

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2013/14 BUDGET  
OFFICE OF ECONOMIC DEVELOPMENT (S/F 011)**

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**PROPOSED BUDGET BOOK – Page # 219-221  
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**BACKGROUND**

The Office of Economic Development (OED) serves as the economic development agency for the City of Jacksonville, implementing policies that result in sustainable job growth, raising personal incomes and creating broader tax base for the community. The office also oversees the administration of local and state incentives, the redevelopment of Cecil Commerce Center, Downtown development and permitting, Film and Television initiatives and Sports and Entertainment programs including administration of the SMG Contract.

The General Fund portion of the department is comprised of the Office of the Director, the Downtown Investment Authority, the Equal Business Opportunity Office (EBO), and the Office of Sports and Entertainment.

**REVENUE**

1. Charges for Services

- This consists of revenues of \$66,096 from JEA's Small and Emerging business certification and mentoring services provided by the city's EBO Office. There is no change in FY 2013-14.

2. Miscellaneous Revenue

- The increase of \$2,200 is mainly due to an increase in the Downtown Development Review Board services.

**EXPENDITURES**

1. Salaries

- The net increase of \$308,557 is primarily due to increases of:
  - \$276,885 in permanent salaries due to:
    - a transfer of two positions from the Procurement Division and the vacancy pool totaling approximately \$126,000 (the other six new positions are unfunded)
    - an increase in salaries of approximately \$13,000
    - an increase of approximately \$138,000 due to reclassification of four positions to higher paid positions (one of them was unfunded in current fiscal year)
  - \$30,000 in part time salaries for GIS services

2. Employer Provided Benefits

- The net increase of \$156,198 is primarily due to an increase of \$121,367 in pension costs and \$41,368 in group health insurance. These are slightly offset by a decrease of \$11,530 in workers' compensation insurance.

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3. Internal Service Charges

- The net decrease of \$89,058 is mainly due to decreases of \$42,870 in IT system development charges because of a project being paid off and \$38,496 in legal charges based on actual usage.

4. Utilities & Building Maintenance Allocations

- The Administration is proposing to remove and replace two Public Works allocations with internal service charges for Building Maintenance and Utilities. These proposed internal service charges are intended to reflect the costs for utility consumption, applicable debt service, and building maintenance in the individual City Departments' budgets.

5. Other Operating Expenses

- The net decrease of \$345,362 is mainly attributed to:
  - an increase of \$36,969 in travel expenses
  - a reduction of \$407,473 in professional services; more specifically:
    - \$118,277 is proposed for the Equal Business Opportunity Office to provide funding for the Bonding Assistance Program as required by the Ordinance 2004-602-E (decreased by \$117,473 based on actual usage and as part of the departmental reductions process)
    - \$140,000 is proposed for the Office of the Director (decreased by \$290,000 from prior year as part of the departmental reductions process)

Description of Services	FY13 Approved	FY14 Proposed
Program Related Studies	\$ 15,111	\$ 15,000
Misc. Surveys/Appraisal	\$ 100,000	\$ 20,000
Misc. Title Work	\$ -	\$ 5,000
Marketing/Labor Study	\$ 20,000	\$ 20,000
Real Estate Review Consultant	\$ -	\$ 50,000
Economic Development Consultant	\$ -	\$ 30,000
Outside Engineering Services	\$ 24,889	\$ -
Various TCEA/DRI Studies	\$ 90,000	\$ -
Downtown Permitting	\$ 45,000	\$ -
Shipyards Groundwater Monitoring	\$ 50,000	\$ -
Shipyards Repair Work	\$ 45,000	\$ -
Fire station No. 5 Environmental	\$ 40,000	\$ -
<b>TOTAL</b>	<b>\$ 430,000</b>	<b>\$ 140,000</b>

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- an elimination of in house engineering services of \$55,000 (per the department, those services are needed)
- an increase of \$91,100 in event contribution (\$28,500 is budgeted for the Office of the Director and \$204,500 is budgeted for the Office of Sports and Entertainment).
- Office of the Director event contribution -- \$28,500

<b>Event</b>	<b>FY13 Approved</b>	<b>FY14 Proposed</b>	<b>Contract</b>
Economic Summit	\$ -	\$ 10,000	no
Sister Cities Visit (Changwon)	\$ -	\$ 10,000	no
NAIOP Gold Marketing Opportunity	\$ 4,000	\$ 4,000	no
Business Development Seminars/ Sponsorships/Bus Tours	\$ 2,000	\$ 2,500	no
Real Estate Outlook Conference	\$ -	\$ 1,500	no
UNF Small Business Week	\$ 500	\$ 500	no
Event Sponsorship (Eat up Downtown)	\$ 11,500	\$ -	no
<b>TOTAL</b>	<b>\$ 18,000</b>	<b>\$ 28,500</b>	

- Office of the Sports and Entertainment event contribution -- \$204,500

<b>Event</b>	<b>FY13 Approved</b>	<b>FY14 Proposed</b>	<b>Contract</b>
Davis Cup Tennis	\$ 35,000	\$ -	YES
FL Basketball	\$ 25,000	\$ -	YES
Florida/Florida State Baseball	\$ 25,000	\$ 50,000	YES
Soccer	\$ 20,000	\$ -	YES
JU Lacrosse Event (Moe's)	\$ 11,900	\$ 15,000	no
EWC Basketball	\$ 5,000	\$ -	no
Film Festival	\$ 2,000	\$ 5,500	no
Familiarization Trip for Industry Executives	\$ -	\$ 5,000	no
Annual Film Industry Reception	\$ -	\$ 4,000	no
MLS Soccer Preseason Game	\$ -	\$ 30,000	YES
NBA Basketball Game	\$ -	\$ 30,000	YES
The Players Championship	\$ -	\$ 40,000	no
NCAA Track and Field	\$ -	\$ 25,000	YES
<b>TOTAL</b>	<b>\$ 123,900</b>	<b>\$ 204,500</b>	

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\* No funding is budgeted for the City Suite at Jaguars Games. Per Amendment 11 of the Jaguars contract, if tickets are not purchased, the City will permanently lose the use of the suite for all events at the stadium. Per the Administration, a private third party is planning to purchase tickets for the City.

**6. Grants, Aids & Contributions**

- The net decrease of \$176,814 is due to the elimination of \$183,815 in subsidies and contributions used to support the UNF Small Business Development Center and the Bob Hayes Track Meet. It was somewhat offset by the inclusion of \$7,000 to support the workshop events and an accounting grant program for certified small and emerging businesses in Jacksonville.

**7. Extraordinary Lapse**

- The extraordinary lapse of \$118,168 was eliminated for FY 2013-14.

**8. Banking Fund Debt Repayment**

- The decrease of \$204,496 is due to the project being paid off in the current fiscal year. The table below compares the FY 2012-13 and FY 2013-14 banking fund debt repayment by project.

	200,000	4,496	0	0	
	FY13 B4		FY14 Proposed		-204,496
Project Title	Principal	Interest	Principal	Interest	Change
Laura Street Trio Pension Contribution	200,000	4,496	0	0	-204,496

**EMPLOYEE CAP CHANGES:**

The authorized employee cap has increased by eight for FY 2013-14:

- Two positions were transferred in (from the vacancy pool and Procurement Division)
- Six new unfunded positions are proposed (one in the Office of Economic Development, one in the Sports and Entertainment, and four in the Downtown Investment Authority)

**DIVISIONAL CHANGES**

Division	FY13 FTEs	FY14 FTEs	FY13 Approved	FY13 Proposed	Change
Office of the Director	17	15	\$ 3,427,606	\$ 2,188,425	\$ (1,239,181)
Sports and Entertainment	0	4	\$ -	\$ 751,277	\$ 751,277
Downtown Investment Authority	0	5	\$ -	\$ 296,218	\$ 296,218
Equal Business Opportunity	5	6	\$ 664,639	\$ 680,801	\$ 16,162
Small Business	0	0	\$ -	\$ 1	\$ 1
<b>TOTAL</b>	<b>22</b>	<b>30</b>	<b>\$ 4,092,245</b>	<b>\$ 3,916,722</b>	<b>\$ (175,523)</b>

**COUNCIL AUDITOR'S OFFICE  
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- The decrease of \$1,239,181 in Office of the Director is mostly due to:
  - Transfer of funding to the newly established Sports and Entertainment Office and the Downtown Investment Authority
  - Decrease of \$290,000 in professional services
  - Decrease of \$204,496 in banking funds debt repayment
- The increase of \$751,277 in the newly established Sports and Entertainment Office is primarily due to:
  - three (3) positions transferred from the Office of the Director totaling \$315,615 in salaries and \$76,458 in benefits (a forth position, Administrative Support Assistant, is unfunded)
  - part-time salaries transferred from the Office of the Director totaling \$60,000 for Mayor Brown's Ambassador for Sports, Entertainment and Physical Fitness
  - event contribution totaling \$204,500 transferred and increased from the Office of the Director
- Increase of \$296,218 in the newly established Downtown Investment Authority is largely due to:
  - one position transferred from the Office of the Director totaling \$200,000 in salaries and \$67,619 in benefits (four new proposed positions are unfunded)
- Increase of \$16,162 in Equal Business Opportunity is primarily due to:
  - an increase in salaries of approximately \$76,000:
    - a transfer of one position from Procurement Division totaling approximately \$54,000
    - a reclassification of another position with an increase in salary of approximately \$22,000
  - an increase in new utilities and building maintenance allocation of \$36,042
  - a decrease in ITD system development of \$42,870
  - a decrease in professional services of \$117,473

**SERVICE LEVEL CHANGES:**

Subsidies totaling \$183,815 for the Bob Hayes Track & Field event and UNF Small Business Center were eliminated in the FY 2013-14.

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**CONCERN:**

The Bond Enhancement Program approved by the Ordinance 2004-602-E was created to provide support services to assist certified small businesses to secure performance and payment bonds for public and private contracts. No funds were used by the Bond Enhancement Program in FY2011-12 and FY2012-13.

	<b>FY12 Approved</b>	<b>FY12 Actual</b>	<b>FY13 Approved</b>	<b>YTD FY13 Actual (7/31)</b>	<b>FY14 Proposed</b>
JSEBs Training	\$ 82,500	\$ -	\$ 80,000	\$ 737	\$ -
<b><i>Bond Enhancement Program</i></b>	\$ 156,750	\$ -	\$ 155,750	\$ -	\$ 18,277
Total Professional Services	\$ 239,250	\$ -	\$ 235,750*	\$ 737	\$ 18,277

\* In July 2013, \$103,703.79 was transferred from the Equal Business Office's Professional Services to support the Mayor's Summer Jobs Program (TD13307).

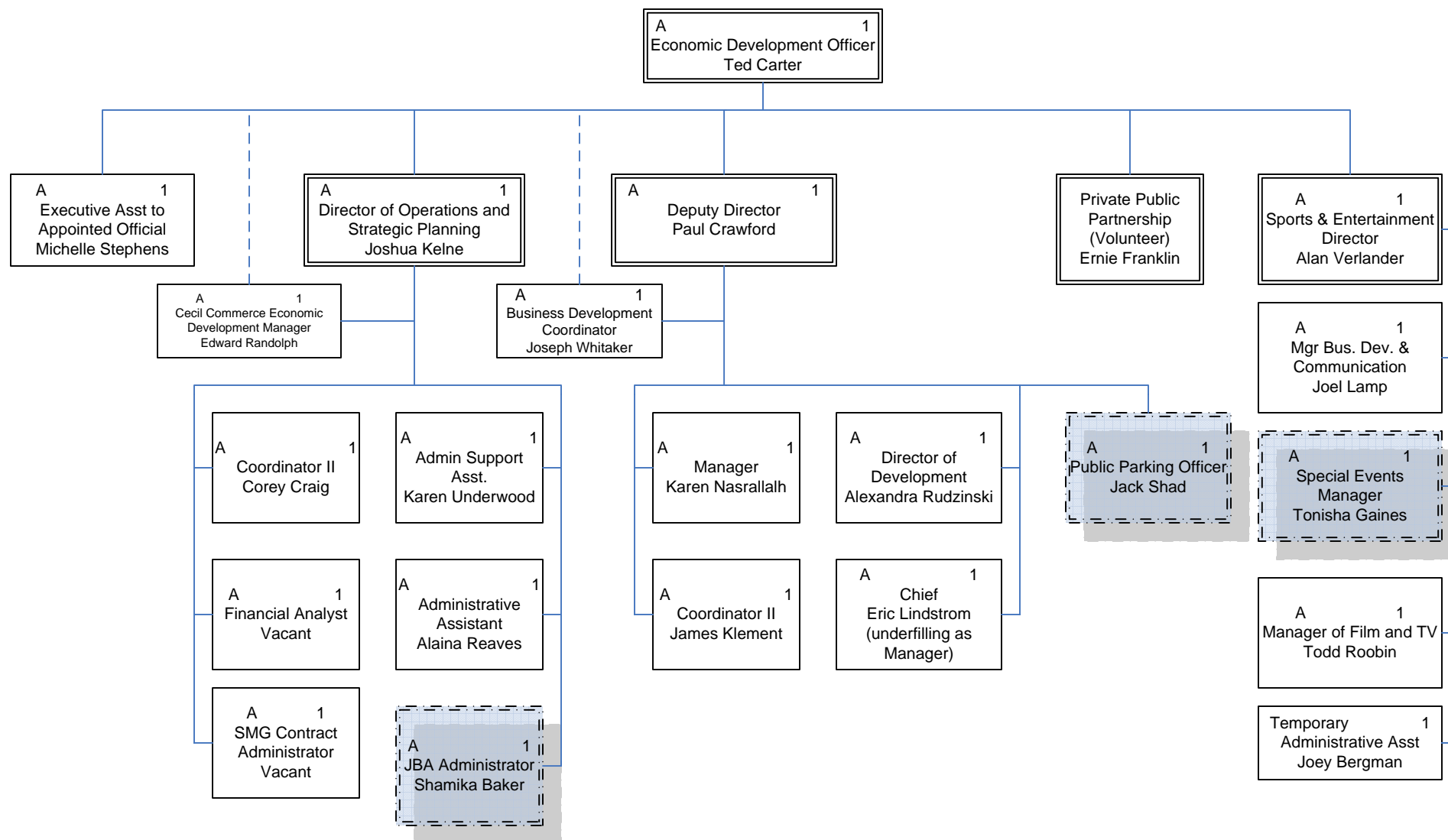
**RECOMMENDATION 1:**

There are six vacant and unfunded positions (one at the Office of Economic Development, one at the Sports and Entertainment, four at the Downtown Investment Authority). We recommend removing those positions. This will have no impact on the Special Council Contingency.

Office of Director 15  
Sports & Entertainment 4  
Total 19

Revised: 8/19/13

# Office of Economic Development FY 2013/ 2014



Note: This chart does not include part-time positions (Artis Gilmore) and Mike Thomas)

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
13.88% REDUCTION  
OFFICE OF ECONOMIC DEVELOPMENT (011)**

**Reductions in Controllable Costs from Mayor's Tentative Budget to Proposed Budget:**

<b>FY2013/14 - Controllable Costs Only</b>			
<b>Mayor's Tentative Budget</b>	<b>Mayor's Proposed Budget</b>	<b>Increase / (Decrease) in Controllable Costs</b>	
		<b>Dollar</b>	<b>%</b>
4,945,771	2,745,698	(2,200,073)	-44.48%

This above table is misleading as evidenced by the fact that controllable costs in this area are increasing from \$2,611,913 in Approved FY 2012/13 to \$2,745,698 in the Proposed FY 2013/14.

**13.88% Reductions as Represented by the Department/Budget Office:**

<b>Reductions*</b>		
<b>Dollar impact</b>	<b>Ranking</b>	<b>Description</b>
\$ 290,000	12	Reduces or Eliminates Various Surveys, Engineering Studies, Title Work, Real Estate Consultant, Economic Development Consultant, Contracted Graphics Designer, and Impacts Mayport CRA Plan
183,815	11	Eliminates Aid to Private Organizations and Promotion of Events
14,770	10	Reduced Travel Expense
13,691	9	Reduced Dues, Subscriptions and Memberships
58,725	8	Eliminate Bonding Assistance Program which is required by Ordinance 2004-602-E
55,000	7	Performance of Engineering Fees In-House by Public Works
38,999	6	Reduced Other Operating Supplies
7,250	5	Reduced Office Supplies - Other
6,799	4	Eliminates Intern Background Checks, Permit Application Fees, Various Award Entry Fees and Water Service
1,950	3	Reduced Postage
1,750	2	Reduced Food Used When Hosting Others
2,550	1	Reduced Local Mileage
<u>\$ 675,299</u>		

\*The reductions list was prepared by the Department and Budget Office. We received the listing from the Budget Office and summarized it for simplicity. The rankings are per the Department with one being the least impact to service levels.

**Recommendations Related to Mayor's Reductions:**

We do not recommend City Council fund the above mentioned items. This list is misleading as evidenced by the fact that controllable costs in this area are increasing from \$2,611,913 in FY 2012/13 to \$2,745,698 in the FY 2013/14 proposed budget.



**COUNCIL AUDITOR'S OFFICE  
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MAYOR'S PROPOSED FY 2013/14 BUDGET  
SPECIAL EVENTS (S/F 01A)**

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**PROPOSED BUDGET BOOK – Page # 223-224  
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**BACKGROUND**

Special Events was an activity of the Recreation and Community Services Department in the FY 2011-12 approved budget. Pursuant to 2011-732-E, it became activity under the Jacksonville Economic Development Commission (JEDC). With the passage of 2012-212-E, JEDC is no longer a component unit of the City and was moved back into the General Fund – GSD as a City Department (Office of Economic Development). Special Events is now housed in its own subfund (01A) that is project driven to better track event revenues, costs and provide transparency. It is still under the oversight of the Office of Economic Development.

**REVENUE**

1. Transfer From Other Funds

- There is a \$3,237,047 transfer from the General Fund to support operations within the Office of Special Events.

2. Miscellaneous Revenue

- This amount of \$40,000 represents event permit charges for events held at city owned properties.

**EXPENDITURES**

Non-Departmental/Fund Level Activities

1. Salary & Benefit Lapse

- This reflects an estimated salary and benefit lapse based on the average turnover ratio and estimated number of vacancies in FY 2013-14.

2. Other Operating Expenses

- This amount represents equipment rentals for the Florida/Georgia Game. There is an increase of \$10,621 in FY 2013-14 due to a current contract expiration and expected increase in cost of bleachers.

3. Grants, Aids & Contributions

- This represents travel related expenses for the Florida/Georgia game. The decrease of \$32,500 is based on actual expenditures.

Office of Economic Development

4. Salaries

- The net increase of \$51,571 is mainly due to an increase of \$90,750 in salaries – overtime. This is somewhat offset by a decrease of \$38,332 in permanent salary due to the elimination of one position which is currently vacant.

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SPECIAL EVENTS (S/F 01A)**

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**PROPOSED BUDGET BOOK – Page # 223-224  
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5. Employer Provided Benefits

- The net decrease of \$4,534 is primarily due to decreases of \$7,387 in group health insurance and \$5,790 in workers' compensation insurance. These were slightly offset by an increase of \$7,592 in pension contribution.

6. Internal Service Charges

- The increase of \$7,637 is mostly due to an increase of \$3,513 in fleet repairs allocation and \$5,463 in copy center charges which was offset by a decrease of \$5,522 in helpdesk & desktop services allocation.

7. Utilities and Building Maintenance Allocations

- The Administration is proposing to remove and replace two Public Works allocations with internal service charges for Building Maintenance and Utilities. These proposed internal service charges are intended to reflect the costs for utility consumption, applicable debt service, and building maintenance in the individual City Departments' budgets.

8. Other Operating Expenses

- The net increase of \$71,181 is mainly due to an increase miscellaneous insurance of \$72,817 (not budgeted in prior year due to an error) and an increase in security costs of \$25,000 which was recommended to the department by the JSO. This was somewhat offset by a decrease in advertising and promotion of \$35,644 based on actual expenditures.

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SPECIAL EVENTS (S/F 01A)**

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**FOOD AND BEVERAGE EXPENDITURES** (subobject 05206):

<b>SF</b>	<b>Indexcode</b>	<b>Amount</b>	<b>Description of each Service/Event that requires the purchase of food/beverage</b>	<b>Explanation that the Service/Event serves a public purpose</b>
01A	JEJE01ASE	\$2,700	World of Nations Celebration	Promote variety of cultures/volunteers
01A	JEJE01ASE	\$5,310	Military Events - Various	Promote the Military presence in Jacksonville
01A	JEJE01ASE	\$5,400	Downtown Events	Promote revitalization of Downtown/Volunteers
01A	JEJE01ASE	\$6,650	FL/GA Weekend	Promote the Annual Rivalry/Volunteers
01A	JEJE01ASE	\$7,600	Mayor's Initiatives for Special Events	Promote Downtown Jax
01A	JEJE01ASE	\$8,250	Jazz Festival	Promote Downtown Jax, entertainers, Volunteers
<b>TOTAL</b>		<b>\$35,910</b>		

**EMPLOYEE CAP CHANGES:**

One vacant Special Events Helper position is proposed to be eliminated for FY 2013-14.

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SPECIAL EVENTS (S/F 01A)**

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<b>EVENTS PROPOSED FY 2013-14</b>	<b>Equipment Rentals</b>	<b>Printin g</b>	<b>Advertising</b>	<b>Event Contribution</b>	<b>Misc. Services &amp; Charges</b>	<b>Subsidies</b>	<b>TOTAL</b>
	04402	04721	04801	04918	04938	08101	
4th of July	\$ 12,106	\$ -	\$ -	\$ -	\$ 48,600	\$ -	\$ 60,706
Blessing of the Fleet	\$ -	\$ -	\$ -	\$ -	\$ 500	\$ -	\$ 500
FL/GA Weekend/Game	\$ 302,000	\$ 600	\$ 1	\$ 36,500	\$190,900	\$300,000	\$ 830,001
Jax Happenings (Live at Snyder in Y13)	\$ 6,244	\$ -	\$ 4,000	\$ -	\$ 18,225	\$ -	\$ 28,469
Jazz Festival	\$ 15,000	\$ -	\$ 4,500	\$ -	\$277,174	\$ -	\$ 296,674
Mayor's Initiatives	\$ 12,500	\$ -	\$ 15,000	\$ -	\$ 50,256	\$ -	\$ 77,756
Memorial Wall/Sea and Sky	\$ -	\$ -	\$ -	\$ -	\$ 95,000	\$ -	\$ 95,000
MLK Jr. Breakfast	\$ 5,000	\$ -	\$ 7,000	\$ -	\$ 46,711	\$ -	\$ 58,711
Music Festivals (Starry Night in FY13)	\$ 5,000	\$ -	\$ 3,500	\$ -	\$ 30,000	\$ -	\$ 38,500
Veterans Day Parade	\$ 3,000	\$ -	\$ 2,000	\$ -	\$ 15,000	\$ -	\$ 20,000
World of Nations	\$ 16,500	\$ -	\$ 5,000	\$ -	\$ 85,000	\$ -	\$ 106,500
<b>Grand Total</b>	<b>\$ 377,350</b>	<b>\$ 600</b>	<b>\$ 41,001</b>	<b>\$ 36,500</b>	<b>\$857,366</b>	<b>\$300,000</b>	<b>\$1,612,817</b>

**CONCERN 1:**

As of August 1, 2013, \$309,227 was spent on overtime while only \$139,250 was budgeted. For the FY 2012-14, only \$230,000 was budgeted. It appears that this level of funding may not be sufficient.

**CONCERN 2:**

Even though Special Events is entirely funded by the General Fund, it appears that no reductions were made to meet the 13.88% budget reduction. The budget for Special Events actually increased by 5.2%.

**RECOMMENDATIONS:**

None

**COUNCIL AUDITOR'S OFFICE  
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MAYOR'S PROPOSED FY 2013/14 BUDGET  
OFFICE OF ECONOMIC DEVELOPMENT  
PUBLIC PARKING SYSTEM (S/F 411)**

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**BACKGROUND:**

The Public Parking Division manages On-Street parking (parking meter). Revenues are generated through daily parking fees, other fines and forfeitures, and late payment charges. Public Parking Division requested to move some revenue and expenditure items from Public Parking System (S/F 411) to Parking Garage Revenue to better represent the true cost of garages and parking lots. See the below schedule that provides a true comparison between FY2012/13 (adjusted) and FY 2013/14.

	<b>FY 2012/13</b>		<b>Change from FY 2012/13</b>	
	<b>Adjusted</b>	<b>FY2013/14</b>	<b>Percent</b>	<b>Dollar</b>
	<b>Budget*</b>	<b>Proposed</b>		
<b>REVENUE</b>				
NON-DEPARTMENTAL				
Charges for Services	\$7,380	-	-100.0%	(\$7,380)
	\$7,380	-	-100.0%	(\$7,380)
OFFICE OF ECONOMIC DEVELOPMENT				
Charges for Services	\$1,679,006	\$1,347,854	-19.7%	(\$331,152)
Fines and Forfeits	570,308	775,743	36.0%	205,435
Miscellaneous Revenue	2,800	2,800	-	-
	2,252,114	2,126,397	-5.6%	(125,717)
<b>TOTAL REVENUE</b>	<b>\$2,259,494</b>	<b>\$2,126,397</b>	<b>-5.9%</b>	<b>(\$133,097)</b>
<b>EXPENDITURES</b>				
NON-DEPARTMENTAL				
Salary & Benefit Lapse	(\$43,839)	(\$35,430)	-19.2%	\$8,409
Cash Carryover**	251,316	185,919	-26.0%	(65,397)
	\$207,477	\$150,489	-27.5%	(\$56,988)
OFFICE OF ECONOMIC DEVELOPMENT				
Salaries	\$893,154	\$877,858	-1.7%	(\$15,296)
Employer Provided Benefits	375,811	431,926	14.9%	56,115
Internal Service Charges	228,567	244,902	7.1%	16,335
Utilities & Building Maint Allocations	91,595	17,166	-81.3%	(74,429)
Other Operating Expenses	365,140	306,314	-16.1%	(58,826)
Capital Outlay	9	1	-88.9%	(8)
Indirect Cost	97,741	97,741	-	-
	\$2,052,017	\$1,975,908	-3.7%	(\$76,109)
<b>TOTAL EXPENDITURES</b>	<b>\$2,259,494</b>	<b>\$2,126,397</b>	<b>-5.9%</b>	<b>(\$133,097)</b>

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MAYOR'S PROPOSED FY 2013/14 BUDGET  
OFFICE OF ECONOMIC DEVELOPMENT  
PUBLIC PARKING SYSTEM (S/F 411)**

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**PROPOSED BUDGET BOOK-Page #225-227  
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\*The budget adopted for FY 2012/13 has been adjusted to reflect the transfer of budgeted revenues and expenditures from Public Parking System (S/F 411) to Parking Garage Revenue (S/F 412) associated with parking lot operations.

\*\*The dollar amount in Cash Carryover is a plug to balance the budget.

**REVENUES:**

Jacksonville Citywide Activities:

1. Miscellaneous Revenue:

- The \$7,380 elimination in miscellaneous revenue is due to a negative cash balance.

Office of Economic Development:

1. Charges for Services:

- The decrease of \$331,152 is primarily due to a net decrease of \$388,608 in Collection and Late Fees. This is offset somewhat by an increase of \$58,600 in parking meter revenues. Based on our projections, we are recommending Late Fees be further reduced below.

2. Fines and Forfeits:

- The increase of \$205,435 is attributable to an increase in parking fines. Based on historical data, we recommend the parking fine revenue be reduced below.

**EXPENDITURES:**

Jacksonville Citywide Activities:

1. Salary and Benefit Lapse:

- This reflects an estimated salary and benefit lapse based on historical turnover within the subfund.

2. Cash Carryover:

- The \$185,919 budgeted in this line item is the budgeted excess revenue over expenditures for this subfund.

Office of Economic Development:

1. Salary:

- The decrease of \$15,296 is primarily due to a decrease of \$13,979 in permanent salaries and the elimination of \$4,001 in part-time salaries.

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COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2013/14 BUDGET  
OFFICE OF ECONOMIC DEVELOPMENT  
PUBLIC PARKING SYSTEM (S/F 411)**

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2. Employer Provided Benefits:
  - The increase of \$56,115 is primarily attributable to an increase of \$50,559 in Pension Contributions and an increase of \$20,492 in Health Insurance. This was offset somewhat by a decrease of \$14,428 in Workers' Compensation Insurance.
3. Internal Service Charges
  - The increase of \$16,335 is primarily due to total increases of \$14,978 in fleet repairs & maintenance and parts, oil, & gas allocations.
4. Utilities & Building Maintenance Allocations:
  - The Administration is proposing to remove and replace two Public Works allocations with internal service charges for Building Maintenance and Utilities. These proposed internal service charges are intended to reflect the costs for utility consumption, applicable debt service, and building maintenance in the individual City Departments' budgets.
5. Other Operating Expenses:
  - The decrease of \$58,826 is primarily due to a decrease of \$46,185 in Hardware/ Software Maintenance & Licenses, \$9,754 in Miscellaneous Services & Charges, and \$5,244 in Other Operating Supplies.
6. Indirect Costs:
  - This is an allocation calculated by the City's independent consulting firm as part of the full cost allocation plan study.

**EMPLOYEE CAP CHANGES:**

Eleven (11) positions and 1,283 part-time hours were transferred to Parking Garage (S/F 412) to represent the true cost of this subfund.

**SERVICE LEVEL CHANGES:**

None.

**CONCERN:**

Based on historical information budgeted revenues for Public Parking System have been consistently over budgeted for the last six years, see schedule below. This subfund should closely monitor what is being spent compared to revenue received to avoid a potential negative effect on Fund Balance in the current year as well as future years.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2013/14 BUDGET  
OFFICE OF ECONOMIC DEVELOPMENT  
PUBLIC PARKING SYSTEM (S/F 411)**

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**PROPOSED BUDGET BOOK-Page #225-227  
ON SCREEN-Page #239-241**

<b>Fiscal Year</b>	<b>Budgeted Revenue</b>	<b>Actual Revenue</b>	<b>Over/(Under) Budgeted</b>
FY 2006/07	5,340,125	3,816,115	(1,524,010)
FY 2007/08	5,418,893	4,735,505	(683,388)
FY 2008/09	3,448,839	2,940,018	(508,821)
FY 2009/10	3,142,339	2,718,674	(423,665)
FY 2010/11	2,788,853	2,402,389	(386,464)
FY 2011/12	2,736,330	2,382,237	(354,093)
FY 2012/13	2,602,476	1,972,284*	(630,192)

\*Actual Revenue for FY2012/13 is based on the Budget Office Quarterly Summary for the Quarter ended 06/30/2013.

**RECOMMENDATIONS:**

1. We recommend that Parking Fines be decreased by a net \$141,872 and Parking Late Fees be decreased by \$84,336 to reflect more realistic revenue projections based on historical actuals. These revenue shortfalls should be offset by creating a supervisory allocation of \$40,289 from this subfund to Parking Garage Revenue (S/F 412) to reflect 50% of the salary of the Parking Service Manager which will reduce the cash carryover in Parking Garage Revenue (S/F 412). The remaining revenue shortfall should be offset by eliminating the Cash Carryover of \$185,919. This will not impact the Special Council Contingency.
2. We recommend that Public Parking System (S/F 411) be named On-Street Parking since this subfund will no longer include parking lots and now all its revenue generating activities are related to on-street parking.



**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2013/14 BUDGET  
OFFICE OF ECONOMIC DEVELOPMENT  
PARKING GARAGE REVENUE (S/F 412)**

**PROPOSED BUDGET BOOK – Page #229-230  
ON SCREEN-Page #243-244**

**BACKGROUND:**

The Public Parking Division manages garages and parking lots. It manages the Ed Ball, St. James Building, Yates, City Hall Annex, Library, and Water Street garages and the Bay Street, Courthouse, Forsyth, and JEA parking lots. Revenues are generated through daily, monthly, and special event parking fees. Public Parking Division requested to move some revenue and expenditure items from Public Parking System (S/F 411) to Parking Garage Revenue to better represent the true cost of garages and parking lots. See the below schedule that provides a true comparison between FY2012/13 (adjusted) and FY 2013/14.

	<b>FY 2012/13</b>		<b>Change from FY 2012/13</b>	
	<b>Adjusted Budget*</b>	<b>FY2013/14 Proposed</b>	<b>Percent</b>	<b>Dollar</b>
<b>REVENUE</b>				
Charges for Services	\$2,000,746	\$2,220,597	11.0%	\$219,851
<b>TOTAL REVENUE</b>	<b>\$2,000,746</b>	<b>\$2,220,597</b>	<b>11.0%</b>	<b>\$219,851</b>
<b>EXPENDITURES</b>				
<b>NON-DEPARTMENTAL</b>				
Cash Carryover**	\$993,780	\$1,118,909	12.6%	\$125,129
	\$993,780	\$1,118,909	12.6%	\$125,129
<b>OFFICE OF ECONOMIC DEVELOPMENT</b>				
Salaries	\$294,431	\$297,688	1.1%	\$3,257
Employer Provided Benefits	151,189	174,594	15.5%	23,405
Internal Service Charges	23,791	34,195	43.7%	10,404
Utilities & Building Maint Allocations	-	139,825	-	139,825
Other Operating Expenses	423,040	390,896	-7.6%	(32,144)
Capital Outlay	50,026	1	-100.0%	(50,025)
Indirect Cost	64,489	64,489	-	-
	\$1,006,966	\$1,101,688	9.4%	\$94,722
<b>TOTAL EXPENDITURES</b>	<b>\$2,000,746</b>	<b>\$2,220,597</b>	<b>11.0%</b>	<b>\$219,851</b>

\*The budget adopted for FY 2012/13 has been adjusted to reflect the transfer of budgeted revenues and expenditures from Public Parking System (S/F 411) to Parking Garage Revenue (S/F 412) associated with parking lot operations.

\*\*The dollar amount in Cash Carryover is a plug to balance the budget.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2013/14 BUDGET  
OFFICE OF ECONOMIC DEVELOPMENT  
PARKING GARAGE REVENUE (S/F 412)**

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**PROPOSED BUDGET BOOK – Page #229-230  
ON SCREEN-Page #243-244**

**REVENUE:**

Office of Economic Development:

1. Charges for Services:

- The increase of \$219,851 is primarily due to the addition of \$301,828 in parking revenue expected to be earned from the newly acquired library garage. This was offset somewhat by an overall decrease in expected revenue. Based on our projections, revenues from the Water Street Garage should be further reduced. This reduction will be addressed in a recommendation below.

**EXPENDITURES:**

Jacksonville Citywide Activities:

1. Cash Carryover:

- The \$1,118,909 budgeted in this line item is the budgeted excess revenue over expenditures for this subfund. This will be utilized to address the negative cash position within this subfund which was \$1,193,360 as of 6/30/13.

Office of Economic Development:

1. Salaries:

- The increase of \$3,257 is primarily due to the reclassification of a parking facility operator position as a parking facility supervisor.

2. Employer Provided Benefits:

- The increase of \$23,405 is primarily due to an increase of \$16,142 in Pension Contributions and an increase of \$13,505 in Group Hospitalization Insurance.

3. Internal Service Charges:

- The increase of \$10,404 is primarily due to an increase of \$3,584 in Fleet Allocation and the addition of \$6,007 in Purchasing Allocation that was erroneously budgeted. This error will be addressed in a recommendation below.

4. Utilities and Building Maintenance Allocations:

- The Administration is proposing to remove and replace two Public Works allocations with internal service charges for Building Maintenance and Utilities. These proposed internal service charges are intended to reflect the costs for utility consumption, applicable debt service, and building maintenance in the individual City Departments' budgets.

5. Other Operating Expenses:

- The decrease of \$32,144 is primarily attributable to changes in other operating expenses in the following garages:

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2013/14 BUDGET  
OFFICE OF ECONOMIC DEVELOPMENT  
PARKING GARAGE REVENUE (S/F 412)**

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**PROPOSED BUDGET BOOK – Page #229-230  
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- Ed Ball Garage - There is a decrease of \$36,305 in Repairs and Maintenance and a decrease of \$2,140 in Miscellaneous Insurance.
  - Water Street Garage - There is a net decrease of \$5,516 in Guard Services and Miscellaneous Insurance.
  - Library Garage - There is an addition of \$13,618 in Repairs and Maintenance for this newly acquired garage.
6. Capital Outlay:
- The decrease of \$50,025 is due to not purchasing any capital equipment for FY 2013/14.
7. Indirect Cost:
- This is an allocation calculated by the City's independent consulting firm as part of the full cost allocation plan study.

**EMPLOYEE CAP CHANGES:**

Eleven (11) positions and 1,283 part-time hours were transferred from parking lot Public Parking System (S/F 411).

**SERVICE LEVEL CHANGES:**

The cost of operating the Library garage has been added to this subfund.

**CONCERN:**

This fund continues to maintain a negative cash balance of \$1,193,360 as of 6/30/13.

**RECOMMENDATIONS:**

1. We recommend that Parking Fees revenue for Water Street parking garage be decreased by \$100,000 to reflect a more realistic revenue projection based on current year actuals. This should be offset by decreasing the Cash Carryover by the same amount. This will not impact the Special Council Contingency.
2. We recommend that Purchasing allocation of \$6,007 be eliminated that was erroneously included. This should be offset by decreasing the Cash Carryover by the same amount. This will not impact the Special Council Contingency.
3. We recommend that Parking Garage Revenue (S/F 412) be named Off-Street Parking since this subfund now also includes revenues from parking lots.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2013/14 BUDGET  
OFFICE OF ECONOMIC DEVELOPMENT  
MOTOR VEHICLE INSPECTION (S/F 431)**

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**PROPOSED BUDGET BOOK-Page #231-232  
ON SCREEN-Page #245-246**

**BACKGROUND:**

The Public Parking Division manages the inspection stations for school buses, city vehicles and vehicles for hire.

**REVENUE:**

1. Miscellaneous Revenue
  - The decrease of \$2,584 is due to lower investment pool earnings based on historical information.
2. Transfers from Fund Balance
  - The Transfer from Fund Balance was eliminated for FY 2013/14.
3. Charges for Services
  - The increase of \$61,328 is primarily due to an overall increase in vehicle inspection fees and an increase in the number of school buses to be inspected.

**EXPENDITURES:**

1. Salaries
  - The increase of \$2,896 is mainly due to an increase of \$1,321 in permanent and probationary salaries and an increase of \$1,575 in special pay.
2. Employer Provided Benefits
  - The increase of \$17,649 is mainly due to an increase of \$17,395 in general employees' pension contribution.
3. Internal Service Charges
  - The increase of \$1,034 is primarily due to a net increase of \$934 in fleet charges.
4. Utilities and Building Maintenance Allocations
  - The Administration is proposing to remove and replace two Public Works allocations with internal service charges for Building Maintenance and Utilities. These proposed internal service charges are intended to reflect the costs for utility consumption, applicable debt service, and building maintenance in the individual City Departments' budgets.
5. Other Operating Expenses
  - The increase of \$38,241 is primarily attributable to an increase of \$38,112 in Miscellaneous Services & Charges due to excess expenditure capacity made available from higher expected revenues.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2013/14 BUDGET  
OFFICE OF ECONOMIC DEVELOPMENT  
MOTOR VEHICLE INSPECTION (S/F 431)**

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**PROPOSED BUDGET BOOK-Page #231-232  
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6. Indirect Cost

- This is an allocation calculated by the City's independent consulting firm as part of the full cost allocation plan study. The decrease to this area is mainly attributable to the reduction in Administrative Services and certain Public Works costs being moved to the new utilities and building maintenance allocation.

**EMPLOYEE CAP CHANGES:**

None.

**SERVICE LEVEL CHANGES:**

None.

**RECOMMENDATIONS:**

None.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2013/14 BUDGET  
CECIL FIELD TRUST FUND (S/F 759)**

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**PROPOSED BUDGET BOOK – Page # 263-264  
ON SCREEN-Page # 277-278**

**BACKGROUND**

Established per ordinance 98-1052-E, all revenues received or earned by the City from the development and operation of the Cecil Commerce Center (excluding revenues related to an interlocal agreement with the Jacksonville Aviation Authority) are deposited into this trust fund. This fund is an all years subfund.

**REVENUE**

*Non-Departmental / Fund Level Activities*

1. Miscellaneous Revenue

- The increase of \$68,749 is due to appropriating investment pool earnings since actual revenues for investment pool earnings exceeded budgeted revenues over the years.

*Office of Economic Development*

2. Miscellaneous Revenue

- The net decrease of \$98,397 is due to reductions of \$106,276 in timber product sales and \$91,040 in gain on sale of real property revenues. The actual revenues for gain on sale of real property exceeded budgeted revenues over the years and are appropriated in FY 2013-14. These decreases were somewhat offset by an increase of \$98,919 in rental of city facilities revenue based on actual revenues.

*Parks & Recreation*

3. Miscellaneous Revenue

- This amount of \$71,530 represents the anticipated revenue from timber sales.

**EXPENDITURES**

*Office of Economic Development*

1. Other Operating Expenses

- There are no significant changes in the professional services other operating expenses which include \$267,920 in professional services (engineering services and a portion of the forestry maintenance contract). Also, \$1.7M in the contractual services is budgeted for a building and property maintenance contract.

2. Indirect Costs

- This amount of \$3,482 is an allocation calculated by the City's independent consulting firm as part of the full cost allocation plan study. The increase is due to costs not being allocated to this area in the past.

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2013/14 BUDGET  
CECIL FIELD TRUST FUND (S/F 759)**

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**PROPOSED BUDGET BOOK – Page # 263-264  
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*Parks & Recreation*

3. Other Operating Expenses

- This amount of \$20,479 represents the other portion of the forestry maintenance contract.

**AUTHORIZED POSITION CAP**

There are no authorized positions in this subfund.

**RECOMMENDATIONS**

None