

CITY OF JACKSONVILLE BEACH ANNUAL BUDGET



FISCAL YEAR ENDING SEPTEMBER 30, 2013

CITY OF JACKSONVILLE BEACH OFFICIALS:

Mayor: Fland O. Sharp

Councilmembers:	Penny Christian	Seat 1, At-large
	Rick Knight	Seat 2, At-large
	Lee Buck	Seat 3, At-large
	Steve Hartkemeyer	Seat 4, District 1
	Jeanell Wilson	Seat 5, District 2
	Tom Taylor	Seat 6, District 3

City Clerk: Judy L. Bullock

City Attorney Susan S. Erdelyi

City Manager: George D. Forbes

Department Directors:

Gary Frazier	Chief, Fire Department
Bruce A. Thomason	Chief, Police Department
Roy Trotter	Director of Beaches Energy Services
Karen Nelson	Director of Human Resources
Gary Meadors	Director of Parks & Recreation
Steven G. Lindorff	Director of Planning & Development
William T. Edwards, P.E.	Director of Public Works
Harry E. Royal, C.P.A.	Finance Officer

WORKING TOGETHER: COMMITTED TO THE CITIZEN

2013 ANNUAL BUDGET
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The Government Finance Officers Association of the United States and Canada (GFOA) presented an award for Distinguished Budget Presentation to the City of Jacksonville Beach, Florida for its annual budget for the fiscal year beginning October 1, 2011. In order to receive this award, a government unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications medium. This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

City of

Jacksonville Beach

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September 26, 2012

Safety, attractiveness, recreation opportunities and environmental quality are important attributes of places where we love to live. Every day, local governments make important contributions that affect how we feel about our community and its quality of life. The City of Jacksonville Beach's highest priority is providing services that help create and maintain:

- **Safe Communities** – 24-hour police and fire services preserve an environment where we feel safe and get a quick response to police, fire and medical alarms. Our police and fire departments continue to achieve less than 4 minute response times and high customer service ratings. There have been no drownings on our beach while lifeguards have been on duty.
- **Environmental Protection** – Safe water for drinking, reliable garbage collection and clean waterways through the treatment of stormwater and wastewater. The City's water and sewer operations consistently achieve regulatory compliance and meet targets for replacing old galvanized and cast iron water mains.
- **A Sense of Community** – Attractive, well maintained parks, open spaces and recreation facilities. All of our recreation services and facilities continue to achieve high marks for the cleanliness and maintenance of park facilities.
- **Neighborhood Vitality** – Building inspection and code enforcement services keep our neighborhoods clean, safe and vibrant. Building inspection and code enforcement staff provide a quick turnaround on plan reviews, building inspections and permit processing from a staff that is 25% smaller today than it was in 2008.



- Responsible Government – Providing value through fiscal restraint and outstanding customer service. The City’s 2013 General Fund budget is \$693,861 less than the 2007 adopted budget. Since 2008, 26 positions have been eliminated.
- Reliable, customer focused electric and natural gas utilities – Beaches Energy’s competitively priced electric rates remain below the state average and have fallen by \$11 per 1,000 kilowatt hours since November 2010. Beaches Energy gets consistent, excellent customer survey results. Its rebate program encouraging energy conservation is helping customers save money on their utility bills every day.

While nationwide budget conversations in previous years were often about what services our cities and counties might be able to provide, now, as the economy sputters along, and disposable income shrinks, the budget conversations are about the services we value the most and how much we are willing to pay for them. Being willing to consider doing business differently will become increasingly important as we move into the future.

The 2013 Annual Budget and Capital Improvement Plan adopted on September 10, 2012, sets the millage rate at \$4.0947 mills and the total budget at \$164.9 million, \$14.4 million less than the 2012 budget. The adopted budget makes it possible to continue to provide the important “quality of life” services that our citizens expect and to keep City facilities well maintained.

This year, we added a budget workshop to discuss the City of Jacksonville Beach’s financial condition, the services it provides and the cost of those services. The workshop was intended to expand the budget conversation to determine what members of our community value about life here. There were many thoughtful comments and suggestions. With limited future revenues, such conversations will continue to be an important part of our budget development process.

THE CURRENT ENVIRONMENT

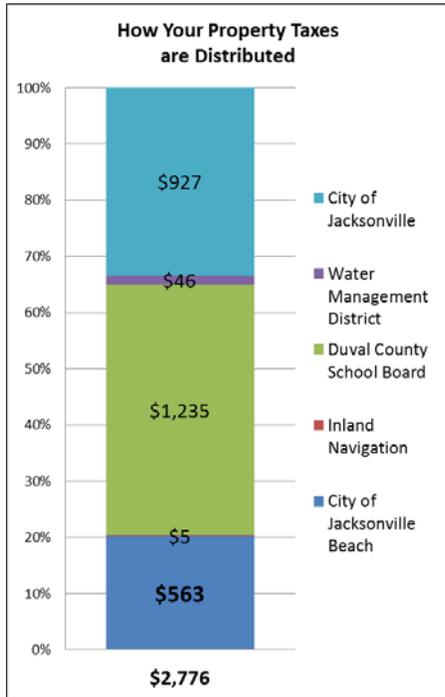
Although there has been some improvement in the economy, the unemployment rate continues to be high. In August, the Thomson Reuters/University of Michigan Index of Consumer Sentiment showed a slight improvement over the July survey results and a substantial (33%) improvement over the August 2011 results, the average confidence level, however, is still lower than any other year since 1982. The AICPA U.S. Economic Outlook Survey for the third quarter of 2012 also showed an improved outlook over last year's. However, it also showed that optimism about the economy by CPA business executives and professionals has fallen from its high earlier this year.

In the Jacksonville area, the unemployment rate rose from 8% in April to 9% in July, slightly higher than the statewide rate of 8.8%. The Florida & Metro Forecast 2012-2042, published by the University of Central Florida Institute for Economic Competitiveness, predicts that the statewide unemployment rate will not fall below 8% until the end of 2014. Payrolls are not expected to recover to their pre-recession levels until late 2013.

Property values continue to fall, but at a slower rate than in previous years. In the past three years, Jacksonville Beach property values have fallen by \$718 million (23%). This year, property values in the City's South Beach redevelopment district moved up slightly (1.5%), for first time there since 2008. The state forecasts that property values will continue to fall through 2014.

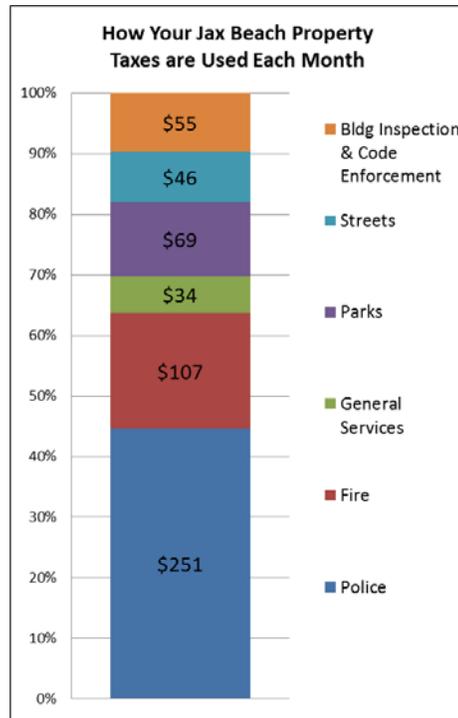
REVENUES

Property tax is the single largest revenue source for the City's General Fund. The adopted millage rate has been lower than the rolled-back rate in 4 of the last 6 years, resulting in General Fund property tax decreases totaling \$1.6 million. Of the total property tax bill, the City of Jacksonville Beach receives about 21%. The rest supports our schools (44%), county services (33%), water management (2%) and inland navigation (less than 1%).



*For a home with a median taxable value of \$187,500, total property taxes are \$2,776, distributed to **five different taxing authorities**. Only 21% of that payment goes to the **City of Jacksonville Beach**.*

***Jacksonville Beach** uses its portion of the property taxes it receives-\$563 from the example above, or about \$47 each month-to help fund services most of us expect local governments to provide: police, fire, street maintenance, parks, recreation, planning, building inspection and code enforcement.*



Along with property taxes, sales and gas taxes are a significant revenue source used to pay for basic governmental services. After peaking in 2006 at \$2.3 million, the state sales tax distribution fell through 2010 and has made a modest recovery since then, but at \$1.8 million budgeted for 2013, is still well below its 2006 peak. The Local Option Gas Tax supplements General Fund revenue, providing over \$800,000 toward the cost of street and sidewalk maintenance. This revenue source is scheduled to expire in 2016, unless renewed by Duval County. It has decreased by 10% since 2006.

Grants initially softened the effects of revenue decreases occurring since 2008, but are no longer a reliable or significant revenue source. However, this non-recurring funding helped pay for projects including the Wastewater Treatment Plant (\$11.0 million of grant funding), A1A improvements (\$1.0 million), 2nd Street North Stormwater and Golf Course Ponds Project (\$1.5 million), and the South 9th Street Project (\$4.2 million) and allowed the City to avoid borrowing money to pay for them. Grant funding for the Wastewater Treatment Plant allowed the City to pay for the project with no increased water and sewer rates. Without the funding, the City's water and sewer customers would have seen their rates increase between \$6.40 and \$9.60 per month for the next 20 or 30 years, in order to pay for the project's construction costs. Grant funding assistance to complete mandated projects is expected to be scarce in the future.

It is important to note that, with the exception of those in the General Fund, most of the City's revenue sources have restrictions on how they can be spent.

Restrictions are placed on these revenue sources by statute, grant agreement, contract, and bond requirements. Many of these special revenues have unpredictable revenue streams; some will only pay for additional new personnel or equipment (and cannot be used to pay for existing personnel or for the replacement or maintenance of existing equipment). As examples, tax increment funds are only allowed to be used to pay for projects and programs that benefit the property within the boundaries of each redevelopment district (primarily infrastructure projects and the Downtown Policing Initiative); funds such as the

Law Enforcement and Equitable Sharing Trust Funds will only pay for specific law enforcement costs; the Community Development Block Grant (CDBG), by contract, pays for a portion of the costs of the Carver Center, a CAPE officer and assistance with the payment of utility bills for our electric, water and sewer customers.

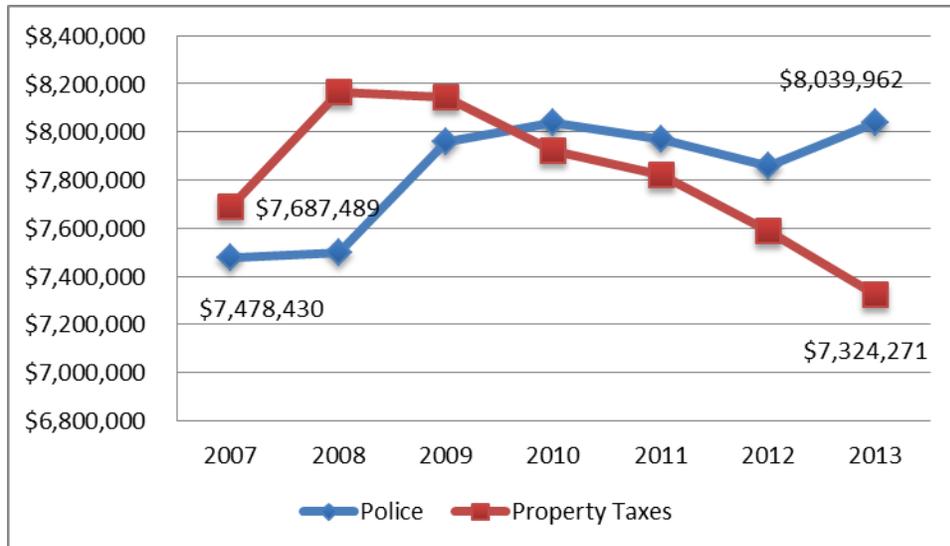
Revenues from the City's utility funds are dedicated to pay for the systems' operations, maintenance and upkeep and are legally pledged against the outstanding debt that was borrowed to construct additions and major improvements to the utility systems.

Beaches Energy Services' residential electric rates are lower today than they were in June of 2008. Since November 2010, continued stability in the price of natural gas permitted the City's electric utility, to reduce the power cost adjustment by \$11.00 for 1,000 kilowatt hours of electricity used, saving our residential customers, on average, \$200-\$300 per year. The new natural gas distribution system provides a way for our commercial customers to save money by converting from propane to lower priced natural gas. The gas system's first customer became active in June of 2010.

CONCERN FOR THE FUTURE

For many years before the recession, through careful spending, reducing costs, staff and debt, the City managed its financial resources to be available to provide an acceptable level of service to our citizens and customers, even in difficult economies like this one. Having funds on hand enables the City to continue its operations and meet a crisis, such as a hurricane, without having to borrow additional funds and with as little disruption as possible to our citizens and customers. Because property taxes are the largest revenue source in the General Fund, continued decreases in property values without an increase in the millage rate or another revenue source, may erode fund balances, making it

harder to meet citizen and customer expectations during a difficult event or prolonged period of budgetary constraint. Property tax revenue in the General Fund has been less than the cost of the Police Department since 2010.

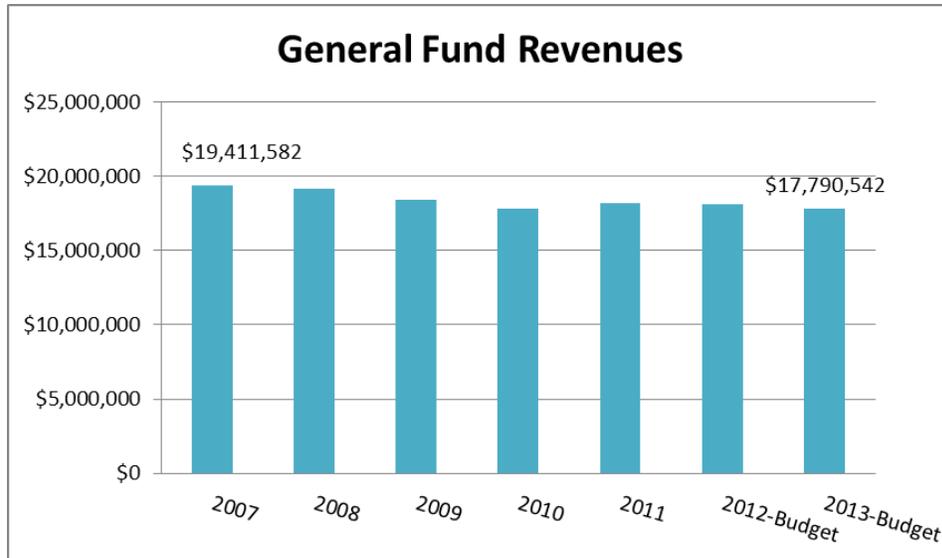


We expect current conditions to be with us for the next three to five years. That means that we will continue to exercise caution about adding or increasing the level of a service unless the increased costs can be offset by a corresponding revenue increase or spending decrease in another area. With an expectation of decreasing revenues and increasing costs, it will be increasingly important to manage the City with an eye on the long-term implications of the choices we make.

DECREASING REVENUE

General Fund revenues in 2013 are lower than they were in 2007. Eleven proposed amendments to Florida’s constitution will be on the General Election ballot on November 6, 2012. Five of the eleven amendments, if passed, will increase the value of property that is exempt from property tax. Any one of the five property tax related amendments will decrease the amount of property tax

revenue that cities and counties, including ours, will receive. Of those five amendments, Amendment 4, has the potential to have the greatest negative impact on Florida's cities and counties. Passage of the amendments requires at least 60% of the votes cast.

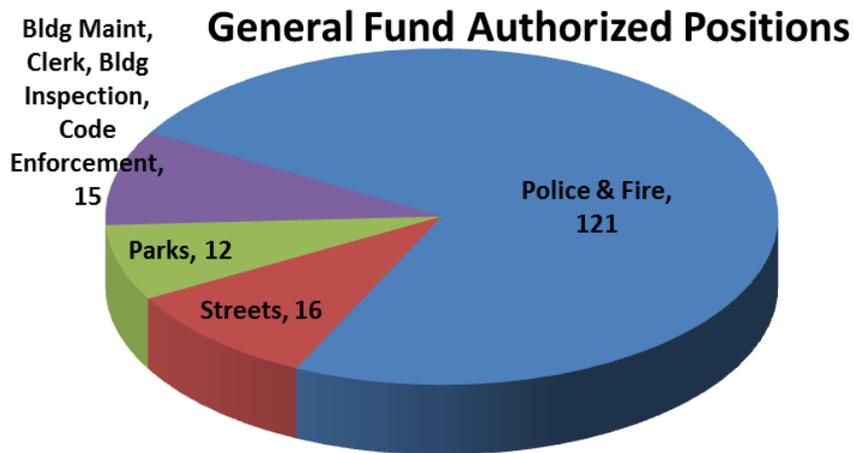


Although low interest rates have adversely affected the City's investment revenue, they created an opportunity to reduce interest costs through debt refinancing that the City took advantage of in late 2010 when it refinanced the Utility Revenue Bonds and again this year, when the Infrastructure Sales Surtax Revenue Bonds were refinanced, reducing the interest rate on these bonds from 3.98% to 1.73%.

INCREASING COSTS

Striking a balance between providing the services our citizens and customers expect at a price they are willing to pay is the greatest challenge in putting a budget together. As the cost to provide services continues to increase, City departments restructure, share staff, improve processes, and trim the scope of programs.

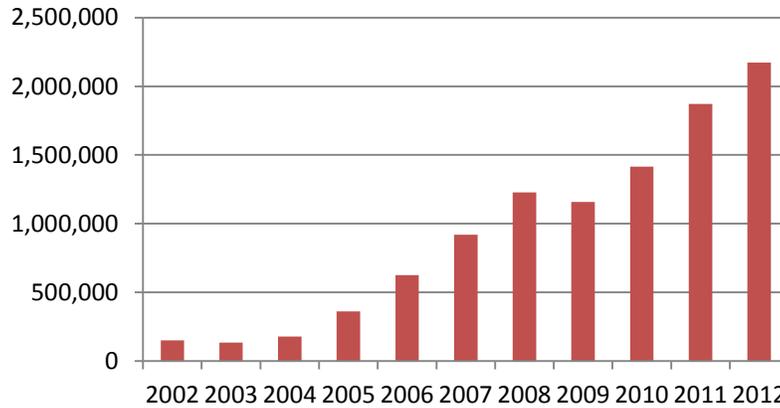
Over 66% of the expenses in the General Fund pay for people who provide services 24-hours a day, every day of the year. Over 75% of the General Fund's payroll costs are for police and fire employees. In order to slow the rate of increase in personnel costs, the 2013 budget again freezes wages for all City employees. Because wage rates are a result of union contract negotiations, across the board reductions will be difficult to achieve. We are currently in negotiations with all three of the City's unions on one or more parts of their contracts; depending on the outcome of those negotiations, budget adjustments may be necessary.



Underperformance in the financial markets, relative to the assumed rates of return in its pension plans has increased the City's pension contribution from \$213,043 in 2000 to \$2.2 million in 2013. Pension costs also continue to increase because of benefit requirements enacted at the state level that local governments must pay for. Continued increases in the City's pension contribution at this rate are not sustainable. We are working with an actuarial

consultant and a legal expert to determine the options that will best help to limit the growth of this cost.

City Pension Contribution-All Funds



Mandates come in a variety of forms, from the obvious, like the costs of environmental regulation to the less obvious, like state requirements concerning the use of insurance premium taxes to fund police and fire pensions, the cost of information system upgrades to comply with federal privacy requirements, certification requirements for employees who operate the City’s electric, water, sewer and stormwater systems, and staff time to account for and complete required grant-related reports, state financial reports and audit reports. The St. Johns River Water Management District’s Water Supply Plan will impact the City’s water consumptive use permit and may result in additional, costly compliance requirements. The stormwater system may be the next area where compliance with environmental regulation (numeric nutrient criteria) will drive up operating costs and corresponding customer rates.

The cost of proposed federal energy regulations of carbon dioxide emissions may drive up the cost of electricity. Of Beaches Energy Services’ budget, 75% is for the purchase of electricity and natural gas. Increasing worldwide demand for

natural gas and coal and regulations to limit greenhouse gases could push fuel costs for the generation of electricity higher. Power plants using other sources such as nuclear and solar are more costly to construct.

Beaches Energy has a popular program that offers rebates to help residential customers replace appliances with more energy efficient models. Beaches Energy also works with commercial customers and at City facilities to manage demand charges. These programs are a “win” all the way around: the reduced cost of electricity, reduced bills for customers and reduced greenhouse gases. Beaches Energy has a good environmental footprint because of the use of natural gas as its primary fuel.

In the future, however, as state and federal governments pare back, pushing requirements down to local governments, while limiting their ability to manage their revenues, we expect more mandated costs and projects and less revenue to pay for them. Additional regulations, like those intended to make the St. Johns River and its tributaries cleaner by requiring more stringent wastewater and stormwater treatment processes to limit the amount of nutrients in the river are costly to implement. While it is important to leave future generations clean, accessible sources of water, such regulations will continue to drive the cost of water, sewer, and stormwater services higher.

The City’s priorities continue to be providing excellent service in its core areas: police and fire protection, ocean rescue, parks and recreation facilities, street maintenance, electric, water, sewer, and garbage services, building inspection, and code enforcement.

With the exception of utilities, which are funded by user fees, most other services are largely paid for from the General Fund, supplemented with occasional grant and special revenue funding. We always look for new, cost-beneficial ways of providing services while evaluating the cost, necessity and demand for them.

The City faces serious challenges in the next several years. The combination of those challenges in the form of decreasing revenues, increasing costs from new regulation, unfunded mandates, and employee wages and benefits will require us to face the challenges creatively.

QUALITY OF LIFE SERVICES

The 2013 budget allows us to continue to provide services that help make Jacksonville Beach such a great place to live and work.

SAFE COMMUNITIES

Police:

➤ In the General Fund, forty full-time officers are assigned to the Patrol Division, the department's largest. The Community Response Team, Traffic Unit, and Pablo Beach CAPE programs are also supported in the General Fund. The Community Response Team receives partial funding through a Justice Assistance Grant while the Pablo Beach CAPE program receives the majority of its funding from a Community Development Block Grant. The department is able to enhance its services through the Citizens on Patrol and Citizen Police Academy volunteer programs, whose generous members have provided 10,505 hours of service to the department so far this year. Funding for these programs is provided by the General Fund and by the Law Enforcement Trust Fund.

➤ Four officers are assigned full-time to the Downtown CAPE program. This program has been effective in elevating the visibility of police in the Downtown area and has been well received by the community. Funding for the program, which comes from taxes on property within the Downtown Redevelopment District, is provided through Community Redevelopment Agency.

➤ A Justice Assistance Grant will provide partial funding for the Community Response Team and overtime funds for the Street Crimes Task Force.

➤ To meet budget targets for 2013, the Police Department reduced some operating and reduced the number of patrol vehicles it replaces annually. The main reason the department is able to decrease its repair and maintenance costs is due to the City's longstanding policy of replacing 5-6 vehicles per year and removing vehicles that become too costly to maintain. Reductions in the number of vehicles replaced each year will tend to increase repair and maintenance costs in the long run. The Department was able to decrease employee health insurance due to some continued unfilled positions. If the Department is able to fill all of its positions, it will be unable to maintain these health insurance decreases.

Fire:

➤ Continued funding for the Advanced Life Support and emergency preparedness programs is included in the General Fund. The Advanced Life Support program has helped reduce the response time in south Jacksonville Beach, by providing life support services until a transport unit arrives from Jacksonville Fire/Rescue.

➤ In 2010, the department used General Fund and grant funding to construct an 800 Mhz radio tower. Construction of the tower enabled the department to cut the costs of operating the radio system in half, resulting in savings for all departments. Included in this budget are funds from the Radio Communications Fund to complete the purchase of additional radios required for the conversion of the radio system from analog to a digital/P-25 compliant system. This conversion will allow us to better communicate with other cities, counties and agencies on a regular basis.

- The department is the only fire service agency in the county that continues to provide child safety seat installation, inspection and education.
- As part of its Emergency Management duties, the Fire Department will continue to conduct annual hurricane training and exercises, in addition to updating the City's Comprehensive Emergency Plan.
- In order to meet budget requirements, the Fire Department reduced its overtime budget (by \$100,000) and a variety of operating costs, primarily training and travel (\$34,000) and operating supplies (\$19,000). To supplement staffing necessary to maintain current service levels, the Department is establishing a firefighter auxiliary program. Volunteer firefighters in the program will be state certified firefighters and EMTs or paramedics. The Fire Department is also applying for a \$30,000 Assistance to Firefighters grant (AFG) to install diesel exhaust systems in station #1. If awarded, the grant will require a 10% City match.

ENVIRONMENTAL PROTECTION

Public Works:

- **Roads & Streets:** The City's network of roads, traffic signs, sidewalks and stormwater system consists of 88 road miles, 31 miles of sidewalks, 3.5 miles of stormwater force main, and 2 miles of drainage channels. The Streets Division maintains these systems. It also manages the City's garbage collection and beach cleanup contracts. Decreases in the General Fund and Local Option Gas Tax Fund are affecting the division's ability to maintain this network of infrastructure. In 2011, the division converted to a seven-day per week schedule to accommodate budget reductions for overtime. This means that the division is fully staffed only on Tuesday, Wednesday and Thursday of each week.

- Funds from the General Capital Projects Fund heavy vehicle reserve will be used to replace a backhoe and excavator. Both of these pieces of equipment get regular use in unfriendly environments, clearing drainage channels and moving debris. Funding for this reserve comes from scheduled annual transfers from the General Fund.
- Water & Sewer: The budget includes ongoing programs to replace old, deteriorated water mains, clean sanitary and storm mains, and rehabilitate sewer lift stations. Lift Stations #1 and #15 will be rehabilitated in 2013; design for the rehabilitation of #7 and #9 will be completed, with construction scheduled for 2014. The North 2nd Street Water, Sewer and Road Improvements Project (14th to 20th Avenues) will be completed. Funding for the \$2.3 million project will be supplemented by partial federal STAG grant and \$900,000 from the Better Jacksonville Beach Bond Proceeds Fund.
- Design of a new storage and utility building at Water Plant #2 has been completed. Construction will begin this year with funding split between the South Beach Tax Increment Fund and the Water & Sewer Fund. The building will address the lack of storage space and maintenance space with overhead crane for the water production facility. See the Capital Improvements Plan for a more complete project description.
- Stormwater: Rehabilitation and improvements at the City's Central and South Stormwater Basins are on-going, depending on funding availability. The budget includes projects for erosion control at the central basin and operational facilities improvements at the central/south basin. The payoff of the stormwater bonds has increased the stormwater funds available for projects. Stormwater rates have remained the same for 21 years.
- Areas of uncertainty for future Public Works budgets: future costs to meet stricter federal and state standards for water quality; possible sunseting of the Local Option Gas Tax in 2016; pressure on garbage rates last set in 1993 and stormwater rates last set in 1990.

COMMUNITY GATHERING PLACES

Parks & Recreation:

- Funding for youth and adult leagues for softball, football and baseball, tennis, surf camps, Carver Recreation Center, oceanfront restrooms, special events and park and facilities maintenance are included in the General Fund budget. The General Fund pays over \$600,000 per year in parks maintenance costs.
- Funding for Ocean Rescue services is included in this year's budget, with partial funding from the City of Jacksonville.
- Convention Development funds will be used to replace ball field lights at Seabreeze Field (\$95,000). The light replacement will increase the amount of light on the field, improving visibility for evening games, while using less electricity and fewer fixtures.
- The Carver Center, which is largely funded through a Community Development Block Grant (CDBG), will again be funded. CDBG funding has been decreasing and may be subject to further federal budget reductions.
- Maintenance of grounds and parks facilities, while easy to overlook, is an important part of the Department's mission. Clean, safe, well maintained facilities and grounds are vital to our community and are funded in this budget.
- The Parks & Recreation Department annually hosts a number of camps for the City's younger citizens, including special needs and disadvantaged children. Funding for these camps, the cost of which is offset by registrations, is included in the budget.

RELIABLE ENERGY

Beaches Energy Services:

Energy conservation is an important part of our business. Since 2009, Beaches Energy has offered rebates to residential customers making energy efficient home improvements. The program has been very popular with our customers.

To help manage the cost of electricity, Beaches Energy Services, has introduced programs to manage demand charges. Demand charges are the portion of electric costs that come from having to build generation that can produce enough power to supply customers with the maximum amount of electricity that they need on any day. Demand management programs have been implemented with Publix, one of Beaches Energy's largest customers, at the City's Operations & Maintenance Facility and will be considered for other large customers if they are deemed cost-effective. In addition to reducing Beaches Energy's power costs, implementation of the demand management program has the added benefit of decreasing the utility bills that all City departments pay.

Last summer, the City's new natural gas distribution system, designed primarily to serve commercial customers located along the main gas line route, began operations. Natural gas customers benefit from the savings associated with switching to natural gas from propane due to low natural gas prices.

The Beaches Energy budget also includes:

- The budget will continue to fund implementation of energy efficiency, rebate and conservation programs provided through Beaches Energy's business office. We provide free energy audits to our residential customers; we pay half of the cost of an energy audit for our commercial customers.

- Underground and overhead projects are budgeted to improve reliability in Jacksonville Beach, Neptune Beach and St. Johns County. These

projects are part of a long-term program of replacing and maintaining the distribution system to ensure that Beaches Energy continues to keep its excellent reliability record. A description of these projects can be found in the Capital Improvement section of this document.

➤ One of the biggest uncertainties for future Beaches Energy budgets: Compliance with evolving federal rules and regulations, which has already become time consuming and costly. North American Electric Reliability Corporation (NERC) and Florida Reliability Coordinating Council (FRCC) regulations will continue to increase the costs of operating the electric system. The potential costs of implementing controls to enable us to comply with evolving cyber-security rules and emissions standards, while uncertain at this time, are also an area of concern.

SENSE OF PLACE

Downtown: Recommendations from the Downtown Vision Plan include improving drainage, designing features to improve walkability, slow the speed of traffic and create a vibrant, family and visitor-friendly area. Phase II (Beach Boulevard., 1st Street to 6th Avenue and 4th Ave. North) is under construction, with completion expected by the end of 2012.

Design for Phase III of this multi-year plan is underway. Phase III includes similar improvements in the following areas:

- 2nd Street North (Beach Boulevard to 6th Avenue)
- Beach Boulevard to 13th Avenue South (1st to 3rd Street)
- 13th Avenue South to 16th Avenue South (1st to 3rd Street)-City funding

Except for the last item above, which is outside the redevelopment district, tax increment funds from the Community Redevelopment Agency will pay for the project.

South Beach: Working with the Public Works Department, an engineering analysis identified the water, sewer, storm drainage, street paving and traffic safety improvements within Jacksonville Beach Heights and Williams Coastal Boulevards Heights, that need to be addressed in the area over the next 5-10 years. Design for the project is nearing completion, with a bid process and construction anticipated to begin in the last quarter of 2012.

Construction of specific projects within the Downtown Vision Plan and the South Beach Infrastructure Improvements is being determined based on available and anticipated Tax Increment Funds.

VALUE

- Since 2008, 26 positions have been eliminated, bringing the total number of authorized positions to 465, a reduction of 5.3%. Of the total positions, 327 are full-time and 138 are part time. 86 of the part-time positions are seasonal lifeguards.
- The City refinanced its 2006 and 2007 Infrastructure Sales Surtax Revenue Bonds to take advantage of historic low interest rates. Estimated savings are between \$300,000 and \$400,000 over the remaining 7 years of the bonds.
- Utility Billing continues to add features designed to save customers time and money. The ability to pay bills by no-cost electronic check has recently been added to the many payment options Beaches Energy offers its customers. In the next few months, e-bills will provide a link that will make it faster and easier to pay utility bills, while reducing operating costs for paper, printing, postage and staff processing time.

- A recently updated technology master plan provides a framework for future network, computer and technology spending. The plan prioritizes projects so that we make the most of every dollar spent on technology.

Departments regularly survey their customers and track performance indicators. These results are reviewed monthly. Performance indicators, survey results, services, and both current and planned projects are addressed in more detail in each department's business plan included in this document.

We promote teamwork and communication to address the challenges the City faces. Our Capital Projects Team meets monthly to discuss the status of projects and potential problems. This team has been important in keeping our big projects moving forward and instrumental in all of the improvements that have been made in Jacksonville Beach in recent years.

We continue to implement and consider projects and purchases that:

- Target the use of resources, such as Police, to areas where they may have the greatest impact. The Downtown CAPE program is one such program that has increased police presence by assigning four full-time officers to the City's downtown area. Funding for this program is from the Community Redevelopment Agency.
- Increase revenues by maximizing rental of available City facilities, such as the Industrial Park, to offset the facilities' operating costs and provide the City a return on its investment in the facilities.
- Increase revenues by requiring users of City facilities and services to pay a greater part of the cost of those services.
- Encourage citizen involvement through the Citizens on Patrol and Citizen Police Academy programs and partnerships with citizens like those who advised and participated in fund raising to improve Paws Dog Park.

OTHER PROCESSES

In addition to the budget process, the City periodically offers other processes through which members of the community have the opportunity to participate in guiding the direction of the community and in making choices which can affect the budget. In 2007, for example, the City conducted a walking audit of Downtown and a three-day charrette that were used to develop a Vision Plan for the area.

Concurrent with the development of the vision plan, the City conducted an engineering analysis to determine the need for roadway and infrastructure improvements in the downtown area consisting of a stormwater master plan and evaluation reports for water and sewer facility improvements. Also evaluated were on-street parking, roadway pavement, sidewalks and curbs.

Proposed improvements from the resulting ***Downtown Vision Plan*** and the engineering analysis were chosen for design and construction based on the priorities established by the Community Redevelopment Agency and the City. Phase I was completed in 2011, Phase II will be completed by the end of 2012 and Phase III is being designed. Projects are budgeted once design is complete and the construction bid has been awarded and may be limited by the amount of money available in the Downtown Tax Increment Fund.

In the summer of 2009, the City conducted a ***Summer Paid Parking Pilot Project*** to obtain information and determine the possible effects of paid parking in City-owned downtown parking lots. Paid parking is proving to be one tool that shows potential in reducing some of the misbehavior that occurs in and around the downtown parking lots. Parking revenues are used to provide additional security in the downtown area. Based on information gathered from the pilot project and guidance from the City Council, the program is being continued as we decide which types of programs to implement and how to best implement them. The implementation costs will vary with the type of program selected. No provision has been made in the 2013 budget for any potential equipment or

hardware costs related to the parking program. Revenue from the parking program is used to supplement operations paid for by the General Fund.

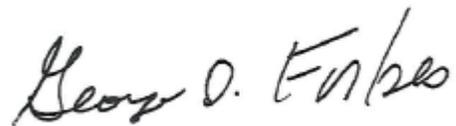
Historically, misbehavior in establishments that serve alcohol for consumption on premises has been addressed by police in a reactive manner. By law, police officers cannot operate inside a bar, so what happens inside these establishments is up to the owner or manager. Concurrent with the parking study and based on supportive feedback obtained in two well-attended workshops, the City drafted an ordinance to create some incentives for owners and managers to do a better job of supervising the amount of alcohol consumed by patrons in their establishments. This, in turn, has led to a reduction in the number of late-night calls for service experienced by the City's Police Department and has limited increases in the Department's overtime. It is worth noting that during a three year period beginning in 2007, 70-80% of those arrested downtown do not live in Jacksonville Beach.

Within the past six months, the City has updated its technology master plan to reflect changes in the rapidly and constantly changing information technology field. The update provides a strategic framework for making future large-scale, costly technology purchases. The City Council provided funding for the first phase of this plan in the 2011 and 2012 budgets. The 2013 budget sets aside \$1.0 million to fund the highest priority components of this plan.

For the past few years, the capital improvement plan process pointed out the inadequacy of water and sewer rates to pay for anything more than personnel and operating costs. As a result of the process, the City engaged a consultant to update the last water and sewer rate study (1994) and make recommendations for the City Council to consider. The recommendations provided rate options addressing the revenue shortage to the City Council that resulted in the adoption of rate increases of 7.5% in 2012-2014, with CPI adjustments after that. The additional revenue funds more projects to rehabilitate our water and sewer system.

Following the development of the proposed budget, the City held a Citizen's workshop to solicit feedback on spending priorities, the annual budget tour, four budget review workshops, and two public hearings. This requires a significant investment of time on the part of the City Council, City staff, and citizens who attend these meetings. We thank them all for their leadership and thoughtful participation in the process.

Sincerely,

A handwritten signature in cursive script that reads "George O. Forbes".

George Forbes
City Manager

A handwritten signature in cursive script that reads "Harry Royal".

Harry Royal
Finance Officer

A handwritten signature in cursive script that reads "Trish Roberts".

Trish Roberts
Budget Officer

BUDGET DEVELOPMENT

The budget process begins every year with the development of 5-year revenue projections and a 5-year Capital Improvement Plan (located in the back of this book). These two processes begin to shape the annual budget by analyzing major revenue sources, identifying and prioritizing the most expensive projects or equipment purchases and determining whether the City's revenue sources will be sufficient to fund the identified projects and purchases. While 5-year revenues and expenses are only estimates, the process makes everyone involved look beyond the one-year view in which budgets are typically constructed.

Revenues used to develop the budget were projected (see Funding Sources) based on estimates from the State of Florida, contracts, interlocal agreements, prescribed formulas and cash balance estimates. To estimate property tax revenue, we relied on revised information provided by the Florida Ad Valorem Estimating Committee. Those estimates for Duval County showed a 3.3% decrease for next year, followed by a decrease of 0.7% for 2014. (The actual decrease, based on information provided by the Property Appraiser, was 2.7% or \$67 million.)

The calculation of the rolled-back millage rate is specified in Florida Statutes. In calculating property tax revenue, the rolled-back rate is the millage rate that will provide the same amount of property taxes the City received in the previous year. The rolled-back rate is intended to levelize property taxes received by local governments, whether property values rise or fall. In general, if property values fall, the rolled-back rate will rise by a similar percentage; likewise, when property values rise, the rolled-back rate falls. Even when the millage rate increases due to falling property values, adopting the rolled-back rate is not a tax increase, because the City gets no more property tax than it did in the previous year. Due to imbalances in the property tax law, two homeowners in identical houses might receive very different property tax bills.

In four of the six most recent budgets, the adopted millage rate has been lower than the rolled-back rate, resulting in a cumulative decrease in property tax revenues of \$1.6 million.

The 2013 budget was developed based on the rolled-back rate of \$4.2226 mills. Following the development of revenue estimates, the following assumptions and instructions were used to develop departments' expense budgets:

1. Payroll was projected assuming there would be no merit pay plan or cost of living pay increases. The only budgeted payroll increases were for new hires successfully completing their probationary period. The projection assumed there would be no vacancy in any authorized positions.
2. Pension cost increases of 18% were based on a preliminary projection from the pension funds' actuary.
3. No new or additional positions would be considered.
4. Departments were instructed to develop spending plans assuming they would have to absorb pension increases and reduce their budgets by 3.5%. Departments were also instructed to bring a list of prioritized, potential budget reductions included in the 3.5% to their budget meetings with the City Manager. Departments in the General Fund were also given specific numeric budget targets.

Budget reductions in the General Fund included eliminating positions, reducing overtime, training & travel, operating supplies, maintenance costs, special events and equipment and vehicle replacement.

The proposed budget was presented to the City Council and citizens at a budget workshop on August 1. Following a presentation of budget highlights and recent trends that focused largely on the General Fund, a number of citizens spoke to either express their support for or opposition to the adoption of the rolled-back

rate. The millage rate adopted by the City Council on September 10 was \$4.0947, which is the same as the current millage rate (3.1% less than the rolled-back rate). The decrease in revenues generated by the two rates was made up by using reserves. For that reason, the General Fund financial summary shows a decrease in fund balance of \$221,905.

Although our services have been outsourced where practical, City services are largely provided by employees, making payroll (personal services) a very significant part of our operating costs.

	All Funds Combined		General Fund only	
Personal Services	\$26,769,209	43%	\$12,428,185	70%
Operating Costs (excludes purchase of energy)	\$36,172,153	57%	\$5,226,325	30%
TOTAL OPERATING COSTS	\$62,941,362		\$17,654,510	

With 26 positions eliminated since 2008, most departments are quite lean in terms of staffing. In 2010, step increases were eliminated for general and police employees.

If revenues continue to decrease, it will be important to identify and fund the highest priority services in future budgets.

Summary of Changes in Fund Balance, Revenues and Expenditures:

Fund Balance:

The City divides its funds into categories of major and nonmajor to comply with criteria established by governmental accounting rules (GASB 34). About 80% of 2013 budgeted revenue and expense can be found in the City's five major funds.

Of the City's fund balance, two-thirds is restricted or has some kind of limitation on how it can be used. In conjunction with the implementation of GASB 34, the City adopted Resolutions #1887-2011 and #1890-2011, to specify its fund balance classifications and permitted uses for them.

Major Fund or Nonmajor Fund Type	Revenues 2013	Expenses 2013	Budgeted Fund Bal. Change	% Change
General Fund	\$17,790,542	\$18,012,447	(\$221,905)	-2.5%
Redevelopment	6,940,698	2,484,860	4,455,838	180.7%
General Capital Projects	1,061,200	520,000	541,200	11.8%
Electric	99,931,548	97,357,213	2,574,335	6.0%
Water & Sewer	10,449,466	13,723,233	(3,273,767)	-50.2%
Total Major Funds	136,173,454	132,097,753	4,075,701	6.2%
Nonmajor Governmental	3,169,224	4,508,141	(1,338,917)	-32.9%
Nonmajor Enterprise	8,999,079	9,548,809	(549,730)	-5.9%
Nonmajor Internal Service	11,333,711	11,468,220	(134,509)	-4.1%
Nonmajor Pension	8,741,138	7,231,323	1,509,815	2.5%
Total Nonmajor Funds	32,243,152	32,756,493	(513,341)	-0.7%
TOTALS	\$168,416,606	\$164,854,246	\$3,562,360	2.5%

Ending Fund Balance	Unrestricted	All Other	Total Fund Balance	% of Total
General Fund	\$278,867	\$8,271,666	\$8,550,533	5.9%
Redevelopment	-	6,921,385	6,921,385	4.7%
General Capital Projects	-	5,136,127	5,136,127	3.5%
Electric	37,890,717	7,657,904	45,548,621	31.3%
Water & Sewer	1,805,849	1,435,783	3,241,632	2.2%
Total Major Funds	39,975,433	29,422,865	69,398,298	47.6%
Nonmajor Governmental	585,829	2,140,282	2,726,111	1.9%
Nonmajor Enterprise	7,606,139	1,209,261	8,815,400	6.0%
Nonmajor Internal Service	3,149,034	-	3,149,034	2.2%
Nonmajor Pension	-	61,625,035	61,625,035	42.3%
Total Nonmajor Funds	11,341,002	64,974,578	76,315,580	52.4%
TOTALS	\$51,316,435	\$94,397,443	\$145,713,878	100.0%
	35%	65%		

General Fund: Budgeted fund balance decrease represents the difference between property tax at the proposed millage rate and the adopted millage rate. Of the \$8.6 million of fund balance classified as “All Other”, \$4.5 million has been committed for revenue stabilization and \$3.8 million has been assigned for emergencies and unanticipated events as described in Resolution #1877-2011 and #1890-2011.

Redevelopment Fund: The increase in fund balance in the Redevelopment fund is the result of a timing difference between the receipt of tax increment revenue and award of bids for design and construction of projects that have been approved by the Community Redevelopment Agency. Construction of Phase II and design of Phase III of the Downtown Vision Plan is underway, as is the design for the South Beach Infrastructure Project. Projects are budgeted once design is complete and the City has a construction estimate based on that design. Therefore, no redevelopment projects are currently included in the 2013 budget. The use of fund balance is restricted by Florida Statutes to be spent in the redevelopment district for purposes specified in its adopted redevelopment plan.

General Capital Projects Fund: The General Capital Projects Fund accumulates funds necessary to perform expensive infrastructure improvements or equipment replacements or upgrades, in order to avoid having to borrow for such projects. Funding is primarily from transfers from other funds, interest earnings and occasional grant funds that the City may receive for such projects. Budgeted revenue is a transfer from the General Fund for a fire truck replacement tentatively scheduled for 2015 (\$75,000), the heavy vehicle equipment replacement reserve (\$96,200) and for the information technology master plan (\$850,000 – also included in the Capital Improvement Plan). Budgeted expenses are for the replacement of a backhoe and an excavator (\$305,000), small technology replacements (\$85,000), dune walkover maintenance (\$100,000) and professional engineering services as needed (\$30,000). The use of these fund balances is assigned by Resolution #1877-

2011 and #1890-2011 to be used to pay for major repair and replacement of equipment and facilities.

Electric Fund: Beaches Energy Services, the City's electric utility, expects continued stability in its power costs that will also result in stable electric prices for its customers. Since June of 2010, Beaches Energy has reduced the residential electric rate for 1,000 kilowatt hours of electricity to \$124.91, which is less than it was in October, 2008. The increase in fund balance is primarily due to a reduction in power costs due to low natural gas prices. Restrictions on fund balance in the Electric Fund exist to set aside balances required by bond covenants and for customer deposits.

Water & Sewer Fund: This year, the city engaged a consultant to update the last water and sewer rate study and instituted 7.5% rate increases through 2014, with CPI increases thereafter. The rate increase was adopted to pay for needed water and sewer system improvements. The North 2nd Street Sewer/Water/Road Systems Improvement Project (\$2.3 million) is budgeted in both 2012 and 2013, which is the reason for the budgeted decrease in fund balance. Water and sewer projects that had been deferred due to a lack of funds have been included in the 2013 budget. Restrictions on fund balance exist in compliance with bond covenants.

A description of identified projects is included in the Capital Improvement Plan.

Nonmajor Governmental Funds: Nonmajor governmental funds have dedicated revenues from taxes, grants, bond proceeds, or fines and confiscations. Revenues can vary greatly from year to year, as can the related spending. The budgeted decrease in fund balance this year is caused by a combination of the use of Convention Development funds to offset the cost of special events in the General Fund and to pay for ball field lighting, the use of Court Cost Training funds to supplement the cost of Police Department training needs in the General Fund, the use of Equitable Sharing funds to offset the cost of police volunteer programs (General Fund) and the use of Infrastructure Surtax

bond proceeds to pay for Duval Drive road and drainage improvements. Restrictions on most governmental funds come from state and federal law and enabling legislation, bond covenants and contractual obligations.

Nonmajor Enterprise Funds: A transfer from the Lease Facilities Fund (\$850,000) to partially pay for the Phase I of the Information Technology Master Plan is the primary reason for the expected decrease in fund balance in the nonmajor enterprise funds. The Natural Gas Fund is budgeted to increase its fund balance by about \$614,000 in 2013 as the number of its active customers grows and the cost of capital outlay to establish the system decreases. Both the Stormwater and Sanitation Funds are budgeted to spend about \$190,000 more than budgeted revenue. The Stormwater budget includes \$663,250 for a variety of projects from its master plan (see the Capital Improvement Plan for more information). Restrictions on Stormwater fund balance are in compliance with bond requirements. The payoff of the stormwater bonds will eliminate the restriction in 2013. The Sanitation budget anticipates cost increases that may make its expenses more than its revenues. At this time, the City does not anticipate increasing its garbage rates to make up cost increases.

Nonmajor Internal Service Funds: Internal service funds account primarily for the activities associated with providing services to other City departments, such as accounting, utility billing, data processing, purchasing, human resources, grounds maintenance and risk management (insurance) to other City departments. Budgeted revenues in internal service funds are budgeted expenses in the City's other operating funds, meaning that revenues equal expense and there is normally no change in fund balance. Interest earnings on the self-insurance reserve in the Workers' Comp Insurance Fund are used to reduce the cost for workers comp insurance charged to other departments. That cost reduction is the reason for the decrease in internal service fund balance.

Pension Funds: The City has three pension funds to account for its defined benefit pension plans for general, police and fire employees. Revenues are

expected to exceed costs in 2013. All of the pension fund balances are restricted to payments for current and future retirees.

Revenues by Category:

Revenues	Original Budget 2012	Approved Budget 2013	Increase (Decrease)	% Change
Taxes	\$18,906,904	\$18,010,249	(\$896,655)	-4.7%
Permits & fees	328,800	303,800	(25,000)	-7.6%
Intergovernmental	4,212,132	3,785,417	(426,715)	-10.1%
Charges for services	125,948,944	129,128,991	3,180,047	2.5%
Fines & forfeitures	206,000	204,500	(1,500)	-0.7%
Interest & other	8,632,741	10,488,516	1,855,775	21.5%
Transfers in	5,702,366	6,495,133	792,767	13.9%
Total Revenues	\$163,937,887	\$168,416,606	\$4,478,719	2.7%

Taxes: Decreases in property taxes in both the General Fund (\$279,725) and the Redevelopment Fund (\$590,180) are the primary reason for the change in total tax revenues. Revenue decreases necessitated similar operating cost reductions in most departments' budgets.

Permits & fees: Decrease in estimated permits & fees resulted from reduced building activity.

Intergovernmental: The City has aggressively sought grant funding for major construction projects. In previous years, grant funds totaling \$11.0 million enabled it to build a new wastewater treatment facility without any rate increase to its customers. In addition, grants have provided partial funding for the 2nd Street drainage improvements, the Community Response Team, Street Crimes Task Force, radio tower improvements and police equipment. In 2013, however, this additional revenue is expected to decrease significantly as construction of the wastewater treatment plant nears completion and federal and state grant funds availability has diminished.

Charges for services: Changes in the cost of power are recaptured through the power cost adjustment on the customer's monthly bill (See Beaches Energy

Services). Beaches Energy Services expects to maintain its rates through FY2013 (78% of this category). An increase in revenues will likely result from the addition of gas customers to the new natural gas system.

Fines & forfeitures: The budget anticipates that an increase in revenue from its downtown parking program will partially offset continued decreases in revenue from court fines. This revenue source has decreased by over half since FY2005, due to changes in the allocation of traffic fines.

Interest & other: Interest earnings and gains on pension investments are expected to increase in FY2013.

Transfers in: Included in the 2013 budget is the transfer of \$850,000 from the Lease Properties Fund to the General Capital Projects Fund to provide a majority of the funding for the Information Technology Master Plan.

For additional information on revenues, please refer to the Financial Summaries section of this document.

Expenditures by Category:

Personal Services: The City's payroll budget increase is the result of increasing costs for pension contributions. The \$500,000 increase in the City's pension contribution was offset by reductions in authorized positions, hours and overtime. The 2013 budget makes the following changes to the number of authorized positions:

- Consolidate Asset Manager and Chief Storekeeper positions
- Eliminate part-time Tennis Pro position
- Change Payroll Technician from full-time to part-time
- Eliminate part-time Human Resources consultant
- Eliminate part-time Senior Secretary (City Clerk's office)

The Fire Department's budget includes a \$100,000 decrease in overtime that will be supplemented by staffing in its new auxiliary firefighter program which is expected to begin operating in the first quarter of 2013. In the future, we expect to be passing a greater portion of the costs of health insurance to employees. Employee pension contribution rates may also increase to the extent permitted by state law.

The entire LIUNA (non-police and non-fire employees) contract expired in November 2011 and the wage article for FOP (police) will reopen for negotiation in October 2012. The entire IAFF (fire) contract is under negotiation at this time. Based on the outcome of those negotiations, the payroll budget may need to be adjusted later in the year.

Expenditures by Category	Original Budget 2012	Approved Budget 2013	Increase (Decrease)	% Change
Personal Services	\$26,500,047	\$26,769,209	\$269,162	1.0%
Operating-Energy	76,923,334	74,630,823	(2,292,511)	-3.0%
Operating-All Other	36,857,497	36,172,153	(685,344)	-1.9%
Capital Outlay	25,424,225	13,900,997	(11,523,228)	-45.3%
Debt Service	7,857,798	6,874,394	(983,404)	-12.5%
Grants to Others	11,537	11,537	0	0.0%
Transfers out	5,702,366	6,495,133	792,767	13.9%
Total Expenditures	\$179,276,804	\$164,854,246	(\$14,422,558)	-8.0%

Operating Energy: The City's electric utility, Beaches Energy Services, serves about 34,000 customers in Jacksonville Beach, Neptune Beach, Ponte Vedra, and Palm Valley. This year, the utility's budget includes \$73.1 million for the purchase of electricity from its supplier, Florida Municipal Power Agency whose primary fuel is natural gas. Due to low natural gas prices, the budget anticipates a \$2.3 million savings in this cost. Savings in the cost of power are returned to our customers through reductions in the power cost portion of their rate. Since July 2010, that rate has fallen by \$11 per 1,000 kilowatt hours, saving residential customers, on average, between \$200 and \$300 per year. (See Beaches Energy Services.)

In June 2010, Beaches Energy Services began the construction of a natural gas distribution system. The system, designed to serve commercial customers, began operation in 2011 and currently serves 150 customers. Budgeted costs for this new service include \$1.4 million for the cost of natural gas.

Operating All Other: City departments continued to reduce their operating costs in order to meet budget reduction requirements. 2013 reductions totaled \$685,344. Given that departments have been reducing budgets for several years, without looking at reductions in service, finding savings in these costs has become increasingly difficult.

Capital Outlay: Capital projects are budgeted for the life of the project. Projects are normally budgeted when design is complete and a bid award has been approved by the City Council. The 2012 budget includes about \$10 million in construction costs for projects in the Downtown and South Beach redevelopment areas for the construction of Phase II of the Downtown Vision Plan Project and the South Beach Infrastructure Project. Due to the timing of design and construction of future projects in these areas, there are no redevelopment projects in the 2013 budget. Construction projects are generally budgeted when final design has been completed and a bid has been awarded by Council. The 2013 most significant projects included in the capital outlay budget are new electric and major replacement projects (\$4.9 million) and water/sewer rehabilitation projects (\$4.2 million). A detail of budgeted capital outlay can be found in the Financial Summaries section; descriptions of larger projects can be found in the Capital Improvement Plan.

Debt Service: In 2012 the City refinanced its 2006 and 2007 Infrastructure Sales Surtax Bonds. The refinancing will save the City between \$280,000 and \$320,000 per year over the life of the bonds. In addition, the 2003A Downtown Redevelopment bonds and the 2003 Stormwater bonds were paid off, resulting in savings of approximately \$800,000 per year. The Financial Summaries section has a more detailed discussion of the City's debt position.

Grants to Others: The City makes an annual contribution to fund minimum monthly pension benefits for certain retirees or their beneficiaries. This contribution is expected to be unchanged in 2013.

Transfers: In 2009 through 2011, partial funding for construction of the Wastewater Treatment Plant, was provided by the Downtown and Southend Redevelopment Funds and the ½ Cent Sales Surtax bond proceeds. With the completion of the Wastewater Treatment Plant, these transfers have been eliminated. The 2013 budget contains a transfer of \$850,000 from Lease Facilities to the General Capital Project Fund to provide partial funding for the first phase of the City’s information technology master plan. The plan and its components are discussed in the Finance and Capital Improvement Plan sections.

Expenditures-by Department:

Expenditures by Department	Original Budget 2012	Approved Budget 2013	Increase (Decrease)	% Change
Executive & Legislative	\$1,324,446	\$1,324,111	(\$335)	0.0%
Finance	4,200,083	5,157,393	957,310	22.8%
Planning & Development	12,973,338	2,597,423	(10,375,915)	-80.0%
Parks & Recreation	4,866,432	4,776,922	(89,510)	-1.8%
Public Works	22,164,878	20,841,061	(1,323,817)	-6.0%
Police	8,768,631	8,842,822	74,191	0.8%
Fire	3,547,194	3,505,733	(41,461)	-1.2%
Beaches Energy Services	105,016,920	101,740,109	(3,276,811)	-3.1%
Human Resources	4,189,541	4,294,566	105,025	2.5%
Non-Departmental	12,225,341	11,774,106	(451,235)	-3.7%
Total Expenditures	\$179,276,804	\$164,854,246	(\$14,422,558)	-8.0%

The **Executive & Legislative Department** (which also manages the Nondepartmental functions) works with the City Council to develop policy and legislation that are administered and executed by the City Manager. Operating in this department are the City Council, City Attorney, City Manager, and City Clerk. The department’s budget is essentially unchanged. To keep the budget flat, one part-time position was eliminated in the City Clerk’s office.

The **Finance Department** provides support services in the areas of accounting, utility billing/customer service, information systems and purchasing. Its budget also includes the technology division of the Lease Facilities Fund. The 2013 budget increase is to pay for equipment and related costs for the information technology master plan.

Planning & Development provides planning, building inspections, and code enforcement services. It also provides administrative support for the Community Redevelopment Agency's projects in the Downtown and South Beach redevelopment districts. This department's budget decrease is due to the timing of construction projects in the Redevelopment Districts included in the 2012 budget. The 2013 budget includes no budget for redevelopment construction, because final design has not been completed.

Parks & Recreation manages the City's parks and recreation services. They include tennis, golf, adult and youth athletic leagues, special events and all park, golf, and oceanfront restroom services. This department also provides lifeguard services. Only 15% of the authorized positions in this department are full-time. The Parks & Recreation budget reduction is due to the elimination of one part-time position at the Tennis Center and reductions in a variety of accounts. The golf course and grounds maintenance have eliminated 10 positions since 2009.

Public Works provides water, sewer, stormwater, and sanitation services to the citizens of Jacksonville Beach, along with street maintenance. The department's plant maintenance costs and capital outlay decreased with the completion of the new Wastewater Treatment Plant. In addition, the 2003 Stormwater bonds were paid off this year, saving about \$450,000 per year.

To keep their budget flat, the **Police Department** trimmed vehicle repair and maintenance costs, reduced the number of replacement vehicles purchased and communication costs. The budget increase results from a Justice Assistance Grant that will provide partial funding for the Community Response Team and the Street Crimes Task Force.

In addition to providing fire and rescue services, the **Fire Department** also manages the City's radio system. The Department reduced its overtime budget by \$100,000 (72%). It is currently working to establish a firefighter auxiliary program to supplement staffing needs in order to maintain current service levels. These volunteer personnel will be state certified firefighters and either EMTs or paramedics.

Beaches Energy Services operates and maintains the City's electric distribution system and provides facility management services for the City's buildings and rental properties. Its budget will decrease primarily due to expected decreases in the cost of power and natural gas due to low fuel prices. The City purchases its power through Florida Municipal Power Agency, whose primary generation fuel is natural gas.

In the past 10 years, Beaches Energy has rebuilt many of the old distribution lines that had reached the end of their useful life, undergrounded most of the system east of A1A and converted the entire system to 26 kv. Beaches Energy has one of the highest reliability ratings in the state and its residential rates continue to remain well below the state average.

Human Resources Department is responsible for personnel services, labor relations, and risk management. The Department reclassified one position, making it a part-time instead of a full-time position. Its budget increase is due largely to an anticipated increase in the cost of property insurance combined with a change in the way certain insurance services are billed.

The **Nondepartmental** department captures costs that are not directly attributable to any other department for items such as debt service, capital projects and the operation of the City's three pension funds. This budget decrease is due to a reduction in capital projects. Only one construction project (Duval Drive) is budgeted in 2013. Other budgeted purchases include the replacement of an excavator (\$200,000) and backhoe (\$105,000), dune walkover maintenance (\$100,000), and a variety of small technology-related purchases.

A summary of staffing levels by department and division since 2010 can be found in the Financial Summaries section of this book. A summary of changes in 2013 budgeted revenues and expenditures and a more detailed discussion of expenditures/expenses, services provided and performance measures is in each department's business plan.

A Brief History of Jacksonville Beach

Although the French Huguenots led by Capt. Jean Ribault in 1562 laid claim to the First Coast area, it was the Spanish who first settled the area around Jacksonville Beach, establishing missions from Mayport to St. Augustine. The Spanish ceded East Florida to the English by treaty in 1763 only to regain control twenty years later. In 1821 the Spanish ceded Florida to the United States of America.

The area was settled by river pilots and fishermen as early as 1831 when Mayport, then known as Hazard, was established as a port. The Mayport lighthouse was erected in 1859 and still stands at the Naval Station Mayport. By 1885 Mayport had 600 inhabitants, a post office and a school. The town was also visited daily by steamships which brought beach-goers from Jacksonville down the St. Johns River.

Meanwhile, a group of enterprising Jacksonville businessmen conceived the idea of a railway to the beaches east of Jacksonville. It was their plan to develop a summer resort to attract tourists to the Jacksonville area. The Jacksonville and Atlantic Railway Company was chartered in 1883 to build sixteen and a half miles of narrow gauge railway from South Jacksonville to the Ruby settlement.



The company acquired many acres of choice oceanfront property which was divided into lots. By November 12, 1884, Ruby was ready for the first buyers of the subdivided lots. About fifty prospective buyers arrived by excursion boats. In all, thirty-four lots were sold that day for a grand total of \$7,514.

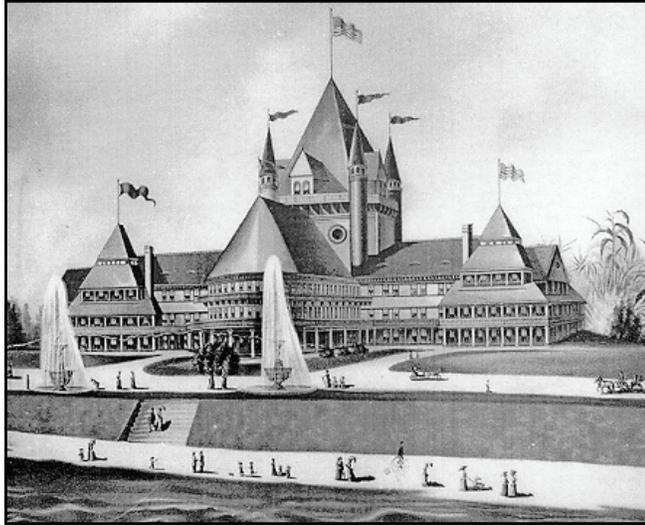
In 1884 William E. Scull, surveyor for the railroad, and his wife Eleanor, moved to the area now known as Jacksonville Beach. There

were already several tent houses in the vicinity. The Sculls lived in one tent and ran the first general store from another. Later the Sculls applied for a post office under the name of Ruby, a name chosen in honor of their oldest daughter, and ran the post office from their store. Mail was delivered by boat once a week from Jacksonville.

In 1886, Ruby was renamed Pablo Beach after the San Pablo River to the west that divides the island from the mainland.



The first sidewalk in Pablo Beach was a wooden boardwalk to the oceanfront on Ocean Avenue, which is now known as Pablo Avenue. Photo taken around 1898.



MURRAY HALL
FLORIDA'S SUMMER AND WINTER
RESORT

THE FINEST AND MOST ELEGANTLY
FURNISHED IN THE SOUTH.

Upon completion of the railway to Pablo Beach in mid 1886, the first resort hotel was built and opened to the public. The splendid multistory wooden structure, the Murray Hall hotel, had 192 rooms and could accommodate 350 guests. The Hotel advertised an elevator, electric bells, hot, cold and sulfur baths, bar, bowling and billiards. It also claimed it was located on "The Finest Beach in the World!" with "Surf Bathing the Year Round!" The construction cost was \$150,000. Unfortunately a fire in the boiler room around midnight on August 7, 1890 destroyed the hotel, the railway depot and surrounding buildings. However, the guests and their belongings were saved.

The Murray Hall was followed by other resort hotels: the Adams House, the Perkins House, the Continental, the Ocean View and the Palmetto Lodge. All were eventually destroyed by fire.



Above: One of many boarding houses opened to take advantage of the tourist trade. Photo to left is Hotel Pablo.





*Palmetto Avenue,
Pablo Beach, Florida
looking east from what is currently
the intersection of
Beach Boulevard and 2nd Street.
Photograph taken around 1906.*



The railway company soon met with financial difficulties and was taken over by the millionaire Henry M. Flagler as part of the Florida East Coast Railway System. Late in 1900 the railway was changed to standard gauge and extended to Mayport. Further transportation was added in 1910 when a winding oyster shell road was constructed near the present Atlantic Boulevard, dividing Neptune Beach and Atlantic Beach.



Pablo Beach was incorporated on May 22, 1907. In 1925 the name was changed to Jacksonville Beach.

The boardwalk era began in 1915 and 1916 when businessman Martin Williams, Sr. established dance pavilions, shooting galleries, boxing, wrestling, restaurants and other forms of entertainment on the new boardwalk.

Auto racing on the hard-packed sand of the beaches made the area popular for this spectator sport.

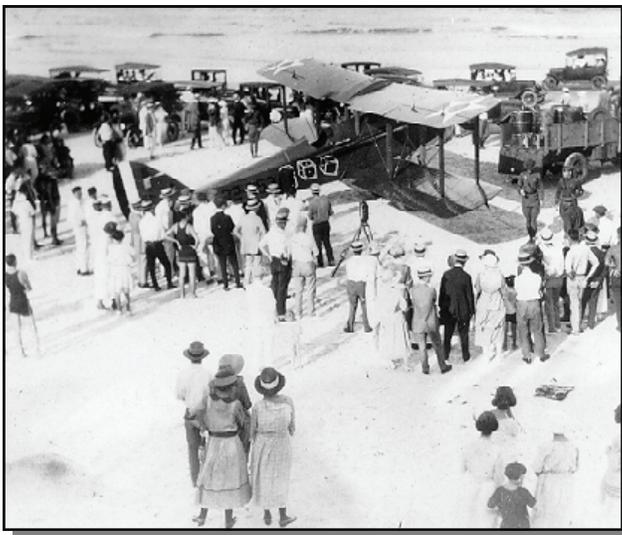
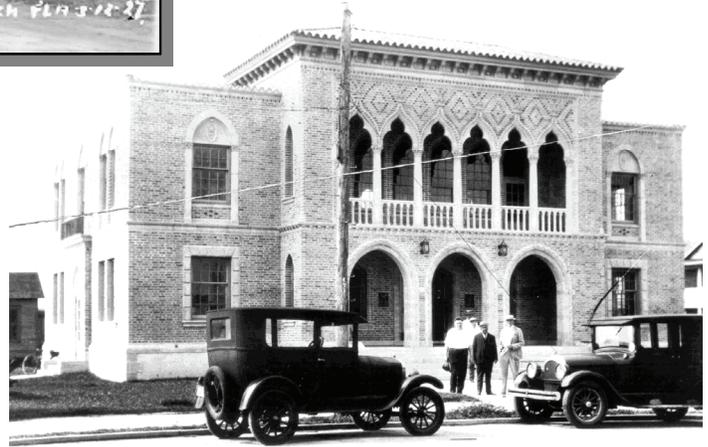
The boardwalk's popularity declined in the late 1950's with the state's crackdown on gambling and games of chance. Driving on the beach was prohibited in 1979.





Photograph of the first City Hall built in Jacksonville Beach located on Pablo Avenue. Photo taken in 1927

Photograph of the second City Hall taken in 1920's.



Lt. James H. Doolittle on the beach before his famous transcontinental flight in 1922.

On September 4, 1922, Pablo Beach came into the international limelight when First Lieutenant James H. Doolittle, after a previous abortive attempt, broke the transcontinental speed record. With only one stop at Kelly Field in Texas, he flew from Pablo Beach to San Diego in less than 24 hours. For this feat he was awarded his first Distinguished Flying Cross. On September 4, 1980, he returned to unveil a marker in Jacksonville Beach's Pablo Historical Park. James Doolittle had a distinguished military career, leaving service as a Lt. General.

Historical information and historical photographs courtesy of The Beaches Area Historical Society.



Welcome to Jacksonville Beach



Bordered by the City of Neptune Beach to the north, Ponte Vedra Beach to the south, the Intra-Coastal Waterway to the west, and the Atlantic Ocean to the east, the City of Jacksonville Beach occupies 8.06 square miles of land in northeast Florida. It is primarily a residential community located approximately 15 miles east of Jacksonville.

The City's mission statement is Working Together—Committed to Our Citizens. To keep its citizens informed, the City publishes an *Annual Report*, a monthly newsletter—*Jax Beach Briefs*, and a monthly newsletter *Tidings* distributed to its electric customers in their utility bills.

Additional information including City Council agendas and minutes, annual financial statements and budgets, employment and applications, updates about current construction projects and road closures, upcoming special events and much more can be found at: www.jacksonvillebeach.org. Information on the City's electric system, Beaches Energy Services, is available at www.beachesenergy.com

The City Hall is located at 11 North Third St., Jacksonville Beach, Florida 32250 and may be reached by calling (904) 247-6100.

Jacksonville Beach Today



The City produces multiple special events that draw thousands of spectators.

From what began as a tent city for a few hardy souls, Jacksonville Beach has grown into a solid business, resort and residential community with a population over 22,000. Its location, adjacent to the Atlantic Ocean and close to historical and entertainment attractions, makes tourism an important part of the City's economy.

The list of principal taxpayers is composed of shopping centers, a hospital, hotels and apartment complexes. In addition, the City has a considerable commercial district which contributes significantly to its economy. Major employers include The United States Navy, Duval County School Board, Baptist Medical Center-Beaches, PGA Tour, Ponte Vedra Inn & Club, and Sawgrass Marriott, among others.

The City is primarily a residential community although it has a larger proportion of commercial property than the neighboring oceanfront cities of Neptune Beach and Atlantic Beach. Even though Jacksonville Beach is the economic center of the Beaches area, housing is still the dominant land use occupying well in excess of 50 percent of the developed land areas of the City.

Approximately sixty percent of the City's housing stock are comprised of single family homes and forty percent are multi-family dwellings. Generally, the quality of the housing is high, with approximately fifty percent of the housing built since 1960 with one third less than twenty years old. The City is a mature community which is nearly fully developed.



*The commercial district
Jacksonville Beach
within the Downtown
Redevelopment Area.*



*Jacksonville Beach is primarily a residential community with
one-third of its housing built within the last twenty years.*

Miscellaneous Statistics

City of Jacksonville Beach, Florida

	<u>Population</u>	<u>Unemployment</u>	<u>Household</u>	<u>Budgeted Expenditures</u>	
		<u>Rate</u>	<u>Income</u>	<u>Original</u>	<u>Final</u>
2003	21,146	5.7%	\$51,693	\$131,055,687	\$159,867,143
2004	21,544	6.0%	\$51,689	\$132,106,787	\$154,151,594
2005	21,531	4.5%	\$53,276	\$133,475,640	\$162,911,494
2006	21,544	3.3%	\$51,505	\$144,856,119	\$160,525,044
2007	22,253	3.4%	\$52,687	\$159,850,220	\$197,129,175
2008	22,749	5.7%	\$53,446	\$160,253,941	\$181,755,603
2009	22,715	9.7%	n/a	\$175,254,352	\$227,018,616
2010	21,362 (census)	12.9%	n/a	\$174,705,201	\$197,874,464
2011	21,441	10.3%	n/a	\$161,095,934	\$179,687,345

	<u>Residential</u>		<u>Commercial</u>		<u>Total Value of Permits</u>
	<u>Permits Issued</u>	<u>Value of Permits</u>	<u>Permits Issued</u>	<u>Value of Permits</u>	
2003	1208	\$60,778,566	322	\$31,517,693	\$92,296,259
2004	1298	\$184,659,701	707	\$32,790,775	\$217,450,476
2005	1354	\$66,518,829	670	\$52,068,967	\$118,587,796
2006	1452	\$56,912,030	272	\$28,415,437	\$85,327,467
2007	872	\$42,075,389	602	\$23,613,260	\$65,688,649
2008	967	\$10,716,776	361	\$16,509,065	\$27,225,841
2009	1105	\$27,410,365	335	\$26,007,679	\$53,418,044
2010	894	\$11,093,625	462	\$14,847,370	\$25,940,995
2011	983	\$15,743,052	387	\$11,327,860	\$27,070,912

<u>Principal Taxpayers:</u>	<u>2010 Assessed Valuation</u>	<u>2011 Assessed Valuation</u>	<u>Percentage of 2011 Total Assessed Valuation</u>
	Broadstone Beach House at Jax Beach	\$19,864,100	\$20,913,970
South Beach Regional Shopping Center	\$16,642,900	\$16,303,300	0.6%
Pablo Plaza Shopping Center	\$15,097,700	\$15,713,000	0.6%
Ocean Park Partnership, Ltd.	\$14,218,600	\$15,566,100	0.6%
Courtyard Marriott	\$11,643,467	\$12,828,716	0.5%
Beach Marine	\$13,661,778	\$12,317,100	0.5%
Southbeach Parkway Shopping Center	\$9,702,900	\$9,496,500	0.4%
Comfort Inn	\$11,405,300	\$9,032,922	0.4%
Gordon Bank	\$9,583,400	\$8,996,700	0.4%
Adventure Landing Amusement Park	\$8,163,821	\$8,980,203	0.4%
	<u>\$129,983,966</u>	<u>\$130,148,511</u>	
Total Real Property Assessed Valuation (DR422)	\$2,800,256,363	\$2,528,590,395	

<u>Principal Employers 2011:</u>	<u>Number of Employees</u>
Mayport Naval Station	15,170
Baptist Medical Center-Beaches	800
PGA Tour	650
Ponte Vedra Inn & Club	620
Honeywell	570
Sawgrass Marriott	450
City of Jacksonville Beach - fulltime	400
U.S. Coast Guard	320
Vicar's Landing	320
Fleet Landing	320

**City of Jacksonville Beach
Summary Statistics and Information**

Year of Incorporation	1907
Form of Government	Council / Manager
Number of City Employees - (Full / Part-Time and Seasonal)	326 / 139
Government Facilities and Services	
Miles of Streets	89
Number of Street Lights	5,385
Culture and Recreation	
Parks	10
Parks Acreage	84
Golf Course	1
Tennis Courts	8
Fire Protection	
ISO Fire Classification	3
Number of Stations	2
Number of Fire Personnel and Officers	31
Police Protection	
Number of Stations (Satellite Station included)	2
Number of Police Support Personnel and Officers	95
Number of Patrol Units	51
Beaches Energy Services	
Number of Electric Customers	33,230
Number of Residential Electric Customers	28,626
Average Monthly Consumption-Residential	1,254 kwh
Sewer System (MGD-million gallons per day)	
Number of Sewer Services	8,838
Number of Treatment Plants	1
Daily Average Flow in Gallons	2.4 MGD
Maximum Daily Capacity of Treatment in Gallons	4.5 MGD
Water System (MGD-million gallons per day)	
Number of Water Services	10,410
Number of Residential Customers	8,246
Average Monthly Consumption-Residential	4,621 gallons
Number of Artesian Wells	6
Number of Fire Hydrants	858
Daily Average Flow in Gallons	2.5 MGD
Maximum Daily Capacity of Treatment Plant in Gallons	7.0 MGD
Hospitals	1
Bond Ratings	
Moody's Investor Services	A-1
Fitch Investor Services	AA-



Government and Budget Overview



City Hall, located in downtown Jacksonville Beach

Form of Government

The City of Jacksonville Beach operates under the council-manager form of government. The City Council, consisting of a mayor and six council members is responsible for determining policy, passing ordinances, adopting the annual budget, appointing committees and hiring the City Manager and City Attorney.

The City Manager is the Chief Administrative Officer of the City and is charged with carrying out the policies made by the City Council. He manages the day-to-day operations of the city, prepares the annual budget for City Council approval, and hires City employees.

City Council members are elected to four-year staggered terms with three council members elected every two years. The mayor is elected to four year terms. Three council members are elected from within their districts. The mayor and the remaining three council members are elected at-large.

The City Council meets at 7:00 P.M. on the first and third Monday of each month (except January and July, 3rd Monday of the month only) at City Hall located at Eleven North Third Street. Council agendas and minutes can be found at <http://www.jacksonvillebeach.org/government/city-documents-public-records/agendas-minutes>.

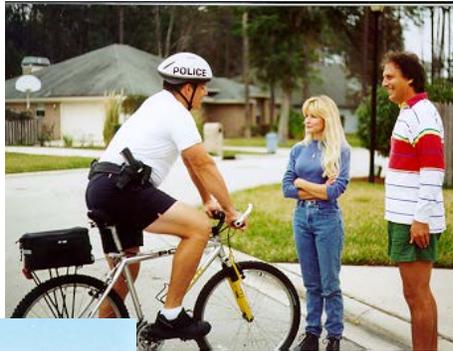
Quality of Life Goals:

The City of Jacksonville Beach’s mission is **to improve our community’s quality of life by building a strong community and sense of place**. This mission is defined by the quality of life goals below.

		Supporting Services
Public Safety	To feel safe from crime and fire and have good emergency management services	Police, Fire, Building Inspection, Ocean Rescue
Environmental Protection	To live in a community that protects my health by providing safe water to drink, reliable garbage collection and clean waterways through the treatment of stormwater and wastewater, while preserving the environment for future generations	Water, Stormwater, Wastewater, Sanitation
Sense of Community	To live in a community that provides parks, open space and recreational opportunities for all ages that give us a sense of community	Parks & Recreation, Special Events, Golf Course
Sense of Place and Neighborhood Vitality	To live in a City of vibrant neighborhoods that are clean, safe, encourage a sense of place and preserve property values	Planning & Development, Code Enforcement, Streets, Redevelopment
Responsible Government	To live in a community that has a fiscally responsible government, maximizes the use of public funds, provides great customer service, and has dedicated employees	City Manager’s Office, Finance, Legal, City Clerk, Information Systems, Human Resources
Reliable Electric Service	To live in a city that delivers reliable energy services while encouraging conservation and environmental responsibility with service that is above and beyond the expected	Beaches Energy Services

Long-term Goals:	See the following section(s):
To maintain the <i>level of service</i> desired by our citizens.	Budget Message; Executive
To manage the City to be <i>competitive in all services</i> with respect to cost, service and reliability.	Beaches Energy Services
To make <i>redevelopment</i> work.	Planning & Development
To maintain an atmosphere in which all <i>citizens feel safe</i> in their homes, in public and on the beach.	Police; Fire; Parks & Recreation (Ocean Rescue)
To <i>protect the environment</i> through improvements to our water and sewer system, streets and sidewalks, tree protection, beach renourishment and compliance with all environmental hazard and waste regulations.	Public Works; Executive; 5-Year Capital Improvement Plan
To <i>manage growth</i> in a way that protects the quality of life and to maintain an ideal mix of commercial and residential uses.	Planning & Development
To <i>promote the City</i> as a family-oriented entertainment center of the beaches by improving the quality and scope of special events and through improved marketing of the area.	Parks & Recreation
To maintain the minimum <i>cash balances</i> which protect the City's financial integrity.	Finance
To implement a <i>comprehensive performance measurement</i> system which will give the public, City Council and department directors the ability to evaluate the level and value of the services the City provides to the community.	Performance measures are shown in each department's business plan.
To <i>emphasize employee safety</i> through proper supervision, training and equipping of all City employees at an appropriate level as to assure their safety and the safety of those around them.	Human Resources
To maintain a compensation and benefit package sufficient to attract and retain a <i>qualified and highly motivated workforce</i> .	Human Resources
To <i>eliminate deferred maintenance</i> in order to lengthen the life of City assets.	Executive; Beaches Energy Services (Property Mgt.) ; 5-Year Capital Improvement Plan

Each department's business plan contains its mission and information about its objectives and performance measures that support achieving the goals above. An overview can be found in the Budget Message section of this budget document.



City Services

The City provides a full range of services to its citizens:

- 24 Hour Police Protection
- 24 Hour Fire Protection
- Maintenance of city streets & lighting
- Building Inspection & Permitting Services
- Code Enforcement Services
- Animal Control Services
- 4.1 miles of lifeguard protected beach
- Oceanfront restrooms and showers
- 26 acres of park facilities including softball and football fields, basketball courts, playground and picnic equipment, South Beach Community Center, Carver Center, Huguenot Tennis Facility, and an 18-hole professionally staffed golf course
- 2 City Cemeteries
- Electric, Water, Stormwater, Sewer and Sanitation services



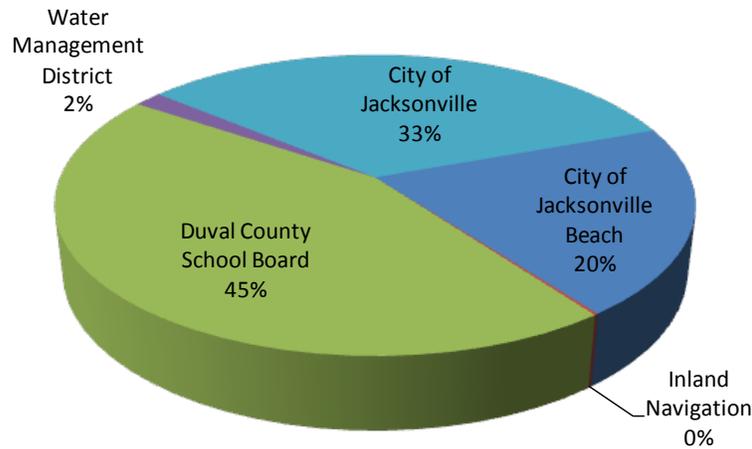
Funding City Services

City services are funded from a variety of sources including property taxes, local option taxes, state shared revenues and utility rates. The current ad valorem tax rate is \$4.0947 mills per thousand dollars of property value. This rate is unchanged from last year's rate.

Where Your Property Tax Dollars Go

Property Taxes on a home with Homestead Exemption
(\$50,000; \$25,000 for school districts)

FY2012 Millage Actual	FY2013 Proposed Millage		FY2012 Tax Generated	FY2013 Estimated Tax
4.0947	4.0947	City of Jacksonville Beach	\$608	\$563
0.0345	0.0345	Inland Navigation	\$5	\$5
7.5530	7.6000	Duval County School Board	\$1,311	\$1,235
0.3313	0.3313	Water Management District	\$49	\$46
6.7446	6.7446	City of Jacksonville	\$1,002	\$927
18.7581	18.8051	TOTAL	\$2,976	\$2,776



*Based on a median home price of \$198,600 in 32250 zip code as of 1-1-2011 (Zillow)

**Based on a median home price in \$187,500 in 32250 zip code as of 1-1-2012 (Zillow)

A home valued at \$187,500 with a homestead exemption of \$50,000 has a net taxable value of \$137,500 (\$162,500 for schools). Based on 2013 millage rates, that home owner will pay \$2,776 in property taxes. Only \$563 of that household's taxes are paid to the City of Jacksonville Beach; or about \$47 per month. By comparison, cable television and internet access can cost over \$100 per month.

Budget Process

<i>Approximate Date</i>	<i>Required Action</i>
January 31	Completion of preliminary revenue estimates and budget projections
March 15 Early March	Mid-year budget adjustment Departments submit 5-year capital improvement plans
April 1	Departments submit next year budget requests
April 15 through May	City Manager reviews all budget requests and business plans
June 1	Property Appraiser provides estimated preliminary taxable base for next budget year per FS 200.065
July 1	Property Appraiser submits Certificate of Taxable Value (DR420)
July 28	Proposed millage rate, calculation of rolled back rate and date for first public hearing on budget due to Property Appraiser (within 35 days of receipt of taxable value); proposed budget is finalized
August 1-14	City Council workshops to review budgets and business plans
September 3-6	First public hearing on budget; adoption of tentative millage rate and proposed operating budget
September 8-16	Second (final) public hearing on budget: adoption of millage rate and operating budget

Responsibility: Section 31 of the City of Jacksonville Beach’s Charter gives the City Manager the duty to prepare and submit the annual budget estimate to the City Council. Although not required to do so, the City prepares an operating budget for all funds. The City adopts its budget in accordance with Florida Statutes, Chapter 200, commonly referred to as TRIM (Truth in Millage). The budget calendar complies with TRIM requirements.

October: October 1 marks the start of the fiscal year. The previous year’s encumbrances (prior year’s purchase commitments) are reviewed and incorporated into the new budget, as appropriate.

November/December: The City’s *annual financial audit* for the previous fiscal year takes place.

January: *Revenue estimates* for the next fiscal year are generated from trend analysis, independent rate studies by financial advisors, known funding sources and estimates of distributions from other governmental units. *Five-year projections* are prepared for the City’s

major funds: the General Fund, Community Redevelopment Fund, General Capital Projects Fund, the Electric Fund and the Water & Sewer Fund. Five-year projections are also prepared for all nonmajor enterprise funds and certain special revenue funds. The projections include four or more years of historical data, current year original budget and five future years. **One-year projections** are prepared and reviewed for all remaining funds.

February: **Budget preparation instructions are updated** to reflect changes in economic condition, citywide priorities, goals and objectives, new or revised directives from the City Council.

March: **Five-year Capital Improvement Plan (CIP)** is prepared. This request is a tentative outline of major (cost greater than \$25,000) capital needs matched to the most likely funding source. In some cases, non-capital items are included in the CIP when the expected cost is significant (greater than \$100,000) or when the cost is for major on-going programs such as street resurfacing and sidewalk repair. City has established certain replacement cycles that are intended to keep the most critical equipment and infrastructure operating in reasonable repair. While there are no other recurring planning processes that affect the budget process, the CIP process is affected by other periodic planning processes related to such things as infrastructure improvements, Downtown redevelopment, utility rate adjustments or long-term capital planning.

Cost allocations and payroll projections are prepared for departments to integrate into their budget requests. Lapse is not budgeted. Cost allocations are prepared for items such as payroll, insurance, internal service charges, debt service and transfers. Other operating costs are budgeted according to need and the anticipated level of service. Depreciation is not budgeted. Budget requests are completed by each department for their respective division or program along with department-wide business plans. A summary of the department's budget request is also included in its business plan.

May: **Preliminary budget assessment** compares projected revenues and submitted expenditure requests for the purpose of determining the initial excess or shortage of available resources for appropriation. **Budget meetings** provide each department the opportunity to discuss their budget request and business plan with the City Manager. In these meetings, budget requests may be adjusted based upon each department's package of expected program service levels and anticipated funding.

July: Property Appraiser provides **estimates of property value** used to calculate millage rates (DR420).

August: **Proposed budget document** is updated for changes in state revenue estimates and posted on the City's website. **Budget workshops** are conducted by the City Manager during

which the City Council has the opportunity to review and revise the budgets. Budget issues are discussed along with levels of service. The workshops are open to the public.

September: *Two public hearings* concerning the Tentative Millage Rate and Tentative Operating Budget and are held in accordance with the Florida's Truth in Millage requirements (Florida Statutes, Chapter 200). The *final budget* must be adopted by September 30 of each year and becomes effective on October 1.

Budget Adjustments: Council agendas are reviewed for any approved items that will impact the budget because the items were either not budgeted or were budgeted based on an estimate that was either too low or too high. Occasionally, unexpected and unbudgeted costs will occur in amounts that are significant enough to warrant consideration for budget adjustment (for example, severe storms or hurricanes, unanticipated major infrastructure or equipment repairs or replacements).

Twice per year – **the mid-year adjustment** in March and the **year-end adjustment** in September – these budget adjustment items are aggregated and presented to the Council in the form of a resolution. The City Council may make supplemental appropriations during the year, up to the amount available for appropriation. It must approve budget amendments that increase a fund's total budget for all funds except the General Fund. City Council approval is required for increases to a *department's total budget within the General Fund*. Rarely, due to hurricanes or due to other unusual circumstances, an additional, retroactive budget adjustment may be necessary.

Budget, Accounting and Financial Policies

Budget Policies

The Budget is the City's plan of financial operations that provides for the planning, controlling and evaluation of governmental activities. The budget process provides the primary mechanism by which key decisions are made regarding the levels of service to be provided in light of the anticipated resources available. A budget policy states how this is to be accomplished in addition to addressing the need for financial strength and stability.

The City prepares budgets for each of its funds; all funds are included in the City's financial statements. No item or project is budgeted unless there are sufficient resources to pay for it. All unencumbered operating budget appropriations, except project budgets, expire at the end of each fiscal year.

Basis of Budgeting - All annual operating budgets will be adopted on a basis consistent with generally accepted accounting principles (GAAP), with certain exceptions. (See also Basis of Accounting.)

Governmental funds and expendable trust funds use the modified accrual basis of accounting. Under this method, revenues are recognized when they are both measurable and available. Expenditures are recognized in the accounting period in which the related liability is incurred, except that principal and interest on general long-term debt are recognized when due. Compensated absences are budgeted in the year paid but recorded for financial statement purposes in the year earned.

In all funds, encumbrances outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. Encumbered appropriations are carried forward into the subsequent year's budget without being rebudgeted. All unencumbered appropriations, except project budgets lapse at the end of each fiscal year. Unencumbered project budgets are carried forward for the life of the project.

Proprietary funds (electric, water & sewer, stormwater, sanitation, golf course, lease facilities and internal service) use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Depreciation and accruals related to amortization of bond discounts and issuance costs are not budgeted.

Balanced Budget – A balanced budget will be prepared for each and every fund. Balanced budget means that total anticipated revenues plus available fund balance in excess of authorized reserves equals total budgeted expenditures plus required reserves for each fund.

Budgetary Level of Control - The budget is a spending plan, that requires adjustment from time to time, as circumstances change. The legal level of budgetary control is at the fund level, except for the General Fund, where it is maintained at the department level. This means that for any department within the General Fund, the department's expenditures may not exceed its total annual appropriation as adopted by the City Council. The City Manager has the authority to adjust the budget within departments as long as the adjustment does not increase the total level of appropriation approved by the City Council.

A system of budgetary controls is maintained to assure adherence to the budget. Timely monthly financial reports are prepared and provided to department supervisors that compare revenues, expenditures and encumbrances with budgeted amounts in line-item detail. Monthly financial reports to the City Council include summary budget reports, which compare current year revenues and expenditures to prior year activity at the same point in time.

Budget Amendment Process - Upon the occurrence of a change in funding needs as a result of changing circumstances such as the acquisition or loss of a revenue source or the unanticipated increase in the cost of providing a service, the respective department head will make a formal request that the budget be amended to the Budget Officer. After analysis, this request is forwarded to the City Manager for approval. If the request is within the scope of the City Manager's authority, the request may be approved or denied immediately. If the request is approved by the City Manager, but requires City Council approval, it will be placed on a City Council Agenda for their approval in the form of a resolution amending the operating budget. Resolutions adjusting the budget are prepared twice each year, except in unusual circumstances.

Budget Lapses at Year End - All unencumbered operating budget appropriations, except project budgets, will expire at the end of each fiscal year. In accordance with generally accepted accounting principles, the amount of budget related to purchases encumbered in the current year but not received until the subsequent year is added to the budget of the subsequent year. All purchase orders for the current year are issued by September 15 except in unusual cases approved by the Finance Officer.

Budget Guidelines –

Personnel Costs - Personnel costs (payroll and benefits) will be budgeted in accordance with the City's adopted pay plans and union contracts, using wage rates consistent with the plan's grades

and steps appropriate for each employee. Cost of living adjustments, if any, will budgeted separately and integrated into the final adopted budget.

Operating Costs - Operating costs will be budgeted according to need and based on the cost of providing a certain level of service. Priority is given to expenditures for the adequate maintenance of capital equipment, facilities and infrastructure, and for their orderly repair or replacement.

Capital Outlay - Capital outlay consists of costs associated with the acquisition of and improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art, historical treasures, infrastructure and all other tangible assets costing \$1,000 or more that are used in operations and that have initial useful lives lasting more than one year. The City does not budget depreciation.

5-Year Capital Improvement Program - Expenditures in the Capital Improvement Program will include capital outlay that costs \$25,000 or more. Significant, recurring repair and maintenance items will also be included in the plan. The operating expenditures associated with these items will be included in the operating budget in the current year. The future operating expenditures will be considered in the development of the time schedule for capital improvements along with resource availability. Projects will be scheduled for the current year if resources are available to cover capital outlay and the operating costs.

Business Plans – Each department will prepare an annual business plan that includes the following:

1. Organization – a description of the department, its programs and functions along with a schedule of authorized positions.
2. Mission – a statement of the department’s mission.
3. Recent accomplishments – significant accomplishments during the past budget year.
4. Objectives/outcomes – the larger purpose that the department or division aims to achieve.
5. Goals – a specific listing of what the department expects to achieve in the coming budget year.
6. Funding sources – a description of revenue sources that fund the department.
7. Financial summary – a three-year (prior year actual, current year revised budget, next year proposed budget) summary of the department’s expenditures for personal services, operating expenditures, capital outlay, debt service and transfers.
8. Major budget changes from last year – a description of the primary causes of increases or decreases in the department’s budget.
9. Budget issues – a description of items that may impact the department’s budget now or in the future.
10. Performance measures – indicators of the department’s efficiency and effectiveness.

Accounting and Financial Policies

Basis of Accounting – The City prepares its Comprehensive Annual Financial Report (CAFR) on the basis of Generally Accepted Accounting Principles (GAAP). Governmental funds use the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when they become measurable and available as net current assets. Expenses are recognized when the related liability is incurred. Proprietary funds use the accrual basis of accounting. Under this method, revenues are recognized when they are earned and expenses are recognized when they are incurred. Except as noted below, this conforms to the way the City prepares its budget.

Exceptions are:

- a. Compensated absence liabilities are accrued as earned under GAAP, but budgeted in the year paid.
- b. Principal payments on long-term debt in the Proprietary Funds are applied to the outstanding liability on a GAAP basis, but are budgeted as debt service in the year paid.
- c. Capital outlay in the Proprietary Funds are recorded as assets on a GAAP basis, but budgeted in the year paid.
- d. Other post-employment benefits and depreciation are only recorded on a GAAP basis and are not budgeted.
- e. Fund balances reported in the City’s financial statements comply with the provisions of GASB 54. For budget reporting, however, fund balances that would be reported in the financial statements as nonspendable, restricted, committed or assigned have been combined into a single category called “All other balances”.

Funds and Account Groups - The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenue and expenditures or expenses, as appropriate. Government resources are allocated to, and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. (See the following Fund Accounting pages.)

Major and Nonmajor Funds – GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The City reports three major governmental funds: the General Fund, one special revenue fund, the Community Redevelopment Agency and one capital projects fund, the General Capital Projects Fund. The Electric Fund and the Water and Sewer Funds are reported as the City’s two major enterprise funds.

Governmental and enterprise funds which do not meet the criteria for reporting as major funds are grouped together for presentation purposes as nonmajor Governmental Funds and nonmajor Enterprise Funds, respectively. In addition, the City reports a nonmajor internal service fund type and a nonmajor fiduciary (pension) fund type. Budgets are prepared for all funds regardless of the fund's classification as a major or nonmajor fund and all budgeted funds are included in the City's Comprehensive Annual Financial Report (CAFR).

Cash and Investments - The City's investment policy (Resolution 1854-2010) was adopted on May 17, 2010. The policy authorizes the Finance Officer to invest public funds, contract for banking, investment and related services, establish internal controls and specifies the types of investments that may be purchased. Key objectives included in the policy are as follows:

1. Safety of principal.
2. Sufficient liquidity to allow for quick conversion of investments to cash easily and rapidly without loss of principal.
3. Attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs.
4. Investments held should be diversified to the extent practicable to control the risk of loss resulting from overconcentration of assets in a specific maturity, issuer, instrument, dealer, or bank through which financial instruments are bought and sold.

The policy specifies requirements for financial institutions and broker/dealers which are approved for investment purposes, maturity and liquidity requirements, and competitive selection of investment instruments. It also specifies the type of authorized investments and portfolio composition, prohibited investments, performance measurements, monthly reporting requirements and third-party custodial agreements.

Debt Service - Debt service costs arise out of obligations to repay amounts borrowed (principal) with interest and any other related costs. Funds are to be borrowed for capital expenditures only. The City will not borrow funds to meet day-to-day operating expenditures. The City will seek to minimize the need for future debt through long term financial planning and capital budgeting. Neither the City Charter nor Code, nor Florida Statutes limit the amount of debt the City can issue.

Decisions to issue debt will be guided by the following policies:

1. The City will restrict the use of long-term debt to capital projects that cannot be funded from current revenues. The City does not use long-term debt to meet current operating expenditures.
2. Debt payments will not extend beyond the useful life of the capital investment being financed.
3. The City may issue refunding bonds provided such refunding does not result in an increase in the interest rate.

4. Issuance of General Obligation Bonds (GOB) requires the approval of the City Council and an affirmative vote of a majority of electors voting at any specific general election.
5. The City may issue tax increment debt securities payable solely from the ad valorem tax increment proceeds within the area of authority created in accordance with City Ordinances for the Southend and Downtown Tax Increment Districts.
6. The City Council has the authority to obligate the City's resources for the issuance of Revenue Bonds. Issuance of additional revenue bonds for the utilities must not violate the terms of current bond covenants and comply with all the restrictions for parity, debt service coverage and reserve requirements.
7. The use of lease purchase obligations will be considered only when the useful life of the item is equal to or greater than the length of the lease. If the item becomes technologically obsolete or is likely to require extensive repairs during the lease period, then the City will purchase the item with current operating revenues.
8. As a part of the budget process, the Financial Condition Report annually examines current and projected levels of debt and through trend and ratio analysis and comparisons with industry standards. The Finance Officer monitors debt levels and assures that the City does not over obligate its resources. Analysis of debt levels, along with long term revenue projections will both be considered when deciding if the City should incur new debt. Plans for long-term debt will vary depending upon funding source, its reliability and availability in the future and the priority of the capital project being considered. When considering if the City can afford the new debt, the City will also consider the added operating expenditures associated with the new capital asset and its long-term budget impact.

Transfers - Transfers are used to move monies from one fund to another without the intent of repayment. Transfers are made according to prescribed formula or legal requirements upon the availability of unrestricted fund balances. No transfer will be made in violation of the legal purpose or use of revenues from which the fund balance was created.

Fund Balance – The City implemented the provisions of GASB 54 *Fund Balance Reporting and Governmental Fund Type Definitions*, in 2011 (Resolution 1887-2011, revised in Resolution 1890-2011), as required. The policy establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which the amounts in the funds can be spent.

For financial statement purposes, fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned. For budget purposes, fund balance is reported as either *Unrestricted/unassigned* or *All other balances*. Fund balances that would be reported in the financial statements as nonspendable, restricted, committed or assigned have been combined for budget reporting into a single grouping designated as “All other balances”.

Fund balance at year-end has been assigned within the General Fund for unanticipated events or emergencies. Expenditures for emergencies must be approved by the City Manager and reported to the City council within 30 working days of the emergency. Expenditures for major unanticipated, unbudgeted events require prior City Council approval and subsequent modification to the general fund budget.

The City also established a stabilization fund in the General Fund in an amount equal to 25% of subsequent year's general fund budgeted expenditures. The purpose of the stabilization fund is to provide sufficient working capital at the beginning of the fiscal year until the time the City begins receiving ad valorem taxes, usually toward the end of the first quarter. The stabilization balance can only be reduced with City Council approval or for budgeted expenditures when all other unrestricted or uncommitted fund balances have been exhausted, or there is a revenue shortfall resulting in a decrease in the stabilization fund.

In general, fund balances in most special revenue funds are classified as restricted. Fund balances in debt service and capital projects funds are classified as assigned.

When both restricted (or committed, or assigned) and unrestricted resources are available for use, the City's policy as established in the resolution is to use the restricted (or committed, or assigned) resources first, then unrestricted resources as they are needed.

Fund Balance Reserves in Proprietary Funds – In addition to any legally restricted fund balances, the City maintains a fund balance reserve for working capital in all operating funds. The purpose of this reserve is to handle shortfalls from revenue deficiencies, costs from unforeseen emergencies, and to avoid the need for short term borrowing for cash flow purposes. This reserve is maintained at the approximate level of three to four months operating expenditures. The City's insurance internal service funds maintain minimum reserves of \$500,000 in the Property and Liability Insurance Fund and a minimum of \$1,500,000 in the Workers Comp Insurance Fund. The reserves were recommended as part of a plan for the City to become partially self-insured.

GFOA Award for Distinguished Budget Presentation - The City strives to improve its budget document in order to continue to meet the criteria for the Government Finance Officers' Association (GFOA) Award for Distinguished Budget Presentation. This award signifies that the City is communicating its spending plan to its citizens, elected and administrative officials, and to outside interested parties such as bond rating agencies, in an exemplary manner.

Fund Accounting

The City of Jacksonville Beach maintains its accounting system on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are typically segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The City uses three broad types of funds: governmental, proprietary and fiduciary.

Governmental funds are generally used to account for tax-supported government activities.

Proprietary funds are used to account for operations that are financed in a manner similar to private business enterprise; or where the periodic determination of net income is appropriate for accountability purposes. The City has two types of proprietary funds: enterprise funds which account for its utilities, golf course and lease facilities; and internal service funds, which account for centralized services that are provided on a cost-reimbursement basis. *Fiduciary* (pension) funds account for funds held by the government as a trustee; these assets cannot be used to support the government's own activities.

GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise funds combined) for the determination of major funds. Governmental and enterprise funds which do not meet the criteria for reporting as major funds are designated as nonmajor.

Revenues and Expenditures by Major/Nonmajor Fund

	Revenues	Expenditures	Revenues minus expenses	Exp. as a % of Total Budget
Major Funds:				
General Fund	\$17,790,542	\$18,012,447	(\$221,905)	10.9%
Community Redevelopment	6,940,698	2,484,860	4,455,838	1.5%
General Capital Projects	1,061,200	520,000	541,200	0.3%
Electric	99,931,548	97,357,213	2,574,335	59.1%
Water & Sewer	10,449,466	13,723,233	(3,273,767)	8.3%
	<u>136,173,454</u>	<u>132,097,753</u>	<u>4,075,701</u>	<u>80.1%</u>
Nonmajor Funds:				
Governmental	3,169,224	4,508,141	(1,338,917)	2.7%
Enterprise	8,999,079	9,548,809	(549,730)	5.8%
Internal Service	11,333,711	11,468,220	(134,509)	7.0%
Trust (pension)	8,741,138	7,231,323	1,509,815	4.4%
	<u>32,243,152</u>	<u>32,756,493</u>	<u>(513,341)</u>	<u>19.9%</u>
TOTAL, All Funds	<u>\$168,416,606</u>	<u>164,854,246</u>	<u>3,562,360</u>	<u>100.0%</u>

Governmental Funds

Major Governmental Funds

The **General Fund** accounts for resources traditionally associated with governments that are not required to be accounted for in another fund. Its primary funding sources are property taxes, revenue from other governments and transfers from other funds. The General Fund provides funding for the traditional services of municipal government: elected officials, police & fire, parks & recreation, planning and development, building inspection and street maintenance. Budget objective: to provide for the general government operations of the City and maintain the working capital necessary for the fund's financial health and stability.

The **Community Redevelopment Fund** accounts for the receipt and expenditure of ad valorem tax increment funds in a special revenue fund because use of the revenue is limited to purposes specified in its redevelopment plan. The Community Redevelopment Agency (CRA) uses these funds to pay for capital projects and to secure debt issued to pay for those projects benefitting the City's two redevelopment districts in accordance with adopted plans for each district: Downtown, which was created in 1984 and Southend, which was created in 1985. Other revenue sources include grant funds and interest earnings. Information about the Community Redevelopment Agency is reported in Planning & Development's section of this document. Budget objective: to show the legally restricted revenue sources and how these sources will be utilized and to demonstrate compliance with Florida Statutes.

The **General Capital Projects Fund** is the City's primary capital projects fund and accounts for the costs of various capital projects, major equipment purchases and major repairs and renovations. Due to the nature of the fund, its budget can fluctuate significantly from one year to the next. Primary funding sources are transfers from other funds, grants and interest earnings. Its budget is itemized and discussed in the Executive and Legislative section of the budget. Budget objective: to account for all financial resources to be expended for the acquisition, construction or repair of major capital facilities or equipment used as capital assets in governmental funds.

Nonmajor Governmental Funds

Nonmajor Governmental Funds account for those special revenue, debt service and capital projects funds that do not meet government accounting standards criteria for inclusion as major funds.

Special revenue funds are used to account for specific revenues that are legally restricted to be spent for a particular purpose. Funding sources in these funds are largely grant and tax revenues.

Budget objective: to show the legally restricted revenue sources and how these sources will be utilized and to demonstrate compliance with statutes, regulations and rules governing their use.

Debt service funds are used to account for the accumulation of resources for and payment of governmental bond principal and interest; funding for these funds comes from the revenue pledged as support for the debt. Budget objective: to fund debt service expenditures and to provide for any cash flow deficiency that would occur prior to the receipt of tax increment revenues.

Capital projects funds are used to account for the acquisition and construction of major repairs, replacements and capital facilities other than those financed by proprietary funds and trust funds; funding sources are grants, transfers from other funds, interest earnings and bond proceeds. Budget objective: to account for all financial resources to be expended for the acquisition or construction or repair of major capital facilities or equipment to be used as capital assets in governmental funds.

A summary of the city's governmental funds, budget, primary uses and the department responsible for managing the fund is on the next page.

Governmental Funds	Budget	Primary Uses	Department
General Fund (major)	\$18,012,447	Police, Fire, Parks & Recreation, Public Works-Street Maintenance, Planning & Development, Executive, Beaches Energy-Building Maintenance, Executive, Executive-Nondepartmental	All departments to the left
Special Revenue Funds			
Community Redevelopment (major)	2,484,860	Infrastructure improvements in Downtown and Sounthend districts; downtown policing initiative	Planning & Development, Police, Public Works
Convention Development	277,270	Tourism and convention devleopment	Executive
Court Cost Training	60,400	Police training	Police
Local Option Gas Tax	818,585	Street and road maintenance	Public Works
Half-Cent Infrastructure Surtax	971,734	Infrastructure improvements specified in enabling legislation	Public Works
Community Development Block Grant	156,576	CAPE, Carver Center and Utility Assistance	Police, Finance, Parks & Recreation
Radio Communication	45,500	City's radio system	Fire
Justice Assistance Grant	91,654	Specific law enforcement uses	Police
Tree Protection	3,000	Tree replacement	Parks & Recreation
Law Enforcement Trust Fund	60,929	Specific law enforcement uses	Police
Equitable Sharing Fund	65,000	Specific law enforcement uses	Police
Debt Service Fund			
Half-Cent Infrastructure Surtax	980,993	Principal and interest payments	Executive
Capital Projects Funds			
General Capital Projects (major)	520,000	Major capital projects and repair/ replacement of equipment	Executive
Infrastructure Surtax Bond Proceeds	971,000	Infrastructure improvements specified in enabling legislation	Executive
Sunshine Park	2,500	Maintenance of Sunshine Park	Executive
Dog Park Project	3,000	Maintenance of Dog Park	Executive
TOTAL GOVERNMENTAL FUNDS	\$25,525,448		

Proprietary Funds

Major Enterprise Funds: The **Electric Fund** and the **Water & Sewer Fund** are two of the City's enterprise funds that are accounted for as major funds. Although the Water & Sewer Fund does not meet the minimum government accounting standards criteria for reporting as a major fund, because of its importance the City has elected to account for it as one. Both funds use revenues from the delivery of services to cover the costs of operating their systems. The Electric Fund's budget is discussed under Beaches Energy Services. The Water & Sewer Fund's is discussed under Public Works. Budget objective: to monitor revenues and control expenses.

Nonmajor Enterprise Funds are used to account for operations that are financed in a manner similar to private business enterprises – where the intent of the City Council is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The primary revenue source in each of these funds is user charges. These funds account for the City's natural gas, stormwater and sanitation utilities, golf course and its lease facilities operations. Budget objective: to monitor revenues and control expenses.

Internal Service Funds are used to account for the financing of goods and services provided by one department to other departments of the government and to other government units, on a cost reimbursement basis. Departments are charged by these funds based on their usage of the goods or services provided. Revenue, rates and charges are be adjusted to cover all operating expenses, capital outlay and debt service. Budget objective is to demonstrate that these funds are self-supporting.

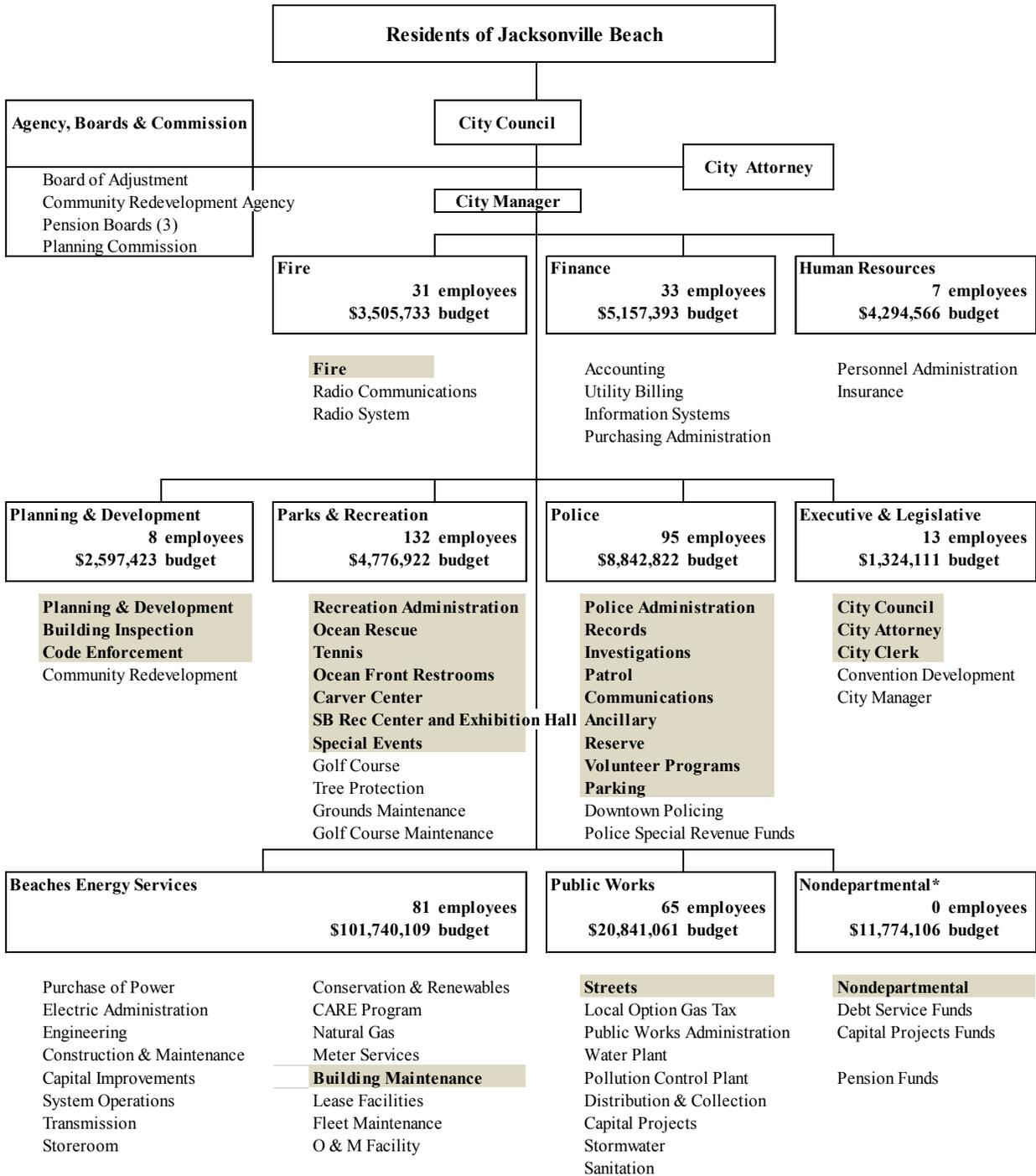
Fiduciary Funds:

Pension Trust Funds – Pension funds are the City's only fiduciary funds. **Pension Funds** are used to account for assets held by the City as trustee for general, police and fire employees and retirees. Funding sources come from insurance premium taxes, City and employee contributions and investment earnings. Expenditures are used to pay retirement benefits to current and future retirees and to administer the three funds. Budget objective: to monitor revenues and control expenditures. Pension funds are reported in the Executive and Legislative department.

Proprietary Funds	Budget	Primary Uses	Department
Enterprise			
Electric (major)	\$97,357,213	Operations of Beaches Energy Services	Beaches Energy Services
Water & Sewer (major)	13,723,233	Operations of water and sewer system	Public Works
Natural Gas	1,953,268	Operations of natural gas system	Beaches Energy Services
Stormwater	1,429,387	Operations of stormwater system	Public Works
Sanitation	3,384,600	Garbage and sanitation operations	Public Works
Golf Course	1,379,468	Golf course operations	Parks & Recreation
Lease Facilities	1,402,086	Operations of lease facilities and funding for major projects and replacements	Beaches Energy Services
Internal Service			
City Manger	353,876	City Manager's office operations	Executive
Finance	3,821,347	Utility billing, accounting, purchasing and information systems operations	Finance
Human Resources	545,623	Human resources operations	Human Resources
Fleet Maintenance	582,340	Maintenance on City's vehicle fleet	Beaches Energy Services
Grounds Maintenance	881,595	City grounds maintenance services	Parks & Recreation
Meter Services	30,213	Meter reading services for electric & water	Beaches Energy Services
Radio Communications	454,843	Costs related to radio system	Fire
Operations & Maintenance Facility	1,049,440	Maintenance costs of O&M buildings	Beaches Energy Services
Insurance & Risk Retention	3,748,943	Premiums and related costs for general, liability, workers comp and employee insurance	Human Resources
TOTAL PROPRIETARY FUNDS	\$132,097,475		

Pension	Budget	Primary Uses	Department
General	\$ 4,673,127	General employees' pension fund	Executive
Police	\$ 1,486,777	Police pension fund	Executive
Fire	\$ 1,071,419	Fire pension fund	Executive
TOTAL PENSION FUNDS	\$7,231,323		

City of Jacksonville Beach, Florida Organization Chart



Denotes divisions whose operations are funded by the General Fund

* See Executive & Legislative Department for discussion of these items
Number of employees includes full-time, part-time, seasonal and temporary

**Expenditure Summary by Business Plan and Fund
Fiscal Year 2013**

	General Fund	Other Govt. Funds	Enterprise	Internal Service	Trust (Pension)	Total
Executive & Legislative						
Governmental Debt Service		\$980,993				\$980,993
Executive & Legislative	692,965	277,270		353,876		1,324,111
Capital Projects		2,468,234				2,468,234
Nondepartmental	1,093,556					1,093,556
Total Executive & Legislative	1,786,521	3,726,497		353,876		5,866,894
Planning & Development						
Planning & Development	622,440					622,440
Downtown Redevelopment		767,749				767,749
Southend Tax Increment		1,207,234				1,207,234
Total Planning & Devel.	622,440	1,974,983				2,597,423
Parks & Recreation						
Recreation Administration	1,213,038					1,213,038
Ocean Rescue	611,603					611,603
Tennis	97,430					97,430
Oceanfront Restrooms	80,500					80,500
Carver Center-CDBG	79,867	136,576				216,443
Special Events	85,000					85,000
Exhibition Hall	41,000					41,000
Golf Course			1,379,468			1,379,468
Tree Protection		3,000				3,000
Grounds Maintenance				1,049,440		1,049,440
Total Recreation & Parks	2,208,438	139,576	1,379,468	1,049,440		4,776,922
Public Works						
Administration			3,096,012			3,096,012
Distribution and Collection			4,354,894			4,354,894
Pollution Control			4,210,724			4,210,724
Water Plant			2,061,603			2,061,603
Streets	1,485,256					1,485,256
Local Option Gas Tax		818,585				818,585
Stormwater Utility			1,429,387			1,429,387
Sanitation			3,384,600			3,384,600
Total Public Works	1,485,256	818,585	18,537,220			20,841,061
Police						
General Fund	8,039,962					8,039,962
Special Revenue Funds		787,860	15,000			802,860
Total Police	8,039,962	787,860	15,000			8,842,822
Fire						
	3,430,020	45,500		30,213		3,505,733
Beaches Energy Services						
Beaches Energy-Electric Division			97,357,213	881,595		98,238,808
Beaches Energy-Natural Gas Division			1,953,268			1,953,268
Property Management	439,810		71,040	1,037,183		1,548,033
	439,810		99,381,521	1,918,778		101,740,109
Finance						
		20,000	1,316,046	3,821,347		5,157,393
Human Resources						
Personnel Administration				545,623		545,623
Insurance & Risk Management				3,748,943		3,748,943
Total Human Resources				4,294,566		4,294,566
Total All Business Plans	18,012,447	7,513,001	120,629,255	11,468,220		157,622,923
Pension Fund					7,231,323	7,231,323
Total Adopted Budget	\$18,012,447	\$7,513,001	\$120,629,255	\$11,468,220	\$7,231,323	\$164,854,246



Executive & Legislative Department

Mission

Building a community we are proud to live in.

Organization

The Executive and Legislative Services Department consists of four General Fund divisions: City Council, City Attorney, City Clerk, and Non-Departmental. This department also manages the City Manager Internal Service Fund, Convention Development Fund, Capital Projects Funds, and Pensions.

The City Council and City Manager are responsible for providing leadership that result in informed decision-making, exceptional customer service and a positive quality of life for the citizens of Jacksonville Beach.

Policy decisions and legislative actions, which are made by the City Council, are administered and executed by the City Manager. The City Attorney serves in an advisory role in the interpretation of ordinances adopted by the City Council and other state and federal laws and regulations related to the business of City government. The City Clerk maintains City records in compliance with state and local laws and requirements and serves as pension administrator for the City's three pension funds.

Authorized Positions	FY2011	FY2012	FY2013
City Council	7	7	7
City Manager	1	1	1
Assistant to the City Manager	-	1*	1*
Events & Public Relations Coordinator	1	-*	-*
Senior Secretary	1	-	-
City Clerk	1	1	1
Assistant City Clerk	1	1	1
Business License Specialist	1	-	-
Senior Secretary	-	1	1
Senior Secretary- part-time	2	2	1
TOTAL	15	14	13

** The City Manager has replaced the Events & Public Relations Coordinator with an Assistant to the City Manager position. He may also utilize an intern.*

Executive & Legislative Department

	2011	2012	Target 2013
City Effectiveness			
Accomplish business plan goals	Yes	Yes	Yes
Maintain financial health	Yes	Yes	Yes
Customer Service			
Customer service training and standards for all departments	Yes	Yes	Yes
Customer complaint & comment response time	3 days	3 days	3 days
Quality of Life			
<i>Infrastructure:</i>			
Water, Sewer & Road Improvements (N. 2nd Street)	Construction	Complete	Complete
Lift Station #3 (4th St. & 10th Ave. S.)	Construction	Complete	Complete
Lift Station #15 (Hopson Rd.)	--	Design	Construction
9 th Street Construction	Complete phase 1	Complete phase 2	--
<i>Water, Sewer & Stormwater:</i>			
Rebuild Waste Treatment Plant to comply with federal/state limits on nitrogen	Construction	Complete	--
Water-consumptive use permit	Yes	Yes	Yes
Sewer & Stormwater-NPDES permits	Yes	Yes	Yes
<i>Park & Facility Improvements:</i>			
South Beach Park-water feature; Sunshine Park structure improvements	Complete construction	--	--
<i>Public Safety:</i>			
Emergency Management	On-going	On-going	On-going
Economic Development			
<i>Projects:</i>			
Downtown Redevelopment-Glatting Jackson, Phase 1 (A1A)	Complete	--	--
Downtown Redevelopment-Glatting Jackson, Phase 2 (Beach Blvd., 1st St. (portion), 1st - 4th Aves. N.)	Construction	Construction	Complete (Jan. 2013)
Downtown Redevelopment-Glatting Jackson, Phase 3 (2nd St. N., 5th Ave. N. & portions of 1st St., 1st & 2nd Sts. South and Aves. To 16th S.)	--	Scope of work and design	Design

Executive & Legislative Department

City Manager's Performance Measures (concluded)		2011	2012	Target 2013
Intergovernmental Relations				
Monitor & provide input on issues of importance to the City's future including:				
Federal: electric, internet tax, regulatory agencies, beach renourishment				
State: legislation, beach renourishment, DOT, regulatory agencies				
Local: City of Jacksonville, JTA, interlocal agencies				
Beaches Energy Services (Electric & Natural Gas)				
Infrastructure & major replacement projects	Complete projects as scheduled in the 5-year capital improvement plan			
Florida Municipal Power Association (FMPA)	Promote the City's interests in issues affecting the cost of power, integrated resource plan, natural gas, and legislative			
Florida Municipal Electric Association (FMEA)	Continue to monitor and represent the City's interests			
Marketing and Public Relations				
Communication with the media	On-going	On-going	On-going	
Publications:				
Current Events	Yes	Yes	Yes	
Website management	Yes	Yes	Yes	
Special Events: Jazz Concert Series, Moonlight Movies and others (see Parks & Recreation)	Yes	Yes	Yes	

City Clerk's Performance Measures		2011	2012	Target 2013
Customer survey satisfaction rating: Target is 95% Satisfactory, with at least 80% Exceeding Expectations	100%	99%	95%	
Issue business licenses within 5 days of receipt of completed application	99%	98%	100%	
Issue lien certificates within 7-10 business days of request receipt	95%	98%	95%	
Issue Council agenda packets 4 days prior to meeting	100%	100%	100%	
Prepare minutes of regular Council meetings within 3 days	100%	100%	100%	
Compile and submit data for actuary report by January	Yes	Yes	Yes	
Issue Summary Annual Report to pension members	Yes	Yes	Yes	

Executive & Legislative Department

Employee Pension Funds' Performance Measures:

	Actual			
	2008	2009	2010	2011
Percentage funded (historical)¹:				
General	83.40%	81.30%	78.70%	74.20%
Police	77.50%	76.40%	75.60%	71.50%
Fire	78.00%	73.80%	70.40%	66.80%
Accrued unfunded liability (in thousands)¹:				
General	\$8,135	\$9,580	\$11,279	\$14,166
Police	\$4,376	\$4,741	\$5,042	\$6,172
Fire	\$2,360	\$3,004	\$3,553	\$4,149
Net assets held for pension benefits (in thousands)²:				
General	\$36,348	\$37,249	\$39,015	\$37,834
Police	\$13,390	\$13,751	\$14,616	\$14,336
Fire	\$7,431	\$7,595	\$7,875	\$7,759
Market rate of return (all pension funds combined)¹:				
All pension funds	-10.80%	5.40%	8.20%	-0.10%
Annual City contribution²:				
General	\$623,377	\$612,416	\$737,532	\$971,717
Police	\$340,003	\$370,722	\$512,679	\$609,116
Fire	\$285,681	\$195,664	\$179,590	\$291,996
Number of retirees & beneficiaries receiving benefits¹:				
General	130	135	142	151
Police	33	35	36	40
Fire	24	24	23	21
Annual benefits paid (in thousands)²:				
General	\$1,588	\$2,201	\$2,490	\$2,608
Police	\$971	\$1,012	\$1,040	\$1,120
Fire	\$718	\$718	\$724	\$700

¹ Actuarial valuation dated October 1

² Audited financial statements dated September 30

Annual City Contribution ³	2010	2011	2012	2013
General	\$737,532	\$971,717	\$1,132,385	\$1,490,902
Police	\$512,679	\$609,116	\$620,826	\$733,533
Fire	\$179,590	\$291,996	\$363,700	\$429,947

³ Audited financial statements dated 9-30-2010 and 2011 and actuary report dated 10-1-2012 and 2013

Executive & Legislative Department

Goals for FY2013-City Manager's Office

- Lead the City in restructuring its services to meet budgetary limitations.
- Provide the leadership to implement business plan strategies for all departments.
- Analyze levels of service in City programs and recommend changes to improve their effectiveness.
- Continue customer service emphasis to provide high quality services at a reasonable cost.
- Focus on sound financial management.

Goals for FY2013-City Clerk's Office

- Identify, preserve and protect historic City records.
- Ensure that all Council and board meetings are attended and minutes are transcribed in a timely manner. Preserve and protect vital City documents and information by continuing employee Opti-View training and maintenance of document imaging program. Research conversion of document images to microfilm. Only long-term and permanent retention documents will be considered for conversion.
- Maintain training and continue cross-training of staff in the areas of Local Business Tax, research and preparation of lien certificates to collect outstanding liens and fees due to the City, conduct annual in-house records retention and records management training.
- Ensure customer needs and expectations are met by conducting annual surveys in all areas: pension, local business tax and lien certificates. Maintain a rating of 95% satisfactory or higher.
- Continue to provide for the effective administration of the City's three retirement systems: maintaining up-to-date Summary Plan Descriptions, distribution of annual benefit statements and summary annual reports, counseling on pension benefits, preparation data for annual actuarial report, and working with other departments to maintain accurate and reliable pension records.
- Work with Finance and Human Resources toward the possibility of transferring pension administration.

Executive & Legislative Department

Funding Sources:

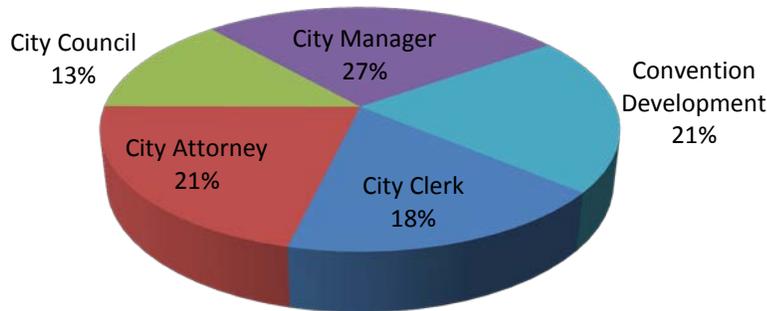
The **General Fund Executive and Non-Departmental Divisions** are supported by taxes, intergovernmental revenues, and transfers from other funds. The **City Manager Division** is funded by allocation of charges to departments served by the division. The **Convention Development Fund** receives half of the County’s 2% Bed Tax charged to each hotel room within the City’s corporate limits.

Half-Cent Infrastructure Tax Fund uses distributions from the *Better Jacksonville Plan* to fund:

- Street reconstruction and school sidewalks
- Water, sewer, stormwater improvements
- Capital improvements to recreational facilities
- Purchase of property for preservation and recreational purposes

Funding Uses:

Executive & Legislative Budget



Division	FY2012 Budget	FY2013 Budget	Increase (Decrease)
City Council	\$180,187	\$175,750	-\$4,437
City Attorney	291,359	282,690	-8,669
City Clerk	259,718	234,525	-25,193
City Manager	367,525	353,876	-13,649
Convention Development	225,657	277,270	51,613
TOTAL	\$1,324,446	\$1,324,111	(\$335)

Executive & Legislative Department

Funding Uses (continued)

City Council

This division's expenses are essentially level in comparison to previous years. Total budget is \$175,750. The City Council budget includes funding assistance for:

Dial-a-Ride \$2,500

Beaches Resource Center \$500

BEAM \$500

Beaches Community Healthcare \$500

City Attorney

The City Attorney division includes budgeted legal fees for legal matters affecting the City and its departments. This budget may require modification annually depending on the number of lawsuits. The total budget is \$282,690.

City Clerk

The City Clerk's office is responsible for maintaining the City's records and documents, keeping minutes of all City meetings, coordinating all municipal elections and publishing legal notices and advertisements. It also manages the City's occupational license program and administers the City's pension funds. The total budget is \$234,525.

Convention Development

The expenses of this division cover the maintenance and upkeep of the SeaWalk amphitheater and downtown entertainment center. This includes \$36,000 for SeaWalk maintenance, and \$51,270 for the Grounds Maintenance division to maintain landscaping in the SeaWalk Pavilion and downtown entertainment center. The Convention Development Fund transfers \$25,000 to provide partial funding for the maintenance and operation of the South Beach Recreation Center and Exhibit Hall and \$70,000 to partially fund Special Events. \$95,000 is budgeted to improve and replace lights at Seabreeze ballfields. The total budget is \$277,270.

Executive & Legislative Department

Funding Uses (continued)

Non-Departmental

The Non-Departmental Division of the General Fund includes those expenses that are not attributable to any distinct area and unanticipated expenses that might come up during the year. Liability insurance coverage is also paid for in this cost area.

NON-DEPARTMENTAL BUDGET		
(General Fund)	FY2012	FY2013
Professional Services	\$ 20,000	\$ 10,000
Contract Services (Christmas banners, bank charges)	24,000	34,000
Utilities (Downtown area)	20,000	20,000
Rental of South Beach Recreation Center	23,800	10,000
Liability Insurance	376,828	376,539
Printing and reproduction (Jax Beach Briefs)	6,000	6,000
Unanticipated:		
Unallocated	411,042	245,250
Customer Service Rewards	15,000	15,000
Emergency Management (if needed)	20,900	0
Internal Service Charges	192,205	193,030
Uncollectible Accounts	0	1,000
Minimum monthly retiree benefits	11,537	11,537
Subtotal - operating	1,121,312	922,356
Capital outlay	0	0
Transfers from General Fund to General Capital Projects Fund:		
Capital Projects-equip. replacement		
Fire apparatus replacement	75,000	75,000
Streets heavy equipment replacement	96,200	96,200
Subtotal - transfers	171,200	171,200
TOTAL Non-departmental	\$ 1,292,512	\$ 1,093,556

Executive & Legislative Department

Funding Uses (continued)

Capital Projects Funds include ½ Cent Sales Surtax (also known as the Better Jacksonville Beach Fund) which are used to pay debt service and fund improvements to streets, sidewalks and recreation facilities. ½ Cent Sales Surtax Bond Proceeds accounts for \$10 million borrowed, in part, to partially fund the Waste Treatment Plant rebuild required to meet the City’s nitrogen allocation, along with the 9th Street, Avalon and Duval Drive projects.

Funding Source	Projects budgeted	Budget
½ Cent Sales Surtax Fund (Better Jax Beach)	Transfer to debt service fund	\$971,734
½ Cent Sales Surtax Bond Proceeds Fund (Better Jax Beach)	Duval Drive-construction	\$971,000
	Professional engineering services	\$30,000
	Technology repair & maintenance	\$25,000
	Small technology purchases	\$60,000
	Replace backhoe (Streets)	\$105,000
	Replace excavator (Streets)	\$200,000
	Dune walkover maintenance	\$100,000
General Capital Projects	Total General Capital Projects	\$520,000
Sunshine Park	Park Maintenance	\$2,500
Paws Dog Park	Park Maintenance	\$3,000
TOTAL CAPITAL PROJECTS		\$2,468,234

Financial Summary-General Capital Projects Funds

Resource Allocation	Actual 2011	Original Budget		Increase -Decrease	% Change
		Budget 2012	Budget 2013		
Operating	\$156,632	\$192,632	\$171,500	-\$21,132	-11.0%
Capital Outlay	\$1,087,750	\$2,141,819	\$1,325,000	-\$816,819	-38.1%
Transfers	\$2,921,874	\$1,015,115	\$971,734	-\$43,381	-4.3%
TOTAL	\$4,166,256	\$3,349,566	\$2,468,234	-\$881,332	-26.3%

General Capital Projects Fund uses transfers from other funds to pay for planned major capital improvements or equipment purchases and unforeseen major repairs or renovations. **Beaches Park Project for Kids and Paws Dog Park** funds use donations to help maintain two facilities: Sunshine Park and Paws Dog Park.

Executive & Legislative Department

Financial Summaries

Executive & Legislative Department

A project to improve the bulkhead and replace the lights at Seabreeze ballfield are the reason for the increase in this budget.

Resource Allocation	Actual 2011	Original Budget 2012	Budget 2013	Increase -Decrease	% Change
Personal Services	\$573,721	\$588,923	\$570,363	-\$18,560	-3.2%
Operating	\$561,729	\$625,523	\$568,748	-\$56,775	-9.1%
Capital Outlay	\$3,878	\$15,000	\$95,000	\$80,000	533.3%
Debt Service	\$0	\$0	\$0	\$0	0.0%
Transfers	\$25,000	\$95,000	\$90,000	-\$5,000	-5.3%
TOTAL	\$1,164,328	\$1,324,446	\$1,324,111	-\$335	0.0%

Nondepartmental Division

A detail of Non-departmental expenditures are on page 42.

Resource Allocation	Actual 2011	Original Budget 2012	Budget 2013	Increase -Decrease	% Change
Operating	\$712,767	\$1,121,312	\$922,356	-\$198,956	-17.7%
Capital Outlay	\$7,150	\$0	\$0	\$0	n/a
Transfers	\$781,200	\$171,200	\$171,200	\$0	0.0%
TOTAL	\$1,501,117	\$1,292,512	\$1,093,556	-\$198,956	-15.4%

Governmental Debt Service Funds

The 1/2 Cent Infrastructure Surtax Bond Proceeds are paying for capital projects throughout the City. The bonds will be paid off in 2019.

Resource Allocation	Actual 2011	Original Budget 2012	Budget 2013	Increase -Decrease	% Change
Principal	\$770,000	\$800,000	\$875,000	\$75,000	9.4%
Interest & other charges	\$294,594	\$268,218	\$105,993	-\$162,225	-60.5%
TOTAL	\$1,064,594	\$1,068,218	\$980,993	-\$87,225	-8.2%

Executive & Legislative Department

Budget Issues for 2013

- Keeping a strong, well trained and highly motivated workforce while reducing staff, limiting wage increases due to revenue reductions, and increasing pension and health insurance costs will be a continuing challenge.
- The entire LIUNA (General Employees) labor contract expired in November, 2011 and the wage article for FOP (Police Officers) will reopen for negotiation in October, 2012. The entire contract for IAFF (Firefighters) is currently under negotiation.
- State legislation imposing ad valorem tax limitations for local governments along with sales and reductions in property value caused by the recession will have a substantial effect on City operations.
- Construction of sewer plant rebuild to meet nutrient allocation for the St. Johns River *total maximum daily load* (TMDL) costing over \$21.6 million is substantially complete. New stormwater regulations (numeric nutrient criteria) could increase costs dramatically.
- The City of Jacksonville may try to reopen the interlocal agreements with the three beach cities. These agreements govern such things as the relative taxing and provision of services to the cities.
- Although the cost of natural gas is currently low, future cost volatility could drive the City's power costs higher. New regulations limiting carbon dioxide emissions could also increase those costs.
- A preliminary estimate of the cost of maintenance for the City's 10+ year old dune walkovers of \$100,000 is included in the General Capital Projects Fund budget.



Planning & Development

Mission

Working together to build a better Jacksonville Beach.

Department Service Philosophy

- Ensure compliance with the City’s adopted development and construction standards.
- Communicate effectively with customers regarding the code requirements while implementing processes that are responsive to their particular needs.
- Provide assistance to the general public to aid in their understanding of the land planning, development and building permit processes.

Organization

The Planning & Development Department consists of three divisions: Planning & Development, Building Inspection, and Code Enforcement. In 2006, the Code Enforcement Division was formed out of the Building Inspection Division to conform to state mandates regarding financial management of permit fee revenues.

The department also provides administrative support to the Community Redevelopment Agency (CRA) for the City’s Downtown and South Beach Redevelopment Districts. The work of the department is carried out in coordination with the appointed Planning Commission, Board of Adjustment, Community Redevelopment Agency, and the Special Magistrate.

Authorized Positions	FY2011	FY2012	FY2013
Planning Division	2	2	2
Building Inspection Division	4	4	4
Code Enforcement Division	2	2	2
TOTAL	8	8	8

Planning & Development

Financial Summary-All Divisions

Resource Allocation	Actual 2011	Original Budget 2012	Budget 2013	Increase -Decrease	% Change
Personal Services	\$577,357	\$594,228	\$603,072	\$8,844	1.5%
Operating	\$252,321	\$445,583	\$207,602	-\$237,981	-53.4%
Capital Outlay	\$2,521,679	\$10,071,974	\$0	-\$10,071,974	-100.0%
Debt Service	\$2,136,491	\$1,843,931	\$1,494,114	-\$349,817	-19.0%
Transfers	\$2,173,598	\$17,622	\$292,635	\$275,013	1560.6%
TOTAL	\$7,666,321	\$12,973,338	\$2,597,423	-\$10,375,915	-80.0%

The FY2013 budget for the Department is decreased, in part, due to the manner in which tax increment revenues will be budgeted for capital projects. The year-to-year change in capital projects can create significant changes in this department's budget. Reserved funds are earmarked or committed to such projects when they reach the final design stage.

Financial Summary by Division

Resource Allocation	Actual 2011	Original Budget 2012	Budget 2013	Increase -Decrease	% Change
Planning	\$157,881	\$179,345	\$161,576	-\$17,769	-9.9%
Building Inspection	\$294,253	\$304,168	\$299,440	-\$4,728	-1.6%
Code Enforcement	\$145,855	\$163,696	\$161,424	-\$2,272	-1.4%
Downtown Redevelopment	\$4,078,759	\$7,497,527	\$767,749	-\$6,729,778	-89.8%
South Beach Redevelopment	\$2,989,573	\$4,828,602	\$1,207,234	-\$3,621,368	-75.0%
TOTAL	\$7,666,321	\$12,973,338	\$2,597,423	-\$10,375,915	-80.0%

Planning & Development

Planning & Development Division

The Planning and Development Division is responsible for all of the City’s short- and long-range planning activities including administering and maintaining the Comprehensive Plan Elements and implementing the Land Development Code. This Division also provides administrative support for the City’s community redevelopment efforts. This function includes developer relations, redevelopment agreement negotiations, and monitoring the implementation of projects.

The Division works closely with the appointed Planning Commission, Board of Adjustment, and Community Redevelopment Agency (CRA).

Authorized Positions	FY2011	FY2012	FY2013
Director of Planning & Development	1	1	1
Senior Planner	1	1	1
TOTAL	2	2	2

Recent Accomplishments

- ✓ Processed 174 separate land development code approvals including three zoning changes, including the consolidation of separate PUD ordinances for the Baptist Medical Center – Beaches; two Land Development Code text amendment (gunsmithing in C-1 zones and flood hazard area regulation), 19 conditional use approvals, and 53 variance requests for public hearings by the Planning Commission or Board of Adjustment. Administrative approvals of home occupations totaled 70.
- ✓ Secured approval of an ordinance reducing the off-street parking requirements in the Central Business District and creating a payment in lieu of providing parking process.
- ✓ Conducted the analysis of the 2010 Census data and prepared the ordinance and map revising the City Council District boundaries.
- ✓ Completed the Evaluation and Appraisal (EAR) based amendments to the 2030 Comprehensive Plan.
- ✓ Assisted in inter-departmental efforts related to capital project coordination, Avalon Subdivision, paid public parking, alcohol related issues, and provision of bus shelters.
- ✓ Maintained the City’s involvement in the North Florida TPO transportation planning activities.
- ✓ Continued the Division’s commitment to provide a 10-day turnaround time for the initial review of land development application plan submittals.

Planning & Development

Planning & Development Division Goals for FY2013

- Maintain current standard of distributing development plans to reviewing departments within two days of receipt and completing the initial review of the submittal within ten working days.
- Continue working on Beaches transportation issues through participation on the North Florida Transportation Planning Organization (TPO) technical coordinating committee.
- Continue the evaluation of the City's land development code in terms of current conditions and trends, and recommend revisions, as needed, to continue properly managing the future growth and development of the City.

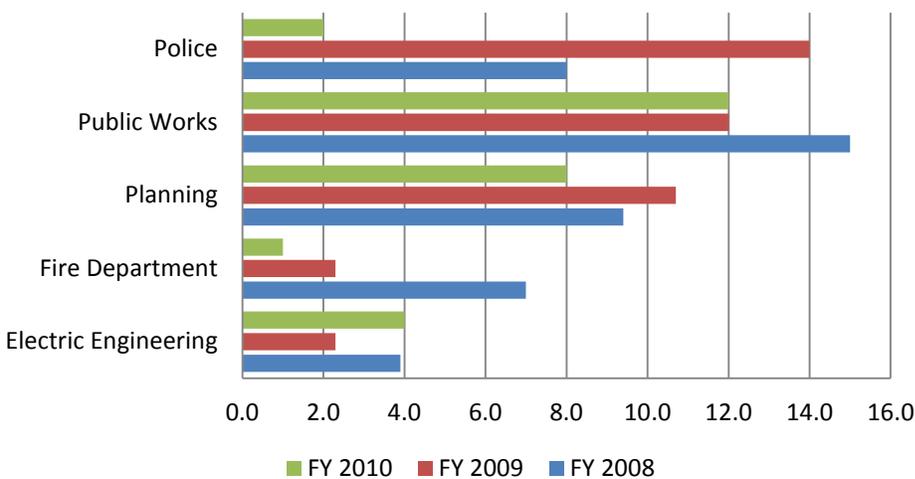
Division Budget Issues for FY2013

- The reduction in development activity due to the national economic situation has resulted in a decline in the Department's workload. However, over the same time period, the staffing level has been reduced from 11 to 8. A second building code inspector position will remain unfunded and unfilled indefinitely.
- There is a need to continuously monitor permitting and inspection workload activity as the economic recovery continues so that we can quickly respond to fill the vacant position to ensure that we maintain our high standard of service to our customers.

Division Performance Measures

*It is the goal of the Division to complete the initial review of all site development plan applications within **10 working days** from receipt.*

Site Plan Review Processing Days



Note: There were no site plans submitted for review during FY2011.

Planning & Development

Building Inspection and Code Enforcement Divisions

Organization of the Division

The Building Inspection Division is responsible for reviewing and approving all applications for permits, including new construction and remodeling, electrical, plumbing, mechanical, and miscellaneous work. This division also inspects all permitted jobs to ensure that they are carried out in accordance with the approved plans and adopted codes.

The Code Enforcement Division is responsible for enforcing the property maintenance ordinances of the City. This function includes clearing of vacant lots, abating general nuisances, and removal of junked or abandoned property. The Division works closely with the appointed Special Magistrate in carrying out this responsibility.

Authorized Positions	FY2011	FY2012	FY2013
Building Official	1	1	1
Building Code Inspector	1	1	1
Permit Specialist	2	2	2
Total, Building Inspection Division	4	4	4
Code Enforcement Inspector	1	1	1
Permit Specialist	1	1	1
Total, Code Enforcement Division	2	2	2
TOTAL, Building Inspection and Code Enforcement Divisions	6	6	6

The job description for the Building Code Inspector position has been revised to include general code enforcement duties. Going forward, all Building Code Inspectors will be cross-trained to work in the code enforcement areas.

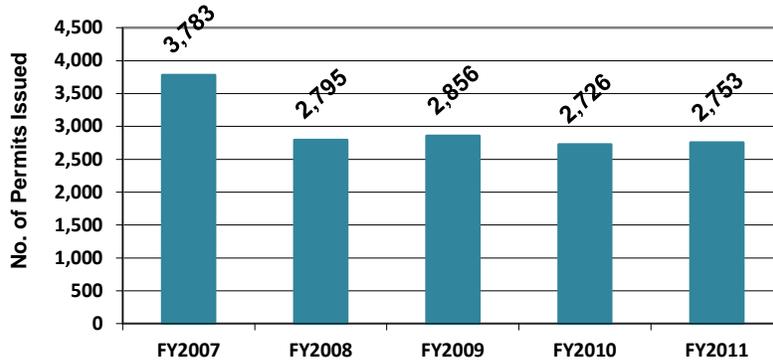
Recent Accomplishments

- ✓ The Building Inspection Division issued 2,753 building permits with a valuation of \$27,070,912. Building inspection personnel carried out 4,386 construction inspections during the fiscal year. Construction activity included 35 new dwelling units, and generated over \$267,000 in permit fees. All of these figures are up slightly from the prior fiscal year.
- ✓ Code enforcement staff processed 1,208 nuisance code cases. The Special Magistrate system, which began in 2007, has now been in place for over four years. The magistrate, who is trained in the law, hears and decides code violation cases. The Magistrate system continues to function extremely well for the City, as cases are being decided quickly and in a consistent manner.
- ✓ The Building Inspection Division is meeting its objectives for turnaround times during the initial review of construction plans.
- ✓ The Division has been diligent in making sure that team members attain and retain the proper licenses and credentials under state law. Throughout FY2011, all Building Inspection personnel devoted adequate time in building code administration classroom activities to maintain their certifications, and all of Department staff devoted some time to elective personal and professional development training seminars.

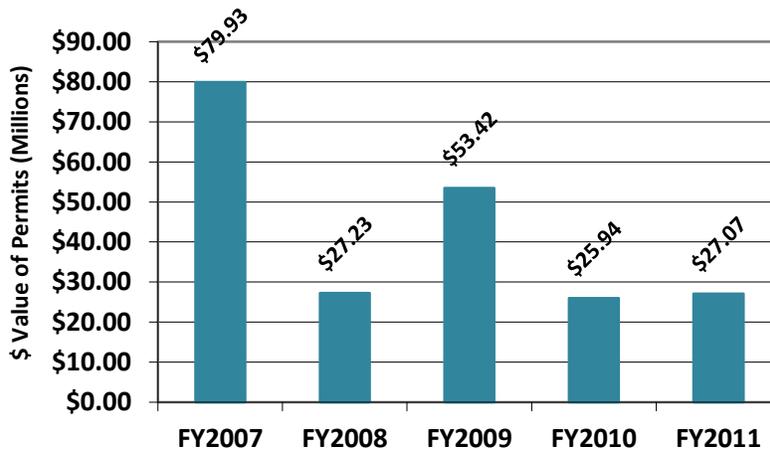
Planning & Development

Building Inspection and Code Enforcement Divisions Performance Measures

Annual Number of Permits Issued, FY 2007-2011



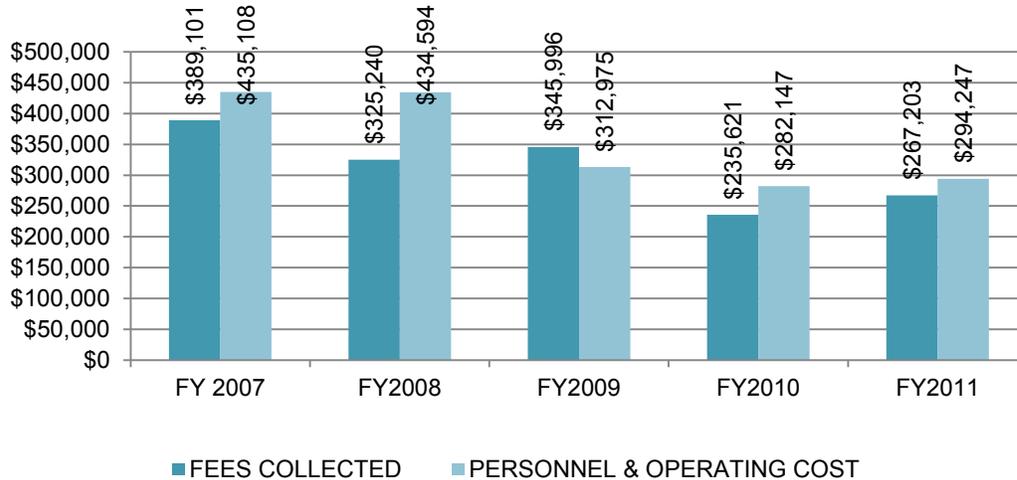
Total Dollar Value of Permits, FY2007-2011 (millions)



Building Inspection's objective is to maintain a level of service for building permitting, inspections and code enforcement to achieve a high degree of customer satisfaction.

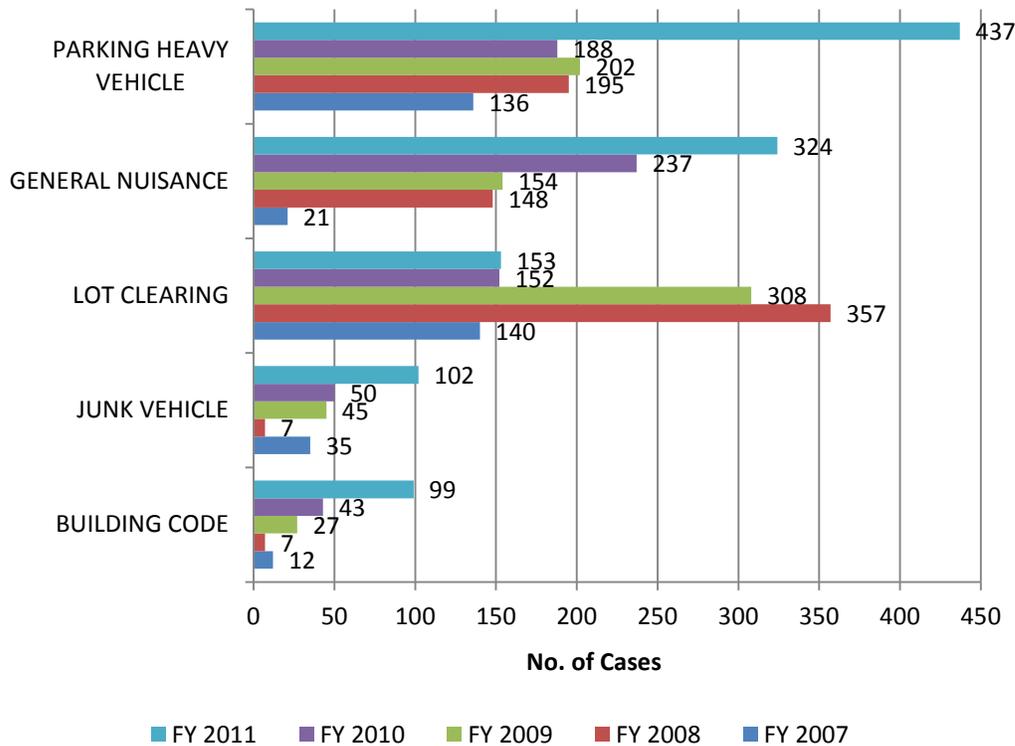
Planning & Development

Comparison of Permit Fees & Building Inspection and Code Enforcement Divisions' Personnel and Operating Expenses, FY2007-2011



In 2006, the Florida legislature passed a bill requiring local governments to earmark funds derived from permit fees to support the building permitting and inspection functions of the jurisdiction.

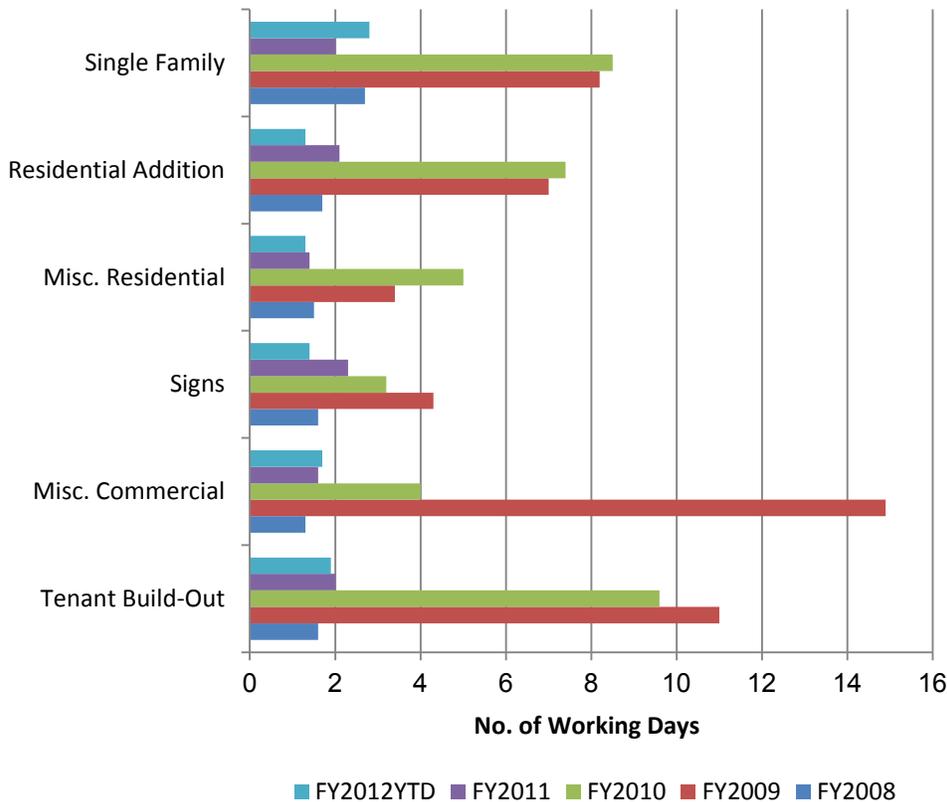
Five Most Frequent Code Enforcement Cases, FY 2007-FY 2011



Planning & Development

Building Inspection and Code Enforcement Divisions

Average Initial Review Time for Selected Permit Types, FY2008-2012FYTD



*The Building Inspection Division's goal for the initial review of major projects is **10 working days** for commercial and multi-family projects and **3 working days** for single family residential projects.*

Building Inspection and Code Enforcement Division Goals for FY2013

- Maintain the current standard of completing the initial plan review for single-family residential construction permits within three days of receipt.
- Maintain the current standard of completing initial plan review for large-scale projects within ten working days of receipt.
- Maintain the current standard of issuing trade permits for miscellaneous work within one working day of receipt.
- Continue providing “next day” service for all requests for building inspections.
- Continue studying and providing training opportunities for staff members to effectively manage the challenge of administering and enforcing the Florida Building Code.

Planning & Development

Building Inspection and Code Enforcement Divisions (continued)

PERFORMANCE MEASURES	FY2010	FY2011	2012 FYTD (thru 3/31/12)	FY2013 Target
SITE PLAN REVIEWS:				
Number of applications	4	0	1	6
Plans routed within 48 hours of receipt	100%	N/A	100%	100%
Average number of work days for initial review:				
Public Works – All Reviewers	5.1	4.9	7.0	10.0
Planning	1.1	7.4	7.0	10.0
Fire Department	3.0	3.2	6.0	10.0
Electric Engineering	2.5	5.1	2.0	10.0
NUMBER OF BUILDING PERMITS				
Building	1,361	1,370	693	1,386
Plumbing	422	435	155	310
Electrical	614	605	219	438
Mechanical	329	343	218	436
COMMON TYPES OF CONSTRUCTION PLAN REVIEWS:				
Single Family Dwellings				
Number of applications	15	34	25	25
Plans routed within 24 hours of receipt	100%	100%	100%	100%
Average number of work days for initial review:				
Code Enforcement	4.0	1.9	2.9	3.0
Inspection Division Plans Reviewer	2.0	2.0	2.8	3.0
Public Works	6.6	3.5	4.0	3.0
Miscellaneous Commercial				
Number of applications	87	58	35	65
Plans routed within 24 hours of receipt	100%	100%	100%	100%
Average number of days for initial review	1.3	1.6	1.7	3.0
Tenant Build-Out				
Number of applications	30	21	19	30
Plans routed within 24 hours of receipt	100%	100%	100%	100%
Average number of days for initial review	1.0	2.0	1.9	3.0
Signs				
Number of applications	81	76	30	70
Plans routed within 24 hours of receipt	100%	100%	100%	100%
Average number of days for initial review	2.1	2.3	1.4	3.0
Residential Additions				
Number of applications	27	14	9	25
Plans routed within 24 hours of receipt	100%	100%	100%	100%
Average number of days for initial review	2.0	2.1	1.3	3.0

Planning & Development

Community Redevelopment Program

The five-member Jacksonville Beach Community Redevelopment Agency (CRA) was established in 1978, pursuant to Chapter 163, Part III of the Florida Statutes. The CRA was created for the purpose of carrying out a community redevelopment program for the City. The Jacksonville Beach program consists of a variety of redevelopment activities in two districts: Downtown and South Beach.

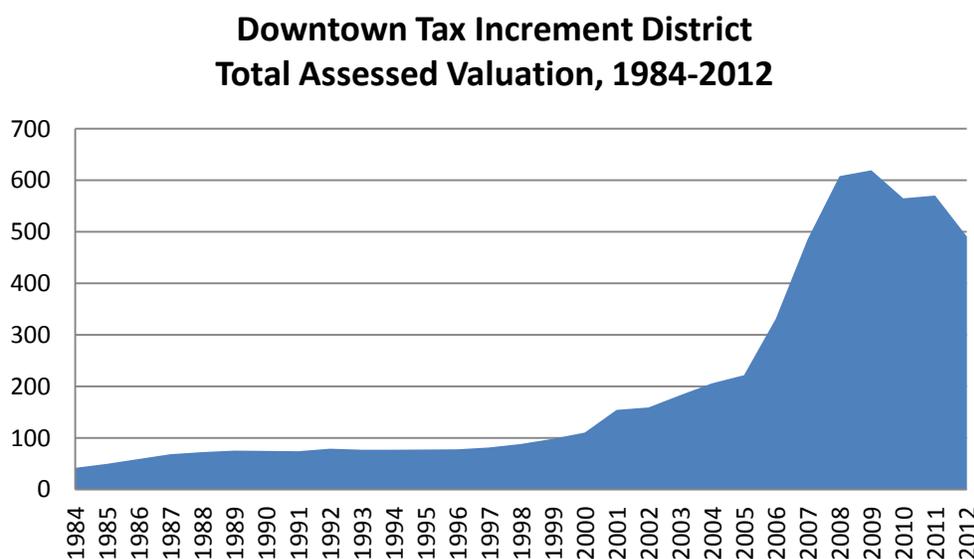
Both Community Redevelopment District programs are funded from property tax revenues generated from within the two districts. The funds derived from the tax increments are held in separate trust funds administered by the Agency. The Downtown District generated \$4,620,364 for FY2011. South Beach generated \$2,571,314 for the same period.

Both districts are expected to continue fully funding their operations, debt service and planned and approved projects for the foreseeable future. The Planning and Development Division provides administrative support for the City's community redevelopment efforts.

Downtown Redevelopment District

The initial focus of the CRA was the rejuvenation of the Downtown District. The plan for the redevelopment of the Downtown District was adopted in June 1987, following the creation of the TIF District in 1984. In 2008, the Downtown Plan was amended to incorporate the Vision Plan prepared with the assistance of the consulting firm, Glatting Jackson Kercher and Anglin (now AECOM, Inc.).

The redevelopment effort to date has been centered on improvements to the public infrastructure: Downtown Utility and Streetscape Project, Latham Plaza and Parking Lot, SeaWalk Pavilion, Oceanfront Park, Jacksonville Beach Fishing Pier, 3rd Street Landscaped Medians, and the SeaWalk Reconstruction to facilitate private investments in the area.



Infrastructure projects have increased the value of property in the Downtown Redevelopment District since its inception. Following the peak year of 2009, the assessed values have declined as result of national real estate economic situation.

Planning & Development

Community Redevelopment-Recent Program Accomplishments-Downtown

- ✓ During FY2011, the CRA and staff continued its involvement in implementing the Vision Plan for the core of the Downtown area. The Vision Plan was adopted by the Community Redevelopment Agency and City Council as an amendment to the Downtown Plan in late 2007. The CRA and city staff are continuing to diligently pursue the implementation of the Vision Plan proposals, including:
 - The Haskell Company completed work on their design build contract, including demolition and reconstruction of the SeaWalk between Beach Boulevard and 3rd Avenue North, removal of the 3rd Avenue North pedestrian plaza and installing on-street parking, installation of brick pavers in the 1st Avenue North walkway adjacent to the SeaWalk Pavilion, and relighting of the entire length of the SeaWalk. This project was completed on time to avoid any conflicts with the Spring activities in downtown.
 - Completed the final design and construction specifications for second phase of infrastructure and streetscape work in the Vision Plan area. The work includes reconstruction of Beach Boulevard, 4th Avenue North, and North 1st Street between Beach and 4th Avenue North. Traffic roundabouts are proposed at Beach and 1st Street and Beach and 2nd Street. The project was put out for bids and construction began in December 2011.
 - Prepared a scope of work for Phase III of the Vision Plan project. Phase III will focus primarily on 2nd Street North and South, infrastructure improvements throughout the area south of Beach Boulevard, and the completion of the streetscape improvements on 1st street between the Pier and 6th Avenue North.
- ✓ Completed the installation of the enhanced lighting in Latham Plaza.
- ✓ Initiated a maintenance and repair program for the Downtown way finding sign system.
- ✓ Secured final approval of the reduced off-street parking space requirements and instituted a payment in lieu of providing off-street parking in the Central Business District.
- ✓ Continued the funding of an expanded Downtown Community Policing Initiative in the downtown district.

Program Goals for FY2013 –Downtown

- Provide technical support, project development assistance, and financial backing for infrastructure improvements contained in the Downtown Vision Plan in the downtown core and throughout the entire redevelopment district, including completion of the engineering design, permitting and awarding of the construction contract for a portion of the work in Phase III of the implementation of the Downtown Vision Plan, based on the annual availability of tax increment trust funds

Planning & Development

Financial Summary-Downtown Redevelopment

Resource Allocation	Actual 2011	Original Budget 2012	Budget 2013	Increase -Decrease	% Change
Personal Services	\$78,261	\$81,255	\$83,502	\$2,247	2.8%
Operating	\$90,393	\$189,433	\$50,708	-\$138,725	-73.2%
Capital Outlay	\$2,093,484	\$6,247,634	\$0	-\$6,247,634	-100.0%
Debt Service	\$974,205	\$979,205	\$633,539	-\$345,666	-35.3%
Transfers	\$842,416	\$0	\$0	\$0	0.0%
TOTAL	\$4,078,759	\$7,497,527	\$767,749	-\$6,729,778	-89.8%

Downtown Community Policing Initiative

The Downtown Community Policing Initiative, or Downtown CAPE, began a pilot project in November of 2006, and was accepted by the CRA as a permanent part of the Downtown Vision Plan in November of 2007. The program initially consisted of two officers and was expanded to four officers in FY2009. The four officers provide a concentrated presence in the Central Business District, but are authorized to provide police services throughout the Downtown Redevelopment District. Additional information regarding their activities may be found in the Police Department section of this Budget and Business Plan.

Resource Allocation	Actual 2011	Original Budget 2012	Budget 2013	Increase -Decrease	% Change
Personal Services	\$346,565	\$443,637	\$451,605	\$7,968	1.8%
Operating	\$44,257	\$58,272	\$58,272	\$0	0.0%
Capital Outlay	\$7,025	\$0	\$0	\$0	0.0%
TOTAL	\$397,847	\$501,909	\$509,877	\$7,968	1.6%

Funding for Community Policing Initiatives ("Downtown CAPE") is authorized under Chapter 163, Florida Statutes. This financial information is also included in the JBPD budget.

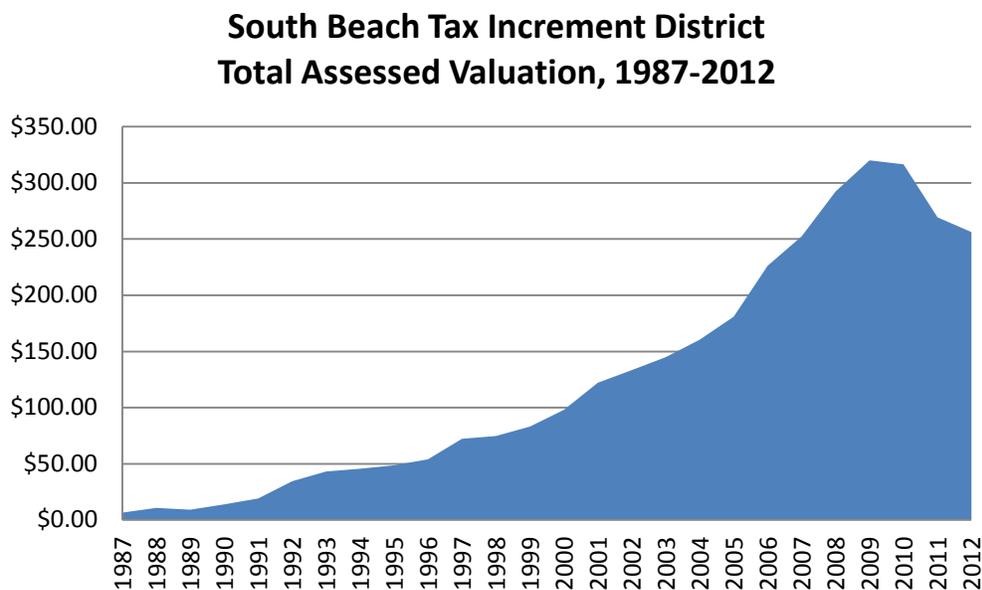
Planning & Development

Downtown FY2013 Budget Issues

- Securing sufficient funding to complete the construction of the streetscape, landscaping, and infrastructure for Phase III of the Vision Plan work which is now in the engineering design stage.
- Develop scope of work and fee schedule for additional design and engineering work as set forth in the Jacksonville Beach Downtown Vision Plan and Streetscape Master Plan; and execute an agreement for the next phase of the Vision Plan project.
- Carry out an assessment of our Downtown Redevelopment Program to determine if it is necessary to extend the Tax Increment Trust Fund to help fund additional work to accomplish the goals and objectives set out in the 2007 Vision Plan.

South Beach Redevelopment District

In November of 1985, the South Beach district was designated for redevelopment. A plan for the redevelopment of the area was adopted and a tax increment trust fund was established in 1987. Since the adoption of the South Beach redevelopment plan, six major public-private projects have been completed (Riptide, South Beach Regional Shopping Center, South Beach Parkway Shopping Center, Ocean Cay, South Beach Mixed Use Development and Paradise Key). In addition to the projects involving private enterprises, numerous public infrastructure projects have been constructed to support the redevelopment activity in the district.



Public/private partnerships have resulted in projects that have increased the value of property in the South Beach Redevelopment District since its inception. From a peak of \$320.5 million in 2009, the assessed values have declined as result of national economic factors.

Planning & Development

Recent Program Accomplishments-South Beach

- ✓ Working in conjunction with the Public Works Department, an engineering analysis of the public infrastructure was completed and adopted as the Capital Improvement Plan for the South Beach Redevelopment District. The plan amendment details the water, sewer, storm drainage, street paving, and traffic safety improvements that need to be addressed over the next 5-10 years.
- ✓ Retained an engineering consulting firm to prepare engineering and plans and specifications for an initial infrastructure reconstruction project. The initial project includes water, sewer, wastewater reuse, storm drainage, and paving in the Jacksonville Beach Heights and Williams Coastal Boulevard Heights areas of the District.
- ✓ Obtained SJRWMD approval of a master stormwater permit for the Central and South Drainage Basins which facilitate permitting for future public and private infrastructure improvements in both the Downtown and South Beach Districts.
- ✓ Completed the Sanitary Sewer Connection Grant Program.
- ✓ Completed construction of several enhancements in the South Beach Park, including stabilization and safety improvements at Sunshine Kid's Park and adding a water play feature.

Community Redevelopment-Program Goals for FY2013-South Beach

- Complete the detailed engineering on the initial project from the South Beach Redevelopment District Capital Improvement Plan and advertise the project for bids with a start of construction in the fall of 2012.
- Identify and appropriate tax increment trust funds to construct the initial set of infrastructure improvement projects.

Resource Allocation	Actual 2011	Original Budget 2012	Budget 2013	Increase -Decrease	% Change	
Personal Services	\$38,523	\$40,224	\$42,596	\$2,372	5.9%	
Operating	\$24,512	\$81,690	\$11,428	-\$70,262	-86.0%	<i>Funds for capital projects are appropriated at the completion of the design phase.</i>
Capital Outlay	\$428,195	\$3,824,340	\$0	-\$3,824,340	-100.0%	
Debt Service	\$1,162,286	\$864,726	\$860,575	-\$4,151	-0.5%	
Transfers	\$1,331,182	\$17,622	\$292,635	\$275,013	1560.6%	
TOTAL	\$2,989,573	\$4,828,602	\$1,207,234	-\$3,621,368	-75.0%	

Budget Issues-South Beach

- Provide funding to implement the initial scope of work under the South Beach Capital Improvements Plan (Est. \$2.0 Million).
- Provide funding for additional work as recommended in the South Beach Capital Improvements Plan (To be determined).

Parks & Recreation

Mission

Providing safe and enjoyable leisure opportunities for all citizens.

Organization

Recreation Administration directs the City’s overall recreation functions, including the following divisions: Ocean Rescue, Special Events, Huguenot Tennis Center, Oceanfront Restroom Facilities, Carver Recreation Center, Community Center & Exhibition Hall, and all Park Maintenance citywide. Recreation operations are funded by the General Fund, Community Development Block Grant and bed tax.

The Golf Course is an 18-hole facility that is open year-round. It operates as an Enterprise Fund.

Grounds Maintenance maintains the City’s parks, golf course, grounds and cemetery. This division operates as an Internal Service Fund.

Ocean Rescue, in the Recreation Division, hires an estimated 80 seasonal employees.

The special events position is also part-time.

Authorized Positions	2011	2012	2013
Recreation – full-time	5	5	4
Recreation – part-time	94	94	94
Recreation Total	99	99	98
Golf Course – full-time	9	8	8
Golf Course – part-time	18	18	18
Golf Course Total	27	26	26
Grounds – full-time	8	8	7
Grounds – part-time	1	0	1
Grounds Total	9	8	8
Total full-time	22	21	19
Total part-time	113	112	113
TOTAL	135	133	132

Financial Summary

Parks & Recreation has eliminated 8 positions since 2010.

Resource Allocation	Actual 2011	Original Budget 2012	Adopted Budget 2013	Increase -Decrease	% Change
Personal Services	\$2,251,994	\$2,067,866	\$2,087,014	\$19,148	0.9%
Operating	\$2,587,746	\$2,626,732	\$2,488,132	-\$138,600	-5.3%
Capital Outlay	\$85,581	\$35,211	\$65,200	\$29,989	85.2%
TOTAL	\$5,051,629	\$4,866,432	\$4,776,922	-\$89,510	-1.8%

Parks & Recreation

Recreation Administration

The Recreation Administration Division is responsible for the **management of all park facilities, special events and recreation activities** throughout the city. The staff manages all adult active sports and coordinates youth sports. The staff also administers the Community Development Block Grant, which provides funding for the Carver Center, Community Assisted Policing Effort (CAPE) and the Utility Bill Assistance Program.

The division manages the overall operation of the City's public golf course, Ocean Rescue, Carver Center Recreation Center, and Huguenot Tennis Center. Also, the division is responsible for several other facilities which include: **Lee Kirkland & Warren Smith Cemeteries, Oceanfront Restrooms, and Community Center.**

Authorized Positions	FY2011	FY2012	FY2013
Director	1	1	1
Recreation Superintendent	1	1	1
Administrative Secretary part-time	1	1	1
Senior Secretary part-time	1	1	1
Recreation Program Assistant part-time	1	1	1
TOTAL	5	5	5

Recent Accomplishments

- ✓ Administered & coordinated:
 - Carver Center
 - Surf Camps
 - Autism Surf Camp
 - Opening Day Parade
 - Easter Egg Hunt
 - Adult Softball League (Spring & Fall) – 37 Teams
 - Adult Flag Football League (Fall) – 43 Teams
 - Youth Sports Programs in conjunction with the parent organization ~ Little League, Girls Softball, Pop Warner and Babe Ruth

Recreation Administration Goals for FY2013

1. Provide Recreation programs and facilities that are meeting the needs of the community.
2. Maintain safe facilities, parks, and playgrounds.
3. Survey customer satisfaction with league play and use of facilities; striving for an 80% satisfaction rating.

Parks & Recreation

Recreation Administration Performance Measures

Performance measures are tracked on a monthly and yearly basis. In addition, performance is also measured by ratings on customer service satisfaction surveys.

Sports Programs Offered:	Estimated # of participants
Youth Spring Girls Softball	240
Youth Fall Girls Softball	168
Youth Spring Baseball	532
Youth Fall Baseball	390
Spring Babe Ruth Baseball	60
Fall Babe Ruth Baseball	60
Pop Warner Football & Cheerleading	300
Adult Spring Men & Co-ed Softball	800
Adult Fall Men & Co-ed Softball	500
Adult Fall/Winter Flag Football	864
Tennis Members	200
Tennis Walkups	200
Super Surf Camp	200
Carver Center	30
Easter Egg Hunt	400
TOTAL	4,944

Survey Questions	YTD 3-31-11	Target FY2013
% of customers who rated playing fields as being in good condition	95% Football 95% Softball	90% Football 90% Softball
% of customers rating Carver Center programs satisfactory and above	95%	95%
% of customers who are satisfied with the way the leagues are run	95% Football 100% Softball	90% Football 90% Softball

Performance Measure	FY2011	YTD 3-31-12	Target FY2013
Ensure parks and other facilities are cleaned and inspected weekly	Yes	Yes	Yes
Playground safety inspections conducted monthly	Yes	Yes	Yes
Number of accidents at parks and other recreation facilities	0	2	0
Number of sports programs administered to adult and youth	6	6	6

Parks & Recreation

Recreation Administration (continued)

Financial Summary

	Resource Allocation	Actual 2011	Original Budget 2012	Budget 2013	Increase -Decrease	% Change
<i>Recreation Administration's budget reflects reductions in personnel and operating costs.</i>	Personal Services	\$312,327	\$347,718	\$342,762	-\$4,956	-1.4%
	Operating	\$910,755	\$887,537	\$870,276	-\$17,261	-1.9%
	Capital	\$6,444				
	Outlay		\$0	\$0	\$0	0.0%
	Transfers	\$126,308	\$136,623	\$136,576	-\$47	0.0%
	TOTAL	\$1,355,834	\$1,371,878	\$1,349,614	-\$22,264	-1.6%

The Community Development Block Grant Program is funded by an Inter-local Agreement with Jacksonville that allows Jacksonville Beach to share a per capita portion of its entitlement funding. The requested Community Block Grant allocation for next fiscal year will once again cover the City's Community Assisted Policing Effort (CAPE), Carver Center and Utility Bill Assistance Programs. We have received preliminary approval to continue these programs subject to budget approval by congress. FY2013 funding request amount and priority for each program is:

Priority	Program	Request
1	Carver Center	\$72,593
2	CAPE	\$63,982
3	Utility Assistance	\$20,000
	TOTAL	\$156,575

Additional discussions of these programs may be found in the Police (CAPE) and Finance (Utility Bill Assistance) business plans.

Budget Issues FY2013

- ✓ Maintain service levels in difficult economic times with fewer employees.

Parks & Recreation

Ocean Rescue

The Ocean Rescue Division is responsible for supervising approximately 4.1 miles of municipal beach. Responsibilities include ensuring the maximum efficiency of the ocean rescue operations, beach safety and services to the public.

Division personnel must have advanced knowledge of ocean tides and currents and know how to properly use lifesaving equipment. The Division also offers a Junior Lifeguard Program.

Authorized Positions	FY2011	FY2012	FY2013
Supervisor full-time	1	1	1
Lieutenant part-time	3	3	3
Rescue Swimmers part-time	3	3	3
Tower Guards part-time	80	80	80
TOTAL	87	87	87

Recent Accomplishments

- ✓ Successful completion of eight Junior Lifeguard Programs.
- ✓ U.S. Lifesaving Association accreditation.
- ✓ Certified Inflatable Rescue Boat Operators (IRB).
- ✓ Certified Emergency Medical Technicians (EMT).
- ✓ Supervisors trained in USLA “Beach Driving Safety Course”.
- ✓ Distributed beach safety brochures through Beaches Energy Services welcome bags.
- ✓ Delivered beach safety lectures to elementary students.
- ✓ Completed in-service training for lifeguards.

Goals for FY2013

1. Zero drownings at the beach while lifeguards are on duty.
2. Continue Junior Lifeguard Program.
3. Continue in-service training hours for lifeguards.
4. Maintain training for Inflatable Rescue Craft Operators.
5. Distribute Ocean Safety Brochures to hotels.
6. Annual meeting with Jax Beach Fire Rescue.
7. Distribute surveys and receive an 85% approval rating.

Parks & Recreation

Performance Measures-Ocean Rescue

Performance is measured by accident report sheets and customer satisfaction surveys.

Performance Measure	FY2011	YTD 3-31-12	Target FY2013
Number of drownings while Ocean Rescue on duty	1*	0	0
Four Junior Lifeguard Camps Number attending	Yes 120	Yes 120	Yes 120
Successful first-aid cases	100%	90%	90%
Respond to major surf-related rescue calls within two minutes	100%	90%	90%
Average lifeguard to tower ratio (one guard on-duty and one guard off-duty per tower)	2:1	2:1	2:1
Maintain USLA Certification	Yes	Yes	Yes
Customer Survey Results:			
Confidence in lifeguard's abilities	95%	90%	90%
Lifeguards are kind and courteous	95%	90%	90%
Lifeguards provide professional care while providing first aid	95%	90%	90%

**In 2011, there was 1 drowning when Ocean Rescue was not on duty.*

Financial Summary

Resource Allocation	Actual 2011	Original Budget 2012	Budget 2013	Increase -Decrease	% Change	
Personal Services	\$487,864	\$449,502	\$453,973	\$4,471	1.0%	<i>Budget increase is due to the replacement of a pickup truck.</i>
Operating Capital	\$140,591	\$133,781	\$124,930	-\$8,851	-6.6%	
Outlay	\$25,087	\$12,000	\$32,700	\$20,700	172.5%	
TOTAL	\$653,542	\$595,283	\$611,603	\$16,320	2.7%	

Budget Issues

- ✓ Tower Guards are budgeted for 23,100 hours per year. It takes about 80 part-time employees to achieve this level of coverage.
- ✓ Replacement of Pickup truck 4x4 for a cost of \$24,000.
- ✓ Replace inflatable rescue boat (IRB) for \$8,700.

Parks & Recreation

Tennis Center

The Huguenot Tennis Center is responsible for managing adult men’s and women’s tennis teams, for managing a complete junior program, and for promoting tennis throughout the beach community. This also includes maintaining the building, courts, fences, and surrounding grounds. The Tennis Center staff is responsible for supervising six lighted and one unlit tennis courts.

The division also provides free clinics for children and adults throughout the year. The clinics are mainly for handicapped and financially less fortunate adults and children. The Tennis Center also hosts a free clinic for the children attending Carver Center summer camp.

Authorized Positions	FY2011	FY2012	FY2013
Tennis Professional	1	1	0
Tennis Professional part-time	0	0	1
Assistant Tennis Pro part-time	1	1	0
Court Attendant part-time	2	2	2
TOTAL	4	4	3

Recent Accomplishments

- ✓ The Tennis Center hosted approximately 9,900 players in the first six months of this year.
- ✓ Rebuilt 3 tennis courts with Plexi-cushion playing surface.
- ✓ Offered Senior Day on Friday mornings.
- ✓ Offered physically-challenged tennis clinic.
- ✓ Offered an Ironwoman & Ironman Tournament.
- ✓ Continued USTA Junior tennis team.
- ✓ Offered Friday night “Round Robin” tournaments during the months of May, June, & July.

Parks & Recreation

Tennis Center Goals for FY2013

- Increase the number of members and matches played. Current number of members is 234.
- Keep the courts and grounds in good condition at all times.
- Receive a customer satisfaction rating of 85% or higher.

Survey Results

Tennis facility satisfaction was measured by customer service surveys.

Performance Measure	YTD 3-31-12	Target FY2013
Level of customer service satisfaction with tennis facilities	90%	95%
Level of customer service satisfaction with tennis programs	90%	95%
Tennis court condition rated good	90%	90%
Building condition rated good	85%	100%

Financial Summary

Resource Allocation	Actual 2011	Original Budget 2012	Budget 2013	Increase -Decrease	% Change
Personal Services	\$90,079	\$84,921	\$71,760	-\$13,161	-15.5%
Operating Capital Outlay	\$17,955	\$30,170	\$25,670	-\$4,500	-14.9%
	\$0	\$0	\$0	\$0	0.0%
TOTAL	\$108,034	\$115,091	\$97,430	-\$17,661	-15.3%

The Tennis Center's budget reduction results from eliminating the assistant tennis pro position.

Tennis Center Budget Issues

- ✓ This year's estimated revenue is \$28,714.

Parks & Recreation

Oceanfront Restrooms

This operation provides public restroom facilities at 5th Avenue North and 2nd Avenue North. All facilities include outdoor showers. An additional shower facility is located at 7th Avenue South.

Recent Accomplishments

- ✓ Constructed new restroom facility at 2nd Avenue North.
- ✓ Contracted the cleaning of city restrooms to commercial cleaning company.

Goals for FY2013

1. Maintain clean restroom facilities and operating showers.

Financial Summary

Resource Allocation	Actual 2011	Original Budget 2012	Budget 2013	Increase -Decrease	% Change
Operating	\$66,483	\$83,627	\$80,500	-\$3,127	-3.7%
TOTAL	\$66,483	\$83,627	\$80,500	-\$3,127	-3.7%

Expenses include contract for restroom cleaning & staffing. Other expenses include: utilities – electric, water, and sewer. Maintenance consists of yearly painting, plumbing and vandalism repairs. The new 2nd Ave. North facility is expected to result in lower maintenance costs.

Performance Measures

- Restrooms should be in good working order; clean and sanitary for the public.
 - Hours of operation: March-Sept: 10 am to 7 pm (7 days a week)
October: closed on Monday & Tuesday
Nov-Feb: 10 am to 6 pm: Friday-Sundays only

Budget Issues

- ✓ Two additional showers will be added at Beach Blvd. end zone as part of the Downtown Vision Plan.

Parks & Recreation

Carver Center

The Carver Center provides activities and functions to the South Pablo Beach neighborhood, focusing primarily on summer and after school programs for disadvantaged youth.

Authorized Positions	FY2011	FY2012	FY2013
Recreation Supervisor	1	1	1
Recreation Leader part-time	1	0	0
Tutor part-time	1	2	2
TOTAL	3	3	3

Recent Accomplishments

- ✓ Continued Mentor programs for both young men’s group “YMC” (Young Men of Carver) and “Ladies of Carver” to teach values and goals setting.

- ✓ Events and Projects:
 - Golf Clinic with the First Tee at TPC
 - McKenzie Noelle Wilson sponsorship of teen summer camp counselors
 - Health clinic sponsored by Mayo Clinic
 - After school exercise program
 - Annual Christmas dinner for parents and children of Carver
 - Jacksonville Beach Elementary School 3rd grade class school supply donations
 - Christmas toy drive sponsored by Beaches Women’s Club
 - After school healthy snacks program sponsored by a local company
 - Promise reward program (new bicycle) awarded to a good student sponsored by a local company
 - Water Safety class
 - Halloween function

Parks & Recreation

Carver Center Program Goals

- Explore opportunities for community volunteer participation in programs.
- Focus on coaching, mentoring, and providing activities for young people.
- Offer counseling on jobs, employment and career goals.
- In conjunction with Rhoda Martin Heritage Museum, retired teachers provide help with studies to 3rd through 5th graders.
- Evaluate activities to continue to improve programs and ensure customer satisfaction.

Performance Measures

	2011	Estimate 2012	Target 2013
Customer Satisfaction with the programs	100%	100%	100%
Avg. # children attending	45	45	45

Financial Summary

Resource Allocation	Actual 2011	Original Budget 2012	Budget 2013	Increase -Decrease	% Change
Personal Services	\$82,044	\$73,599	\$79,867	\$6,268	8.5%
Operating	\$18,840	\$0	\$0	\$0	0.0%
TOTAL	\$100,884	\$73,599	\$79,867	\$6,268	8.5%

A Community Development Block Grant pays for \$72,594 of the cost of this program. The balance of expenses is paid by Recreation Administration.

Budget Issues

Community Development Block Grant funding for this program from CDBG has been reduced and may be subject to further federal budget reductions.

Parks & Recreation

Community Center and Exhibit Hall

This facility, opened in September 2007, is located at South Beach Park along with the Recreation office. The Community Center & Exhibition Hall is available to host many types of events such as trade shows, art exhibits, wedding receptions, parties, seminars, homeowners association and club meetings, school functions and shows. The facility may be rented on an hourly basis and is operated by the Recreation Department staff.

Recent Accomplishments

- ✓ Groups renting the facility include: Weekly Business Networking groups and local homeowners associations for meetings; two local schools for graduation and Christmas parties.

Goals for FY2013

1. Market the building, on internet and locally.
2. Rent building to offset the facility's operating costs.
3. Maintain a clean and professionally operated facility.

Financial Summary

Resource Allocation	Actual 2011	Original Budget 2012	Budget 2013	Increase -Decrease	% Change
Personal Services	\$0	\$0	\$0	\$0	0.0%
Operating	\$34,211	\$41,000	\$41,000	\$0	0.0%
Capital Outlay	\$1,003	\$0	\$0	\$0	0.0%
TOTAL	\$35,214	\$41,000	\$41,000	\$0	0.0%

Revenues are currently estimated to cover approximately half of the facility's expenses such as insurance, security, cleaning, set-up/tear-down and supplies.

Performance Measures

Objective	FY2011	YTD 3-31-12	Target FY2013
Customer Survey - % satisfaction with building, equipment and operation	95%	95%	95%
Rental Events	149	88	145

Parks & Recreation

Special Events

The Special Events budget includes a contribution to the Springing the Blues Festival and City-managed events including: the Summer Jazz, Moonlight Movies and Mother's Day Pops at the Beach.

SPECIAL EVENTS	2012	2013	Incr. / (Decr.)	% change
Funding Sources				
Facility rentals and fees	\$ 10,000	\$ 7,500	\$ (2,500)	-25.0%
Contributions	15,000	7,500	(7,500)	-50.0%
General Fund	16,198	-	(16,198)	-100.0%
Convention Development	70,000	70,000	-	0.0%
Total Sources	\$111,198	\$85,000	\$(26,198)	-24%
Funding Uses				
Springing the Blues	8,000	8,000	-	0.0%
Pops at the Beach	13,250	-	(13,250)	-100.0% (a)
Jazz Concerts (2)	56,200	57,000	800	1.4%
Moonlight Movies (1 in 2013)	19,500	12,000	(7,500)	-38.5%
Opening of the Beaches Parade	11,000	7,000	(4,000)	-36.4%
Contingency	2,000	1,000	(1,000)	-50.0%
Total Uses	\$109,950	\$85,000	\$(24,950)	-23%

(a) Pops at the Beach will be eliminated.

Due to reductions in General Fund revenue, reductions in the number and scope of special events are being proposed. The special events budget has been reduced by \$24,950.

Parks & Recreation

Special Events (continued)

In addition to City-sponsored events, the Parks & Recreation Department provides logistical support for many fundraising and awareness events that take place in Jacksonville Beach. Logistical support includes assistance with traffic management and securing the event route, among other things.

Other annual events that are scheduled for 2013 include:

- Chariots of Fur 5-K Dog Run
- 26.2 with Donna
- Beach Volleyball Tournament
- St. Paul's Carnival
- Sandcastle Contest
- Easter Sunrise Service
- Kids Fishing Rodeo
- Jax Beach Paddle Challenge
- Jax Beach Surf Camp
- Festival of Chariot
- Pancreatic Cancer Walk
- Making Strides Against Cancer
- Winter Beaches Run
- Skin Cancer Foundation
- Great Atlantic Seafood Festival
- Lifesaving Corps Opening Day
- Junior Lifeguard Camp
- Never Quit
- Hammerhead Marathon
- FSA Pro-Am Surf Contest
- Out of Darkness

Budget Issues

- Elimination of Pops at the Beach

Parks & Recreation

Golf Course

*“A Great Product
at a Great Price”*

Golf the Beach

The Golf Course division is responsible for the daily operation of the golf course. It ensures that the use of the facility is maximized and that all revenues are collected. The division also monitors the quality of the playing conditions. The Jacksonville Beach Golf Course operates as an enterprise fund.

Authorized Positions	FY2011	FY2012	FY2013
Golf Professional	1	1	1
Golf Course Superintendent	1	1	1
Golf Shop Manager	1	0	0
Lead Equipment Mechanic	1	1	1
Equipment Mechanic*	1	0	0
Maintenance Workers full-time	4	5	5
Maintenance Workers part-time	2	2	2
Shop Attendant part-time	7	8	8
Cart Attendant part-time	5	5	5
Starter part-time	4	3	3
TOTAL	27	26	26

**Equipment mechanic moved to Grounds Maintenance Division.*

Recent Accomplishments

- ✓ Hosted the North/South Collegiate Tournament.
- ✓ Hosted Ladies Golf League for third year.
- ✓ Continued program with “Golf Now” to promote play.

Goals for FY2013

1. Insure the Golf Course pays its own way with great customer service and well maintained playing conditions.
2. Maintain competitive position with local golf facilities.
3. Increase the Golf Course’s visibility and play through continued efforts to market the facility.

Parks & Recreation

Golf Course Performance Measures

	Actual FY2011	YTD 3-31-12	Target FY2013
Course condition-survey rating of above average	91%	77%	85%
Operating Revenue Per Round	\$27.23	\$26.22	\$26.88
Operating Cost Per Round	\$30.80	\$26.22	\$25.73

Survey Results (April 2012)

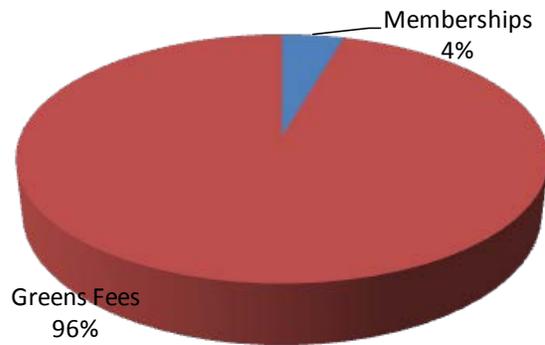
	Above Average	Satisfactory	Needs Improvement	No Opinion
Service inside Pro Shop?	96%	3%	1%	-
Service given by our starters?	92%	7%	1%	-
Overall service?	76%	23%	1%	-
Condition of our golf course?	46%	53%	1%	-
Restaurant operation?	66%	18%	12%	4%
Menu selection?	39%	34%	15%	12%

Parks & Recreation

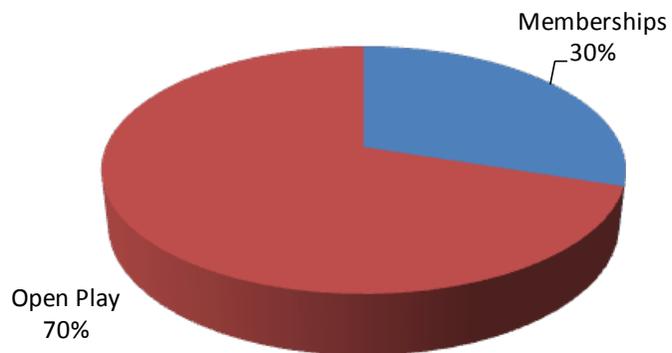
Play Statistics

These charts show the composition of our players.

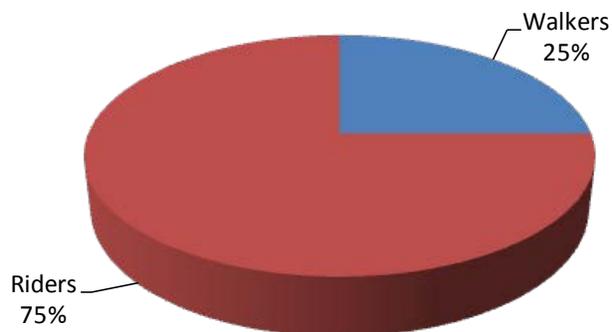
Greens Fees & Memberships



Players

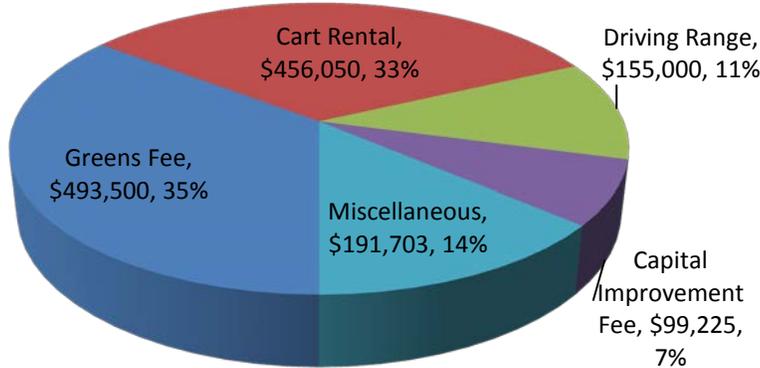


Walkers and Riders



Parks & Recreation

Golf Course Revenues: \$1,395,478



Miscellaneous revenue consists of: sales of memberships, lessons, pro shop merchandise, concessions, and season passes.

Financial Summary

Resource Allocation	Actual 2011	Original Budget 2012	Budget 2013	Increase -Decrease	% Change
Personal Services	\$748,459	\$653,640	\$668,988	\$15,348	2.3%
Operating Capital Outlay	\$706,075	\$737,694	\$692,480	-\$45,214	-6.1%
	\$22,410	\$23,211	\$18,000	-\$5,211	-22.5%
TOTAL	\$1,476,944	\$1,414,545	\$1,379,468	-\$35,077	-2.5%

The Golf Course has eliminated 3 positions and reduced operating costs.

Budget Issues

Operations Issue: The Golf Course is operated as an enterprise fund and is intended to generate sufficient revenues to cover its operating costs. Budgeted 2013 revenues of \$1,404,842 are expected to slightly exceed expenses.

Maintenance Issues:

- Golf Course Irrigation Main Line-replacement of rusting fittings that are failing: \$15,000.
- Replace Toro 7- reel Pull Frame Mower \$14,500 (cost being shared with Grounds Maintenance, total cost: \$29,000).
- Replace Driving Range ball picker: \$3,500.

Parks & Recreation

Grounds Maintenance

The Grounds Maintenance Division is an internal service fund. This division is responsible for the maintenance and upkeep of the golf course, ballfields, parks, cemeteries, landscape, grounds and common areas. In addition, this division assists with construction projects and special events as needed.

Recent Accomplishments

- ✓ South Beach Park “Water Play”
- ✓ South Beach Park Playground “Safety Surface”
- ✓ Jacksonville Beach parks improvements, including:
 - Tall Pines Park (swing mats, safety surface, wood fence)
 - Rotary Park (safety surface)
 - Gonzales Park (swing mats, safety surface)
 - Penman Park (borders, safety surface, swing mats)
 - Huguenot Park (playground equipment)
 - Cradle Creek (concrete curbing)

	Authorized Positions	FY2011	FY2012	FY2013
<i>Contract services for grounds maintenance supplement City staff to assist with peak seasonal work.</i>	Maintenance Superintendent	1	1	1
	Crew Supervisor	2	1	1
	Equipment Operator full-time	2	1	0
	Equipment Operator part-time	0	0	1
	Equipment Mechanic (moved from Golf Course)	0	1	1
	Maintenance Workers full-time	3	4	4
	Maintenance Workers part-time	1	0	0
	TOTAL	9	8	8

Funding Sources:

Funding comes from internal service charges. Grounds Maintenance costs are allocated to a variety of City departments and divisions:

Grounds Maintenance Cost Allocation		
General Non-Departmental-Latham Plaza, SeaWalk area, Jax Drive, A1A South	5.4%	\$56,320
Cemeteries	14.3%	\$150,000
Parks & Recreation	61.2%	\$644,671
Streets	2.1%	\$21,514
Police	1.0%	\$10,285
Fire	1.2%	\$12,069
Convention Tax	7.2%	\$75,665
Stormwater	3.7%	\$38,514
Community Service	0.8%	\$8,605
O/M Facility	3.0%	\$31,798
TOTAL	100.0%	\$1,049,440

Parks & Recreation

Financial Summaries

Tree Protection funds are used to add or replace trees throughout the City.

Tree Protection

Resource Allocation	Actual 2011	Original Budget 2012	Budget 2013	Increase -Decrease	% Change
Operating	\$8,376	\$16,840	\$3,000	-\$13,840	-82.2%

Grounds Maintenance

Grounds Maintenance budget reduction is primarily due to decreases in operating costs.

Resource Allocation	Actual 2011	Original Budget 2012	Budget 2013	Increase -Decrease	% Change
Personal Services	\$484,203	\$458,486	\$469,664	\$11,178	2.4%
Operating Capital	\$540,455	\$586,133	\$565,276	-\$20,857	-3.6%
Outlay	\$30,637	\$0	\$14,500	\$14,500	0.0%
TOTAL	\$1,055,295	\$1,044,619	\$1,049,440	\$4,821	0.5%

Goals for FY2013

- ✓ Keep all facilities well maintained and free of trash and debris.
- ✓ Keeping facilities and equipment in good condition with fewer staff and smaller budgets will be the challenge. The challenge can be met through the use of capable staff and efficient operating equipment.

Budget Issues for FY2013

- New areas such as the medians on A1A north in the downtown have been added to the maintenance schedule.
- Maintenance costs for the new landscaping included as part of the Downtown Vision Plan are expected to increase operating costs by approximately \$75,000. Maintenance costs will include sprinkler heads and irrigation parts, labor, water, and other costs.
- Replace Toro 7- reel Pull Frame Mower \$14,500 (cost being shared with Grounds Maintenance, total cost: \$29,000).

Public Works Department

Mission

To protect the health, safety, environment, and quality of life in our community by:

- Providing safe drinking water in volumes necessary for fire suppression.
- Providing proper collection, treatment, disposal, and reuse of wastewater.
- Maintaining roadways and sidewalks in good repair with appropriate traffic control signs.
- Providing effective removal and treatment of stormwater runoff.
- Providing for the timely removal and disposal of garbage and recyclables.

“We Make It So.”

Organization

The Public Works Department manages the City’s drinking water system, sewage collection system, stormwater collection system, street and rights-of-way maintenance, traffic control, signage and garbage collection.

Authorized Positions by Division	FY2011	FY2012	FY2013
Distribution & Collection	14	14	14
Pollution Control Plant	15	15	15
Water Plant	13	13	13
Streets	18	18	18
Administration	5	5	5
TOTAL	65	65	65

Recent Accomplishments

- ✓ Rebuilt, improved, and enhanced city infrastructure supporting our citizens by construction of the:
 - Wastewater Treatment Plant Improvement Project
 - FDOT 9th Street South Road Reconstruction Project (1st to Osceola Ave.)
 - City 9th Street South Road Reconstruction Project (Beach Blvd. to 1st Ave.)
 - Lake Mildred Stormwater Pump Station Project
 - Lift Station No. 3 Rehabilitation Project
 - Downtown SeaWalk & 3rd Avenue N. Streetend Improvements Project
 - Beach Boulevard Bulkhead Repair Project at Intracoastal Waterway
 - 4th Avenue North New Sidewalk Project (10th St. to Penman Rd.)
 - Roadway Mill and Repave Project (Various Locations)

Public Works Department

Recent Accomplishments (continued)

- ✓ Cleaned /televised 36,297 feet of storm pipe and 15,500 feet of sanitary pipe.
- ✓ Achieved high levels of service in oceanfront cleaning, garbage collection & sweeping.
- ✓ Started multiplex recycling collection and the recycling rewards program.
- ✓ Major revision and update of the City's Water & Sewer Utility Ordinance.
- ✓ Obtained new 5-year federal/state Wastewater & Stormwater National Pollution Discharge Elimination System permits.

Goals for FY2013

- Complete design and/or start/continue construction on:
 - Water Plant #2 New Storage & Utility Building Project (South Beach Park)
 - Study & State Permit for Wastewater Treatment Plant Discharge Relocation
 - Community Redevelopment Districts
 - *Downtown* Vision Plan, Phase 3 Improvements Project
 - *South Beach* Improvements Project (William Coastal/Jax Beach Hgts.)
 - *South Beach* Improvements Project (Ocean Terrace/Seaview)
 - Reuse Main Improvements Project (to Central Stormwater Basin)
 - Water Main Replacement Projects (A1A and Various Locations)
 - Lift Station Rehabilitation Projects (#7 and #9)
 - North 2nd Street Sewer & Related Improvements Project (14th to 20th Ave.)
 - Raw Water Well Flow Meter Upgrade
- Complete construction of:
 - *Downtown* Vision Plan, Phase 2 Improvements Project
 - Duval Drive Reconstruction Project (37th Ave. S. to Ponte Vedra Blvd.)
 - Oceanside Park Area Water Main Replacement Project
 - Lift Station Rehabilitation Projects (#15 and #1)
 - Central Basin Erosion Control Project
 - Implementation of GIS for Water, Sewer and Stormwater Systems
- Maintain **compliance for water, wastewater & stormwater federal permits**, Lower St. Johns River Basin & Its Tributaries Management Action Plans.
- **Keep Jacksonville Beach beautiful** via the downtown & oceanfront cleaning, garbage collection, dumpster enclosure & sweeping programs.
- Maintain **performance measures** as shown on the next page.

Public Works Department

Performance Measures

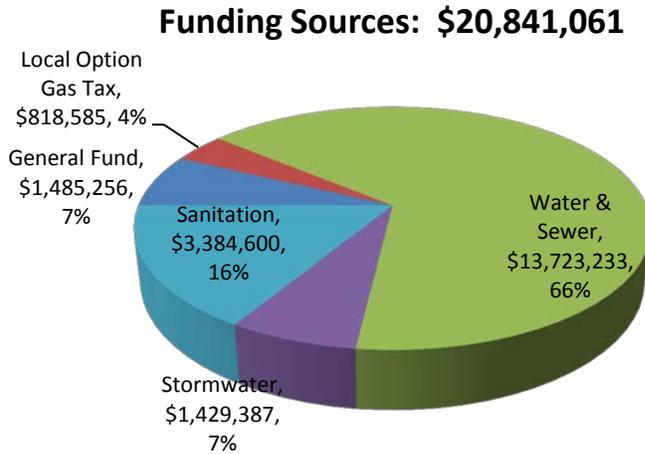
Outcomes	Level of Service	Actual 2011	As of 3/2012	Target 2013
Drinking Water:				
➤ Water safe for drinking	Achieve regulatory compliance for normal operating conditions	Yes	Yes	Yes
➤ Water volume & hydrants available for fire protection	Maintain unaccounted water usage below 15% of total produced	7.9%	10.7%	15%
	Replace 2,500 ft. of old 2" & larger galvanized & cast iron water mains	9,205	9,500	2,500
	Install/replace 150 water services	117	62	150
	Flush all fire hydrants	100%	10%	100%
Wastewater:				
➤ Keep our waterways clean	Achieve regulatory compliance for normal operating conditions*	Yes	Yes	Yes
➤ Preserve our environment	Achieve minimum 85% removal of:			
	➤ Total Suspended Solids (TSS)	92%	84%	85%
	➤ Carbonaceous Biochemical Oxygen Demand (CBOD)	98%	97%	85%
	Clean 20,000 ft. sanitary/storm mains	51,797	3,500	20,000
	Rehab/replace/install sewer manholes	37	26	10
	Refurbish sewer lift stations numbered: (electric,pumps,pipes,wetwells,concrete, mechanical,generators,fencing,etc.)	2, 6, 9, 11, 12, 13, 17, 18, 25	11, 14, 20, 3	15, 1
Streets:				
➤ Keep our streets well maintained for driving and free of trash	Seal coat/resurface 7 to 10 road miles	4.90	6.6	7-10
	Sweep the downtown streets an average of 4 times per month	Yes	Yes	Yes
➤ Keep our sidewalks well maintained for walking	Repair/construct 2,000 ft. of sidewalk	13,150	5,427	2,000
Streets:				
➤ Keep our drainage system well maintained	Achieve regulatory compliance for normal operating conditions	Yes	Yes	Yes
	Mow/clean 5,000 ft. of ditch	14,000	5,000	10,000
Sanitation:				
➤ Keep our city and beach clean	Recycle/mulch 25% of residential solid waste to reduce landfill impact	35%	35%	25%
	Clean the beach at least once per week by mechanical means (raking)	Yes	Yes	Yes
	Respond to garbage inquiries by 2 days & complete by next scheduled pickup	Yes	Yes	Yes

*Operating w/ major construction onsite & plant startup

Public Works Department

Funding Sources

The Department of Public Works is funded by the operation of three enterprise utilities: Sanitation, Water & Sewer, and Stormwater. Funding also comes from the Local Option Gas Tax and the General Fund (Streets).



Financial Summary

Resource Allocation	Actual 2011	Original Budget 2012	Budget 2013	Increase -Decrease	% Change
Personal Services	\$3,944,827	\$4,076,726	\$4,106,742	\$30,016	0.7%
Operating Capital Outlay	\$7,494,825	\$8,736,251	\$8,298,149	-\$438,102	-5.0%
Debt Service	\$4,936,857	\$6,672,923	\$6,254,283	-\$418,640	-6.3%
Transfers	\$2,292,921	\$2,306,978	\$1,809,887	-\$497,091	-21.5%
TOTAL	\$19,041,430	\$22,164,878	\$20,841,061	-\$1,323,817	-6.0%

- Operating costs decreased with less maintenance due to new wastewater treatment plant. CPI/fuel adjustments for sanitation & other continuing contracts may cause increase later in the year.
- Stormwater debt service decreased with payoff of utility revenue bonds.

Public Works Department

Budget Issues and Uncertainties

- Mandated costs to upgrade/maintain/inspect wastewater/stormwater facilities to meet stricter standards for federal EPA/FDEP Total Maximum Daily Load limits for nitrogen in the Lower St. Johns River and fecal coliform in Hopkins Creek.
- Stormwater rates were set in 1990 (22 years ago). Garbage rates were set in 1993 (19 years ago). Water & Sewer rates were set in 2012.
- Gas tax sunsets in 2016 unless renewed by state legislature and City of Jacksonville. Losing this funding will impact road maintenance and Streets personnel costs.
- Escalating fuel costs are expected to ripple into higher costs for materials, equipment and contracts.

Public Works Department

Distribution & Collection Division

The Distribution & Collection Division operates and maintains **109 miles** of water mains, **85 miles** of sewer mains, **18 miles** of force mains, **1,698 sewer manholes**, **858 fire hydrants**, **2,652 water valves**, **10,410 water services**, and **8,838 sewer services**.

Division Mission

To protect the public health by providing clean drinking water with adequate pressure and volume, and to maintain sewer lines.

Division Objectives

- Replace 2,500 feet of old deteriorated water mains.
- Clean 20,000 feet of sanitary and storm mains.
- Reline, on average, 10 sewer manholes.
- Flush 100% of fire hydrants annually.
- Exercise valves in the water distribution system.

Division Organization

Authorized Positions	FY2011	FY2012	FY2013
Distribution & Collection Superintendent	1	1	1
General Supervisor	1	1	1
Crew Supervisor	3	3	3
Equipment Operator	1	1	1
Utility Service Worker I, II, III	8	8	8
TOTAL	14	14	14

Public Works Department

Division Funding Sources and Budget FY2013

The operations and programs of the Distribution & Collection Division are funded by the Water & Sewer Enterprise Utility.

Resource Allocation	Actual 2011	Original Budget 2012	Budget 2013	Increase -Decrease	% Change	
Personal Services	\$780,698	\$812,670	\$835,206	\$22,536	2.8%	<i>Capital increased to construct N. 2nd St. Sewer & Related Improvements Project & 2 Water Main Replacement Projects.</i>
Operating Capital	\$303,196	\$455,151	\$355,100	-\$100,051	-22.0%	
Outlay	\$744,196	\$2,474,494	\$3,164,588	\$690,094	27.9%	
TOTAL	\$1,828,090	\$3,742,315	\$4,354,894	\$612,579	16.4%	

Division Budget Issues

Capital Outlay:

- Funding **\$2,321,000** for construction of North 2nd Street Water, Sewer and Roadway Improvements Project (14th to 20th Ave.), including remainder of \$485,000 STAG grant and \$900,000 from Better Jax Beach Bond Proceeds.
- Funding the Water Main Replacement Project (Various Locations):
 - **\$48,950** for design.
 - **\$291,638** for construction.
- Funding **\$198,000** to design the A1A Water Main Replacement Project.
- Funding **\$150,000** to design and construct the Reclaim Water Main Extension Project to the Central Stormwater Basin (12th Avenue South Park).
- Funding **\$50,000** to replace Chevrolet 3500 dump truck.
- Funding **\$100,000** for other water/sewer rehabilitation and **\$5,000** for small equipment replacement (as needed).

Operating:

- Funding **\$42,900** for the City's portion of the Combined WWTP Effluent Line Outfall Repair Project (under the provisions of interlocal agreement with Atlantic Beach and Neptune Beach).
- Funding **\$38,867** to convert Water/Sewer system maps to the GIS System.
- Funding **\$20,000** for sanitary sewer pipe cleaning and **\$20,000** for sanitary sewer manhole relining.

Public Works Department

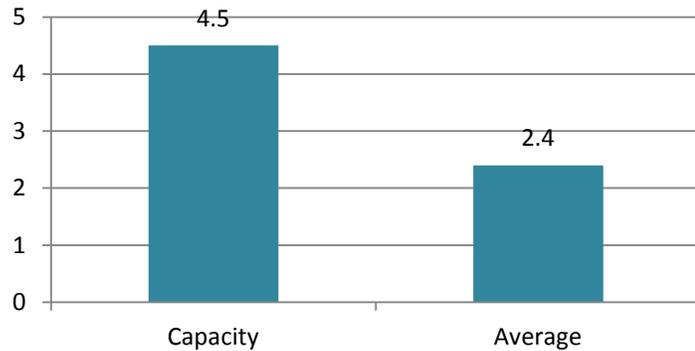
Pollution Control Division

The Pollution Control Division operates and maintains the wastewater transmission system of **38 sewage pump stations** and the **4.5 million gallons per day (MGD)** capacity new sewage treatment facility with reuse quality effluent.

Division Mission

To protect public health and the environment through the proper treatment, disposal, and reclamation of wastewater.

Daily Wastewater Treatment
million gallons per day



Division Objectives

- Maintain local, state, and federal regulatory compliance.
- Conserve drinking water by providing quality reclaimed water for irrigation of the Golf Course, the Wingate Sports Complex, the Operations and Maintenance Facility, the Police Station, Penman Alignment Area, Lee Kirkland & Warren Smith Cemeteries, within the Wastewater Treatment Facilities and future extensions of the reclaimed water main system to other areas.
- Achieve a minimum 85% removal of total suspended solids and biochemical oxygen demand.
- Complete construction of Rehabilitation Projects for Lift Station #1 (2nd Ave. S. between 3rd & 4th Streets) and Lift Station #15 (11 Hopson Rd.).

Division Organization

Authorized Positions	FY2011	FY2012	FY2013
Utility Plant Supervisor	1	1	1
Utility Plant Maintenance Supervisor	1	1	1
Operations/Training Specialist	1	1	1
Utility Plant Operator/Senior Operator	6	6	6
Senior Lift Station Mechanic	1	1	1
Lift Station Mechanic	2	2	2
Utility Plant Mechanic	2	2	2
Instrumentation Technician	1	1	1
TOTAL	15	15	15

Public Works Department

Division Funding Sources and Budget FY2013

The operations and programs of the Pollution Control Division are funded by the Water & Sewer Enterprise Utility.

▪ *Operating reduced due to less maintenance with new plant fully on line.*

▪ *Capital increased with budgeting of lift station construction (#1,15) and design (#7,9)*

Resource Allocation	Actual 2011	Original Budget 2012	Budget 2013	Increase -Decrease	% Change
Personal Services	\$874,959	\$1,009,612	\$991,149	-\$18,463	-1.8%
Operating Capital	\$1,333,046	\$1,761,851	\$1,403,900	-\$357,951	-20.3%
Outlay	\$46,140	\$906,856	\$1,815,675	\$908,819	100.2%
TOTAL	\$2,254,145	\$3,678,319	\$4,210,724	\$532,405	14.5%

Division Budget Issues

Capital Outlay:

- Funding the construction of lift station rehabilitation projects:
 - **\$870,375** for Lift Station No. 1.
 - **\$348,150** for Lift Station No. 15.
- Funding the design of lift station rehabilitation projects:
 - **\$33,000** for Lift Station No. 7.
 - **\$57,750** for Lift Station No. 9.
- Funding Wastewater Treatment Facility improvements:
 - **\$440,000** for Phase 2 Study of Relocation of WWTP Discharge Outfall (state required sampling data, engineering analysis & permitting).
 - **\$26,400** for installation of digester manways.
- Funding **\$40,000** for purchase of actuators, soft starts and variable frequency drives.

Operating:

- Funding **\$24,000** for technical support on Software/Human Machine Interface/Operations Control.

Uncertainty

- ⇒ Operating costs for the new wastewater treatment plant may increase for utilities and chemicals. Closely monitoring/adjusting operations for efficiency to minimize cost impact.
- ⇒ Uncertain outcome on city's exploration with state/federal regulatory agencies about redirecting our reuse quality wastewater effluent due west.

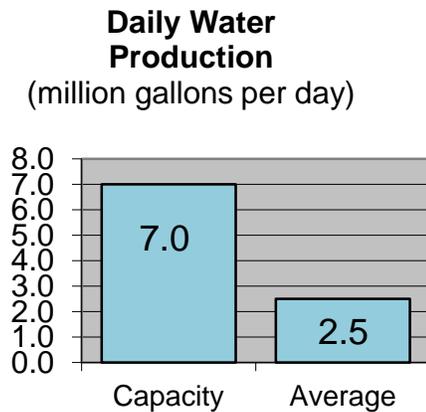
Public Works Department

Water Plant Division

The Water Plant Division operates and maintains the City’s water system that consists of **6 wells, 2 water treatment facilities, and 3 ground and 2 elevated water storage tanks**. The water system has a total capacity to produce 7.0 million gallons of water daily. This division also operates and maintains the stormwater treatment facilities for the City consisting of **21 ponds, 2 stilling basins** each with a weir, the **downtown underground stormwater collection vault** with 2 sand traps, and **8 stormwater pump stations**.

Division Mission

To provide safe drinking water in volumes and pressures sufficient for effective fire suppression; and to improve the quality of receiving waters by effective treatment of stormwater.



Division Objectives

- Maintain local, state, and federal regulatory compliance.
- Treat, store, and protect nearly 1 billion gallons of drinking water annually. Make available quantities of water needed for fire protection.
- Operate and maintain the system of stormwater treatment facilities, pumping stations and ponds.

Division Organization

Authorized Positions	FY2011	FY2012	FY2013
Utility Plant Supervisor	1	1	1
Utility Plant Maintenance Supervisor	1	1	1
Operations/Training Specialist	1	1	1
Utility Plant Operator/Senior Operator	6	6	6
Utility Plant Mechanic	2	2	2
Plant Maintenance Helper	2	2	2
TOTAL	13	13	13

Public Works Department

Division Funding Sources and Budget FY2013

The operations and programs of the Water Plant Division are funded by the Water & Sewer Enterprise Utility.

<i>Capital increased for construction of the new storage/utility building at Water Plant #2.</i>	Resource Allocation	Actual 2011	Original Budget 2012	Budget 2013	Increase -Decrease	% Change
	Personal Services	\$873,790	\$835,346	\$863,563	\$28,217	3.4%
	Operating Capital	\$718,843	\$664,735	\$587,270	-\$77,465	-11.7%
	Outlay	\$34,554	\$288,745	\$610,770	\$322,025	111.5%
	TOTAL	\$1,627,187	\$1,788,826	\$2,061,603	\$272,777	15.2%

Division Budget Issues

Capital Outlay:

- Funding **\$25,500** for 1st of 3 programmed years for the Raw Water Well Flow Meter Upgrade Project.
- Funding **\$585,270** to construct the Storage & Utility Building Project at Water Treatment Plant #2 (near South Beach Park). Funding is being shared with the South Beach Tax Increment Fund (50%).

Operating:

- Funding **\$51,150** for annual elevated tank maintenance program.

Uncertainty

- ⇒ Northeast Florida water issues are rapidly becoming more complex and intertwined due to:
 - Decline of Floridan Aquifer resource.
 - Long term rainfall shortages.
 - State setting statutory minimum flow levels for lakes.
 - Potable grade water resources used for non-potable uses (irrigation, agriculture and industry).
 - Compatibility/accuracy/maturity of computer models used.
 - Many interest groups pressuring elected officials, Florida Department of Environmental Protection & St. Johns / Suwannee Rivers Water Management Districts.

The outcomes and their impact on the City are very uncertain. Water resources unfunded mandates may be in our future.

Public Works Department

Streets Division

The Streets Division of Public Works maintains the City’s roadways, traffic control signage and markings, sidewalks, and stormwater collection system. These networks consist of **88 road miles** including curbs and gutters, **33.7 miles** of sidewalks, **1,640 street lights**, **4.0 miles of stormwater force main**, **3,070 stormwater inlets/catch basins/grates**, **70 stormwater outfalls** to the adjacent estuaries and ocean, **71 miles of stormwater gravity mains** and **2.1 miles of drainage channels**. The division also manages **garbage collection**.

Division Mission

To provide safe, well maintained road systems and an effective stormwater drainage system.

Division Objectives

- Seal coat or resurface 7 to 10 miles of roads annually.
- Repair and maintain stormwater drainage system.
- Install and maintain traffic and pedestrian control signage and markings.
- Maintain pedestrian safe sidewalks. Repair 2,000 feet of sidewalk.
- Maintain community environment by collecting garbage.

Division Organization

Authorized Positions	FY2011	FY2012	FY2013
Streets Superintendent	1	1	1
General Supervisor	1	1	1
Sanitation Supervisor	1	1	1
Crew Supervisor	2	2	2
Heavy Equipment Operator	1	1	1
Equipment Operator	4	4	4
Engineering Technician	1	1	1
Sign Maintenance Technician	1	1	1
Maintenance Worker I, II, III	5	5	5
Senior Secretary	1	1	1
TOTAL	18	18	18

Public Works Department

Division Funding Sources and Budget FY2013

The operations and programs of the Streets Division are funded by the General Fund, the Local Option Gas Tax, the Stormwater Utility, and the Sanitation Utility.

	Resource Allocation	Actual 2011	Original Budget 2012	Budget 2013	Increase -Decrease	% Change
General Fund: ▪ <i>Streets operating costs reduced in repair/maintenance and street light utilities.</i>	Personal Services	\$936,293	\$897,168	\$887,466	-\$9,702	-1.1%
	Operating Capital Outlay	\$558,017	\$637,107	\$597,790	-\$39,317	-6.2%
		\$22,489	\$9,604	\$0	-\$9,604	-100.0%
	TOTAL	\$1,516,799	\$1,543,879	\$1,485,256	-\$58,623	-3.8%
Local Option Gas Tax: ▪ <i>Gas Tax operating increased for roadway & sidewalk maintenance.</i>	Personal Services	\$34,749	\$45,108	\$45,585	\$477	1.1%
	Operating Capital Outlay	\$148,120	\$373,695	\$401,000	\$27,305	7.3%
		\$78,523	\$12,777	\$0	-\$12,777	-100.0%
	Transfers	\$372,000	\$372,000	\$372,000	\$0	0.0%
	TOTAL	\$633,392	\$803,580	\$818,585	\$15,005	1.9%

Division Budget Issues

Local Option Gas Tax

- Local Option Gas tax revenues have decreased by about **\$90,000** per year in recent years from less driving due to the rising cost of gasoline and fuel.
- Funding transfers of **\$372,000** for Streets Division wages.
- Funding **\$320,000** for roadway maintenance program, **\$30,000** for traffic striping, and **\$50,000** for sidewalk repairs.

General Capital Projects Fund (see Executive & Legislative section)

- Funding **\$100,000** for Dune Walkover project.
- Purchase of backhoe (**\$105,000**) and excavator (**\$200,000**).

Uncertainty

- ⇒ Negative impact of future budget reductions on missions supported by the General Fund & Gas Tax Fund. Division focus is now only core missions of streets, sidewalks, traffic control signage, stormwater drainage systems, and environmental and regulatory compliance.
- ⇒ Local Option Gas Tax sunsets in 2016. It is crucial that this tax be extended or an alternate funding source be identified.

Public Works Department

Stormwater Utility Program

Program Mission – *To provide funding to operate, maintain and improve the stormwater collection & treatment infrastructure.*

Program Objectives

- Operate and maintain the stormwater collection and treatment infrastructure. Reduce localized flooding. Protect environmentally sensitive estuary and ocean waters by performing effective stormwater management.
- Construct localized drainage improvement projects.

Program Funding Source & Budget - Stormwater utility fees fund the program.

Resource Allocation	Actual 2011	Original Budget 2012	Budget 2013	Increase -Decrease	% Change
Personal Services	\$146,313	\$170,459	\$173,935	\$3,476	2.0%
Operating Capital Outlay	\$474,612	\$624,456	\$592,202	-\$32,254	-5.2%
Debt Service	\$451,234	\$462,711	\$0	-\$462,711	-100.0%
TOTAL	\$1,567,070	\$1,549,838	\$1,429,387	-\$120,451	-7.8%

Debt payoff in 2012 will make an additional \$450,000 per year available to pay for projects to maintain and improve the stormwater system.

Program Budget Issues

Capital Outlay

- Funding **\$50,000** for design of Ocean Forest (Phase I) Stormwater Improvements Project.
- Funding **\$33,000** for design of Stormwater Improvements Project (Various Locations).
- Funding **\$232,100** for construction of Stormwater Improvements Project (Various Locations).
- Funding **\$348,150** for construction of Central Basin Erosion Control Improvements Project.

Operating

- Funding **\$102,000** for stormwater pipe and vault cleaning services, **\$20,000** for drainage system repairs and **\$50,000** for erosion control repairs.
- Funding **\$16,000** for stormwater analysis for the NPDES Monitoring Plan & Lower St. Johns River Tributaries BMAP 2 (Hopkins Creek sampling).
- Funding **\$19,433** to convert Stormwater system maps to the GIS System.

Uncertainty

- ⇒ Stormwater utility rates were set 22 years ago.
- ⇒ Expect major budget pressures due to increasing federal/state environmental regulation (Numeric Nutrient Criteria, Pollutant Total Maximum Daily Load limits, Basin Management Action Plans' implementation; increasing federal oversight of Stormwater NPDES permit).

Public Works Department

Sanitation Utility Program

Program Mission – *To provide funding for the collection, transportation, and disposal of garbage, yardwaste, debris and recyclables.*

Program Objectives

- Collect garbage, yard waste, and recyclables from residential and small commercial customers via weekly curbside service.
- Collect garbage from commercial customers via dumpster and compactor service on a weekly routine basis.
- Keep Jacksonville Beach beautiful through the oceanfront and downtown cleaning and street sweeping programs.

Program Funding Source & Budget - Sanitation utility fees fund the program.

	Resource Allocation	Actual 2011	Original Budget 2012	Budget 2013	Increase -Decrease	% Change
▪ <i>Operating increased with CPI / fuel adjustments to garbage contract.</i>	Personal Services	\$135,169	\$203,820	\$206,888	\$3,068	1.5%
▪ <i>Capital decreased with purchase of clam bucket truck last year.</i>	Operating Capital Outlay	\$2,837,600	\$3,057,900	\$3,177,712	\$119,812	3.9%
	TOTAL	\$2,972,769	\$3,393,720	\$3,384,600	-\$9,120	-0.3%

Program Budget Issues

Operating

- Anticipate annual CPI increase and bi-annual fuel cost adjustments, which are included in mid-year and end-year budget adjustments.
- Oceanfront cleaning contract costs are likely to increase as current contract is expiring; process underway that should result in new contract.

Uncertainty

- ⇒ Potential severe impact of rising fuel costs and Jacksonville concern with sanitation landfill costs.
- ⇒ Sanitation utility rates were last adjusted 19 years ago.

Public Works Department

Administration Division

Division Mission

To protect public health, safety and quality of life through the delivery of Public Works services.

Division Objectives

- Implement departmental business plan.
- Implement departmental capital projects as scheduled by division.
- Implement capital master plans for the 2 redevelopment districts.
- Effectively address all customer service requests.

Division Organization

Authorized Positions	FY2011	FY2012	FY2013
Public Works Director	1	1	1
City Engineer	1	1	1
Administrative Secretary	1	1	1
Construction Project Manager	1	1	1
Construction Inspector part-time	1	1	1
TOTAL	5	5	5

Division Funding Sources and Budget FY2013

The operations and programs administered by the Administration Division are funded by the Water & Sewer Enterprise Utility, the Stormwater Enterprise Utility, the Sanitation Enterprise Utility, the Local Option Gas Tax, and the General Fund (Streets).

	Resource Allocation	Actual	Original	Budget	Increase	%
		2011	Budget 2012	2013	-Decrease	Change
▪ <i>Capital decreased with completion of Wastewater Treatment Plant Project.</i>	Personal Services	\$162,856	\$102,543	\$102,950	\$407	0.4%
▪ <i>Other departmental capital projects listed under each appropriate division.</i>	Operating Capital Outlay	\$1,121,391	\$1,161,356	\$1,183,175	\$21,819	1.9%
	Debt Service	\$3,516,044	\$2,556,235	\$0	-\$2,556,235	-100.0%
	TOTAL	\$1,841,687	\$1,844,267	\$1,809,887	-\$34,380	-1.9%
	TOTAL	\$6,641,978	\$5,664,401	\$3,096,012	-\$2,568,389	-45.3%

Police Department

Mission

Working with Citizens for a Safe Community

Organization

The police department provides law enforcement services to all citizens who live, work, or visit in Jacksonville Beach.

Authorized Positions	FY2011	FY2012	FY2013
Chief of Police	1	1	1
Commander	3	3	3
Sergeant/Corporal	17	17	17
Patrol Officer/Detective	40	39	39
Police Total	61	60	60
Accreditation Manager	1	1	1
Communications Supervisor	1	1	1
Communications Officer	10	10	10
Records Supervisor	1	1	1
Records Specialist	2	2	2
Records Specialist part-time	1	1	1
Parking Enforcement Coordinator	0	1	1
Community Service Officer	1	1	1
Secretary	4	4	4
Property/Evidence Officer	1	1	1
Property/Evidence Officer part-time	1	1	1
Animal Control Officer	1	1	1
School Crossing Guard part-time	8	9	9
Volunteer Coordinator part-time	1	1	1
Civilian Total	33	35	35
Total Full-time	83	83	83
Total Part-time	11	12	12
TOTAL POSITIONS	94	95	95

*See the section entitled "Budget Issues" for more information on authorized positions.

Professional Standing

The police department was initially accredited in 1995 by the national Commission on Accreditation for Law Enforcement Agencies. Since then, the department has continued to meet the stringent standards required to maintain accredited status.

Police Department

Police Department Function & Structure

The Police Department has two primary duties to the citizens of Jacksonville Beach:

- Implement enforcement and crime prevention strategies designed to reduce criminal activities and thus make the city safer for all citizens who live, work, or visit in Jacksonville Beach; and
- Implement strategies that will make citizens feel safe in the community.

A low crime rate is not enough; citizens must believe they can move about the city freely without fear of becoming victims of crime. When crimes occur, citizens expect the Police Department to solve them and thus prevent additional criminal activities.

However, the Police Department is only one part of the criminal justice system. Many factors impact the crime rate in a city. For instance, while the Police respond to reported crimes and make arrests, the State Attorney decides whether to prosecute, and judges and juries decide guilt or innocence. Population demographics, the unemployment rate, and the state of the economy also contribute significantly to the level of criminal activity in the community.

Because of its easy accessibility and substantial parking, Jacksonville Beach is the primary beach community in the Jacksonville metropolitan area. Consequently, it becomes more difficult for the Police Department to keep citizens safe, especially on weekends, holidays, and during special events when the city is overflowing with visitors. In addition, homeless people who commit crimes and are arrested multiple times create a strain on the resources of the Police Department.

To address these problems, the Police Department has responded with many innovative programs. Those include both the Downtown CAPE and South Pablo Beach CAPE community policing programs, the Community Response Team, and specialized DUI and traffic enforcement programs. Details of these and other policing programs created specifically for the community are provided in this business plan.

Patrol Division/Costs

Patrol Division

The Patrol Division responded to **40,719** calls for service in calendar year 2011. Many of those calls require a response by two or more officers; e.g., burglary and robbery alarms, crimes in progress, domestic violence, etc. In 2011, there were **67,641** officer responses to those 40,719 calls; all this in a city with a permanent population of approximately 23,000 citizens. Many service calls are generated by non-residents who come to Jacksonville Beach to visit the beach, shops, restaurants, and nightclubs.

Police Department

The Patrol Division has the largest complement of police personnel (40 full-time positions), since most calls for service are handled at that level. Officers are split evenly into two patrol groups and six squads of four or five officers per squad.

Each group alternates working five 10-hour shifts followed by four days off. The groups overlap four days each month, allowing time for ongoing professional development and training.

FY2013 estimated budget for the Patrol Division, including salaries and benefits, overtime, operating costs, supplies, etc.: **\$3,850,590.**

Traffic Unit

The unit is staffed by three patrol officers who conduct both routine and directed traffic enforcement, traffic surveys, and participate in special details such as DUI checkpoints and the selective traffic enforcement program.

FY2013 estimated budget for the Traffic Unit, including salaries and benefits, overtime, operating costs, supplies, etc.: **\$201,056.** [NOTE: Funding for the Traffic Unit is included in the Patrol Division total.]

Part-Time Police Officer (Reserve) Program

FY2013 estimated budget for the Part-time Police Officer (Reserve) program, including salaries, operating costs, supplies, etc.: **\$88,405**

Detective Division Units/Costs

General Investigations Team

The General Investigations Team is comprised of one sergeant, one corporal, three detectives, and a senior secretary. Detectives assigned to this team investigate crimes that require substantial commitments of time to complete, including theft, burglary, robbery, and murder. The senior secretary performs typical secretarial duties as well as crime analysis.

FY2013 estimated budget for the General Investigations Team, including salaries and benefits, overtime, operating costs, supplies, etc.: **\$613,327.**

Community Response Team

The Community Response Team is comprised of one sergeant, one corporal, and two detectives. This team of detectives addresses special problems such as illegal drugs, vice, aggressive panhandling, and serial crimes like armed robberies, smash-and-grab burglaries, etc. that fall outside the realm of traditional investigative and patrol duties.

Police Department

FY2013 estimated budget for the Community Response Team, including salaries and benefits, overtime, operating costs, supplies, etc.: **\$437,591.**

NOTE: A pro rata share of the division commander's salary and benefits is included in the General Investigations Team and Community Response Team proposed FY2013 budgets.

Community Assisted Policing Effort (CAPE) Program

CAPE is a community policing project located in the Pablo Beach, South neighborhood. The officer assigned to CAPE patrols the neighborhood in a marked patrol vehicle as well as on bicycle and on foot. Working closely with employees at the City's Carver Center, the officer addresses crime problems and quality-of-life issues within the accepted practices of the community policing model. A part-time CAPE Community Service Officer works with Carver Center personnel to provide crime prevention and community relations services for parents and children living in the Pablo Beach, South neighborhood. The Community Development Block Grant has reimbursed the City a substantial portion of the cost of operating the program in past years.

The FY2013 estimated budget for the CAPE Program, including salaries, benefits, operating supplies, and overtime: **\$87,421.**

Downtown CAPE Program

The Jacksonville Beach Community Redevelopment Agency (CRA) provides funding for four police officers for a community policing program known as Downtown CAPE. The officers patrol the core downtown area, pier parking lot, and the beachfront on foot, bicycles, Segways, and in vehicles. They interact closely with business people, residents of the downtown area, and visitors, as they focus on issues of public safety and quality-of-life crimes. The CRA also provides funding for additional officers working in an overtime capacity during peak workload times.

FY2013 estimated budget for the Downtown CAPE Program including salaries and benefits, overtime, equipment, operating costs, supplies, etc.: **\$509,877.**

Services Division Units/Costs

Communications Section

The Communications Section is comprised of one supervisor and ten Public Safety Communications Officers (PSCO). PCSOs are an integral part of the services provided by the Police Department. Their primary duties include answering emergency 9-1-1 and non-emergency telephone calls from citizens and then dispatching police officers or civilian employees to handle the calls for service. They check vehicle and license registrations and also query county, state, and federal databases for wanted persons, stolen vehicles, and property, etc.

Police Department

FY2013 estimated budget for the Communications Section, including salaries and benefits, overtime, operating costs, supplies, etc.: **\$755,106.**

Records Section

The Records Section is comprised of one supervisor, two full-time Records Specialists, and one part-time Records Specialist. Records Specialists process and file the large volume of reports generated daily by employees of the Police Department. They also compile documents in response to public records requests from citizens, media, and other criminal justice agencies.

FY2013 estimated budget for the Records Section, including salaries and benefits, overtime, operating costs, supplies, etc.: **\$191,841.**

Property/Evidence Section

The Property/Evidence Section is comprised of one full-time and one part-time Property/Evidence officer. Property/Evidence Officers are responsible for ensuring the protection of all property and evidence seized by the Police Department until statutory time limits are met or the legal system has determined there is no longer a need to hold such items.

FY2013 estimated budget for the Property/Evidence Section, including salaries and benefits, overtime, operating costs, supplies, etc.: **\$79,025.**

Accreditation Unit

The Accreditation Unit is comprised of one civilian Accreditation Manager. The employee is responsible for managing the accreditation process as established by the national Commission on Accreditation for Law Enforcement Agencies (CALEA). The Police Department was initially accredited in 1995 and has been successfully re-accredited five times. Compliance with the CALEA accreditation process ensures the Police Department is following best practices as established by the International Association of Chiefs of Police, National Sheriffs Association, National Organization of Black Law Enforcement Executives, and the Police Executive Research Forum.

FY2013 estimated budget for the Accreditation Unit, including salaries and benefits, overtime, operating costs, supplies, etc.: **\$78,903. (\$23,000 in accreditation fees, travel and traveling, etc. will be paid from the Administrative Division budget.)**

Parking Enforcement Unit

The Parking Enforcement Unit is comprised of one supervisor and one Community Service Officer. The unit is responsible for parking enforcement throughout the City, with particular emphasis on parking issues in the downtown business district. The supervisor oversees the City's parking enforcement program in three city-owned parking lots downtown as well as the nine part-time school crossing guards assigned to elementary schools and Fletcher Middle School.

Police Department

FY2013 estimated budget for the Parking Enforcement Unit, including salaries and benefits, overtime, operating costs, supplies, etc.: **\$233,404.**

Animal Control Officer

The Animal Control Officer is responsible for enforcing all animal control ordinances in the City. This includes patrolling the beachfront during daytime hours to enforce a ban on dogs. The Animal Control Officer also responds to citizen complaints of wild animals, reptiles, and stray animals. The animals are held in pens at the Animal Control Office until a City of Jacksonville Animal Control officer responds to take custody of them.

FY2013 estimated budget for the Animal Control Officer program, including salaries and benefits, overtime, operating costs, supplies, etc.: **\$47,626**

Recent Accomplishments

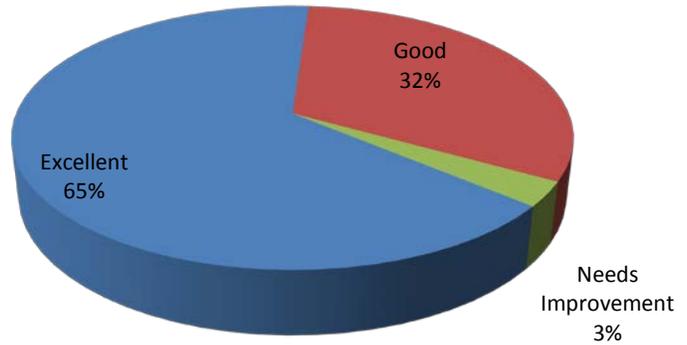
- ☑ Conducted **22** community relations programs directly impacting **650** citizens; e.g., firearms safety, bicycle safety, Neighborhood Watch, DUI prevention, etc.
- ☑ Removed **64** intoxicated drivers from the roadways, making Jacksonville Beach safer for vehicles, bicyclists, and pedestrians.
- ☑ Completed Citizen Police Academy classes XXVII and XXVIII, achieving high approval ratings. Through 28 academies, **814** citizens have gained a better understanding of law enforcement and the Jacksonville Beach Police Department.
- ☑ Benefited from Citizen Police Academy Alumni Association members, who volunteered **11,130** hours in **2011** assisting the department in its mission.
- ☑ Continued the Citizens On Patrol (COP) Program. **Twenty** graduates of the COP Training Academy assist the Patrol Division with traffic direction, property checks, neighborhood notifications of sex offenders, and completing reports of minor offenses such as gas drive offs, etc.
- ☑ Hosted the **17th Annual Kids Fishing Rodeo** at the Huguenot Park Lagoon. Approximately **1,000** children and parents attended the event.
- ☑ Hosted the annual **Kids Halloween Party** and **Kids Christmas Party**. Approximately **500** children and parents attended the two events.
- ☑ Completed four Drug Abuse Resistance Education courses with **97%** overall approval ratings from students, parents, and teachers.

Police Department

Customer Service Surveys

Each quarter, the police department conducts a random survey of citizens who have encountered a member of the department within the preceding three months. The survey asks respondents to rate the employee's professionalism and helpfulness to the citizen during the encounter.

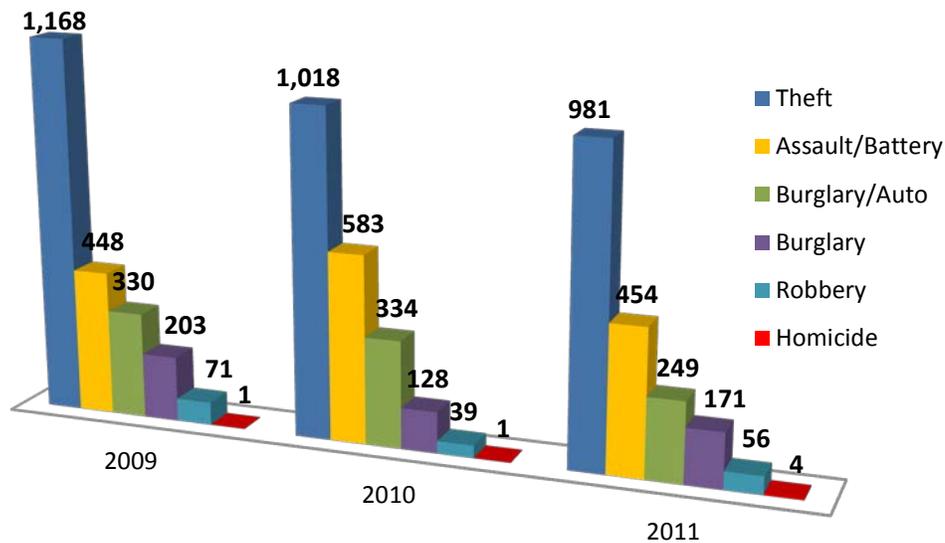
Quarterly Customer Service Survey



Crime Prevention Services

The Police Department provides crime prevention services designed to make the community safer. Those services include Neighborhood Watch, sex offender and sexual predator neighborhood notifications, robbery prevention seminars, and personal, business, and home safety classes, among many others.

Selected Crime Statistics: 2009-2011



Police Department

Performance Measures

Outcomes	Performance Measure	Actual FY2011	FYTD through 3/15/12	Target FY2013
<i>Continually seek new and better methods to improve citizens' safety.</i>	Maintain four minute or less average response time to emergency calls	3.56 minutes	2.39 minutes	4.00 minutes
	Maintain six minute or less average response time to non-emergency calls	5.18 minutes	4.54 minutes	6.00 minutes
	Continue strict enforcement of DUI laws to improve safety of city roadways	64 arrests	40 arrests	150 arrests
	Conduct quarterly neighborhood notifications of sex offenders and sexual predators living in the city	3	1	4
	Notify local residents, schools, and day care facilities within 48 hours of a sexual predator moving into a neighborhood	Yes	Yes	Yes
	Conduct strict enforcement task forces in the CAPE neighborhood	14	4	8
<i>Maintain strong partnerships with citizens to improve public safety.</i>	Complete two Citizen Police Academy classes with a positive rating of 95% or higher	100%	100%	95%
	Continue crime prevention and youth-oriented services offered through the CAPE program	Yes	Yes	Yes
	Complete one Youth Police Academy with a positive participant rating of 95% or higher	Yes	Yes	Yes
	Involve CPA Alumni Association members in community relations and crime prevention programs	17	8	10
	Use Citizens On Patrol (COP) volunteers to enhance services	Yes	Yes	Yes
<i>Develop professional employees through competent hiring practices, ongoing training and career development.</i>	Continue emphasis on career development through training	12,133 hours	5,512 hours	9,500 hours
	Attend five job fairs to expand the pool of exceptional candidates for employment	5	2	5
	Number of consecutive years accredited through the national Commission on Accreditation for Law Enforcement Agencies (CALEA)	16	17	18
<i>Continue the strong commitment to outstanding customer service.</i>	Achieve positive ratings of 90% or higher on quarterly customer service surveys	96%	100%	90%
	Conduct triennial citywide customer service survey; Achieve overall positive rating of 90% or higher	NA	95%	NA

Police Department

Financial Summary

Reductions in operating and capital outlay costs were made to offset increases in payroll. See Budget Issues for more information.

General Fund

Resource Allocation	Actual 2011	Original Budget 2012	Budget 2013	Increase -Decrease	% Change
Personal Services	\$6,257,846	\$6,496,069	\$6,623,193	\$127,124	2.0%
Operating Capital Outlay	\$1,190,138	\$1,323,255	\$1,274,269	-\$48,986	-3.7%
	\$217,262	\$179,412	\$142,500	-\$36,912	-20.6%
TOTAL	\$7,665,246	\$7,998,736	\$8,039,962	\$41,226	0.5%

Special Revenue Funds

Resource Allocation	Actual 2011	Original Budget 2012	Budget 2013	Increase -Decrease	% Change
Personal Services	\$380,676	\$459,357	\$467,334	\$7,977	1.7%
Operating Capital Outlay	\$137,975	\$178,963	\$243,872	\$64,909	36.3%
Transfers	\$113,057	\$15,027	\$13,214	-\$1,813	-12.1%
	\$395,871	\$116,548	\$78,440	-\$38,108	-32.7%
TOTAL	\$1,027,579	\$769,895	\$802,860	\$32,965	4.3%

The primary special revenue funding source for FY2013 is the Community Redevelopment Agency.

Other Funding Sources

Additional funding sources are from grants, contractual agreements and dedicated funding sources established by Florida Statutes.

Other Funding Source	Use	2012 Budget	2013 Budget
Community Development Block Grant (Federal)*	CAPE Program in Pablo Beach, South Neighborhood	\$79,310	\$63,982
Total-General Fund		\$79,310	\$63,982
Community Redevelopment Agency	Four Downtown CAPE officers, operating supplies and overtime	\$501,909	\$509,877
Law Enforcement Trust Fund (State)	Equipment Grant Matches and Crime Prevention Programs	\$15,920	\$60,929
Equitable Sharing Fund (Federal)	Equipment Grant Matches and Crime Prevention Programs	\$65,091	\$65,000
Court Costs Training Fund (State)	Employee Training	\$60,400	\$60,400
Justice Assistance Grant (State)*	Partial Community Response Team funding and Street Crimes Task Force overtime	\$111,575	\$78,440
Justice Assistance Grant (Local)	Mobile video/tactical equipment	\$0	\$13,214
Lease Facilities	Security Cameras	\$15,000	\$15,000
TOTAL OTHER FUNDING SOURCES		\$769,895	\$802,860

* Assistance is dependent on continued Federal funding.

Police Department

Budget Issues

Computers: Five replacement computers are needed in FY2013; specifically, laptops (unit cost - **\$3,500**) for replacement laptops for current patrol vehicles. Total Cost: **\$17,500**.

Vehicle Replacement: Unit price increases and budget adjustments will limit the replacement complement of patrol vehicles to **four** in FY2013. Total cost for vehicles: **\$125,000**.

Part-time Police Program: Part-time police officers augment services of the Patrol Division and are an excellent resource at a relatively low cost. Currently, three part-time police officers are employed in this capacity, and efforts are ongoing to increase that number. Recommended funding level for FY2013: **\$88,405**.

Justice Assistance Grant/Byrne (Local): This grant is earmarked for municipalities and requires no local matching funds. Recommended use of the grant funds will be for the purchase of mobile video and tactical equipment. Grant amount for FY2012: **\$13,214**.

Justice Assistance Grants (State): This grant is earmarked for municipalities and routed through the state. Appropriations from this grant must be approved by a minimum of 51% of the law enforcement agencies in Duval County (Jacksonville Sheriff's Office, Jacksonville Beach Police Department, Atlantic Beach Police Department, and Neptune Beach Police Department). In past fiscal years, the Police Department has used this grant to offset a portion of the salary costs for the Community Response Team and to provide overtime funds for a downtown Street Crimes Task Force. It is recommended the monies continue to be expended for these two programs. Tentative grant amount for FY 2013: **\$78,440**.

Proposed Budget Reductions: Budget instructions for FY2013 direct the Police Department to absorb increased costs of health insurance and employee pensions (**\$144,000**). To accomplish this, proposed reductions in various employee and operational/maintenance line items have been suggested.

Seventy-five to eighty percent of the Police Department's budget is spent on personnel costs. Over the last several fiscal years, the Police Department has stayed within its overall budget in large part because of savings from unfilled positions due to employee turnover each fiscal year. In addition, the Department has stayed within its vehicle maintenance budgets due to the City's longstanding policy of replacing five or six patrol vehicles yearly, thereby removing vehicles from the fleet before maintenance costs start to increase.

Based upon the assumption employee turnover and vehicle maintenance trends continue, the increased costs for health insurance and employee pensions can be absorbed for FY2013. However, in the event employee turnover slows, or vehicle maintenance costs rise, the proposed line-item reductions will not be sustainable, requiring a mid-year or year-end budget modification.

Fire Department

Mission

To protect the lives and property of citizens, by providing professional fire and life safety services to people in need.

The priorities of the Fire Department are:

- *Emergency Response*
- *Training*
- *Fire Prevention and Inspections*
- *Public Education*

Emergency Response

The Fire Department is staffed and equipped to respond to:

- *A single serious fire/EMS event.*
- *Two simultaneous emergency calls except when additional staffing is available.*
- *A major disaster utilizing all fire department and city resources.*
- *Auto/mutual aid is necessary and normally available for major events.*

Organization

The Fire Department is responsible for providing emergency services, administering prevention and inspection programs, overseeing disaster management, and handling the City's radio system. Three shifts comprised of a Shift Commander, two Lieutenants, and six Firefighter/Engineers provide fire/medical/rescue and other services. The Fire Marshal is responsible for inspections, plans review, public education, and code enforcement and is assisted by the Shift Commanders. The Training/Safety Lieutenant is responsible for coordinating training activities, serves as the safety officer during major emergencies, maintains medical quality control, and coordinates the safety program.

Authorized Positions	FY2011	FY2012	FY2013
Fire Chief	1	1	1
Fire Captain	3	3	3
Fire Marshal	1	1	1
Fire Lieutenant	7	7	7
Firefighter/Engineer	18	18	18
Administrative Secretary	1	1	1
TOTAL	31	31	31

Fire Department

Primary Services:

- Mitigating fires, medical emergencies response, vehicle accidents, technical rescue, and other 911 emergencies.
- Fire prevention and safety through plans review, public education programs, and fire safety inspections.
- Emergency disaster management and hurricane preparedness.
- Managing the City's 800 MHz radio system.

Normally the Fire Department operates two engines, a quint (ladder), and a mobile command vehicle daily. Due to economic issues, on-duty staffing may be reduced to one engine, a Quint, and a mobile command vehicle. The fire department provides basic and advanced life-support with medical transport provided by the City of Jacksonville as part of an interlocal agreement. Automatic/mutual aid is available from Jacksonville or St. Johns County Fire & Rescue.

The City currently operates its own 800 MHz radio system and radio tower. The City is upgrading the system to a digital system with future plans to become part of the P-25 regional system. The First Coast Radio system and the State's mutual aid frequencies are used as a back-up with satellite phones available for communication during a disaster.

CY2011 Accomplishments

- Zero fire deaths in 2011 and an average overall response time of 4 minutes.
- 100% of the 21 structure fires responded to were confined to the area involved upon arrival.
- 100% of the customer surveys returned indicated excellent or good service.
- Conducted 899 fire safety surveys, 300 high hazard inspections and updated 1,199 pre-plans.
- Conducted 197 new construction/remodel inspections, reviewed 150 sets of plans, and 134 consultations.
- Conducted 139 fire drills in public and private schools and inspected 836 fire hydrants.
- Installed 142 smoke detectors in homes and checked or installed batteries in 595 smoke detectors.
- Provided education to over 3,866 adults/children in fire safety, prevention, and/or hurricane preparedness.

Fire Department

CY2011 Accomplishments (continued)

- Members conducted over 9,103 hours of in-service training.
- Installed and educated 203 families on the proper use and installation of child safety seats.
- Conducted city wide training and exercises in hurricane preparedness, post disaster redevelopment, and terrorism.

Other Fire department accomplishments include:

- Updated the fire department's VHF paging system alleviating data cables.
- Coordinated operational plans for the City's special events.
- Put into service a new mobile command vehicle for the Shift Commander.
- Updated the City's Emergency Management plans.
- Upgraded the 800 MHz radio system in the 911 dispatch Center.
- Conducted hurricane training for City employees and a multi-agency terrorism exercise.

Goals for FY2013

1. Continue the strong commitment to customer service by receiving 100 % customer survey reports of excellent or good service.
2. Prevent fire related deaths in Jacksonville Beach by a quick response, commitment to inspections and code enforcement, and an aggressive smoke detector program.
3. Confine 90 percent of all building fires to the area involved upon arrival by a quick response and strong fire ground tactics.
4. Maintain fire/EMS capabilities and safety by expanded monthly in-house training, challenging scenarios, and technical rescue training.
5. Develop a Firefighter Auxiliary program.

Fire Department

Performance Measures	CY2010	CY2011	* FY11 10-01-11 through 3-1-12	Target for CY2012
			Yes	Yes
Prevent all fire deaths in Jacksonville Beach	Yes	Yes	Yes	No fire deaths
Confine 90% of all building fires to area involved upon arrival.	100%	100%	100%	90%
Provide Basic or Advanced Life Support service to all calls for Emergency Medical Services (of the 3,120 total calls in 2011, 70% were rescue).	2,057	2,189	799	2,000
Respond to emergencies within 6 minutes (m) for 90%, and within 4 minutes (m) for 70% of all 911 emergency calls.	4m/78% 6m/93%	4m/75% 6m/91%	4m75% 6m93%	4m/70% 6m/90%
Complete fire safety surveys and update pre-plans of all commercial and institutional buildings once every 2 years (718 per year).	909	899	370	718
Conduct high hazard inspections and update pre-plans of schools, churches, hotels, restaurants, and high rise buildings every 2 years (189 per year).	296	300	92	189
Conduct 80 fire evacuation drills in schools.	138	139	62	80
Educate 3,500 citizens/children in fire safety or hurricane preparedness each year.	3,843	3,866	2,029	3,500
Install or replace 80 smoke detectors in unprotected homes of elderly, disabled, or fixed income citizens.	285	142	94	80
Check, test or replace batteries in 375 existing smoke detectors.	871	595	283	375
Inspect all city and private fire hydrants annually.	838	836	836	835
Complete 6,000 in-service training hours.	8,958	9,103	3,917	6,000
Receive a 100% excellent or good evaluation by citizens.	100%	100%	100%	100%
Install/inspect/educate families on child safety seats.	205	203	94	NA
Successfully resuscitated 35% of cardiac arrest patients.	44%	47%	61%	35%

The Fire Department measures its effectiveness by tracking alarms, inspections, survey cards returned, and training records on a monthly and calendar year (CY).

* The first 5 months of FY2012 is indicated in column three (bold) on the chart.

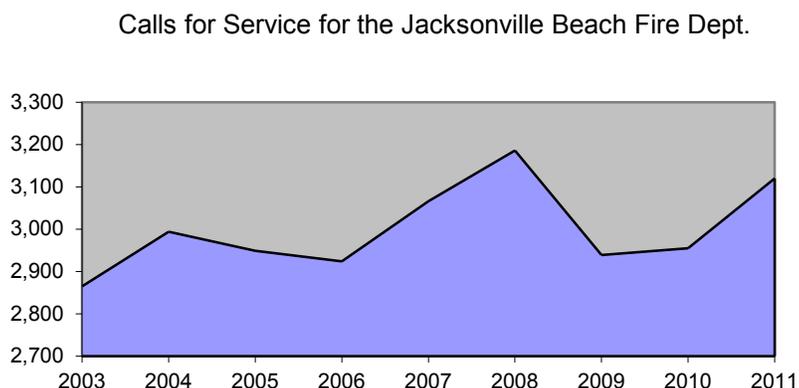
Fire Department

Performance Measures (continued)

Annual Calls for Service

The fire department responded to 3,120 Responses in CY2011.

- 3% Fires
- 70% Rescue
- 27% Hazardous



In 2011, the Department experienced a 6% increase in call volume over 2010: 2,955 calls for service in 2010; 3,120 calls for service in 2011.

Funding Sources

Fire Department funding is primarily through the General Fund. Radio services are funded by the Radio Communications Special Revenue Fund and the Radio System Internal Service Fund. The 2013 Fire Department budget reflects a significant reduction in operating expenses (\$44,759) and overtime (\$100,000) due to reduced funding for the General Fund, and increased pension and insurance costs. This will impact service and response levels.

FF Auxiliary Program

The Fire Department is working to develop a Firefighter Auxiliary program to supplement staffing needs in order to maintain current service levels. These volunteer personnel will be state certified firefighters and EMTs or Paramedics.

2012/2013 Grants

Assistance to Firefighters Grant: The fire department is applying for a \$30,000 AFG grant to install diesel exhaust systems in fire headquarters building. A 10% city match is required if accepted.

Fire Department

Financial Summary

Operating expenses include maintenance costs for the City's 800 MHz radio system & Sat system: FY2012 (\$30,045). Capital Outlay includes \$30,000 to replace City 800 MHz radios.

Resource Allocation	Actual 2011	Original Budget 2012	Budget 2013	Increase -Decrease	% Change
Personal Services	\$2,914,644	\$2,969,813	\$2,980,208	\$10,395	0.4%
Operating	\$496,961	\$551,912	\$480,525	-\$71,387	-12.9%
Capital Outlay	\$19,484	\$25,469	\$45,000	\$19,531	76.7%
TOTAL	\$3,431,089	\$3,547,194	\$3,505,733	-\$41,461	-1.2%

Budget Issues

SCBA Replacement: As the age of the Fire department's self-contained breathing apparatus (SCBA) reach 12 years of service, a replacement plan has been established to upgrade the units to NFPA standards by 2014. This will be funded by the Capital Improvement Project fund and may utilize grants where available. 22 SCBA w/mask and 32 extra cylinders: **\$174,800.**

800 MHz Radio Upgrades: To complete the upgrade of the City's 800 MHz radio system to a digital/P-25 system, it will be necessary to replace the last of the city's analogue radios and re-programming at a cost of approximately \$90,000 (\$30,000 per year). This will be funded by the Radio Fund. Due to interference from Volusia County, additional 800 MHz NIPSPAC radio frequencies have been requested to solve the interference problem.

Emergency Preparedness Activities: A pro-active approach is taken to emergency preparedness activities that potentially could impact the city. Key preparedness activities include:

- Annual hurricane training with employees.
- Annually update the municipal comprehensive emergency management plan.
- Conducting annual city exercises on hurricane preparedness/planning and terrorism.
- Ensuring all National Incident Management System training requirements and criteria are met.

In the event of a major storm or other similar emergency, the City Manager may authorize the use of the General Fund's unanticipated budget to fund purchases such as:

- Rental equipment: Trucks/trailers, portable shelters, generators, and port-a-lets.
- Supplies: Fuel, food, water, and medical supplies.
- Communications equipment.
- Staffing.

Fire Department

Budget Issues (continued)

Fire Apparatus Replacement Program: In order to maintain an efficient fleet of fire apparatus, a planned capital improvement program is required. This replacement program has been funded annually by the City Council. Because of the cost of new apparatus and the economic conditions, the goal of this program and the life of apparatus has had to be extended. The goal of the program is to keep apparatus in front-line service for approximately 12-14 years and then place them in reserve for approximately 4-5 years.

This schedule can be attained by committing \$75,000 per year. The replacement schedule is included in the 2013 Capital Improvement plan (CIP). E-25 is scheduled to be replaced in 2014, which will place SQ-13 in a reserve status.

Engine	Description	Year	Age
Q-11	Ferrara Ladder (Quint)	2010	2
E-14	Pierce Pumper (reserve)	1996	16
SQ-13	Freightliner Pumper	2001	11
E-22	E-1 Rescue/Pumper	2006	6
E-25	Pierce Pumper (reserve)	1993	19

Year	Replace Apparatus	Cost	CIP Budget
FY2013			\$75,000
FY2014	E-25	\$331,902	\$75,000
FY2015			\$75,000
FY2016			\$75,000
FY2017			\$75,000

Major Capital Outlay for FY2013: All Fire Department Capital outlay items have been cut due to budget constraints. The only Capital items for FY2013 include City radio equipment to be purchased from the Radio Communications Fund. Replacement and re-programming 800 MHz digital radios (for Parks and Recreation): **\$45,000**.

Fire Department

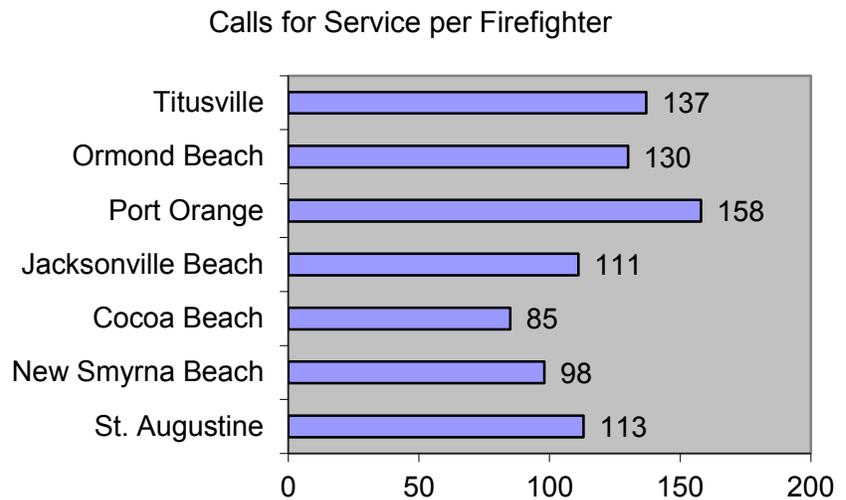
Comparison Survey:

The Jacksonville Beach Fire Department does a comparison survey annually with similar sized cities and fire departments to determine how efficient and effective our department is in comparison to the other departments. Statistics assessed include the assessed valuation of property, fire department budget, number of calls responded to, number of firefighters, and the population. The data does not reflect the actual minimum staffing per shift at each fire department. The following graphs illustrate the findings:

Calls for Service FY2011

Calls for service per
firefighter:
median = 119

*The Jacksonville
Beach Fire
Department
responded to 3,120
calls for service in
CY2011.*



Cost per Call FY2011

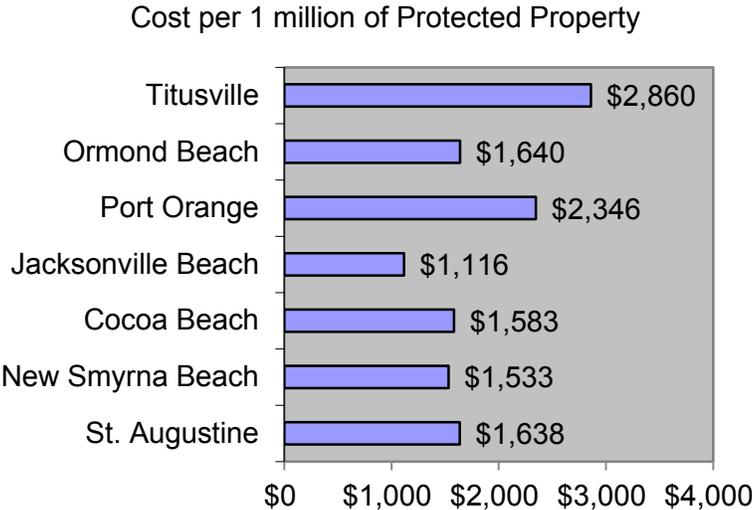
Cost per call of
service:
median = \$1,021



Fire Department

Cost per \$1 million of Protected Property FY2011

Cost per \$1 million of protected property: median = \$1,450



The Benchmark Survey shows the Jacksonville Beach Fire Department continues to be efficient and cost effective in comparison to other similar sized fire departments.



Beaches Energy Services

Mission

To provide reliable energy services at a competitive price with superior customer service. "Above and Beyond the Expected."

Organization

Beaches Energy Services provides electric service to more than 34,000 customers and 24-hour customer service outage restoration. The Department is responsible for designing, constructing, operating, and maintaining electric service facilities and managing natural gas service in Jacksonville Beach, Neptune Beach, Ponte Vedra Beach, and Palm Valley. The Department is also responsible for the Property Management Division.

Beaches Energy Services has nine Divisions which are funded by the Enterprise Fund, the Internal Service Fund, and the General Fund.

Authorized Positions	FY2011	FY2012	FY2013
Administration	5	5	4**
Engineering	8	8	8
Relay/Substation	5	6*	6*
Construction & Maintenance	34	34	34
System Operations	9	10*	10*
Storeroom	3	3	3
Meter Services	12	12	12
TOTAL	76	78	77

* One temporary over-hire in Relay/Substation and one in System Operations in anticipation of the retirement of a Relay/Substation Crew Leader and NERC Certified System Operator.

**One Administration position was eliminated.

Administration Division

Ensures Department's compliance with accounting and budgetary policies and controls concerning disbursements, purchasing, payroll, and other financial matters. The Division provides overall direction and policy for the daily operations of the Department.

Engineering Division

Plans and designs the electric transmission, substation, and distribution systems. Monitors and administers regulatory compliance activities.

Relay/Substation Division

Maintains the electric substations.

Construction & Maintenance Division

Constructs and maintains the overhead and underground facilities in transmission and distribution systems.

Beaches Energy Services

Organization (continued)

System Operations

Monitors and operates the electric system according to industry standards and regulatory mandates. Provides 24-hour dispatch center for emergency response and customer service.

Storeroom Division

Provides supplies, materials, and services to all City Departments.

Natural Gas Division

Provides contract management administration and oversight for all activities in the delivery of natural gas.

Meter Services Division

Provides support services for all meter reading and meter service functions.

Property Management Division

Provides all City Departments with building maintenance, leased properties management, and fleet maintenance.

Recent Accomplishments: FY2011-2012

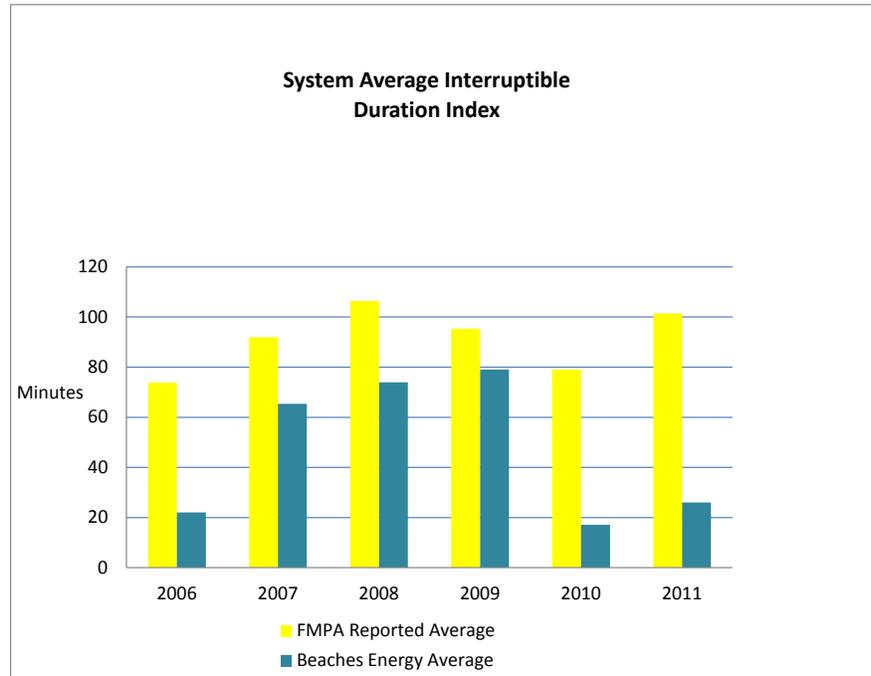
- Designed and installed new 26kV underground systems:
 - Fisherman's Cove in Ponte Vedra Beach
 - Marsh Landing Entrance in Ponte Vedra Beach.
- Designed and installed overhead line rebuilds:
 - Palm Valley Road Phase 2 in St. Johns County
 - Micklers Road in St. Johns County
 - A1A Phase I in St. Johns County.
- Designed and installed overhead to underground conversions:
 - Corona Road in St. Johns County
 - Kings Road in Neptune Beach.
- Upgraded 9 underground pad-mounted switchgears.
- Completed and implemented GIS Mobile Solution.
- Completed a North American Electric Reliability Corporation (NERC) Gap Analysis for regulatory compliance.
- Conducted an underground and overhead system assessment to determine age and condition of the electric system.
- Upgraded control systems on 4 City generators to use with the demand management program.
- Installed 23 load profile meters that provides a detailed electric load analysis for City facilities.
- Installed six lightning arrestors on the 230kV line.

Beaches Energy Services

Recent Accomplishments (continued)

System Reliability

Beaches Energy Services maintained a System Average Interruptible Duration Index of 26.01 minutes for each customer from January 2011 to December 2011. Twenty-three cities reported average by FMPA for the same period was 101.49 minutes.



Customer Service

Each month, the Billing Office conducts 60 customer satisfaction follow-up surveys. The following schedule represents customers' responses to the survey.

Beaches Energy Services employees are committed to serving our customers and exceeding their expectations.

Customer Service	Actual FY2011	FYTD 3/31/12	Target FY2013
The utility bill is easy to understand.	98%	99%	95%
Our service is reliable.	99%	99%	95%
I was treated courteously.	100%	100%	95%
The service was prompt.	100%	100%	95%
The employee was helpful.	100%	100%	95%
The employee was knowledgeable.	99%	100%	95%
The employee referred to me by name.	86%	88%	95%
The employee thanked me for my business.	93%	97%	95%

Beaches Energy Services

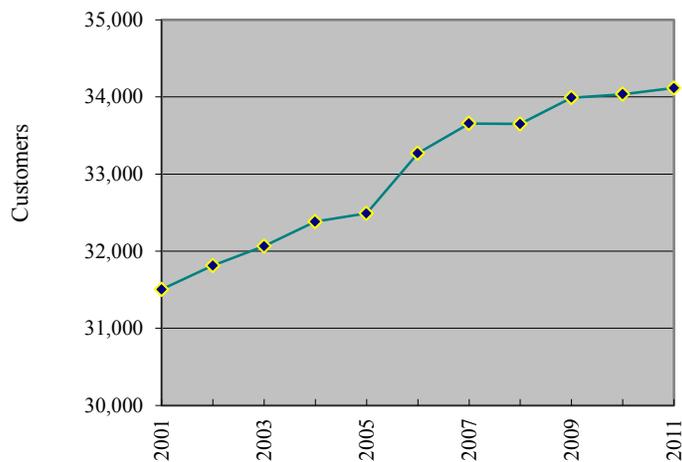
Customer Service (continued)

Beaches Energy Services conducts a monthly follow-up survey for customers who receive energy audits. The following are the survey results for the period October 2010 through September 2011.

Energy Audits	Actual FY2011	Target FY 2013
Energy Audit Survey	Percent Agree	Target Agree
Was the Utility Auditor on time for your scheduled audit?	100%	95%
Was the Utility Auditor polite and courteous?	100%	95%
Was the Utility Auditor knowledgeable and helpful when explaining the results of the audit?	100%	95%
Did the Utility Auditor provide you with tips to conserve energy?	100%	95%
Would you recommend this audit service for other customers?	100%	95%

The number of total customers served has grown from 31,505 in 2001 to 34,114 in 2011. This increase represents an eight percent increase over the past ten years.

Customer Growth Trends



Beaches Energy Services

Cost

- Beaches Energy Services residential rate for 1,000 kWh remains below the State average (see rate schedule, page 126).
- Beaches Energy Services provides a monthly credit for customers on the demand rate. Customers receive a monthly credit on demand charges which ranges from \$2.00/kW for a 75 percent load factor to \$0.50/kW for a 60 percent load factor.

Energy Efficiency and Conservation

- Electric conservation and informing customers on how to conserve has become an important part of our business. Beaches Energy Services is working on conservation, energy efficiency, demand-side management and renewable energy initiatives so that all programs are coordinated to achieve optimal results and benefits.
- Conservation tips can be found on Beaches Energy Services website at www.beachesenergy.com and in the monthly Tidings newsletter.
- Energy saving rebates are offered for residential energy-efficient improvements. For more details about available rebates, visit our website (shown above).
- Our Energy Auditors provide specific suggestions customized to the homeowners audit results.
- Energy Toolkits and Energy Conservation DVDs were provided to 625 customers from October 2010 to September 2011.
- As of December 31, 2011 there were 25 solar net-metering customers who delivered over 75,000 kWh to the electric grid during the 2011 calendar year.
- During FY2011 voltage optimization and distributed generation shaved peak energy demands resulting in power and cost savings of over 50 MW and \$1 million respectively.

Goals for FY2013

Investments in infrastructure improvements are made to ensure the highest level of system reliability and customer service.

- Maintain Residential Rate for 1,000 kWh below the State Average.
- Maintain an average outage time less than the average annual survey results for participating FMPA cities.
- Complete all facility improvements listed in the Capital Improvement Plan.
- Limit energy losses to less than 6 percent.
- Attain a zero employee loss time accident rate by implementing an intensive safety training program.
- Continue to add and improve customer service programs that provide enhanced services and more convenience to our customers.

Beaches Energy Services

Performance Measures

	Actual FY2010	Actual FY2011	FYTD 3/31/12	Goal FY2013
COST				
Residential rates for 1000 kWh below the State average	Yes	Yes	Yes	Yes
Energy losses not to exceed 6 percent (see below)	Yes	Yes	Yes	Yes
289 Retail customers per employee-excluding business office employees*	454	467	474	425
Zero employee lost time accidents	2	1	0	0
SERVICE				
Final review of customers' engineering plans within 28 days:				
Residential	Yes	Yes	Yes	Yes
Commercial	Yes	Yes	Yes	Yes
Respond to customers' inquiries within one business day	100%	100%	100%	100%
Provide 600 customer energy audits	949	645	209	600
Provide 950 surge protection devices	914	922	922	950
Energy Conservation Program:				
Rebates Issued	1,586	1,790	534	1,000
Dollar Amount	\$294,050	\$338,997	\$104,253	\$293,048
RELIABILITY				
Annual average outage time per customer.	17.07	26.01**	1.34	Less than FMPA Average
Apprentice employees progressing in Training Program.	Yes	Yes	Yes	Yes
Budgeted facility improvements completed for projects.	Yes	Yes	Yes	Yes

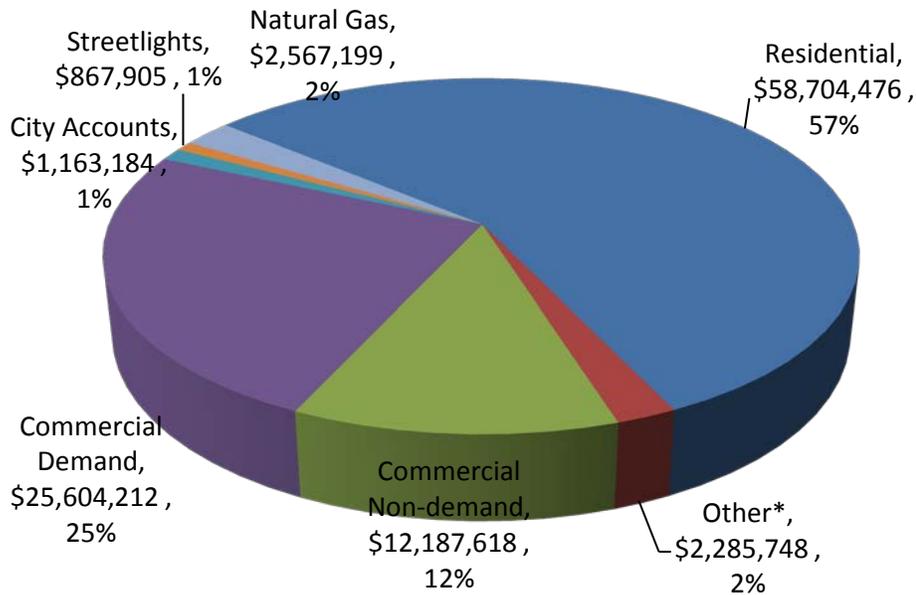
* American Public Power Association (APPA) Annual Statistical Report published January 2012; average is 289 Retail Customers per Employee.

** Major causes of outages include equipment and cable failure, and electric contact with wildlife and trees.

Energy losses represent the difference between megawatt hours purchased and megawatt hours sold. Industry system losses range between 3 percent and 6 percent, depending upon the service voltage provided and the geographical location in the United States. Beaches Energy Services' two year average energy loss is 4.5%.

Beaches Energy Services

Funding Sources: Total projected revenue for FY2013 is \$103,380,342.



*Other includes internal service charges for meter reading, interest, primary fees and streetlight maintenance charges.

Financial Summary

Electric and Natural Gas

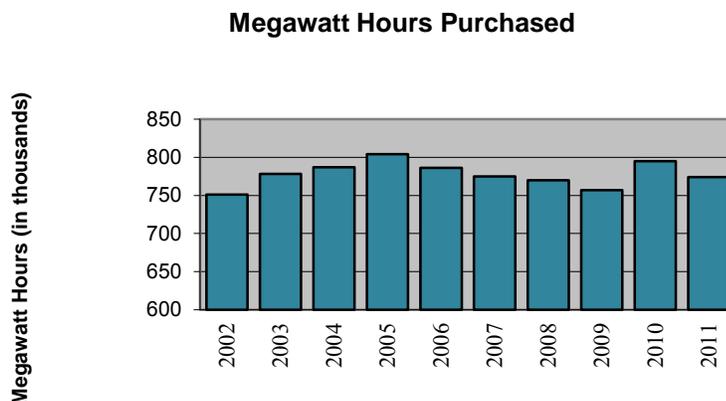
Resource Allocation	Actual 2011	Original Budget 2012	Budget 2013	Increase -Decrease	% Change
Personal Services	\$6,027,730	\$6,417,093	\$6,466,580	\$49,487	0.8%
Purchased Power	\$65,999,862	\$76,923,334	\$74,630,823	-\$2,292,511	-3.0%
Operating	\$5,849,776	\$7,694,449	\$7,284,725	-\$409,724	-5.3%
Capital Outlay	\$5,679,036	\$6,252,692	\$5,948,000	-\$304,692	-4.9%
Debt Service	\$2,639,358	\$2,638,671	\$2,589,400	-\$49,271	-1.9%
Transfers	\$4,517,915	\$3,518,258	\$3,272,548	-\$245,711	-7.0%
TOTAL	\$90,713,677	\$103,444,497	\$100,192,076	-\$3,252,421	-3.1%

Beaches Energy Services

Budget Issues

1. Florida Municipal Power Agency and the Cost of Power

The variation in Beaches Energy's purchase of power from year to year occurs largely as a result of weather conditions and the state of the economy.



FMPA is a wholesale power agency owned by municipal electric utilities. FMPA provides economies of scale in power generation and related services to support community-owned electric utilities. The City of Jacksonville Beach joined the FMPA May 1, 1986 and is one of the 14 all-requirements members. FMPA has a generation portfolio that includes more than 60% clean burning natural gas fired units. The newest unit, Cane Island Unit 4, began commercial operations July 12, 2011. This addition to the FMPA generation fleet provides 300 megawatts to All Requirement Members. Current long range load projection studies indicate FMPA has adequate generation resources for the next 10 years.

Providing reliable electric services is a continuous activity that requires long-term vision. Pending governmental regulations regarding CO₂ and mercury could have a major impact on deciding future power supply options. The uncertainty at the federal level has resulted in many electric utilities delaying decisions on capital expenditures for generation resources.

Beaches Energy Services is doing everything possible to keep our electric rates below the state average and provide reliable, excellent services to our customers. ***Conservation, energy efficiency and demand response programs have been very successful and continue to benefit customers.*** We will continue monitoring these programs and investigate new measures that provide value to the customer.

Beaches Energy Services

2. Regulatory Issues

Beaches Energy Services has undergone dramatic regulatory changes that continue to evolve. Regulatory mandates to improve the reliability of the bulk power system are placing more requirements on our resources.

NERC (North American Electric Reliability Corporation) and FRCC (Florida Reliability Coordinating Council) work in concert for the purpose of proposing and enforcing reliability standards that impact the operations of transmission providers in Florida. As a transmission owner, Beaches Energy Services is obligated to comply with these standards or be subjected to financial penalties. In order to achieve zero-defect compliance to NERC and FRCC reliability standards, Beaches Energy Services must develop a comprehensive process that will continually monitor industry developments and implement cost effective measures responding to actions required by regulatory agencies.

The next major issue is cyber security. NERC standards CIP 002 through CIP 009 provide a cyber-security framework for the identification and protection of Critical Cyber Assets to support reliable operation of the Bulk Electric System. These standards include heightened security measures and cause heightened costs.

In order to meet the new National Emissions Standard for Hazardous Air Pollutants (NESHAP) requirements effective May of 2013, emissions reduction equipment will be installed during FY2013 on the 4 city generators used for the demand side management program.

3. Modernizing Electric System Infrastructure

Ensuring the reliability and security of electric service to our customers is essential to Beaches Energy Services operations. A field inventory of assets has been completed that provides an accurate assessment of age, condition, and configuration of the existing distribution system. The remaining line segments of the 4kV and 12.4kV primary systems have been converted to 26kV. Major underground projects have been completed that replaced overhead facilities.

Beaches Energy Services will continue strengthening its infrastructure and evaluating the application of new technology that supports improved electric operations and customer service today and in the future. Expanding SCADA (System Control and Data Acquisition) intelligence into the distribution system will be methodical, focusing on installing field devices that improve system reliability and delivery of electric service.

Beaches Energy Services

Rates

Beaches Energy Services continues to meet its goal of keeping its rates below the state average.

FMPA's All Requirements Project members are highlighted in yellow.

	1000 kWh	Local Taxes	Total
Electric Utility	Total	& Fees	Cost
Bartow	\$ 139.48	\$ 13.95	\$ 153.43
Tri-County *	136.00	8.16	144.16
Bushnell	129.05	12.91	141.96
West Florida *	133.40	8.00	141.40
Williston	134.14	6.71	140.85
Mount Dora	127.99	12.80	140.79
Gulf Coast *	132.65	7.96	140.61
Gainesville	127.67	12.77	140.44
Newberry	127.50	12.75	140.25
Glades *	132.03	7.92	139.95
Moore Haven	127.00	12.70	139.70
Fort Pierce	126.84	12.68	139.52
Escambia River *	131.00	7.86	138.86
Gulf Power *	123.37	15.25	138.62
Chattahoochee	138.50	0.00	138.50
Blountstown	131.71	6.59	138.30
Lake Worth	125.65	12.57	138.22
Peace River *	128.42	7.71	136.13
Key West	136.00	0.00	136.00
Progress Energy *	120.11	14.85	134.96
Leesburg	122.47	12.25	134.72
Sumter *	126.95	7.62	134.57
Talquin *	126.90	7.61	134.51
Vero Beach	121.43	12.14	133.57
Central Florida *	126.00	7.56	133.56
Alachua	121.00	12.10	133.10
Starke	120.95	12.10	133.05
Suwannee Valley *	125.50	7.53	133.03
Choctawhatchee *	124.66	7.48	132.14
JEA	120.10	12.01	132.11
Ocala	119.34	11.93	131.27
Homestead	119.02	11.90	130.92
State Average	121.40	9.51	130.91
St. Cloud	119.60	9.57	129.17
Tallahassee	116.83	11.68	128.51
Fort Meade	116.56	11.66	128.22
Beaches Energy Services	127.91	0.00	127.91
Withlacoochee *	119.98	7.20	127.18
Winter Park	108.52	18.01	126.53
Orlando	115.00	11.50	126.50
Green Cove Springs	125.06	0.00	125.06
Wauchula	113.62	11.36	124.98
Clewiston	112.76	11.28	124.04
New Smyrna Beach	111.38	10.30	121.68
Lee County *	114.16	6.85	121.01
Clay *	112.80	6.77	119.57
Havana	118.44	0.00	118.44
Tampa Electric *	93.85	23.26	117.11
Florida Keys *	108.02	6.48	114.50
Kissimmee	103.94	8.32	112.26
Lakeland	98.02	9.80	107.82
FPL **	92.25	11.41	103.66
Quincy	101.05	0.00	101.05

Source: April 2012 FMEA Published Rate Schedule.

* Local taxes estimated at 6%.

** FPL uses an inclining block rate over 1,000 kWh.

Beaches Energy Services

Capital Projects: 2013

Overhead Line Rebuild Palm Valley Road (St. Johns County) - \$500,000: Replace existing 26kV wood pole line with a 26kV concrete pole line. This project is part of a storm hardening plan to install all overhead distribution feeders on concrete poles.

Overhead Line Rebuild A1A (St. Johns County) - \$700,000 in FY2013, and \$650,000 in FY2014: Replace existing 26kV wood pole line with a 26kV concrete pole line. This project is part of a storm hardening plan to install all overhead distribution feeders on concrete poles.

Sawgrass Feeder Rebuild (St. Johns County) - \$480,000: Rebuild the north underground feeder in Sawgrass. New switchgear and cable will be installed so all laterals are fuse protected.

Underground Feeder Circuit 528 (St. Johns County) - \$1,000,000 in FY2013, \$500,000 in FY2014: Build in new 26kV underground feeder from Guana Substation to Mickler Road. New 1000 kcm primary cable, conduit, switchgear, and manholes will be installed. This project will serve a significant portion of Ponte Vedra Boulevard with direct underground feeder from the Guana Substation. These customers will see increased reliability. This feeder will also free capacity from heavily loaded circuit 512 out of Ft. Diego Substation.

2013/2014/2015/2017 Switchgear Replacement - \$400,000 each year: Replace existing “live front” or SF6 padmounted switchgear at various locations throughout system with oil filled Vacuum Fault Interrupters (VFI’s). This project will create uniformity of all switchgear on the distribution system and eliminate the remaining “live front” terminals on the underground system. VFI units have more programming capabilities than fuses and will coordinate better with other protective devices increasing system reliability. The new “dead front” switchgear is safer to operate than the “live front” units.

2013/2014/2015/2016/2017 - Underground Cable Replacement \$250,000 each year: Replace existing 26kV primary cable that has reached the end of service life. An underground circuit assessment has identified the age and condition of all primary cable. The cable is prioritized and will be changed out proactively prior to failure. This will increase the overall reliability of the electric system.

2013/2014/2015/2016/2017 – Unplanned Projects - \$250,000 each year: This budget provides the department with the flexibility to address unscheduled major repair and replacement projects that arise each year.

Beaches Energy Services

Natural Gas

Beaches Energy Services owns the natural gas distribution system in select locations within Beaches Energy Services' territory. The system is primarily for commercial customers along the main gas line route. Natural gas service began in June 2010 and customers will continue to be connected as the system expands. Beaches Energy Services has contracted with Tampa Electric Company (TECO) to provide engineering design, construction management, operations and maintenance of the natural gas system. Beaches Energy Services will continue providing management oversight to these activities as well as marketing, billing and other required services.

Natural Gas Expenses

Resource Allocation	Actual 2011	Original Budget 2012	Budget 2013	Increase -Decrease	% Change
Personal Services	\$0	\$0	\$0	\$0	0.0%
Purchased Gas	\$657,616	\$1,510,740	\$1,562,832	\$52,092	3.4%
Operating	\$193,690	\$259,260	\$290,436	\$31,176	12.0%
Capital Outlay	\$1,522,130	\$582,104	\$100,000	-\$482,104	-82.8%
Debt Service	\$0	\$0	\$0	\$0	0.0%
Transfers	\$0	\$0	\$0	\$0	0.0%
TOTAL	\$2,373,436	\$2,352,104	\$1,953,268	-\$398,836	-17.0%

Infrastructure to support the addition of customers in FY2013, including service lines, main extensions, and meter sets, is budgeted in capital outlay (\$100,000). The natural gas system was designed to provide approximately 3,000,000 therms annually to our customers. As of the fiscal year ended September 30, 2011, there were 117 customers who purchased 1,030,384 therms during the year.

Beaches Energy Services

Property Management

Mission

To provide building maintenance services to our customers.

Objective

City facilities are kept in very good condition at all times.

Organization

The Property Management Division is responsible for the maintenance and upkeep of City buildings. It is also responsible for keeping the City's leased facilities fully occupied and for supervising the contracted services for fleet maintenance.

Authorized Positions	FY2011	FY2012	FY2013
Property Management Supervisor	1	1	1
Building Maintenance Supervisor	1	1	1
Building Maintenance Mechanic	1	1	1
Building Attendant	1	1	1
TOTAL	4	4	4

Recent Accomplishments

- Conducted bi-annual inspections of City facilities and managed extensive maintenance and cleaning services at the O&M Facility, City Hall, Police Department, Police Property/Animal Control, Archive, and Fire Stations #1 and #2.
- Contractor completed the retro-fit of 1,170 lighting fixtures to energy efficient T-8 lighting at the O&M Facility, Police Department and City Hall under the Energy Efficiency and Conservation Block Grant (EECBG) Program.
- Contractor completed the replacement of the roof at System Operations (SCADA) and the adjacent shop building.

Beaches Energy Services

Recent Accomplishments (continued)

- Annual Internal Customer Service Survey:
Each year the Property Management Division conducts an internal customer service survey. The following represents the respondents' average and above average ratings for the two divisions. The March 2012 survey was sent to 100 employees and 58 employees responded, which represents a 58 percent response rate.

	2010 Rating	2011 Rating	2012 Rating
PROPERTY MANAGEMENT			
Prompt Building Maintenance Service?	98%	94%	98%
Quality of maintenance work performed?	96%	100%	100%
Quality of the overall maintenance of the building you work in?	96%	90%	97%
Courteous and helpful Property Management employees?	96%	94%	100%
Quality of service provided by Fleet Maintenance?	93%	93%	94%
Prompt service provided by Fleet Maintenance?	97%	97%	94%
Courteous and helpful Fleet Maintenance employees?	100%	100%	97%

Property Management Goals FY2013

- Achieve increased occupancy for all leased facilities and renegotiate lease facility contracts as necessary.
- Conduct annual internal customer service satisfaction survey on facility maintenance, customer service and fleet maintenance.
- Conduct bi-annual inspections of each City facility and implement program to eliminate deficiencies.
- Monitor Fleet Maintenance non-contract expenses to confirm expenses are within contract guidelines or processed through the requisition system.
- Monitor electrical usage for City facilities and maintain a consistent usage based on weather conditions and potential maintenance issues.

Beaches Energy Services

Property Management Financial Summary

Funding Sources: \$1,548,033

Internal Service Fund

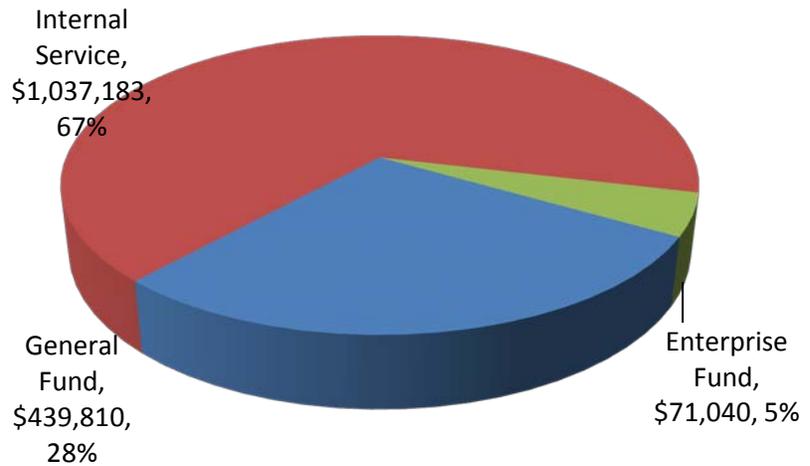
*Fleet Maintenance
O&M Facility*

General Fund

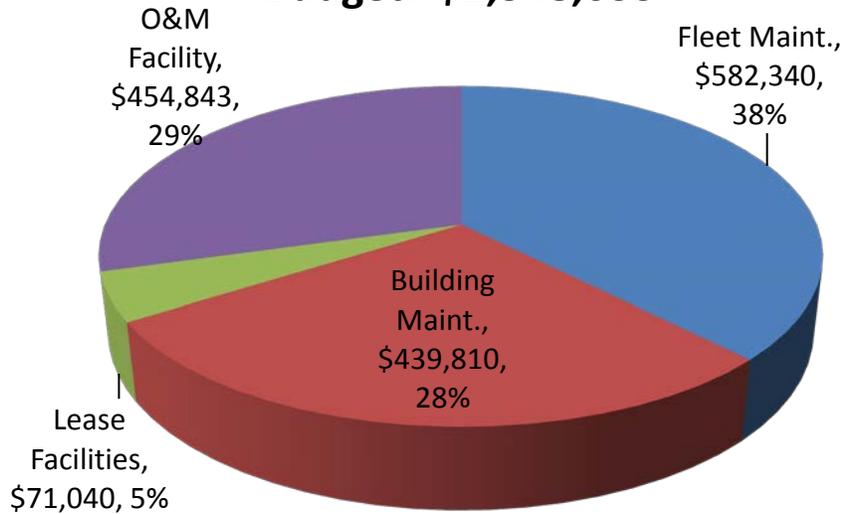
Building Maintenance

Enterprise Fund (Lease Facilities)

*Industrial Park
Community Services
Center
Penman Park Building
Marina Building (Crazy
Fish)
Communications Tower*



Budget: \$1,548,033



Beaches Energy Services

Property Management Cost Allocation:

Property Management costs are allocated to its divisions based primarily on usage. Building Maintenance costs are allocated to the General Fund; Lease Facilities costs to businesses leasing these facilities; and O&M Facility and Fleet Maintenance costs are charged to City Departments based on their usage (per square foot).

Financial Summary

Resource Allocation	Actual \$2,011	Original Budget \$2,012	Budget \$2,013	Increase -Decrease	% Change
Personal Services	\$290,276	\$263,602	\$275,127	\$11,524	\$0
Operating	\$1,144,842	\$1,303,821	\$1,267,906	-\$35,915	\$0
Capital Outlay	\$0	\$5,000	\$5,000	\$0	\$0
TOTAL	\$1,435,118	\$1,572,423	\$1,548,033	-\$24,390	\$0

Performance Measures

Measurement	Actual FY2011	Budget 3/31/12	Target FY2013
LEASED PROPERTIES			
Industrial Park, Community Services Center, Penman Park Building, Marina Building (Crazy Fish) and Communication Tower			
Land Total Square Footage Leased (Avail. 174,669)	135,361	135,361	135,361
Buildings Total Square Footage Leased (Avail. 21,465)	17,311	17,311	17,311
Telecommunications Tower Leased Spaces	7	7	6
REVENUE			
Industrial Park	*\$180,631	\$172,778	\$178,231
Community Services Center	\$90,971	\$92,112	\$95,830
Penman Park Building	\$33,929	\$34,470	\$35,863
Marina Building (Crazy Fish)	\$39,165	\$39,808	\$41,392
Telecommunications Tower	**219,016	\$203,173	\$211,205
TOTAL REVENUE	\$563,712	\$542,341	\$562,521
FLEET MAINTENANCE			
Service Statistics:			
Annual Average Maintenance Costs Per Vehicle	\$ 997	\$1,064	***\$774
Fleet Downtime Percentage (3-5% Acceptable)	1%	1%	0.5%

* Temporarily leased to Braddock Construction.

** Verizon lease canceled 5/31/11.

*** Fleet parts now ordered by State Contract, and no annual contract CPI increase.

The Industrial Park currently has two vacancies. Property Management staff has been actively promoting this facility to attract new tenants.

Beaches Energy Services

Performance Measures (continued)

Building Condition Assessment	Actual FY2011	Target FY2013
City Hall	2	2
Police Station	2	2
Operations & Maintenance Facility (O&M)	2	2
Community Services Center	2	2
Fire Station #1	2	2
Fire Station #2	2	2
Golf Clubhouse	2	2
Oceanfront Restrooms	2	2
Carver Center	1	1
SeaWalk Pavilion	2	2
Wingate Concession North	2	2
Wingate Concession South	2	2
Archive Building	2	2

Building Condition Codes

1. **Like New Condition:** All maintenance items performed and all systems and equipment functioning properly. Landscaping in excellent condition.
2. **Very Good Condition:** May need minor cleaning, painting, or maintenance items performed; systems and equipment functioning properly. Landscaping in very good condition.
3. **Good Condition:** Needs cleaning, painting, or maintenance items performed; some systems or equipment need repair. Landscaping in good condition.
4. **Poor Condition:** Needs painting throughout interior areas; may need new carpeting, electrical, HVAC, or plumbing work; maintenance items are behind schedule. Landscaping in poor condition.

Measurement	FYTD 3/31/11	FYTD 3/31/12	Target FY2013
Overall 100% average or above average ratings on annual Fleet Maintenance Services customer survey.	95%	97%	100%
Overall 100% average or above ratings on annual customer survey for Building Maintenance Services.	97%	97%	100%
Conduct on-site inspections of all facilities and grounds twice each year and correct deficiencies.	Yes	Yes	Yes
Except for emergencies, respond to requests for facility maintenance services within 48 hours of request.	Yes	Yes	Yes
Zero employee lost time accidents.	-0-	-0-	-0-



Finance Department

Mission

To maintain long-term financial stability for the City by managing its financial operations in a fiscally sound manner and to provide accurate financial information to all customers.

Organization

The Finance Department is comprised of four divisions: Accounting, Utility Billing, Information Systems and Purchasing and Procurement. The Divisions operate as an Internal Service Fund and provide services to all City departments.

Accounting is responsible for the administration of all financial affairs of the City. This includes the processing of accounts payable, payroll, and financial reporting. Other responsibilities include cash and investment management functions as well as internal audit.

Utility Billing employees provide customer support, including collection, billing and related services for the City's approximately 34,000 utility customers. Utility Billing also receipts items such as: building permits, occupational licenses, recreation fees, dog tags, and other payments made to the City.

Information Systems provides the overall management of information and data processing for all City departments. Its employees maintain the City's i-520 IBM computer, operating software and HTE computer applications, e-mail services, network and geographic information system administration as well as provide technical support to users citywide. Long range information system planning and maintenance of services are the primary concerns of this division.

Purchasing and Procurement ensures that all purchases made by the City comply with State law, City ordinances and purchasing procedures. This division processes requisitions and purchase orders from their creation through approving them for payment. Managing the use of purchasing cards is also a function of this division.

Authorized Positions	FY2011	FY2012	FY2013
Accounting	8	8	8
Utility Billing	17	17	17
Information Systems	5	5	5
Purchasing	3	3	3
TOTAL	33	33	33

Finance Department

Objectives

- ❖ Maintain the City's accounting records in accordance with generally accepted governmental accounting principles.
- ❖ Provide management with accurate and reliable budgetary and financial information.
- ❖ Minimize the need for future debt through long-term financial planning and capital budgeting for major capital improvements.
- ❖ Comply with federal, state, and local laws and regulations related to purchasing and grant activities.
- ❖ Further develop the City's ability to measure the cost of providing services.
- ❖ Acquire new equipment or software that can provide higher levels of customer service through automation.
- ❖ Assess and plan for technological improvements with regard to the City's overall data processing capabilities.
- ❖ Provide training to employees with regard to current or new data processing hardware or software improvements.

Recent Accomplishments

- ✓ Received the Government Finance Officers Association Awards for both the Comprehensive Annual Financial Report and for the Annual Budget.
- ✓ Adopted a fund balance policy in compliance with Governmental Accounting Standards Board Statement No. 54 that established a fund balance policy that will provide protection against unanticipated events that could adversely affect the financial condition of the City and jeopardize the continuation of necessary public services.
- ✓ Refunded the outstanding 2006 and 2007 Infrastructure Surtax Revenue Bonds which had a combined outstanding principal balance of \$6.5 million and interest rates of 3.88% and 3.98% with one 2012 Infrastructure Surtax Bond at a rate of 1.73% and a present value savings of about \$526,000.
- ✓ Received an A-1 rating from Moody's Investor Services and an AA- rating from Fitch Investor Services for the 2010 Utility Revenue Bonds

Finance Department

- ✓ Completed a water and sewer rate study at a minimal cost and subsequently implemented new rates which will generate sufficient revenues necessary to fund operational costs and future capital and maintenance projects.
- ✓ Engaged a consulting firm to update to the City's strategic technology plan which resulted in recommendations for a five year technology plan designed to close the gap with current technology and move the City forward with industry best practices.
- ✓ Replaced and configured the Storage Area Network (SAN) which is the central repository for all of the data that is kept and utilized by City Employees in the course of their work.
- ✓ Implemented the ACH (automated clearing house) payment method for customers to pay bills through the IVR (Interactive Voice Response System) and Beaches Energy Website at no cost to the customer.
- ✓ Implemented an e-check program, allowing customers to pay by check, electronically. This program has been highly successful, allowing customers who made 15,108 payments using this option in the first eight months of the year to avoid about \$75,000 in convenience fees.
- ✓ Developed and implemented a document management application that allows Beaches Energy to custom design utility bills and other documents. This software also e-bills our customers in a PDF format with a link to a payment site allowing customers to pay their utility bill through the online e-check process. The e-bill payment solution provides our customers a paper-less way of receiving and paying their utility bills and the convenience and ease of making a payment at no cost to them.

Goals for FY2013

1. Maintain adequate cash reserves to fund emergencies and capital purchases in order to minimize the issuance of new debt. The exception to this goal is when the debt issued for capital improvements are to be funded by the Better Jacksonville Beach or tax increment revenues.
2. Continue to receive the Government Finance Officers Association Awards for both the Comprehensive Annual Financial Report and for the Annual Budget.
3. Continue the development and implementation of new technology and customer service programs that provide enhanced services and convenience to our customers.
4. Continue to upgrade the City's Internet and Intranet websites to provide better information to our citizens, customers, and employees.
5. Implement an updated strategic technology information plan that will ensure that the City is progressing in its technological advancement in accordance with industry best practices with goals which are achievable and economically feasible.

Finance Department

Performance Measures

Accounting	Actual FY2011	FYTD 3-31-12	Target FY2013
Percent of monthly financial reports delivered to City Council by 2 nd meeting in each month	100%	100%	100%
Number of Years CAFR Awards received	18	19	20
Number of Years GFOA Budget Award received	17	18	19
Unqualified Audit Opinion	Yes	Expected	Expected
Grant and other financial reports submitted to other government agencies accurately and on time	100%	100%	100%
Cash working capital reserves are 25% or greater as a percentage of budgeted operating expenses	Yes	Yes	Expected
Bad debt expense as a percentage of utility revenues	0.22%	0.25%	0.25%

Utility Billing	Actual FY2011	FYTD 3-31-12	Target FY2013
<i>Customer Payment Options:</i>			
Avg. # monthly payments through Beaches Energy website	888	1,745	1,500 or >
Avg. # monthly IVR payments	1,109	1,392	1,200 or >
Avg. # monthly bank draft payments	5,707	5,884	6,000 or >
Avg. # monthly online payments made through customer's bank	5,701	5,847	6,000 or >
Avg. # monthly mail-in payments	9,449	9,536	9,000 or <
Avg. # monthly walk-up or drive-through payments	8,035	7,366	7,500 or <
Number of E-bills	3,993	4,300	5,000 or <
Number of Deposit Errors > \$20	1	0	0
<i>Average telephone calls per month:</i>			
Average call length (in minutes)	1.8	1.8	2.0 or <
Average answer time (in seconds)	10	10	10 or <
<i>Energy Conservation Programs Offered:</i>			
Online energy audits	Yes	Yes	Yes
In-person energy audits	Yes	Yes	Yes
Rebates for energy efficiency improvements to residences	Yes	Yes	Yes
Distribute CFLs	Yes	Yes	Yes
Distribute energy conservation toolkits	Yes	Yes	Yes

Finance Department

Performance Measures (continued)

Information Systems	Actual FY2011	FYTD 3-31-12	Target FY2013
% of departmental customers rating service as satisfactory and better	95%	97%	95%
Major occurrences of unscheduled downtime for e-mail, internet, and server access (more than 4 hours)	0	0	0
Purchasing and Procurement			
	Actual FY2011	FYTD 3-31-12	Target FY2013
All purchases comply with City Ordinances and State Statutes	Yes	Yes	Yes
Number of errors on Bid and RFP Evaluations	0	0	0
Number of Bid and RFP Protests	0	0	0
Bid evaluation and acceptance processing time (from date of acceptance to date of Council approval)	100% 21 Days	100% 21 Days	100% 21 Days
Purchasing card users do not exceed \$2,500 monthly purchasing limit	Yes	Yes	Yes
No single card purchase exceeds \$1,000	Yes	Yes	Yes
All purchasing card transactions are for a legitimate City purpose	Yes	Yes	Yes
SURVEY RESULTS:			
<ul style="list-style-type: none"> Overall 90% average or above average ratings on annual internal customer service survey 	92%	96%	90%
<ul style="list-style-type: none"> Effectiveness of the Purchasing Card Program 	94%	100%	95%
<ul style="list-style-type: none"> Accuracy and ease of use of purchasing processes 	96%	100%	95%
<ul style="list-style-type: none"> Prompt response to inquiries from other departments 	100%	96%	95%

Finance Department

Funding Sources

The cost of these divisions is charged to other City departments based on their estimated usage of each division's services. Repair and maintenance expenditures for the annual renewal of the Microsoft programs and server licenses, GIS (mapping) and API (scanning and data storage) licenses are supplemented from the Lease Facilities Fund. In addition, Utility Billing manages a CDBG Utility Assistance Program and the City's CARE Program which is a utility payment assistance program for those utility customers experiencing a serious financial emergency. It is funded by donations from other customers; customer donations are matched dollar for dollar by Beaches Energy Services.

Financial Summary

Resource Allocation	Actual 2011	Original Budget 2012	Budget 2013	Increase -Decrease	% Change	
Personal Services	\$2,041,699	\$2,106,894	\$2,149,190	\$42,296	2.0%	<i>Transfers increased to pay for the cost of the improvements specified in the strategic technology plan.</i>
Operating	\$1,774,348	\$1,823,491	\$1,890,403	\$66,912	3.7%	
Capital Outlay	\$6,984	\$9,698	\$7,800	-\$1,898	-19.6%	
Debt Service	\$0	\$0	\$0	\$0	0.0%	
Transfers	\$242,600	\$260,000	\$1,110,000	\$850,000	326.9%	
TOTAL	\$4,065,631	\$4,200,083	\$5,157,393	\$957,310	22.8%	

- The increase in personal services was due to increases in insurance and pension costs.
- The increase in operating expenses is mostly due to an increase in contract services for off-site relocation of our network computer system.
- The transfers are to fund capital outlay purchases in the General Fund and the Capital Projects Fund. The increase in transfers are related to monies budgeted to fund the improvements in the strategic technology plan. These transfers are made from the Lease Facilities Fund.

Budget Issues

1. **Information Systems Division.** The workload in this division has increased incrementally over the years because of the implementation and growing reliance on information technology systems by the City. The information systems division staff is stretched thin because of the various and complex technology infrastructure they now maintain. We are looking to determine if there are other opportunities to improve efficiency by cross training employees or contracting parts of the information technology operations to outside vendors.

Finance Department

- 2. Business Applications on I-520.** In the near future SunGard (formerly HTE) will cease support of their legacy systems (green screen and Naviline). The City needs to plan for and set aside adequate funds now for the cost of the migration of the SunGard applications from the IBM iSeries server to a Windows-based server platform. By 2016 SunGard will have completed their project to have all their modules on a Windows-based server platform and beta site tested to eliminate and correct any initial coding problems.



Human Resources Department

Mission

Supporting departments, employees, and their families.

Organization

The Human Resources Department is responsible for city-wide training services, employee benefit programs, payroll, risk management and labor relations activities.

Objectives:

- ❖ Recruiting and hiring qualified employees.
- ❖ Providing affordable quality health, dental, vision and voluntary benefits.
- ❖ Providing accurate payroll services.
- ❖ Enhancing professional development of all employees.
- ❖ Maintaining stable comprehensive property, liability and workers' compensation insurance coverage.

Authorized Positions	FY2011	FY2012	FY2013
Human Resources Director	1	1	1
Administrative Secretary	1	1	1
Personnel/Payroll Specialist	1	1	0
Personnel/Payroll Technician	1	1	1
Senior Secretary	2	1	1
Secretary part-time	0	1	1
Compliance Administrator part-time	0	0	1
Project/Safety Coordinator part-time	1	1	1
TOTAL	7	7	7

Human Resources Department

Recent Accomplishments

- ✓ Coordinated and/or conducted 16 safety-related training classes.
- ✓ Coordinated an online Employee Drug Free Workplace education for all employees.
- ✓ Coordinated and/or conducted 10 customer service training classes.
- ✓ Conducted 3 Supervisory Development Orientation classes and 3 Supervisory Drug Training classes.
- ✓ Conducted 1 orientation training class for 12 new employees.
- ✓ Made over 4,399 contacts with potential employees through job fairs and festivals.
- ✓ Tested 363 applicants and processed 1,931 applications for employment.
- ✓ Received the highest possible customer service rating from 98.74% of applicants.
- ✓ Issued 12,864 payroll and pension checks with an accuracy level of 99.98%.
- ✓ Processed 52 new hires within an average of 3.8 business days. The goal is 10 business days or less.
- ✓ Enrolled 134 employees in Flexible Spending Account (FSA), which results in savings to both the City and employees.

Goals for FY2013

1. Negotiate new labor contracts for Police, Fire and General Employees labor unions.
2. Assess and make adjustments to address the impact of health care reform.
3. Conduct a regional salary survey to ensure that the City remains competitive for purposes of recruitment and retention of highly qualified employees.
4. Implement wellness initiatives to improve the health of employees and dependents and lower the overall cost of health care plans.
5. Successfully achieve all performance objectives.
6. Review the possibility of transferring the pension administration duties to Human Resources.

Human Resources Department

Performance Measures

Objective	Actual FY2011	FYTD 3-31-12	Target FY2013
Recruiting and Hiring Qualified Employees			
Number of contacts with potential applicants through job fairs and festivals	4,399	869	2,000
Applicant satisfaction surveys with a rating of "satisfactory" or above	98.74%	99.47%	90%
Average number of qualified applicants sent to departments (<i>per position</i>)	28	18.5	20
Average number of business days to process a new hire	3.8	2.4	10
Providing Affordable Quality Benefits			
City contribution for employee benefit plans	\$1,757,134	\$898,743	\$1,907,550
City-funded health reimbursement account	\$152,500	\$68,932	\$150,000
Providing Accurate Payroll Services			
Accuracy of payroll and pension checks	99.98%	99.99%	95.00%
Enhancing Employee Development			
Total number of classes offered	26	19	20
Employee participation in the following classes:			
EEO Training (<i>biennial</i>)	N/A	99.00%	N/A
New Supervisory Orientation	100.00%	0.00%	100.00%
Customer Service Classes	96.40%	0.00%	99.00%
DOT Drug and Alcohol Training	99.00%	0.00%	99.00%
Coaching the Experienced Driver (<i>biennial</i>)	N/A	100.00%	N/A
Total annual employee separation rate	14.10%	4.60%	16.56%
* <i>Industry standard average</i>	15.60%	16.56%	N/A
Percentage of employees successfully completing probation	79.00%	100.00%	90.00%
Maintaining Stable Comprehensive Insurance Coverage			
Total liability claims paid	\$125,293	\$12,664	N/A
Total workers' comp claims paid	\$65,533	\$10,795	N/A
Workers' comp self-insurer experience modification rate	1.06	.93	<1.00
Rate of workers' comp cases with no lost time involved	64.1%	89.49%	90.00%

*Source: US Department of Labor, Bureau of Labor Statistics

Human Resources Department

Funding Sources

Department costs are funded through internal service charges to all departments. Insurance costs are charged directly to each department based on insurable interests.

Financial Summary – Personnel Services

Resource Allocation	Actual 2011	Original Budget 2012	Budget 2013	Increase -Decrease	% Change
Personal Services	\$378,149	\$385,217	\$366,186	-\$19,031	-4.9%
Operating	\$176,520	\$185,539	\$179,437	-\$6,102	-3.3%
Capital Outlay	\$2,498	\$0	\$0	\$0	0.0%
TOTAL	\$557,167	\$570,756	\$545,623	-\$25,133	-4.4%

The reduction in personal services is due to reclassifying the Payroll Specialist position to a part-time Compliance Administrator.

Personnel Services Budget Issues for FY2013

Labor Relations - The entire LIUNA (General Employees) labor contract expired in November, 2011 and the wage article for FOP (Police Officers) will reopen for negotiation in October, 2012. The entire contract for IAFF (Firefighters) is currently under negotiation.

Financial Summary – Insurance and Risk Management

Resource Allocation	Actual 2011	Original Budget 2012	Budget 2013	Increase -Decrease	% Change
Personal Services	\$13,697	\$17,230	\$17,642	\$412	2.4%
Operating	\$3,583,650	\$3,601,555	\$3,731,301	\$129,746	3.6%
Capital Outlay	\$0	\$0	\$0	\$0	0.0%
TOTAL	\$3,597,347	\$3,618,785	\$3,748,943	\$130,158	3.6%

All property, general liability, employee health and workers' compensation insurance costs are paid through this fund.

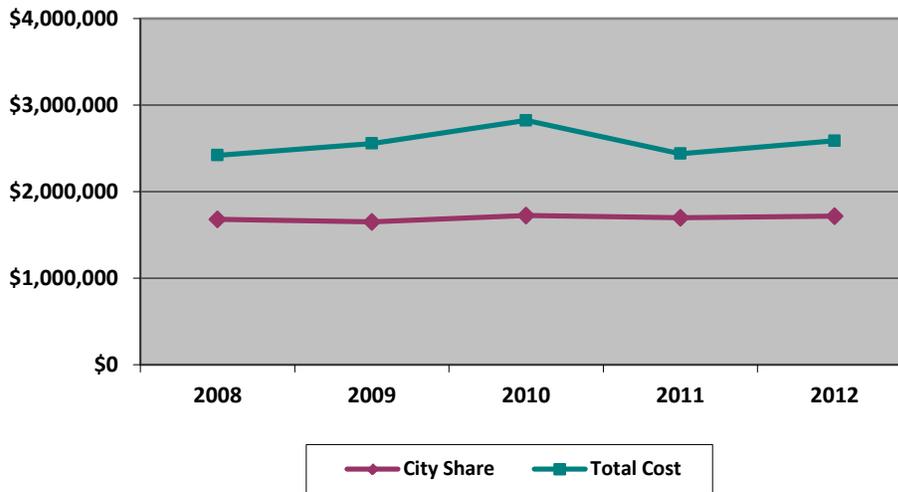
We continue to budget for professional services to assist with workers' compensation safety and risk issues. \$5,000 is currently budgeted for this purpose.

Human Resources Department

Insurance and Risk Management Budget Issues for FY2013

Health Insurance - We are still monitoring the impact of health care reform. The City has been proactive and complied with all provisions required as of this date.

Health Insurance Premiums



Total health insurance costs in 2011 were \$2,652,195, of which the City paid \$1,909,634 and employees paid \$742,561.

The total cost for health insurance claims is slightly below the projected liability, creating a margin for the current year. Any margin remaining at the end of the plan year will be used to reduce the liability for previous year deficits. The current liability is \$228,164 for the deficit created in FY 2010, when CIGNA paid over \$1 million in claims in excess of premiums paid by the City.

In 2010, the City established a claims reserve of \$426,728, payable to CIGNA should we terminate the policy. The reserve amount was reduced in 2011 to \$263,927 due to a decrease in claims. This reduction in reserve requirements has resulted in an increase in the health insurance fund balance.

The City continues to fund a health reimbursement account (HRA) for employees to help pay for out-of-pocket expenses (\$152,500). We had some carryover of unused funds in this account in 2011 and anticipate some carryover in 2012. CIGNA administers the HRA for the City.

The policy year was changed to a calendar year to allow for more efficient administration. This required a change in the timing of the renewal process and the employee open enrollment period.

CIGNA funded 100% of the City's wellness programs in 2012. This allowed us to expand the health fair and offer additional biometric screenings.

Human Resources Department

Business Insurance

Premiums for property and liability insurance have increased while costs for workers' compensation remain stable. The City renewed with Preferred Governmental Insurance Trust (PGIT) for general liability, property, crime, police and auto policies in 2011. This renewal expires on September 30, 2012.

Workers' Comp and Property & Liability Premiums

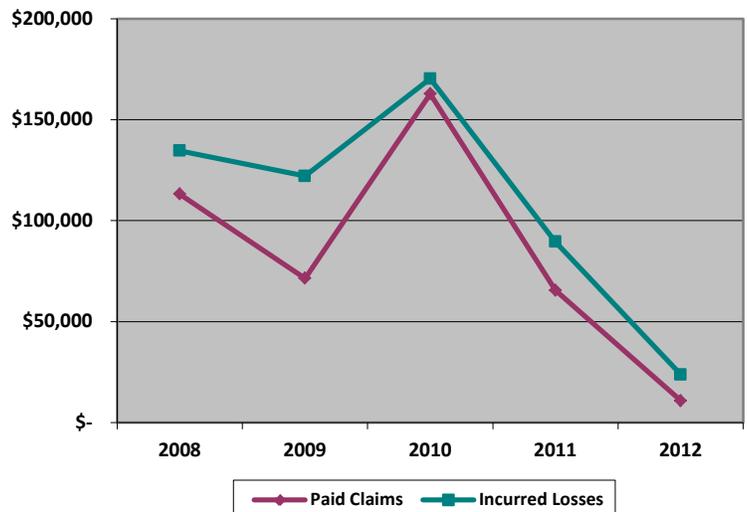


Workers' Compensation –

The current workers' compensation program focuses on immediate effective treatment and return to work as soon as possible.

Workers' compensation claims and incurred losses have decreased over the past two years, having a positive effect on the experience modification rate. A reduction in the experience mod affects state assessment and policy costs.

Workers' Comp Claims Paid



Human Resources Department

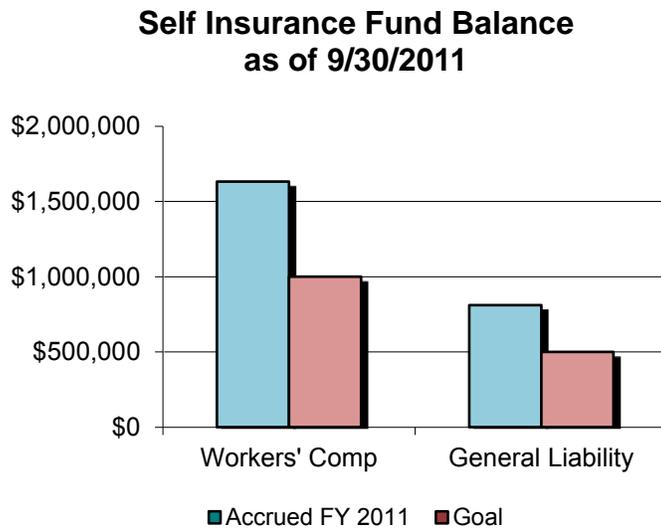
Estimated Insurance Premiums & Deductibles			
Coverage/Limits & Deductibles	Budgeted 2012 Premiums	Projected 2013 Premiums	Increase / (Decrease)
Property (\$25,000 deductible/wind separate)	\$493,931	\$530,000	\$36,069
Liability -\$2,000,000 per occurrence Deductibles: General Liability: \$10,000 Law Enforcement: \$25,000 Public Officials: \$25,000 Employment Practice: \$25,000	\$300,000	\$330,000	\$30,000
Auto (\$1,000,000 per occurrence/ \$1,000 deductible)	\$110,952	\$111,000	\$48
Workers' Comp (\$150,000 retention)	\$477,122	\$500,978	\$23,856
Life, Health & Dental	\$1,961,321	\$2,055,550	\$94,229
Other Insurance: Flood, faithful performance, pollution, pension, fiduciary, fuel tanks, police & fire death benefit.	\$144,479	\$133,400	(\$11,079)
Other Costs: Personnel and professional services, deductibles, coinsurance, brokerage fees and consulting services, training, professional dues and publications (increased salary allocation).	\$130,980	\$88,015	(\$42,965)
TOTAL	\$3,618,785	\$3,748,943	\$130,158

The increase in projected costs for employee benefits is due in part to the uncertainty of health care reform. The City is continuing efforts to mitigate costs through wellness initiatives and other programs.

The increase in projected costs for property and general liability insurance is due to an increase in re-insurer rates.

Human Resources Department

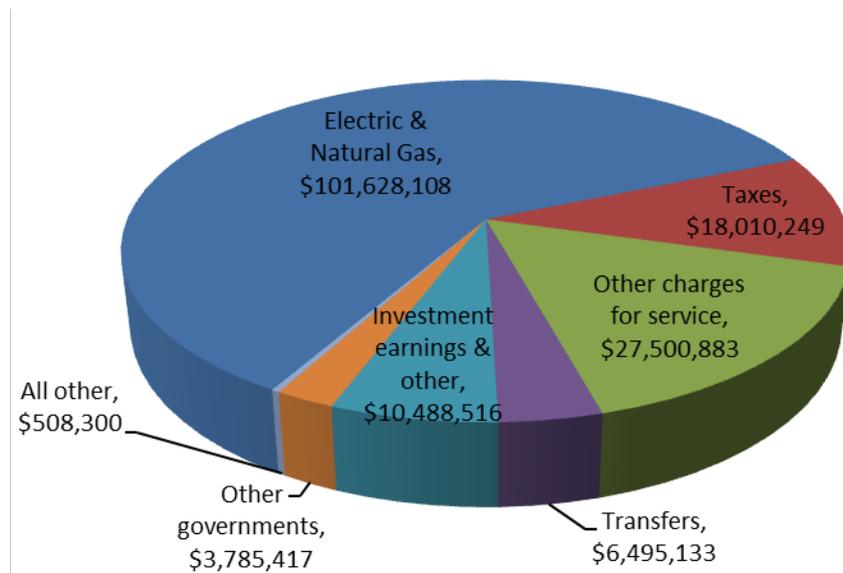
Fund Balance – The self-insurance fund maintains a balance that exceeds the goal of \$500,000 for general liability and \$1,000,000 for workers’ compensation.



Funding Sources

The City's revenues come from a wide variety of sources. Revenues and expenses are categorized according to the State of Florida Uniform Accounting System chart of accounts. These standard classifications help facilitate comparability with other local governments. Revenues are classified by fund and source to provide information necessary to prepare and control the budget, to record the collection of revenues, and to prepare financial statements and statistics. Major revenue categories, assumptions, estimation methods and trends are described below. Because revenues are budgeted with only about 6 months of current year history, the estimates for the next budget year may not reflect significant increases or decreases in a particular revenue source that occur before the end of the current year.

Funds used to pay for the obligations and services provided by the City of Jacksonville Beach come from three main sources: current year revenues, transfers from other funds and beginning fund balance. Some revenues and fund balances are available only for specific purposes and may not be available to pay for general services.



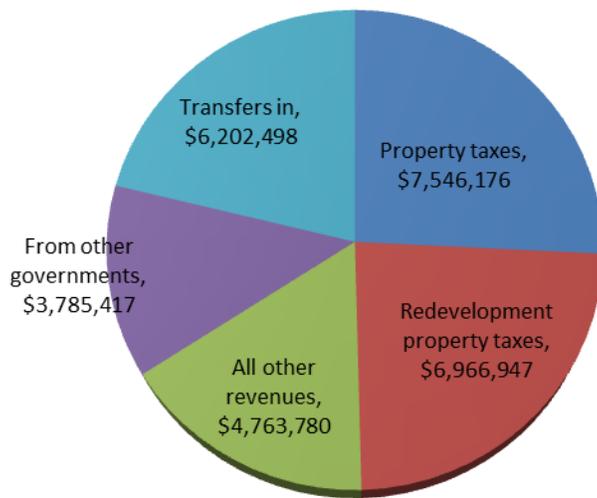
Total Revenues

Total budgeted revenues for fiscal year 2013 are \$168,416,606. 60% of total revenue is generated by Beaches Energy Services, the City's electric utility, through sales of electricity and natural gas. Beaches Energy Services provides electricity to approximately 34,000 customers in Jacksonville Beach, Neptune Beach, Ponte Vedra and Palm Valley.

Of the remaining \$66 million, 27% comes from taxes (primarily ad valorem) and 41% from other charges for services: water, sewer, stormwater, garbage, sales at the City's golf course and internal service charges. Transfers include \$3.3 million paid to the General Fund from Beaches Energy as a return on the City's investment in the electric utility. Other amounts transferred are

from Convention Development (support for tourism, parks and special events), Local Option Gas Tax (support for street and sidewalk maintenance), Half-cent Infrastructure Surtax (supporting infrastructure projects), Community Development Block Grant (support for CAPE and the Carver Center), and a Justice Assistance Grant (supporting the Police Department). Investment earnings include \$8.7 million of pension earnings that are restricted for use exclusively by the pension funds. Revenue from other governments includes state and county shared sales tax revenues. All other revenues include building-related permits (\$303,800) and fines and forfeitures (\$204,500).

Revenues Funding Governmental Services:

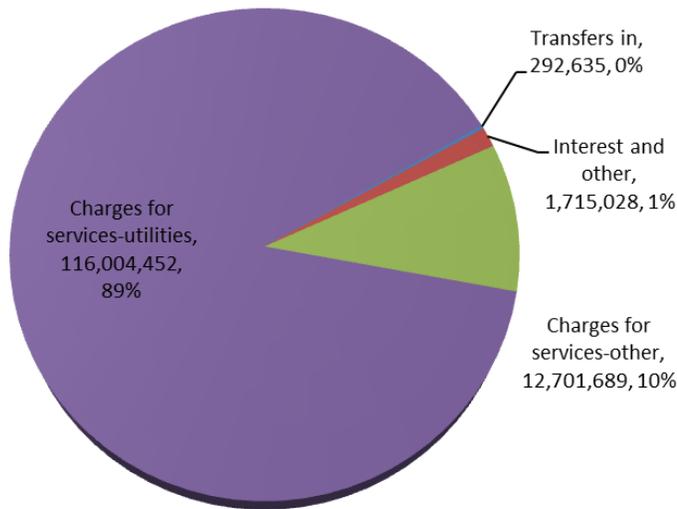


Total budgeted revenues for fiscal year 2013 in governmental funds are \$29,264,818. Property taxes recorded in the General Fund account for 42% of its total revenue. Redevelopment property taxes are recorded in the Redevelopment Fund and are restricted for use on projects to improve the City’s two redevelopment districts: Downtown and South Beach. Transfers come primarily from Beaches Energy to the General Fund (\$3.3 million) as a return on the City’s investment in the utility.

Revenues from other governments consist mainly of state shared sales taxes (\$2.4 million), but also include local shared revenues and grants (\$1.4 million).

All other revenues include Communications Services Tax (\$1.3 million), Local Business Tax (\$260,280), Local Option Gas Tax (\$750,000), Convention Development Tax (\$150,000), Half-cent Infrastructure Surtax (\$960,000), fines and forfeitures (\$204,500), building and other permits (\$303,800), recreation registrations for leagues and camps (\$108,250), paid parking (314,600), interest earnings and miscellaneous revenues (\$412,350).

Revenues Funding Proprietary Services:



Total 2013 budgeted revenues in proprietary funds are \$130,713,804. 83% of total revenue is generated by the City's utilities, which provide electric (\$99,060,909), natural gas (2,567,199), water & sewer (\$9,990,362), stormwater (\$1,238,316) and garbage services (\$3,147,666). Of the total utility charges for services, 88% is from sales of electricity and natural gas by Beaches Energy Services. Charges for services-other, include internal service charges (\$11.3 million) and sales at the City's golf course (\$1.4 million).

Revenues in Pension Funds:

Total 2013 budgeted pension revenues are \$8,741,138. Pension fund revenues come from interest and investment earnings (\$4,494,748), city contribution (\$2,504,094), employee contributions (\$1,343,796), state insurance premium tax for police and fire pensions (\$380,000) and other (\$18,500). The City is considering options for increasing pension revenues (and reducing costs) that may include: changing retirement criteria, increasing employee contributions and reducing benefits for future retirees, among others.

Revenue Summary - by Type 2013

	General Fund	Governmental	Proprietary	Pension	Total	% of Total
Taxes						
Ad Valorem	7,324,271				\$7,324,271	4.3%
Ad Valorem-Redevelopment		6,885,698			6,885,698	4.1%
Convention Dev. Tax		150,000			150,000	0.1%
Local Option Gas Tax		750,000			750,000	0.4%
Half Cent Infrastructure Tax		960,000			960,000	0.6%
Local Communications Tax	1,300,000				1,300,000	0.8%
Other	260,280	-	-	380,000	640,280	0.4%
Total Taxes	8,884,551	8,745,698	-	380,000	18,010,249	10.7%
Licenses	303,800	-	-	-	303,800	0.2%
Intergovernmental						
Local Govt. 1/2 cent Sales Tax	620,000				620,000	0.4%
Municipal Revenue Sharing	1,787,718				1,787,718	1.1%
Duval Cnty in Lieu of Tax	633,309				633,309	0.4%
Other	496,250	248,140	-	-	744,390	0.4%
Total Intergov.	3,537,277	248,140	-	-	3,785,417	2.2%
Charges for Services						
Electric			99,060,909		99,060,909	58.8%
Natural Gas			2,567,199		2,567,199	1.5%
Water / Sewer			9,990,362		9,990,362	5.9%
Stormwater			1,238,316		1,238,316	0.7%
Sanitation			3,147,666		3,147,666	1.9%
Recreation / Golf	88,250		1,395,478		1,483,728	0.9%
Internal Services			11,306,211		11,306,211	6.7%
Miscellaneous	314,600	20,000		-	334,600	0.2%
Total Services	402,850	20,000	128,706,141	-	129,128,991	76.7%
Fines and Forfeitures	170,000	34,500	-	-	204,500	0.1%
Miscellaneous						
Debt Proceeds		-			-	0.0%
Interest and Other	282,500	129,850	1,715,028	8,361,138	10,488,516	6.2%
Total Miscellaneous	282,500	129,850	1,715,028	8,361,138	10,488,516	6.2%
Transfers	4,209,564	1,992,934	292,635	-	6,495,133	3.9%
Total Revenues	\$17,790,542	\$11,171,122	130,713,804	\$8,741,138	168,416,606	
	10.6%	6.6%	77.6%	5.2%		

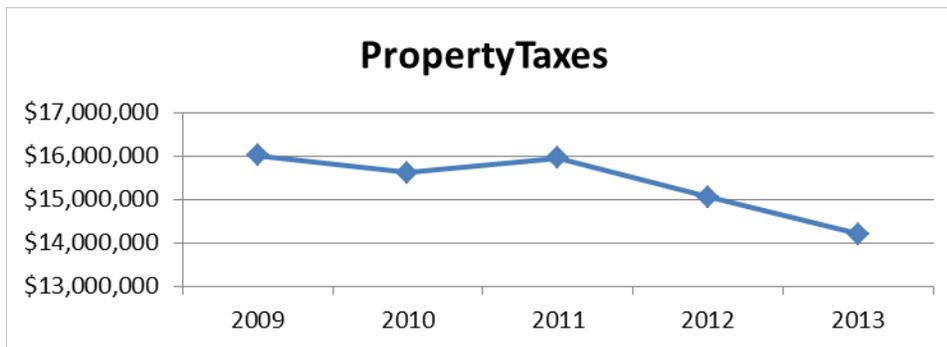
Revenue Summary

Tax Revenues

The City has two main sources of tax revenue: ad valorem taxes and sales taxes. The continued economic downturn and decline in the housing market have contributed to a 8.5% decrease in total tax revenues since 2009. Assessed property value in the City showed a decrease of 2.7% this year; in the past four years, taxable property value in Jacksonville Beach has fallen by \$767 million (24%). During the same time period, assessed values in the Downtown and South Beach areas fell by 33.6% and 18.2%, respectively. Of the \$14,209,969 in budgeted property taxes, 52% (\$7.3 million) supports the General Fund and 48% (\$6.9 million) is legally restricted for use by the City's two redevelopment districts. Ad valorem taxes are budgeted based on the certification of taxable value provided each year by the Duval County Property Appraiser and are calculated as a percentage of the value of real or personal property expressed in mills (dollars per \$1,000 of value). Chapters 192-197 and 200, Florida Statutes govern the property tax process and require municipalities to budget at least 95% of this anticipated revenue.

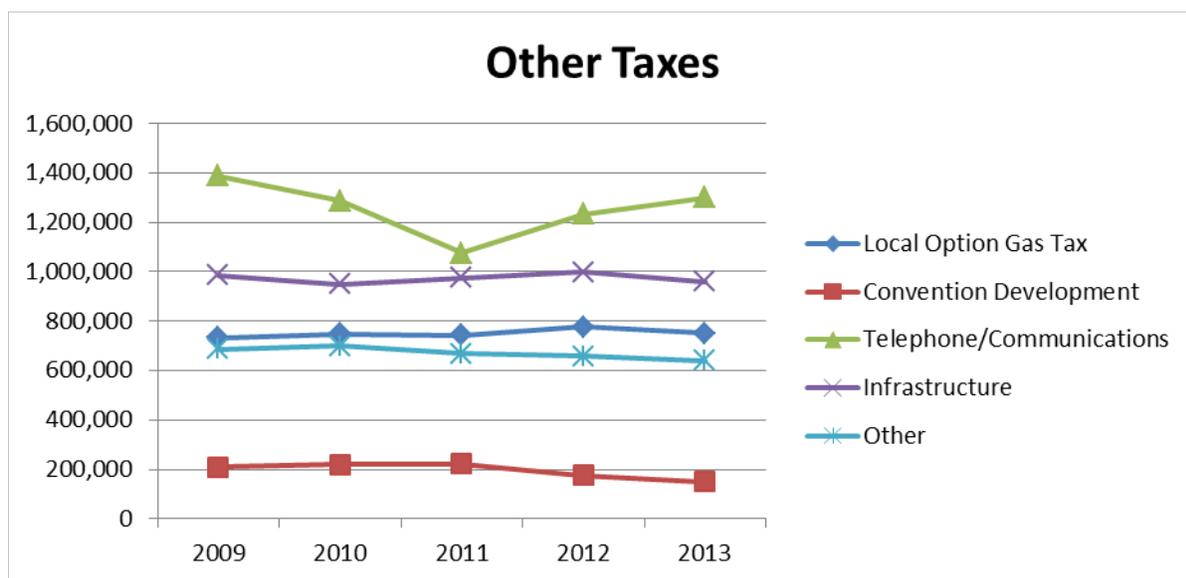
	Actual 2009	Actual 2010	Actual 2011	Original Budget 2012	Approved Budget 2013
Ad Valorem	\$16,020,875	\$15,625,045	\$15,969,619	\$15,064,874	\$14,209,969
Local Option Gas Tax	733,730	747,903	742,602	777,427	750,000
Convention Development	209,957	220,694	221,009	175,000	150,000
Telephone/Communications	1,387,210	1,287,419	1,074,935	1,232,800	1,300,000
Infrastructure	985,627	950,140	975,611	998,523	960,000
Other	687,076	700,561	667,698	658,280	640,280
Total Taxes	\$20,024,475	\$19,531,762	\$19,651,474	\$18,906,904	\$18,010,249

The City's adopted millage rate for 2013 is \$4.0947 mills per \$1,000 of assessed value and will provide approximately \$14,209,969 representing 8.4% of total revenues. The City has no debt service millage. Use of the same millage rate as last year's combined with a continued decrease in taxable property value resulted in a \$221,905 decrease in General Fund property tax revenue and a \$590,180 decrease in redevelopment property tax revenue.



Local Option Gas Tax revenues are used to fund the repair and maintenance of roads, streets and sidewalks. It also provides some funding for the payroll of the streets division employees in the General Fund. The tax, generated by a \$0.06 tax on sales of diesel or motor fuel sold within Duval County, is distributed monthly by the Florida Department of Revenue. Allocation to the City is based on its proportionate share of the county’s population, as specified in an interlocal agreement with Duval County. From a high of \$836,717 in 2006, it has fallen to a 5-year average of about \$750,000. Decreases in the Local Option Gas Tax have reduced the amount of street and sidewalk maintenance that can be performed. This revenue source will end in 2016, unless it is extended by Duval County. It supplements the General Fund by providing about \$700,000 per year to pay for wages and street and sidewalk maintenance, or about 3.9% of the 2013 General Fund budget. Local Option Gas Tax is budgeted based on estimates from the State of Florida Office of Economics and Demographic Research (EDR), historical trends and variance analysis. (Motor Fuel and Diesel Fuel Taxes: Sections 206.41(1)(d)-(e), 206.87(1)(b)-(c), 336.021 and 336.025 Florida Statutes.)

Duval County collects Convention Development Tax revenues resulting from a 2% tax on transient (lodging less than 6 months) rental transactions. One-half of the proceeds collected within Jacksonville Beach’s municipal boundaries are remitted to it by the county to be used to promote tourism and to fund the maintenance and upkeep of the SeaWalk and Amphitheater area, in accordance with Florida Statutes (Section 212.0305(4)(a)). This revenue is estimated based on historical trends as influenced by economic forecasts. In recent years, this revenue has fluctuated between \$220,000 and \$175,000. It is conservatively budgeted for 2013 at \$150,000.



The Half-Cent Local Discretionary Sales (Infrastructure) Surtax is specifically restricted to be used for: street reconstruction, water, sewer and stormwater improvements, school sidewalks, capital improvements to recreational facilities and the purchase of property for preservation and recreational purposes. 1.5% of the gas tax collected by the county is distributed to Jacksonville

Beach as stated in an interlocal agreement. These revenues are budgeted using information from the Florida Office of Economic and Demographic Research and historical trends. Both the Local Option Gas Tax and the Half-Cent Sales Surtax have decreased with the economic downturn. See Sections 212.054-.055, Florida Statutes. In years prior to 2008, the Infrastructure Surtax was generating about \$1.2 million per year. However, decreases in this revenue due to the economy have been significant enough that it just barely pays for debt service (about \$980,000 per year) on the revenue bonds it is pledged against, leaving no additional funds for infrastructure projects.

The Communications Services Tax (Chapter 202, Florida Statutes) simplified the way communications (telecommunications, cable, direct-to-home satellite and related services) taxes are collected and distributed by combining seven different types of communications taxes and fees into a two-tiered tax composed of a state tax and a local tax on communications services. The tax of 5.22% on retail telecommunications sales which originate and terminate within the state of Florida and/or are billed to an address within the state is collected and distributed by the Florida Department of Revenue. For many years, this tax was a steady revenue source. Revenues are budgeted to increase this year, after having fallen for the past three years. Economic and Demographic Research also provides estimates for this revenue source.

All sales and use taxes are estimated based on projections made by the State of Florida, economic forecasts and historical trends. State shared revenues from sales taxes are discussed under intergovernmental revenues. Changes in both sales taxes and state shared revenues tend to mirror changes in the economy.

The category of “Other” taxes is primarily the Local Business Tax and the Insurance Premium Tax. The Local Business Tax (formerly called occupational license fee) is a charge by a local government to businesses operating within its jurisdiction. This revenue source is considered general revenue and is deposited into the General Fund. There are two Insurance Premium Taxes. The first imposes an excise tax of 1.85 percent on property insurance policies on property within the city limits. Proceeds are deposited into the firefighters’ pension trust fund. The second imposes an excise tax of 0.85 percent of premiums on casualty insurance policies; proceeds are deposited into the police officers’ pension trust fund.

Permits and Fees

	Actual 2009	Actual 2010	Actual 2011	Original Budget 2012	Approved Budget 2013
Permits, fees and special assessments	\$349,571	\$229,565	\$261,308	\$328,800	\$303,800

Permits are primarily composed of building-related permit revenue, which make up \$303,800 of this category's 2013 revenues. From a 2006 high of \$643,468, fees for building-related permits have decreased by more than half, due to the economy and as the City has built out. However, they have increased by 30% from their 2010 low of \$229,565. Because the City is nearing build-out, revenue is not expected to return to its 2006 levels.

Fees are recorded in the General Fund and represent a fraction of its revenues. Budgets for permits and fees are based on historical trends and construction estimates from the Planning and Development Department. (Chapter 7, City of Jacksonville Beach Code of Ordinances)

Intergovernmental Revenues

This category includes all revenues received from federal, state and local governmental units in the form of shared sales and fuel tax revenues, grants and payments in lieu of taxes. The state collects and distributes a portion of the taxes for half-cent sales taxes, municipal revenue sharing and alcoholic beverage licenses to the City. The Local Government Half-Cent Sales Tax Program combined with the Municipal Revenue Sharing Program provide nearly 50% of the General Fund’s intergovernmental revenue. Both revenues are administered by the state Department of Revenue (DOR) and are estimated based on information from the Florida Office of Economics and Demographic Research (EDR), and historical trends. The flat growth trend for these revenues is not expected to change.

	Actual 2009	Actual 2010	Actual 2011	Original Budget 2012	Approved Budget 2013
Local 1/2 Cent Tax	\$1,794,068	\$1,736,711	\$1,805,663	\$1,776,658	\$1,787,718
Sales Tax Distribution	452,671	450,897	455,212	617,162	620,000
Duval Cnty in Lieu of Tax	563,076	579,968	596,955	614,864	633,309
Other	3,720,951	9,278,149	2,759,510	1,203,448	744,390
Intergovernmental	\$6,530,766	\$12,045,725	\$5,617,340	\$4,212,132	\$3,785,417

The City also receives a payment in lieu of tax from Duval County to provide partial funding assistance for beach cleanup and lifeguards through an interlocal agreement. The city makes a request for these funds based on its actual eligible program expenses. The amount budgeted is equal to the amount of the request.

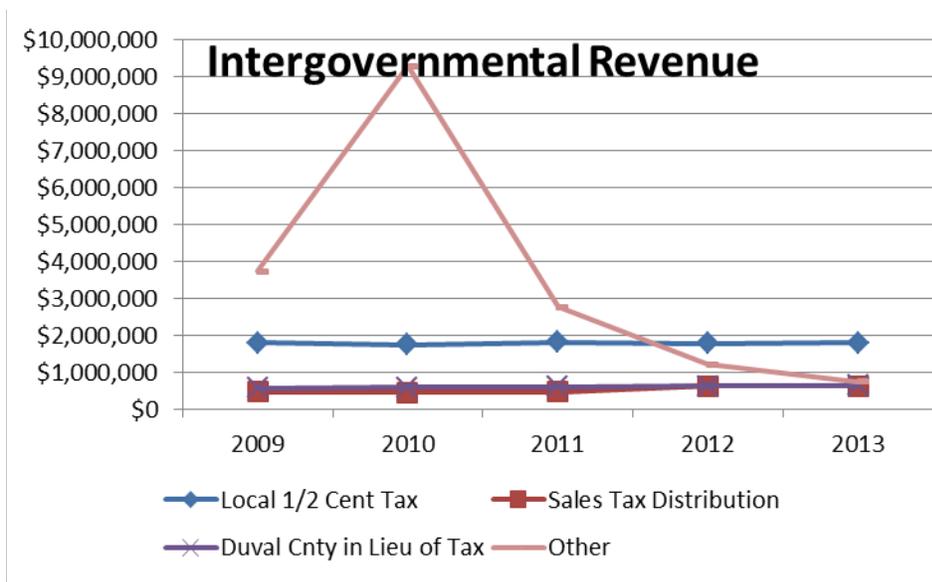
“Other” intergovernmental revenues consist of grants, 8th Cent Motor Fuel Tax, 9-1-1 Emergency Rebate, Alcoholic Beverage License Tax and a variety of small state and county taxes and revenue sharing. The 8th Cent Motor Fuel Tax is a \$0.01 per gallon fuel deposited into the General Fund to be used for roads and road maintenance in accordance with Chapter 206.605(2)-(3), Florida Statutes. The budget for this revenue sources is \$184,000, based on historical trends. The Florida Department of Revenue administers and distributes this tax.

The 9-1-1 Rebate is a charge billed to communications (phone) subscribers by their providers intended to provide funds to local governments to pay for costs associated with their 9-1-1 dispatch systems. The 2013 budget for this charge is \$205,000 based on historical trends.

The Alcoholic Beverage License Tax is levied on manufacturers, distributors, vendors, brokers, sales agents and importers of alcoholic beverages within a county or municipality (Section 561.342, Florida Statutes). Thirty-eight percent of eligible taxes collected within

Jacksonville Beach are returned to it by the Division of Alcoholic Beverages and Tobacco within the Department of Business and Professional Regulation. The revenue estimated from this source is \$45,000, based on historical trends.

In recent years, the City has aggressively sought grant revenue to offset part of the cost of major construction projects. After peaking in 2010 when the City received \$11 million in grants to help fund the construction of a new waste treatment facility, grant revenues have fallen sharply and are not expected to increase in the near future. Intergovernmental revenues have decreased by 21% since 2008.



The City does not normally budget grant revenue until the amount is known and the grant expenditure has been approved by the City Council. In many cases, due to the timing of grant award notifications, grant revenue is budgeted in the mid-year or year-end budget adjustment. Large grant amounts received for multi-year projects are budgeted based on estimates of the completion dates for the projects.

Other grants are budgeted based on the amount requested (Community Development Block Grant) or received. Intergovernmental revenues are budgeted based on estimates provided by the State of Florida Office of Economic and Demographic Research (EDR), interlocal agreements, grant contracts and historical trends. Most of these revenues have been flat to decreasing and are budgeted accordingly.

Fines and Forfeitures

Fines and penalties imposed for the commission of statutory offenses and violations of lawful administrative rules and regulations are included in this revenue category along with revenues from the sale of confiscated money and property and service charges on bad checks. The total revenues for this category are \$204,500 and represent only a small portion (0.1%) of total City

revenues. The General Fund portion of this total is \$170,000 (0.9% of total General Fund revenues). Fines and forfeitures are budgeted based on historical trends and have been decreasing for many years due to changes in state law related to how the fines are allocated between state and local governments. Budgeted revenue for 2013 is less than half of the amount the City received in 2005.

	Actual 2009	Actual 2010	Actual 2011	Original Budget 2012	Approved Budget 2013
Fines and Forfeitures	\$298,613	\$510,579	\$234,427	\$206,000	\$204,500

Miscellaneous Revenues

Miscellaneous revenues are those that do not fit any of the above categories and include items such as interest on investments, City and employee pension contributions, rental of City property, sale of City assets, donations and debt proceeds. In the 2012 budget, these revenues are estimated to be \$10,488,516, representing 6.2% of the City's budgeted revenues. 80% of this revenue is interest, investment earnings and pension contributions belonging to the pension funds. These revenues have been decreased due to historic low interest rates, decreases in earnings on pension fund investments and rental of City property. Miscellaneous revenues are budgeted based on historical trends, rental contracts and current or estimated future interest rates and cash balances.

	Actual 2009	Actual 2010	Actual 2011	Original Budget 2012	Approved Budget 2013
Debt Proceeds	\$0	\$0	\$0	\$0	\$0
Interest	4,906,252	6,375,974	1,700,686	5,262,176	6,621,856
Other	4,101,139	4,018,785	3,775,638	3,370,565	3,866,660
Miscellaneous	\$9,007,391	\$10,394,759	\$5,476,324	\$8,632,741	\$10,488,516

Transfers

This category represents transfers between individual funds, which are not repayable and are not considered charges for goods or services. Transfers from enterprise funds are based on a fixed formula and availability of funds. Other transfers are made to move required funds to pay for debt service and capital projects, provide matching funds for grants or to allocate the fund balance of a discontinued fund. Because interfund transfers are revenues to one fund and expenditures to another fund, they are considered to be "paper revenue". Like internal service charges, in determining the net budget, these transfers are deducted from total expenditures.

Total budgeted transfers for 2013 are \$6,495,133 (3.8% of total revenue); transfers into the General Fund (\$4,209,564) make up 23% of its total revenue. Transfers to the General Fund include contributions from enterprise funds and special revenue (grant) funds used to provide

partial funding for its operations.

Charges for Services

Charges for services are generated primarily by the operation of the City's enterprise funds: electric, water & sewer, natural gas, stormwater and sanitation and represent charges for utility services provided to customers. Charges for use of the City's tennis and golf facilities are also included in this category. Charges for services revenues represent 76.8% of the City's total revenues, but only 2.2% of the General Fund's revenues. Total revenues from charges for services are anticipated to be \$129,128,991 (\$402,850 in the General Fund).

	Actual 2009	Actual 2010	Actual 2011	Original Budget 2012	Approved Budget 2013
Electric	\$102,024,227	\$99,205,550	\$87,326,589	\$98,182,669	\$99,060,909
Natural Gas	-	62,801	1,015,367	2,279,812	2,567,199
Water / Sewer	8,221,031	8,724,409	8,952,816	8,478,233	9,990,362
Stormwater	1,240,510	1,242,265	1,232,484	1,242,903	1,238,316
Sanitation	3,156,520	3,141,500	3,091,841	3,147,666	3,147,666
Recreation / Golf	1,308,467	1,336,437	1,439,711	1,474,092	1,483,728
Internal Services	9,227,037	13,587,812	10,862,103	10,910,369	11,306,211
Miscellaneous	123,090	289,680	291,382	233,200	334,600
Charges for Services	\$125,300,882	\$127,590,454	\$114,212,293	\$125,948,944	\$129,128,991

The City's electric utility, Beaches Energy Services, provides power to more than 34,000 customers in Neptune Beach, Jacksonville Beach, Ponte Vedra and Palm Valley. Beaches Energy is a member of and obtains its power through Florida Municipal Power Agency (FMPA), a consortium of municipal utilities located throughout the state. Because its primary fuel source is natural gas, changes in the cost of natural gas significantly affect electric rates. These price changes are reflected as increases in the power cost portion of each customer's electric rate. As the demand for power throughout the state creates the need for new generation, the cost of building additional plants will be reflected in future electric rates.

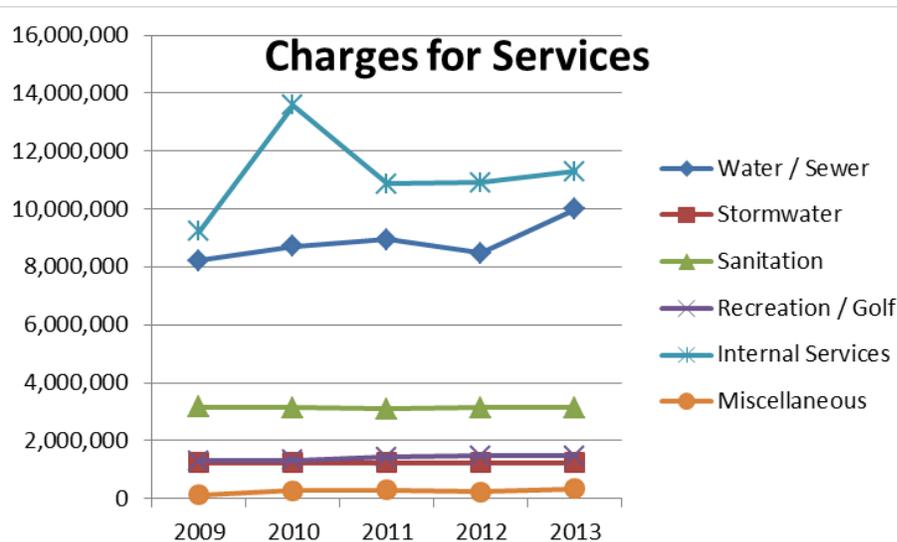
To counter the upward price pressure, Beaches Energy has implemented energy efficiency rebates, conservation programs, demand management and renewable resource programs in order to keep its rates below the state average and to help its customers manage their electric bills. Revenues (and power costs) are estimated based on information supplied by FMPA and historical usage trends. Recently, natural gas prices have been low resulting reductions in power costs and savings to Beaches Energy's residential customers of about \$200-\$300 per year. At this point, it is difficult to tell whether flattening consumption is a result of trends in energy conservation or the relatively mild winters and summers of recent years. Revenue estimates are based on consumption, historical trends and power cost prices from Beaches Energy's supplier, FMPA.

In 2010, the City activated a natural gas distribution system intended to primarily serve commercial customers. The first service was activated in June, 2010, with construction

continuing into 2012. Revenues for this year’s budget have been estimated by the City’s gas management consultant, reviewed and adjusted by the City.

In 1995, the City adopted an inclining block rate structure for its water and sewer rates. The intent behind these rates is to encourage conservation by charging a higher rate for customers who use higher amounts of water. Since 1995, the total number of gallons billed has decreased, despite increases in the number of customers.

In 2007, water and sewer rates were increased by 5% for the first time in 10 years. Additional 5% rate increases were approved through 2010, with increases equal to the percentage increase in the CPI after that. This year, an additional 7.5% rate increase was approved through 2014 with CPI rate adjustments after that. The rate increases were necessary to pay for needed maintenance and improvements to the system. Water and sewer revenues have been estimated based on historical trends, with adjustments made for this year’s rate increase and the effects of water conservation.



Stormwater results when an impervious surface covers the ground (roads and parking lots, for example), preventing it from absorbing rain or other water from storms. The stormwater system drains excess water to prevent flooding. Stormwater charges, which fund maintenance and improvements to the stormwater system, are based on the amount of each customer’s impervious area. The rate of \$5.00 per equivalent residential unit (ERU) has remained constant since it was enacted in 1991. Commercial customers are charged a based on the percentage of impervious area at their place of business.

Sanitation rates have not increased since 1993, although the City may have to consider rate increases when the next garbage contract is awarded. Stormwater and sanitation revenues are budgeted based on rates expected to be in effect in the coming year and historical consumption trends.

Three years ago, concurrent with a major drainage project, the Golf Course was been improved and greens rebuilt. In the last three years, the combination of construction, national trends and economic conditions, have caused a decrease in the number of rounds played, resulting in staffing and operating cost decreases. The City has had to transfer funds to the Golf Course to provide cash flow for operations (\$185,000 in 2010; \$210,000 in 2011). At this time, revenues appear to have stabilized and with careful cost management, the golf course is breaking even. Golf revenues are estimated based on the expected number of rounds to be played and historical trends.

Revenues in the internal service funds are budgeted to cover the costs of operations and therefore are equal to the approved expenditure budget. Because internal service funds usually do not spend all authorized budget, revenues in "actual" years (2009-2011) are noticeably lower than revenues in "budgeted" years (2012 and 2013). Like transfers, because internal service charges are revenues to one fund and expenditures to another fund, they are considered to be "paper revenue". In determining the net budget, these transfers are deducted from the total expenditures. Administrative operations providing services through internal service funds and the allocation basis used to distribute their costs are:

Internal Service Fund	Allocation Basis
City Manger	Time estimate
Accounting	Department/division operating budgets
Utility Billing	Number of meters in each utility & degree of difficulty (time)
Information Systems	Time and difficulty estimate
Purchasing	Number and value of purchase orders
Human Resources	Number of employees
Fleet Maintenance	Specific vehicle maintenance costs and overhead allocation based on number of vehicles
Grounds Maintenance	Time estimate and acreage
Meter Services	Number of meters read
Radio System	Number of radios owned
Operations & Maintenance Facility	Square footage allocated to each department
Insurance Funds	Property value (general/liability); payroll costs and cost per \$1,000 (worker's comp); specific charges (employee life, health & dental insurance)

2013 Revenue Summary - by Fund
Major Funds are shaded

	Taxes	Licenses, Permits & Governmental	Charges for Services	Fines and Forfeitures	Interest & Other	Transfers	TOTAL
General Fund	\$ 8,884,551	\$ 3,841,077	\$ 402,850	\$ 170,000	\$ 282,500	\$ 4,209,564	\$ 17,790,542
Special Revenue Funds							
Comm. Redevelopment Agency	6,885,698	-	-	-	55,000	-	6,940,698
Convention Development	150,000	-	-	-	3,500	-	153,500
Court Costs Training	-	-	-	5,000	1,200	-	6,200
Local Option Gas Tax	750,000	-	-	-	2,000	-	752,000
Half-cent Sales Surtax	960,000	-	-	-	1,200	-	961,200
CDBG	-	156,576	-	-	-	-	156,576
Radio Communication	-	-	-	13,000	1,200	-	14,200
Justice Assistance Grant	-	91,564	-	-	-	-	91,564
Tree Protection	-	-	-	1,500	650	-	2,150
Law Enforcement Trust	-	-	-	5,000	400	-	5,400
Equitable Sharing Trust	-	-	-	10,000	1,200	-	11,200
Total Special Revenue	8,745,698	248,140	-	34,500	66,350	-	9,094,688
Debt Service Fund	-	-	-	-	4,000	971,734	975,734
Capital Projects Funds							
General	-	-	-	-	40,000	1,021,200	1,061,200
Infrastructure	-	-	20,000	-	15,000	-	35,000
Other	-	-	-	-	4,500	-	4,500
Total Capital Projects	-	-	20,000	-	59,500	1,021,200	1,100,700
Enterprise Funds							
Electric	-	-	99,060,909	-	870,638	-	99,931,548
Natural Gas	-	-	2,567,199	-	-	-	2,567,199
Water & Sewer	-	-	9,990,362	-	166,469	292,635	10,449,466
Stormwater	-	-	1,238,316	-	25,000	-	1,263,316
Sanitation	-	-	3,147,666	-	41,000	-	3,188,666
Golf Course	-	-	1,395,478	-	-	-	1,395,478
Lease Facilities	-	-	-	-	584,421	-	584,421
Total Enterprise	-	-	117,399,930	-	1,687,528	292,635	119,380,093
Internal Service Funds							
City Manager	-	-	353,876	-	-	-	353,876
Finance	-	-	3,821,347	-	-	-	3,821,347
Human Resources	-	-	545,623	-	-	-	545,623
Fleet Maintenance	-	-	582,340	-	-	-	582,340
Meter Services	-	-	881,595	-	-	-	881,595
Radio System	-	-	30,213	-	-	-	30,213
Operations & Maintenance Facility	-	-	454,843	-	-	-	454,843
Grounds Maintenance	-	-	1,049,440	-	-	-	1,049,440
Insurance & Risk Retention-Property & Liability	-	-	1,158,094	-	7,500	-	1,165,594
Insurance & Risk Retention-Workers Comp	-	-	371,290	-	20,000	-	391,290
Insurance & Risk Retention-Health, Life, Dental	-	-	2,057,550	-	-	-	2,057,550
Total Internal Service	-	-	11,306,211	-	27,500	-	11,333,711
Trust Funds (Pension)							
General Employees	-	-	-	-	5,139,857	-	5,139,857
Police Employees	180,000	-	-	-	2,077,532	-	2,257,532
Fire Employees	200,000	-	-	-	1,143,749	-	1,343,749
Total Trust	380,000	-	-	-	8,361,138	-	8,741,138
Total Revenues	\$ 18,010,249	\$ 4,089,217	\$ 129,128,991	\$ 204,500	\$ 10,488,516	\$ 6,495,133	\$ 168,416,606

Fund Balance

Fund Balance refers to the excess of assets over liabilities and, therefore, is considered to be available for appropriation to the extent that it is not reserved. Another way of describing fund balance is the difference between all the revenue the fund has received and all the expenditures made from the fund since a fund’s inception.

The City implemented GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions* in 2011, as required. The statement establishes fund balance classifications that comprise a hierarchy based on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in governmental funds can be spent. Under this standard, fund balance is reported in five classifications – nonspendable, restricted, committed, assigned and unassigned. A discussion of GASB 54 and its effect on fund balance classifications can be found at: <http://www.gasb.org/st/summary/gstsm54.html>. For simplification of presentation in the budget, beginning and ending fund balances are shown in the financial summaries as either “unrestricted/unassigned” or “all other balances”. Fund balances shown as “all other balances” have conditions attached to their use, either by federal, state or local law, grant, bond or interlocal contract.

Unrestricted/unassigned fund balance represents an amount available to be budgeted. When utilized in this fashion, the unreserved portion of the fund balance is considered revenue for purposes of balancing the budget. For example, because the City does not receive property tax until about a third of the way through the year, the revenue is unavailable to fund general fund operations for the first 3-4 months of the year. Unrestricted fund balance can be used to cover this temporary revenue shortage and to pay for costs for major, unexpected events, like tropical storms and hurricanes, without having to borrow money, or wait for FEMA reimbursement.

The “all other balances” shown on the budget summaries are set aside for identified, specific purposes, such as special revenue, debt service, contractual and grant requirements, bond requirements, redevelopment and retiree pensions. 65% of the City's fund balance is set aside for such purposes. All of the nonmajor governmental funds have spending restrictions attached to their revenue sources. Also, many grant revenues are received on a reimbursement basis, after the City has paid for the grant-related item or project. In such instances, beginning fund balance is used to cover cash shortages due to differences in the timing of grant funded expenses and the related grant reimbursement.

	Actual 2009	Actual 2010	Actual 2011	Original Budget 2012	Adopted Budget 2013
Ending Fund Balance					
Unrestricted/unassigned	\$53,007,710	\$58,185,708	\$69,362,760	\$52,927,271	\$51,316,435
All other	88,434,939	87,045,981	88,127,676	89,224,248	94,397,443
Total Fund Balance	\$141,442,649	\$145,231,689	\$157,490,436	\$142,151,519	\$145,713,878

In FY2013, total budgeted revenues are more than total budgeted expenditures, meaning that the City expects its total fund balance to increase. Fund balance is not normally used to pay for routine, recurring operating expenditures. The budgeted fund balance increase of \$3.6 million shown in the table, below, is expected to come from net earnings in redevelopment, utility and pension funds. All other funds are expected to have modest reductions in their fund balances. The percentage change in fund balance is calculated as the amount of revenues over (under) expenditures, divided by the beginning fund balance. An explanation of the primary reasons for the change in fund balance follows the table.

	Major Funds				
	General Fund	Community Redevel.	General Cap. Projects	Electric	Water & Sewer
Beg. Fund Balance	\$8,772,438	\$2,465,547	\$4,594,927	\$42,974,287	\$6,515,399
Revenues	17,790,542	6,940,698	1,061,200	99,931,548	10,449,466
Expenditures	18,012,447	2,484,860	520,000	97,357,213	13,723,233
Revenues over (under) expenditures	(221,905)	4,455,838	541,200	2,574,335	(3,273,767)
Ending Fund Balance	<u>\$8,550,533</u>	<u>\$6,921,385</u>	<u>\$5,136,127</u>	<u>\$45,548,621</u>	<u>\$3,241,632</u>
Unrestricted/unassigned	278,867	0	0	37,890,717	1,805,849
All other	<u>\$8,271,666</u>	<u>\$6,921,385</u>	<u>\$5,136,127</u>	<u>\$7,657,904</u>	<u>\$1,435,783</u>
	<u>\$8,550,533</u>	<u>\$6,921,385</u>	<u>\$5,136,127</u>	<u>\$45,548,621</u>	<u>\$3,241,632</u>
Change in fund balance	-2.5%	180.7%	11.8%	6.0%	-50.2%

	Nonmajor Funds				
	Govt.	Enterprise	Internal Service	Pension Funds	ALL FUNDS
Beg. Fund Balance	\$4,065,028	\$9,365,130	\$3,283,543	\$60,115,220	\$142,151,519
Revenues	3,169,224	8,999,079	11,333,711	8,741,138	168,416,606
Expenditures	4,508,141	9,548,809	11,468,220	7,231,323	164,854,246
Revenues over (under) expenditures	(1,338,917)	(549,730)	(134,509)	1,509,815	3,562,360
Ending Fund Balance	<u>\$2,726,111</u>	<u>\$8,815,400</u>	<u>\$3,149,034</u>	<u>\$61,625,035</u>	<u>\$145,713,878</u>
Unrestricted/unassigned	\$585,829	\$7,606,139	\$3,149,034	\$0	\$51,316,435
All other	<u>2,140,282</u>	<u>1,209,261</u>	<u>0</u>	<u>61,625,035</u>	<u>94,397,443</u>
	<u>\$2,726,111</u>	<u>\$8,815,400</u>	<u>\$3,149,034</u>	<u>\$61,625,035</u>	<u>\$145,713,878</u>
Change in fund balance	-32.9%	-5.9%	-4.1%	2.5%	2.5%

Change in Fund Balance - Major Funds:

The **General Fund** fund balance is budgeted to decrease by \$221,905. This amount is the difference between property tax at the proposed rate and at the lower, adopted rate. Property tax and state sales tax reductions over the past few years have made balancing the budget more challenging, however, property values have not fallen as much as in other parts of the state. The

primary cost in this fund is personnel; representing 69% of the 2013 budgeted expenditures. Costs to provide police and fire services represent 64% of the General Fund's total budget.

Community Redevelopment Fund fund balance is expected to grow, due to the timing of capital outlay expenditures. Design for the Phase III of the Downtown Vision Plan has been completed and the bid process for construction has begun. The City does not budget projects until design is complete and the construction bid has received Community Redevelopment Agency approval. Fund balance in this fund is designated for projects that will have a long-term benefit in the City's two redevelopment districts and for other allowed costs that are consistent with the redevelopment plan and statutory requirements.

General Capital Projects Fund fund balance is budgeted to increase due to the timing of major expenditures and projects paid for from this fund. The budget this year includes the replacement of a backhoe (\$105,000), excavator (\$200,000), rehabilitation of dune walkovers (\$100,000), engineering services (\$30,000) and small technology equipment repairs (\$25,000) and replacements (\$60,000). Transfers from the General Fund are this fund's primary source of revenue.

Electric Fund fund balance is expected to increase due to decreases in capital projects and the short-term cost of power. Long-term, power costs and the related revenue are expected to increase and the completion of major reliability projects in recent years has reduced the amount spent annually on capital outlay.

The **Water & Sewer Fund** fund balance is budgeted to decrease due to the North 2nd Street Water, Sewer and Road Improvements Project (\$2,321,000) and the rehabilitation of several lift stations. This year, the City increased its water and sewer rates, in order to pay for increasingly expensive projects necessary to maintain the water and sewer system. Increases in capital outlay are expected for the next several years. A \$21 million waste treatment facility in will be fully operational by late fall and the old facility will be demolished. The new waste treatment facility was paid for through a combination of grants, bond proceeds, and Redevelopment Agency funding; portions of these one-time revenues were included in the 2010 and 2011 budgets.

Change in Fund Balance - Nonmajor Funds:

Governmental Funds will show a decrease in fund balance due largely to the use of ½ Cent Infrastructure Surtax bond proceeds to pay for the Duval Drive project (\$960,000). Several other special revenue funds, are budgeted to spend part of their accumulated fund balance for such things as police training, replacing ball field lights and road and street maintenance. Grant revenues are not budgeted until formal notice is received from the grantor. This notice often does not arrive in time for the funds to be included in the original budget. In these cases, the budget is adjusted at mid-year or at the end of the year.

Nonmajor Enterprise Funds consist of the Natural Gas, Stormwater, Sanitation, Golf Course and Lease Facilities Funds. These funds recover their costs through user charges and are not expected to have a major change in their fund balances from year-to-year. The substantial

completion of the natural gas distribution system means that capital outlay in that fund will decrease significantly. The decrease in fund balance is due to the transfer of \$850,000 from Lease Facilities to the General Capital Projects fund to provide major funding for the City's 5-year information systems master plan improvements. The other funds are expected to show modest increases in their fund balances.

Internal Service Funds recover their costs through charges to internal customers and are budgeted to break even. The fund balance decrease is a consequence of using interest earnings in the Workers' Comp Insurance Fund to reduce the cost of workers comp insurance charged to City departments.

Pension (trust) Funds account for three employee pension systems: General, Police and Fire. The City uses its annual actuarial report to determine the level of funding it needs to meet in order to keep the balance in its pension funds adequately funded and able to meet obligations to current and future retirees. Investment rates of return have not met the assumed rates of return in recent years, increasing the City's required contribution to the pension funds. The budget anticipates an increase in investment earnings in 2012.

**City of Jacksonville Beach - All Funds
Combined Summary of Revenues and Expenditures**

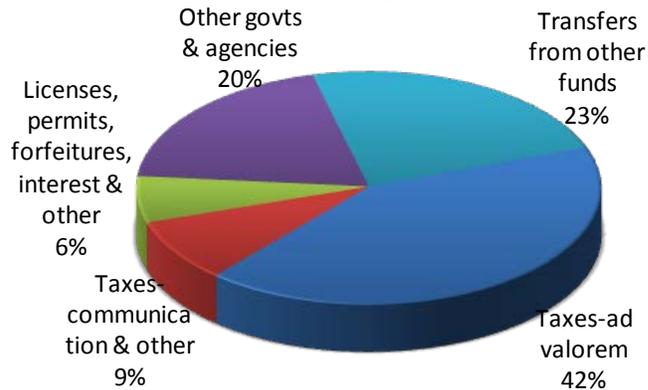
	Actual 2010	Actual 2011	Original Budget 2012	Adopted Budget 2013	Increase (Decrease)	% Change
Unrestricted/unassigned	\$ 53,007,710	\$ 55,111,296	\$ 65,817,099	\$ 49,643,728	\$ (16,173,371)	-24.6%
All other balances	88,434,939	90,120,393	91,673,337	92,507,791	834,454	0.9%
Beginning Fund Balance	141,442,649	145,231,689	157,490,436	142,151,519	(15,338,917)	-9.7%
<u>Revenues</u>						
Taxes	19,531,762	19,651,474	18,906,904	18,010,249	(896,655)	-4.7%
Permits & fees	229,565	261,308	328,800	303,800	(25,000)	-7.6%
Intergovernmental	12,173,789	5,617,340	4,212,132	3,785,417	(426,715)	-10.1%
Charges for services	127,589,454	114,597,961	125,948,944	129,128,991	3,180,047	2.5%
Fines & forfeitures	510,580	234,427	206,000	204,500	(1,500)	-0.7%
Interest & other	10,235,618	5,532,503	8,632,741	10,488,516	1,855,775	21.5%
Transfers in	9,792,787	11,556,366	5,702,366	6,495,133	792,767	13.9%
Total Revenues	180,063,555	157,451,379	163,937,887	168,416,606	4,478,719	2.7%
Other Financing Sources	8,181,847	12,653,036				
<u>Expenditures</u>						
Personal Services	25,302,666	25,693,819	26,500,047	26,769,209	269,162	1.0%
Operating-Energy	76,591,941	65,999,862	76,923,334	74,630,823	(2,292,511)	-3.0%
Operating-All Other	33,985,635	31,257,407	36,857,497	36,172,153	(685,344)	-1.9%
Capital Outlay	26,632,494	14,681,216	25,424,225	13,900,997	(11,523,228)	-45.3%
Debt Service	8,488,662	8,132,333	7,857,798	6,874,394	(983,404)	-12.5%
Grants to Others	23,168	16,412	11,537	11,537	0	0.0%
Transfers	9,792,787	11,556,366	5,702,366	6,495,133	792,767	13.9%
Total Expenditures	180,817,353	157,337,415	179,276,804	164,854,246	(14,422,558)	-8.0%
Other Financing Uses	3,639,009	508,254				
Change in Fund Balance	3,789,040	12,258,746	(15,338,917)	3,562,360	18,901,277	-123.2%
Unrestricted/unassigned	58,185,708	69,362,760	52,927,271	51,316,435	(1,610,835)	-3.0%
All other balances	87,045,981	88,127,676	89,224,248	94,397,443	5,173,195	5.8%
Ending Fund Balance	\$ 145,231,689	\$ 157,490,436	\$ 142,151,519	\$ 145,713,878	\$ 3,562,360	2.5%
<u>Expenditures by Department:</u>						
Executive & Legislative	1,134,500	1,164,328	1,324,446	1,324,111	(\$335)	0.0%
Finance	3,675,501	4,065,631	4,200,083	5,157,393	957,310	22.8%
Planning & Development	9,896,733	7,666,321	12,973,338	2,597,423	(10,375,915)	-80.0%
Parks & Recreation	5,204,057	5,051,629	4,866,432	4,776,922	(89,510)	-1.8%
Public Works	27,895,563	19,041,430	22,164,878	20,841,061	(1,323,817)	-6.0%
Police	8,662,230	8,692,825	8,768,631	8,842,822	74,191	0.8%
Fire	3,336,674	3,431,089	3,547,194	3,505,733	(41,461)	-1.2%
Beaches Energy Services	102,729,940	92,148,795	105,016,920	101,740,109	(3,276,811)	-3.1%
Human Resources	6,127,768	4,154,514	4,189,541	4,294,566	105,025	2.5%
Non-Departmental	12,154,387	11,920,853	12,225,341	11,774,106	(451,235)	-3.7%
Total Expenditures	\$ 180,817,353	\$ 157,337,415	\$ 179,276,804	\$ 164,854,246	\$ (14,422,558)	-8.0%
<u>Expenditures by Major/Nonmajor Fund:</u>						
General Fund	17,718,328	18,177,911	18,400,147	18,012,447	(\$387,700)	-2.1%
Redevelopment	9,674,656	7,466,179	12,828,038	2,484,860	(10,343,178)	-80.6%
General Capital Projects	2,598,409	1,002,319	825,379	520,000	(305,379)	-37.0%
Electric	98,525,396	87,561,296	100,248,879	97,357,213	(2,891,666)	-2.9%
Water & Sewer	20,874,219	12,351,400	14,873,861	13,723,233	(1,150,628)	-7.7%
Total Major Funds	149,391,008	126,559,105	147,176,304	132,097,753	(15,078,551)	-10.2%
Nonmajor Governmental	5,583,604	5,826,299	5,078,091	4,508,141	(569,950)	-11.2%
Nonmajor Enterprise	7,907,391	8,850,523	9,289,877	9,548,809	258,932	2.8%
Internal Service	12,916,623	10,912,602	11,217,487	11,468,220	250,733	2.2%
Pension	5,018,727	5,188,886	6,515,045	7,231,323	716,278	11.0%
Total Nonmajor Funds	31,426,345	30,778,310	32,100,500	32,756,493	655,993	2.0%
Total Expenditures	\$ 180,817,353	\$ 157,337,415	\$ 179,276,804	\$ 164,854,246	\$ (14,422,558)	-8.0%
Total Expenditures	\$180,817,353	\$157,337,415	\$179,276,804	\$164,854,246	(\$14,422,558)	-8.0%
less: Internal Service Charges	12,916,623	10,912,602	11,217,487	11,468,220	\$250,733	2.2%
less: Transfers	9,792,787	11,556,366	5,702,366	6,495,133	\$792,767	13.9%
Net Budgeted Expenditures	\$158,107,943	\$134,868,447	\$162,356,951	\$146,890,893	(\$15,466,058)	-9.5%

General Fund
Combined Summary of Revenues and Expenditures

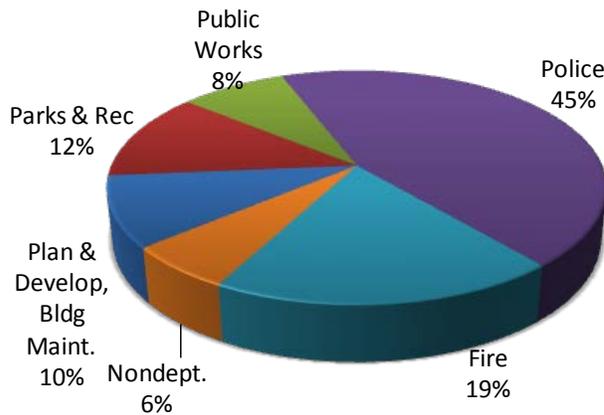
	Actual 2010	Actual 2011	Original Budget 2012	Adopted Budget 2013	Increase (Decrease)	% Change
Unrestricted/unassigned	\$ 8,597,808	\$ 8,844,370	\$ 9,052,896	\$ 500,772	\$ (8,552,124)	-94.5%
All other balances	-	-	-	8,271,666	8,271,666	0.0%
Beginning Fund Balance	\$ 8,597,808	\$ 8,844,370	\$ 9,052,896	\$ 8,772,438	\$ (280,458)	-3.1%
Revenues						
Taxes	9,487,717	9,155,576	9,100,076	8,884,551	(215,525)	-2.4%
Licenses & permits	229,565	261,308	328,800	303,800	(25,000)	-7.6%
Intergovernmental	3,343,004	3,397,053	3,458,934	3,537,277	78,343	2.3%
Charges for services	275,174	368,801	302,450	402,850	100,400	33.2%
Fines & forfeitures	189,411	181,584	167,000	170,000	3,000	1.8%
Interest & other	381,940	237,896	264,000	282,500	18,500	7.0%
Transfers in	4,159,056	4,406,484	4,498,429	4,209,564	(288,865)	-6.4%
Total Revenues	18,065,867	18,008,702	18,119,689	17,790,542	(329,147)	-1.8%
Other Financing Sources		377,735				
Expenditures						
Personal Services	11,897,877	12,135,031	12,316,325	12,428,185	111,860	0.9%
Operating-Energy	-	-	-	-	-	0.0%
Operating-All Other	5,031,030	4,964,522	5,696,923	5,226,325	(470,598)	-8.3%
Capital Outlay	334,979	285,621	204,162	175,200	(28,962)	-14.2%
Debt Service-Principal	-	-	-	-	-	0.0%
Debt Service-Interest & Other	-	-	-	-	-	0.0%
Grants to Others	14,143	11,537	11,537	11,537	-	0.0%
Transfers	440,299	781,200	171,200	171,200	-	0.0%
Total Expenditures	17,718,328	18,177,911	18,400,147	18,012,447	(387,700)	-2.1%
Other Financing Uses		100,977				
Change in Fund Balance	246,562	208,526	(280,458)	(221,905)	58,553	-20.9%
Unrestricted/unassigned	8,844,370	9,052,896	500,772	278,867	(221,905)	-44.3%
All other balances	-	-	8,271,666	8,271,666	-	0.0%
Ending Fund Balance	\$ 8,844,370	\$ 9,052,896	\$ 8,772,438	\$ 8,550,533	\$ (221,905)	-2.5%
Expenditures by Department:						
Executive & Legislative	\$ 613,299	\$ 679,337	\$ 731,264	\$ 692,965	\$ (38,299)	-5.2%
Finance	-	-	-	-	-	0.0%
Planning & Development	614,441	597,989	647,209	622,440	(24,769)	-3.8%
Parks & Recreation	2,391,240	2,384,706	2,253,805	2,208,438	(45,367)	-2.0%
Public Works	1,549,362	1,516,799	1,543,879	1,485,256	(58,623)	-3.8%
Police	7,683,452	7,665,246	7,998,736	8,039,962	41,226	0.5%
Fire	3,273,066	3,377,039	3,487,520	3,430,020	(57,500)	-1.6%
Beaches Energy Services	459,072	455,678	445,222	439,810	(5,412)	-1.2%
Human Resources	-	-	-	-	-	0.0%
Non-Departmental	1,134,396	1,501,117	1,292,512	1,093,556	(198,956)	-15.4%
Total Expenditures	\$ 17,718,328	\$ 18,177,911	\$ 18,400,147	\$ 18,012,447	\$ (387,700)	-2.1%

General Fund Revenues & Expenditures:

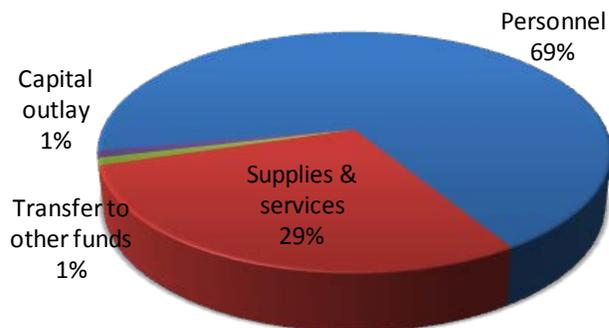
Where the money comes from:



What it pays for-by department:



What it pays for-by category:



**General Fund
Summary of Revenues**

	Actual 2010	Actual 2011	Original Budget 2012	Adopted Budget 2013	Increase (Decrease)	% Change
<u>Taxes</u>						
Property Tax	\$ 7,921,911	\$ 7,822,783	\$ 7,588,996	\$ 7,324,271	\$ (264,725)	-3.5%
Local Communications Services	1,287,419	1,074,935	1,232,800	1,300,000	67,200	5.5%
Other taxes	278,387	257,858	278,280	260,280	(18,000)	-6.5%
Total Taxes	9,487,717	9,155,576	9,100,076	8,884,551	(215,525)	-2.4%
<u>Licenses & Permits</u>						
Building permits	142,337	165,767	240,000	200,000	(40,000)	-16.7%
Other licenses and permits	87,228	95,541	88,800	103,800	15,000	16.9%
Total Licenses and Permits	229,565	261,308	328,800	303,800	(25,000)	-7.6%
<u>Intergovernmental Revenues</u>						
8th cent motor fuel	184,247	183,515	184,000	184,000	-	0.0%
Sales tax distribution	450,897	455,212	617,162	620,000	2,838	0.5%
State 1/2 cent tax	1,736,711	1,805,663	1,776,658	1,787,718	11,060	0.6%
Other intergovernmental revenues	179,444	153,266	93,250	107,250	14,000	15.0%
Duval county in Lieu of Taxes	579,968	596,955	614,864	633,309	18,445	3.0%
911 Rebate	211,737	202,442	173,000	205,000	32,000	18.5%
Total Intergovernmental Revenues	3,343,004	3,397,053	3,458,934	3,537,277	78,343	2.3%
<u>Charges for Services</u>						
Lien Certificates	12,195	14,565	10,000	15,000	5,000	50.0%
Cemetery services	14,512	4,135	12,000	10,000	(2,000)	-16.7%
Recreation programs	86,741	86,787	69,250	88,250	19,000	27.4%
Contracted services	-	-	20,600	6,500	(14,100)	-68.4%
Other Charges and Fees	161,726	263,314	190,600	283,100	92,500	48.5%
Total Services	275,174	368,801	302,450	402,850	100,400	33.2%
<u>Fines & Forfeitures</u>						
Court Fines	52,149	45,002	50,000	48,000	(2,000)	-4.0%
Parking violations	63,010	86,301	55,000	64,500	9,500	17.3%
Code enforcement board	34,107	10,635	20,000	17,000	(3,000)	-15.0%
Other Fines and Forfeits	40,145	39,646	42,000	40,500	(1,500)	-3.6%
Total Fines & Forfeitures	189,411	181,584	167,000	170,000	3,000	1.8%
<u>Interest & Other Revenue</u>						
Interest on investments	211,217	120,806	155,000	150,000	(5,000)	-3.2%
Other revenues	170,723	117,090	109,000	132,500	23,500	21.6%
Total Other Revenues	381,940	237,896	264,000	282,500	18,500	7.0%
<u>Transfers In</u>						
Transfer from Electric Utility	3,421,905	3,517,915	3,518,258	3,272,548	(245,710)	-7.0%
Transfer from Gas Tax	372,000	372,000	372,000	372,000	-	0.0%
Transfer from Others Misc.	365,151	516,569	608,171	565,016	(43,155)	-7.1%
Total Transfers	4,159,056	4,406,484	4,498,429	4,209,564	(288,865)	-6.4%
Total Revenue	\$ 18,065,867	\$ 18,008,702	\$ 18,119,689	\$ 17,790,542	\$ (329,147)	-1.8%

**General Fund
Summary of Expenditures**

	Actual 2010	Actual 2011	Original Budget 2012	Adopted Budget 2013	Increase (Decrease)	% Change
<u>Executive & Legislative</u>						
City Council	\$ 162,025	\$ 168,925	\$ 180,187	\$ 175,750	\$ (4,437)	-2.5%
City Attorney	191,987	269,102	291,359	282,690	(8,669)	-3.0%
City Clerk	259,287	241,310	259,718	234,525	(25,193)	-9.7%
Total	<u>613,299</u>	<u>679,337</u>	<u>731,264</u>	<u>692,965</u>	<u>(38,299)</u>	<u>-5.2%</u>
<u>Beaches Energy Services</u>						
Building Maintenance	459,072	455,678	445,222	439,810	(5,412)	-1.2%
<u>Planning & Development</u>						
Planning & Development	185,415	157,881	179,345	161,576	(17,769)	-9.9%
Building Inspections	282,147	294,253	304,168	299,440	(4,728)	-1.6%
Code Enforcement	146,879	145,855	163,696	161,424	(2,272)	-1.4%
Total	<u>614,441</u>	<u>597,989</u>	<u>647,209</u>	<u>622,440</u>	<u>(24,769)</u>	<u>-3.8%</u>
<u>Parks & Recreation</u>						
Administration	1,222,089	1,229,526	1,235,255	1,213,038	(22,217)	-1.8%
Ocean Rescue	609,582	653,542	595,283	611,603	16,320	2.7%
Tennis	108,898	108,034	115,091	97,430	(17,661)	-15.3%
Oceanfront Restrooms	83,226	66,483	83,627	80,500	(3,127)	-3.7%
Carver Center	100,075	100,884	73,599	79,867	6,268	8.5%
Special Events	227,950	191,023	109,950	85,000	(24,950)	-22.7%
Exhibition Hall	39,420	35,214	41,000	41,000	-	0.0%
Total	<u>2,391,240</u>	<u>2,384,706</u>	<u>2,253,805</u>	<u>2,208,438</u>	<u>(45,367)</u>	<u>-2.0%</u>
<u>Public Works</u>						
Streets	1,549,362	1,516,799	1,543,879	1,485,256	(58,623)	-3.8%
<u>Police</u>						
Administration	797,023	846,073	849,882	859,309	9,427	1.1%
Records	185,284	182,999	193,238	192,241	(997)	-0.5%
Investigative	1,497,953	1,637,557	1,399,580	1,404,420	4,840	0.3%
Patrol	3,835,581	3,700,331	4,020,996	4,065,924	44,928	1.1%
Communications	660,712	651,192	737,908	757,188	19,280	2.6%
Ancillary Services	564,240	491,035	568,620	533,530	(35,090)	-6.2%
Police Reserves	45,969	67,700	87,830	88,405	575	0.7%
Parking	77,833	76,767	115,682	113,945	(1,737)	-1.5%
Volunteer Programs	18,857	11,592	25,000	25,000	-	0.0%
Total	<u>7,683,452</u>	<u>7,665,246</u>	<u>7,998,736</u>	<u>8,039,962</u>	<u>41,226</u>	<u>0.5%</u>
<u>Fire</u>						
Fire Department	3,273,066	3,377,039	3,487,520	3,430,020	(57,500)	-1.6%
<u>Non-departmental</u>						
Non-departmental	1,134,396	1,501,117	1,292,512	1,093,556	(198,956)	-15.4%
Total Expenditures	<u>\$ 17,718,328</u>	<u>\$ 18,177,911</u>	<u>\$ 18,400,147</u>	<u>\$ 18,012,447</u>	<u>\$ (387,700)</u>	<u>-2.1%</u>
<u>Resource Allocation:</u>						
Personal Services	\$ 11,897,877	\$ 12,135,031	\$ 12,316,325	\$ 12,428,185	\$ 111,860	0.9%
Operating-All Other	5,031,030	4,964,522	5,696,923	5,226,325	(470,598)	-8.3%
Capital Outlay	334,979	285,621	204,162	175,200	(28,962)	-14.2%
Grants to Others	14,143	11,537	11,537	11,537	-	0.0%
Transfers	440,299	781,200	171,200	171,200	-	0.0%
Total Expenditures	<u>\$ 17,718,328</u>	<u>\$ 18,177,911</u>	<u>\$ 18,400,147</u>	<u>\$ 18,012,447</u>	<u>\$ (387,700)</u>	<u>-2.1%</u>

**Major Fund - Community Redevelopment
Combined Summary of Revenues and Expenditures**

	Actual 2010	Actual 2011	Original Budget 2012	Adopted Budget 2013	Increase (Decrease)	% Change
Unrestricted/unassigned	\$ 5,667,802	\$ 3,294,129	\$ -	\$ -	\$ -	0.0%
All other balances	3,499,416	3,681,960	7,752,707	2,465,547	(5,287,160)	-68.2%
Beginning Fund Balance	9,167,218	6,976,089	7,752,707	2,465,547	(5,287,160)	-68.2%
Revenues						
Taxes	7,703,134	8,146,836	7,475,878	6,885,698	(590,180)	-7.9%
Licenses & permits	-	-	-	-	-	0.0%
Intergovernmental	494,612	-	-	-	-	0.0%
Charges for services	4,472	298	-	-	-	0.0%
Fines & forfeitures	-	-	-	-	-	0.0%
Interest & other	160,179	107,654	65,000	55,000	(10,000)	-15.4%
Transfers in	2,304	-	-	-	-	0.0%
Total Revenues	8,364,701	8,254,788	7,540,878	6,940,698	(600,180)	-8.0%
Other Financing Sources	31	59				
Expenditures						
Personal Services	446,302	463,349	565,116	577,703	12,587	2.2%
Operating-Power	-	-	-	-	-	0.0%
Operating-All Other	169,981	159,162	329,395	120,408	(208,987)	-63.4%
Capital Outlay	3,517,662	2,528,704	10,071,974	-	(10,071,974)	-100.0%
Debt Service-Principal	1,832,047	1,895,155	1,654,675	1,368,580	(286,095)	-17.3%
Debt Service-Interest & Other	303,638	241,336	189,256	125,534	(63,722)	-33.7%
Grants to Others	9,025	4,875	-	-	-	0.0%
Transfers	3,396,001	2,173,598	17,622	292,635	275,013	1560.6%
Total Expenditures	9,674,656	7,466,179	12,828,038	2,484,860	(10,343,178)	-80.6%
Other Financing Uses	881,205	12,050				
Change in Fund Balance	(2,191,129)	776,618	(5,287,160)	4,455,838	9,742,998	-184.3%
Unrestricted/unassigned	3,294,129	-	-	-	-	0.0%
All other balances	3,681,960	7,752,707	2,465,547	6,921,385	4,455,838	180.7%
Ending Fund Balance	\$ 6,976,089	\$ 7,752,707	\$ 2,465,547	\$ 6,921,385	\$ 4,455,838	180.7%
Expenditures by Department:						
Executive & Legislative	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Finance	-	-	-	-	-	0.0%
Planning & Development	9,282,292	7,068,332	12,326,129	1,974,983	(10,351,146)	-84.0%
Parks & Recreation	-	-	-	-	-	0.0%
Public Works	-	-	-	-	-	0.0%
Police	392,364	397,847	501,909	509,877	7,968	1.6%
Fire	-	-	-	-	-	0.0%
Beaches Energy Services	-	-	-	-	-	0.0%
Human Resources	-	-	-	-	-	0.0%
Non-Departmental	-	-	-	-	-	0.0%
Total Expenditures	\$ 9,674,656	\$ 7,466,179	\$ 12,828,038	\$ 2,484,860	\$ (10,343,178)	-80.6%
Expenditures by Fund:						
Downtown Tax Increment	7,051,721	4,476,606	7,999,436	1,277,626	(6,721,810)	-84.0%
Southend Tax increment	2,622,935	2,989,573	4,828,602	1,207,234	(3,621,368)	-75.0%
Total Expenditures	\$ 9,674,656	\$ 7,466,179	\$ 12,828,038	\$ 2,484,860	\$ (10,343,178)	-80.6%

**Major Fund: General Capital Projects
Combined Summary of Revenues and Expenditures**

	<u>Actual 2010</u>	<u>Actual 2011</u>	<u>Original Budget 2012</u>	<u>Adopted Budget 2013</u>	<u>Increase (Decrease)</u>	<u>% Change</u>
Unrestricted/unassigned	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
All other balances	5,384,937	5,381,206	5,209,106	4,594,927	(614,179)	-11.8%
Beginning Fund Balance	5,384,937	5,381,206	5,209,106	4,594,927	(614,179)	-11.8%
Revenues						
Taxes	-	-	-	-	-	0.0%
Permits & fees	-	-	-	-	-	0.0%
Intergovernmental	1,221,719	250,000	-	-	-	0.0%
Charges for services	-	-	-	-	-	0.0%
Fines & forfeitures	-	-	-	-	-	0.0%
Interest & other	89,415	48,246	40,000	40,000	-	0.0%
Transfers in	379,591	571,200	171,200	1,021,200	850,000	496.5%
Total Revenues	1,690,725	869,446	211,200	1,061,200	850,000	402.5%
Other Financing Sources	903,953					
Expenditures						
Personal Services	-	-	-	-	-	0.0%
Operating-Energy	-	-	-	-	-	0.0%
Operating-All Other	113,929	136,046	175,982	155,000	(20,982)	-11.9%
Capital Outlay	2,484,480	866,273	649,397	365,000	(284,397)	-43.8%
Debt Service-Principal	-	-	-	-	-	0.0%
Debt Service-Interest & Other	-	-	-	-	-	0.0%
Grants to Others	-	-	-	-	-	0.0%
Transfers	-	-	-	-	-	0.0%
Total Expenditures	2,598,409	1,002,319	825,379	520,000	(305,379)	-37.0%
Other Financing Uses		39,227				
Change in Fund Balance	(3,731)	(172,100)	(614,179)	541,200	1,155,379	-188.1%
Unrestricted/unassigned					-	0.0%
All other balances	5,381,206	5,209,106	4,594,927	5,136,127	541,200	11.8%
Ending Fund Balance	\$ 5,381,206	\$ 5,209,106	\$ 4,594,927	\$ 5,136,127	\$ 541,200	11.8%
Expenditures by Department:						
Executive & Legislative	-	-	-	-	-	0.0%
Finance	-	-	-	-	-	0.0%
Planning & Development	-	-	-	-	-	0.0%
Parks & Recreation	-	-	-	-	-	0.0%
Public Works	-	-	-	-	-	0.0%
Police	-	-	-	-	-	0.0%
Fire	-	-	-	-	-	0.0%
Beaches Energy Services	-	-	-	-	-	0.0%
Personnel	-	-	-	-	-	0.0%
Non-Departmental	2,598,409	1,002,319	825,379	520,000	(305,379)	-37.0%
Total Expenditures	\$ 2,598,409	\$ 1,002,319	\$ 825,379	\$ 520,000	\$ (305,379)	-37.0%
EXPENDITURES BY FUND						
General Capital Projects	2,598,409	1,002,319	825,379	520,000	-\$305,379	-37.0%
Downtown Capital Projects					0	0.0%
Infrastructure Capital Projects					0	0.0%
Parks Capital Projects					0	0.0%
Beaches Park Project for Kids					0	0.0%
Dog Park					0	0.0%
TOTAL	\$ 2,598,409	\$ 1,002,319	\$ 825,379	\$ 520,000	\$ (305,379)	(\$0)

Major Fund - Electric Utility
Combined Summary of Revenues and Expenses

	Actual 2010	Actual 2011	Original Budget 2012	Adopted Budget 2013	Increase (Decrease)	% Change
Unrestricted	\$ 16,678,096	\$ 24,845,179	\$ 36,607,342	\$ 35,316,383	\$ (1,290,959)	-3.5%
Restricted	7,789,013	7,657,904	7,657,904	7,657,904	-	0.0%
Beginning Fund Balance	24,467,109	32,503,083	44,265,246	42,974,287	(1,290,959)	-2.9%
Revenues						
Taxes	-	-	-	-	-	0.0%
Permits & fees	-	-	-	-	-	0.0%
Intergovernmental	128,063	-	-	-	-	0.0%
Charges for services	99,205,550	87,326,589	98,182,669	99,060,909	878,240	0.9%
Fines & forfeitures	-	-	-	-	-	0.0%
Interest & other	738,219	875,598	775,251	870,638	95,387	12.3%
Transfers in	65,000	-	-	-	-	0.0%
Total Revenues	100,136,832	88,202,187	98,957,920	99,931,548	973,628	1.0%
Other Financing Sources	6,424,538	11,121,271				
Expenses						
Personal Services	5,463,431	5,461,137	5,769,205	5,821,583	52,378	0.9%
Operating-Energy	76,522,970	65,342,246	75,412,594	73,067,991	(2,344,603)	-3.1%
Operating-All Other	6,060,055	5,443,734	7,242,508	6,797,691	(444,817)	-6.1%
Capital Outlay	3,598,055	4,156,906	5,667,643	5,808,000	140,357	2.5%
Debt Service-Principal	1,834,735	1,934,865	1,984,930	1,984,930	-	0.0%
Debt Service-Interest & Other	1,018,418	704,493	653,741	604,470	(49,271)	-7.5%
Grants to Others	-	-	-	-	-	0.0%
Transfers	4,027,732	4,517,915	3,518,258	3,272,548	(245,710)	-7.0%
Total Expenses	98,525,396	87,561,296	100,248,879	97,357,213	(2,891,666)	-2.9%
Other Financing Uses						
Change in Fund Balance	8,035,974	11,762,162	(1,290,959)	2,574,335	3,865,294	-299.4%
Unrestricted	24,845,179	36,607,342	35,316,383	37,890,717	2,574,335	7.3%
Restricted	7,657,904	7,657,904	7,657,904	7,657,904	-	0.0%
Ending Fund Balance	\$ 32,503,083	\$ 44,265,246	\$ 42,974,287	\$ 45,548,621	\$ 2,574,335	6.0%
Expenses by Division						
Purchased Power	\$ 76,522,970	\$ 65,342,246	\$ 75,412,594	\$ 73,067,991	\$ (2,344,603)	-3.1%
Administration	11,122,132	11,189,616	11,598,530	10,719,207	(879,323)	-7.6%
Engineering	1,248,912	880,315	1,018,643	1,021,492	2,849	0.3%
Relay & Substations	564,636	708,795	957,953	701,792	(256,161)	-26.7%
Construction & Maintenance	4,077,094	3,926,461	4,713,520	4,404,402	(309,118)	-6.6%
Capital Projects	3,327,957	3,835,273	4,294,614	4,930,000	635,386	14.8%
System Operations	997,010	923,335	1,111,369	1,133,041	21,672	2.0%
Transmission	121,072	170,541	300,102	472,500	172,398	57.4%
Conservation & Renewables	277,927	286,520	503,008	495,749	(7,259)	-1.4%
Storeroom	203,932	228,480	218,546	291,039	72,493	33.2%
CARE	61,754	69,714	120,000	120,000	-	0.0%
Total Expenses	\$ 98,525,396	\$ 87,561,296	\$ 100,248,879	\$ 97,357,213	\$ (2,891,666)	-2.9%

Major Fund - Water & Sewer Utility
Combined Summary of Revenues and Expenses

	<u>Actual 2010</u>	<u>Actual 2011</u>	<u>Original Budget 2012</u>	<u>Adopted Budget 2013</u>	<u>Increase (Decrease)</u>	<u>% Change</u>
Unrestricted	\$12,314,357	\$ 8,920,935	\$10,766,153	\$ 5,079,616	\$(5,686,537)	-52.8%
Restricted	1,500,627	1,496,575	1,435,783	1,435,783	-	0.0%
Beginning Fund Balance	13,814,984	10,417,510	12,201,936	6,515,399	(5,686,537)	-46.6%
<u>Revenues</u>						
Taxes	-	-	-	-	-	0.0%
Permits & fees	-	-	-	-	-	0.0%
Intergovernmental	6,179,766	1,647,181	485,000	-	(485,000)	-100.0%
Charges for services	8,724,409	8,952,816	8,478,233	9,990,362	1,512,129	17.8%
Fines & forfeitures	-	-	-	-	-	0.0%
Interest & other	444,839	276,282	206,469	166,469	(40,000)	-19.4%
Transfers in	3,399,058	3,448,323	17,622	292,635	275,013	1560.6%
Total Revenues	18,748,072	14,324,602	9,187,324	10,449,466	1,262,142	13.7%
Other Financing Sources						
<u>Expenses</u>						
Personal Services	2,582,093	2,692,303	2,760,171	2,792,868	32,697	1.2%
Operating-Power	-	-	-	-	-	0.0%
Operating-All Other	3,232,892	3,476,476	4,043,093	3,529,445	(513,648)	-12.7%
Capital Outlay	13,068,572	4,340,934	6,226,330	5,591,033	(635,297)	-10.2%
Debt Service-Principal	1,280,265	1,350,135	1,385,070	1,385,070	-	0.0%
Debt Service-Interest & Other	710,397	491,552	459,197	424,817	(34,380)	-7.5%
Grants to Others	-	-	-	-	-	0.0%
Transfers	-	-	-	-	-	0.0%
Total Expenses	20,874,219	12,351,400	14,873,861	13,723,233	(1,150,628)	-7.7%
Other Financing Uses	1,271,327	188,776				
Change in Fund Balance	(3,397,474)	1,784,426	(5,686,537)	(3,273,767)	2,412,770	-42.4%
Unrestricted	8,920,935	10,766,153	5,079,616	1,805,849	(3,273,767)	-64.4%
Restricted	1,496,575	1,435,783	1,435,783	1,435,783	-	0.0%
Ending Fund Balance	\$10,417,510	\$12,201,936	\$ 6,515,399	\$ 3,241,632	\$(3,273,767)	-50.2%
<u>Expenses by Division</u>						
Administration	\$ 3,330,043	\$ 3,125,934	\$ 3,108,166	\$ 3,096,012	\$ (12,154)	-0.4%
Water Plant	1,265,345	1,627,187	1,788,826	2,061,603	272,777	15.2%
Pollution Control Plant	2,288,820	2,254,145	3,678,319	4,210,724	532,405	14.5%
Distribution & Collection	1,170,278	1,828,090	3,742,315	4,354,894	612,579	16.4%
Capital Projects	12,819,733	3,516,044	2,556,235	-	(2,556,235)	-100.0%
Total Expenses	\$20,874,219	\$12,351,400	\$14,873,861	\$13,723,233	\$(1,150,628)	-7.7%

**All Nonmajor Governmental Funds
Combined Summary of Revenues and Expenditures**

	Actual 2010	Actual 2011	Original Budget 2012	Adopted Budget 2013	Increase (Decrease)	% Change
Unrestricted/unassigned	\$ 50,146	\$ 54,227	\$ 642,191	\$ 591,088	\$ (51,103)	-8.0%
All other balances	8,074,621	6,618,949	5,169,215	3,473,940	(1,695,275)	-32.8%
Beginning Fund Balance	8,124,767	6,673,176	5,811,406	4,065,028	(1,746,378)	-30.1%
Revenues						
Taxes	1,918,737	1,939,222	1,950,950	1,860,000	(90,950)	-4.7%
Intergovernmental	628,341	323,106	268,198	248,140	(20,058)	-7.5%
Charges for services	10,034	394,738	-	20,000	20,000	0.0%
Fines & forfeitures	321,169	52,843	39,000	34,500	(4,500)	-11.5%
Interest & other	190,336	85,454	58,450	34,850	(23,600)	-40.4%
Transfers in	1,058,231	1,920,359	1,015,115	971,734	(43,381)	-4.3%
Total Revenues	4,126,848	4,715,722	3,331,713	3,169,224	(162,489)	-4.9%
Other Financing Sources	41,908	288,937				
Expenditures						
Personal Services	54,292	68,860	60,828	61,314	486	0.8%
Operating-Power	-	-	-	-	-	0.0%
Operating-All Other	1,137,990	433,493	656,210	703,870	47,660	7.3%
Capital Outlay	1,439,827	419,330	1,557,549	1,113,214	(444,335)	-28.5%
Debt Service-Principal	735,000	770,000	800,000	875,000	75,000	9.4%
Debt Service-Interest & Other	322,740	293,563	268,218	105,993	(162,225)	-60.5%
Transfers	1,893,755	3,841,053	1,735,286	1,648,750	(86,536)	-5.0%
Total Expenditures	5,583,604	5,826,299	5,078,091	4,508,141	(569,950)	-11.2%
Other Financing Uses	36,743	40,130				
Change in Fund Balance	(1,451,591)	(861,770)	(1,746,378)	(1,338,917)	407,461	-23.3%
Restricted Fund Balance	54,227	642,191	591,088	585,829	(5,259)	-0.9%
Unrestricted Fund Balance	6,618,949	5,169,215	3,473,940	2,140,282	(1,333,658)	-38.4%
Ending Fund Balance	\$ 6,673,176	\$ 5,811,406	\$ 4,065,028	\$ 2,726,111	\$ (1,338,917)	-32.9%
Expenditures by Department:						
Executive & Legislative	\$ 146,350	\$ 150,402	\$ 225,657	\$ 277,270	\$ 51,613	22.9%
Finance	20,000	20,000	20,000	20,000	-	0.0%
Parks & Recreation	160,983	134,684	153,463	139,576	(13,887)	-9.0%
Public Works	1,234,095	633,392	803,580	818,585	15,005	1.9%
Police	586,414	629,732	252,986	277,983	24,997	9.9%
Fire	32,907	29,558	30,000	45,500	15,500	51.7%
Non-Departmental	3,402,855	4,228,531	3,592,405	2,929,227	(663,178)	-18.5%
Total Expenditures	\$ 5,583,604	\$ 5,826,299	\$ 5,078,091	\$ 4,508,141	\$ (569,950)	-11.2%
Expenditures by Fund:						
Convention Development	\$ 146,350	\$ 150,402	\$ 225,657	\$ 277,270	\$ 51,613	22.9%
Court Cost Training	39,874	40,054	60,400	60,400	-	0.0%
Local Option Gas Tax	1,234,095	633,392	803,580	818,585	15,005	1.9%
Half-cent Infrastructure Surtax	1,106,812	1,186,530	1,067,364	971,734	(95,630)	-9.0%
Community Develop. Block Grant	170,765	146,308	156,623	156,576	(47)	0.0%
Radio Communication	32,907	29,558	30,000	45,500	15,500	51.7%
Justice Assistance Grant	485,517	139,860	111,575	91,654	(19,921)	-17.9%
Tree Protection	10,218	8,376	16,840	3,000	(13,840)	-82.2%
Law Enforcement Trust Fund	23,570	136,322	15,920	60,929	45,009	282.7%
Equitable Sharing Fund	37,453	313,496	65,091	65,000	(91)	-0.1%
1/2 Cent Sales Surtax Debt Service	1,058,064	1,064,594	1,068,218	980,993	(87,225)	-8.2%
Infrastructure Capital Projects	1,225,521	1,967,656	1,440,173	971,000	(469,173)	-32.6%
Beaches Park Project	10	14	5,000	2,500	(2,500)	-50.0%
Dog Park Project	12,448	9,737	11,650	3,000	(8,650)	-74.2%
Total Expenditures	\$ 5,583,604	\$ 5,826,299	\$ 5,078,091	\$ 4,508,141	\$ (569,950)	-11.2%

**All Nonmajor Enterprise Funds
Combined Summary of Revenues and Expenditures**

	Actual 2010	Actual 2011	Original Budget 2012	Adopted Budget 2013	Increase (Decrease)	% Change
Unrestricted Fund Balance	\$ 9,699,501	\$ 9,152,456	\$ 8,748,517	\$ 8,155,869	\$ (592,648)	-6.8%
Restricted Fund Balance	1,032,469	1,022,886	1,209,261	1,209,261	-	0.0%
Beginning Fund Balance	10,731,970	10,175,342	9,957,778	9,365,130	(592,648)	-6.0%
Revenues						
Taxes	-	-	-	-	-	0.0%
Permits & fees	-	-	-	-	-	0.0%
Intergovernmental	178,284	-	-	-	-	0.0%
Charges for services	5,783,003	6,692,616	8,075,223	8,348,659	273,436	3.4%
Fines & forfeitures	-	-	-	-	-	0.0%
Interest & other	697,279	666,218	622,006	650,421	28,415	4.6%
Transfers in	729,547	1,210,000	-	-	-	0.0%
Total Revenues	7,388,113	8,568,834	8,697,229	8,999,079	301,850	3.5%
Other Financing Sources	378,562	93,002				
Expenditures						
Personal Services	1,093,165	1,033,263	1,062,901	1,084,802	21,901	2.1%
Operating-Natural Gas	68,971	657,616	1,510,740	1,562,832	52,092	3.4%
Operating-All Other	4,256,292	4,426,359	4,954,300	5,009,925	55,625	1.1%
Capital Outlay	2,037,541	2,039,451	1,039,225	781,250	(257,975)	-24.8%
Debt Service-Principal	425,197	437,928	451,040	-	(451,040)	-100.0%
Debt Service-Interest & Other	26,225	13,306	11,671	-	(11,671)	-100.0%
Grants to Others	-	-	-	-	-	0.0%
Transfers	-	242,600	260,000	1,110,000	850,000	326.9%
Total Expenditures	7,907,391	8,850,523	9,289,877	9,548,809	258,932	2.8%
Other Financing Uses	415,912	28,877				
Change in Fund Balance	(556,628)	(217,564)	(592,648)	(549,730)	42,918	-7.2%
Unrestricted Fund Balance	9,152,456	8,748,517	8,155,869	7,606,139	(549,730)	-6.7%
Restricted Fund Balance	1,022,886	1,209,261	1,209,261	1,209,261	-	0.0%
Ending Fund Balance	\$ 10,175,342	\$ 9,957,778	\$ 9,365,130	\$ 8,815,400	\$ (549,730)	-5.9%
Expenditures by Department:						
Executive & Legislative	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Finance	163,952	409,169	480,065	1,316,046	835,981	174.1%
Planning & Development	-	-	-	-	-	0.0%
Parks & Recreation	1,548,859	1,476,944	1,414,545	1,379,468	(35,077)	-2.5%
Public Works	4,237,887	4,539,839	4,943,558	4,813,987	(129,571)	-2.6%
Police	-	-	15,000	15,000	-	0.0%
Fire	-	-	-	-	-	0.0%
Beaches Energy Services	1,956,693	2,424,571	2,436,709	2,024,308	(412,401)	-16.9%
Human Resources	-	-	-	-	-	0.0%
Non-Departmental	-	-	-	-	-	0.0%
Total Expenditures	\$ 7,907,391	\$ 8,850,523	\$ 9,289,877	\$ 9,548,809	\$ 258,932	2.8%
Expenditures by Fund:						
Natural Gas Fund	\$ 1,910,441	\$ 2,373,436	\$ 2,352,104	\$ 1,953,268	\$ (398,836)	-17.0%
Stormwater Fund	1,237,359	1,567,070	1,549,838	1,429,387	(120,451)	-7.8%
Sanitation Fund	3,000,528	2,972,769	3,393,720	3,384,600	(9,120)	-0.3%
Golf Course Fund	1,548,859	1,476,944	1,414,545	1,379,468	(35,077)	-2.5%
Lease Facilities Fund	210,204	460,304	579,670	1,402,086	822,416	141.9%
Total Expenditures	\$ 7,907,391	\$ 8,850,523	\$ 9,289,877	\$ 9,548,809	\$ 258,932	2.8%

**All Internal Service Funds
Combined Summary of Revenues and Expenses**

	Actual 2010	Actual 2011	Original Budget 2012	Adopted Budget 2013	Increase (Decrease)	% Change
Unrestricted/unassigned	\$ 2,856,786	\$ 3,074,412	\$ 3,545,661	\$ 3,283,543	\$ (262,118)	-7.4%
<u>REVENUES</u>						
Taxes	-	-	-	-	-	0.0%
Permits & fees	-	-	-	-	-	0.0%
Intergovernmental	-	-	-	-	-	0.0%
Charges for services	13,586,812	10,862,103	10,910,369	11,306,211	395,842	3.6%
Fines & forfeitures	-	-	-	-	-	0.0%
Interest & other	25,896	33,638	45,000	27,500	(17,500)	-38.9%
Transfers in	-	-	-	-	-	0.0%
Total Revenues	13,612,708	10,895,741	10,955,369	11,333,711	378,342	3.5%
Other Financing Sources	419,604	687,304				
<u>EXPENDITURES</u>						
Personal Services	3,727,491	3,798,673	3,908,472	3,946,196	37,724	1.0%
Operating-Energy	-	-	-	-	-	0.0%
Operating-All Other	9,002,754	7,069,932	7,301,070	7,454,724	153,654	2.1%
Capital Outlay	151,378	43,997	7,945	67,300	59,355	747.1%
Debt Service-principal	-	-	-	-	-	0.0%
Debt Service-interest & other	-	-	-	-	-	0.0%
Grants	-	-	-	-	-	0.0%
Transfers	35,000	-	-	-	-	0.0%
Total Expenditures	12,916,623	10,912,602	11,217,487	11,468,220	250,733	2.2%
Other Financing Uses	898,063	199,194				
Change in Fund Balance	217,626	471,249	(262,118)	(134,509)	127,609	-48.7%
Unrestricted/unassigned	\$3,074,412	\$3,545,661	\$3,283,543	\$3,149,034	\$ (134,509)	-4.1%
<u>Expenditures by Department:</u>						
Executive & Legislative	374,851	334,589	367,525	353,876	(\$13,649)	-3.7%
Finance	3,491,549	3,636,462	3,700,018	3,821,347	121,329	3.3%
Planning & Development	-	-	-	-	-	0.0%
Parks & Recreation	1,102,975	1,055,295	1,044,619	1,049,440	4,821	0.5%
Public Works	-	-	-	-	-	0.0%
Police	-	-	-	-	-	0.0%
Fire	30,701	24,492	29,674	30,213	539	1.8%
Beaches Energy Services	1,788,779	1,707,250	1,886,110	1,918,778	32,668	1.7%
Human Resources	6,127,768	4,154,514	4,189,541	4,294,566	105,025	2.5%
Non-Departmental	-	-	-	-	-	0.0%
Total Expenditures	\$ 12,916,623	\$ 10,912,602	\$ 11,217,487	\$ 11,468,220	\$ 250,733	2.2%
<u>EXPENDITURES BY FUND:</u>						
City Manager	374,851	334,589	367,525	353,876	\$ (13,649)	-3.7%
Finance	3,491,549	3,636,462	3,700,018	3,821,347	121,329	3.3%
Human Resources	527,913	557,167	570,756	545,623	(25,133)	-4.4%
Fleet Maintenance	540,558	519,202	582,133	582,340	207	0.0%
Meter Services	829,319	778,945	843,514	881,595	38,081	4.5%
Radio System	30,701	24,492	29,674	30,213	539	1.8%
Operations & Maintenance Facility	418,902	409,103	460,463	454,843	(5,620)	-1.2%
Grounds Maintenance	1,102,975	1,055,295	1,044,619	1,049,440	4,821	0.5%
Insurance & Risk Retention	5,599,855	3,597,347	3,618,785	3,748,943	130,158	3.6%
Total Expenditures	\$ 12,916,623	\$ 10,912,602	\$ 11,217,487	\$ 11,468,220	\$ 250,733	2.2%

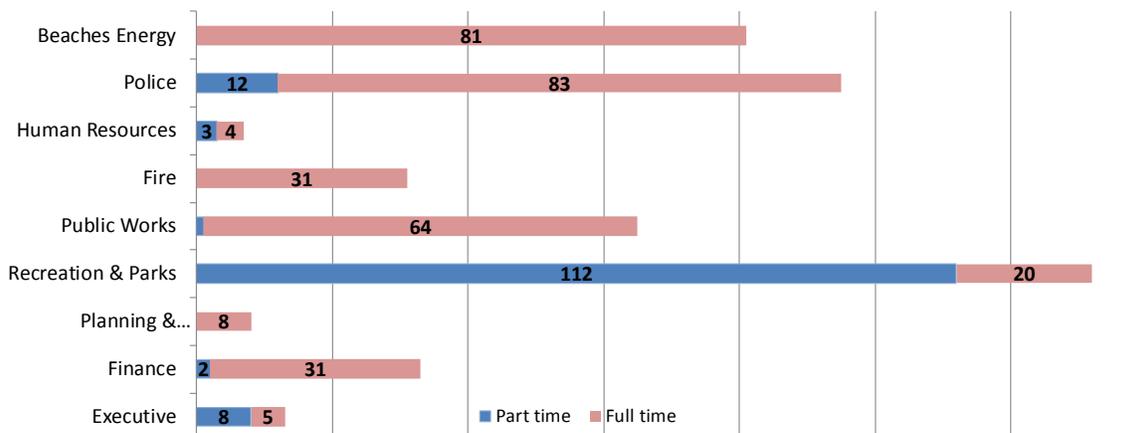
All Pension Funds
Combined Summary of Revenues and Expenses

	Actual 2010	Actual 2011	Original Budget 2012	Adopted Budget 2013	Increase (Decrease)	% Change
Restricted Fund Balance	\$58,297,070	\$61,186,501	\$59,693,700	\$60,115,220	\$ 421,520	0.7%
Revenues						
Taxes	422,174	409,840	380,000	380,000	-	0.0%
Permits & fees	-	-	-	-	-	0.0%
Intergovernmental	-	-	-	-	-	0.0%
Charges for services	-	-	-	-	-	0.0%
Fines & forfeitures	-	-	-	-	-	0.0%
Interest & other	7,507,515	3,201,517	6,556,565	8,361,138	1,804,573	27.5%
Transfers in	-	-	-	-	-	0.0%
Total Revenues	7,929,689	3,611,357	6,936,565	8,741,138	1,804,573	26.0%
Other Financing Sources	13,251	84,728				
Expenditures						
Personal Services	38,015	41,203	57,029	56,558	(471)	-0.8%
Operating-Energy	-	-	-	-	-	0.0%
Operating-All Other	4,980,712	5,147,683	6,458,016	7,174,765	716,749	11.1%
Capital Outlay	-	-	-	-	-	0.0%
Debt Service-principal	-	-	-	-	-	0.0%
Debt Service-interest & other	-	-	-	-	-	0.0%
Grants	-	-	-	-	-	0.0%
Transfers	-	-	-	-	-	0.0%
Total Expenditures	5,018,727	5,188,886	6,515,045	7,231,323	716,278	11.0%
Other Financing Uses	34,782	-				
Change in Fund Balance	2,889,431	(1,492,801)	421,520	1,509,815	1,088,295	258.2%
Restricted Fund Balance	\$61,186,501	\$59,693,700	\$60,115,220	\$61,625,035	\$ 1,509,815	2.5%
Expenditures by Department:						
Executive & Legislative	\$ -	\$ -	-	\$ -	\$ -	0.0%
Finance	-	-	-	-	-	0.0%
Planning & Development	-	-	-	-	-	0.0%
Parks & Recreation	-	-	-	-	-	0.0%
Public Works	-	-	-	-	-	0.0%
Police	-	-	-	-	-	0.0%
Fire	-	-	-	-	-	0.0%
Beaches Energy Services	-	-	-	-	-	0.0%
Human Resources	-	-	-	-	-	0.0%
Non-Departmental	5,018,727	5,188,886	6,515,045	7,231,323	716,278	11.0%
Total Expenditures	\$ 5,018,727	\$ 5,188,886	\$ 6,515,045	\$ 7,231,323	\$ 716,278	11.0%
Expenditures by Fund:						
Pension Fund-General	\$ 2,862,907	\$ 3,039,650	\$ 3,661,753	\$ 4,673,127	\$ 1,011,374	27.6%
Pension Fund-Police	1,239,535	1,342,799	1,715,171	1,486,777	(228,394)	-13.3%
Pension Fund-Fire	916,285	806,437	1,138,121	1,071,419	(66,702)	-5.9%
Total Expenditures	\$ 5,018,727	\$ 5,188,886	\$ 6,515,045	\$ 7,231,323	\$ 716,278	11.0%

**City of Jacksonville Beach
Four Year Summary of Authorized Positions by Department**

	Actual	Actual	Actual	Budget 2013			FTEs	Payroll Budget
	2010	2011	2012	Part time	Full time	Total		
Executive								
City Council	7	7	7	7	0	7	0.0	\$135,043
City Manager	4	3	2	0	2	2	2.0	278,793
City Clerk	5	5	5	1	3	4	3.0	156,529
Pension Funds	0	0	0	0	0	0	0.6	56,557
	16	15	14	8	5	13	5.6	626,922
Finance								
Accounting	8	8	8	1	7	8	7.2	647,422
Utility Billing	17	17	17	1	16	17	15.6	828,182
Data Processing	5	5	5	0	5	5	5.0	456,912
Purchasing Admin.	3	3	3	0	3	3	3.0	181,683
Lease Facilities (Tech.)	0	0	0	0	0	0	1.2	34,991
	33	33	33	2	31	33	32.0	2,149,190
Planning & Development								
Planning and Development	2	2	2	0	2	2	1.2	116,530
Building Inspection	5	4	4	0	4	4	3.5	242,932
Code Enforcement	2	2	2	0	2	2	1.9	117,512
Redevelopment	0	0	0	0	0	0	1.4	126,098
	9	8	8	0	8	8	8.0	603,072
Recreation & Parks								
Administration	6	5	5	3	2	5	4.5	342,764
Ocean Rescue	88	87	87	86	1	87	14.5	453,972
Tennis	4	4	4	2	1	3	1.5	71,760
Carver Center	3	3	3	2	1	3	2.0	79,868
Special Events	1	0	0	0	0	0	0.0	0
Golf Course	28	27	26	18	8	26	16.5	668,988
Grounds Maintenance	11	9	8	1	7	8	7.4	469,662
	141	135	133	112	20	132	46.4	2,087,014
Public Works								
Administration	4	4	4	0	4	4	1.4	102,950
Water Plant	13	13	13	0	13	13	13.3	863,572
Pollution Control Plant	15	15	15	0	15	15	14.9	991,148
Distribution and Collection	14	14	14	0	14	14	14.3	835,204
Stormwater	0	0	0	0	0	0	2.2	173,933
Sanitation	1	1	2	0	2	2	2.9	206,887
Street Maintenance	17	17	16	0	16	16	14.7	887,462
Local Option Gas Tax	1	1	1	1	0	1	0.8	45,586
	65	65	65	1	64	65	64.4	4,106,742

Employees by Department



City of Jacksonville Beach
Four Year Summary of Positions Authorized by Department

	Actual 2010	Actual 2011	Actual 2012	Budget 2013			FTEs	Payroll Budget
				Part time	Full time	Total		
Police								
Administration	4	4	4	0	4	4	4.0	315,865
Records	4	4	4	1	3	4	3.5	158,160
Investigations	15	15	14	0	14	14	14.0	1,307,713
Patrol	40	40	40	0	40	40	40.0	3,445,244
Communications	12	11	11	0	11	11	11.0	739,046
Ancillary	15	15	16	10	6	16	9.2	505,813
Part-time Officers	0	0	0	0	0	0	1.2	88,406
Parking	0	0	1	0	1	1	1.0	62,945
Downtown Policing	4	4	4	0	4	4	4.0	451,606
Law Enforcement Trust Fund	1	1	1	1	0	1	0.5	15,729
	95	94	95	12	83	95	88.4	7,090,527
Beaches Energy								
Administration	5	5	5	0	4	4	4.0	364,018
Engineering	8	8	8	0	8	8	8.0	764,990
Relay & Substations	0	5	6	0	6	6	6.0	477,464
Construct. & Maint.	34	34	34	0	34	34	34.0	3,130,796
System Operations	14	9	10	0	10	10	10.0	839,093
Storeroom	3	3	3	0	3	3	3.0	58,048
Conservation & Renewables	0	0	0	0	0	0	1.0	187,174
Meter Services	12	12	12	0	12	12	12.0	644,996
	76	76	78	0	77	77	78.0	6,466,579
<u>Central Services Division:</u>								
Building Maintenance	3	3	3	0	3	3	3.0	220,412
O & M Facility	1	1	1	0	1	1	1.0	54,716
	4	4	4	0	4	4	4.0	275,128
	80	80	82	0	81	81	82.0	6,741,707
Fire								
Fire / Rescue, Safety Services	31	31	31	0	31	31	40.6	2,980,208
Human Resources								
Personnel Administration	7	7	8	3	4	7	5.6	366,185
Insurance	0	0	0	0	0	0	0.4	17,642
	7	7	8	3	4	7	6.0	383,827
Total Authorized Positions	477	468	469	138	327	465	373.5	\$26,769,209

Reconciliation of Changes in Authorized Positions

	Part-time	Full-time	Total
Total Authorized Positions FY2012	140	329	469
Consolidate Asset Manager and Chief Storekeeper positions		-1	-1
Eliminate part-time Tennis Pro position	-1		-1
Change Payroll Technician from full-time to part-time	1	-1	0
Eliminate part-time Human Resources consultant	-1		-1
Eliminate part-time Senior Secretary (City Clerk)	-1		-1
Total Authorized Positions FY2013	138	327	465

**Capital Outlay Detail by Department
Fiscal Year 2013**

	Land, Buildings & Improvements	Equipment	Vehicles	Computer Equipment	Total
<u>Executive & Legislative</u>					
Non-Departmental					
Convention Development					
Replace lights at Seabreeze fields	\$ 95,000				\$ 95,000
General Capital Projects					
Small technology purchases				60,000	60,000
Replace Caterpillar backhoe		105,000			105,000
Replace Caterpillar excavator		200,000			200,000
1/2-cent Infrastructure Surtax Bond Proceeds (BJB)					
Duval Drive Improvements Project	960,000				960,000
Total Non-Departmental	1,055,000	305,000	-	60,000	1,420,000
<u>Fire</u>					
Replace radios (Radio Communications Fund)		45,000			45,000
Total Fire	-	45,000	-	-	45,000
<u>Beaches Energy Services</u>					
Administration					
Replace sports field lights	200,000				200,000
Emission reduction for City distributed generation	100,000				100,000
Engineering					
Replace color laser printer				6,000	6,000
Construction & Maintenance					
Replace thumper		25,000			25,000
Replace dinatel fault locator		15,000			15,000
Replace truck #238 one-ton truck			35,000		35,000
Replace radios (53 radios to be replaced over 2 years)		87,000			87,000
Capital Improvements					
Infrastructure to Support System Growth	1,350,000				1,350,000
Major Replacement Projects	3,580,000				3,580,000
System Operations					
NERC required backup control center				100,000	100,000
Transmission					
Substation 138kV circuit breaker upgrades	250,000				250,000
Storeroom					
Gasoline and diesel fueling system	60,000				60,000
Total Electric Fund	5,540,000	127,000	35,000	106,000	5,808,000
Natural Gas					
Natural Gas Distribution System	100,000				100,000
Meter Services					
Replace two pickup trucks (#261 & #285)				40,000	40,000
Fleet Maintenance					
Shop equipment contingency		5,000			5,000
Total Beaches Energy Services	5,640,000	132,000	35,000	146,000	5,953,000

**Capital Outlay Detail by Department
Fiscal Year 2013**

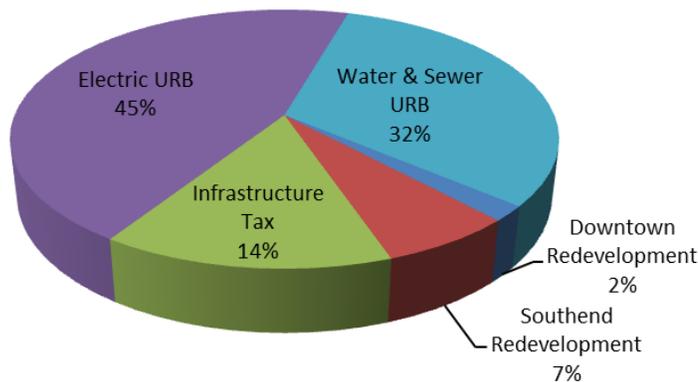
	Land, Buildings & Improvements	Equipment	Vehicles	Computer Equipment	Total
<u>Parks and Recreation</u>					
Ocean Rescue					
Replace pickup truck			24,000		24,000
Replace inflatable rescue boat		8,700			8,700
Golf Course					
Driving range ball picker		3,500			3,500
Golf Course Maintenance					
Replace 7-reel pull frame mower (split with Grounds Maintenance)		14,500			14,500
Grounds Maintenance					
Replace 7-reel pull frame mower (split with Golf Course Maintenance)		14,500			14,500
Total Parks & Recreation	-	41,200	24,000	-	65,200
<u>Police</u>					
Patrol					
Replace patrol vehicles			125,000		125,000
Replace five laptop computers				17,500	17,500
Justice Assistance Grant					
Equipment replacement		13,214			13,214
Total Police	-	13,214	125,000	17,500	155,714
<u>Finance</u>					
Utility Billing					
Telephone system upgrade				7,800	7,800
	-	-	-	7,800	7,800
<u>Public Works</u>					
Distribution and Collection					
Rehab water & sewer main systems	2,959,588				2,959,588
Replace Chevy X3500 1-ton dump truck			50,000		50,000
Reuse implementation program	150,000				150,000
Equipment contingency (saws, drills, etc.)		5,000			5,000
Pollution Control					
Rehab sewer lift stations-design #7 & #9; construct #1 & #15	1,309,275				1,309,275
Actuators, soft starts and variable frequency drives	40,000				40,000
Wastewater treatment facility improvements	466,400				466,400
Water Plant					
Storage and utility building water plant #2 (construction) - cost shared with Southend Redevelopment	585,270				585,270
Raw water (well) flow meter upgrade		25,500			25,500
Total Water & Sewer	5,510,533	30,500	50,000	-	5,591,033
Stormwater					
Stormwater master plan	663,250				663,250
Total Public Works	6,173,783	30,500	50,000	-	6,254,283
Total Projects Funded:	\$ 12,868,783	\$ 566,914	\$ 234,000	\$ 231,300	\$ 13,900,997

Debt Service and Capital Projects

Like other municipal governments, the City of Jacksonville Beach periodically uses debt financing to construct improvements that will provide services or benefits for many years. Debt financing allows the City to construct improvements when the need arises rather than delaying the projects until it has accumulated adequate revenue. By using debt financing, the City will more fairly distribute the costs of the improvements to the users of those improvements over the expected life of both the improvements and the debt.

In addition to debt financing, communities may choose to use *pay-as-you-go* financing and public-private ventures. Determining the appropriate combination of financing techniques to meet the City's needs is an on-going challenge for decision makers.

Outstanding Debt: 9-30-2012



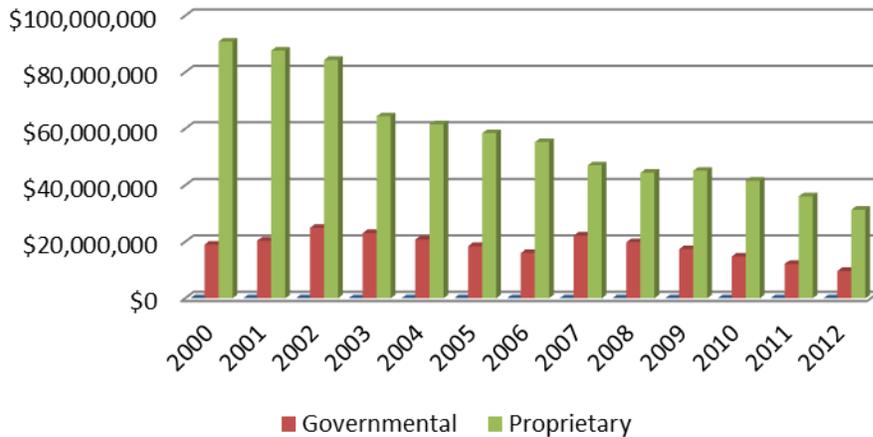
Jacksonville Beach's debt policy since 1995 has been to minimize the need for future debt through long-term planning and capital budgeting. Consistent with this policy, the City established and maintains capital projects funds whose purpose is to accumulate funds to pay for expenditures on governmental capital projects, including major equipment purchases, major repairs and renovations. Funds are accumulated through a series of annual transfers into the fund until a sufficient balance is accumulated to pay for budgeted items or projects. In addition, pay-as-you-go financing is the preferred financing method and is used where possible.

Authority to borrow funds is granted to municipalities in the Florida Statutes. There are no plans to issue additional debt in the near future. Issuance of general obligation bonds requires an affirmative vote of the municipality's electorate; the City has no outstanding general obligation debt. Neither City Charter/Code nor Florida Statutes limit the amount of debt the City can issue.

Explanations for budgeted capital projects, their expected or committed funding source and the expected purchase or construction year are included in the City's five-year Capital Improvement Plan (CIP).

The City continues to refinance existing debt and pay down principal when it is economically advantageous. As a result, the outstanding debt balance and interest expenditures on both governmental and proprietary debt have decreased by more than half since 2002.

Outstanding Debt History

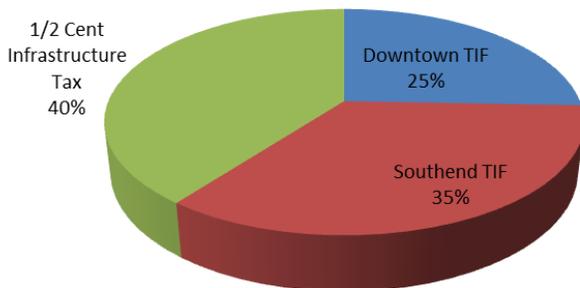


	2007	2008	2009	2010	2011	2012
Principal paid	\$7,235,450	\$5,677,694	\$5,889,227	\$6,107,244	\$6,388,082	\$5,036,168
Interest paid	\$2,965,302	\$3,512,299	\$3,269,817	\$3,035,024	\$2,154,907	\$1,424,861
Outstanding Debt	\$69,233,829	\$64,227,168	\$62,507,765	\$56,400,520	\$48,177,439	\$40,992,022

Governmental Debt and Major Capital Projects

Governments frequently incur long-term debt that they intend to repay from the financial resources of the general government rather than from those of proprietary funds. The City of Jacksonville Beach has pledged its ½ Cent Infrastructure Tax, Downtown Tax Increment and South End Tax Increment to pay principal and interest on the related long-term debt used for governmental purposes.

Funding Sources: Governmental Debt



2012 ½ Cent Infrastructure Surtax Revenue Bonds

Debt proceeds totaling \$10,000,000 were borrowed in 2007 to partially fund the planned upgrades for the waste treatment plant required to meet the federally mandated nutrient allocation requirements for the St. Johns River (total maximum daily load, or TMDL). The project, budgeted at over \$21 million, has used about \$4.9 million of the bond proceeds in combination with St. Johns River Water Management District and State grants (\$11 million) and redevelopment funds (\$5.5 million). This combination of funds enabled the City to pay for these mandated improvements to its wastewater treatment system without having to increase sewer rates due to the project’s cost. Without the grants, if the City had to finance the project, water and sewer customers could have faced sewer rate increases of \$6-\$8 per month for the next 20-30 years to pay debt service

DEBT SERVICE REQUIREMENTS: ½ Cent Infrastructure Surtax Revenue Bonds			
	Principal	Interest	Total
2013	\$875,000	\$100,993	\$975,993
2014	900,000	85,797	985,797
2015	925,000	70,141	995,141
2016	935,000	54,146	989,146
2017	955,000	37,804	992,804
2018-2019	1,470,000	25,451	1,495,451
Total	\$6,060,000	\$374,332	\$6,434,332

About \$700,000 of the Infrastructure Surtax debt was used to pay for the City’s portion of the 9th Street South Improvement Project, with the bulk of the economic stimulus funding coming through the Florida Department of Transportation (\$5.1 million). A separate portion of the 9th Street Project was funded by the Community Redevelopment Agency. The project dramatically improved road condition, appearance and drainage along the City’s alternate north/south corridor.

Revenues from this tax have previously been used to fund the 11th Street North rebuild project, Wingate Park parking and road improvements, construction of school sidewalks and a new cart storage facility for the Golf Course. The debt service is reported in the Executive and Legislative section of this document; the waste treatment plant project is discussed in the Public Works section.

Community Redevelopment Bonds

The City of Jacksonville Beach has two areas designated as Community Redevelopment Areas under Chapter 163, Florida Statutes. The statute specifically grants cities the power to issue redevelopment revenue bonds to finance community redevelopment projects.

The Downtown and South Beach redevelopment districts have benefited from the funding provided by redevelopment bonds. Downtown, the primary focus of projects continues to be the rebuilding and improvement of infrastructure. In 1994, a \$7.4 million infrastructure improvement project replaced the public water, sewer, storm drainage and electric systems in a fifteen square block area of the central city. This project was the catalyst for many other projects, both public and private. Also downtown, an amphitheatre, parking facility and public plaza were completed in 2001.

Land for an Oceanfront Park was purchased in 2001 and the completed park was dedicated in 2003. Aided by a grant from the State of Florida, the City has built dune walkovers to preserve the dunes and prevent beach erosion. A new oceanfront parking lot was completed following the construction of a new Pier by the City of Jacksonville in 2004. The 4th Avenue South Streetscape Improvement Project was completed in 2008.

Projects recently completed include the 2nd Street North Drainage Project and the A1A Improvements project (medians, landscaping and signal relocation). The second phase of the Downtown Vision Plan is expected to be complete by the end of this year. The third phase of the Downtown Visioning Project is being designed. Completion of these projects will continue to bring commercial activity to the downtown area.

South Beach redevelopment activities to date include five major public-private projects: Riptide, South Beach Regional Shopping Center, South Beach Parkway Shopping Center, Ocean Cay and the South Beach Mixed Use Development. Paradise Key was completed early in FY2007. In addition to these projects, numerous public infrastructure projects supporting the redevelopment activity in the district have been constructed. A second fire station adjacent to the South Beach Park was completed in 2005.

A new Community Center was completed in late 2007. Improvements to South Beach Park, consisting of a practice field, restroom facility and volleyball facility were constructed in 2008. An engineering study has identified priority infrastructure projects that will be engineered starting in 2010. A water feature at South Beach Park and improvements to the park's play structure, Sunshine Park were completed in 2011. The Agency provided funding for improvements to the section of 9th Street that runs through the tax increment district. The South Beach Infrastructure Project is currently being designed.

Payment of debt service is funded by pledged tax increment funds (TIF). These revenues are calculated as 95% of the difference between ad valorem taxes levied in a given year on taxable real property within the redevelopment area and the amount of ad valorem taxes which would have been levied on the same property in the year prior to its designation as a redevelopment area. Maturity dates for these bonds range between 2011 and 2019. Debt service is shown in the Community Redevelopment Program reported in the Planning and Development Department's section of the budget.

DEBT SERVICE REQUIREMENTS: Redevelopment Bonds						
	Downtown		Southend		<u>TOTAL</u>	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$611,795	\$16,744	\$756,784	\$113,790	\$1,368,579	\$130,534
2014	177,825	4,382	787,640	73,892	965,465	78,274
2015	0	0	620,799	44,511	620,799	44,511
2016	0	0	646,881	19,478	646,881	19,478
2017	0	0	0	0	0	0
	\$789,620	\$21,126	\$2,812,104	\$251,671	\$3,601,724	\$272,797

ALL OUTSTANDING GOVERNMENTAL BONDS				
	Interest Rate	Year of Maturity	Original Issue	Outstanding
2003 Downtown	3.28%	2014	\$1,697,411	\$349,964
2003B&C Downtown	3.05%	2013	\$3,892,515	\$439,655
2003 Southend (AMT)	4.53%	2016	\$1,543,022	\$573,611
2003-1 Southend	3.83%	2016	\$4,986,347	\$1,861,641
2003-2 Southend	3.70%	2014	\$1,698,749	\$376,853
2012 Infrastructure	1.73%	2019	\$6,495,000	\$6,060,000
Total Governmental Bonds				\$9,661,724

Capital Projects in Governmental Funds

A brief discussion of budgeted projects and purchases in other capital projects funds can be found in the Executive and Legislative section of this book. A summary of the funds follows:

Capital Project Fund	Sources	Uses	2013 Budget
General	Transfers from operating funds; grants; interest	Major repairs and replacements. 2013 budget includes: professional services (engineering) contingency, small technology purchases, backhoe and excavator replacement, dune walkover maintenance.	\$520,000
½ Cent Infrastructure Surtax Bonds	Bond proceeds; interest	Governed by interlocal agreement; pays for projects to improve public facilities, roads, infrastructure, environment, quality of life and economic development; <i>Duval Drive project. See Executive & Legislative and Public Works sections.</i>	\$971,000
Sunshine Park	Donations, proceeds from community fundraisers	Maintenance of large play structure in South Beach Park	\$2,500
Paws Dog Park	Donations, proceeds from community fundraisers	Small maintenance projects and purchase of supplies for the park	\$3,000
			<u>\$1,496,500</u>

Proprietary Debt

Proprietary debt includes debt that has been issued by operations that are accounted for in enterprise or internal service funds. Such operations are financed and operated in a manner similar to private business enterprises - the costs of providing goods and services to the public on a continuing basis are financed or recovered primarily through user charges. The City operates Beaches Energy Services (electric and natural gas), a Water & Sewer Utility and a Stormwater Utility, any of which may choose issue bonds to fund major system improvements.

Historically, Beaches Energy Services and the Water & Sewer Utility have issued bonds as a combined entity and therefore, their outstanding utility revenue bonds contain a pledge of the combined water and sewer system and electric system revenues. The debt obligation is allocated to the Electric and Water & Sewer funds based on the distribution of debt proceeds to each utility. Stormwater debt was paid off in 2012. There are no plans to issue additional debt at this time. Each of the proprietary debt issues is accounted for in the operating fund of the obligated enterprise.

2010 Utility Revenue Bonds

The City refinanced the 2002 Utility Revenue Bonds in late 2010 to take advantage of historic low interest rates. The refinancing is expected to save the City between \$280,000 and \$320,000 over the life of the bonds. The bonds were issued with pledged revenues of the combined Electric and Water & Sewer utilities to defease and refinance previous debt issues. Proceeds from the previous issues were used to construct major system additions and improvements including a 17-mile electric transmission line, improvements to the electric system, new water treatment plant and well field, additional water transmission mains and refurbished wastewater pumping stations and sewer mains. The debt matures in 2021. Each of the two utilities operates as a major fund for financial statement purposes.

DEBT SERVICE REQUIREMENTS: 2010 Utility Revenue Bonds						
	Electric		Water & Sewer		TOTAL	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$1,984,930	\$604,470	1,385,070	\$424,817	\$3,370,000	\$1,029,287
2014	2,037,940	569,320	1,422,060	397,267	3,460,000	966,587
2015	2,093,895	512,982	1,461,105	357,955	3,555,000	870,937
2016	2,167,520	439,151	1,512,480	306,436	3,680,000	745,587
2017	2,238,200	373,831	1,561,800	260,857	3,800,000	634,688
2018-2021	8,449,205	660,413	5,895,795	460,831	14,345,000	1,121,244
	\$18,971,690	\$3,160,167	\$13,238,310	\$2,208,163	\$32,210,000	\$5,368,330

2003 Stormwater Revenue Bonds

These bonds refinanced debt previously issued to fund improvements to the City's stormwater system including a stormwater drainage collection system and pump system. These improvements were constructed in conjunction with a major downtown redevelopment project. Stormwater revenues are pledged against this debt which matures in 2012. The bonds were paid off on October 1, 2011, freeing about \$450,000 per year to use for improvements to the system.

The City's outstanding proprietary debt at September 30, 2012 is:

OUTSTANDING PROPRIETARY BONDS			
	Year of Maturity	Original Issue	Outstanding
2012 Utility Revenue Bonds – varies 2.0-4.0%	2020	\$37,285,000	\$32,210,000
Total Proprietary Bonds			<u><u>\$32,210,000</u></u>

Debt service requirements to maturity on all of the City's bonds at September 30, 2012 are as follows:

DEBT SERVICE REQUIREMENTS TO MATURITY						
	Governmental		Proprietary		TOTAL	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$2,243,579	\$231,527	\$3,370,000	\$1,029,287	\$5,613,579	\$1,260,814
2014	1,865,465	164,071	3,460,000	966,587	5,325,465	1,130,658
2015	1,545,799	114,652	3,555,000	870,937	5,100,799	985,589
2016	1,581,881	73,624	3,680,000	745,587	5,261,881	819,211
2017	955,000	37,804	3,800,000	634,688	4,755,000	672,492
2018-2021	1,470,000	298,248	14,345,000	1,121,244	15,815,000	1,419,492
	\$9,661,724	\$919,926	\$32,210,000	\$5,368,330	\$41,871,724	\$6,288,258

Budgeted debt service for the current and next budget years is:

Summary of Budgeted Debt Payments	Principal	Interest & Other	FY2013 Total	% of total	Current Year Budget	Incr / (Decr)	% change
Sales Surtax (Better Jax Beach)	875,000	105,993	980,993	14.3%	1,068,218	(87,225)	-8.2%
DT Redevelopment	611,795	21,744	633,539	9.2%	979,205	(345,666)	-35.3%
SE Redevelopment	756,785	103,790	860,575	12.5%	864,726	(4,151)	-0.5%
TOTAL GOVERNMENTAL	2,243,580	231,527	2,475,107	36.0%	2,912,149	(437,042)	-15.0%
Electric	1,984,930	604,470	2,589,400	37.7%	2,638,671	(49,271)	-1.9%
Water & Sewer	1,385,070	424,817	1,809,887	26.3%	1,844,267	(34,380)	-1.9%
Stormwater	0	0	0	0.0%	462,711	(462,711)	-100.0%
TOTAL PROPRIETARY	3,370,000	1,029,287	4,399,287	64.0%	4,945,649	(546,362)	-11.0%
TOTAL DEBT SERVICE	5,613,580	1,260,814	6,874,394	100.0%	7,857,798	(983,404)	-12.5%

Transfers to/from Other Funds

Transfers are used to 1) move revenues from the fund with collection authorization to the debt service fund as debt service principal and interest payments become due, 2) move restricted amounts related to debt in order to establish mandatory reserve accounts, 3) move unrestricted general fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs or 4) move restricted special revenues to the fund from which the related expenditures will be paid.

Schedule of Transfers In and Transfers Out-FY2013 From:	To:				Total
	General Fund	Infrastructure Surtax Debt Svc.	General Capital Projects	Water & Sewer	
General Fund Deposits to reserves for fire truck replacement and street maintenance heavy equipment replacement			\$171,200		\$171,200
Convention Development Funding for special events and partial funding for maintenance of the Community Center	\$90,000				\$90,000
Local Option Gas Tax Partial funding for street maintenance	372,000				\$372,000
Half-cent Infrastructure Surtax Payment of principal and interest on bonds		\$971,734			\$971,734
Community Development Block Grant Funding for CAPE officer, Carver Center and utility assistance programs	136,576				\$136,576
JAG Grant Partial funding for CRT and OT for task force	78,440				\$78,440
Southend Redevelopment Partial funding for reconstruction of waste treatment plant				292,635	\$292,635
Beaches Energy Services Payment in lieu of taxes	3,272,548				\$3,272,548
Lease Facilities Funding for General Fund capital outlay	260,000		850,000		\$1,110,000
	\$4,209,564	\$971,734	\$1,021,200	\$292,635	\$6,495,133

Capital Improvement Plan: FY2013-2017

The Capital Improvement Plan (CIP) is a tentative, five-year outline of capital needs matched to the most likely funding source. It contains the requests of all departments for purchases of land, buildings, improvements, equipment and vehicles that are expected to cost at least \$25,000. In some cases, non-capital items are included in the CIP when the amount of the dollars requested are significant (greater than \$100,000), or are for major on-going programs (such as street resurfacing and sidewalk repair). The CIP includes five years of estimates as of the time the plan is adopted. This plan is revised on an annual basis to reflect the changing needs and resources of the City.

The benefits of having a five-year plan include:

- Advance identification of capital needs in order to arrange funding
- Promotion of priority setting in the decision making process
- Replacement of facilities and equipment according to an orderly plan
- Education of the City Council and the public as to upcoming capital needs

The development of the Capital Improvement Plan begins each year in late January when preliminary 5-year budget projections are prepared. Departments use the budget projections to determine the timing and affordability of projects in their 5-year capital improvement requests. In March, capital improvement requests are reviewed with each department by the City Manager. Budget projections are then revised to incorporate projects approved through this process and the projects are incorporated into each department's annual budget request.

Significant projects are discussed on the annual budget tour in late July / early August and the plan is included in the proposed budget considered for adoption by the City Council. The City's Capital Projects Team, consisting of the City Manager, Public Works Director, Planning & Development Director, Parks & Recreation Director, Finance Officer, City Engineer and Budget Officer meet monthly to monitor the progress of each ongoing project, identify possible future projects, and to resolve early any problems that may arise.

Capital Improvement Plan: FY2013-2017

When considering items for inclusion into the Capital Improvement Program, requested purchases are prioritized after answering the following questions:

1. Will it be needed to protect public health and safety, fulfill legal obligations, provide facilities and services, or achieve full use of existing facilities?
2. Will it increase efficiency of use of existing facilities, prevent or reduce the need for future capital outlay or promote development?
3. Will the project be necessary to maintain the current level of service or to aid in the implementation of any other policy set forth in the Comprehensive Plan?
4. Is the cost of the purchase reasonable in light of the questions above and will adequate funding be available at the time of purchase?

The following schedules are configured to show the annual and total costs of projects and the cost of capital items that have been identified for purchase in future years. Expenditures are summarized by department and descriptions of projects or purchases included in the plan follow each departmental summary. Although projects listed have a currently identified funding source, over the passage of time, the nature, amount and source of funding may change. Items on the listing of unfunded projects shown on page 61 are referenced to the relevant page in each department's CIP.

Summary by Department	Page 3
Beaches Energy Services	Page 4
Finance	Page 26
Police & Fire	Page 38
Parks & Recreation	Page 43
Public Works	Page 47

Capital Improvement Plan: FY2013-2017

CIP Summary, All Departments						
Funding Sources:	2013	2014	2015	2016	2017	Total
Beaches Energy Services Operating Revenues	5,787,000	5,225,000	4,395,000	4,705,000	3,420,000	23,532,000
Convention Development Fund	95,000	0	0	0	0	95,000
Downtown Tax Increment Fund	0	0	0	0	0	0
General Capital Projects Fund	365,000	911,332	225,000	571,000	205,000	2,277,332
General Fund Operating Revenues	125,000	202,000	175,000	205,000	150,000	857,000
Golf Course Fund	29,000	0	0	0	0	29,000
Grants	485,000	0	0	0	0	485,000
Grounds Maintenance Internal Service Charges	0	35,000	0	0	0	35,000
1/2 Cent Infrastructure Surtax	0	0	0	0	0	0
1/2 Cent Infrastructure Surtax Bond Proceeds	960,000	0	0	0	0	960,000
Information Systems Capital Projects Reserve	0	134,455	0	50,000	0	184,455
Lease Facilities Reserve	0	0	0	0	0	0
Local Option Gas Tax Revenues	400,000	360,000	360,000	360,000	0	1,480,000
Meter Services Internal Service Fund	40,000	20,000	40,000	40,000	20,000	160,000
Natural Gas Fund	100,000	100,000	100,000	100,000	100,000	500,000
Radio Communications Fund	45,000	30,000	30,000	0	0	105,000
Sanitation Fund	0	200,000	0	0	0	200,000
Southend Tax Increment Fund	2,292,635	0	0	0	0	2,292,635
Stormwater Operating Revenues	763,250	672,225	717,225	555,000	200,000	2,907,700
Utility Billing Capital Projects Reserve	0	133,035	0	0	0	133,035
Water & Sewer Utility Operating Revenues	5,411,298	2,656,925	2,150,794	5,472,955	506,000	16,197,972
Total CIP Funding Sources - All Departments	\$16,898,183	\$10,679,972	\$8,193,019	\$12,058,955	\$4,601,000	\$52,431,129

Capital Improvement Plan: FY2013-2017

Beaches Energy Services							
Funding Sources:							
	2013	2014	2015	2016	2017	Total	
Beaches Energy Services Operating Revenues	\$5,787,000	\$5,225,000	\$4,395,000	\$4,705,000	\$3,420,000	\$23,532,000	
Convention Development Fund	\$95,000					95,000	
Meter Division-Internal Service Charges	40,000	20,000	40,000	40,000	20,000	160,000	
Natural Gas Fund	100,000	100,000	100,000	100,000	100,000	500,000	
Total CIP Funding Sources	\$6,022,000	\$5,345,000	\$4,535,000	\$4,845,000	\$3,540,000	\$24,287,000	
Expenses:							
	Fund						
Administration							
Sports Field Lights	410	\$200,000				\$200,000	
Sports Field Lights, Seabreeze	130	\$95,000				\$95,000	
Emission Reduction Equipment for City Distributed Generation	410	\$100,000				\$100,000	
		<u>\$395,000</u>	\$0	\$0	\$0	<u>\$395,000</u>	
Engineering:							
Vehicle Replacement Program	410	0	0	0	20,000	20,000	
Work Order Interface for CIS System	410		170,000			170,000	
		<u>0</u>	<u>170,000</u>	<u>0</u>	<u>20,000</u>	<u>190,000</u>	
Relay / Substations:							
Vehicle Replacement Program	410	0	0	0	90,000	90,000	
Substation 27kV Breaker Upgrades	410				300,000	300,000	
		<u>0</u>	<u>0</u>	<u>0</u>	<u>390,000</u>	<u>390,000</u>	
Construction & Maintenance:							
Vehicle Replacement Program	410	35,000	250,000	170,000	205,000	160,000	820,000
High Voltage Cable Fault Locator	410	25,000				25,000	
Radio Upgrade Replacement	410	87,000				87,000	
		<u>147,000</u>	<u>250,000</u>	<u>170,000</u>	<u>205,000</u>	<u>160,000</u>	<u>932,000</u>
Electric Capital Projects:							
Infrastructure to Support System Growth	410	1,350,000	1,350,000	1,250,000	1,250,000	1,250,000	6,450,000
Major Replacement Projects	410	3,580,000	2,900,000	2,300,000	2,550,000	1,300,000	12,630,000
		<u>4,930,000</u>	<u>4,250,000</u>	<u>3,550,000</u>	<u>3,800,000</u>	<u>2,550,000</u>	<u>19,080,000</u>
System Operations:							
Electric System Backup Control Center	410	100,000	100,000	100,000	100,000	100,000	500,000
DASmap	410		80,000	155,000			235,000
		<u>100,000</u>	<u>180,000</u>	<u>255,000</u>	<u>100,000</u>	<u>100,000</u>	<u>735,000</u>
Transmission:							
Substation 138kV Circuit Breaker Upgrades	410	250,000	300,000	300,000			850,000
Cyber Security	410		75,000	100,000	100,000	100,000	375,000
Substation 230 kV Circuit Breaker Upgrades	410				500,000		500,000
Existing 138 kV Line Relay Upgrade	410					100,000	100,000
		<u>250,000</u>	<u>375,000</u>	<u>400,000</u>	<u>600,000</u>	<u>200,000</u>	<u>1,825,000</u>
Conservation:							
Vehicle Replacement Program	410	0	0	20,000	0	0	20,000
Storeroom							
Gasoline and Diesel Fueling System	410	60,000					60,000
Total CIP - Electric		<u>5,882,000</u>	<u>5,225,000</u>	<u>4,395,000</u>	<u>4,705,000</u>	<u>3,420,000</u>	<u>23,627,000</u>
Natural Gas Fund:							
Natural Gas Distribution System	411	100,000	100,000	100,000	100,000	100,000	500,000
Meter Division Internal Service Fund:							
Vehicle Replacement Program	541	40,000	20,000	40,000	40,000	20,000	160,000
Total CIP - Beaches Energy Services		<u>\$6,022,000</u>	<u>\$5,345,000</u>	<u>\$4,535,000</u>	<u>\$4,845,000</u>	<u>\$3,540,000</u>	<u>\$24,287,000</u>

Capital Improvement Plan: FY2013-2017

Project Title: Vehicle Replacement Program

Department/Division: Beaches Energy Services / All Divisions

Project Description and Reason Necessary: This is a program to replace vehicles due to annual operating expense, age, and condition.

Funding Source: Beaches Energy Services Operating Revenues

<u>Division (FY Replacement)</u>	<u>Truck#</u>	<u>Model Year</u>	<u>Description</u>	<u>Mileage/ hours 1/15/12</u>	<u>Estimated Replacement Cost</u>
C&M (2013)	238	2003	Utility One Ton Truck	94,931	\$35,000
Meter (2013)	261	2001	Pickup	105,950	\$20,000
Meter (2013)	285	2002	Pickup	101,916	\$20,000
C&M (2014)	218	2002	Aerial Bucket Truck 4x4	55,069 /6,737	\$160,000
C&M (2014)	212	2005	Utility One Ton Truck	92,517	\$35,000
C&M (2014)	214	2003	Utility One Ton Truck	82,021	\$35,000
C&M (2014)	284	2008	Pickup	91,660	\$20,000
Meter (2014)	293	2001	Pickup	76,457	\$20,000
Conservation (2015)	208	2000	Pickup	50,730	\$20,000
C&M (2015)	254	2003	Digger Derrick Truck	45,428/ 7,075	\$170,000
Meter (2015)	294	2001	Pickup	67,948	\$20,000
Meter (2015)	295	2001	Pickup	68,081	\$20,000
C&M (2016)	237	2003	Aerial Bucket Truck 4x4	63,146 /5,771	\$160,000
C&M (2016)	219	2005	Pickup	76,177	\$20,000
C&M (2016)	205	2005	Pickup 4x4	69,098	\$25,000
Meter (2016)	247	2004	Pickup	70,405	\$20,000
Meter (2016)	287	2002	Pickup	59,945	\$20,000
Engineering (2017)	220	2002	Pickup	47,947	\$20,000
C&M (2017)	223	2006	Aerial Bucket Truck 4x4	32,818 6,235/	\$160,000

Capital Improvement Plan: FY2013-2017

Relay (2017)	217	2006	Van	45,546	\$20,000
Relay (2017)	271	2004	Utility Truck	51,639	\$35,000
Relay (2017)	291	2005	Utility Truck	48,268	\$35,000
Meter (2017)	280	2007	Pickup	64,907	\$20,000
TOTAL					\$ 1,110,000

Vehicle Replacement Summary:

	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Engineering					\$20,000	\$20,000
Relay					\$90,000	\$90,000
Construction & Maintenance	\$35,000	\$250,000	\$170,000	\$205,000	\$160,000	\$820,000
Conservation			\$20,000			\$20,000
Total Electric Fund	\$35,000	\$250,000	\$190,000	\$205,000	\$270,000	\$950,000
Total Meter Fund	\$40,000	\$20,000	\$40,000	\$40,000	\$20,000	\$160,000
TOTAL	\$75,000	\$270,000	\$230,000	\$245,000	\$290,000	\$1,110,000

Capital Improvement Plan: FY2013-2017

Project Title: Sports Field Lights

Department/Division: Beaches Energy Services / Administration

Project Description and Reason Necessary: The City has eleven sports fields that are lighted for nighttime play and six tennis courts. Many of these lights, fixtures, and controls were installed and purchased fifteen to twenty years ago. This project will replace light fixtures, with new fixtures that are more energy efficient. The fields will be mapped and then using computer technology the total number of fixture required will be determined. This process may also help to reduce energy usage by reducing the number of fixtures. The survey and mapping of the fields to determine the light levels also helps provide a safe playing field by providing a uniform light coverage.

This project began in FY 2012 with the remaining estimated cost of replacing the lights and fixtures to be \$295,000, with funding by Beaches Energy (\$200,000) and the Convention Development Fund (\$95,000).

Funding Source: Beaches Energy Services Operating Revenues; Convention Development Fund (Seabreeze lights)

	FY2013	FY2014	FY2015	FY2015	FY2016	Total
Lights and Poles	\$200,000					\$200,000
Lights and Poles – Seabreeze field	\$95,000					\$95,000
TOTAL	\$295,000					\$295,000

Future Operating Budget Impact: Parks and Recreation

Electric bills for these facilities from August 2007 through July 2008 totaled \$57,189. The combined replacement of controls, fixtures and lights is estimated to reduce electric bills by as much as 15 to 25 percent per year (\$8,579 to \$14,297).

The additional costs to replace the existing poles with new taller poles would add to the project costs. The advantage of the new taller poles is that there is a reduction of fixtures by having a more precise aiming of each fixture to an exact location on the field. This reduces overlap and spillage (light going outside the field). However, use of existing concrete poles and wiring provides an initial capital saving. The new fixtures and accurate aiming using the existing poles will provide energy saving.

Capital Improvement Plan: FY2013-2017

Project Title: Emission Reduction Equipment for City Distributed Generation

Department/Division: Beaches Energy Services / Administration

Project Description and Reason Necessary:

Install emission reduction equipment on four existing City generators used for distributed generation for peak demand load reduction in order to comply with Federal Regulatory Standard, “National Emissions Standard for Hazardous Air Pollutants (NESHAP) 40 CFR Part 63-zzzz,” that will be effective on May 1, 2013.

Annual expenses include bi-yearly emissions system maintenance services and remote 24/7 emissions monitoring services.

Funding Source: Beaches Energy Services Operating Revenues

	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Equipment	\$100,000					\$100,000

Future Operating Budget Impact:

	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Maintenance and Monitoring Services	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$50,000

Capital Improvement Plan: FY2013-2017

Project Title: Work Order Interface with GIS System

Department/Division: Beaches Energy Services / Engineering

Project Description and Reason Necessary: Miner & Miner Designer software is a component that will link the utility side of the GIS system to the HTE Work Order application. This software will allow the utility to use the HTE software to its fullest potential as a front end to it in a graphical form. It will eliminate the need to double enter data, providing better data entry accuracy, as well as considerable time savings. The Designer software application will allow a user in the GIS system to enter a work order request with the appropriate data which will interface with the HTE system and create a work order and populate it with the data from the Designer system. The HTE work order system is already interfaced with payroll and purchasing/inventory applications, providing them with relevant data. Similarly, an HTE work Order would feed data to the GIS system through the interface with the Designer system. Data interface would be bidirectional via the Designer application. This will be a coordinated effort with the IT Department managing the project.

Funding Source: Beaches Energy Services Operating Revenues

	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Configuration and Implementation		\$170,000				\$170,000

Future Operating Budget Impact: Technology

	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Maintenance Costs		\$8,000	\$8,000	\$8,000	\$8,000	\$32,000

Capital Improvement Plan: FY2013-2017

Project Title: Substation 27 kV Breaker Upgrades

Department/Division: Beaches Energy Services /Relay

Project Description and Reason Necessary:

Replace six (6) 27 kV circuit breakers at Ft. Diego Substation. Circuit breakers are required to provide system protection at the distribution circuit level. The existing six (6) 27 kV circuit breakers at Ft. Diego Substation are SF6 breakers that require a special interrupter located inside these units. The interrupter is no longer produced or rebuilt by the manufacturer. Beaches Energy Services currently has three (3) spare interrupters in inventory for replacement until the breakers can be replaced. The existing six (6) breakers at Ft. Diego are over 20 years old and will be replaced with vacuum breakers.

Funding Source: Beaches Energy Services Operating Revenues

Cost Item	FY2013	FY2014	FY2015	FY2016	FY2017	TOTAL
26kV Circuit Breakers					\$300,000	\$300,000

Capital Improvement Plan: FY2013-2017

Project Title: High Voltage Cable Fault Locator

Department/Division: Beaches Energy Services /Construction and Maintenance

Project Description and Reason Necessary:

Purchase a high voltage cable fault locator for use in long primary under-ground feeders with a voltage adjustment of 12.5 kV to 25 kV and an audible thump to pin point the line location. The existing fault locator is primarily for lower voltage from 8 kV to 16 kV and shorter distances. The electric system is approximately 70% underground and an additional “thumper” is necessary for coverage of the service area.

Funding Source: Beaches Energy Services Operating Revenues

Cost Item	FY2013	FY2014	FY2015	FY2016	FY2017	TOTAL
High Voltage Locator	\$25,000					\$25,000

Capital Improvement Plan: FY2013-2017

Project Title: Radio Upgrade Replacement

Department/Division: Beaches Energy Services/Construction and Maintenance

Project Description and Reason Necessary: The City is upgrading its 800 MHz Motorola radio system to a Digital/P-25 system for interoperability and improved service. Beaches Energy Services is currently using 81 radios with 40 radios already on the new P-25 system. There are 41 radios on the old analog system that will no longer be serviceable once the analog system is phased out. Beaches Energy Service is requesting to replace 25 radios for \$87,000 in FY2013 reducing the total number of radios to 65.

Funding Source: Beaches Energy Services Operating Revenues

	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Radios	\$87,000					\$87,000

Capital Improvement Plan: FY2013-2017

Project Title: Infrastructure to Support System Growth

Department/Division: Beaches Energy Services / Capital Improvements

Project Description and Reason Necessary:

Transformers: Transformers necessary for expansions or upgrades to facilities.

Streetlights (New and replacement materials): As of September 30, 2011 there were 5,385 rental and public streetlights located in Jacksonville Beach, Neptune Beach, Ponte Vedra Beach, and the Municipal Service District. Public streetlights total 2,043 and rental streetlights total 3,342.

Residential and Commercial Improvements: Materials for the installation of new or upgraded residential or commercial improvements.

Electric Meters: (New and replacement): Meters for residential and commercial customers.

Trouble Call and Miscellaneous: Materials such as wire, cable, poles, switchgear, enclosures, etc. necessary for the replacement of failed equipment or small capital improvements.

Funding Source: Beaches Energy Services Operating Revenues

Cost Item	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Transformers	\$700,000	\$700,000	\$700,000	\$700,000	\$700,000	\$3,500,000
Streetlights	\$350,000	\$350,000	\$250,000	\$250,000	\$250,000	\$1,450,000
Residential and Commercial Improvements	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000
Electric Meters	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000
Trouble Calls and Miscellaneous	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$750,000
Total	\$1,350,000	\$1,350,000	\$1,250,000	\$1,250,000	\$1,250,000	\$6,450,000

Capital Improvement Plan: FY2013-2017

Project Title: Major Replacement Projects

Department/Division: Beaches Energy Services / Capital Improvements

Project Description and Reason Necessary: In order to provide reliable service to our customers, the Department annually assesses its capacity to sustain increased load requirements. The Department strives to maintain and upgrade its substations, transmission facilities, and distribution facilities.

Funding Source: Beaches Energy Services Operating Revenues

2013

Overhead Line Rebuild Palm Valley Road (St. Johns County) - \$500,000: Replace existing 26kV wood pole line with a 26kV concrete pole line. This project is part of a storm hardening plan to install all overhead distribution feeders on concrete poles and will rebuild 8,800 feet from Landrum Lane to A1A.

Overhead Line Rebuild A1A (St. Johns County) - \$700,000 in FY 2013 and \$400,000 in FY 2014: Replace existing 26kV wood pole line with a 26kV concrete pole line. This project is part of a storm hardening plan to install all overhead distribution feeders on concrete poles.

FY 2013 will rebuild 15,000 feet from Solana Road to Palm Valley Road.

FY 2014 will rebuild 9,000 feet from Palm Valley Road to Cornerstone Park.

Sawgrass Feeder Rebuild (St. Johns County) - \$480,000: Rebuild the north underground feeder in Sawgrass. New switchgear and cable will be installed so all laterals are fuse protected.

Underground Feeder Circuit 528 (St. John's County) - \$1,000,000 in FY 2013, \$500,000 in FY 2014: Build a new 26kV underground feeder from Guana Substation to Micklers Road. New 1000 kcm primary cable conduit, switchgear, and manholes will be installed. This project will serve a significant portion of Ponte Vedra Boulevard with a direct underground feeder from the Guana substation. These customers will see increased reliability. This feeder will also free capacity from heavily loaded circuit 512 out of Ft. Diego Substation.

2014

Overhead Line Rebuild Landrum Lane (St. Johns County) - \$150,000: Replace existing 4,000 feet of 26kV wood pole line with a 26kV concrete pole line. This project is part of a storm hardening plan to install all overhead distribution feeders on concrete poles.

Underground Cable Upgrade 2nd Street North (Jacksonville Beach) - \$300,000: Replace existing 350 KCM 26kV cable on 2nd Street North between 5th Avenue North and 17th Avenue

Capital Improvement Plan: FY2013-2017

North. This cable was installed in 1982, and has reached the end of its useful service life.

Overhead Line Rebuild Solona Road (St. Johns County) - \$250,000: Replace existing 2,600 feet of 26kV wood pole line with a 26kV concrete pole line from A1A to the transmission line easement. This project is part of a storm hardening plan to install all overhead distribution feeders on concrete poles.

Underground Upgrade Ocean Forest (Jacksonville Beach) - \$250,000: Install new underground conduit and 26kV cable to create loop feeds. This project will increase reliability.

Underground Feeder Upgrade Odoms Mill (St. John's County) - \$150,000: Upgrade the underground feeder in Odoms Mill subdivision. All direct connect taps will be removed from the main underground feeder and rerouted behind protective devices.

2015

Overhead Line Rebuild Jacksonville Drive (Jacksonville Beach) - \$300,000: Replace existing 4,000 feet of 26kV wood pole line with a 26kV concrete pole line. This project is part of a storm hardening plan to install all overhead distribution feeders on concrete poles.

Overhead Line Rebuild 15th Street South (Jacksonville Beach) - \$800,000: Replace existing 11,000 feet of 26kV wood pole line with a 26kV concrete pole line. This line runs on 15th Street South and Fairway lane from Beach Blvd to Sanctuary Boulevard. This project is part of a storm hardening plan to install all overhead distribution feeders on concrete poles.

Underground Feeder Upgrade Plantation (St. Johns County) - \$300,000: Upgrade the underground feeder in Plantation subdivision. All direct connect taps will be removed from the main underground feeder and rerouted behind protective devices.

2016

Underground Feeder Upgrade Marsh Landing (St. Johns County) - \$500,000: Upgrade the underground feeder Marsh Landing. All direct connect taps will be removed from the main underground feeder and rerouted behind protective devices.

Underground Conversion Golf Course (Jacksonville Beach) - \$200,000: Convert the existing overhead feeder starting at the Jacksonville Beach Substation, across the Jacksonville Beach Golf Course, and ending at 15th Street South into an underground feeder. This project will install new conduit, cable, manholes and switchgear.

Overhead Line Rebuild Isabella Drive (Jacksonville Beach) - \$150,000: Replace existing 2,800 feet of 26kV wood pole line with a 26kV concrete pole line. This line runs on Isabella Drive from

Capital Improvement Plan: FY2013-2017

Osceola Avenue to Jacksonville Drive. This project is part of a storm hardening plan to install all overhead distribution feeders on concrete poles.

Overhead Line Rebuild 10th Avenue S (Jacksonville Beach) - \$100,000: Replace existing 1,800 feet of 26kV wood pole line with a 26kV concrete pole line. This line runs on 10th Avenue South from 4th Street to 9th Street. This project is part of a storm hardening plan to install all overhead distribution feeders on concrete poles.

Underground Upgrade Seaside (St. Johns County) - \$200,000: Install new 1/0 primary cable and completing loop feeds in Seaside subdivision.

Overhead Line Rebuild 19th and 20th St. N. (Jacksonville Beach) - \$500,000: Replace existing 7,600 feet of 26kV wood pole line with a 26kV concrete pole line. This line runs on 19th Street North, 20th Street North, Pinewood Road, and Oakwood Road from 2nd Avenue North to Lakeside Drive. This project is part of a storm hardening plan to install all overhead distribution feeders on concrete poles.

2017

Overhead Line Rebuild (Roscoe Blvd.) - \$400,000 in FY 2017 and \$650,000 in FY 2018: Replace existing 26kV wood pole line with a 26kV concrete pole line. This project is part of a storm hardening plan to install all overhead distribution feeders on concrete poles.

FY 2017 will rebuild 7,000 feet from Marsh Landing to Ft Diego Substation.

FY 2018 will rebuild 12,000 feet from Ft Diego Substation to Landrum Lane.

Annual Projects

2013/2014/2015/2016/2017 Switch Gear Replacement - \$400,000 each year: Replace existing “live front” or SF6 padmounted switchgear at various locations throughout system with oil filled Vacuum Fault Interrupters (VFI). This project will create uniformity of all switchgear on the distribution system and eliminate the remaining “live front” terminals on the underground system. VFI units have more programming capabilities than fuses and will coordinate better with other protective devices increasing system reliability. The new “dead front” switchgear is safer to operate than the “live front” units.

2013/2014/2015/2016/2017 – Underground Cable Replacement \$250,000 each year -: Replace existing 26kV primary cable that has reached the end of service life. An underground circuit assessment has identified the age and condition of all primary cable. The cable is prioritized and will be changed out proactively prior to failure. This will increase the overall reliability of the electric system.

Capital Improvement Plan: FY2013-2017

2013/2014/2015/2016/2017 -Unplanned Projects-\$250,000 in FY 2013-2014 and \$250,000 in FY 2015-2017: This budget provides the Department with the flexibility to address unscheduled major repair and replacement projects that arise each year.

Infrastructure to Support System Growth – Transformers, streetlights, residential and commercial improvements, electric meters, trouble call and miscellaneous. See page 13.

	FY-2013	FY-2014	FY-2015	FY-2016	FY-2017	TOTAL
Overhead Line Rebuild (Palm Valley Rd.)	500,000					500,000
Overhead Line Rebuild (A1A - SJC)	700,000	400,000				1,100,000
Sawgrass Feeder Rebuild	480,000					480,000
Underground Feeder (Circuit 528 – SJC)	1,000,000	500,000				1,500,000
Overhead Line Rebuild (Landrum Ln)		150,000				150,000
Underground Cable Upgrade (2 nd St. North)		300,000				300,000
Overhead Line Rebuild (Solona Rd)		250,000				250,000
Underground Upgrade (Ocean Forest)		250,000				250,000
Underground Feeder Upgrade - Odom's Mill		150,000				150,000
Overhead Line Rebuild (Jacksonville Dr.)			300,000			300,000
Overhead Line Rebuild (15 th Street S.)			800,000			800,000
Underground Feeder Upgrade - Plantation			300,000			300,000
Underground Feeder Upgrade - Marsh Landing				500,000		500,000
Underground Conversion (JB Golf Course)				200,000		200,000
Overhead Line Rebuild (Isabella Dr.)				150,000		150,000
Overhead Line Rebuild (10 th Ave. S.)				100,000		100,000
Underground Upgrade (Seaside - SJC)				200,000		200,000
Overhead Line Rebuild (19 th and 20 th St. N)				500,000		500,000
Overhead Line Rebuild (Roscoe Blvd.)					400,000	400,000
Switchgear Replacement	400,000	400,000	400,000	400,000	400,000	2,000,000
Underground Assessment - Cable Replacement	250,000	250,000	250,000	250,000	250,000	1,250,000
Unplanned Projects	250,000	250,000	250,000	250,000	250,000	1,250,000
Major Replacement Projects	3,580,000	2,900,000	2,300,000	2,550,000	1,300,000	12,630,000
Infrastructure to Support System Growth (p. 207)	1,350,000	1,350,000	1,250,000	1,250,000	1,250,000	6,450,000
Total	4,930,000	4,250,000	3,550,000	3,800,000	2,550,000	19,080,000

Capital Improvement Plan: FY2013-2017

Project Title: Electric System Backup Control Center

Department/Division: Beaches Energy Services / System Operations

Project Description and Reason Necessary:

The North American Electric Reliability Corporation (NERC) Standard EOP-008-1, “Plans for Loss of Control Center Functionality” effective date of July 1, 2013, requires a redundant Supervisory Control and Data Acquisition (SCADA) System to be available at a different geographic location if some occurrence renders the existing Electric System Operations Control Center inoperable. Elements required to support a backup functionality include at a minimum: SCADA tools and applications to ensure the System Operators have situational awareness of the bulk electric system (BES); data communications; voice communications; generator power sources; and physical and cyber security.

The Florida Municipal Power Agency (FMPA) is currently working on an assessment of the needs of the All-Requirements Project utilities and the possibility of contracting a mutual agreement between these utilities to provide backup control center functions for each other.

Funding Source: Beaches Energy Services Operating Revenues

Cost Item	FY2013	FY2014	FY2015	FY2016	FY2017	TOTAL
Back-Up Control Center	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000

Capital Improvement Plan: FY2013-2017

Project Title: DASmap and Outage Management System

Department/Division: Beaches Energy Services / System Operations

Project Description and Reason Necessary:

DASmap draws feeder maps from the GIS System and incorporates them into the existing SCADA system allowing for a true graphical representation of the Beaches Energy Services electrical system network. This allows for improved safety and protection for the crews when switching is requested from the field with more exact tagging of the circuit in question and will improve response to restoring electric service during outages.

Outage Management System (OMS) interfaces with the Customer Information System downloading customer data initiated from a trouble call by displaying customer specific information on the DASmap. The OMS also tracks customer's outage time, documents the problem, and provides reliability statistics that can be analyzed by engineering to develop measures that will benefit improvements in the delivery of services.

Funding Source: Beaches Energy Services Operating Revenues

Cost Item	FY2013	FY2014	FY2015	FY2016	FY2017	Total
DASmap		\$80,000				\$80,000
OMS			\$155,000			\$155,000
Total	\$0	\$80,000	\$155,000	\$0	\$0	\$235,000

Future Operating Budget Impact:

	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Annual Support Maintenance	\$0	\$0	\$2,000	\$10,000	\$10,000	\$22,000

Capital Improvement Plan: FY2013-2017

Project Title: Substation 138 kV Circuit Breaker Upgrades

Department/Division: Beaches Energy Services / Transmission

Project Description and Reason Necessary:

There are eleven (11) 138kV transmission line oil circuit breakers that are approximately 30 years old at the following substations that need to be upgraded to gas circuit breakers: three (3) at Sampson Substation, four (4) at Ft. Diego Substation, and four (4) at Jacksonville Beach Substation. These circuit breakers are used on the transmission system for line protection and replacement parts are no longer manufactured.

Funding Source: Beaches Energy Services Operating Revenues

Cost Item	FY2013	FY2014	FY2015	FY2016	FY2017	TOTAL
Eleven 138kV Circuit Breakers	\$250,000	\$300,000	\$300,000			\$850,000

Capital Improvement Plan: FY2013-2017

Project Title: Cyber Security

Department/Division: Beaches Energy Services /Transmission

Project Description and Reason Necessary:

North American Electric Reliability Corporation (NERC) Standards CIP 002 through CIP 011 “Cyber Security” are expected to become effective starting in 2015 and require additional security measures for critical assets including control centers and substations. Florida Municipal Power Agency (FMPA) is currently working on an assessment of the critical elements necessary to meet these requirements such as a “high tech” locks with impossible to difficult to copy keys, a “card reader” security access to substations control room doors and control center doors along with data recording, logging, and associated security systems with an electronic security perimeter in and around the substation properties.

Funding Source: Beaches Energy Services Operating Revenues

Cost Item	FY2013	FY2014	FY2015	FY2016	FY2017	TOTAL
Cyber Security		\$75,000	\$100,000	\$100,000	\$100,000	\$375,000

Future Operating Budget Impact:

	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Maintenance Costs			\$4,000	\$4,000	\$4,000	\$12,000

Capital Improvement Plan: FY2013-2017

Project Title: Substation 230 kV Circuit Breaker Upgrades

Department/Division: Beaches Energy Services / Transmission

Project Description and Reason Necessary:

There are four (4) 230kV transmission line oil circuit breakers located at Sampson Substation that are approximately 30 years old and need to be upgraded to gas circuit breakers. These circuit breakers are used on the transmission system for line protection and parts are no longer manufactured for them. Should a catastrophic failure occur, they could create an environmental spill concern.

Funding Source: Beaches Energy Services Operating Revenues

Cost Item	FY2013	FY2014	FY2015	FY2016	FY2017	TOTAL
Four 230 kV Circuit Breakers				\$500,000		\$500,000

Capital Improvement Plan: FY2013-2017

Project Title: Existing 138 kV Line Relay Upgrade

Department/Division: Beaches Energy Services/ Transmission

Project Description and Reason Necessary: In FY 2017 the existing transmission line relays will be approximately 25 years old, outdated and require upgrading to support modern technology. Four relays with associated wave traps for the bus are budgeted in FY 2017 for circuit 805 from Sampson to Ft. Diego substations.

Funding Source: Beaches Energy Services Operating Revenues

Cost Item	FY2013	FY2014	FY2015	FY2016	FY2017	TOTAL
138 kV Line Relay					\$100,000	\$100,000

Capital Improvement Plan: FY2013-2017

Project Title: Gasoline and Diesel Fueling System

Department/Division: Beaches Energy Services/Storeroom

Project Description and Reason Necessary:

The current two gasoline twin pumps and one diesel twin pump were relocated from the old city yard to their present location in 1995 and are over 30 years old. In addition to the pumps, the gas system includes a key card reader and a tank monitoring device with probes that are 17 years old. This system is requiring continued repairs and weekly manual measurement of the tanks to insure correct readings. The tank monitoring system that reads the level of gas, the key card reader with software, and the three twin pumps need to be replaced.

Funding Source: Beaches Energy Services Revenues

Cost Item	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Fueling System	\$60,000					\$60,000

Capital Improvement Plan: FY2013-2017

Project Title: Natural Gas Distribution System

Department/Division: Beaches Energy Services/ Natural Gas

Project Description and Reason Necessary:

The infrastructure for the natural gas distribution system's growth may include service lines, main extensions, meter sets, and conversions of equipment if determined feasible.

Funding Source: Beaches Energy Services Revenues

Cost Item	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Capital Improvements	\$ 100,000	\$100,000	\$ 100,000	\$100,000	\$100,000	\$500,000

Capital Improvement Plan: FY2013-2017

Finance Department

Funding Sources:		2013	2014	2015	2016	2017	Total
General Capital Projects Fund		60,000	343,630	225,000	510,000	80,000	1,218,630
Information Systems Capital Projects Reserve			134,455		50,000		184,455
Lease Facilities Fund		0	0	0	0	0	0
Utility Billing Capital Projects Reserve		0	133,035	0	0	0	133,035
Total CIP Funding Sources		\$60,000	\$611,120	\$225,000	\$560,000	\$80,000	\$1,536,120

Expenses:		Fund					
Information Systems:							
Computer Replacement Plan	315	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$300,000
Replace Blade Center	315		300,000				300,000
Replace Core Routers	315		75,000				75,000
Replace Fire Department Server	315		8,000				8,000
Replace EIS Server/SAN at Police Department	315			140,000			140,000
Replace Firewalls	315			25,000			25,000
Upgrade SunGard Applications and Server	315				450,000		450,000
Replace IBM i520 RISC Processor	315				50,000		50,000
Replace Switches	315					20,000	20,000
		60,000	443,000	225,000	560,000	80,000	1,368,000
Utility Billing:							
Replace Utility Bill Folder/Inserter	315		68,120				68,120
Remittance Processor Replacement	315		100,000				100,000
		0	168,120	0	0	0	168,120
Total CIP - Finance		\$60,000	\$611,120	\$225,000	\$560,000	\$80,000	\$1,536,120

Capital Improvement Plan: FY2013-2017

Project Title: Computer Replacement Plan

Department/Division: Finance/Information Systems

Project Description and Reason Necessary: The City's recent eGov study recommended periodic replacement of the computers throughout the city. One reason for this is to maintain currency in technology throughout the city. Another reason is to reduce repair/emergency replacement costs. By implementing a 4-year replacement plan, computers can be purchased with a 4-year warranty, ensuring none of the city computers are ever out of warranty, reducing repair costs. This also helps eliminate the need to replace computers on an emergency basis because the computer went beyond the ability to economically affect repairs.

Under a 4-year replacement plan, $\frac{1}{4}$ of the city's computers are replaced every year on a rotating basis. This benefits with budgetary planning, as we can decide during the planning process how much will need to be spent on computer replacements each fiscal year.

This plan will not produce any future operating budget impact for annual maintenance because the equipment will be purchased with a 4-year warranty.

Funding Source: Governmental Capital Projects Fund

	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Computer Replacements	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$300,000

Capital Improvement Plan: FY2013-2017

Project Title: Replace Blade Center

Department/Division: Finance/Information Systems

Project Description and Reason Necessary: Blade centers provide consolidated power and network connections to servers (blades) housed inside a chassis. The current blade center was purchased in 2009. With a 5-year life expectancy, it will need to be replaced in 2014. The blade centers houses operational servers and data, over and above what is housed on the Storage Area Network (SAN). There will be no expected future budget impacts, as the equipment will be purchased with a 5-year support agreement. The cost estimate is expected to go down once a proper solution is engineered, and negotiations are conducted.

Funding Source: Governmental Capital Projects Fund

	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Blade Center	-	\$300,000	-	-	-	\$300,000

Future Operating Budget Impact: General Capital Projects Fund IS Reserves

	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Maint. Costs-existing	\$11,712	\$11,712	-	-	-	\$23,424
Maint. Costs-new	-	-	-	-	-	-
Savings	-	-	\$11,712	\$11,712	\$11,712	\$35,136

Capital Improvement Plan: FY2013-2017

Project Title: Replace Core Routers

Department/Division: Finance/Information Systems

Project Description and Reason Necessary: Routers control the flow and volume of data traffic between intersection points (nodes). The City's primary nodes are City Hall, O&M Facility, Police Department and the outside world. The current three core routers were purchased in 2008. With a 5 to 6-year life expectancy, they will need to be replaced in 2014.

Funding Source: Governmental Capital Projects Fund

	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Unified Communication System	-	\$75,000	-	-	-	\$75,000

Future Operating Budget Impact: General Capital Projects Fund IS Reserves

	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Maint. Costs-existing	\$7,000	\$7,000	-	-	-	\$14,000-
Maint. Costs-new	-	-	\$7,100	\$7,200	\$7,300	\$21,600
Savings	\$7,000	\$7,000	\$7,100	\$7,200	\$7,300	\$35,600

Capital Improvement Plan: FY2013-2017

Project Title: Replace Server at Fire Department

Department/Division: Finance/Information Systems

Project Description and Reason Necessary: The current server at the Fire Department was purchased in 2009. The department's routinely used operational applications reside on a separate localized server housed at the Police Department in order to maintain control over the system and its applications and due to the security requirements of some of the information. With a 5-year life expectancy, it will need to be replaced in 2014. There are no current or expected future budget impacts, as the equipment is purchased with a 5-year warranty.

Funding Source: Governmental Capital Projects Fund

	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Server	-	\$8,000	-	-	-	\$8,000

Capital Improvement Plan: FY2013-2017

Project Title: Replace EIS Server/SAN at Police Department

Department/Division: Finance/Information Systems

Project Description and Reason Necessary: The current EIS Server and storage area network (SAN) were purchased in 2010. The EIS server houses the Police Department's report generating, evidence tracking and operational software. With a 5-year life expectancy, they will need to be replaced in 2015. There are no current or expected future budget impacts, as the equipment is purchased with a 5-year warranty.

Funding Source: Governmental Capital Projects Fund

	FY2013	FY2014	FY2015	FY2016	FY2017	Total
EIS Server/SAN	-	-	\$140,000	-	-	\$140,000

Capital Improvement Plan: FY2013-2017

Project Title: Replace Firewalls

Department/Division: Finance/Information Systems

Project Description and Reason Necessary: Firewalls are physical appliances containing software that protects data and data systems from outside intrusions such as viruses, hackers, and other destructive actions. The current firewalls were purchased in 2009. The current models will be considered end-of-life in 2015 and will need to be replaced/upgraded. The current/future budget impact is for LiveSecurity service, which allows us to maintain the latest security and anti-virus signatures.

Funding Source: Governmental Capital Projects Fund

	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Firewalls	-	-	\$25,000	-	-	\$25,000

Future Operating Budget Impact: General Capital Projects Fund IS Reserves

	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Maint. Costs-existing	\$5,900	\$5,900	\$5,900	-	-	\$17,700
Maint. Costs-new	-	-	-	\$5,900	\$5,900	\$11,800
Savings/year	-	-	-	-	-	-

Capital Improvement Plan: FY2013-2017

Project Title: Upgrade SunGard Applications/Servers

Department/Division: Finance/Information Systems

Project Description and Reason Necessary: This project is to migrate the SunGard applications from the IBM iSeries server to a Windows based server platform. By 2016 SunGard will have completed their project to have all their modules complete and operational, and will have deployed the new system to other customers long enough to make any corrections to their code. The move to the Windows platform will cut our annual maintenance costs by more than half.

Funding Source: Governmental Capital Projects Fund

	FY2013	FY2014	FY2015	FY2016	FY2017	Total
SunGard Applications	-	-	-	\$400,000	-	\$400,000
Servers	-	-	-	\$50,000	-	\$50,000
	-	-	-	\$450,000	-	\$450,000

Future Operating Budget Impact: General Capital Projects Fund IS Reserves

	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Maint. Costs-existing	\$100,230	\$100,750	\$101,250	-	-	-
Maint. Costs-new	-	-	-	\$48,110	\$48,500	-
Savings	-	-	-	\$53,000	\$53,000	-

Capital Improvement Plan: FY2013-2017

Project Title: Replace IBM i520 RISC Processor Replacement

Department/Division: Finance/Information Systems

Project Description and Reason Necessary: The City's current i520 processor was purchased in September of 2004. The average life span for this equipment is five years. In 2016, it will be twelve years old. This equipment runs and stores transactions from the City's operating applications such as Building Permits, Cash Receipts, Fixed Assets, General Ledger, Accounts Receivable, Business Licenses, Purchasing, Work Orders, Customer and Billing Information and Land Management.

Funding Source: Governmental Capital Projects Fund, IT reserve

	FY2013	FY2014	FY2015	FY2016	FY2017	Total
IBM i520	-	-	-	\$50,000	-	\$50,000

Future Operating Budget Impact: General Capital Projects Fund IS Reserves

	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Maint. Costs-existing	-	-	-	(\$8,500)	(\$8,500)	(\$17,000)
Maint. Costs-new	-	-	-	\$8,500	\$8,500	\$17,000
Savings/year	-	-	-	-	-	-

Capital Improvement Plan: FY2013-2017

Project Title: Replace Switches

Department/Division: Finance/Information Systems

Project Description and Reason Necessary: A switch is used to move data traffic between locations within the confines of the city network. Based on recommendations from the eGov study, seven switches throughout the city were replaced at the beginning of the 2011/2012 fiscal year. The new switches have a 10 Gbps (giga-bit per second) capacity, and replaced switches with a 1Gbps capacity. The higher capacity ensures data traffic can travel between locations in a more efficient manner, without causing bottlenecks. Switches should always have a higher capacity rating than the devices connected to them. The desktop computers are rated at a 1Gbps capacity. With an average lifespan of 5-6 years, the switches we recently purchased will need periodic replacement in 2017 to ensure the city maintains currency in technology within the network architecture structure. This purchase will not produce any future operating budget impact for annual maintenance because the equipment will be purchased with a 5-year warranty.

Funding Source: Governmental Capital Projects Fund

	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Switches	-	-	-	-	\$20,000	\$20,000

Capital Improvement Plan: FY2013-2017

Project Title: Utility Bill Folder/Inserters (Pitney Bowes DI950 Smart-Mailer Zip+4)

Department/Division: Finance/Utility Billing

Project Description and Reason Necessary: The Folder/insert machines are necessary to mail utility bills and delinquent notices, miscellaneous billings, and bulk mail from other City Departments.

The Pitney Bowes DI950 was purchased in 2008. It prints, folds and inserts utility bills, and inserts newsletters & return envelopes. Utilization of the DI950 mailer has a postal cost savings of approximately \$25,000 yearly. Based on the life expectancy for equipment of this kind the Pitney DI950 will require replacement in 2014. By then, approximately 2,000,000 bills, return envelopes, and fliers will have been folded and inserted.

The DI600 Folder/Inserter used for miscellaneous mail and back-up postal mailings was surplused January 2010 (saving \$2,300 in annual maintenance). The Pitney DI950 has been programmed to process all types of bulk mailings for the City and with the addition of the Planet Press Software and printing solution, we are now able to customize utility bills and other documents.

Funding Source: General Capital Project Fund Utility Billing Reserves

	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Pitney D1950		\$68,120				\$68,120
Total		\$68,120				\$68,120

Future Operating Budget Impact:

	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Pitney D1950 maint. agreement		\$2,442	\$2,442	\$2,442	\$2,442	\$12,210
Total/(Savings)		\$2,442	\$2,442	\$2,442	\$2,442	\$12,210

Capital Improvement Plan: FY2013-2017

Project Title: Remittance Processor Replacement

Department/Division: Finance/Utility Billing

Project Description and Reason Necessary: The remittance processor was purchased in 2006. It automates the processing of mail-in payments (approximately 400,000 checks & stubs yearly). The processor reads payment and account information from the stub, endorses the check, encodes then verifies amount of the check, sorts the stubs and checks into separate pockets, and images each document. It provides reports and imaged records on all documents. This is an essential utility billing process that helps reduce bank fees, improves accuracy and reduces labor costs. By 2014, approximately 2,000,000 documents will have been processed utilizing the present equipment.

There would be no future impact on the operating budget as this would be a replacement machine and monies are already included in the operating budget for maintenance.

Funding Source: General Capital Project Fund Utility Billing Reserves

	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Remittance Processor		100,000				\$100,000

Future Operating Budget Impact:

	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Maintenance		\$13,300	\$13,300	\$13,300	\$13,300	\$53,200
Total/(Savings)		\$13,300	\$13,300	\$13,300	\$13,300	\$53,200

Capital Improvement Plan: FY2013-2017

Police & Fire Departments

Funding Sources:	2013	2014	2015	2016	2017	Total
General Fund	125,000	180,000	150,000	180,000	150,000	785,000
General Capital Projects Reserve	0	506,702	0	0	0	506,702
Radio Communications Fund	45,000	30,000	30,000	0	0	105,000
Total CIP Funding Sources	\$170,000	\$716,702	\$180,000	\$180,000	\$150,000	\$1,396,702

Expenses:	Fund	2013	2014	2015	2016	2017	Total
Police:							
Vehicle Replacement Program-Police	001	125,000	150,000	150,000	150,000	150,000	725,000
Fire:							
Vehicle Replacement Program-Fire	001		30,000		30,000		60,000
Fire Apparatus Replacement/Maintenance	315		331,902				331,902
SCBA replacement	315		174,800				174,800
800 MHz Radio Tower Transmitter/Repeater Replaceme	162	45,000	30,000	30,000			105,000
		45,000	566,702	30,000	30,000	0	671,702
Total CIP - Police & Fire		\$170,000	\$716,702	\$180,000	\$180,000	\$150,000	\$1,396,702

Capital Improvement Plan: FY2013-2017

Project Title: Vehicle Replacement Program

Department/Division: Police & Fire

Project Description and Reason Necessary: This is a program to replace vehicles due to age and condition or to maintain adequate and cost-effective fleet performance. Vehicles included are those that cost at least \$25,000 each.

<u>Division (FY Replacement)</u>	<u>Truck #</u>	<u>Model Year</u>	<u>Description</u>	<u>Mileage (Hours) 2/1/11</u>	<u>Estimated Replacement Cost</u>
Police (annual)	various	various	Replace 4-6 patrol vehicles	-	\$150,000
Fire Training / Safety (2014)	#716	2001	Ford F150 utility/crew truck	59,599	\$30,000
Fire Inspector (2016)	#718	2002	Dodge Dakota crew cab/cb	63,079	\$30,000

Funding Source: General Fund via transfer from Lease Facilities Fund

	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Police	\$125,000	\$150,000	\$150,000	\$150,000	\$150,000	\$725,000
Fire		\$30,000		\$30,000		\$60,000
TOTAL	\$125,000	\$180,000	\$150,000	\$180,000	\$150,000	\$785,000

Capital Improvement Plan: FY2013-2017

Project Title: Fire Apparatus Replacement/Maintenance

Department/Division: Fire

Project Description and Reason Necessary: In order to maintain an efficient fleet of fire apparatus, a planned replacement program is essential to minimize budgetary impact. Since 1998, the Fire Department has submitted and the City Council has approved an annual vehicle replacement plan as part of its business plan in order to distribute the cost of replacement at approximately \$75,000 per year. Normally each apparatus is used in front-line status for 11-12 years and then used as a reserve apparatus for approximately 4-5 years. After approximately 15-17 years, units are considered for replacement. This timetable has been extended using maintenance upgrades due to the high cost of replacement apparatus.

In 2014, a new rescue/pumper will be purchased and placed in front line service. It will replace either E-25 or Sq-13 and one of the two apparatus will be moved to reserve status. Sq-13, a 2001 rear-mount pumper, which has a much shorter life span due to the commercial chassis, will have been in service 13 years. E-25, a 1993 pumper, will have been in service 21 years. One of the two units will be used for a trade-in.

Funding Source: General Capital Projects Fund – reserve cash on hand and annual transfers from the General Fund.

	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Fire Apparatus Replacement		\$331,902				\$331,902

	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Beginning balance:	\$181,902	\$256,902	\$0	\$75,000	\$150,000	\$181,902
Deposits, from General Fund	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$375,000
Balance, prior to withdrawals	\$256,902	\$331,902	\$75,000	\$150,000	\$225,000	\$556,902
Withdrawals:						
Rescue / pumper E-25		\$331,902				\$331,902
Ending balance	\$256,902	\$0	\$75,000	\$150,000	\$225,000	\$225,000

Future Operating Budget Impact: No significant operating budget impact will occur.

Capital Improvement Plan: FY2013-2017

Project Title: SCBA replacement

Department/Division: Fire

Project Description and Reason Necessary: The Fire Department's current self-contained breathing apparatus (SCBA), designed to the 2002 National Fire Prevention Association (NFPA) standards were purchased in December 2001. New standards came out in 2007 and major changes are expected in 2013. The SCBAs are used for structural firefighting and entry into any hazardous atmospheres. NFPA and the manufacturer recommend maintaining the units to current standards and/or replacing the units after approximately every 10 years. The life span of composite cylinders is 15 years. It is necessary to replace all of the SCBA units at the same time to maintain uniformity. The units will be 12 years old in 2014 and will be at least two upgrades behind NFPA standards. The City may receive a trade-in on the current models or may qualify for an AFG Grant.

Funding Source: Possible Assistance to Firefighters Grant (AFG) and General Capital Projects Fund.

	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>Total</u>
SCBA w/ cylinder (22)		\$149,600				\$149,600
Spare Cylinders (32)		\$25,200				\$25,200
Total		\$174,800				\$174,800

Future Operating Budget Impact: The only impact on future budgets is routine maintenance, 5 year hydrostatic testing on the cylinders (\$1,500 every 5 years), and the annual flow test for each unit. These maintenance costs will remain essentially unchanged when the new SCBAs are purchased.

	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>Total</u>
5-year hydrostatic testing	-	-	-	-	-	-
Annual flow test	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$12,500
Total	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$12,500

Capital Improvement Plan: FY2013-2017

Project Title: 800 MHz Radio System Upgrades

Department/Division: Fire Department/Radio System

Project Description and Reason Necessary: The city's 800 MHz radio system uses 5 new transmitter/repeaters located at the City's Operations & Maintenance Facility and connected by fiber to the 9-1-1 dispatch center. To become compliant with federal interoperability guidelines (P25), radio systems are required to be upgraded to digital and have P-25 capability. With grants and funding from the Radio Communications Fund in 2009-2012, the police and fire departments have upgraded their systems to digital, although still utilizing some common city analogue talk groups. The current system is analogue and digital capable, however, analog radios are no longer supported by Motorola.

All Public Works divisions have been upgraded with new digital/P-25 radios. Parks & Recreation and Beaches Energy Services have been partially upgraded to the new radios. The remaining analog radios will be converted to digital as they are replaced. We are currently unable to use the digital side of our system due to interference from Volusia County and are attempting to upgrade our five channels from the FCC to Nips-pac channels to remedy this problem.

There are approximately 55 radios that need to be upgraded to complete the conversion to a digital and P-25 compliant system. Thirty of the radios will be replaced over the next three years (see table, below). Twenty-five of them will be replaced by Beaches Energy Services through their budget (see page 206).

Funding Source: Radio Communications Fund (Fund 162) and possible COPS or other grants.

	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Radio Communications Fund (162)	\$45,000	\$30,000	\$30,000			\$105,000

Future Operating Budget Impact: With Federal requirements to upgrade our system to digital/P25 standards; radio system operating costs are expected to be increased until all radios have been upgraded. With the new radio tower, the tower lease (\$24,000 annually) will not be necessary and if//when the City completes lease contracts with other agencies, the system may generate a positive revenue stream.

Capital Improvement Plan: FY2013-2017

Parks & Recreation						
Funding Sources:	2013	2014	2015	2016	2017	Total
Convention Development Fund	0	0	0	0	0	0
General Capital Projects Fund Reserves	0	0	0	0	0	0
Golf Course Fund	29,000	0	0	0	0	29,000
Grounds Maintenance Internal Service Charges	0	35,000	0	0	0	35,000
Downtown Tax Increment Fund	0	0	0	0	0	0
1/2 Cent Infrastructure Surtax Bond Proceeds	0	0	0	0	0	0
Southend Tax Increment Fund	0	0	0	0	0	0
Total CIP Funding Sources	\$29,000	\$35,000	\$0	\$0	\$0	\$64,000

Expenses:	Fund	2013	2014	2015	2016	2017	Total
Golf Course Hole #14 Bulkhead	130	0					0
7 Gang (reel unit) and transport unit (mower)	440	29,000					29,000
Total CIP - Golf Course		29,000	0	0	0	0	29,000
Backhoe/Loader Replacement	526		35,000				35,000
Total CIP - Grounds Maintenance		0	35,000	0	0	0	35,000
Bus Stops	317	0	0	0	0	0	0
Total CIP - Parks & Recreation		\$29,000	\$35,000	\$0	\$0	\$0	\$64,000

Capital Improvement Plan: FY2013-2017

Project Title: Golf Course Hole # 14 Bulkhead

Department/Division: Parks & Recreation / Golf Course

Project Description and Reason Necessary:

The bulkhead on the golf hole #14 was constructed in 1987 and is now showing signs of failing. There are holes that are developing in several areas along the bulkhead and the ends of the bulkhead are washing out. This project will remove the old bulkhead, replace it, and add additional length to reduce washouts. The project will need to be performed in several phases to reduce impact to customers and the greens surface. Construction of this project will depend on golf course funding availability.

Funding Source: Golf Course Fund Balance; unfunded for FY2013

	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Replace existing bulkhead # 14 green	\$0					\$0

Future Operating Budget Impact: No impact on operating budget

Capital Improvement Plan: FY2013-2017

Project Title: Vehicle and Equipment Replacement Program

Department/Division: Parks & Recreation Department

Project Description and Reason Necessary: Vehicles: This is a program to replace vehicles due to age, condition or to maintain adequate and cost-effective fleet performance. Vehicles included are those that cost at least \$25,000 each.

Backhoe / Loader Grounds & Golf Maintenance. This piece of equipment was purchased in 1999 and has over 2,300 hours of service. The machine is used in the parks and for irrigation repairs at the golf course.

7 Gang (reel unit) and transport unit: This piece of equipment is and used to mow turf area for Grounds & Golf Maintenance. The mower is eleven (11') feet wide and capable of mowing 9 acres of grass per hour at a speed of 5 mph. Purchased in 1997, it is in need of replacement due to wear, age, and deterioration. The mower is used to mow golf course fairways which includes; 45 acres of grass that is mowed two times per week and also used to mow sports fields at Wingate Park. This mower unit has 7 reels attached to a hydraulic lift transport frame. The transport frame is towed by or pulled by a tractor.

Funding Source: Grounds Maintenance Fund; Golf Course Fund

	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Backhoe/Loader-Grounds Maintenance		\$35,000				\$35,000
7 Gang (reel unit) and transport unit (mower)-Golf Course	\$29,000					\$29,000
TOTAL	\$29,000	\$35,000				\$64,000

Capital Improvement Plan: FY2013-2017

Project Title: Bus Stops

Department/Division: Parks & Recreation

Project Description and Reason Necessary:

There are 109 bus stops located throughout the City. This project is intended to replace existing shelters or add new ones at selected bus stop locations with low-maintenance shelters that will provide overhead cover from the elements. Bus stop locations with the highest usage will be given priority over those with less usage.

The City is currently identifying the shelter options available. Pending specific identification of the location of structures to be added, funding has been tentatively identified in the ½ Cent Infrastructure Bond Proceeds Fund but funding will also be from both the Downtown and Southend Tax Increment Funds, upon identification of specific locations stops that will get new shelters.

As a pilot project, the City will be building a bus shelter on Penman Road, adjacent to Beaches Energy Services' Penman Road Substation.

Funding Source: \$100,000 has been set aside in the 1/2-cent Infrastructure Surtax (Better Jacksonville Beach) Bond Proceeds Fund.

	Prior year funding	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Bus Stops	\$100,000						-

Future Operating Budget Impact: As specific types of stops have not been identified, operating costs for routine maintenance also have not been quantified.

Capital Improvement Plan: FY2013-2017

Public Works							
Funding Sources:		2013	2014	2015	2016	2017	Total
EPA STAG Grant (N. 2nd St. and Lift Station #3)		\$485,000	0	0	0	0	\$485,000
General Capital Projects Streets Reserve		305,000	61,000	0	61,000	125,000	552,000
General Fund Operating Revenues		0	22,000	25,000	25,000	0	72,000
Local Option Gas Tax Revenues		400,000	360,000	360,000	360,000	0	1,480,000
1/2 Cent Infrastructure Surtax		0	0	0	0	0	0
1/2 Cent Infrastructure Surtax Bond Proceeds		960,000	0	0	0	0	960,000
Sanitation Fund		0	200,000	0	0	0	200,000
Southeast Redevelopment Fund		2,292,635					2,292,635
Stormwater Operating Revenues		763,250	672,225	717,225	555,000	200,000	2,907,700
Water & Sewer Utility Operating Revenues		5,411,298	2,656,925	2,150,794	5,472,955	506,000	16,197,972
Total CIP Funding Sources		\$10,617,183	\$3,972,150	\$3,253,019	\$6,473,955	\$831,000	\$25,147,307
Expenses:	Fund						
Streets:							
Vehicle Replacement Program	001	\$0	\$22,000	\$25,000	\$25,000	\$0	\$72,000
Heavy Vehicle Replacement Program	315	305,000	61,000	-	61,000	125,000	552,000
Pavement and Sidewalk Maintenance (not capital)	150	400,000	360,000	360,000	360,000	0	1,480,000
New Sidewalks	150	0	0	0	0	0	0
Road & Infrastructure Improvements: Duval Drive	317	960,000					960,000
Road & Infrastructure Improvements: Wms. Coastal	182	2,000,000					2,000,000
Total CIP - Roads & Streets		3,665,000	443,000	385,000	446,000	125,000	5,064,000
Distribution & Collection:							
Vehicle Replacement	420	50,000	27,000	310,000	31,000	31,000	449,000
Rehab of Water & Sewer Mains Systems	420/STAG	2,959,588	1,558,600	982,200	4,509,900	100,000	10,110,288
Other Water & Sewer Mains Systems (not capital)	420	122,900	25,000	25,000	25,000	25,000	222,900
Sewer Rehabilitation Program-Manholes (not capital)	420	20,000	20,000	20,000	20,000	20,000	100,000
Reuse Implementation Program	420/182	650,000					650,000
		3,802,488	1,630,600	1,337,200	4,585,900	176,000	11,532,188
Pollution Control Plant:							
Vehicle Replacement Program	420	0	30,000	18,294	23,550	0	71,844
Sewer Rehabilitation Program-Lift Stations	420/STAG	1,309,275	853,325	773,300	812,350	0	3,748,250
Wastewater Treatment Facility Improvements	420	466,400	110,000		22,000		598,400
		1,775,675	993,325	791,594	857,900	0	4,418,494
Water Plant							
Vehicle Replacement Program	420	0	0	0	29,155	0	29,155
Raw Water (Well) Flow Meter Upgrade	420	25,500	33,000	22,000			80,500
Water Plant #2 Improvements	420/182	585,270				330,000	915,270
		610,770	33,000	22,000	29,155	330,000	1,024,925
Total CIP - Water & Sewer Fund		6,188,933	2,656,925	2,150,794	5,472,955	506,000	16,975,607
Stormwater							
Vehicle Replacement Program	423			95,000			95,000
Stormwater Master Plan	423	663,250	572,225	522,225	455,000	100,000	2,312,700
Stormwater Master Plan-pipe cleaning (not capital)	423	100,000	100,000	100,000	100,000	100,000	500,000
Total CIP - Stormwater		763,250	672,225	717,225	555,000	200,000	2,907,700
Sanitation							
Vehicle Replacement Program	430		200,000				200,000
Total CIP - Public Works		\$10,617,183	\$3,972,150	\$3,253,019	\$6,473,955	\$831,000	\$25,147,307

Capital Improvement Plan: FY2013-2017

Department/Division: Public Works / All Divisions

Project Description and Reason Necessary: This is a program to replace vehicles due to increasing annual operating expenses, age, and condition.

<u>Division-FY Replacement</u>	<u>Fund Source</u>	<u>Truck #</u>	<u>Yr.</u>	<u>Description</u>	<u>Mileage (Hours) at 2/2012</u>	<u>Estimated Replacement Cost</u>
Streets-2014	001	524	2001	Dodge 1500 Pickup Truck	91,300	\$22,000
Streets-2015	001	526	2001	Dodge 2500 4X4 Pickup Truck	67,650	\$25,000
Streets 2016	001	503	2003	Ford 250 4 X4	61,000	\$25,000
Streets-2017	N/A	N/A	N/A	None scheduled for replacement	N/A	N/A
Stormwater-2015	423	535	2001	John Deere Boom Arm Mower	1,330	\$95,000
Sanitation-2014	430	546	2009	Tymco Street Sweeper	17,006 (3,020 hrs)	\$200,000
D&C-2013	420	521	1999	Chevy X3500 1-ton Dump Truck	12,737	\$50,000
D&C-2014	420	572	2004	Ford F250 ¾-ton Truck w/utility body	64,851	\$27,000
D&C-2015	420	542	2002	L7501 Ford (Vac-con)	8,417 (2,000 hrs)	\$310,000
D&C-2016	420	504	2006	Ford F-250 ¾-ton Truck w/utility body	41,745	\$31,000
D&C-2017	420	541	2006	Ford F-250 ¾-ton Truck w/utility body	46,163	\$31,000
PCP-2014	420	507	2000	Ford F250 ¾-ton Pickup Truck	62,236	\$30,000
PCP-2015	420	N/A	N/A	None scheduled for replacement	N/A	\$18,294
PCP-2016	420	508	2005	Ford F150 ½-ton Pickup Truck	29,029	\$23,550
PCP-2017	N/A	N/A	N/A	None scheduled for replacement	N/A	N/A
WP-2014	420	598	1999	Dodge ¾-ton 4X4 Pickup Truck	75931	\$29,155
2013 thru 2017 TOTAL:						\$916,999

Capital Improvement Plan: FY2013-2017

Vehicle Replacement Summary:

Funding Source-Division	FY2013	FY2014	FY2015	FY2016	FY2017	Total
STREETS DIVISION						
General Fund:	\$0	\$22,000	\$25,000	\$25,000	\$0	\$72,000
Stormwater Fund:	\$0	\$0	\$95,000	N/A	\$0	\$95,000
Sanitation Fund:	\$0	\$200,000	\$0	\$0	\$0	\$200,000
Streets Division Subtotal:	\$0	\$222,000	\$120,000	\$25,000	\$0	\$367,000
WATER & SEWER FUND						
D&C Division:	\$50,000	\$27,000	\$310,000	\$31,000	\$31,000	\$449,000
PCP Division:	\$	\$30,000	\$18,294	\$23,550	\$0	\$71,844
WP Division:	\$0	\$0	\$0	\$29,155	\$0	\$29,155
Water & Sewer Fund Subtotal:	\$50,000	\$57,000	\$328,294	\$83,705	\$31,000	\$549,999
TOTAL:	\$50,000	\$279,000	\$448,294	\$108,705	\$31,000	\$916,999

Capital Improvement Plan: FY2013-2017

Project Title: Heavy Vehicle Replacement/Maintenance and Funding Program

Department/Division: Public Works / Streets

Project Description and Reason Necessary: The Streets Division of the Public Works Department operates a number of specialized vehicles that are necessary to move debris and to maintain the City's roads and utility systems. The cost of these vehicles makes it important to plan for their replacement by reserving a portion of their replacement cost on an annual basis until the vehicle's replacement cost has been accumulated. The estimated life for each of these vehicles is approximately 10 years. Vehicles included in this program are those costing more than **\$50,000**. Due to their cost, the City only owns and operates one of each kind of vehicle. The plan below estimates most replacements on a 10-year cycle. However, in order to make the most economical use of the vehicle, its life may be extended, depending on its annual repair and maintenance costs. This planned replacement program also minimizes the need to borrow money to replace expensive vehicles. Estimated replacement costs are updated annually and it is prudent to plan for an average annual cost increase of three percent (3%) when determining annual reserves. No significant operating budget impact will occur.

Description	Truck #	Year	Replacement Yr.	Mileage (hours) at 2/2012	Estimated Replacement Cost	Estimated Trade-in Value	Net Estimated Cost
International 4700 Flatbed	569	2000	2014	45,100	\$61,000		\$61,000
Caterpillar 4x4 Backhoe	527	2007	2013	(2,192)	\$105,000	\$30,000	\$75,000
Caterpillar Excavator	534	2006	2013	(1,576)	\$200,000	\$70,000	\$130,000
International 4200 Flatbed	551	2003	2016	31,300	\$61,000		\$61,000
Kenworth 18yd Dump Truck	545	2000	2017	113,550	\$125,000		\$125,000
				TOTAL	\$552,000	\$100,000	\$452,000

	2013	2014	2015	2016	2017	TOTAL
Balance, beginning of year	\$317,400	\$12,400	\$35,200	\$98,800	\$89,400	\$317,400
Deposits (from General Fund into Streets Cap. Proj. Reserve)	\$96,200	\$83,800	\$63,600	\$51,600	\$51,600	\$346,800
Est. Available Balance	\$413,600	\$192,400	\$195,000	\$246,600	\$237,200	\$664,200
Withdrawals:						
International 4700 Flatbed		(\$61,000)				(\$61,000)
Caterpillar 4x4 Backhoe	(\$105,000)					(\$105,000)
Caterpillar Excavator	(\$200,000)					(\$200,000)
International 4200 Flatbed				(\$61,000)		(\$61,000)
Kenworth 18yd Dump Truck					(\$125,000)	(\$125,000)
Balance, end of year	\$108,600	\$131,400	\$195,000	\$185,600	\$112,200	\$112,200

Capital Improvement Plan: FY2013-2017

Project Title: Pavement Maintenance, Striping, and Sidewalk Program

Department/Division: Public Works / Streets

Project Description and Reason Necessary: The City has an inventory of about 88 miles of road and 31.7 miles of sidewalk. The City programs annual maintenance on a portion of its public pavement (streets, parking lots, and sidewalks).

- **Streets Maintenance:**
 - **Roadway:** Over the past decade or so, this program has consisted of a combination of hot-in-place recycling, overlay, mill & overlay, resurfacing or sealing, and asphalt rejuvenation. In the past, maintenance was programmed for an average of approximately 10% to 15 % of the inventory. The rise in costs of petroleum related products (such as asphaltic concrete) over the past few years, and as markedly experiencing now, has caused this percentage to decline due to budget constraints. On the short to intermediate term, staff anticipates that mill & overlay and overlay approaches will be the primary focus.
 - **Traffic Striping:** The City restripes streets that are resurfaced or overlaid, and restripes existing striping on streets.
- **Sidewalk Maintenance:** The sidewalk maintenance program consists of repairing existing sidewalks in-kind, depending on the severity of the deterioration. The City continues to work on repairing broken sidewalks.
- **New Sidewalk:** The City has over the past decade or so annually funded programs to construct new sidewalks related to the City's Safety Sidewalk Master Plan and other key sections that connect to the master plan or that prudently connect existing sidewalk sections, as determined by staff. **The City is only planning for new sidewalk construction for the immediate next year. For the foreseeable future, this will be the planning approach due to budgetary constraints.**

Funding Source: Local Option Gas Tax (LOGT). Without action by the Florida Legislature, this funding source expires 6-30-2016 (interlocal agreement expires 8-31-2016). ½-Cent Infrastructure Surtax (BJB) Bond Proceeds See next page for other road improvements.

	FY2013	FY2014	FY2015	FY2016	FY2017	Total
<u>LOGT (Not Capital)</u> Street Maintenance	\$350,000	\$310,000	\$310,000	\$310,000	\$0	\$1,280,000
<u>LOGT (Not Capital)</u> Sidewalk Maintenance	\$50,000	\$50,000	\$50,000	\$50,000	\$0	\$200,000
BJB/LOGT (Capital) New Sidewalks	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL	\$400,000	\$360,000	\$360,000	\$360,000	\$0	\$1,480,000

Capital Improvement Plan: FY2013-2017

Project Title: Road & Associated Infrastructure Improvements

Department/Division: Public Works / Streets

Project Description and Reason Necessary: Within the City there are roads which need to be rebuilt because of deterioration caused by aging, compromise of the base and excess elevation due to many overlays. The degree of required rebuilding differs with the condition of each road. It is recommended that rebuilding of roads be accomplished in conjunction with improvements to underground utilities when possible. A separate program of pavement maintenance, striping, sidewalk maintenance and new sidewalk construction is funded from the Local Option Gas Tax (previous page).

- **Duval Drive Improvements Project** (37th Avenue South to Ponte Vedra Boulevard):
Recommended Funding Sources – 1/2-Cent Infrastructure Surtax (BJB) Bond Proceeds. Scope includes roadway reconstruction, drainage piping system addition, curb/gutter, water/sewer adjustments, traffic calming (if feasible), and Duval Lake modifications. This road reconstruction directly benefits adjacent property owners. This project is in the bid/construction phase.
- **North 2nd Street Sewer/Water/Road Systems Improvements** (from 14th Ave. to 20th Ave. N.): Description and estimated costs are summarized in the next section titled - Rehabilitation of Water & Sewer Mains Systems.
- **Southend Redevelopment Infrastructure Improvements Program** *Recommended Funding Source – Southend Tax Increment Fund (SE TIF).* Foundation for project scoping is the Southend Redevelopment Master Plan (also incorporating appropriate portions of the City's Reuse Master Plan Study). Scope includes improvements to sanitary sewer, water distribution, reuse, stormwater and road systems throughout the area plus other identified ancillary public improvements.
 - William Coastal / Jacksonville Beach Heights Area (generally the area bounded by Seabreeze Ave., Rip Tide Subdivision, Williams St. and South Beach Parkway).
 - Ocean Terrace / Seaview Area (generally the area bounded by America Ave., south boundary of Rip Tide Subdivision and Jacksonville Dr. and north of Sanctuary Parkway).
- **Downtown Redevelopment Infrastructure Improvements Program** *Recommended Funding Source – Downtown Redevelopment Tax Increment Fund (DT TIF) with Water / Sewer and 1/2 Cent Infrastructure Surtax (BJB) Bonds funding ancillary work near the district's southern boundary.* This is Phase 3 of the Downtown Vision Plan. The design area is bounded by 3rd St, the beach, 9th Ave. N. and 16th Ave. S. Scope includes improvements to sanitary sewer, water distribution, reuse, stormwater and road systems throughout the area plus other identified ancillary public improvements throughout the area that have not been addressed in Phases 1 and 2. The design may be divided into several phases (possibly 4) for construction.

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The City is deferring other major road projects due to budgetary constraints caused by diminishing capital funds due to decreasing revenues.

Funding Sources: Federal Grant, ½-Cent Infrastructure Surtax Bond proceeds (BJB), Downtown Tax Increment Fund (DT TIF), Southend Tax Increment Fund (SE TIF), Water & Sewer Fund (W/S).

Project (<i>funding source</i>)	PRIOR	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Duval Drive (<i>BJB Bond Proceeds, federal grant</i>) <i>Design</i> <i>Construct</i>	\$84,620 ^{1a}	\$960,000 ^{1b}					\$960,000
• Southend Redevelopment District Improvements Program:							
o Williams Coastal/Jacksonville Beach Heights Area (<i>SE TIF</i>) <i>Design</i> <i>Construct</i>	\$218,817	\$2,000,000					\$2,000,000
o Ocean Terrace / Seaview Area (<i>SE TIF</i>) <i>Design</i> <i>Construct</i>		TBD	TBD				
• Downtown Redevelopment District Improvements Program:							
o Downtown District Phase 3 (<i>DT TIF, BJB, W/S</i>) <i>Design</i> <i>Construct Phase 3A</i> <i>Construct Phase 3B</i> <i>Construct Phase 3C</i> <i>Construct Phase 3D</i>			TBD	TBD	TBD	TBD	
TOTAL	\$303,437	\$2,960,000					\$2,960,000

^{1a} **Total DESIGN COST** = \$84,620 including contingency. Design complete.

^{1b} **Estimated Total CONSTRUCTION COST** = \$960,000 = Construction Cost (\$820,000) + 10% contingency (\$82,000) & 5.5% Construction Administration Services Cost (\$45,100 plus 10% contingency (\$4,510), rounded up to nearest \$10k. *These costs are variable until bid advertisement and bid award are complete.*

² When roads are identified for reconstruction, Public Works reviews other utility and traffic systems (water, wastewater, stormwater, pavement and road base, sidewalk, etc.) in the right-of-way for prudent upgrades and repairs to maximize return on investment.

³ Other projects may be added in the future based from the master plans for the Downtown/Southend Redevelopment Districts and other necessary road reconstruction, and in the future, listed projects may be deleted and/or shifted on time-line due to budgetary constraints.

⁴ *The above estimated costs are variable until project design, bid advertisement and bid award are complete.*

Capital Improvement Plan: FY2013-2017

Project Title: Rehabilitation of Water & Sewer Mains Systems

Department/Division: Public Works / Distribution & Collection

Project Description and Reason Necessary:

- **Water Mains System Rehabilitation:** The City's water distribution system consists of approximately 109 miles of water mains, 2,652 water valves, 10,355 water service laterals, 858 fire hydrants and two (2) elevated water tanks. Various existing water mains in some areas require replacement because they are old, tuberculated, galvanized 2" and/or unlined/deteriorated cast iron 4" or larger in size. Tuberculation is the development of small mounds of corrosion products (rust) on the inside of galvanized or unlined cast iron pipes, decreasing the diameter. This causes significant loss of water pressure and volume. The water lines are to be replaced with varied sizes of PVC pipes (6" or larger when needed for firefighting requirements). Subject to available time and funding resources, the City programs a major water main replacement project to be contracted and one or two small water line replacement projects for City or contract forces to accomplish. **The City has made great strides over the past years in replacing old tuberculated, galvanized and unlined cast iron lines. This is an ongoing, multi-year program.**
- **Oceanside Park Area Water Main Replacement:** *Funding Source - Water & Sewer Fund.* Construction underway.
- **Water Main Replacement at Various Locations:** *Recommended funding source – Water & Sewer Fund.* Project includes replacing approximately 4,000 linear feet of existing 2" galvanized water main with new PVC water mains at various locations in south Jacksonville Beach (Mills Lane from Ponte Vedra Boulevard to dead end), St. Augustine Boulevard (from A1A to Isabella Boulevard), Sandra Drive (from 23rd Avenue South to cul-de-sac), Ocean Drive South (from 22nd Avenue South to dead end) and 12th Avenue South (from 4th Street South to 9th Street South).
- **A1A Water Main Replacement:** *Recommended funding source – Water & Sewer Fund.* Project includes replacing approximately 7,700 linear feet of existing 2" galvanized and 6"-8" cast iron water mains with new PVC water mains on A1A between 9th Avenue North and 20th Avenue North including sidewalk and asphalt road crossing replacement.
- **Sewer Mains System Rehabilitation:** The City's wastewater collection system consists of approximately 85 miles of sewer mains and 2,126 manholes, 38 sewage lift stations with 18 miles of force mains. Manholes are routinely being identified for rehabilitation. Sewer mains identified in previous studies (1989 Water & Wastewater Study, 1992 & 1995 Infiltration & Inflow Studies, and 2004 Hydraulic Study) are deteriorated, cracked and leaking clay / cast iron pipes, constructed many decades ago, and are well beyond the normal life cycle. **Relining and replacing as necessary reduces sewer backups and infiltration and inflow from groundwater and rains, which in turn reduces the operational load and long-term wear**

Capital Improvement Plan: FY2013-2017

and tear on the sewage lift stations and the city's wastewater treatment facility. This places less pollution load upon the environment. **This is an ongoing, multi-year program.**

- **4th Street North Sewer Improvements (13th Ave. N. to 18th Ave. N.):** *Recommended funding source – Water & Sewer Fund.* Project is estimated to consist of removal/replacement of 500 LF of 8" gravity sewer main; removal/replacement of 1,300 LF of 12" sewer main; manholes; sewer services; removal/replacement of 200 LF of curb and gutter; removal/replacement of 4,500 SY of asphalt pavement.
- **Multi-Infrastructure Improvements Projects:** In the past, priority has been to upsize/replace/rehabilitate water & sewer mains and services as needed in conjunction with programmed stormwater and roadway projects for cost effectiveness.
 - **North 2nd Street Sewer/Water/Road Systems Improvements Project** (from 14th Ave. N. to 20th Ave. N.): *Recommended Funding Source – EPA STAG Grant, Water & Sewer Fund & 1/2 Cent Surtax Bond Proceeds:* This project consists of replacing approximately 2,400 linear feet of 8" and 12" sanitary sewer main, grout fill of approximately 2,400 LF of existing 4" unlined cast iron water, new sewer manholes, drainage improvements at several intersections, new water and sewer services, sidewalk, ribbon curb and roadway reconstruction. *This project is nearing final design completion. It is to be combined with the Lift Station No.3 Project costs to ensure that the City provides its 45% match to utilize the full \$485,000 EPA STAG grant.*
 - **LS 8 Area Water / Sewer Improvements:** Project consists of: abandon/removal of 11,000 LF of 8" sewer main; abandon 4,500 LF of 2" water main; construct 3,800 LF of 2"/6" water main; construct 13,500 LF of 8"/12" sewer main; construct 100 LF 2" force main; construct 200 LF of 15" storm sewer; construct 37,500 LF of 6" sewer services; valves, manholes, and inlets; remove/replace 35,000 SY of asphalt pavement.
- **Other Related Projects:**
 - **GIS System Update:** *Recommended funding source – pro rata shares Water & Sewer Fund and Stormwater Fund.* Digitize existing water, sewer and stormwater J-maps into the GIS system. Estimated cost for city contractor to digitize J-maps is \$58,300 including 10% contingency.
 - **Combined WWTP Effluent Line Outfall Repair:** *Recommended funding source – Water & Sewer Fund.* Provide funding to the City of Atlantic Beach for the City of Jacksonville Beach's portion for the required maintenance repair of the combined cities (Atlantic Beach, Neptune Beach and Jacksonville Beach) 24-inch effluent discharge line for the wastewater treatment plants. Per existing inter-local agreement, City's estimated cost is \$42,900, based on 50% pro-rated portion and 10% contingency of the estimated \$78,000 total cost.

Funding Sources: Water & Sewer Fund, EPA STAG Grant, 1/2 Cent Surtax Bond Proceeds, Stormwater Fund

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Project (funding source)	PRIOR	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Water Main System Replacement							
o Water Main Replacement Oceanside Park Area (Design - W/S) (Construct - W/S)	\$48,849 ^{2a} \$391,552 ^{2b}						\$0
o Water Main Replacement at Various locations (Design-W/S) (Construct-W/S)		\$48,950 ^{3a} \$291,638 ^{3b}					\$340,588
o AIA Water Main Replacement (Design-W/S) (Construct-W/S)		\$198,000 ^{4a}					\$1,590,600
			\$1,392,600 ^{4b}				
Sewer Main System Rehabilitation							
o 4th St. N. Sewer Imps. - 13th to 18th Ave. N.) Design-W/S Construct-W/S			\$66,000 ^{5a}		\$464,200 ^{5b}		\$530,200
Multi-Infrastructure Improvements							
o N. 2 nd St. Sewer/Water/Road Imps Federal STAG Grant, W/S & 1/2 Cent Surtax	\$150,508 ^{1a}	\$2,321,000 ^{1b}					\$2,321,000
o LS #8 Area Water / Sewer Imps. Design-W/S Construct-W/S				\$418,000 ^{6a}		\$4,409,900 ^{6b}	\$4,827,900
Other Mains Rehab -(W/S)		\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000
TOTAL CAPITAL OUTLAY	\$590,909	\$2,959,588	\$1,558,600	\$982,200	\$4,509,900	\$100,000	\$10,110,288
Maintenance Projects							
o Combined WWTF Effluent Line Outfall Repair - (W/S)		\$42,900					\$42,900
GIS System Update - (W/S & SW)		\$58,300					\$58,300
In-house -(W/S)		\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$125,000
TOTAL MAINTENANCE		\$126,200	\$25,000	\$25,000	\$25,000	\$25,000	\$226,200
Rehab Water & Sewer TOTAL	\$590,909	\$3,085,788	\$1,583,600	\$1,007,200	\$4,534,900	\$125,000	\$10,336,488

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^{1a} Total DESIGN COST = \$150,508.

^{1b} Estimated Total CONSTRUCTION COST = \$2,321,000 (Base Bid and Alternates) = Construction Cost (\$2,000,000) plus 10% contingency (\$200,000) and 5.5% Construction Administration Services Cost (\$110,000) plus 10% contingency (\$11,000).

^{2a} Total Design Cost: = \$48,848.89.

^{2b} Estimated Total Construction Cost: = \$391,552 = Construction Cost (\$332,994) plus 10% contingency (\$33,299) and 5.5% Construction Administration Services (\$22,962) plus 10% contingency (\$2,296.25).

^{3a} Estimated Total Design Cost: = \$48,950 = Design Cost (\$44,500) plus 10% contingency (\$4,450).

^{3b} Estimated Total Construction Cost: = \$291,638 = Construction Cost (\$250,000) plus 10% contingency (\$25,000) and 5.5% Construction Administration Services (\$15,125) plus 10% contingency (\$1,513).

^{4a} Estimated Total Design Cost: = \$198,000 = Design Cost (\$180,000) plus 10% contingency (\$18,000).

^{4b} Estimated Total Construction Cost: = \$1,392,600 = Construction Cost (\$1,200,000) plus 10% contingency (\$120,000) and 5.5% Construction Administration Services (\$66,000) plus 10% contingency (\$6,600).

^{5a} Estimated Total Design Cost: = \$66,000 = Design Cost (\$60,000) plus 10% contingency (\$6,000).

^{5b} Estimated Total Construction Cost: = \$464,200 = Construction Cost (\$400,000) plus 10% contingency (\$40,000) and 5.5% Construction Administration Services (\$22,000) plus 10% contingency (\$2,200).

^{6a} Estimated Total Design Cost: = \$418,000 = Design Cost (\$380,000) plus 10% contingency (\$38,000).

^{6b} Estimated Total Construction Cost: = \$4,409,900 = Construction Cost (\$3,800,000) plus 10% contingency (\$380,000) and 5.5% Construction Administration Services (\$209,000) plus 10% contingency (\$20,900).

⁷ For over a decade Sewer Collection System rehabilitation projects, except where prudent in conjunction with an all systems upgrade in a right-of-way, have in general been on hold / deferred due to budgetary constraints. Now they are starting to be programmed.

⁸ Other projects may be added in the future based on the master plans for the Downtown/Southend Redevelopment Districts and other necessary water main upgrades and in the future, listed projects may be deleted and/or shifted on time-line due to budgetary constraints.

⁹ *The above estimated costs are variable until project design, bid advertisement and bid award are complete.*

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Project Title: Sewer Rehabilitation Program -Lift Stations / Manholes
Identified in the 1989 Water and Sewer Master Plan

Department/Division: Public Works / Pollution Control Plant, Distribution & Collection

Project Description and Reason Necessary: The City has an inventory of 38 sewage lift stations and about 2,126 manholes. Sewage lift stations and manholes endure a harsh/corrosive environment due to hydrogen sulfide gas. Periodic rehabilitation of lift station wet wells and manholes are necessary to maintain structural integrity. Rehabilitation includes, but is not limited to, structural and surface repair and coating of the wet wells and manholes with the corrosion resistant product Spectrashield, having a 10-yr warranty, (or similar product). In addition, pumps, piping, controls, fencing, & surface improvements at the lift stations are to be replaced/maintained as necessary. The current program strategy is to rehabilitate lift stations on an average of every 10 years. Deteriorated manholes are also programmed for rehabilitation. This annual rehabilitation program began in 1997.

- **Lift Station #3:** *Funding Source – EPA STAG Grant & ½ Cent Infrastructure Surtax Bond Proceeds.* Construction underway. This project cost is to be combined with the North 2nd Street Sewer/Water/Road Systems Improvements Project costs (from 14th Ave. N. to 20th Ave. N.) to ensure that the City provides its 45% match to utilize the full \$485,000 EPA STAG grant.
- **LS # 15:** *Recommended Funding Source – Water & Sewer Fund. Design start in FY2012; construction start scheduled for FY2013.* This lift station is located at Hopson Road and Beach Boulevard. It is a can-type station with pumps and motors 20 feet below grade. This station needs to be replaced with a submersible type station including 1) demolishing the existing station and generator building, 2) abandon can type station, 3) remove existing LP gas generator and provide emergency generator receptacle. Design to start in 2012.
- **LS # 1:** *Recommended Funding Source – Water & Sewer Fund. Design start moved to FY2012; construction start rescheduled for FY2013.* This lift station is located at 2nd Ave. S. between 3rd and 4th St. S. It is a dry-pit, wet-pit type of station with pumps below grade and extended shaft two speed motors. This station needs to be replaced with a submersible type station including 1) modify the existing generator building to house new electrical equipment, 2) demolish the existing lift station building and fuel tank, 3) install a new fiberglass wet well 4) three new submersible pumps and motors, 5) new 50 hp variable frequency drives with soft starts for emergency use, 6) new generator and fuel tank in enclosure, 7) new flow meter. Awaiting design fee proposal from engineer.
- **LS #7:** *Recommended Funding Source – Water & Sewer Fund. Design scheduled for FY2013; construction start scheduled for FY2014.* This station is located at 301 N. 18th Avenue on the corner of 3rd Street and 18th Avenue. The station was commissioned in 1984. It is a Smith and Loveless duplex lift station utilizing old vacuum assist technology which is

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very problematic and labor intensive. The flow enters the station through a manhole in 3rd Street and discharges to a manhole in 18th Avenue that gravity flows to Lift Station #20. The control cabinet, piping and structure are corroded and deteriorating and it is difficult to get replacement parts. The wet well is 6' X 16' concrete coated with Spectrashield. This station is literally located in the Fletcher Middle School parking lot. This makes access to the station challenging and for this reason relocation should be considered. The station should be replaced with a duplex submersible lift station.

- **LS #9:** *Recommended Funding Source – Water & Sewer Fund. Design start scheduled for FY2013; construction start scheduled for FY2014.* This station is located at 1850 Tanglewood Road and discharges into a manhole on 10th Street North at 13th Avenue and gravity flows to lift station #2. It is one of two above grade duplex self-priming lift stations left in our system. It is equipped with 2 Gorman Rupp pumps installed in 2000/2001. This lift station is seriously impacted and very problematic during rain events. The pumps have great difficulty keeping up with the flows during these high demand periods. The pumps are noisy and we have received numerous complaints from the neighborhood about the racket. Over the past couple of years the station has required more and more attention and repair just to keep the pumps operational. This station should be replaced with a duplex submersible lift station.
- **LS #17:** *Recommended Funding Source – Water & Sewer Fund. Design start scheduled for FY2014; construction start rescheduled for FY2015.* The station is a duplex submersible pump station with two Gorman-Rupp submersible pumps located at 3351 Anhinga Court. The force main discharges to a manhole, which is located on Osceola Avenue at Merrill Boulevard, and then flows by gravity to Lift Station # 14. The lift station has an 8-foot diameter wet well, which has been coated with Spectrashield and appears to be in reasonably good condition. The control cabinet is deteriorated. Discharge piping is PVC with the exception of the discharge elbows, which are ductile/cast iron, and show signs of rust. Replace existing storm sewer pipe with larger piping and provide access and gate to lift station site.
- **LS #8:** *Recommended Funding Source – Water & Sewer Fund. Design start scheduled for FY2014; construction start scheduled for FY2015.* This station is located at 825 18th Avenue North. The force main discharges into a manhole and into lift station #20. This station is impacted by infiltration and inflow issues. This station should be replaced with a duplex submersible lift station in conjunction with the lift station #8 Sewer Improvements project.
- **LS # 2:** *Recommended Funding Source – Water & Sewer Fund. Design start scheduled for FY2015; construction start rescheduled for FY2016.* This lift station is located at 6th Ave. N. at 4th St. N. It is a dry-pit submersible lift station below grade. This station needs to be replaced with a submersible type station including: 1) modifying the existing generator building, 2) demolishing the existing lift station building, 3) construct a new wet well with spectra shield coating, 4) new flow meter. City has recently installed new variable frequency drives and a used/refurbished generator.

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Funding Source: Water & Sewer Fund, Federal EPA STAG Grant, 1/2 Cent Surtax Bond Proceeds

Project (funding source)	DIV/ FUND	PRIOR	FY2013	FY2014	FY2015	FY2016	FY2017	Total
LS #3 (Construct- STAG Grant & 1/2 Cent Surtax))	PCP/ 420-0706	\$45,257 ^{1a} \$615,054 ^{1b}						
LS #15 (Design-W/S) (Construct-W/S)	PCP/ 420-0706	\$33,000 ^{2a}	\$348,150 ^{2b}					\$348,150
LS #1 (Design- W/S) (Construct-W/S)	PCP/ 420-0706	\$86,054 ^{3a}	\$870,375 ^{3b}					\$870,375
LS #7 (Design-W/S) (Construct-W/S)	PCP/ 420-0706		\$33,000 ^{4a}	\$348,150 ^{4b}				\$381,150
LS #9 (Design-W/S) (Construct-W/S)	PCP 420-0706		\$57,750 ^{5a}	\$406,175 ^{5b}				\$463,925
LS #17 (Design-W/S) (Construct-W/S)	PCP/ 420-0706			\$16,500 ^{6a}	\$116,050 ^{6b}			\$132,550
LS #8 (Design-W/S) (Construct-W/S)	PCP 420-0706			\$82,500 ^{7a}	\$580,250 ^{7b}			\$662,750
LS #2 (Design-W/S) (Construct-W/S)	PCP/ 420-0706				\$77,000 ^{8a}	\$812,350 ^{8b}		\$889,350
Manholes (not capital)	D&C/ 420-0707		\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$100,000
TOTAL		\$779,365	\$1,329,275	\$873,325	\$793,300	\$832,350	\$20,000	\$3,848,250

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1a Total DESIGN COST = Design Cost (\$45,257). Completed.

1b Total CONSTRUCTION COST = \$615,054 = Construction Cost, 10% contingency and 5.5% Construction Administration Services plus 10% contingency (\$3,575).

2a Estimated Total DESIGN COST = \$33,000 = Planning estimate placeholder = Design Cost (\$30,000) plus 10% contingency (\$3,000). These costs are extremely variable because design scope has not been detailed at this time.

2b Estimated Total CONSTRUCTION COST = \$348,150 = Planning estimate placeholder = Construction Cost (\$300,000) plus 10% contingency (\$30,000) and 5.5% Construction Administration Services Cost (\$16,500) plus 10% contingency (\$1,650). These costs are extremely variable because design scope has not been detailed at this time.

3a Estimated Total DESIGN COST = \$86,054 = Planning estimate placeholder = Design Cost (\$78,231) plus 10% contingency (\$7,823). These costs are extremely variable because design scope has not been detailed at this time.

3b Estimated Total CONSTRUCTION COST = \$870,375 = Planning estimate placeholder = Construction Cost (\$750,000) plus 10% contingency (\$75,000) and 5.5% Construction Administration Services Cost (\$41,250) plus 10% contingency (\$4,125). These costs are extremely variable because design scope has not been detailed at this time.

4a Estimated Total DESIGN COST = \$33,000 = Planning estimate placeholder = Design Cost (\$30,000) plus 10% (\$3,000). These costs are extremely variable because design scope has not been detailed at this time.

4b Estimated Total CONSTRUCTION COST = \$348,150 = Planning estimate placeholder = Construction Cost (\$300,000) plus 10% contingency (\$30,000) and 5.5% Construction Administration Services Cost (\$16,500) plus 10% contingency (\$1,650). These costs are extremely variable because design scope has not been detailed at this time.

5a Estimated Total DESIGN COST = \$57,750 = Planning estimate placeholder = Design Cost (\$52,500) plus 10% (\$5,250). These costs are extremely variable because design scope has not been detailed at this time.

5b Estimated Total CONSTRUCTION COST = \$406,175 = Planning estimate placeholder = Construction Cost (\$350,000) plus 10% contingency (\$35,000) and 5.5% Construction Administration Services Cost (\$19,250) plus 10% contingency (\$1,925). These costs are extremely variable because design scope has not been detailed at this time.

6a Estimated Total DESIGN COST = \$16,500 = Planning estimate placeholder = Design Cost (\$15,000) plus 10% (\$1,500). These costs are extremely variable because design scope has not been detailed at this time.

6b Estimated Total CONSTRUCTION COST = \$116,050 = Planning estimate placeholder = Construction Cost (\$100,000) plus 10% contingency (\$10,000) and 5.5% Construction Administration Services Cost (\$5,500) plus 10% contingency (\$550). These costs are extremely variable because design scope has not been detailed at this time.

7a Estimated Total DESIGN COST = \$82,500 = Planning estimate placeholder = Design Cost (\$75,000) plus 10% (\$7,500). These costs are extremely variable because design scope has not been detailed at this time.

7b Estimated Total CONSTRUCTION COST = \$580,250 = Planning estimate placeholder = Construction Cost (\$500,000) plus 10% contingency (\$50,000) and 5.5% Construction Administration Services Cost (\$27,500) plus 10% contingency (\$2,750). These costs are extremely variable because design scope has not been detailed at this time.

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8a Estimated Total DESIGN COST = \$77,000 = Planning estimate placeholder = Design Cost (\$70,000) plus 10% (\$7,000). These costs are extremely variable because design scope has not been detailed at this time.

8b Estimated Total CONSTRUCTION COST = \$812,350 = Planning estimate placeholder = Construction Cost (\$700,000) plus 10% contingency (\$70,000) and 5.5% Construction Administration Services Cost (\$38,500) plus 10% contingency (\$3,850). These costs are extremely variable because design scope has not been detailed at this time.

9 For over a decade Sewer Collection System rehabilitation projects, except where prudent in conjunction with an all systems upgrade in a right-of-way, have in general been on hold / deferred due to budgetary constraints. Now they are starting to be programmed.

10 *The above estimated costs are variable until project design, bid advertisement and bid award are complete.*

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Project Title: Reuse Implementation Program

Department / Division: Parks and Recreation & Public Works / Distribution & Collection

Project Description and Reason Necessary: In the Master Plan to Upgrade the Wastewater Treatment Facility (previous page) all plant effluent will be reuse quality. Under the provisions of Amendment 1 to the SJRWMD Cost-Share Agreement for the Wastewater Treatment Plant Improvements Project the City agreed to construct projects to utilize more plant effluent as reuse. The schedule in the agreement had all Short-Term and Mid-Term projects completed by 2015; all short-term reuse projects have been completed. Amendment 1 also states that that the initial milestones and projected project activity descriptions may be updated/revised/added to as the project progresses. Subsequently, staff revised / updated reuse projects as shown below.

- **Mid-Term Reuse Projects** (*agreement suspense 2015*):
 - Warren Smith Cemetery Connection, Kirkland Cemetery (new part), WWTF Reuse Related – Completed.
 - Extend Reuse to Stormwater Central Basin at 12th Ave S. & 9th St. (replaces Beach Blvd. Medians). *Recommended funding source – Water & Sewer*
 - Extend Reuse to South Beach Park (replaces Additional Golf Course Area). *Recommended funding source – Southend Redevelopment District.*
- **Long-Term Reuse Project** (revised as shown):
 - Extend Reuse to Penman Park and Gonzales Park (replaces South Beach Park, which moved to Mid-Term Project) - Not scheduled at this time due to cost.

Funding Sources: Water & Sewer (W/S); Southend Redevelopment Tax Increment Fund (SE TIF)

PROJECT (<i>FUNDING SOURCE</i>)	PRIOR	FY2013	FY2014	FY2015	FY2016	FY2017	TOTAL
Short-term:							
○ Golf Course (west side)	\$39,770						
○ Golf Course (east side)	\$67,273						
○ Beach Blvd. to Warren Smith Cemetery	\$26,696						
○ Kirkland Cemetery (old part)	\$2,465						
Mid-term:							
○ New WWTF Reuse Related	\$8,036,443						
○ Warren Smith	\$10,000						
○ Kirkland Cemetery (new part)	\$2,564						
○ Reuse Main to Stormwater Central Basin (<i>W/S Design & Construct</i>)		\$150,000 ¹					\$150,000
○ Reuse Main to South Beach Park Area (<i>SE TIF Design & Construct</i>)	\$75,000 ^{1,2}	\$500,000 ^{1,2}					\$500,000
Long-term: (beyond 2017)							
○ Penman Park & Gonzales Park							
TOTAL	\$8,260,211	\$650,000					\$650,000

¹ The above estimated costs are variable until project design, bid advertisement and bid award are complete.

² These estimated costs are incorporated into the estimates for the Southend Redevelopment District Infrastructure Improvements Project currently under design and previously described under the Roads & Associated Infrastructure Program.

Capital Improvement Plan: FY2013-2017

Project Title: Wastewater Treatment Facility Improvements

Department / Division: Public Works / Pollution Control Plant

Project Description and Reason Necessary:

- **Investigate, Study, Permit, Design and Construct Relocation of WWTF Discharge to Intracoastal Waterway:** The City's ultimate goal is to relocate the primary effluent discharge point from its existing permitted pumped discharge location at the Lower St. Johns River at Sherman Creek to the Intracoastal Waterway west of the WWTF in the general direction of its permitted gravity wet weather discharge location. FDEP would most likely require some sort of a Water Quality Based Effluent Limit (WQBEL) study to be performed. Since the new wastewater treatment plant is designed for AWT effluent, a limited WQBEL should be able to be negotiated. FDEP may also require the City to have a backup discharge location. In this event, the existing pumped discharge location at the river would serve as a backup to the new gravity primary discharge location at the Intracoastal Waterway. This change would greatly reduce operation and maintenance costs. Due to the uncertainty of FDEP requirements, the consultant work has been divided into four (4) phases.
 - **Phase 1:** This phase is complete. It consists of an investigative study and dialogue & negotiations with state agencies (FDEP and SJRWMD) and preliminary calculations to determine the testing requirements and feasibility of moving forward with the project. FDEP and SJRWMD have been receptive to this project.
 - **Phase 2:** This phase will be directed toward obtaining a permit modification to the City's wastewater treatment plant permit to allow discharge of the effluent flow to a different outfall. This proposed discharge location will be to the Intracoastal Waterway through the City's golf course pond system (near the rear of the O&M facility grounds). Phase 2 will consist of a detailed report addressing support data including a Modified WQBEL (Water Quality Based Effluent Limitations), Anti Degradation Study, Detailed Pond Analysis, Sampling Collection and Analysis of Chemical and Biological Data, Coordination and Interaction with FDEP and SJRWMD for approval of the permit modification.
 - **Phase 3:** This phase will consist of producing the detailed Engineering Plans and Contract Documents required to make the necessary infrastructure modifications to the existing WWTP facilities and Golf Course Pond System envisioned in Phase 2 and obtaining both FDEP and SJRWMD formal approval for the proposed construction.
 - **Phase 4:** Construction of the relocated discharge outfall toward the Intracoastal Waterway.
- **4,000 Gallon Fuel Tank Replacement for Emergency Generator:** *Funding Source – W & S Fund.* Project start scheduled for 2012.

Capital Improvement Plan: FY2013-2017

- Construct Digester Manways:** The City of Jacksonville Beach Pollution Control Plant uses three existing digesters to store waste sludge from the new SBRs for eventual discharge to the belt press facility for de-watering. Two of the tanks were built with the original Plant 1 in the 1940's and do not have manways. The third digester was installed with the construction of Plant 2 in the 1980's and includes a manway. (These digesters were retained to use with the new WWTF facilities.)

Manways are openings in the side of tanks for employee access. The digester tanks are approximately 20 feet tall. The manways are an essential safety feature for adequately maintaining the vessels. Without them, a ladder is extended from the top of the tank to gain access. This operation takes three people because it is such a precarious task. Then there is the danger of climbing twenty feet down and up the ladder. The addition of manways allows plant personnel to enter the tanks from ground level, greatly reducing risk by eliminating the need for a ladder altogether. The installation of manways will ensure the safety of PCP Personnel when performing work inside the digesters.

Funding Source: Water & Sewer Fund

Project (funding source)	PRIOR	FY2013	FY2014	FY2015	FY2016	FY2017	Total
WWTF Upgrade & Odor Control System							
Design-W/S	\$1,452,830 ^{1a}						
Construct- various	\$21,435,542 ^{1b}						
Fuel Storage Tank (4,000 gals) –W/S	\$50,000						
Relocate WWTF Discharge Outfall							
○ Phase 1 –W/S	\$49,241 ^{2a}	\$440,000 ^{2b}					\$440,000
○ Phase 2 –W/S							
○ Phase 3 –W/S		\$110,000 ^{2c}				\$110,000	
○ Phase 4 –W/S		TBD ^{2d}				TBD	
Digester Manways –W/S		\$26,400					\$26,400
Replace roof on garage at PCP-W/S					\$22,000		\$22,000
TOTAL	\$22,987,613	\$466,400	\$110,000	TBD	\$22,000		\$598,400

Capital Improvement Plan: FY2013-2017

- 1a** Total DESIGN COST =\$1,452,830 =Actual (design complete.)
- 1b** Total CONSTRUCTION COST = \$21,435,542. Odor Control System was included by change order. Cost includes construction, contract administration, and contingency on both.
- 2a** Total Phase 1 STUDY COST =\$49,241. Phase 1 Study is complete.
- 2b** Estimated Total Phase 2 TESTING, REPORT & PERMIT MODIFICATION COST = \$440,000 = Testing, report, and permit modification (\$400,000) plus 10% Contingency (\$40,000). These costs are extremely variable because scope has not been detailed at this time.
- 2c** Estimated Total Phase 3 FINAL DESIGN & PERMITTING COST = \$110,000 = Design (\$100,000) plus 10% Contingency (\$10,000). These costs are extremely variable because design scope has not been detailed at this time.
- 2d** Estimated Total Phase 4 CONSTRUCTION COST = to be determined (TBD).
- 3** *The above estimated costs are variable until project design, bid advertisement and bid award are complete.*

Future Operating Budget Impact:

New WWTF	PRIOR	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Utilities	Utility costs may increase 30% to 40% at full plant operational capacity.						
Staffing	Staffing should remain same.						
Software / HMI Tech Support- sole source (Not Capital)	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000	\$120,000
TOTAL	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000	\$120,000

Capital Improvement Plan: FY2013-2017

Project Title: Raw Water Well Flow Meter Upgrade

Department/Division: Public Works / Water Plant

Project Description and Reason Necessary:

In an effort to improve reporting of finished water flow, the Division has purchased and installed Magnetic Flow Meters (mag-meters). This increased the accuracy of the plant effluent numbers that are used in the Water Management District Consumptive Use Permit Audit as well as other reports. The units have no moving parts resulting in low maintenance and minimal usage of low voltage electricity, reducing damaging heat as well as lowering operational costs.

The Division plans to implement a flow meter replacement program at its other locations. Replacement of existing, old pressure differential and paddle wheel meters with magnetic meters will be incremental and based on budget year. The plan is to address the influent (raw) water source first, hopefully reducing the perceived losses between raw and finished water.

The City has 2 raw water wellfields comprised of 3 wells each. Each well has a meter and a fourth meter is located where the well flows combine. Thus, the 2 wellfields have a total of 8 meters. Over the next three years, it is planned to replace all 8 meters.

Funding Source: Water & Sewer

<u>Fund</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>TOTAL</u>
<i>Water & Sewer</i>	\$25,500	\$33,000	\$22,000			\$80,500
TOTAL	\$25,500	\$33,000	\$22,000			\$80,500

Future Operating Budget Impact:

<u>Fund</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>TOTAL</u>
Water & Sewer	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL	\$0	\$0	\$0	\$0	\$0	\$0

Capital Improvement Plan: FY2013-2017

Project Title: Water Plant #2 Improvements (Osceola Ave.)

Department/Division: Public Works/Water Plant

Project Description and Reason Necessary:

- **Item (1) - Construct Division Storage & Utility Building:** *Approved in the Southend Redevelopment District Master Plan*

Design and construct new storage and utility maintenance building that addresses the serious lack of storage space and maintenance space with overhead crane for the water production facilities, which has been noticed repeatedly by the Department of Environmental Regulation (FDEP) at Annual Sanitary Inspections of the facilities. **FDEP has time and again issued corrective orders for both performing heavy maintenance in an unmanned facility and improper use of Plant #2's pump room as a storage and utility maintenance space. It is critical that this situation be corrected by construction of this storage and utility maintenance building with overhead crane.**

Water Plant #2 is an excellent location for such a facility because it is on relatively high ground and is located adjacent to the South Beach Park Community Center and Fire Station. It is recommended that such a building be designed with disaster emergency dual use in mind and able to better withstand hurricane force winds and related flooding, meeting current wind load and flooding standards. As city forces return from a disaster emergency, it could be used for initial critical city-wide covered shelter, storage and maintenance, as city systems and facilities are repaired and brought back on line.

Planning estimate placeholders were \$35,244 for design and \$585,270 for construction. These were estimated based on rough estimates in the *Southend Redevelopment District Master Plan*. Based on recent discussions with the engineer, the design fee will need to be increased to a little over \$80,000 due to the re-design of the building (from existing 1990's plans) to meet the 2010 Building Code and CAT 3 Hurricane requirements. We are awaiting the final design scope and fee proposal from the consultant. It is anticipated that the construction estimate is very rough and may vary considerably as design nears completion.

- **Item (2) - Upgrade Existing Emergency Power Generator at Water Plant No. 2**
Emergency Power Generator for the New Storage and Utility Building: *This must proceed simultaneously with design of Item (1).* The storage and utility building is anticipated to share emergency power generation with the Water Plant #2 water production facilities. The existing generator may need upgrading to include correction of its low elevation. Load calculations are to be conducted to confirm if the existing generator is capable of supplying emergency power to the new building. If not, load-shed devices may be used to save the cost of a new generator. Otherwise new generator and possibly sound-attenuating building must be procured. As explained, we are awaiting the final design scope and fee proposal from the engineer.

Capital Improvement Plan: FY2013-2017

- **Item (3) - Rehabilitate Ground Storage Tanks:** Rehabilitate two existing ground storage tanks at Water Plant No. 2.

Funding Source: Southend Redevelopment District Tax Increment Fund (*SE TIF*); Water & Sewer Fund (*W/S*).

<u>Fund</u>	<u>PRIOR</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>TOTAL</u>
Items (1) & (2)							
Design							
<i>SE-TIF (50%)</i>	\$41,465						
<i>W/S (50%)</i>	\$41,465						
Construct							
<i>SE-TIF (50%)</i>		\$292,635					\$585,270
<i>W/S (50%)</i>		\$292,635					
Item (3)							
Construct-W/S						\$330,000	\$330,000
TOTAL	\$82,930	\$585,270				\$330,000	\$915,270
¹ The above estimated costs are variable until project design, bid advertisement and bid award are complete.							

Future Operating Budget Impact: For utilities and phone.

<u>Fund</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>TOTAL</u>
Water & Sewer (<i>WTP</i>)	\$3,600	\$3,600	\$3,600	\$3,600	\$3,600	\$18,000
TOTAL	\$3,600	\$3,600	\$3,600	\$3,600	\$3,600	\$18,000

Capital Improvement Plan: FY2013-2017

Project Title: Stormwater Master Plan

Department / Division: Public Works / Stormwater

Project Description and Reason Necessary:

For over a decade, the City has been steadily improving its stormwater collection systems through a program of study, design, and construction under the auspices of Phases 1, 2 & 3 of its Stormwater Master Plan. Some projects in the Phase 3 of the Stormwater Master Plan are being designed and constructed, subject to available funding. Current status is shown in the following matrix. Project priorities and design approaches may be adjusted based on field-collected data, funding availability, and estimated project costs. Projects are funded one at a time as funds are available. Project costs have been increasing dramatically over the past several years. Fund cash balance has been drawn down significantly. Major projects are on hold indefinitely due to funding constraints. (See chart that follows.)

<u>Project Area</u>	<u>Current Status</u>
Ocean Forest Area	City implemented maintenance work south of outfall from Constitution Cove Pond to improve stormwater flow. <i>Major project(s) may need to be deferred due to funding constraints.</i>
Central/South Stormwater Basins Improvements	Multi-year program of contract and in-house work to improve both facilities. (See project summary that follows.)
Stormwater Improvements at Various Locations	Program of contract and in-house work to upgrade / improve / repair serious localized area drainage blockage / leaking / failing conditions / maintenance issues and/or surface ponding conditions (See project summary that follows later for 2013 location considerations.)
4th Street South Area (1 st to 6 th Ave. S.)	Project may be designed at a later date. Other existing City utilities/infrastructure along this corridor will also be considered. <i>Major project(s) being deferred due to funding constraints.</i>

- **Central/South Stormwater Basins Improvements:** This is a multi-year program to rehabilitate & improve these two primary stormwater retention facilities & conveyance systems to the west for stormwater collected south of Beach Blvd. The Central Basin facilities are located at 9th St. S. & 12th Ave. The South Basin facilities are located at JT Butler Blvd. & South Beach Parkway.
 - **Item (1) – Merge Central/South Basins under One Stormwater Permit with the Water Management District:** Complete.
 - **Item (2) Central Basin Erosion Control:** Central Basin erosion control project west of the weir wall. Turbulence related to flow over weir and from pumps at the co-located stormwater pump station has caused serious erosion downstream to include undermining the intersection of 10th St. S. and 12th Ave.

Capital Improvement Plan: FY2013-2017

- **Item (3) - Central/South Basins Operational Facilities Improvements:** Construction of valve operator deck and installation of valves at the Central facility; installation of level controls at the Central & South facilities, fabrication & installation of safety/maintenance catwalk at the South facility weir, fabrication & installation of sampling platform & access at the South facility, and fabrication & installation of debris collection & removal system at the South facility, eastside of South Beach Parkway.
- **Item (4) - Central Basin De-Siltation Canal Improvements:** The Central Basin de-siltation canal is a wet-detention Stormwater Management Facility located along the south side of 12th Avenue South from 4th Street to 10th Street. This Canal was constructed in 1993 as part of a major improvement project for the Central Basin drainage area. The Stormwater Management Facility acts as a sediment trap and provides treatment volume. The normal water elevation of 2.0 feet is controlled by four (4) bleed-down pipes. The water treatment elevation is controlled by an 88 feet wide concrete weir. This facility provides stormwater treatment credits for approximately 26.88 acres of impervious area. This treatment was never assigned to any construction project and is available for the City to utilize expeditiously in the future.

The project includes lowering the normal water elevation in the canal by approximately 2 feet dependent upon the mean high tide level. This will increase the stormwater treatment credits by approximately twenty-one (21) acres of impervious area. The existing stormwater pumps could be utilized to discharge the stormwater treatment volume in the time required by the Water Management District. Some modifications in the electrical control system and the level detection system will be necessary, and a more in depth study will be required to evaluate these changes. Also, two new bleed-down pipes could be installed at the proposed normal water elevation, and the existing bleed-down pipes could be plugged and abandoned.

These modifications should result in a reduction of the pond high water elevation for the 5-, 10- and 25-year storm event with no significant impact on the other components of the stormwater system. In addition, this will also reduce the amount of surcharge in the collection system, thereby improving the function of the system and reducing the amount of sediment settling in the system.

• Stormwater Improvements at Various Locations - Narratives

- **Sanctuary Way North:** Extend piping from existing roadway to Lake Sanctuary at three locations along Sanctuary Way North due to accessibility and maintenance issues. Work includes construction of approximately 250 lf of 24" PVC pipe, six endwalls, fill, and sitework. (*New-Design, permit & construct*)
- **Sanctuary Boulevard:** Extend piping from existing roadway under existing small retention near 3680 Sanctuary Boulevard due to accessibility and maintenance issues. Work includes construction of approximately 100 lf of 24" PVC pipe, two endwalls, fill, and sitework. (*New-Design, permit & construct*)

Capital Improvement Plan: FY2013-2017

- **8th Avenue South:** Construct new 15 inch stormwater piping along 8th Avenue South from 9th Street South to 10th Street South and on 10th Street South from 8th Ave. S. northward to midblock south of 7th Avenue South due to flooding issues. Work includes construction of approximately 500 lf of 15” PVC pipe, two new inlets, connections to existing inlets, asphalt pavement removal and replacement and sitework. (*New-Design, permit & construct*)
- **Tallwood Road and Oakwood Road Intersection:** Replace existing stormwater piping that has failed at the intersection of Tallwood and Oakwood Roads. Work includes construction of approximately 400 lf of 18” PVC pipe, two new inlets, one manhole, asphalt pavement removal and replacement and sitework. (*Repair*)
- **Azalea Drive west of 22nd Street North:** Slipline an existing 24” CMP stormwater pipe and abandon an existing 12”x18” CMP stormwater pipe that have failed in an easement off of Azalea Drive west of 22nd St. N. Work includes sliplining the existing 24” pipe with 15” PVC pipe, abandoning the existing 12”x18” pipe, inlet removal and replacement, asphalt pavement removal and replacement and sitework. (*Repair*)

Funding Sources: Stormwater Fund (SW) or Southend Redevelopment Fund (SE-CRA)

PROJECT & FUNDING SOURCE	PRIOR	FY2013	FY2014	FY2015	FY2016	FY2017	TOTAL
Ocean Forest Study-SW	\$167,000						\$0
○ Ocean Forest Phase 1 Design-SW		\$50,000 ^{1a}					\$572,225
Construct-SW			\$522,225 ^{1b}				
○ Ocean Forest Phase 2 Design-SW			\$50,000 ^{1c}				\$572,225
Construct-SW				\$522,225 ^{1d}			
Stormwater Imps. - Various Locations Design-SW		\$33,000 ^{2a}					\$265,100
Construction-SW		\$232,100 ^{2b}					

Capital Improvement Plan: FY2013-2017

Central/South Basins Improvements							
○ Item (1)	\$68,018						
○ Item (2) Design-SW Construct-SW	\$31,228 ^{3a}	\$348,150 ^{3b}					\$348,150
○ Item (3) SW / SE- CRA					\$355,000		\$355,000
○ Item (4) Design-SW Construct-SW					\$100,000	TBD	\$100,000
4 th Street South Area (1 st to 6 th Ave. S.) Study-SW Design-SW Construct-SW						\$100,000 TBD future TBD future	\$100,000
Pipe Cleaning (<i>not capital</i>)		\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000
TOTAL	\$378,626	\$763,250	\$672,225	\$622,225	\$555,000	\$200,000	\$2,812,700

^{1a} Estimated Total DESIGN COST (Phase 1) = \$50,000 = Planning estimate pending study completion.

^{1b} Estimated Total CONSTRUCTION COST (Phase 1) = \$522,225 = Construction Cost (\$450,000) plus 10% contingency (\$45,000) and 5.5% Construction Administration Services Cost (\$24,750) plus 10% contingency (\$2,475). These costs are extremely variable because scope has not been detailed at this time.

^{1c} Estimated Total DESIGN COST (Phase 2) = \$50,000 = Planning estimate pending study completion.

^{1d} Estimated Total CONSTRUCTION COST (Phase 2) = \$522,225 = Construction Cost (\$450,000) plus 10% contingency (\$45,000) and 5.5% Construction Administration Services Cost (\$24,750) plus 10% contingency (\$2,475). These costs are extremely variable because scope has not been detailed at this time.

^{2a} Estimated Total DESIGN COST = \$33,000 = Design (\$30,000) plus 10% contingency (\$3,000).

^{2b} Estimated Construction Cost = \$232,100 = Construction (\$200,000) plus 10% contingency (\$20,000) and 5.5% Construction Administration (\$11,000) plus 10% contingency (\$1,100). These costs are extremely variable because scope has not been detailed at this time.

^{3a} Total DESIGN COST = \$31,228.

^{3b} Estimated Total CONSTRUCTION COST = \$348,150 = Construction Cost (\$300,000) plus 10% contingency (\$30,000) and 5.5% Construction Administration Cost (\$16,500) plus 10% contingency (\$1,650). These costs are extremely variable because scope has not been detailed at this time.

⁴ *The above estimated costs are variable until project design, bid advertisement and bid award are complete.*



Glossary of Budgetary and Financial Terminology and Acronyms

The City's operating budget contains specialized and technical terminology and acronyms that are unique to government and to public finance and budgeting. This glossary has been included in the budget to assist the reader in understanding the more unique terms.

Glossary and Acronyms:

Accrual basis of accounting - method of accounting that recognizes the financial effect of transactions, events, and interfund activities when they occur, regardless of the timing of the related cash flows.

Ad valorem Tax - a tax assessed on the value of real and personal property.

Adopted (approved) budget - the financial plan of revenues and expenditures for a fiscal year, as approved by the City Council.

AFG – Aid to Firefighters Grant

ALS — Advanced Life Support

Amendment - a change to the adopted budget which may increase or decrease a fund's total appropriation.

Amortization - gradual reduction of an amount over time. An example is amortized principal and interest payments on debt. An asset or liability with a limited life is usually amortized over the period benefitted (i.e., the life of the loan).

APPA — American Public Power Association

Appropriation - a specific amount of funds authorized by the City Council with which financial obligations may be made.

ARP – All Requirements Project

ARRA – American Recovery and Reinvestment Act

Assessed Valuation - the value placed on property for the purpose of taxation. The City of Jacksonville Beach accepts the assessment of real and personal property as determined

Glossary and list of acronyms

by the Duval County Property Appraiser.

AWT – Advanced Waste Treatment

Balanced budget - total anticipated revenues plus available fund balance in excess of authorized reserves equals total budgeted expenditures plus required reserves for each fund.

BLS — Basic Life Support

BMAP – Basin Management Action Plan

Bond - a written promise to pay a specific sum of money (called principal or face value) at a specific future date along with periodic interest paid at a percentage of the principal. Bonds are used to finance capital projects.

Bond Covenant - an agreement between the City and its lenders which specifies a payment schedule, terms and reserves to be held.

Budget Calendar - the schedule of key dates or goals which the City follows through the budget process.

Budgetary Control - the control or management of a governmental unit or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limits of revenues and approved appropriations.

Budget Message - a brief written statement presented by the City Manager to the City Council and incorporated into the budget document which highlights budget issues and policy recommendations.

Budget Process - the established procedures and calendar for the tasks which are to be completed prior to the adoption of the annual operating budget.

Budget Resolution - the official enactment by the City Council legally authorizing City officials to obligate and expend City resources.

Budgetary Solvency - a governmental unit's ability to generate sufficient cash revenues to pay its bills over a thirty to sixty day time frame.

CAD — Computer-Aided Dispatch

CAFR — Comprehensive Annual Financial Report

CALEA — Commission on Accreditation for Law Enforcement Agencies

CAPE – Community Assisted Policing Effort

Capital (Fixed) Asset – Land, improvements to land, easements buildings, building improvements, vehicles, machinery, equipment, works of art, historical treasures, infrastructure and all other tangible or intangible assets costing \$1,000 or more that are used in operations and that have initial useful lives extending beyond a single reporting period.

Capital Expenditure/Capital Outlay - an expenditure for the acquisition of, or addition to a fixed asset. Items acquired for less than \$1,000 are not considered to be capital expenditures.

Capital Improvement Plan (CIP) - a plan for capital expenditures to be incurred each year over a fixed period of several years. The plan sets forth each capital project and identifies the expected beginning and ending date for each project, the amount to be expended in each year and the method of financing for those expenditures.

Capital Project - Projects which result in the acquisition or construction of fixed assets which are of long term and permanent nature. Such assets include land, buildings and related improvements.

Cash Balance Forward - funds on hand at the end of a fiscal year resulting from collections of revenues in excess of expenditures or unexpended appropriations which are included as a revenue source in the budget of the following fiscal year.

CDBG — Community Development Block Grant

CFL – Compact Florescent Light

CIP — Capital Improvement Plan

CIS – Customer Information System

Contingency - a budgetary reserve to provide for emergency or unanticipated expenditures during the fiscal year.

COP — Citizens on Patrol

COPS – Community Oriented Policing Services

CPI — Consumer Price Index

CRA - Community Redevelopment Agency

Glossary and list of acronyms

Credit Rating - an independent rating service's evaluation of the credit worthiness of notes and bonds. Such ratings influence the cost of borrowing.

CRT - Community Response Team

CUP – Consumptive Use Permit

DARE - Drug Abuse Resistance Education

Debt - funds owed as a result of borrowing.

Debt Service - the payment of principal and interest on borrowed funds, such as bonds.

Debt Service Fund - the fund used to account for the accumulation of resources for the payment of principal and interest on long term debt, specifically, bond issues.

Deficit - the excess of expenditures over revenues during a fiscal year.

Department - a major administrative division of the City with overall management responsibility for an operation or a group of related operations within a related program area.

Depreciation - the periodic expiration of an asset's useful life. Depreciation is a requirement in proprietary funds such as internal service and enterprise funds.

EAR – Evaluation and Appraisal Report

EMS — Emergency Medical Services

EMT – Emergency Medical Technician

EPA – Environmental Protection Agency

EVOC – Emergency Vehicle Operators Course

Encumbrance/encumbered - a commitment of funds through appropriation in which the expenditure has not actually been made at the time of recording. It may be represented by a purchase order, purchase requisition or contract for goods and services.

Enterprise Fund - a fund in which the activities are supported wholly or primarily by charges and fees paid by the users of the services.

ESCO – Electric Service Corporation

Glossary and list of acronyms

Expenditure/Expense - the outflow of funds paid or to be paid for an asset obtained or for goods and services provided regardless of when the expense is actually paid. The term expenditure applies to governmental funds and the term expense applies to proprietary funds.

FCC – Federal Communications Commission

FDEP — Florida Department of Environmental Protection

FDOT – Florida Department of Transportation

FERC — Federal Energy Regulatory Commission

FMPA - Florida Municipal Power Agency

Fiscal Year - the time period designated by the City signifying the beginning and ending of its annual period for recording financial transactions. The City of Jacksonville Beach's fiscal year is October 1 through September 30.

Fixed Asset – a financial resource that is tangible, has an expected life of more than one year, costs more than \$750 and is not a repair or supply item. Items meeting the fixed asset criteria are classified by major categories: land, building, improvements other than building, equipment and vehicles and construction-in-progress.

FOP — Fraternal Order of Police

Franchise - an agreement between the City and a provider of public services, such as cable television or garbage collection, which imparts certain standards on the provider and is a contract which requires payments to the City.

FRCC — Florida Reliability Coordinating Council

FRDAP – Florida Recreation Development Assistance Program

FS - Florida Statutes

Fund - an independent fiscal and accounting entity with a self-balancing set of accounts. These accounts record cash and other assets together with all related liabilities, obligations, reserves and equities. Funds are segregated so that revenues will be used only for the purpose of carrying out specific activities in accordance with special regulations, restrictions or limitations.

Fund Balance - refers to the excess of assets over liabilities and, therefore, is generally known as the amount available for appropriation to the extent that it is not reserved.

Glossary and list of acronyms

GAAP - Generally Accepted Accounting Principles

GASB – Governmental Accounting Standards Board

General Fund - the governmental accounting fund supported by ad valorem property taxes, licenses and permits, service charges and other general revenues to provide City-wide operating services. This may be referred to as the Operating Fund.

General Obligation Bonds (GOB) - bonds whose principal and interest are paid from property tax for debt service and are backed by the City's full faith and credit. Approval by referendum vote is required for GOBs to be issued.

GFOA - Government Finance Officers' Association

GIS — Geographic Information System

Governmental Funds - funds used to account for the acquisition, use and balances of expendable financial resources and related liabilities. Governmental funds include the General Fund, Special Revenue Fund(s), Debt Service Fund(s) and Capital Projects Fund(s).

GPS — Geographic Positioning System

Homestead Exemption - pursuant to the Florida State Constitution, the first \$25,000 of assessed value of a home which the owner occupies as principal residence is exempt from property tax.

HTE – The name of the City of Jacksonville Beach's operating software for general ledger, utility billing, building permit, occupational license and other applications.

IAFF — International Association of Firefighters

Impact Fees - monetary payments made by developers or builders to defray the public costs of providing infrastructure capital to a development.

Infrastructure - public support structures such as roads, street lighting, water and sewer lines.

Intergovernmental Revenue - Revenue received from another governmental unit in the form of entitlements, shared revenues or payment in lieu of taxes.

IRB – Inflatable Rescue Boat

JAG – Justice Assistance Grant

Glossary and list of acronyms

JTA — Jacksonville Transportation Authority

Kw, Kwh — Kilowatt, kilowatt hour, respectively

LAN — Local Area Network

Levy - to impose taxes, special assessments or service charges. Another term used for millage rates.

LIUNA — Laborers International Union of North America

LOGT – Local Option Gas Tax

Mandate - any responsibility, action or procedure that is imposed by one sphere of government on another through constitutional, legislative, administrative, executive or judicial action as a direct order or that which is required as a condition of aid.

Matching Requirement - a contribution to a project or program required by a funding source as a basis for the grantor's contribution. Matching requirements are frequently imposed as a proportionate share of the overall contribution.

MCP – Mobile Command Post

MGD — Million Gallons per Day

MHz — Megahertz

Mill – amount per \$1,000 of value

Millage Rate - The ad valorem tax rate expressed in the amount levied per \$1,000 of assessed taxable value of the property, or 1 mill = \$1.00 per \$1,000 of assessed value.

MPO — Metropolitan Planning Organization

Mw, Mwh — Megawatt (1,000 kilowatts), Megawatt hour (1,000 kilowatt hours)

NERC — North American Electric Reliability Corporation

NFPA – National Fire Prevention Association

NFTPO – North Florida Transportation Planning Organization

NPDES — National Pollutant Discharge Elimination System

O&M Facility – Operations and Maintenance Facility.

Operating Expenditures - also known as operating and maintenance costs, these are day-to-day expenses excluding capital outlay, debt service and transfers.

Performance Indicators - special qualitative and quantitative measures of work performed as an objective of a department.

Proprietary Funds - used to account for a government's ongoing organizations and activities that are similar to those found in the private sector. Proprietary funds include Enterprise and Internal Service Funds.

PUD – Planned Unit Development

PWRCA – Priority Water Resource Caution Area

Reserve - an account used to indicate that a portion of funds has been legally restricted for a specific purpose or not available for appropriation and subsequent spending. A reserve for working capital is a budgetary reserve set aside for cash flow needs, emergencies, unforeseen expenditures or revenue shortfalls.

Retained Earnings - a fund equity account which reflects accumulated net earnings (or losses) of a proprietary fund. As in the case of fund balance, retained earnings may include certain fund balance reserves.

RFP - Request for Proposal

RFQ — Request for Qualifications

Rolled-back Millage Rate – The millage rate calculated to provide the same amount of property taxes as the previous year, excluding new taxable value (new construction/additions) and amounts paid as the result of obligations measured by dedicated tax increment value.

Revenue - funds which the City receives as income. Revenue categories include taxes, licenses, user fees, service charges, fines and penalties, interest, loan proceeds and grants.

SAN — Storage Area Network

SCBA – Self-contained Breathing Apparatus

Sinking Fund - a reserve fund accumulated over a period of time used for the periodic retirement of debt.

SLEP - Service Life Extension Program

Special Assessment - a compulsory levy imposed on certain properties to defray part or all of the cost of a specific improvement or service deemed to primarily benefit those properties.

Special Revenue Fund - a governmental fund in which the revenues are designated for use for a specific purpose or activity.

STAG – State and Tribal Assistance Grant

SWAT — Special Weapons and Tactics

Taxes - compulsory charges levied by a government for the purpose of financing services performed for the common benefit.

Tax Year - the calendar year in which ad valorem taxes are levied to finance the ending fiscal year budget. For example, the tax roll for the 2009 calendar year would be used to compute the ad valorem taxes levied for the 2009-2010 budget.

TCEA – Transportation Concurrency Exception Area

TECO – Tampa Electric Company

Tentative Millage - the tax rate adopted in the first public hearing of a taxing authority. Under state law, the agency may reduce, but not increase, the millage during the final budget hearing without extensive re-advertising and property owner notification.

TIF — Tax Increment Fund(s)

TMDL – Total Maximum Daily Load. TMDL refers to the maximum amount of a pollutant such as nitrogen that a water body can receive and still meet water quality standards, and an allocation of that amount is made to the pollutant's sources, such as wastewater plants.

Transfers – are used to 1) move revenues from the fund with collection authorization to the debt service fund as debt service principal and interest payments become due, 2) move restricted amounts from borrowings to the debt service fund to establish mandatory reserve accounts, 3) move unrestricted general fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

Glossary and list of acronyms

TRIM - Truth in Millage Act - a 1980 law enacted by the Florida legislature which changed the budget process for local taxing authorities. It was designed to keep the public informed about the taxing intentions of the various authorities.

Uniform Accounting System - the chart of accounts prescribed by the State of Florida, Office of the Comptroller which is designed to standardize financial information to facilitate comparison and evaluation of various reports.

User Charges/Fees - fees charged for the direct receipt of public service.

VECHS — Volunteer Employee Criminal History System

Voted Millage - property tax levies authorized by voters within a taxing authority. Bond issues that are backed by property taxes are a common form of voted millage in the State of Florida. Such issues are called general obligation bonds.

WQBEL – Water Quality Based Effluent Limit