

**City of Jacksonville Beach  
Minutes of City Council  
FY 2014 - Budget Workshop  
Monday, August 5, 2013**

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Mayor Latham called the Budget Workshop to order at 6:45 p.m.

City Council members in attendance:

Keith Doherty	Steve Hartkemeyer	Christine Hoffman
Tom Taylor	Phil Vogelsang	Jeanell Wilson

Also present were City Manager George Forbes, Finance Officer Harry Royal, Budget Officer Trish Roberts, Human Resource Director Karen Nelson, Planning and Development Director Steve Lindorff, and Nancy Pyatte, City Clerk's Office.

The City Manager began the review of the Proposed Budget and Business Plan for 2014 fiscal year (copies provided) noting it was prepared using the rolled-back millage rate of \$4.1072. This will generate \$21,844 more in the General Fund property taxes than the current millage rate of \$4.0947.

As detailed in his memo, Mr. Forbes said the total City budget is 8.7% less than the current year's due to completion of the waste treatment facility, redevelopment projects budgeted for 2013, and decreases in energy costs.

The General Fund's proposed budget is up 2.7% more than this year's budget. Mr. Forbes explained this is due to a change in accounting standards for the receipt of state insurance premium tax designated for police and fire pensions.

Mr. Forbes stated taxable values have increased in the redevelopment districts and for the rest of the City. Property tax revenue in the General Fund increased by 1.0%. The proposed budget will allow the City to continue to provide a level of service that citizens expect, as detailed in the 'Quality of Life Goals'.

There was a review of the cost of City services and how they are funded. As shown on the chart 'Where Your Property Tax Dollar Goes', Mr. Forbes stated that only 20% of the total paid in property taxes comes back to the City of Jacksonville Beach.

The City Manager explained the City's required budget action and reviewed the Summary of Revenue and Expenditures for All Funds, as detailed in the Introduction tab.

**Executive & Legislative Department**

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

Mr. Forbes reviewed the goals and performance measures for the City Manager's Office. He stated that a lot of his time is spent on Intergovernmental Relations monitoring Federal, State, and Local issues that could affect the City's future. Mr. Forbes said he is also active with Florida Municipal Power Association and Florida Municipal Electric Association which provides the resources to monitor costs of power and

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other legislative issues.

The City Manager reviewed the report of the Employee Pension Funds' Performance Measures for the three pension plans – General, Police, and Fire. Effective October 1, 2013 Mr. Forbes stated the pension administration will transfer from the City Clerk's Office to Human Resources.

**City Clerk's Office**

The City Clerk, Judy Bullock, stated the Clerk's office is staffed with 3 full-time and one part-time employees. We are responsible for the City's records management and retention, Optiview scanning and document search, attending and transcribing minutes for all City public meetings, administering the Local Business Tax and Special Permits, issuance of City lien certificates, recording legal documents with Clerk of Court, coordinating municipal elections, and administration of the City's three pension plans for General, Police and Fire. October 1, 2013 pension administration will be transferred to Human Resources and Ms. Bullock stated the Clerk's office will assist to ensure a smooth transition.

Ms. Bullock, reviewed the services, goals, and performance measures for the City Clerk's Office.

Mr. Forbes explained the increase in the City Clerk's 2014 budget is due to the upcoming move of pension administration to Human Resources. That is the portion of the City Clerk's budget that was allocated to the pension funds. It will be transferred to Human Resources. Mr. Forbes stated there will be no changes in the City Clerk's office staff for now. That will be addressed next year.

**Executive & Legislative:  
City Council, City Attorney, City Manager**

The City Manager reviewed the funding sources and uses, showing an overall decrease for the FY2014 budget. The City Council expenses are comparable to previous years. Mr. Forbes said the City Attorney division is for legal matters involving the City. He explained there are various attorneys that the City may use, depending on the situation. The City Manager's office is responsible for the day-to-day City operations, inter-governmental affairs, the annual budget, and directives of Council.

In the Convention Development Fund, Mr. Forbes stated this covers expenses for maintenance and landscaping for the SeaWalk Pavillion and downtown entertainment center. This fund also provides partial funding for the maintenance and operation of the South Beach Recreation Center and Exhibition Hall, and to partially fund Special Events.

Continuing on to the Non-Departmental Division, Mr. Forbes stated this covers various expenses including liability insurance, as well as unanticipated expenses. Emergency Management funding, such as for a hurricane, is budgeted for in the Unanticipated-Unallocated portion of this budget.

Next the City Manager reviewed the Capital Projects Funds which includes the ½ Cent Sales Surtax (a.k.a. Better Jacksonville Beach Fund) and the ½ Cent Sales Surtax Bond Proceeds. Mr. Forbes referred to the list of the various projects.

In summary, Mr. Forbes said the City has been reducing its budgets for several years and we are showing a decrease in the proposed FY2014 Budget. Mr. Forbes stated there are still issues that the City continues to

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address – staff reductions, wages, increasing pension and health insurance costs, unions, ad valorem tax limits for local governments, stormwater regulations, interlocal agreements, natural gas costs and regulations, and the \$100,000 estimated cost for the dune walkovers maintenance project.

The City Manager reviewed some reports (from clipping service) that across the state there are several cities and counties that are increasing tax rates to cover their budget deficits. Mr. Forbes stated his rule to solve financial problems is to not get into them and Jacksonville Beach is in good shape financially.

### **Human Resources**

The City Manager reviewed the HR department organization, objectives, and accomplishments.

Human Resource Director, Karen Nelson, reviewed the department goals. Ms. Nelson reported that the City is currently in contract negotiations with all three unions – Police, Fire, and General – and the main items are wages, pension, and health insurance.

Ms. Nelson advised the department has gone through reorganization and reclassified two full-time positions, eliminating one part-time position, and adding a full time Payroll-Benefits Administrator position. The City is now in the process of recruiting for a Payroll/Benefits Administrator to be on staff by October 1<sup>st</sup> when Human Resources will assume the Pension Administration.

Mr. Forbes reviewed the business insurance for property, casualty, and workers compensation. As shown on the chart for Estimated Insurance Premiums & Deductibles, the increase in projected costs is due to an increase in the estimated values of City properties. Workers compensation rates remain stable. The City continues to monitor the impact of health care reform and is in compliance with all requirements.

### **Finance Department**

The City Manager reviewed the organization and responsibilities of the various divisions of the Finance Department.

Finance Officer Harry Royal reviewed the objectives, recent accomplishments, and goals for the upcoming 2014 budget for the Finance Department. Each division was represented by staff, as follows:

- Accounting – Ashlie Gossett
- Utility Billing – Glenda Wagner
- Information Systems – Kent Haines
- Purchasing and Procurement – Jason Phitides

Mr. Forbes reviewed the performance measures for all the divisions of the Finance Department. The City continues to develop and implement new technology and make advancements that are achievable and economically feasible. We are always planning for the future costs of technology as reflected in the budget issues listed. The City Manager gave the financial summary and noted the reduction in contract services and communication costs have brought the operating budget down for 2014 for this department.

### **Planning & Development Department**

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The City Manager stated this department consists of three divisions: Planning & Development, Building Inspection, and Code Enforcement. This department also provides administrative support to the Community Redevelopment Agency for the Downtown and South Beach Redevelopment Districts and works with the appointed Planning Commission and Board of Adjustment.

Planning & Development Division

Mr. Forbes reviewed the financial summary noting the large decrease for FY2014 and explained that this is due to how the tax increment revenues are budgeted for capital projects. Reserved funds are committed to projects when they are in the final design stage.

Steve Lindorff, Planning & Development Director, reviewed the department's recent accomplishments as listed in the report.

Under division goals, Mr. Forbes reviewed the standards for development plan distribution to all reviewing departments. Mr. Lindorff works with North FL Transportation Planning Organization on Beaches transportation issues, and continues to evaluate the land development code for managing future growth and development of the City. The City Manager noted that development and construction is on the rise and closely monitored.

Building Inspection & Code Enforcement Divisions

Mr. Lindorff reviewed the organization and the recent accomplishments as listed in the report. He noted the change in the Building Code Inspector job description. All Building Code Inspectors will now be cross-trained in code enforcement. There is a second building code inspector position, but it is currently unfunded until there is a need to fill that position.

The City Manager reviewed the performance measures charts showing a timeline comparison from FY2008 to FY2013 (to-date) reflecting the number of permits and inspections and total value of these permits. This activity is steadily increasing. Next, Mr. Forbes reviewed the comparison chart showing permit fees and operating expenses. Since 2006, when the Florida legislature passed the bill, local governments must use funds from permit fees to support the jurisdictions personnel and operating costs, as reflected in this chart.

Next reviewed by Mr. Forbes was the average initial review time for permits, by type, as shown on the chart. Mr. Lindorff reviewed the division goals and performance measures, as detailed in the report.

Community Redevelopment Program

Mr. Lindorff presented the Community Redevelopment Program report. Starting with the Downtown Redevelopment District, Mr. Lindorff listed the improvements to the public infrastructure, which have increased the property values in the downtown district. The FY2012 accomplishments were reviewed for the Downtown District, including the Vision Plan implemented in 2007, as listed in the report.

Mr. Forbes reviewed the FY2014 goals, accomplishments, and the financial summary for Downtown redevelopment, including the downtown community policing initiative. He then reviewed the accomplishments and goals for the South Beach redevelopment as shown in the report, and reviewed the budget issues.

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Mr. Lindorff reported on the South Beach Capital Improvements Plan, reviewing Phase I construction, then on to the future Phases 2 through 7, as detailed in the report. There was brief description of the Mobility Plan given by Mr. Lindorff pertaining to growth management and traffic and transportation.

The City Manager stated that the next workshop scheduled for tomorrow at 6 p.m., Tuesday, August 6, 2013, will just be for Public Works. Parks and Recreation will be rescheduled.

The workshop was adjourned at 8:35 p.m.

Submitted by: Nancy J. Pyatte  
City Clerk's Office

Approved:

/s/William C. Latham  
William C. Latham, Mayor

Date: August 19, 2013