



**Office of the Mayor  
City of Jacksonville  
Alvin Brown**

**Address to City Council – 2013-14 Proposed Budget**

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Council members, Sheriff Rutherford, Supervisor Holland, other honored guests, and my fellow citizens. Thank you for this opportunity to present the proposed City of Jacksonville budget.

Let me begin by congratulating President Gulliford and Vice President Yarborough on their new leadership roles for the coming year. I also want to acknowledge the hard work and dedication we see from each of you on the City Council.

A new Council year is an opportunity for renewal. Let's embrace that opportunity to maintain fiscal discipline, and build on the successes we have achieved together.

For the past two years, we've worked together to solve significant shortfalls without raising taxes or tapping into our reserves. The citizens of Jacksonville sent us here to make the tough decisions, and we are getting the job done. Just last week, the Fitch Ratings agency praised our City for its "excellent fiscal track record."

"Prudently managed" is how Fitch described general fund operations. Fitch also acknowledged that we have consistently added to our city budget reserves.

But we have done more than make tough choices. We have worked together to lay the strong foundation for economic growth. We've worked with Governor Scott to help incentivize major economic development at companies like Bank of America, Corys Thunder, Deutsche Bank, Digital Risk and SunGard. These are powerful investments in economic security. Average salaries range from \$45,000 to more than \$100,000.

We're not just growing jobs. We're building confidence in our workforce and showing the world that Jacksonville is open for business. We're getting it done because we're working together. Everyone is working together – the Chamber, the Council, the state, the business community. This is the value of public-private partnership.

And we are getting results, too. Jax Chamber released numbers last week showing 16 companies have announced major economic improvement plans creating 2,635 jobs for our region.

This is just in the last six months. It's the fastest economic growth we've enjoyed since 2006. No one person did that. We did that. We did it to create opportunity in our city.

Together, we created a new Office of Economic Development and streamlined the process to help put our city back to work.

Together, we created the new Downtown Investment Authority to focus on revitalizing business growth in our urban core.

Together, we refinanced more than \$1 billion in debt and used the savings to invest in Downtown revitalization and countywide economic development.

Those actions have paid dividends. Consider that in July 2011, Jacksonville's unemployment rate was 11.2 percent. Today, it is 7 percent. Twenty-thousand people have left the unemployment rolls in two years.

Forbes ranked Jacksonville the number three city in America to find a job. Housing starts have increased 22 percent this year. And the Census tells us we've grown by 15,000 residents over the past two years.

We are gaining momentum because we have worked together to build the right environment for economic growth and business development. After years of declining revenue, the property appraiser is beginning to see signs of a turnaround.

But we are just getting started. While our economy is moving in the right direction, that growth has been slow to find its way into city revenues.

So for the third year in a row, we have a significant budget deficit to close. And for the third year in a row, I am presenting you with a budget that closes the deficit without raising taxes or tapping into city reserves.

I respect that there are different opinions about raising taxes. But I cannot and will not support a tax increase. That's not the solution. Our economy may be growing, but that growth is fragile. Housing starts may be up, but the Jacksonville area still has the third highest metropolitan foreclosure rate in the nation. Many of our fellow citizens have struggled to remain in their homes, keep their jobs, and get back on their feet.

When I hear calls to raise taxes, I think of the senior citizens on fixed incomes who struggle to pay their electric bills each month. I think of the family that needs every dollar in the struggle to make ends meet. Let me be clear. I will not add to their struggles by asking them to bear the burden of higher taxes.

We should be making it easier – not harder – for our neighbors to find economic success.

We should be making it easier – not harder – to support small businesses and entrepreneurs.

We should be making it easier – not harder – to help the next generation get a quality education and go to college.

Councilman Robin Lumb said it best when he recently emailed a constituent to say that raising taxes was the wrong solution. I agree, and I urge you to hold the line. Protect our taxpayers and our economy as you have done for the past two years.

In this budget, we had to eliminate more than \$60 million in spending to keep us living within our means. If this budget passes as presented, Jacksonville Public Libraries will have to close six branches and reduce hours system-wide.

The Parks and Recreation Department will have to close nearly three out of every four of its community centers. It would have to close half – half – of our city swimming pools. We would have to cut nearly \$100,000 from our youth summer camps. And we would have to cut \$150,000 from Summer Night Lights, a program that helps to keep kids off the streets and out of trouble with the law.

The Jacksonville Fire Rescue Department would have to permanently close three fire stations. Chief Marty Senterfitt has described these kinds of cuts as “catastrophic.”

The Jacksonville Sheriff’s Office would have to lay off hundreds of public safety officers. Sheriff Rutherford has said that such a reduction would be a “violation of public safety.” He’s right.

I don’t want to make these cuts. You don’t want to make these cuts. They are not acceptable for the long-term good of our city and our neighborhoods.

Tax increases are not the solution. Deep spending cuts are not the solution. The solution is reform.

We must reform the city’s retirement system. This is our biggest challenge. A decade ago, our City’s annual contribution to the Police and Fire Pension Fund was less than \$10 million. In this budget, it is \$148 million.

We are obligated to spend \$181 million in total on our three retirement plans, just short of 20 percent of the general fund.

The Fitch Ratings agency described the City’s current pension liability as “a key credit concern” and “a threat to credit quality”.

Last year at this time, I told you that I would unveil a retirement reform plan by the end of 2012 and I did.

We went one step further and actually reached an agreement that you can pass into law. Right now, the reform agreement for public safety employees is before you. This is real reform. It protects taxpayers and respects city employees. It will make some of the most aggressive retirement benefit changes in the State of Florida, surpassing even the well-respected Florida Retirement System.

The Fitch Ratings agency says our reform agreement is a “positive” that would help “stabilize the city’s pension burden over the long term.”

It will save taxpayers \$1.2 billion over 30 years. That savings includes \$45 million in the coming year’s budget alone. That’s enough money to prevent most of the difficult cuts we’re talking about today.

But this is not just about one year’s budget. It’s about our future. It’s about our kids and grandkids – their hopes, dreams and aspirations. It’s about creating a future unlike any other for the next generation.

Over the next five years, the difference between passing retirement reform and not passing retirement reform is nearly \$100 million in the city budget. Imagine if we had that \$100 million to invest in our city’s future.

Let’s pass reform so taxpayers can benefit now and well into the future. Let’s pass reform so our hard working employees can stop wondering with anxiety how this issue will be resolved. Let’s pass reform so that Sheriff Rutherford and Chief Senterfitt can retain and recruit without uncertainty about pensions complicating that task. Let’s pass reform so we can maintain and enhance our City’s already strong credit rating. Let’s pass reform so that we can head off the years of costly litigation.

Retirement reform will be an historic step for Jacksonville. It will show that together, we made the right strategic choice. It will show that we are acting with vision and conviction. It will show that we are taking Jacksonville to the next level.

Let’s discuss the next level. I’ve talked about the next level a lot in the last two years. It’s not empty rhetoric. It reflects my sincere belief that we are on a journey that will elevate Jacksonville to its rightful place as one of our nation’s greatest communities.

What does it mean to go to the next level? First, taking Jacksonville to the next level means maximizing our unique economic assets. It means working to set the right tone and show the world that we will build strategic partnerships that will guide our city well into the 21<sup>st</sup> Century.

Perhaps the best example is our Port. Our Port links Jacksonville to the global economy. Previously, we worked with former Transportation Secretary Ray LaHood, CSX, the Chamber, JAXPORT, the state and our Congressional delegation. We brought everyone to the table to win a \$10 million TIGER grant. And now, I'm proud to help lead efforts to solve the Mile Point challenge.

Once we solve Mile Point, we will make this powerful economic engine even more competitive. We've worked with Governor Scott. We've worked with the business community, the Legislature and Congress. And I am confident we are on the brink of a solution.

Let's make our port one of the most competitive in the world, and build good-paying logistics and port jobs. Our actions through the TIGER grant and Mile Point support that goal, and we are seeing results.

But as we focus on large initiatives like the Port, we must not forget that our future economic success hinges on our ability to grow small businesses and empower entrepreneurs.

This year, our city was rated as the 53<sup>rd</sup> best city for small businesses in the nation out of 102 major markets.

Taking Jacksonville to the next level means not being satisfied in the middle of the pack, but striving to have one of the best small business climates.

That's why this budget includes a line item for a new Office of Small Business and Entrepreneurship.

In these difficult fiscal times, we have only budgeted \$1 to get started. We will find foundation and grant support for this important initiative. And working with the JAX Chamber and other small business advocates, we can take Jacksonville to the head of the pack.

Taking this city to the next level means continued investment in our military and veterans community – a nearly \$12 billion economic engine. We've developed working relationships with influential people, like Secretary of the Navy Ray Mabus and VA Secretary Eric Shinseki, to advocate for Jacksonville. We saw a new VA clinic open near Downtown earlier this year, and we have a major buildup at Naval Station Mayport starting within months.

But the next level especially means protecting the brave veterans who have fought so hard to protect us. That is why I am committed to eradicating homelessness among our veterans. No one should spend a night on the streets of a nation they pledged their life to defend. We recognize that. We feel it in our hearts. And we are taking a serious step toward solving the problem.

We're joined today by two very special guests. I want to take just a moment to introduce you to Moses Scott and Curtis Brown. Both are U.S. Army veterans. Let's take a moment to thank them for their service to our country.

They served our country before they fell on hard times. Both became homeless. And both got back on their feet with help from our new Homeless Veterans Reintegration program. They got jobs at the University of North Florida. And they are just two examples of the great work of this successful new endeavor.

This year, we have helped nearly 120 homeless veterans in Jacksonville. Forty-nine now have jobs. And 46 have been placed in transitional or permanent housing. We got it done at no cost to the city. Because we succeeded, the U.S. Department of Labor recently renewed a \$218,000 grant for the Homeless Veterans Reintegration Program.

Taking Jacksonville to the next level means taking real steps to benefit the quality of education. We all appreciate our working relationship with Superintendent Vitti and the School Board. They do important work each and every day to improve our school system and educate our children. City government can be a partner in preparing our students for the future. That's why I created the first Office of Education Commissioner at City Hall, and why it has pursued critical initiatives like Learn2Earn.

At no cost to taxpayers, Learn2Earn is a program that helps promising young people from at-risk neighborhoods spend a week on a college campus to encourage them to seek a higher education after high school. The first year of Learn2Earn exposed nearly 200 students from 25 different Jacksonville ZIP codes and 30 schools to an incredible possibility – that they could be the first in their family to go to college. Four in five of the students qualified for free and reduced lunch.

Learn2Earn enters its second year on Sunday. We are continuing to help young people – just like we did last year. I want Jacksonville to be a city with more college-educated people. As it stands, one in every four people here over age 25 have a degree. It's nearly twice that in some major American cities. To take Jacksonville to the next level, we need to do everything we can to raise this.

I say let's aim for a 50 percent. Let's double the number of college graduates in our city. Let's keep pushing for a 100 percent high school graduation rate, too. Even if it takes years to get there, we can plant the seeds today. Sending more people to college to enrich our workforce – that's taking our city to the next level.

Taking Jacksonville to the next level means partnering with our nonprofits to create solutions that make an impact. Earlier this month, we launched the long-awaited Jacksonville Day Resource Center to help homeless people find the help they need to help themselves.

It didn't happen because of any one person. It happened because our non-profits, the faith-based community, the business community, my administration and Council worked together.

We will continue to seek new partners to benefit education, our parks and our services. And we will continue to work hard every day to run an effective and efficient city.

We care about our city. We all care and will do whatever it takes to grow our economy and improve our quality of life. We have an opportunity to seize the moment and help our city prosper. We must continue to build a better future for the next generation.

There are no problems we cannot solve when we work together. When we work together, we will continue to put people back to work. We will find housing for the homeless and jobs for the jobless. When we work together, we can continue to invest in our port and deliver important services to our military and veterans community. We can improve our neighborhoods, our parks and our quality of life. Let's work together and make it happen.

When we work together, we can lead with purpose, passion and power. I believe we have to have faith in each other to make the tough choices, and to partner for the future of our city.

In Hebrews 11:1, it says: "Now faith is the substance of things hoped for, the evidence of things not seen." I believe that with God, all things are possible. To whom much is given, much will be required.

Thank you for your time today and your service to Jacksonville. May God continue to bless you all. And may God continue to bless the City of Jacksonville.