dept. of Health - USDA Child and Adult Care Food Program - After School Food Program	10/01/21 09/30/22	3 FT Staff / 1,040 PT Hrs	\$1,500,000	\$0	\$0	\$1,500,000	\$50,000	\$1,550,000
State of FL Dept. of Agriculture & Consumer Services - USDA Summer Food Service Program	04/01/22 08/31/22	22,000 PT Hrs	\$1,000,000	\$0	\$0	\$1,000,000	\$200,000	\$1,200,000
Healthy Families - The Ounce of Prevention FL	07/01/22 06/30/23	2 FT Staff	\$410,200	\$684,300	\$0	\$1,094,500	\$940,500	\$2,035,000
Criminal Justice Reinvestment Grant	07/01/22 6/30/23	1 FT Staff	\$0	\$400,000	\$0	\$400,000	\$85,000	\$485,000
Department of Health & Human Services - SAMHSA	09/29/21 09/28/22	1 FT Staff	\$1,000,000	\$0	\$0	\$1,000,000	\$75,000	\$1,075,000
Department of Justice-Comprehensive Anti-Gang Program for Youth	10/01/21 09/30/22	1 FT Staff	\$162,865	\$0	\$0	\$162,865	\$67,040	\$229,905
Department of Health & Human Services - SAMHSA RECAST21 Program	9/30/22 09/29/23	N/A	\$1,000,000	\$0	\$0	\$1,000,000	\$0	\$1,000,000
TOTAL ESTIMATED GRANT REVENUE			\$5,073,065	\$1,084,300	\$0	\$6,157,365	\$1,417,540	\$7,574,905

	<u>Total Funding</u>	<u>Program Funds</u>
<u>Essential Service Plans:</u>		
Early Learning Programs	\$3,058,329	\$3,058,329
Juvenile Justice Prevention/Intervention Programs	\$1,925,482	\$1,925,482
Out of School Time Programs	\$15,233,517	\$15,233,517
Preteen and Teen Programs	\$2,271,789	\$2,271,789
Special Needs Programs	\$6,248,107	\$6,248,107
Grief Counseling & Burial Costs	\$42,732	\$42,732
<u>Across All Essential Service Plans:</u>		
Youth Travel Trust Fund	\$50,000	
Kids Hope Alliance Trust Fund	\$200,000	
	<hr/>	
	\$29,029,956	\$28,779,956
KHA - Operating & Program Support Funds	\$6,347,577	
	<hr/>	
Total City Funding:	\$35,377,533	
Grant Funding from Above:	\$6,157,365	
Total Funding Including Grants:	<hr/> <hr/>	
	\$41,534,898	

Program Funding by the Five Essential Service Categories

	Total Amount
Early Learning	\$ 3,058,329
Juvenile Justice Prevention & Intervention:	\$ 1,925,482
KHA Programming & Services	\$ 1,773,442
Grant Match: Criminal Justice Reinvestment Grant	\$ 85,000
Grant Match: Anti-Gang & Crime Prevention Grant	\$ 67,040
Out-of-School Time:	\$ 15,233,517
KHA Programming & Services	\$ 14,983,517
Grant Match: After School Food Program Grant	\$ 50,000
Grant Match: Summer Lunch Food Program Grant	\$ 200,000
Preteen and Teen	\$ 2,271,789
Special Needs:	\$ 6,248,107
KHA Programming & Services	\$ 5,232,607
Grant Match: Healthy Families Jacksonville	\$ 940,500
Grant Match: SAMHSA Grant	\$ 75,000
Total Essential Service Program Funding	\$ 28,737,224
Grief and Burial	\$ 42,732
Overall Total	\$ 28,779,956

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2021/22 BUDGET
KIDS HOPE ALLIANCE
KIDS HOPE ALLIANCE TRUST (FUND 10904)**

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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. This is an "all years" fund.

REVENUES:

1. Transfer From Other Funds

- This amount totaling \$200,000 is a transfer from the General Fund/GSD (Fund 00111) through the Kids Hope Alliance fund (Fund 10901) and represents a contribution for the Kids Hope Alliance mini-grants program.

EXPENDITURES:

1. Grants, Aids & Contributions

- This funding is to support the Essential Services Plan for Kids by providing funding for the Kids Hope Alliance to award mini-grants of up to \$25,000 to organizations that provide programs for children and youth in the Jacksonville community that are within the services, programs and activities identified in the Essential Services Categories under Chapter 77, Ordinance Code.

SERVICE LEVEL CHANGES:

None

CAPITAL OUTLAY CARRYFORWARDS:

None

EMPLOYEE CAP CHANGES:

There are no positions within this fund.

RECOMMENDATION:

None

**COUNCIL AUDITOR’S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR’S PROPOSED FY 2021/22 BUDGET
KIDS HOPE ALLIANCE
YOUTH TRAVEL TRUST FUND (FUND 10905)**

PROPOSED BUDGET BOOK - Page # 92

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.

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.

EXPENDITURES:

1. Grants, Aids & Contributions
 - This funding is for youth travel support provided to eligible organizations based on applications submitted to the Kids Hope Alliance.

SERVICE LEVEL CHANGES:

None

CAPITAL OUTLAY CARRYFORWARDS:

None

EMPLOYEE CAP CHANGES:

There are no positions within this fund.

RECOMMENDATION:

None

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED 2021/22 BUDGET
PUBLIC WORKS
GENERAL FUND/GENERAL SERVICES DISTRICT (FUND 00111)**

PROPOSED BUDGET BOOK – PAGE # 148

BACKGROUND:

The Public Works Department consists of the Office of the Director and seven other Divisions: Engineering and Construction Management, Mowing & Landscape Maintenance, Real Estate, Right-of-Way (R-O-W) & Stormwater Maintenance, Solid Waste, Traffic Engineering, and Public Buildings.

The Engineering and Construction Management Division's primary responsibility is to plan and design public works projects. 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 General Fund/General Services District (Fund 00111) operations of the Solid Waste Division monitor and collect litter and illegal dumping along streets and public right-of-ways. The Traffic Engineering Division installs, maintains and regulates all street markings, signs, signals and other traffic control devices on City owned roadways. The Public Buildings activity is administered as an internal service fund.

REVENUES:

1. Intergovernmental Revenue

- The \$393,571 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 State roads pursuant to contractual agreements.

2. Miscellaneous Revenue

- The increase of \$239,487 is primarily due to increased reimbursements from the FDOT for the maintenance of streetlights of \$131,641 and traffic signals of \$129,474 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 2021/22.

EXPENDITURES:

1. Salaries

- The increase of \$227,083 is mainly due to a change in the way salaries are split between the General Fund/GSD (Fund 00111) and Stormwater Service (Fund 44101), as well as a new position being added in Traffic Engineering.

2. Pension Costs

- The increase of \$221,329 is mainly due to a \$230,351 increase in the City's required contribution to the general employee defined benefit pension plan.

**COUNCIL AUDITOR'S OFFICE
 COMMENTS AND RECOMMENDATIONS
 MAYOR'S PROPOSED 2021/22 BUDGET
 PUBLIC WORKS
 GENERAL FUND/GENERAL SERVICES DISTRICT (FUND 00111)**

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3. Employer Provided Benefits

- The increase of \$98,835 is primarily due to increases of \$57,592 in group hospitalization insurance based on employee elections changes and \$38,833 in worker's compensation due to a change in the way that costs associated with R-O-W & Stormwater Maintenance are allocated between the General Fund/GSD (Fund 00111) and the Stormwater Fund (Fund 44101), which is offset by an overall decrease in worker's compensation costs.

4. Internal Service Charges

- The net decrease of \$554,846 is attributable to the following decreases of:
 - \$184,338 in computer system maintenance and security mainly due to a decrease in IT charges related to enhancements/modifications to the City User Fees application, server costs, voice and fax services, the implementation of a new Real Estate Management System, and updates to the Real Estate Surplus Website that occurred in the prior year.
 - \$147,847 in Ed Ball building cost allocation due to an overall decrease in costs for the building.
 - \$98,949 in fleet vehicle replacement due to slightly less vehicles replaced in recent years.
 - \$57,549 in fleet repair and maintenance based on recent actuals.
 - \$36,110 in radio equipment refresh due to radio refreshes being funded by the American Rescue Plan (Ordinance 2021-516).

FY 2021/22 Public Works (GF/GSD) Vehicle Replacement Summary						
Unit Description	Number of Units to be Purchased	Average Price	Total Expected Cost	Average Monthly Use in FY 2021/22	Fleet Replacement Allocation in FY 2021/22 (Partial Year)	Fleet Replacement Allocation (Full Year)
Backhoe / Bobcat	1	\$ 90,000	\$ 90,000	4	\$ 6,077	\$ 18,230
Crane Truck	1	\$ 130,000	\$ 130,000	6	\$ 13,166	\$ 26,332
Lift Truck / Forklift	1	\$ 45,000	\$ 45,000	6	\$ 4,557	\$ 9,115
Mower	1	\$ 10,000	\$ 10,000	6	\$ 1,013	\$ 2,025
Pickup Truck	4	\$ 40,000	\$ 160,000	6	\$ 16,204	\$ 32,408
Trailer	1	\$ 5,500	\$ 5,500	6	\$ 557	\$ 1,114
Trailer - Transport (lowboy)	1	\$ 115,000	\$ 115,000	6	\$ 11,647	\$ 23,293
Trash Truck	1	\$ 140,000	\$ 140,000	4	\$ 9,452	\$ 28,357
Utility Body Truck	1	\$ 55,000	\$ 55,000	6	\$ 5,570	\$ 11,140
Total	12		\$ 750,500		\$ 68,243	\$ 152,015

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED 2021/22 BUDGET
PUBLIC WORKS
GENERAL FUND/GENERAL SERVICES DISTRICT (FUND 00111)**

PROPOSED BUDGET BOOK – PAGE # 148

5. Insurance Costs and Premiums

- The increase of \$460,068 is mainly due to an increase in general liability insurance based on an overall unfavorable recent claims history.

6. Professional and Contractual Services

- The increase of \$566,850 is due to an increase of \$348,675 in other professional services mainly due to a one-time increase to allow Engineering and Construction Management to perform due diligence for the MOSH site at the Shipyards and an increase in Traffic Engineering to utilize consultants as more RFPs are being issued for traffic analysis. There is also an increase of \$218,175 in contractual services primarily due to an increase in costs for additional mowing and landscaping sites.

7. Other Operating Expenses

- The increase of \$212,441 is mainly due to an increase of \$196,707 in street lighting due to an increase in the number of streetlights.

8. Capital Outlay

- \$200,000 will be used for the purchase and installation of streetlights in areas where there are no streetlights, or the existing streetlights are insufficient. Installation of the lights is contracted with JEA.

9. Supervision Allocation

- The FY 2021/22 net negative amount of \$19,597 reflects:
 - A \$309,604 allocation from within the Engineering and Construction Management Division to capital projects.
 - A partial offset of \$290,007 for costs allocated from Solid Waste (fund 43101) to the General Fund/GSD (Fund 00111).

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

The authorized position cap is proposed to increase by one position. One Associate Engineer position is proposed to be added within the Traffic Engineering Division to assist with engineering and contractual responsibilities.

(Continued on Next Page)

**COUNCIL AUDITOR'S OFFICE
 COMMENTS AND RECOMMENDATIONS
 MAYOR'S PROPOSED 2021/22 BUDGET
 PUBLIC WORKS
 GENERAL FUND/GENERAL SERVICES DISTRICT (FUND 00111)**

PROPOSED BUDGET BOOK – PAGE # 148

DIVISION CHANGES:

DIVISION	FY 2020/21 ADOPTED	FY 2021/22 PROPOSED	CHANGE %	CHANGE \$	
Engineering	\$ 3,269,781	\$ 3,491,753	6.8%	\$ 221,972	A
Mowing & Landscape	\$ 13,009,692	\$ 13,228,421	1.7%	\$ 218,729	B
Office of the Director	\$ 2,683,208	\$ 2,561,053	-4.6%	\$ (122,155)	C
Real Estate	\$ 1,065,112	\$ 902,887	-15.2%	\$ (162,225)	D
R-O-W and Stormwater	\$ 9,824,902	\$ 10,381,574	5.7%	\$ 556,672	E
Solid Waste	\$ 1,465,918	\$ 1,477,328	0.8%	\$ 11,410	
Traffic Engineering	\$ 17,789,221	\$ 18,326,649	3.0%	\$ 537,428	F
TOTAL	\$ 49,107,834	\$ 50,369,665	2.6%	\$ 1,261,831	

A The Engineering Division's \$221,972 increase is mainly due to increases of \$250,000 in other professional services for a one-time increase to perform due diligence for the MOSH site at the Shipyards.

B The Mowing & Landscape Division's \$218,729 increase is primarily due to the following increases of:

- \$210,410 in contractual services mainly due to an increase in costs for additional mowing and landscaping sites.
- \$70,642 in permanent and probationary salaries due to a change in the way salaries are split between the General Fund/GSD (Fund 00111) and Stormwater Services (Fund 44101), partially offset by employee turnover.
- \$53,695 due to an increase in the City's required contribution to the general employee defined benefit pension plan.

These increases are being partially offset by decreases of \$63,615 in general liability insurance based on a favorable recent claims history in this area and \$55,145 in fleet vehicle replacement due to slightly fewer vehicles being replaced in recent years.

C The \$122,155 decrease within the Office of the Director is primarily due to the following decreases:

- \$62,006 in computer system maintenance and security due to a decrease in charges related to enhancements/modifications to the City User Fees application, server costs, and voice and fax services.
- \$35,237 in Ed Ball building cost allocation due to an overall decrease in costs for the building.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED 2021/22 BUDGET
PUBLIC WORKS
GENERAL FUND/GENERAL SERVICES DISTRICT (FUND 00111)**

PROPOSED BUDGET BOOK – PAGE # 148

- \$24,567 in permanent and probationary salaries mainly due to one position being transferred to the Traffic Engineering Division, offset by salary increases.

D The \$162,225 decrease in the Real Estate Division is primarily driven by decreases of \$147,997 in computer system maintenance and security due to a decrease in IT charges related to the implementation of a new Real Estate Management System and updates to the Real Estate Surplus Website that occurred in FY 2020/21. There was also a decrease of \$43,152 in Ed Ball building cost allocation due to an overall decrease in costs for the building.

E The net increase of \$556,672 in Right-of-Way & Stormwater Maintenance is primarily due to the following increases of:

- \$377,581 in general liability insurance based on an unfavorable recent claims history.
- \$108,044 due to an increase in the City's required contribution to the general employee defined benefit pension plan.
- \$91,522 in worker's compensation due to a change in the way that costs associated with R-O-W & Stormwater Maintenance are allocated between the General Fund/General Services District (Fund 00111) and the Stormwater Fund (Fund 44101), which is offset by an overall decrease in costs.
- \$56,015 in permanent and probationary salaries due to salary increases.

These increases are partially offset by a decrease of \$32,937 in fleet repair and maintenance based on recent actuals and a decrease of \$33,293 in miscellaneous insurance due to a reduction in the number of vehicles owned by Public Works with drive cams installed.

F The \$537,428 increase for Traffic Engineering is primarily the result of the following increases of:

- \$196,707 in street lighting due to an increase in the number of streetlights.
- \$184,303 in general liability insurance based on an unfavorable recent claims history.
- \$100,890 in permanent and probationary salaries due to a new position proposed to be added in Traffic Engineering and one position being transferred in from the Office of the Director.
- \$100,000 in other professional services due to an increase to utilize consultants as more RFPs are being issued for traffic analysis.
- \$41,733 in overtime based on actuals.

These increases are being partially offset by decreases of \$57,522 in fleet vehicle replacement due to fewer vehicles being replaced in recent years and \$36,110 in radio equipment refresh due to radio refreshes being funded by the American Rescue Plan (Ordinance 2021-516).

**COUNCIL AUDITOR'S OFFICE
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MAYOR'S PROPOSED 2021/22 BUDGET
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GENERAL FUND/GENERAL SERVICES DISTRICT (FUND 00111)**

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RECOMMENDATION:

Based on a request from Public Works, we recommend the new Administration Manager position originally proposed for the Public Buildings Division (Fund 54101) be moved to the Public Works Office of the Director Division (Fund 00111). This will be offset in billings to customers in Public Buildings (Fund 54101). The savings from the billings will be used to offset the cost in the General Fund/GSD. This would have no effect on Special Council Contingency.

**COUNCIL AUDITOR’S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR’S PROPOSED 2021/22 BUDGET
PUBLIC WORKS
TREE PROTECTION & RELATED EXPENDITURES (FUND 15304)**

PROPOSED BUDGET BOOK – PAGE # 150

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:

- This is an “all years” fund, and the proposed \$397,915 budgeted for FY 2021/22 is from monetary contributions and will provide the source of funding for tree protection activities in FY 2021/22.

EXPENDITURES:

1. Salaries:

- The increase of \$7,669 is due to a salary increase for the City Arborist position.

2. Other Operating Expenses:

- This is mainly made up of \$319,750 for tree maintenance, representing the 25% match of the amount budgeted in Public Works General Fund/GSD (\$1,129,000) and Stormwater Services (\$150,000).

SERVICE LEVEL CHANGES:

There is no change in service level.

EMPLOYEE CAP CHANGES:

None.

RECOMMENDATION:

None.

**COUNCIL AUDITOR’S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR’S PROPOSED FY 2021/22 BUDGET
BEACH EROSION – LOCAL (FUND 11404)**

PROPOSED BUDGET BOOK – Page # 44

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 2022/23.

This is an “all years” fund.

REVENUE:

1. Transfers from Other Funds:

- The Transfer from Other Funds of \$1,250,000 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 up reserves to cover future beach renourishment costs.
(See Recommendation)

EMPLOYEE CAP CHANGES:

There are no authorized positions in this fund.

RECOMMENDATION:

We recommend reducing cash carryover by \$270,000 and increasing trust fund authorized expenditures by the same amount. These funds are needed for the beach renourishment design. This will have no effect on Special Council Contingency.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2021/22 BUDGET
PUBLIC WORKS
SOLID WASTE DISPOSAL (FUND 43101)**

PROPOSED BUDGET BOOK - Page # 151

BACKGROUND:

The Solid Waste Disposal fund accounts for solid waste disposal operations, including the collection of household and commercial waste, yard debris, recyclables and disposal activities most notably at the Trail Ridge landfill. It is comprised of multiple activities that include Collection Administration, Downtown Collection, Residential Collection, and Disposal Operations Scale House. The fund also provides oversight for the Public Works activity of sanitation service for litter pick-up and large debris-illegal dumping within the General Fund/General Services District.

REVENUE:

1. Franchise Fees

- This represents the fee charged for non-residential collections. The increase of \$1,249,098 is to align with the actual revenues collected in the current fiscal year.

2. Charges for Services:

- The \$24,409,130 is mainly made up of \$10,971,161 for commercial tipping fees, \$6,459,272 for residential tipping fees, and \$5,566,455 in host fees. The net increase of \$850,443 is mostly due to an increase of \$637,967 in commercial tipping fees and \$599,869 in external host fees that were offset by a decrease of \$305,874 in internal host fees to better align with the actual revenues collected in the current fiscal year.

3. Solid Waste:

- This represents the net solid waste user fees.

4. Revenue from City Agencies:

- This amount represents costs billed to City departments for the tonnage of litter and waste dumped at Trail Ridge Landfill.

5. Miscellaneous Revenue:

- The increase of \$381,648 is due to an increase in sale of recyclable materials.

6. Investment Pool / Interest Earnings:

- Investment Pool Earnings of \$184,240 for FY 2021/22 are based on projected available cash and the interest rate projected by the Treasury Division.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
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SOLID WASTE DISPOSAL (FUND 43101)**

PROPOSED BUDGET BOOK - Page # 151

7. General Fund Loan:

- The \$21,233,528 represents a loan from the General Fund/General Services District (Fund 00111) required to balance revenues and expenditures. It is made up of operational loans of:
 - \$3,058,842 for FY 2017/18
 - \$5,538,779 for FY 2018/19
 - \$0 for FY 2019/20 (\$4,162,443 was adjusted through FY 2019/20 recapture process)
 - \$6,420,340 for FY 2020/21
 - \$6,215,567 for FY 2021/22

EXPENDITURES:

1. Salaries:

- The net increase of \$46,105 is primarily due to an increase in permanent and probationary salaries due to promotions, pay increases, and an increase in the base salary for Solid Waste Truck Drivers.

2. Salary & Benefit Lapse:

- The lapse reflects anticipated average turnover and estimated vacancies within the fund.

3. Pension Costs:

- The net increase of \$115,522 is mainly due to an increase in the defined benefit pension plan based on the required contribution per the most recent actuarial study.

4. Employer Provided Benefits:

- The net decrease of \$59,476 is primarily due to a decrease in workers' compensation insurance due to an overall decrease in program costs for the non-JFRD and non-JSO employees.

5. Internal Service Charges:

- The net decrease of \$610,763 is mostly due to decreases of \$599,013 in fleet vehicle replacement mainly due to fewer vehicles being replaced in recent years, \$182,674 in fleet repairs, sublet and rentals due to align with actuals, and \$82,673 in system development charges due to a one-time upgrade to the Compuweigh software at the landfill in FY 2020/21. The decrease is partially offset by an increase of \$224,821 in fleet parts, oil & gas due to an increase in budgeted fuel costs.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2021/22 BUDGET
PUBLIC WORKS
SOLID WASTE DISPOSAL (FUND 43101)**

PROPOSED BUDGET BOOK - Page # 151

6. Professional and Contractual Services:
 - The increase of \$1,200,285 is due to a CPI increase in the garbage haulers contracts costs. However, those costs were calculated prior to the contract for the Service Area II being awarded. The lowest bid increased the costs by an additional \$6,113,054 in FY 2021/22. The Administration plans to cover these costs with American Rescue Plan funding for FY 2021/22. Of the increase, \$2,827,085 is a one-time additional cost to cover the cost of service for October 1 through March 31. In the following years, those additional costs will total about \$3.3 million per year plus CPI.
7. Other Operating Expenditures:
 - The net increase of \$269,429 is mostly due to an increase in landfill charges of \$248,198 that represent the disposal charges for the tonnage of residential solid waste, yard waste, and tires that are weighed at the Trail Ridge Landfill scale house.
8. Supervision Allocation:
 - This represents administrative costs of Solid Waste Disposal which are allocated to General Fund/General Services District (Fund 00111) activities (e.g. litter pick-up and illegal dumping).
9. Indirect Cost:
 - This is an allocation of costs to operate central services of the City (e.g. Finance and Administration, Employee Services and City Council) as calculated by the City's independent consulting firm. Almost half of the fund's allocation are costs that originate from the call center which are allocated based on the volume of inquiries, complaints, and requests received by area.
10. Transfers to Other Funds:
 - The \$565,625 represents the debt service for a \$9,000,000 loan from the General Fund/General Services District (Fund 00111) pursuant to Ordinance 2018-458-E. This is made up of \$500,000 in principal and \$65,625 in interest payments. This will reduce the outstanding balance to \$8,250,000.
11. General Fund Loan Repayment:
 - This is the "payback" of the \$15,017,961 borrowed from the General Fund/General Services District (Fund 00111) to balance this fund and repay prior loans from FY 2017/18 through FY 2020/21 and is not a true payback of the loan. This amount plus \$6,215,567 is being re-loaned from the General Fund/General Services District (Fund 00111) for a new operating loan of \$21,233,528.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2021/22 BUDGET
PUBLIC WORKS
SOLID WASTE DISPOSAL (FUND 43101)**

PROPOSED BUDGET BOOK - Page # 151

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

None.

CONCERN #1:

This enterprise fund does not have a balanced budget and requires an annual operating loan from the General Fund/General Services District (Fund 00111) for the fifth straight year. Per the Office of General Counsel, due to interlocal agreements, these contributions from the General Fund/GSD must be treated as a loan. If the fee is not covering the cost, then efforts need to be made to reduce the cost of the service, reduce the level of services provided, or increase the fees. Based on the proposed budget, this fund will owe the General Fund/GSD \$29,483,528 by September 30, 2022.

CONCERN #2:

As previously mentioned above, the proposed budget did not include a recurring cost of \$3,285,969 or a one-time cost of \$2,827,085 related to the new hauler contract. The Administration has proposed utilizing American Rescue Plan funding to cover these unbudgeted costs.

RECOMMENDATION:

None

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2021/22 BUDGET
PUBLIC WORKS
SOLID WASTE CONTAMINATION ASSESSMENT (FUND 43102)**

PROPOSED BUDGET BOOK - Page # 152

BACKGROUND:

The Solid Waste Division charges Internal and External Host Fees in order to fund groundwater sampling, contamination assessment reports, and also examine, evaluate, and remedy closed contaminated landfill and dump sites within the City. Internal Host Fees are applied to each Class I ton deposited in the Trail Ridge landfill and External Host Fees are applied to each Class III ton deposited in private landfills. Host fees for the Contamination Assessment sub fund are assessed at the rate of \$0.24 per ton.

REVENUE:

1. Charges for Services:

- The net increase of \$15,981 in host fees is due to an increase in external fees of \$32,842 and a decrease of \$16,861 in internal host fees to reflect actual fees collected for construction and demolition permits.

EXPENDITURES:

1. Internal Service Charges:

- The decrease of \$31,847 is due to a decrease in the OGC legal charges based on actual usage.

2. Professional and Contractual Services:

- \$149,025 is budgeted for groundwater sampling, FDEP reporting, and contamination assessment reports.

3. Cash Carryover:

- Funds that are net of revenues and expenditures are placed in reserve pending future Council appropriations for contamination assessment activities.

EMPLOYEE CAP CHANGES:

There are no positions in this subfund.

SERVICE LEVEL CHANGES:

None.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2021/22 BUDGET
PUBLIC WORKS
LANDFILL CLOSURE (FUND 43103)**

PROPOSED BUDGET BOOK - Page # 153

BACKGROUND:

The Landfill Closure fund was established to provide for the closure and post closure costs of the North, East, and Trail Ridge landfills. A Resource Recovery Fee (part of internal and external host fees) provides funding for this purpose at the rate of \$1.98 per Class I and Class III tons deposited at the Trail Ridge (City-owned) landfill and Class III tons deposited at private landfills.

REVENUE:

1. Charges for Services:

- The net increase of \$131,017 in host fees is mostly due to an increase in external fees of \$267,093 and a decrease of \$136,076 in internal host fees to reflect actual fees collected for construction and demolition permits.

EXPENDITURES:

1. Salaries:

- The decrease of \$7,322 is due to changes in the partial allocation of salaries for employees involved in daily maintenance of the East and North landfills.

2. Pension Costs:

- The decrease of \$4,156 is due to a decision not to allocate pension expenditures.

3. Internal Services Charges:

- The increase of \$60,750 is primarily due to an increase of \$59,701 in building maintenance allocation due to an error. **See Recommendation.**

4. Professional and Contractual Services:

- The increase of \$74,800 is mostly due a \$72,000 leachate study that is needed at the North Landfill.

5. Other Operating Expenses:

- The net increase of \$82,693 is mostly due to an increase of \$100,000 in repairs and maintenance for the repair of a portion of the fence at the East Landfill.

6. Cash Carryover:

- Funds are placed in reserve pending future Council appropriations for mitigation activities. The amount budgeted is the excess of revenues over expenditures in the proposed budget.

EMPLOYEE CAP CHANGES:

There are no positions associated with this fund. The personnel are an allocation of salaries and benefits of six (6) employees from Solid Waste Disposal Operations (Fund 43101) that perform duties related to landfill closure.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2021/22 BUDGET
PUBLIC WORKS
LANDFILL CLOSURE (FUND 43103)**

PROPOSED BUDGET BOOK - Page # 153

SERVICE LEVEL CHANGES:

None.

RECOMMENDATION:

There was an error in the data used to calculate public building allocation. We recommend decreasing the allocation from Public Buildings by \$60,000 and offsetting it with an increase to the cash carryover. Within Public Building (54101), the reduction in billings to customers will be offset with a transfer from fund balance. This has no impact to Special Council Contingency.

**COUNCIL AUDITOR'S OFFICE
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PUBLIC WORKS
SOLID WASTE FACILITIES MITIGATION (FUND 43301)**

PROPOSED BUDGET BOOK - Page # 154

BACKGROUND:

The Solid Waste Facilities Mitigation Fund was established to mitigate property concerns in areas surrounding Class I landfills. A Resource Recovery Fee (Internal Host Fee) of \$0.50 is applied to each Class I ton deposited at the Trail Ridge landfill. Ordinance 2007-739-E authorized a 50/50 sharing of the Internal Host Fee between Class I mitigation activities and the Taye Brown Regional Park Improvement District. Mitigation projects are determined pursuant to the City of Jacksonville's Municipal Code, Chapter 380, Part 4.

REVENUE:

1. Charges for Services:

- The \$209,167 represents an internal host fee of \$.25 times the projected tonnage of 774,000 budgeted at \$193,500 and 3.5% of the construction and demolition permit fees revenues budgeted at \$15,667.

2. Investment Pool / Interest Earnings:

- The decrease of \$6,199 is based on available cash and the interest rate projected by the Treasury Division.

EXPENDITURES:

1. Cash Carryover:

- Funds are placed in reserve pending future Council appropriations for mitigation activities that fall within a 15-mile radius of a City owned Class I solid waste management facility.

EMPLOYEE CAP CHANGES:

There are no positions in this fund.

SERVICE LEVEL CHANGES:

None.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2021/22 BUDGET
PUBLIC WORKS
SOLID WASTE FACILITIES MITIGATION CLASS III (FUND 43302)**

PROPOSED BUDGET BOOK - Page # 155

BACKGROUND:

This fund was established to mitigate concerns in areas surrounding Non-Class I Solid Waste Management Facilities. It is mostly funded by a recovery fee of \$0.50 (charged as a part of the External Host Fee) per Non-Class I ton processed at the private solid waste management facilities and by a 7% of construction and demolition permit fee. Mitigation projects are determined pursuant to the City of Jacksonville's Municipal Code, chapter 380, Part 4, and funding is approved by Council.

REVENUE:

1. Charges for Services:
 - The increase of \$67,707 is due to an increase in external host fees to better align with actual collections for construction and demolition permit revenue.

2. Investment Pool / Interest Earnings:
 - The decrease of \$2,281 is based on available cash and the interest rate projected by the Treasury Division.

EXPENDITURES:

1. Cash Carryover
 - Funds are placed in reserve pending future Council appropriations for mitigation activities that fall with a seven-mile radius of a Non-Class I solid waste management facility.

EMPLOYEE CAP CHANGES:

There are no positions in this fund.

SERVICE LEVEL CHANGES:

None.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS & RECOMMENDATIONS
MAYOR'S PROPOSED 2021/22 BUDGET
SOLID WASTE MITIGATION CAPITAL PROJECTS (FUND 43303)**

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BACKGROUND:

The Solid Waste Mitigation Capital Projects fund was established to record and account for capital projects attributed to Class I landfill mitigation as well as to provide a separate fund to isolate Taye' Brown Regional Parks share of Internal Host Fees (\$0.25/Class I ton) collected at the Trail Ridge Landfill, and associated investment earnings, from general mitigation activities.

The fund also serves as the Taye' Brown Regional Park fund, a permanent, on-going trust fund of the City of Jacksonville. The fund is authorized to accept Council appropriations, gifts, fees, and other types of donations. 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. Charges for Services:

- \$209,167 represents an internal host fee of \$.25 times the projected tonnage of 774,000 budgeted at \$193,500 and 3.5% of the construction and demolition permit fees revenues budgeted at \$15,667.

2. Investment Pool/Interest Earnings:

- The decrease of \$23,975 is mostly due to the appropriation of available interest earnings received in the past (i.e., more was earned than budgeted).

EXPENDITURES:

1. Transfer to Other Funds:

- \$210,192 is part of the City's cost to support the operating cost of the contract with Northeast Florida Equestrian Society to run the Equestrian Center. This represents the funding flowing from this fund to the Equestrian Center fund (Fund 45102). Section 10.3 of the Budget Ordinance includes a waiver that allows such transfer.

SERVICE LEVEL CHANGES:

There are no significant service level changes to the budget.

EMPLOYEE CAP CHANGES:

There are no employees associated with this fund.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
 COMMENTS AND RECOMMENDATIONS
 MAYOR'S PROPOSED 2021/22 BUDGET
 VARIOUS DEPARTMENTS
 STORMWATER SERVICES (FUND 44101)**

PROPOSED BUDGET BOOK – PAGE # 157

	FY 20-21 ADOPTED	FY 21-22 PROPOSED	%	DOLLARS
REVENUE				
Jax Citywide Activities				
Investment Pool / Interest Earnings	283,379	57,154	-79.8%	-226,225
	283,379	57,154	-79.8%	-226,225
Public Works				
Solid Waste - Stormwater User Fees	31,501,252	31,746,750	0.8%	245,498
	31,501,252	31,746,750	0.8%	245,498
TOTAL REVENUE	31,784,631	31,803,904	0.1%	19,273
EXPENDITURES				
Jax Citywide Activities				
Debt Management Fund Repayments	643,812	853,117	32.5%	209,305
Transfers to Other Funds	10,725,188	10,762,013	0.3%	36,825
	11,369,000	11,615,130	2.2%	246,130
Neighborhoods				
Salaries	62,639	62,615	0.0%	-24
Pension Costs	51,279	58,759	14.6%	7,480
Employer Provided Benefits	14,962	14,649	-2.1%	-313
Internal Service Charges	30,594	22,568	-26.2%	-8,026
Insurance Costs and Premiums - Allocations	277	305	10.1%	28
Professional and Contractual Services	7,444	7,444	0.0%	0
Other Operating Expenses	7,923	7,923	0.0%	0
Capital Outlay	1	1	0.0%	0
Indirect Cost	52,322	44,802	-14.4%	-7,520
	227,441	219,066	-3.7%	-8,375
Public Works				
Salaries	6,014,336	5,862,683	-2.5%	-151,653
Pension Costs	647,068	713,912	10.3%	66,844
Employer Provided Benefits	1,431,978	1,190,157	-16.9%	-241,821
Internal Service Charges	3,816,624	3,813,129	-0.1%	-3,495
Insurance Costs and Premiums - Allocations	91,261	92,859	1.8%	1,598
Professional and Contractual Services	6,996,640	7,080,057	1.2%	83,417
Other Operating Expenses	483,431	603,707	24.9%	120,276
Capital Outlay	1	1	0.0%	0
Indirect Cost	706,851	613,203	-13.2%	-93,648
	20,188,190	19,969,708	-1.1%	-218,482
TOTAL EXPENDITURES	31,784,631	31,803,904	0.1%	19,273
AUTHORIZED POSITION CAP				
	FY 20-21 ADOPTED	FY 21-22 PROPOSED	CHANGE	
Authorized Positions	53	53	0	
Part-Time Hours	0	0	0	

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED 2021/22 BUDGET
VARIOUS DEPARTMENTS
STORMWATER SERVICES (FUND 44101)**

PROPOSED BUDGET BOOK – PAGE # 157

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. Pursuant to Section 754.110 of the Municipal Code, the City (General Fund/General Services District) provides for the value of Stormwater User Fees waived for 501(c)3 organizations and individuals or families who are economically disadvantaged.

REVENUES:

Jax Citywide Activity

1. Investment Pool / Interest Earnings:

- The decrease of \$226,225 in investment pool earnings is due to a lower interest rate projected in FY 2021/22 by the Treasury Division.

Public Works

1. Stormwater User Fees:

- The net increase of \$245,498 in stormwater user fees is consistent with current growth.

EXPENDITURES:

Jax Citywide Activity

1. Debt Management Fund:

- 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. At the same time, it was decided that any debt incurred prior to the creation of the utility could no longer be paid for with this revenue stream.

2. 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.

(Continued on Next Page)

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED 2021/22 BUDGET
VARIOUS DEPARTMENTS
STORMWATER SERVICES (FUND 44101)**

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Neighborhoods

The Environmental Quality Division (EQ) within the Neighborhoods Department 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. As shown in schedule B1a, Public Works and Neighborhoods are requesting \$380,034 and as a result of the FDOT grant, EQ is able to reduce its budget for these line items.

1. Pension Costs:

- The increase of \$7,480 is mainly due to an increase in the City's required contribution to the General Employee Pension defined benefit plan.

2. Internal Service Charges:

- The decrease of \$8,026 is mainly due to a decrease in ITD Replacements due to there being no computer refresh in FY 2021/22.

3. Indirect Cost:

- This is an allocation of costs to operate central services of the City (e.g. Finance and Administration, Employee Services and City Council) as calculated by the City's independent consulting firm.

(Continued on Next Page)

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED 2021/22 BUDGET
VARIOUS DEPARTMENTS
STORMWATER SERVICES (FUND 44101)**

PROPOSED BUDGET BOOK – PAGE # 157

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).

1. Salaries:

- The decrease of \$151,653 is mainly due to a change in the way salaries are split between the General Fund/GSD (Fund 00111) and Stormwater Service (Fund 44101) within the Mowing Division and employee turnover.

2. Pension Cost:

- The increase of \$66,844 is mainly due to an increase in the City's required contribution to the general employee defined benefit pension plan.

3. Employer Provided Benefits:

- The decrease of \$241,821 is primarily due to decreases of \$195,277 in workers compensation, resulting from a change in the way these charges are allocated between this fund and the General Fund/GSD (Fund 00111) and \$42,460 in group hospitalization insurance based on changes in employee elections.

4. Professional and Contractual Services:

- The increase of \$83,417 is primarily due to the following:
 - an increase in the cost of debris disposal at the Old Kings Landfill
 - a contractual increase in fencing costs
 - mowing, slope trimming, and litter removal at 7 additional stormwater sites

5. Other Operating Expenses:

- The increase of \$120,276 is primarily due to higher pricing for materials such as quikcrete, cement, crushed stone, grates, piping, etc.

6. Indirect Cost:

- This is an allocation of costs to operate central services of the City (e.g. Finance and Administration, Employee Services and City Council) as calculated by the City's independent consulting firm.

**COUNCIL AUDITOR'S OFFICE
 COMMENTS AND RECOMMENDATIONS
 MAYOR'S PROPOSED 2021/22 BUDGET
 VARIOUS DEPARTMENTS
 STORMWATER SERVICES (FUND 44101)**

PROPOSED BUDGET BOOK – PAGE # 157

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. The National Pollutant Discharge Elimination system permit requires that FDOT, through the City, to 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

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

None.

RECOMMENDATION:

None.

**COUNCIL AUDITOR’S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR’S PROPOSED 2021/22 BUDGET
PUBLIC WORKS
PUBLIC BUILDINGS 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:

- The \$47,709,583 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. The decrease of \$70,436 is mainly due to the loss in rent revenue that resulted from Teach for America moving out of the Ed Ball building.

3. Investment Pool / Interest Earnings:

- The decrease of \$52,918 in interest earnings is based on projected interest earnings in FY 2021/22.

4. Transfers from Fund Balance:

- This transfer from fund balance is for the following activities:
 - \$250,000 is intended to be used to re-establish the “emergency fund” 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.
 - \$53,505 is an appropriation of the pension reform contingency, where \$8,250 will be used to replace any broken Automatic External Defibrillators (AED) and the remaining \$45,255 is going back into contingency.

EXPENDITURES:

1. Salaries:

- The increase of \$23,340 is mainly due to employee turnover, end of probation, and some pay increases.

2. Salary & Benefit Lapse:

- The salary and benefit lapse is based on the average turnover ratio and estimated number of vacancies in FY 2021/22.

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3. Pension Costs:
 - The increase of \$24,523 is mainly due to an increase in City's required contribution to the general employees' defined benefit pension plan based on the most recent actuarial study.
4. Internal Service Charges:
 - The increase of \$279,555 is mainly due to an increase of \$339,190 in utility expenses based on recent years actual expenses of multiple tenant buildings, the addition of \$318,629 in ITD system development charges related to the courthouse complex antenna system replacement project, and an increase of \$54,061 in guard service allocation charges. This was somewhat offset by a reduction of \$285,230 in IT equipment replacement charges related to a one-time purchase of network equipment and computer refresh in FY 2020/21. This was also offset by a reduction of \$177,958 in city wide building maintenance allocation being charged to the multiple tenant buildings due to a decrease in the percentage allocated to buildings with multiple tenants compared to the single tenant buildings based on recent actuals.
5. Inter-Departmental Billing:
 - The \$40,000 is for the billings from the Jacksonville Fire and Rescue Department to perform fire inspections at City buildings.
6. Insurance Costs and Premiums:
 - The increase of \$173,307 is mainly due to an overall increase in the City's property insurance premium.
7. Professional and Contractual Services:
 - The increase of \$434,159 is due to an increase of \$237,365 in contractual services, an increase of \$99,107 in security guard services, and an increase of \$92,407 in contractual janitorial services based on prior year actuals and anticipated increases in inflation.
8. Other Operating Expenses:
 - The increase of \$179,674 is mainly due to an increase of 143,618 in chilled water costs, an increase of \$129,545 in water and sewer costs, and an increase of \$72,000 in repairs and maintenance based on prior year actuals. This was offset by a decrease of \$170,126 in electricity charges based on current operating levels.
9. Capital Outlay:
 - This funding is to replace any broken 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. Finance and Administration, Employee Services, and City Council) as calculated by the City's independent consulting firm.

11. Contingencies:

- This contingency funding was reduced since it was used to help fund the purchase of new AED's in the FY 2021/22 budget.

12. 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 was due to a reduction in debt to be repaid.

EMPLOYEE CAP CHANGES:

None.

CAPITAL OUTLAY CARRYFORWARD:

None.

SERVICE LEVEL CHANGES:

There are no significant service level changes to the budget.

RECOMMENDATION:

None.