

**CITY COUNCIL RESEARCH DIVISION
LEGISLATIVE SUMMARY**



JEFFREY R. CLEMENTS
Chief of Research
(904) 255-5137

117 West Duval Street
City Hall, Suite 425
Jacksonville, FL 32202
FAX (904) 255-5229

Bill Type and Number: Ordinance 2023-870

Introducer/Sponsor(s): Council President Salem

Date of Introduction: December 12, 2023

Committee(s) of Reference: R, F

Date of Analysis: December 14, 2023

Type of Action: Appropriation; Ordinance Code amendment

Bill Summary: The bill appropriates \$20 million from the City's General Fund/General Services District Operating Reserve to the Emergency Reserve to increase the total Emergency Reserve funds to seven percent (7%) of the City's total General Fund/General Services District operating budget. It amends Ordinance Code Sections 106.106 (Balanced Budget and Budget Stabilization Reserve) and 106.107 (Emergency Reserve Policy and Fund) to increase the financial planning target for the City's Emergency Reserve Fund from 5-7% to 7-10% of the General Fund/General Services District's annual operating budget.

Background Information: The Emergency Reserve can be used to address unanticipated non-reimbursed expenditures arising out of a hurricane, tornado, other major weather-related events, and/or other massive infrastructure failures or other disasters, whether man-made or caused by nature. Under normal circumstances, the City would first elect to utilize the Operating Reserve before considering use of its Emergency Reserve.

In FY22-23 Mayor Curry included in his budget from recurring revenues (i.e. ad valorem and all other revenues in the General Fund) an appropriation of \$26,800,758 to boost the emergency reserves closer to 6%. In the FY23-24 current year budget Mayor Deegan proposed and the City Council approved moving \$8,079,560 from Operating Reserves to the Emergency Reserves to again boost the number to 6% as the General Fund budget increased. This \$20 million appropriation will result in the emergency reserve slightly exceeding the new increased minimum target of 7% as set by the Ordinance Code amendment.

Policy Impact Area: Emergency financial reserves

Fiscal Impact: The appropriation will increase the Emergency Reserve percentage in the FY23-24 budget from approximately 6% of the General Fund/GSD budget to just over 7%.

Analyst: Clements