

**OFFICE OF THE COUNCIL AUDITOR**

**FY 2023/2024 PROPOSED BUDGET**

**FINANCE COMMITTEE MEMBERS**

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**Meeting #6**  
**August 24, 2023**

**COUNCIL AUDITOR’S OFFICE  
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**COUNCIL AUDITOR’S OFFICE  
 COMMENTS AND RECOMMENDATIONS  
 MAYOR’S PROPOSED FY 2023/24 BUDGET  
 EXECUTIVE OFFICE OF THE MAYOR  
 GENERAL FUND / GENERAL SERVICES DISTRICT (FUND 00111)**

**PROPOSED BUDGET BOOK- Page # 93 - 94**

**BACKGROUND:**

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

**EXPENDITURES:**

1. Salaries:
  - The net increase of \$846,492 is mainly due to the restructuring of the office, which includes the addition of two positions and employee turnover.
2. Pension Costs:
  - The increase of \$244,111 is due to the salary increases noted above.
3. Inter-Departmental Billing:
  - The amount of \$463,937 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.

**DIVISION CHANGES:**

	<b>FY 2022/23 Adopted</b>	<b>FY 2023/24 Proposed</b>	<b>% Change from FY23</b>	<b>\$ Change from FY23</b>	
Office of the Mayor	\$ 3,123,334	\$ 4,377,574	40.2%	\$ 1,254,240	(A)
Mayor’s Public Affairs	1,020,267	906,636	-11.1%	- 113,631	(B)
Department Total	<u>\$ 4,143,601</u>	<u>\$ 5,284,210</u>	27.5%	<u>\$ 1,140,609</u>	

- A. The budget for the Mayor’s Office is increasing by \$1,254,240 mainly due to the transfer in of two positions from Public Works and transfer in of one position from Public Affairs, an increase in pension costs, and an increase in the cost of the Mayor’s security from JSO.
- B. The budget for the Mayor’s Public Affairs is decreasing by \$113,631 mainly due to the transfer of one position to the Mayor’s Office.

**SERVICE LEVEL CHANGES:**

None.

**EMPLOYEE CAP CHANGES:**

The authorized employee cap is increasing by 2 positions to 23 positions due to the transfer in of two vacant positions from Public Works.

**RECOMMENDATION:**

None.

**COUNCIL AUDITOR’S OFFICE  
 COMMENTS AND RECOMMENDATIONS  
 MAYOR’S PROPOSED FY 2023/24 BUDGET  
 ADVISORY BOARDS & COMMISSIONS  
 GENERAL FUND / GENERAL SERVICES DISTRICT (FUND 00111)**

**PROPOSED BUDGET BOOK – Page # 66 - 67**

**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 \$171,000 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. Employer Provided Benefits:
  - The decrease of \$6,927 is due to a decrease in group hospitalization insurance caused by employee election changes.
3. Internal Service Charges
  - The decrease of \$7,507 is mainly due to a decrease in OGC legal costs due to a decrease in recent actual usage.

**DIVISION SUMMARY**

	<b>FY 2022/23 Adopted</b>	<b>FY 2023/24 Proposed</b>	<b>% Change from FY23</b>	<b>\$ Change from FY23</b>	
Boards and Commissions	\$ 278,625	\$ 249,868	-10.3%	\$ -28,757	<b>A</b>
Construction Trades Qualifying Board	\$ 272,197	\$ 289,036	6.2%	\$ 16,839	<b>B</b>
Department Total	\$ 550,822	\$ 538,904	-2.2%	\$ -11,918	

- A.** The budget for the Boards and Commissions decreased by \$28,757 mostly due to employee turnover and a decrease in OGC legal costs.
- B.** The budget for the Construction Trades Qualifying Board increased by \$16,839 mostly due to an increase in pension costs due to an increase in the required contributions and collective bargaining increases.

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 COMMENTS AND RECOMMENDATIONS  
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 ADVISORY BOARDS & COMMISSIONS  
 GENERAL FUND / GENERAL SERVICES DISTRICT (FUND 00111)**

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**PROPOSED BUDGET BOOK – Page # 66 - 67**

**FOOD AND BEVERAGES EXPENDITURES:**

FY24 Proposed	Description of each service / event that requires the purchase of food and/or beverages	Explanation that the service / event serves a public purpose
\$ 150	Refreshments for board members during meetings and hearings.	Civil Service Board meetings and hearings.

**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 2023/24 BUDGET  
EMPLOYEE SERVICES  
GENERAL FUND/GENERAL SERVICES DISTRICT (FUND 00111)**

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**PROPOSED BUDGET BOOK - Page # 85-86**

**BACKGROUND:**

The Employee Services Department consists of four divisions: Employee & Labor Relations, Office of the Director, Talent Management, and Compensation and Benefits. The Compensation and Benefits activity is housed in the Group Health fund (56201).

**REVENUES:**

1. Miscellaneous Revenue:

- This represents the expected revenue due to public records requests and subpoenas for FY 2023/24.

**EXPENDITURES:**

1. Salaries:

- The increase of \$126,861 is primarily due to the impact of collective bargaining increases and other salary increases on promotions given during FY 2022/23.

2. Pension Costs:

- The increase of \$114,944 is mainly due to an increase in the required contribution to the pension fund and the impact of salary increases noted above.

3. Employer Provided Benefits:

- The increase of \$28,340 is mainly due to an increase in health insurance based on employee election changes.

4. Internal Service Charges:

- The net increase of \$424,050 is mainly due to the following increases:
  - \$382,136 in OGC Legal costs related to anticipated costs for collective bargaining.
  - \$246,150 in IT charges related to the development of the ERP-HR/Payroll system, an increase in enterprise security, and an increase in IT cost for the maintenance of the Employee Outprocessing Workflow.
- The increase is partially offset by a decrease of \$210,261 due to the removal of funding for the replacement of a server during FY 2022/23.

5. Professional and Contractual Services:

- This amount includes \$981,830 for professional services mainly related to occupational health and medical services, consultant services for JFRD promotional exams, and software licenses for the City's applicant tracking system. It also includes \$69,000 related to background screening and drug testing.

**COUNCIL AUDITOR'S OFFICE  
 COMMENTS AND RECOMMENDATIONS  
 MAYOR'S PROPOSED FY 2023/24 BUDGET  
 EMPLOYEE SERVICES  
 GENERAL FUND/GENERAL SERVICES DISTRICT (FUND 00111)**

**PROPOSED BUDGET BOOK - Page # 85-86**

6. Other Operating Expenses:

- This amount includes \$695,000 for tuition reimbursement, of which \$375,000 is budgeted for JFRD, \$200,000 is budgeted for non-public safety employees, and \$120,000 is budgeted for JSO.

7. Supervision Allocation:

- This amount represents the allocation of a portion of the salary and benefits costs for a position within Group Health (Fund 56201) who also provides support to the defined contribution pension plan, which is a General Fund/General Services District function.

**DIVISION CHANGES:**

Division	FY 2022/23 Approved	FY 2023/24 Proposed	Change Amount	Change %	
Employee & Labor Relations	\$1,352,632	\$1,378,000	\$25,368	1.88%	A
Office of Director	599,924	666,498	66,574	11.10%	B
Talent Management	5,952,541	6,555,536	602,995	10.13%	C
<b>Department Total</b>	<b>\$7,905,097</b>	<b>\$8,600,034</b>	<b>\$694,937</b>	<b>8.79%</b>	

A. The net increase of \$25,368 in the Employee & Labor Relations Division is mainly due to an increase of \$28,260 in salaries due to the impact of collective bargaining and other salary increases for promotions during FY 2022/23.

B. The increase of \$66,574 in the Office of Director Division is primarily due to increases of \$38,492 due to an increase in the required contribution to the pension fund and \$21,562 in salaries due to the impact of collective bargaining increases and other salary increases given during FY 2022/23.

C. The net increase of \$602,995 is mainly due to increases of:

- \$398,297 in OGC Legal costs related to anticipated costs for collective bargaining.
- \$241,900 in IT charges related to the development of the ERP-HR/Payroll system, an increase in enterprise security, and an increase in IT cost for the maintenance of the Employee Outprocessing Workflow.
- \$82,469 in salaries due to the impact of collective bargaining increases and other salary increases on promotions given during FY 2022/23.
- \$71,671 in pension costs due to an increase in the required contribution to the pension fund and the impact of salary increases noted above.

These increases are partially offset by a decrease of \$208,927 due to the removal of funding for the replacement of a server during FY 2022/23.

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COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2023/24 BUDGET  
EMPLOYEE SERVICES  
GENERAL FUND/GENERAL SERVICES DISTRICT (FUND 00111)**

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**PROPOSED BUDGET BOOK - Page # 85-86**

**SERVICE LEVEL CHANGES:**

None.

**EMPLOYEE CAP CHANGES:**

None.

**RECOMMENDATION:**

None.



**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2023/24 BUDGET  
EMPLOYEE SERVICES DEPARTMENT  
WELLNESS FUND (FUND 11528)**

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**PROPOSED BUDGET BOOK - Page # 87-88**

**BACKGROUND:**

This subfund was established by 2016-8-E to replace the City Wellness and Fitness Fund (S/F 1H9) which was put in place to account for annual contributions to fund the City's Wellness and Fitness Program. Pursuant to Sec. 111.471 of the municipal code, the funding can be used for fitness activities, wellness programs, equipment, biometric testing services, rewards programs, and all other products and services deemed necessary, including the services of an independent contractor to manage the programs.

During FY 2021/22, passage of 2021-822-E added the Mental Health Offender Program to this fund. The purpose of this program is to provide funding to alleviate the traditional criminal justice system from incarcerating misdemeanor offenders who exhibit mental illness by providing services directly related to behavioral health.

**REVENUE:**

1. Miscellaneous Revenue:

- The \$200,000 is the contribution from Florida Blue for the city wellness and fitness program pursuant to the City's health insurance contract.

2. Transfers from Other Funds:

- The \$600,000 is a transfer from the General Fund/General Services District to provide funding for the Mental Health Offender Program.

**EXPENDITURES:**

1. Professional and Contractual Services:

- \$200,000 of the proposed funding is being appropriated to fund wellness and fitness program expenditures, while \$600,000 is related to expenditures for the Mental Health Offender Program.

**EMPLOYEE CAP CHANGES:**

There are no positions in this fund.

**SERVICE LEVEL CHANGES:**

There is no service level change; however, the General Fund/GSD is taking on an additional \$400,000 for expenditures associated with the Mental Health Offender Program that were previously covered by the Special Law Enforcement Trust Fund.

**RECOMMENDATION:**

None.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2023/24 BUDGET  
EMPLOYEE SERVICES DEPARTMENT  
GROUP HEALTH (FUND 56201)**

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**PROPOSED BUDGET BOOK - Page # 89-91**

**BACKGROUND:**

This Internal Service Fund provides for the costs of group health, life insurance and other types of employee insurances. On January 1, 2015, the City moved to being partially self-insured for group health pursuant to Ordinance 2014-546-E. The City's specific stop loss coverage is currently \$800,000 per claim. The City remains fully insured for the other insurances. As of January 1, 2020, FOP and IAFF members moved to their own health, dental, and vision plan managed by the unions. This has resulted in the employee portion of the contribution (for the FOP and IAFF) no longer flowing through this fund, but the employer portion does.

The Administration has stated that Group health, vision, and dental rates are not planned to change at the start of the calendar year.

**REVENUE:**

1. Charges for Services:

- The increase of \$1,688,567 is mainly due to an increase of \$4,299,697 in employer contributions to the FOP and IAFF employee's health and dental plans based on the actuarial study. This is partially offset by a decrease of \$2,761,691 in employer health insurance contributions for the City's health care plan for other employees.

2. Investment Pool / Interest Earnings:

- The increase of \$274,671 is due to an increase in projected investment pool earnings based on expected available cash and the interest rate projected by the Treasury Division.

3. Transfers from Fund Balance:

- There is a proposed \$6,883,614 transfer from fund balance in FY 2023/24 to balance the fund.

**EXPENDITURES:**

1. Salaries:

- The net decrease of \$162,970 is mainly due to the removal of \$200,000 in funding related to the taxes for incentives paid to employees for the wellness plan that are no longer needed. This is partially offset by an increase of \$38,003 in salaries due to collective bargaining increases and other raises given during FY 2022/23.

2. Pension Costs:

- The increase of \$38,612 is due to an increase in the required contributions to the employee pension plan.

**COUNCIL AUDITOR’S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR’S PROPOSED FY 2023/24 BUDGET  
EMPLOYEE SERVICES DEPARTMENT  
GROUP HEALTH (FUND 56201)**

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**PROPOSED BUDGET BOOK - Page # 89-91**

3. Insurance Costs and Premiums:

- The net decrease of \$1,398,649 is the net result of a few offsetting items. Health care claims of \$10 million are proposed to be moved to the American Rescue Plan Fund. If it was not for this, this category would be going up by \$8.6 million due to the following:
  - \$4,303,380 for the Jacksonville Police Officers’ and Fire Fighters’ Health Insurance Trust Health Plan based on the cost per the actuary.
  - \$4,136,552 in health care claims for the City’s health care plans for non-Police Officer and Fire Fighter employees.

4. Professional and Contractual Services:

- The budgeted amount is for consulting and actuary services for the City’s self-insurance health plan, employee assistance program, the flexible spending account administrator and affordable care act compliance. The decrease of \$25,000 is the result of a new contract for flexible spending administration.

5. Supervision Allocation:

- This amount represents the allocation of a portion of the costs associated with a position that splits time between this function and administrative work on the defined contribution plan that is charged to the General Fund/General Services District.

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.

**EMPLOYEE CAP CHANGES:**

None.

**AMERICAN RESCUE PLAN FUNDING PROPOSED – ORDINANCE 2023-513:**

\$10 million of American Rescue Plan funding is proposed to be used for health care claims paid.

**COMMENT:**

Given the use of the American Rescue Plan to cover claims, there will be a future recurring cost to the City (and potentially employees) once the recurring cost is included in the budget.

**RECOMMENDATION:**

None.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2023/24 BUDGET  
PLANNING AND DEVELOPMENT  
GENERAL FUND/GENERAL SERVICES DISTRICT (FUND 00111)**

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**PROPOSED BUDGET BOOK - Page # 264-266**

**BACKGROUND:**

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

**REVENUE:**

1. Permits and Fees

- The decrease of \$55,800 is based on recent actuals. This revenue relates to fees received for the collection of right-of-way permits.

2. Charges for Services

- This revenue is made up of zoning and rezoning fees of \$790,000 and comprehensive amendment fees of \$350,000.

**EXPENDITURES:**

1. Salaries

- The increase of \$166,807 is primarily due to an increase in permanent and probationary salaries mainly due to three new positions proposed to be added to the Office of Director Division - Resiliency Office in FY 2023/24 with six months of funding, the impact of collective bargaining, and other salary increases approved during FY 2022/23.

2. Pension Costs

- The increase of \$157,321 is mainly due to an increase in the required contribution to the defined benefit pension plan and the impact of the three additional positions.

3. Employer Provided Benefits

- The increase of \$16,988 is mainly due to an increase in health insurance costs due to the three additional positions.

4. Internal Service Charges

- The increase of \$32,127 is mainly due to increases in computer systems and maintenance charges mainly due to increased charges related to maintaining enterprise security, GIS, and other systems used by the Department.

5. Insurance Costs and Premiums - Allocations

- The decrease of \$20,122 is due to a decrease in general liability insurance which is based on recent claim experience.

**COUNCIL AUDITOR’S OFFICE  
 COMMENTS AND RECOMMENDATIONS  
 MAYOR’S PROPOSED FY 2023/24 BUDGET  
 PLANNING AND DEVELOPMENT  
 GENERAL FUND/GENERAL SERVICES DISTRICT (FUND 00111)**

**PROPOSED BUDGET BOOK - Page # 264-266**

6. Professional and Contractual Services
  - The funding is for court reporter services (\$63,750), annual traffic count services (\$260,000), and floodplain review consultants (\$300,000).
  
7. Other Operating Expenses
  - The increase of \$10,545 is mainly due to a net increase in travel and employee training mainly for the Office of Resiliency.
  
8. Supervision Allocation
  - This amount represents the net allocation of expenses within the Office of the Director Division being allocated out to Building Inspection (Fund 15104) and Concurrency Management (Fund 10101). This allocation is partly reduced by the allocation of a portion of the salary and benefits expenses for Development Services Division employees housed in Building Inspection (Fund 15104) that perform duties related to the Division’s activities in the General Fund/GSD (Fund 00111).

**SERVICE LEVEL CHANGES:**

None.

**EMPLOYEE CAP CHANGES:**

The employee cap is increasing from 34 positions to 37 positions. This includes one Climate Data Manager, one Resilience Project Coordinator, and one Administrative Assistant within the Resiliency Office. The part-time hours also increased by 1,040 hours.

**DIVISION CHANGES:**

Division	FY 2022/23 ADOPTED	FY 2023/24 PROPOSED	Change \$	%	Notes
Community Planning and Development	\$ 1,554,323	\$ 1,655,500	\$ 101,177	6.5%	(A)
Current Planning	1,431,734	1,507,690	75,956	5.3%	(B)
Development Services	847,772	856,633	8,861	1.0%	
Office of the Director	502,156	639,550	137,394	27.4%	(C)
Transportation Planning	750,316	767,886	17,570	2.3%	(D)

**Department Total** **\$ 5,086,301** **\$ 5,427,259** **\$ 340,958**

- A. The increase of \$101,177 in the Community Planning and Development Division is primarily due to increases of \$65,192 in salaries mainly due to the impact of collective bargaining and other FY 2022/23 approved salary increases, and \$46,693 in pension costs mainly due to an increase in the required contribution to the defined benefit pension plan.

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COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2023/24 BUDGET  
PLANNING AND DEVELOPMENT  
GENERAL FUND/GENERAL SERVICES DISTRICT (FUND 00111)**

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**PROPOSED BUDGET BOOK - Page # 264-266**

- B. The increase of \$75,956 in the Current Planning Division is primarily due to the following increases:
- \$46,365 in pension costs mainly due to the increase in the required contribution to the defined benefit pension plan.
  - \$18,515 in computer system maintenance and security costs due to increased enterprise security charges and maintenance charges for the GIS application.
- C. The increase of \$137,394 in the Office of the Director Division is due to \$99,178 in salaries mainly attributable to three new positions proposed to be added in FY 2023/24 with six months of funding and the impact of collective bargaining increases. There was also an increase of \$49,087 in pension costs due to the increase in the required contribution to the defined benefit pension plan.
- D. The increase of \$17,570 in the Transportation Planning Division is primarily due to increases of \$15,176 in pension costs mainly due to an increase in the required contribution to the pension plan and \$10,253 in internal service charges mainly due to an increase in computer systems maintenance and security charges due to increased maintenance costs for the mobility fee calculator and enterprise security. These increases are partially offset by a decrease of \$5,109 in salaries mainly attributable to turnover.

**RECOMMENDATION:**

None.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2023/24 BUDGET  
PLANNING & DEVELOPMENT  
CONCURRENCY MANAGEMENT SYSTEM (FUND 10101)**

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**PROPOSED BUDGET BOOK - Page # 267-269**

**BACKGROUND:**

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

**REVENUE:**

1. Investment Pool/Interest Earnings
  - The increase of \$24,174 is based on anticipated earnings in FY 2023/24.

**EXPENDITURES:**

1. Salaries
  - The increase of \$8,728 is due to the impact of collective bargaining increases.
2. Pension Costs
  - The increase of \$22,987 is primarily due to the increase in the required contribution to the pension plan.
3. Employer Provided Benefits
  - The decrease of \$3,136 is primarily due to changes in health insurance elections.
4. Internal Service Charges
  - The decrease of \$5,082 is due to decreases of \$2,817 in ITD replacements related to a one-time refresh in FY 2022/23 and \$2,587 in computer system maintenance and security due to one-time costs in FY 22/23 related to maintenance of the Enterprise Document Management system.
5. Other Operating Expenses
  - The decrease of \$5,874 is primarily due to a decrease of \$10,672 in hardware and software maintenance and licenses for costs associated with updating the mobility fee calculator in FY 2022/23 that are not needed in FY 2023/24. This decrease is partially offset by an increase of \$2,999 in advertising and promotion for outreach materials and \$2,520 is miscellaneous services and charges to renew licenses and replace some bike counters.

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PLANNING & DEVELOPMENT  
CONCURRENCY MANAGEMENT SYSTEM (FUND 10101)**

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**PROPOSED BUDGET BOOK - Page # 267-269**

6. Supervision Allocation:

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

7. Indirect Cost:

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

8. Cash Carryover

- The proposed amount is the estimated excess revenue over expenditures.

**SERVICE LEVEL CHANGES:**

None.

**EMPLOYEE CAP CHANGES:**

None.

**RECOMMENDATION:**

None.



**COUNCIL AUDITOR'S OFFICE  
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 PLANNING AND DEVELOPMENT  
 BUILDING INSPECTION (EXCLUDING FIRE RESCUE) (FUND 15104)**

**PROPOSED BUDGET BOOK - Page # 270-273**

	FY 22-23 ADOPTED	FY 23-24 PROPOSED	DOLLARS	%
<b>REVENUE</b>				
<b>Fire and Rescue-Center</b>				
Charges for Services	\$ 1,005,000	\$ 1,102,893	\$ 97,893	9.7%
Fines and Forfeits	5,500	6,000	500	9.1%
	<u>\$ 1,010,500</u>	<u>\$ 1,108,893</u>	<u>\$ 98,393</u>	<u>9.7%</u>
<b>Jax Citywide Activities</b>				
Investment Pool / Interest Earnings	\$ 161,434	\$ 445,088	\$ 283,654	175.7%
Transfers from Fund Balance	-	544,733	544,733	
	<u>\$ 161,434</u>	<u>\$ 989,821</u>	<u>\$ 828,387</u>	<u>513.1%</u>
<b>Planning and Development</b>				
Permits and Fees	\$ 2,414,000	\$ 2,437,500	\$ 23,500	1.0%
Inspection Fees	16,143,365	15,761,000	(382,365)	-2.4%
Charges for Services	1,067,258	993,550	(73,708)	-6.9%
Fines and Forfeits	383,120	386,000	2,880	0.8%
Miscellaneous Revenue	55,500	50,500	(5,000)	-9.0%
	<u>\$ 20,063,243</u>	<u>\$ 19,628,550</u>	<u>\$ (434,693)</u>	<u>-2.2%</u>
<b>TOTAL REVENUE</b>	<u>\$ 21,235,177</u>	<u>\$ 21,727,264</u>	<u>\$ 492,087</u>	<u>2.3%</u>

<b>EXPENDITURES</b>				
<b>Fire and Rescue-Center</b>				
Salaries	\$ 1,052,913	\$ 1,228,982	\$ 176,069	16.7%
Salaries & Benefit Lapse	(11,269)	(1,971)	9,298	-82.5%
Pension Costs	483,956	567,517	83,561	17.3%
Employer Provided Benefits	181,736	209,813	28,077	15.4%
Internal Service Charges	122,427	147,477	25,050	20.5%
Insurance Costs and Premiums - Allocations	3,825	4,243	418	10.9%
Professional and Contractual Services	1	1	-	0.0%
Other Operating Expenses	14,937	15,287	350	2.3%
Capital Outlay	1	1	-	0.0%
Indirect Cost	85,431	85,431	-	0.0%
	<u>\$ 1,933,958</u>	<u>\$ 2,256,781</u>	<u>\$ 322,823</u>	<u>16.7%</u>
<b>Jax Citywide Activities</b>				
Transfers to Other Funds	\$ 750,000	\$ -	\$ (750,000)	-100.0%
Cash Carryover	256,490	-	(256,490)	-100.0%
	<u>\$ 1,006,490</u>	<u>\$ -</u>	<u>\$ (1,006,490)</u>	<u>-100.0%</u>

<b>Planning and Development</b>				
Salaries	\$ 9,816,331	\$ 10,285,601	\$ 469,270	4.8%
Salaries & Benefit Lapse	(133,085)	(129,446)	3,639	-2.7%
Pension Costs	2,483,809	2,757,717	273,908	11.0%
Employer Provided Benefits	1,729,919	1,837,487	107,568	6.2%
Internal Service Charges	2,722,474	2,842,137	119,663	4.4%
Insurance Costs and Premiums	435	518	83	19.1%
Insurance Costs and Premiums - Allocations	69,632	107,578	37,946	54.5%
Professional and Contractual Services	125,000	213,000	88,000	70.4%
Other Operating Expenses	519,130	591,139	72,009	13.9%
Capital Outlay	12,001	1	(12,000)	-100.0%
Supervision Allocation	4,783	20,451	15,668	327.6%
Indirect Cost	944,300	944,300	-	0.0%
	<u>\$ 18,294,729</u>	<u>\$ 19,470,483</u>	<u>\$ 1,175,754</u>	<u>6.4%</u>

**TOTAL EXPENDITURES** \$ 21,235,177 \$ 21,727,264 \$ 492,087 2.3%

	FY 22-23 ADOPTED	FY 23-24 PROPOSED	CHANGE
<b>AUTHORIZED POSITION CAP</b>			
Authorized Positions	174	178	4
Part-Time Hours	6,500	6,500	0

**COUNCIL AUDITOR’S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR’S PROPOSED FY 2023/24 BUDGET  
PLANNING AND DEVELOPMENT  
BUILDING INSPECTION (EXCLUDING FIRE RESCUE) (FUND 15104)**

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**PROPOSED BUDGET BOOK - Page # 270-273**

**BACKGROUND:**

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

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

**REVENUE:**

Jax Citywide Activities

1. Investment Pool / Interest Earnings
  - The increase of \$283,654 is based on projected returns in FY 2023/24.
2. Transfer From Fund Balance
  - There is a proposed transfer from fund balance of \$544,733 to balance the fund.

Planning and Development

3. Permits and Fees
  - The increase of \$23,500 is primarily due to an increase of \$20,000 in plan review sheet resubmittals to better align with recent actuals.
4. Inspection Fees
  - The decrease of \$382,365 is due to a decrease of \$400,000 in building inspection fee revenue which is partially offset by an increase of \$17,635 in construction inspection fee revenue. The decreases are to better align the budget with anticipated revenue.
5. Charges for Services
  - The decrease of \$73,708 is primarily due to a decrease of \$99,440 in reinspection fees which is partially offset by an increase of \$25,000 in subdivision regulation fees.

**EXPENDITURES:**

Jax Citywide Activities

1. Transfers To Other Funds
  - The transfer in FY 2022/23 was related to the build out improvements in the Ed Ball building.

**COUNCIL AUDITOR’S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR’S PROPOSED FY 2023/24 BUDGET  
PLANNING AND DEVELOPMENT  
BUILDING INSPECTION (EXCLUDING FIRE RESCUE) (FUND 15104)**

---

**PROPOSED BUDGET BOOK - Page # 270-273**

2. Cash Carryover

- There is no excess revenue projected in FY 2023/24 since revenues are not projected to be more than expenditures.

Planning and Development

3. Salaries

- The increase of \$469,270 is mainly due to the impact of collective bargaining (\$229,204), other salary increases and employee turnover (\$121,120), and the three positions proposed to be added in FY 2023/24 (\$119,939).

4. Salary & Benefit Lapse

- This reflects an estimated salary and benefit lapse based on the average turnover ratio and estimated number of vacancies in FY 2023/24.

5. Pension Costs

- The increase of \$273,908 is mainly due to an increase in the required contribution to the defined benefit pension plan and due to the three additional positions.

6. Employer Provided Benefits

- The increase of \$107,568 is mainly due to an increase in health insurance costs due to changes in elections and due to the personnel changes mentioned above including the three new positions.

7. Internal Service Charges

- The increase of \$119,663 is mainly due to an increase of \$274,743 in vehicle replacement charges due to eleven new vehicles being purchased and paid in full in FY 2023/24. The increase is partially offset by a decrease of \$165,507 in legal charges mainly due to the change in how salaries for one attorney and one paralegal were allocated in FY 2022/23 related to this area. **See recommendation below.**

8. Insurance Costs and Premiums – Allocations

- The increase of \$37,946 is mainly due to an increase in general liability insurance which is based on recent claim experience.

9. Professional and Contractual Services

- The increase of \$88,000 is due to an increase of \$50,000 in other professional services mainly to obtain a drainage review consultant and an increase of \$38,000 in contractual services to build out two offices.

10. Other Operating Expenses

- The increase of \$72,009 is mainly due to increases of \$100,000 in repairs to building and equipment for a customer certificate of use area buildout, and \$12,000 in furniture and

**COUNCIL AUDITOR’S OFFICE  
 COMMENTS AND RECOMMENDATIONS  
 MAYOR’S PROPOSED FY 2023/24 BUDGET  
 PLANNING AND DEVELOPMENT  
 BUILDING INSPECTION (EXCLUDING FIRE RESCUE) (FUND 15104)**

**PROPOSED BUDGET BOOK - Page # 270-273**

equipment to replace thirty ergonomic chairs. These increases are partially offset by a decrease of \$54,829 in employee training expenses related to a one-time purchase of Florida building code books in FY 2022/23.

11. Capital Outlay

- The funds in FY 2022/23 were to purchase handheld tablets for field inspections.

12. Supervision Allocation

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

13. Indirect Cost

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

**FOOD AND BEVERAGE EXPENDITURES:**

Amount	Description of each Service/Event that requires the purchase of food/beverage	Explanation that the Service/Event serves a public purpose
\$300	Building Officials Association of FL (BOAF) training	Maintains job-related certifications for staff (Continued Education Credits or CEU's are earned)

**SERVICE LEVEL CHANGES:**

None.

**EMPLOYEE CAP CHANGES:**

The employee cap for Planning and Development Building Inspections is increasing from 163 positions to 166 positions. This includes one Building Code Enforcement Assistant Supervisor, one Building Code Enforcement Coordinator, and one Building Inspection Assistant Supervisor. The other position was added in JFRD for fire plan reviews.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2023/24 BUDGET  
PLANNING AND DEVELOPMENT  
BUILDING INSPECTION (EXCLUDING FIRE RESCUE) (FUND 15104)**

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**PROPOSED BUDGET BOOK - Page # 270-273**

**RECOMMENDATION:**

We recommend increasing the Office of General Counsel allocation by \$150,000 to account for the fact that this fund should be directly billed for one attorney and one paralegal. This will be offset with a transfer from fund balance of the same amount in this fund. The Office of General Counsel (55101) would need to increase revenue and cash carryover by the same amount.

This will have no impact on special council contingency.

**COUNCIL AUDITOR’S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR’S PROPOSED FY 2023/24 BUDGET  
KIDS HOPE ALLIANCE  
KIDS HOPE ALLIANCE (FUND 10901)**

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**PROPOSED BUDGET BOOK - Page # 155 - 157**

**BACKGROUND:**

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

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

**REVENUE:**

1. Investment Pool / Interest Earnings:
  - The \$244,571 represents anticipated interest earnings based on the interest rate projected by the Treasury Division for FY 2023/24.
2. Transfer from Other Funds:
  - The \$53,933,099 represents the transfer from the General Fund / GSD (Fund 00111) to fund the Kids Hope Alliance. The increase of \$9.3 million is to cover the increase in expenditures noted below and on the next page.

**EXPENDITURES:**

1. Salaries:
  - The increase of \$12,078 is due to the net impact of collective bargaining increases and position reclassifications.
2. Pension Costs:
  - The increase of \$76,696 is due to an increase in the required contributions to the pension plan.
3. Employer Provided Benefits:
  - The increase of \$19,948 is mainly due to an increase in the Group Hospitalization Insurance based on employee elections.

**COUNCIL AUDITOR’S OFFICE  
 COMMENTS AND RECOMMENDATIONS  
 MAYOR’S PROPOSED FY 2023/24 BUDGET  
 KIDS HOPE ALLIANCE  
 KIDS HOPE ALLIANCE (FUND 10901)**

**PROPOSED BUDGET BOOK - Page # 155 - 157**

4. Internal Service Charges:
- The net decrease of \$64,588 is driven by the following:
    - \$94,099 decrease in OGC legal charges due to recent actual costs
    - \$68,724 decrease in information technology replacements due to the removal of one-time server and network costs that were budgeted in FY 2022/23
    - \$56,677 increase in computer system maintenance and security due to the addition of several IT projects
    - \$34,504 increase in building maintenance due to increased actual cost
5. Debt Service:
- The \$407,709 represents the debt service payment for the Don Brewer Early Learning Center.
6. Contingencies:
- The proposed contingency amount of \$46,968,032 represents the Department’s program funding for FY 2023/24 that will be approved via separate legislation (Ordinance 2023-511) due to a Council Member conflict. The increase of \$9,042,272 is mainly due to additional funding of approximately \$7.5 million needed to continue existing programs (\$4.1 million for contractual increases and \$3.4 million to fund program costs that were previously funded with separate legislation). There is \$1.5 million in additional Special Needs program funding. Below is a table explaining the change in contingency from the prior year.

**Explanation of Change from  
 FY 2022/23 Council Approved to FY 2023/24 Mayor's Proposed**

<b>Description</b>	<b>Amount (in Millions)</b>
FY 2022/23 Council Approved	\$ 37.9
Across the Board 11.22% Contractual Increase	4.1
Funding Previously Provided through Separate Legislation and 11.22% Increase	3.4
Funding Needed in FY 2023/24 to Maintain Current Service Level	\$ 45.4
Enhancements (Described Below)	1.5
FY 2023/24 Mayor's Proposed Budget	<u>\$ 46.9</u>

**COUNCIL AUDITOR’S OFFICE  
 COMMENTS AND RECOMMENDATIONS  
 MAYOR’S PROPOSED FY 2023/24 BUDGET  
 KIDS HOPE ALLIANCE  
 KIDS HOPE ALLIANCE (FUND 10901)**

**PROPOSED BUDGET BOOK - Page # 155 - 157**

Below is more detail on the funding changes across the essential service categories.

Contingency Detail	Approved FY 2022/23	Proposed FY 2023/24	Change		
			Dollar Amount	Percentage	
Early Learning	\$ 6,137,626	\$ 6,826,268	\$ 688,642	11.22%	A
Juvenile Justice Prevention & Intervention	2,800,907	3,115,169	314,262	11.22%	A
Out of School	17,240,848	22,462,271	5,221,423	30.29%	B
Preteen and Teen*	4,955,540	5,511,552	556,012	11.22%	A
Special Needs	6,748,107	9,005,245	2,257,138	33.45%	C
<b>Total Essential Services Programming</b>	<b>\$ 37,883,028</b>	<b>\$ 46,920,505</b>	<b>\$ 9,037,477</b>	<b>23.86%</b>	
Grief and Burial	42,732	47,527	4,795	11.22%	A
<b>Total Contingency</b>	<b>\$ 37,925,760</b>	<b>\$ 46,968,032</b>	<b>\$ 9,042,272</b>	<b>23.84%</b>	

\*Includes \$400,000 added for the Career Pathways program in FY 2022/23 that was in a different contingency in the FY 2022/23 Council Approved Budget.

- A. The additional funding is for increased costs related to existing programs. KHA has used an assumption of an 11.22% increase across the board for existing programs due to minimum wage increases and inflation. For example, KHA’s contracted rate per student is increasing from \$11.22 to \$12.50 for after school and summer camp programs.
- B. \$5,221,423 of additional funding in the Out-of-School Time category:
  - \$3,287,000 to account for additional funding needed to continue services that were previously funded with separate legislation (Ordinance 2022-581-E) which returned recaptured funds. Since this funding is no longer available, to maintain the same level of service, additional funding was needed as part of the annual budget. The number of seats funded at each site are being reallocated based on the number of actual seats being utilized to enable KHA to offer after school and summer camp programming at additional sites with the number of overall seats staying relatively flat.
  - \$1,934,423 for increased costs related to existing programs (11.22% increase).
- C. \$2,257,138 of additional funding in the Special Needs category:
  - \$1,500,000 for a new case management services partnership which will serve students through mentoring, family support, and academic enrichment.
  - \$757,138 for increased costs related to existing programs (11.22% increase).



**COUNCIL AUDITOR’S OFFICE  
 COMMENTS AND RECOMMENDATIONS  
 MAYOR’S PROPOSED FY 2023/24 BUDGET  
 KIDS HOPE ALLIANCE  
 KIDS HOPE ALLIANCE (FUND 10901)**

**PROPOSED BUDGET BOOK - Page # 155 - 157**

7. Transfers to Other Funds:

- The \$478,000 represents:
  - a transfer of \$428,000 to the Kids Hope Alliance Trust Fund (Fund 10904) for small provider contracts.
  - a transfer of \$50,000 to the Youth Travel Trust (Fund 10905) to fund the annual appropriation for the Youth Travel Trust Fund.

**FOOD AND BEVERAGES EXPENDITURES:**

Description of each service / event that requires the purchase of food and/or beverages	Explanation that the service / event serves a public purpose	FY24 Proposed
Family, youth and community events held by KHA to promote its programming and services.	These events promote the programming offered by KHA providers. These services provide a positive impact to the children in Jacksonville.	\$3,000

**EMPLOYEE CAP CHANGES:**

None

**SERVICE LEVEL CHANGES:**

As noted above, additional funding has been included to expand services within the Special Needs essential services category.

The additional funding of \$1,500,000 included within the Special Needs category for the case management services partnership will serve students through mentoring, family support, and academic enrichment. Half of the funding (\$750,000) is for the case management component of the Read Jax Pilot school sites (approximately \$93,750 per school) to hire a case manager and provide support for families under the case management model. KHA will contract with the United Way for the other half (\$750,000) to support case management through a collaborative effort between United Way, DCPS and KHA. This model will be similar to the Full Service Schools (FSS) program but rather than providing therapists like in the FSS program, this program will provide case management and will act as a supplement to FSS for families who need more support.

**RECOMMENDATIONS:**

None.

**Kids Hope Alliance  
Comprehensive Budget-Schedule M  
Fiscal Year 2023-2024**

ESTIMATED REVENUE FROM GRANTS	Grant Period	Positions & PT Hours	Federal	State	Private Sources	Total External Funds	COJ Funds (Local Match)	Total Funds
Criminal Justice Reinvestment Grant(JJ)	10/1/2023-9/30/2024	.33 FT Staff	\$0	\$400,000	\$0	\$400,000	\$85,000	\$485,000
* Department of Health & Human Services - SAMHSA-JSOCC (SN)	9/29/2023-9/28/2024	.5 FT Staff	\$0	\$0	\$0	\$0	\$0	\$0
* Department of Justice-Comprehensive Anti-Gang Program for Youth(JJ)	10/1/2023-9/30/2024	.33 FT Staff	\$0	\$0	\$0	\$0	\$0	\$0
Department of Health & Human Services - SAMHSA-RECAST Program (JJ)	9/29/2024-9/28/2025	.5 FT Staff	\$1,000,000	\$0	\$0	\$1,000,000	\$0	\$1,000,000
Department of Justice- Project RISE Youth Program (JJ)	10/01/2023-9/30/2024	.34 FT Staff	\$300,000	\$0	\$0	\$300,000	\$0	\$300,000
<b>TOTAL ESTIMATED GRANT REVENUE</b>			<b>\$1,300,000</b>	<b>\$400,000</b>	<b>\$0</b>	<b>\$1,700,000</b>	<b>\$85,000</b>	<b>\$1,785,000</b>

**Essential Service Plans:**

Early Learning Programs	\$6,826,268	\$85,000
Juvenile Justice Prevention/Intervention Programs	\$3,115,169	
Out of School Time Programs	\$22,462,271	
Preteen and Teen Programs	\$5,511,552	
Special Needs Programs	\$9,005,245	
Grief Counseling & Burial Costs	\$47,527	\$85,000
<b>Subtotal</b>	<b>\$46,968,032</b>	

**Across All Essential Service Plans:**

Youth Travel Trust Fund	\$50,000
Kids Hope Alliance Trust Fund	\$428,000
Jacksonville Upward Mobility Program Special Revenue Fund	\$350,850

<b>Total</b>	<b>\$47,796,882</b>
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KHA - Operating & Program Support Funds	\$6,731,638
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<b>Total City Funding:</b>	<b>\$54,528,520</b>
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<b>Grant Funding from Above:</b>	<b>\$1,700,000</b>
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<b>Total Funding Including Grants:</b>	<b>\$56,228,520</b>
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\*KHA was granted no-cost extensions for SAMHSA-JSOCC and the Comprehensive Anti-Gang grants.

**COUNCIL AUDITOR’S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR’S PROPOSED FY 2023/24 BUDGET  
JACKSONVILLE UPWARD MOBILITY PROGRAM SPECIAL REVENUE FUND  
(FUND 10906)**

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**PROPOSED BUDGET BOOK - Page # 53-54**

**BACKGROUND:**

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

Ordinance 2022-886-E established initial funding of \$100,000 for JUMP from a contingency account within the General Fund-GSD established by debt savings from Ordinance 2022-317-E.

**REVENUES:**

1. Transfers from Other Funds

- This represents a transfer from the General Fund – GSD based on the calculation established in Code Section 180.104.

**EXPENDITURES:**

1. Contingencies

- The FY 2023/24 funding for JUMP is being placed in a contingency for future appropriation by City Council.

**SERVICE LEVEL CHANGES:**

This is the first year that funding is being included in the annual budget for JUMP.

**EMPLOYEE CAP CHANGES:**

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

**RECOMMENDATIONS:**

None.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2023/24 BUDGET  
KIDS HOPE ALLIANCE  
KIDS HOPE ALLIANCE TRUST (FUND 10904)**

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**PROPOSED BUDGET BOOK - Page # 158 - 159**

**BACKGROUND:**

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

**REVENUES:**

1. Transfer From Other Funds

- The \$428,000 is a transfer from the General Fund/GSD (Fund 00111) through the Kids Hope Alliance fund (Fund 10901).

**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

**EMPLOYEE CAP CHANGES:**

There are no positions within this fund.

**RECOMMENDATION:**

None.

**COUNCIL AUDITOR’S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR’S PROPOSED FY 2023/24 BUDGET  
KIDS HOPE ALLIANCE  
YOUTH TRAVEL TRUST FUND (FUND 10905)**

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**PROPOSED BUDGET BOOK - Page # 160 - 161**

**BACKGROUND:**

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

**REVENUES:**

1. Transfer From Other Funds

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

**EXPENDITURES:**

1. Grants, Aids & Contributions

- This funding is for youth travel support provided to eligible organizations based on applications submitted to the Kids Hope Alliance.

**SERVICE LEVEL CHANGES:**

None

**EMPLOYEE CAP CHANGES:**

There are no positions within this fund.

**RECOMMENDATION:**

None

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED 2023/24 BUDGET  
PUBLIC WORKS  
GENERAL FUND/GENERAL SERVICES DISTRICT (FUND 00111)**

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**PROPOSED BUDGET BOOK – PAGE # 286 - 288**

**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 with the remaining activities of the division operated separately as enterprise funds. 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 \$440,908 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 \$531,253 is primarily due to increased reimbursements from the FDOT for the maintenance of traffic signals of \$244,351 and streetlights of \$239,022 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 2023/24.

**EXPENDITURES:**

1. Salaries

- The increase of \$994,715 is mainly due to the impact of salary increases during FY 2022/23 and collective bargaining increases, which were slightly offset by the transfer out of three positions as described below in the employee cap changes section.

**COUNCIL AUDITOR'S OFFICE  
 COMMENTS AND RECOMMENDATIONS  
 MAYOR'S PROPOSED 2023/24 BUDGET  
 PUBLIC WORKS  
 GENERAL FUND/GENERAL SERVICES DISTRICT (FUND 00111)**

**PROPOSED BUDGET BOOK – PAGE # 286 - 288**

2. Pension Costs

- The increase of \$899,384 is primarily due to an increase in the required contribution to the defined benefit pension plan.

3. Internal Service Charges

- The net increase of \$92,723 is mainly attributable to the following increases of:
  - \$155,543 in net computer system maintenance and security and system development costs related to the new Real Estate Management System.
  - \$92,177 in fleet repairs/sublet/rentals mainly due to an overall increase in repairs and maintenance costs.
- Those increases were partially offset by the following decreases of:
  - \$97,045 in fleet vehicle replacement costs mainly due to Public Works replacing less vehicles in recent years.
  - \$55,547 in fleet part/oil/gas mainly due to an overall decrease in the fuel rate.

4. Insurance Costs and Premiums

- The increase of \$42,980 is mainly due to an increase in the cost of property insurance and an update to the internal property schedule utilized to allocate the cost.

5. Professional and Contractual Services

- The increase of \$11,034,629 is mainly due to an increase of \$10,850,513 related to an increase in the number of mowing and related services for right-of-ways and parks as shown in the table below and described on the next page.

Description of Service	Parks	Right-of-Ways	Total
<b>Current Service Level Funding</b>	\$ 2,930,961	\$ 5,718,526	\$ 8,649,487
<b>Enhancements</b>			
Mowing Frequency	1,349,725	2,043,598	\$ 3,393,323
New Fertilization Program	2,293,947	N/A	\$ 2,293,947
Bed Maintenance Frequency	310,075	N/A	\$ 310,075
Edging Frequency	N/A	2,559,474	\$ 2,559,474
Litter Pick-Up and Blowing Frequency	N/A	1,595,703	\$ 1,595,703
Other Services and Contingency	15,292	682,699	\$ 697,991
<b>Total Enhancements</b>	3,969,039	6,881,474	10,850,513
<b>Total Cost of Mowing</b>	<b>\$ 6,900,000</b>	<b>\$ 12,600,000</b>	<b>\$ 19,500,000</b>

**COUNCIL AUDITOR’S OFFICE  
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GENERAL FUND/GENERAL SERVICES DISTRICT (FUND 00111)**

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**PROPOSED BUDGET BOOK – PAGE # 286 - 288**

- There is an enhancement of \$3,969,039 for mowing and landscaping services for City Parks. The enhancement will provide \$2.3 million for four fertilizations per year for each park (none currently performed) and the remaining \$1.7 million is mainly to increase mowing and bed maintenance to 36 times per year (currently 18-24 times per year depending on the park).
- There is an enhancement of \$6,881,474 for mowing and landscaping services of city right-of ways. The enhancement will provide \$3.6 million to increase the number of mowing, blowing, and litter pick-up cycles to 21 times per year (currently 9-21 times per year depending upon area), \$2.6 million to increase edging to 21 times per year (currently done 1-2 times per year), with the remaining allocated to other related service level increases and to account for the fact that the contracts have not been executed for the new service so the amounts needed are estimates at this point in time.

**6. Other Operating Expenses**

- The increase of \$41,933 is mainly due to an increase of \$1,808,515 in electricity – utility bills mainly due to an increase in the JEA’s rates. This increase is partially offset by the following decreases of:
  - \$1,546,000 in repairs and maintenance mainly due to the removal of one-time funding provided in FY 2022/23 for various downtown improvements (e.g., benches, bike racks, trash cans, replacement of light poles).
  - \$129,058 in miscellaneous services and charges mainly due to the removal of \$150,000 in funding for the tire buy back event which hasn’t occurred in three years per Public Works.
  - \$113,209 in JEA utility improvements due to the energy and water conservation agreement with JEA ending in FY 2023/24.

**7. 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.

**8. Supervision Allocation**

- The FY 2023/24 net negative amount of \$1,088 reflects:
  - A \$322,259 charge from the Engineering and Construction Management Division to capital projects.
  - Offset by \$321,171 allocation for costs allocated from the Solid Waste (fund 43101) to the General Fund/GSD (Fund 00111) for overhead costs covered in the Solid Waste Fund related to oversight of the litter pick-up and illegal dumping programs covered in the General Fund/GSD.



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**PROPOSED BUDGET BOOK – PAGE # 286 - 288**

**SERVICE LEVEL CHANGES:**

City Parks - Mowing and bed maintenance is proposed to increase the number of cycles to 36 times per year. Currently, these services are being completed 18-24 times per year depending on the area. Additionally, there is proposed fertilization four times per year while none are currently performed.

Right of Ways – Mowing, litter pick-up, blowing, and edging for City right-of-ways is proposed to increase the number of cycles to 21 times per year. Currently, edging is being done 1-2 times per year and the other services are being completed 9-21 times depending upon the area.

**EMPLOYEE CAP CHANGES:**

Authorized positions are decreasing by 3 from 298 to 295. One position was moved to JFRD and two positions were moved to the Mayor’s Office during FY 2022/23.

**DIVISION CHANGES:**

DIVISION	FY 2022/23 APPROVED	FY 2023/24 PROPOSED	CHANGE		
			AMOUNT	%	
Engineering	\$ 3,573,772	\$ 3,787,840	\$ 214,068	6.0%	<b>A</b>
Mowing & Landscape	\$ 16,009,735	\$ 27,423,515	\$ 11,413,780	71.3%	<b>B</b>
Office of the Director	\$ 4,292,131	\$ 3,061,575	\$ (1,230,556)	-28.7%	<b>C</b>
Real Estate	\$ 1,239,532	\$ 1,177,958	\$ (61,574)	-5.0%	
R-O-W and Stormwater	\$ 10,359,853	\$ 11,466,525	\$ 1,106,672	10.7%	<b>D</b>
Solid Waste	\$ 1,554,184	\$ 1,450,080	\$ (104,104)	-6.7%	<b>E</b>
Traffic Engineering	\$ 19,698,430	\$ 21,482,996	\$ 1,784,566	9.1%	<b>F</b>
<b>TOTAL</b>	<b>\$ 56,727,637</b>	<b>\$ 69,850,489</b>	<b>\$ 13,122,852</b>	<b>23.1%</b>	

**A.** The Engineering Division’s \$214,068 increase is primarily due to an increase of \$282,951 in personnel costs related to salary increases during FY 2022/23, collective bargaining increases, and the required increase in pension contributions. There was also an increase of \$79,543 for computer system maintenance and security. This was slightly offset by a \$120,000 decrease related to a one time cost in FY 2022/23 for a neighborhood speed reduction study.

**B.** The Mowing & Landscape Division’s \$11,413,780 increase is mainly due to an increase in contractual services of \$11,101,265 mostly due to an increase in the number of mowing cycles for right-of-way and parks property as previously described. There was also an increase of \$357,762 in personnel costs related to salary increases during FY 2022/23, collective bargaining increases, and the required increase in pension contributions.

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

**PROPOSED BUDGET BOOK – PAGE # 286 - 288**

C. The Office of the Director Division’s \$1,230,556 decrease is primarily due to a decrease of \$1,546,000 in repairs and maintenance due to the removal of a one-time expenditure for various downtown improvements included in the FY 2022/23 budget.

This decrease is partially offset by increases of \$169,546 in computer system maintenance and security mainly due to an increase in charges related to IT projects and \$124,428 in pension costs primarily due to an increase in the required contribution to the pension plans.

D. The \$1,106,672 increase in the R-O-W and Stormwater Division is primarily driven by the following increases of:

- 448,169 in pension costs primarily due to an increase in the required contribution to the pension plans.
- \$447,913 in permanent and probationary salaries mainly due to the impact of salary increases during FY 2022/23 and collective bargaining increases.
- \$88,952 in salaries overtime to better align with actual costs.
- \$62,163 in miscellaneous insurance primarily due to an overall increase in the cost of property insurance and an update to the internal property schedule.

E. The Solid Waste’s Division’s decrease of \$104,104 is mainly due to a decrease of \$150,000 in miscellaneous services and charges due to the removal of funding for the tire buy back event which hasn’t occurred in three years per Public Works. This decrease is partially offset by an increase of \$53,174 in salaries overtime to better align with actual costs.

F. The Traffic Engineering Division’s increase of \$1,784,566 is primarily due to an increase in JEA’s rates.

**FOOD AND BEVERAGES EXPENDITURE:**

FY 2023/24 Proposed	Description	Explanation
\$120	Employee Recognition Program: Funding to support employee appreciation for the purpose of employee retention & recruitment	Employee Appreciation/Retention: One employee will be selected as Public Works Employee of the Year and will be rewarded by having lunch with the Director.

**RECOMMENDATION:**

None.

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

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**PROPOSED BUDGET BOOK – PAGE # 291 - 292**

**BACKGROUND:**

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

**REVENUES:**

1. Miscellaneous Revenue:

- The proposed \$530,506 budgeted for FY 2023/24 is from monetary contributions and will provide the source of funding for tree protection activities in FY 2023/24.

**EXPENDITURES:**

1. Salaries:

- The increase of \$4,981 is due to collective bargaining and an end of probation increase.

2. Employer Provided Benefits:

- The increase of \$4,152 is mainly due to health plan election changes.

3. Other Operating Expenses:

- This is mainly made up of \$435,924 for tree maintenance, representing the 25% match of the amount budgeted in Public Works General Fund/GSD (\$1,593,696) 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  
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BEACH EROSION – LOCAL (FUND 11404)**

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**PROPOSED BUDGET BOOK – Page # 57-58**

**BACKGROUND:**

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

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

This is an “all years” fund.

**REVENUE:**

1. Miscellaneous Revenue:

- The amount in FY 2022/23 was the appropriation of previously received revenue that was available within this fund and appropriated to assist in meeting the City’s contribution requirement for the current renourishment.

2. Transfers from Other Funds:

- The Transfer from Other Funds of \$250,000 is an interfund transfer from the General Fund/General Services District (Fund 00111) as part of the local-share obligations. The reduced amount is due to the availability of funds previously contributed. It is anticipated to increase back up to \$ 1 million to \$1.35 million after this year.

**EXPENDITURES:**

1. Other Operating Expenses:

- The \$141,000 in FY 2023/24 represents the estimated annual local cost-share of design, permitting, construction quality control and monitoring.

2. Cash Carryover:

- This represents the City building up reserves to cover future beach renourishment costs. In FY 2022/23, reserve funding was used to meet the City’s contribution requirement.

**EMPLOYEE CAP CHANGES:**

There are no authorized positions in this fund.

**RECOMMENDATION:**

None

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PUBLIC WORKS  
SOLID WASTE DISPOSAL (FUND 43101)**

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**PROPOSED BUDGET BOOK - Page # 293 - 295**

**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 17% franchise fee charged for non-residential collections. The increase of \$2,734,275 is to align with the actual revenues collected in the current fiscal year.

2. Charges for Services:

- The \$28,222,425 is mainly made up of:
  - \$11,864,407 for commercial tipping fee revenue,
  - \$7,569,782 for residential tipping fee revenue, and
  - \$7,259,707 in internal and external host fee revenue.

3. Solid Waste User Fee:

- The \$42,849,355 represents the net solid waste user fees charged to residential customers for the collection and disposal of solid waste including household trash, yard waste, recycling, and bulky items. The annual fee charged is \$151.80 (or \$12.65 per month) and has remained flat since October 1, 2010. Since this is a non-ad valorem fee, residents receive the same discounts they receive for paying property taxes early.

This fee is not charged to residents of the Beaches and Baldwin since they are assessed and pay for the collection and disposal separately. Note the General Fund/GSD does pay the tipping fees on yard waste and household trash for Baldwin and Jax Beach and for 50% of the cost of sludge for Atlantic Beach.

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 decrease of \$1,782,590 is to better align projected revenues from the sales of recyclable materials with recent actuals due to the price of commodities dropping back down.

**COUNCIL AUDITOR’S OFFICE  
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 PUBLIC WORKS  
 SOLID WASTE DISPOSAL (FUND 43101)**

**PROPOSED BUDGET BOOK - Page # 293 - 295**

6. Investment Pool / Interest Earnings:

- Investment Pool Earnings of \$791,811 for FY 2023/24 are based on projected available cash and the interest rate projected by the Treasury Division.

7. General Fund Loan:

- The \$57,250,426 represents a loan from the General Fund/General Services District (Fund 00111) required to balance revenues and expenditures. See table below with details on what makes up the total loan and **CONCERN #1** for issues surrounding the loan.

Fiscal Year	Original Loan Amount Based on Approved Budget	Actual Loan Based on Adjustments from Recapture	Reduction to Loan Due to Recapture
2017/18	\$ 3,058,842	\$ 3,058,842	\$ -
2018/19	\$ 5,538,779	\$ 5,538,779	\$ -
2019/20	\$ 4,162,443	\$ -	\$ 4,162,443
2020/21	\$ 6,420,340	\$ 992,581	\$ 5,427,759
2021/22	\$ 7,750,065	\$ 4,250,065	\$ 3,500,000
2022/23	\$ 11,905,219	\$ 11,905,219	TBD
2023/24	\$ 31,504,940	\$ 31,504,940	TBD

<u>\$ 70,340,628</u>	\$ 57,250,426	
	<u>\$ 5,000,000</u>	2018-458-E end of FY 23/24
	<u>\$ 62,250,426</u>	Total Projected Loan End of FY 23/24

**EXPENDITURES:**

1. Salaries:

- The net increase of \$288,011 is primarily due to an increase in permanent and probationary salaries due to the impact of collective bargaining and pay increases during FY 2022/23.

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 2023/24.

3. Pension Costs:

- The net increase of \$259,817 is primarily due to an increase in required contributions to the pension plan.

**COUNCIL AUDITOR'S OFFICE  
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PUBLIC WORKS  
SOLID WASTE DISPOSAL (FUND 43101)**

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**PROPOSED BUDGET BOOK - Page # 293 - 295**

4. Employer Provided Benefits:
  - The net decrease of \$42,943 is primarily due decreases of \$26,574 in group hospitalization insurance based on election changes by employees and \$22,581 in workers' compensation insurance due to decreased claims in recent years.
  
5. Internal Service Charges:
  - The net increase of \$1,283,946 is mostly due to an increase of \$981,055 in fleet vehicle replacement to pay for the purchase of three new packer trucks (\$400,000 each) and \$347,520 in fleet repairs, sublet & rentals due to an increase in actual costs. This is partially offset by a decrease of \$101,995 in part oil & gas due to lower fuel costs.
  
6. Insurance Costs and Premiums – Allocations
  - The net decrease of \$81,176 is due to a decrease in general liability insurance due to recent claims history in this area.
  
7. Professional and Contractual Services:
  - The increase of \$19,080,270 is mainly due to increases of \$17,544,438 for waste hauler collection services based on legislation approved by City Council and contractual CPI increases. Additionally, there is a proposed increase of \$1,881,994 for landfill operations based on a contractual CPI increase and an increase in projected tons delivered to the landfill by non-franchise haulers (self-haulers). The increase is slightly offset by a decrease of \$352,162 due to a reduction in projected tons of recyclable material to be processed based on current year activity.
  
8. Other Operating Expenses:
  - The net increase of \$240,917 is due to increases of \$125,000 for the purchase of additional recycling carts due to residential growth (increasing from \$132,744 to \$257,744) and \$111,206 in landfill charges that represents the disposal charges for the projected increase in tonnage of residential solid waste, yard waste, and tires that are weighed at the Trail Ridge Landfill scale house.
  
9. Debt Management Fund Repayments:
  - The net increase of \$363,843 in internal loan repayments is due to new borrowing from the Debt Management Fund for recent Solid Waste CIP Projects.
  
10. 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).

**COUNCIL AUDITOR’S OFFICE  
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PUBLIC WORKS  
SOLID WASTE DISPOSAL (FUND 43101)**

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**PROPOSED BUDGET BOOK - Page # 293 - 295**

11. 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.

12. Transfers to Other Funds:

- The \$1,923,475 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 \$1,750,000 in principal and \$173,475 in interest payments. This will reduce the outstanding balance to \$5,000,000. This loan is separate from the operational loan.

13. Repayment of General Fund Loan:

- This is the “payback” of the amounts borrowed from the General Fund/General Services District (Fund 00111) to balance this fund and repay prior loans from FY 2017/18 through FY 2022/23 and is not a true payback of the loan. This amount plus the \$31,504,940 operational deficit in the proposed budget is being loaned from the General Fund/General Services District (Fund 00111) for a new cumulative operating loan of \$57,250,426.

**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 for the seventh straight year. Per the Office of General Counsel, due to interlocal agreements with the Beaches, 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, increase the fees, or address the interlocal agreement issues. Based on the proposed budget, this fund will owe the General Fund/GSD \$62,250,426 by September 30, 2024, which includes the operational loans and the loan made through Ordinance 2018-458-E.

**RECOMMENDATION:**

None.



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PUBLIC WORKS  
SOLID WASTE CONTAMINATION ASSESSMENT (FUND 43102)**

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**PROPOSED BUDGET BOOK - Page # 296-297**

**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 \$36,984 in host fees is due to an increase in external fees of \$42,649 offset by a decrease of \$5,665 in internal host fees to reflect actual fees collected.

**EXPENDITURES:**

1. Internal Service Charges:

- The decrease of \$22,630 is due to a decrease in OGC legal charges based on recent usage.

2. Professional and Contractual Services:

- \$119,775 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.

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PUBLIC WORKS  
LANDFILL CLOSURE (FUND 43103)**

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**PROPOSED BUDGET BOOK - Page # 298-299**

**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 increase of \$57,242 in host fees is due to increases in external fee revenue of \$105,656 offset by a decrease of \$48,414 in internal host fee revenue to reflect actual fees collected.

**EXPENDITURES:**

1. Professional and Contractual Services:

- The decrease of \$77,940 is mainly due to the removal of one-time enhancements that were funded in FY 2022/23.

2. Other Operating Expenses

- This represents the borrow pit and post closure costs of maintaining previously closed landfills. The net decrease of \$93,150 is mainly due to increases in closure costs.

3. 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 five employees from Solid Waste Disposal Operations (Fund 43101) that perform duties related to landfill closure.

**SERVICE LEVEL CHANGES:**

None.

**RECOMMENDATION:**

None.

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PUBLIC WORKS  
SOLID WASTE FACILITIES MITIGATION (FUND 43301)**

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**PROPOSED BUDGET BOOK - Page # 300-301**

**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 \$229,417 represents an internal host fee of \$.25 times the projected tonnage of 820,000 budgeted at \$205,000 and 3.5% of the construction and demolition permit fees revenues budgeted at \$24,417.

2. Investment Pool / Interest Earnings:

- The increase of \$12,304 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.

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PUBLIC WORKS  
SOLID WASTE FACILITIES MITIGATION NON-CLASS I (FUND 43302)**

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**PROPOSED BUDGET BOOK - Page # 302-303**

**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 \$88,543 is due to an increase in external host fees to better align with actual collections.

2. Investment Pool / Interest Earnings:

- The increase of \$20,662 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  
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MAYOR'S PROPOSED 2023/24 BUDGET  
SOLID WASTE MITIGATION CAPITAL PROJECTS (FUND 43303)**

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**PROPOSED BUDGET BOOK - Page # 304-305**

**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:

- The \$229,417 represents an internal host fee of \$.25 times the projected tonnage of 820,000 budgeted at \$205,000 and 3.5% of the construction and demolition permit fees revenues budgeted at \$24,417.

2. Investment Pool / Interest Earnings:

- Investment Pool Earnings of \$4,591 for FY 2023/24 are based on projected available cash and the interest rate projected by the Treasury Division.

**EXPENDITURES:**

1. Transfer to Other Funds:

- \$234,008 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 10.2 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  
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 VARIOUS DEPARTMENTS  
 STORMWATER SERVICES (FUND 44101)**

**PROPOSED BUDGET BOOK – PAGE # 306 - 308**

	FY 22-23 ADOPTED	FY 23-24 PROPOSED	DOLLARS	%
<b>REVENUE</b>				
Jax Citywide Activities				
Investment Pool / Interest Earnings	\$ 275,920	\$ 241,433	\$ -34,487	-12.5%
	<u>\$ 275,920</u>	<u>\$ 241,433</u>	<u>\$ -34,487</u>	<u>-12.5%</u>
Public Works				
Stormwater User Fees	\$33,274,365	\$33,637,871	\$ 363,506	1.1%
	<u>\$33,274,365</u>	<u>\$33,637,871</u>	<u>\$ 363,506</u>	<u>1.1%</u>
<b>TOTAL REVENUE</b>	<u><u>\$33,550,285</u></u>	<u><u>\$33,879,304</u></u>	<u><u>\$ 329,019</u></u>	<u><u>1.0%</u></u>

<b>EXPENDITURES</b>				
Jax Citywide Activities				
Debt Management Fund Repayments	\$ 831,797	\$ 477,086	\$ -354,711	-42.6%
Transfers to Other Funds	11,986,384	11,220,697	-765,687	-6.4%
	<u>\$12,818,181</u>	<u>\$11,697,783</u>	<u>\$ -1,120,398</u>	<u>-8.7%</u>
Neighborhoods				
Salaries	\$ 67,134	\$ 68,977	\$ 1,843	2.7%
Pension Costs	33,599	40,914	7,315	21.8%
Employer Provided Benefits	11,863	14,070	2,207	18.6%
Internal Service Charges	21,690	22,858	1,168	5.4%
Insurance Costs and Premiums - Allocations	318	952	634	199.4%
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	44,802	44,802	0	0.0%
	<u>\$ 194,774</u>	<u>\$ 207,941</u>	<u>\$ 13,167</u>	<u>6.8%</u>
Public Works				
Salaries	\$ 5,830,631	\$ 6,666,651	\$ 836,020	14.3%
Pension Costs	663,791	868,587	204,796	30.9%
Employer Provided Benefits	1,495,730	1,498,041	2,311	0.2%
Internal Service Charges	3,978,214	4,289,587	311,373	7.8%
Insurance Costs and Premiums - Allocations	67,030	55,830	-11,200	-16.7%
Professional and Contractual Services	7,365,834	7,414,897	49,063	0.7%
Other Operating Expenses	522,896	566,783	43,887	8.4%
Capital Outlay	1	1	0	0.0%
Indirect Cost	613,203	613,203	0	0.0%
	<u>\$20,537,330</u>	<u>\$21,973,580</u>	<u>\$ 1,436,250</u>	<u>7.0%</u>
<b>TOTAL EXPENDITURES</b>	<u><u>\$33,550,285</u></u>	<u><u>\$33,879,304</u></u>	<u><u>\$ 329,019</u></u>	<u><u>1.0%</u></u>

	FY 22-23 ADOPTED	FY 23-24 ADOPTED	CHANGE
<b>AUTHORIZED POSITION CAP</b>			
Authorized Positions	53	53	0
Part-Time Hours	0	0	0

**COUNCIL AUDITOR’S OFFICE  
COMMENTS AND RECOMMENDATIONS  
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VARIOUS DEPARTMENTS  
STORMWATER SERVICES (FUND 44101)**

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**PROPOSED BUDGET BOOK – PAGE # 306 - 308**

**BACKGROUND:**

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

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

**REVENUES:**

*Jax Citywide Activity*

1. Investment Pool / Interest Earnings:

- The decrease of \$34,487 in investment pool earnings is based on projected available cash.

*Public Works*

1. Stormwater User Fees:

- The net increase of \$363,506 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 would no longer be paid for with this revenue stream, but would instead be paid from the General Fund/GSD.

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.

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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. Salaries:

- The increase of \$1,843 is mainly due to the impact of collective bargaining increases.

2. Pension Costs:

- The increase of \$7,315 is mainly due to an increase in the required contribution to the general employees defined benefit plan.

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 increase of \$836,020 is due to the impact of special pay increases and employee turnover (approximately \$690,000) as well as collective bargaining increases (approximately \$130,000). Note – The employee cap of this fund only includes employees that are 100% charged to this area. The other employees are included in the General Fund/GSD cap. Therefore, the salary increases cannot be compared to only the 47 Public Works employees included in the employee cap of this fund. The pay changes also relate to the equivalent of approximately 92 additional employees (based on the time allocation of 185 additional employees).



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2. Pension Cost:
  - The increase of \$204,796 is mainly due to an increase in the required contribution to the pension plans.
  
3. Internal Service Charges:
  - The increase of \$311,373 is mainly due to an increase of \$446,143 in fleet vehicle replacement costs due to two new streetsweepers (\$295,000 each) that are being purchased in one payment during FY 2023/24, which the impact of was slightly offset by less vehicles needing to be replaced in recent years. The increase is partially offset by decreases of \$139,860 in building costs.
  
4. Professional and Contractual Services:
  - The increase of \$49,063 is mainly due to contractual increases for street sweeping services.
  
5. Other Operating Expenses:
  - The increase of \$43,887 is mainly due to contractual increases in repair and maintenance supply costs for various items (e.g., crushed stone and building sand).

**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.

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PUBLIC WORKS  
PUBLIC BUILDING ALLOCATIONS (FUND 54101)**

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**PROPOSED BUDGET BOOK – Page # 309 - 311**

**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 \$58,575,686 reflects the total proposed charges for building maintenance, security, and utilities to be collected from all users and is directly related to the budgeted expenditures in this fund.

2. Miscellaneous Revenue

- This amount represents the tenant revenue for non-City occupants of city buildings. Examples included Quiznos, Brick, and Mayo Clinic at Ed Ball Building.

3. Investment Pool / Interest Earnings

- The increase of \$62,271 in interest earnings is based on projected interest earnings in FY 2023/24.

4. Transfers from Fund Balance

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

**EXPENDITURES:**

1. Salaries

- The increase of \$158,639 is mainly due to the impact of collective bargaining and other salary increases.

2. Salary & Benefit Lapse

- The salary and benefit lapse is based on the average turnover ratio and estimated number of vacancies in FY 2023/24.

3. Pension Costs

- The increase of \$21,801 is mainly the impact of employee turnover.

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PUBLIC WORKS  
PUBLIC BUILDING ALLOCATIONS (FUND 54101)**

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**PROPOSED BUDGET BOOK – Page # 309 - 311**

4. Internal Service Charges

- The internal service allocations are mainly allocations within this fund related to allocating utility costs (\$7,525,046), building maintenance (\$2,047,941), and guard services (\$1,718,798) to multi-tenant buildings (e.g., City Hall, Ed Ball Building, Yates Building) so that the costs can be allocated out to the occupants of the buildings while also enabling the City to understand the cost of each building.
- The decrease of \$252,423 is mainly due to the following decreases of:
  - \$456,061 in city wide building maintenance allocation to better align with actuals for the multi-tenant buildings.
  - \$81,966 in ITD replacements mainly due to less IT equipment scheduled to be replaced.
  - \$61,911 in charges for OGC based on recent actual billings.

These decreases are partially offset by an increase of \$367,389 in utilities allocation to the multi-tenant buildings.

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 \$357,218 is mainly due to an overall increase in the cost of property insurance.

7. Professional and Contractual Services

- The professional and contractual services are mainly made up of janitorial services (\$4,702,874) and security guard services \$2,917,986) as well as other various contractual services such as HVAC, plumbing, and generator repairs.
- The increase of \$1,975,108 is mainly due to the following increases of:
  - \$1,572,705 in contractual janitorial services mainly due to janitorial service contract costs of \$1,300,094 for the cleaning of library common areas being transferred from the Public Libraries Fund to the Public Building Allocations Fund. The remaining is due to other contractual increases.
  - \$235,929 in security guard services mainly due to an armed guard being stationed at the Animal Control Protective Services building 24/7 and an overall increase in the number of security guard hours.
  - \$156,898 in contractual services mainly due to a one-time cost to replace carpeting in the City Council Green Room (\$96,348) and to replace carpeting and furniture in the Property Appraiser's Office (\$30,000).

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8. Other Operating Expenses

- The other operating expenses is mainly made up of \$20.7 million in utility costs and \$3.6 million for the cost of repairs and maintenance and supplies for the various City Building.
- The increase of \$1,210,602 is mainly due to the following increases of:
  - \$1,026,074 in utility costs due to increased usage and rates.
  - \$180,241 in repairs and maintenance costs due to additional maintenance costs of five fire stations and the cost of JFRD boat lift repairs.

9. Capital Outlay

- This funding is to replace any broken and outdated Automated External Defibrillators (AED) for City facilities.

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. 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.

12. Cash Carryover

- This amount represents the funding to replenish the funds used in FY 2022/23 for use of the emergency repairs at the Medical Examiner's Office.

**EMPLOYEE CAP CHANGES:**

There is no change in authorized positions.

**SERVICE LEVEL CHANGES:**

None.

**RECOMMENDATION:**

None.