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RESEARCH DIVISION**

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FINANCE COMMITTEE BUDGET HEARING #3 MINUTES

**August 18, 2022
9:00 a.m.**

Location: City Council Chamber, 1st floor, City Hall

In attendance: Council Members Aaron Bowman (Chair), Matt Carlucci, Kevin Carrico, Joyce Morgan, Ju’Coby Pittman, Ron Salem, Randy White

Also: Council Members; Kim Taylor, Phillip Peterson, Brian Parks – Council Auditor’s Office; Paige Johnston, Mary Staffopoulos – Office of General Counsel; Jeff Clements – Council Research Division; Merriane Lahmeur, Barbara Hobson – Legislative Services Division; Steve Cassada and Eric Grantham – Information Support Services; Angela Moyer – Budget Office; Brian Hughes, Charles Moreland, Leeann Krieg, Rachel Zimmer – Mayor’s Office; Joey Greive – Finance and Administration Department

Meeting Convened: 9:00 a.m.

Chairman Bowman convened the meeting and the attendees introduced themselves for the record. He noted that the CIP package was sent out yesterday and should be read and digested by next week for discussion. This year the CIP is broken out by council districts for ease of review. He also noted that there will be several recommendations in the next couple of meetings to utilize some of the Special Council Contingency fund that has been accumulated to date.

All page references from this point refer to Council Auditor’s Budget Hearing #3 handout

Supervisor of Elections

Supervisor of Elections Mike Hogan introduced several staff members in attendance. He said his office will have run 6 citywide elections in a span of 18 months and have had the work related to implementing the redistricting process, so it has been extremely busy times in the SOE office. He noted that Jacksonville is the only Florida county that has been involved in 2 lawsuits on redistricting - one on a Congressional district and the other on the City Council districts. The office is purchasing more ExpressVote equipment and will have at least one unit in every precinct. The administration has been very supportive of their funding needs. Chairman Bowman asked about the plan to relocate the SOE headquarters which is in rough shape. Mr. Hogan said they intend to move the headquarters from Monroe Street downtown to the Election Operations Center at Imeson after the City election cycle next spring.

There will still be a satellite office presence downtown, possibly in the Ed Ball Building. In response to a question about recruiting poll workers post-COVID, Mr. Hogan said it is always a challenge as the long-time volunteers who have done it for decades retire and the younger generation is not volunteering at the same rate. Council Member Morgan said that her service on the Canvassing Board has been eye-opening and something that most people know nothing about. Mr. Hogan said that turnout for the primary election thus far is on par with previous mid-term elections and he anticipates potentially 30% turnout. Turnout is driven primarily by the competitiveness of the top-of-the-ballot races and he had hoped for higher turnout given the very competitive race for Sheriff. Council Member Pittman asked about the number of part-time workers year-round and during election season. In response to another question from Ms. Pittman, Mr. Hogan said the SOE has 2 vehicles and rents additional vehicles during elections.

Tax Collector

Tax Collector Jim Overton said that his office is increasing automation and wait times in the branches are down substantially as a result. They now have kiosks in 3 Publix supermarkets where customers can process vehicle tag renewals. The office is regularly processing over 3,000 transactions a day which is up 20% from the previous year. Council Member Pittman said her experience yesterday renewing her driver's license went very smoothly and the staff were very professional and friendly. Council Member Carlucci echoed the professionalism of the Tax Collector's staff. In response to a question from the Chair about how the Tax Collector determines where to put branches and how many are needed, Mr. Overton said it is primarily driven by wait times in existing branches. After the recent opening of the Marietta branch, the next location will probably be in southeast Jacksonville as there is a lot of growth in that area. In response to a question from Council Member Morgan, Mr. Overton discussed the fact that all but the downtown branch are in leased facilities so any maintenance issues are the responsibility of the landlords.

Clerk of the Courts

Clerk of the Courts Jody Phillips introduced several staff members. Document recording volume is increasing due to population growth and property transactions and 10,000 passport applications were processed in the last year. Property fraud is on the increase and a number of clerks of court statewide have recently rolled out a quick and easy web site where property owners can register their name and email address to be informed whenever a deed is filed at the courthouse with that name to help identify potential fraud. Council Member Salem asked for clarification of Ms. Taylor's explanation of the City employees in the Clerk's office who are paid by the state. Council Members Carrico and Pittman asked how the new property fraud prevention website can be more widely publicized so more people, especially seniors, can know that it is available. Mr. Phillips said he and his staff are ready and willing to speak to any group about the fraud prevention website when invited. In response to a question from Chairman Bowman, Mr. Phillips said that all fees charged by the office are set either by the state or, in the case of passport applications, by the U.S. State Department. Mr. Phillips explained the increase in the salary budget resulting from substantial increases in entry level salaries to reasonable rates to attract qualified candidates in the current competitive market.

Motion: on p. 9, approve Auditor's recommendation to reduce internal service allocation from Information Technologies (53101) for computer maintenance and security by \$156,798 to correct the billing amount and offset that within the Clerk's budget with the reduction of the transfer from fund balance by \$156,798. This will be offset within the Information Technologies Fund (53101) with an increase to the transfer from fund balance by \$156,798 and have no impact on Special Council Contingency – **approved**.

Courts – General Fund

Chief Judge Mark Mahon introduced several staff members in attendance and thanked the City Budget Office and the Mayor's Office for their support of his office's work. He said the courthouse is now 10 years old and they've asked for funding this year for replacement of some original furniture and for

improvements to the movable shelving in the law library which is now reopened after the COVID shutdown. He anticipates increased use of the law library by students of the new Jacksonville University School of Law. There is also an allocation of General Fund dollars this year for the mental health and drug courts. Council Member Pittman asked about the relationship between the court system and the new JU law school; Judge Mahon said they are very excited about the possibilities and intend to be as helpful as possible to the school and its students.

Court Costs – Courthouse Trust Fund

In response to a question from Chairman Bowman about the reduction in traffic ticket surcharge revenue, Judge Mahon said it is due in part to the increase in diversionary programs and other efforts to not overburden offenders to the extent that they lose their driver's licenses and jeopardize their jobs and create worse problems than a traffic offense. Judges have discretion to adjust fines to meet individual circumstances.

Teen Court

Chairman Bowman asked about the metrics used to evaluate the success of this court. Judge Mahon said the program is very successful and introduced Stacy Peterson, director of the Teen Court, to discuss the program. She said that the recidivism rate is about 3% since the court was established 6 years ago which is extremely good. They try to address the core issues that brought about the behavior that led to court rather than just applying sanctions. In response to a question from Council Member Carlucci, Ms. Peterson said that the additional funding allocated to Teen Court from the federal American Rescue Plan is being continued to next year. Council Member Pittman asked about the gender ratio in participants; Ms. Peterson said it runs about 60% male to 40% female. She also noted that Teen Court functions take place in several Accountability Boards in neighborhood locations throughout the community to make access easier. In response to a question from Council Member Morgan about caseload, Ms. Peterson said that the court was processing about 700 referrals a year before COVID, then dipped down to the 400s during the pandemic but are on track to be back to a pre-pandemic caseload this year. Council Member Salem asked if there is any follow-up with clients after they graduate from the program. Ms. Peterson said they don't really follow up because the current caseload occupies all their efforts.

Court Costs - \$65 fee

Kim Taylor noted that funding for Jacksonville Area Legal Aid is decreasing somewhat this year from this fund, and JALA regularly applies for Public Service Grant funding. Jim Kowalski, CEO of JALA, said that Jacksonville is the only local county they serve that does not provide General Fund assistance to JALA and they have only been partially successful at getting PSG grant applications funded. He said St. Johns County appropriates \$350,000 annually to JALA, Clay County in the high \$100,000s plus free rent for an office, and Nassau County \$100,000.

Recording Fees Technology Fund

Motion: on p. 20 approve Auditor's recommendation to approve the amounts for the Courts and Public Defender shown on handout page 18 including the State Attorney amounts approved during Budget Hearing 2 on August 12; all amounts were agreed to by the three parties and are funded by using the proposed cash carry over of \$1,403,148 and a transfer from fund balance of \$222,341 – **approved**.

Judge Mahon thanked the City Council and Sheriff's Office for their support of the mental health offender diversion program which has been a tremendous success and is changing peoples' lives. Chairman Bowman said he will have Judge Mahon back to a Finance Committee meeting after the budget process to give a full briefing on that program.

The committee was in recess from 10:43 to 10:51 a.m.

Public Defender

Public Defender Charles Cofer said he is very willing to be part of the mental health offender diversion program discussion when that takes place. He thanked the City for always being quick to respond to facility maintenance requests, for moving its computer servers to the Ed Ball Building, and for upgrading the office's video connections to the jail and the courthouse to very high speed lines. There has been a regular and steady reduction in the backlog of cases that built up during the COVID pandemic, and the backlog should be eliminated by sometime next year.

Parks, Recreation and Community Services Department

Daryl Joseph, Director of the Parks and Rec Department, reviewed the total assets of the department and the numbers of park visitors and Community Service clients. The parks saw record attendance in the past year. With the guidance of the Special Committee on Parks the department has undertaken a major initiative to renovate parks and playgrounds, including substantial tree planting. Swimming lessons are a priority to teach as many children as possible to swim, and lessons for children with autism will be a priority in the coming year.

General Fund/GSD

Motion: on p. 31 approve Auditor's recommendation to amend the B1b schedule to include the City match of \$64,509 for the Senior Companion Program in the "Total Match Requested" column to correct a carry-forward error, which will require an increase in the contingency for Schedule B1b Grants by \$64,509 and will have a negative impact to Special Council Contingency of \$64,509 – **approved**.

In response to a question from Council Member Carrico, Mr. Joseph explained the purpose of the Ryan White Grant program in the Community Services Division. Chairman Bowman asked about planning for heat safety for fans at Jaguar games in the fall. Bill McConnell, outgoing General Manager for ASM Global-Jacksonville, the stadium operator, said the joint planning team for Jaguar games has planned for water stations and cooling buses for the upcoming games. Mike Kenny, the incoming General Manager for ASM, said that guest service stations at the stadium will provide cups for fans to use to fill at water fountains and water bottle filling stations, and fans may bring a single sealed water bottle into the stadium. Council Member Pittman thanked Mr. Joseph for having Fourth of July fireworks at numerous locations around the city, which was very popular.

Huguenot Park

Motion: on p. 33 approve Auditor's recommendation to increase entrance fee revenue by \$50,000 from \$500,000 to \$550,000 to better align with recent collections and offset by a decrease of \$50,000 to the transfer in from and out of the General Fund/GSD; this will have a positive impact on Special Council Contingency of \$50,000 – **approved**.

Chairman Bowman said he has asked the Council Auditor and the administration to look at how much the City is paying in credit card processing fees and whether it might be possible to start collecting fees via cryptocurrency. Council Member Salem said he is also interested in the subject of credit card fees. In response to a question from Council Member Pittman, Mr. Joseph said the discounted admission for veterans and active-duty military at Hanna and Huguenot Parks will be continued next year; the discount this year amounted to about \$50,000.

Florida Boater Improvement Program

Council Member Morgan expressed curiosity about the reduction in revenue which Mr. Joseph said must be due to fewer boats being registered. He said that use of boat ramps is very high. In response to questions from Council Member Carlucci, Mr. Joseph talked about the use of this FBIP funding and said that it can't be used for dredging but is for maintenance and repairs of the boat ramps themselves. The

City applies annually for Florida Inland Navigation District funding for boat ramp projects, but that is also not intended for regular maintenance dredging.

Cecil Commerce Recreation Center

Council Member Salem asked where subsidies for public golf courses are located. Mr. Joseph said they are budgeted in the department's general fund.

Equestrian Center

Council Member Morgan said she is interested in having more events at the center that attract a more diverse audience of attendees. Mr. Joseph said the contracted operator is making efforts to broaden the usage with different kinds of events that aren't strictly equestrian-related. Chief Administrative Officer Brian Hughes said that a partnership has been formed with the Greater Jacksonville Agricultural Fair to plan for complementary uses of the two facilities that will be side-by-side when the Fair relocates to the Westside in the next couple of years.

Special Events

Council Member Salem asked about the status of the Florida/Georgia football game contract. Brian Hughes said this year's game is the last under the current contract and there are 2 additional 1-year extension options if all three parties agree to exercise them. It will be up to the new mayor next year to take up those negotiations. Mr. Salem noted the recent announcement that the Bob Hayes Invitational Track Meet will be moving from Raines High School to UNF's Hodges Stadium and asked if that has an impact on the event budget. Mr. Joseph said he has not heard from the meet organizers and didn't know what the impact might be. There may be opportunities for cost savings by moving to the UNF facility that is well equipped to host large track meets. Council Member Pittman asked about preparations for the Martin Luther King Day parade. Mr. Joseph said the City pays for logistical support such as traffic control, cones, etc. In response to another question from Ms. Pittman, Mr. Joseph said the department is excited about hosting the Bethune-Cookman/Jackson State football game in October and they and ASM have been coordinating with Visit Jacksonville on tourism implications.

Council Member Carlucci asked about the rationale for moving the Bob Hayes Track Meet from Raines High School to UNF. Mr. Joseph said the City had no role in that decision, which was made by the meet organizing committee. Chairman Bowman noted that the Tourist Development Council had made a substantial investment in the last couple of years in the track at Hodges Stadium which has made it a major track and field hub with a national reputation.

Motion: on p. 43 approve Auditor's recommendation to reduce Contributions from Private Sources by \$117,930, from \$518,418 to \$400,488, to align the budget for the reimbursement from the Jaguars for its portion of the temporary seat cost pursuant to Amendment 14 of the agreement with the Jaguars with the expected reimbursement amount and offset by an increase in the transfer from and out of the General Fund/GSD by a corresponding amount; this will have a negative impact to Special Council Contingency of \$117,930 – **approved**.

The committee was in recess from 11:57 a.m. to 12:49 p.m.

City Venues

Bill McConnell, the outgoing General Manager of ASM Global-Jacksonville, thanked the City for the great opportunity to run the City's venues for the last 10 years which has been a great phase in his career. He said the future of Jacksonville is as bright as it has ever been.

Council Member Pittman asked about renovations for the Ritz Theater; Mr. McConnell said that the funding for a multi-year, multi-phase project is found in the capital improvements budget. Ms. Pittman

asked that the brick sidewalk in front of the theater be checked for a tripping hazard. Daryl Joseph said that a comprehensive planning document has been developed for the Ritz that he will share with Ms. Pittman.

ASM Fund

Motion: on p. 49 approve Auditor's recommendation that the salary enhancements of \$765,000 be properly budgeted between salary and benefit line items – **approved**.

City Venues - Ticket Surcharge

In response to a question from the Chairman, Mr. McConnell said that the City Council passed an ordinance several years ago requiring that the ticket surcharge revenues from each facility must be used for projects at the generating facility.

City Venues – Debt Service

Council Member Carrico asked about public access to the Covered Flex Field after the Jaguars move their operations to the new Performance Facility. Mr. Joseph said that is being considered as part of the larger planning process for repurposing the Metropolitan Park property so that the two facilities can work together. In response to a question from Council Member Pittman, CFO Joey Greive said that there are still some outstanding Better Jacksonville Plan bonds that are being paid off early to allow the BJP bonds to be converted to pension liability purposes earlier than originally planned.

Motion: on p. 53 approve Auditor's recommendation to increase Investment Pool Earnings by \$103,078 to agree with the projected interest earnings for this fund by the Treasury Division and increase Bond Interest Payments by the same amount to agree with the amortization schedules – **approved**.

Veterans Memorial Arena Trust Fund

Motion: on p. 57 approve Auditor's recommendation to reduce Trust Fund Authorized Expenditures by \$2,000 and increase the Contingency by the same amount; also add the listing of recipients to the Budget Ordinance pursuant to Ordinance Code Sec. 111.255 – approved.

In response to a question from Chairman Bowman, Brian Hughes said that the VyStar Veterans Memorial Arena naming rights agreement is for 15 years and expires in 2033.

In response to a question from Council Member Pittman, Ken Babby, owner of the Jacksonville Jumbo Shrimp, said that the COVID pandemic was a tremendous blow to baseball and the Jumbo Shrimp organization and forced the team to think of numerous other ways to generate revenue without baseball. The Shrimp have moved up to AAA and are playing good ball and are in contention for the playoffs late in the season. Mr. Babby and Mr. Hughes thanked Bill McConnell for his decade of great work in Jacksonville and especially his team's good work in recovering from the COVID pandemic and positioning Jacksonville for a great recovery. Mr. McConnell said that Jacksonville was a shining star in the venue industry.

Finance and Administration Department

Risk Management

CFO Joey Greive noted that this division is yet another of his department's functions that serves the rest of the City government. \$10 million in ARP funding is being allocated to Risk Management to help deal with costs incurred by a change in state law that makes heart and hypertension conditions among public safety workers presumptive work-related injuries which increases the City's claims reserve requirements.

Council Member Carlucci asked whether the City is self-insuring for flood damage; Tracy Flynn, City Risk Manager, said it is. Mr. Carlucci asked how the future flood risk and costs are being estimated. Ms. Flynn said the risk is determined by herself and the City's private insurance underwriters. Anything the City has had to replace due to flood damage in recent years has been built back better so as to be more flood resistant. She said the City's claims record is very good and a large part of this year's insurance cost increase is due to coverage of more facilities (3 parking garages, the Jax Beach pier, etc.). The City has a very good relationship with Lloyds of London which has provided a good portion of our private coverage for many years. In response to another question from Mr. Carlucci about FEMA disaster reimbursement, Ms. Flynn said that FEMA will only reimburse for reconstruction of exactly what was lost, not for any upgrades or improvements.

In response to a question from Council Member Morgan about costs for pothole-related damage claims, Ms. Flynn said that the City has a policy of offering \$100 to help with deductible costs for a driver's private insurance claim if the City is not on notice about a pothole. If the City has been constructively notified about a pothole (i.e. via a 630-CITY report) then it negotiates a settlement with a driver who makes a damage claim. In response to a question from Council Member Pittman about the City's liability for cyber-related claims, Mr. Greive said the City has taken numerous steps in recent years to protect itself from cyber attacks. He is happy to talk to any council members privately about what precautions are being taken, which he prefers not to discuss in a public forum.

General Fund/General Services Division

Council Member Pittman asked about the progress of hiring positions for the JSEB program that were approved in the current year's budget. Mr. Greive said that hiring for 2 positions is currently underway. The proposed budget also increases funding for the program so the waiver for the minimum \$500,000 allocation is no longer needed.

Motion: on p. 65 approve Auditor's recommendation to correct the Schedule B1 regarding the Edward Byrne Memorial – Justice Assistance Grant to correct the grant name, period, and description to reflect the information on p. 66 of the handout – **approved**.

Wrap-up

Charles Moreland of the Mayor's Office related that he has made contact with the independent authorities regarding financial contributions to the work of the Inspector General's Office as requested in a previous budget hearing and they have all agreed to provide funding to the IG's office at the current rate for another year, after which a new agreement will be reached for future years with negotiations over an annual escalator factor.

The Special Council Contingency fund through today's meeting stands at \$5,462,086 to the positive.

Public Comment

Carnell Oliver said that the Supervisor of Elections Office should consider adding mobile election units such as are used in the state of Georgia. He believes money should be set aside in the budget for purchase of such units via an RFP process. He does not believe in property tax cuts when the needs for investment are so great. He would prefer to see the creation of tax increment districts to keep tax dollars in particular areas where needs are greatest.

Blake Harper said that Springfield Park is in atrocious shape. Many historic events have taken place in and been commemorated in that park and he believes it is being deliberately neglected. He urged that it be kept up to a proper standard despite its former history as Confederate Park.

Meeting adjourned: 2:05 p.m.

Minutes: Jeff Clements, Council Research Division

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8.19.22 Posted 3:30 p.m.