

LEGISLATIVE FACT SHEET

DATE: 06/24/19

BT or RC No: BT19-105
(Administration & City Council Bills)

SPONSOR: Finance and Administration
(Department/Division/Agency/Council Member)

Contact for all inquiries and presentation: Patrick "Joey" Greive, CFO

Provide Name: Patrick "Joey" Greive

Contact Number: 255-5354

Email Address: pgreive@coj.net

PURPOSE: White Paper (Explain Why this legislation is necessary? Provide; Who, What, When, Where, How and the Impact.) Council Research will complete this form for Council introduced legislation and the Administration is responsible for all other legislation.

(Minimum of 350 words - Maximum of 1 page.)

MHRC CEO, Dr. Robert Sommers, approached the Administration in April 2019 seeking an immediate \$4 million contribution to pay off their outstanding debt along with a \$900,000 increase in annual funding in FY 20 and a subsequent \$900,000 increase in annual funding in FY 21. In his assessment, costs have gone up, the number of cases has increased, and funding has stayed generally flat across their various funding sources (including COJ). MHRC's debt, which was issued to fund capital improvement needs, carried certain coverage requirements. Due to the cost pressures they have experienced, MHRC's coverage ratios fell below what was required and the bank forced them to make "right-sizing" payments to reduce debt outstanding and meet the ratio requirements. This has had a significant impact on their cash position and pushed them into a crisis state.

Our department performed a financial review of MHRC's operation and concluded that they do need assistance, but that they can also exercise more financial austerity. We asked their board to reconsider their upcoming annual budget which resulted in their budget swinging from a \$1 million projected loss to an \$18,000 surplus. Given their demonstration of a commitment to regain financial viability, along with recent austerity measures that have been enacted at our suggestion (pay and retirement contribution freezes), we recommend providing \$400,000 in immediate additional funding, with all future funding subject to improvements in financial and operational management in the coming year. We feel this amount combined with renewed focus on cost control will help them through the current crisis.

We have identified surplus funds from the General Fund – Economic Grant Program as the proposed funding source for this \$400,000 assistance payment as shown in the attached BT.

APPROPRIATION: Total Amount Appropriated \$400,000.00 as follows:
 List the source name and provide Object and Subobject Numbers for each category listed below:

(Name of Fund as it will appear in title of legislation)

| | | |
|---|---|----------------------|
| Name of Federal Funding Source(s) | From: _____ | Amount: _____ |
| | To: _____ | Amount: _____ |
| Name of State Funding Source(s): | From: _____ | Amount: _____ |
| | To: _____ | Amount: _____ |
| Name of City of Jacksonville Funding Source(s): | From: General Fund - Economic Grant Program | Amount: \$400,000.00 |
| | To: General Fund - Public Service Grants | Amount: \$400,000.00 |
| Name of In-Kind Contribution(s): | From: _____ | Amount: _____ |
| | To: _____ | Amount: _____ |
| Name & Number of Bond Account(s): | From: _____ | Amount: _____ |
| | To: _____ | Amount: _____ |

PLAIN LANGUAGE OF APPROPRIATION / FINANCIAL IMPACT / OTHER:

Explain: Where are the funds coming from, going to, how will the funds be used? Does the funding require a match? Is the funding for a specific time frame? Will there be an ongoing maintenance? ... and staffing obligation? Per Chapters 122 & 106 regarding funding of anticipated post-construction operation costs.

(Minimum of 350 words - Maximum of 1 page.)

This ordinance transfers a portion of surplus funds from the Economic Grant Program to fund a one-time contribution to MHRC to help them through financial difficulties so that they may continue providing important mental health services to our community.

ACTION ITEMS: Purpose / Check List. If "Yes" please provide detail by attaching justification, and code provisions for each.

| ACTION ITEMS: | | Yes | No | |
|--------------------------------|-------------------------------------|-------------------------------------|----|--|
| Emergency? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | | <p>Justification of Emergency: If yes, explanation must include detailed nature of emergency.</p> <div style="border: 1px solid black; height: 80px; width: 100%;"></div> |
| Federal or State Mandate? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | | <p>Explanation: If yes, explanation must include detailed nature of mandate including Statute or Provision.</p> <div style="border: 1px solid black; height: 80px; width: 100%;"></div> |
| Fiscal Year Carryover? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | | <p>Note: If yes, note must include explanation of all-year subfund carryover language.</p> <div style="border: 1px solid black; height: 80px; width: 100%;"></div> |
| CIP Amendment? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | | <p>Attachment: If yes, attach appropriate CIP form(s). Include justification for mid-year amendment.</p> |
| Contract / Agreement Approval? | <input type="checkbox"/> | <input type="checkbox"/> | | <p>Attachment & Explanation: If yes, attach the Contract / Agreement and name of Department (and contact name) that will provide oversight. Indicate if negotiations are on-going and with whom. Has OGC reviewed / drafted?</p> <div style="border: 1px solid black; height: 80px; width: 100%;"></div> |
| Related RC/BT? | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | | <p>Attachment: If yes, attach appropriate RC/BT form(s).</p> |
| Waiver of Code? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | | <p>Code Reference: If yes, identify code section(s) in box below and provide detailed explanation (including impacts) within white paper.</p> <div style="border: 1px solid black; height: 80px; width: 100%;"></div> |
| Code Exception? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | | <p>Code Reference: If yes, identify code in box below and provide detailed explanation (including impacts) within white paper.</p> <div style="border: 1px solid black; height: 80px; width: 100%;"></div> |
| Related Enacted Ordinances? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | | <p>Code Reference: If yes, identify related code section(s) and ordinance reference number in the box below and provide detailed explanation and any changes necessary within white paper.</p> <div style="border: 1px solid black; height: 80px; width: 100%;"></div> |

ACTION ITEMS CONTINUED: Purpose / Check List. If "Yes" please provide detail by attaching justification, and code provisions for each.

ACTION ITEMS:


| | Yes | No |
|------------------------|--------------------------|-------------------------------------|
| Continuation of Grant? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Explanation: How will the funds be used? Does the funding require a match? Is the funding for a specific time frame and/or multi-year? If multi-year, note year of grant? Are there long-term implications for the General Fund?


| | | |
|---------------------------------|--------------------------|-------------------------------------|
| Surplus Property Certification? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Reporting Requirements? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Attachment: If yes, attach appropriate form(s).

Explanation: List agencies (including City Council / Auditor) to receive reports and frequency of reports, including when reports are due. Provide Department (include contact name and telephone number) responsible for generating reports.

Division Chief: 
(signature)

Date: 6/24/19

Prepared By: 
(signature)

Date: 6/24/19

ADMINISTRATIVE TRANSMITTAL

To: MBRC, c/o Roselyn Chall, Budget Office, St. James Suite 325

Thru:

(Name, Job Title, Department)

Phone: _____

E-mail: _____

From: Patrick "Joey" Greive, CFO, Finance and Administration

Initiating Department Representative (Name, Job Title, Department)

Phone: 255-5354

E-mail: pgreive@coj.net

Primary Contact: Patrick "Joey" Greive, CFO, Finance and Administration

(Name, Job Title, Department)

Phone: 255-5354

E-mail: pgreive@coj.net

CC: Jordan Elsbury, Intergovernmental Affairs Liaison, Office of the Mayor

Phone: 255-5013

E-mail: jelsbury@coj.net

COUNCIL MEMBER / INDEPENDENT AGENCY / CONSTITUTIONAL OFFICER TRANSMITTAL

To: Peggy Sidman, Office of General Counsel, St. James Suite 480

Phone: 904-255-5055

E-mail: psidman@coj.net

From:

Initiating Council Member / Independent Agency / Constitutional Officer

Phone: _____

E-mail: _____

Primary

Contact: _____
(Name, Job Title, Department)

Phone: _____

E-mail: _____

CC: Jordan Elsbury, Intergovernmental Affairs Liaison, Office of the Mayor

Phone: 904-255-5013

E-mail: jelsbury@coj.net

Legislation from Independent Agencies requires a resolution from the Independent Agency Board approving the legislation.

Independent Agency Action Item: **Yes** **No**

Boards Action / Resolution?

Attachment: If yes, attach appropriate documentation. If no, when is board action scheduled?

FACT SHEET IS REQUIRED BEFORE LEGISLATION IS INTRODUCED