



Office of Mayor-Elect Lenny Curry

Transition Task Force (Budget)

June 16, 2015

City Hall, Mayor's Conference Room, 117 West Duval Street, Jacksonville FL 32202

IN ATTENDANCE:

Transition Team

Sam Mousa

Mike Weinstein

Shari Shuman

Kirk Wendland

Ashton Hudson

Kevin Stork

Beth Mangold

Council Auditor's Office

Robert Campbell

Budget Office

Angela Moyer

Catherine Skanes

Julio Lacayo

Department: Finance –Glenn Hansen, Ronnie Belton, Patrick Greive, Twane Duckworth

Mr. Mousa brings the meeting to order and announces that we will be reviewing the Finance Services departments which include Accounting, Budgeting, Treasury, Retirement Systems, Risk Management, Worker's Comp, General Liability and CIP. Angela begins with an overview of the Finance Department budget papers. There are no changes related to revenues except for one minor revenue in accounting. Pier revenue was moved out of the General Fund and moved into a capital projects fund for Pier maintenance in the future, roughly \$33,000.

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Highlights

Salaries and benefits have gone up \$48,000. There is an additional position for a budget systems administrator. They have eleven people on staff and one supervisory vacancy. They are woefully in need of institutional knowledge. Mr. Mousa would like for Angela to provide a one page outline with bullets on what it would take to get more help in the Budget Office. There was a \$20,000 decrease in employee's general pension contributions. Hospitalization insurance went up by \$24,000 and Worker's Compensation also increased.

Under the Internal Services, the OGC allocation increased over \$200,000 due to work on pension reform and some actuarial work that will be ending soon. OGC was paying for it and then ran out of money so Finance picked it up.

General liability decreased by \$11,000. The extraordinary lapse for \$20,000 established for training in Treasury has been removed. Overall, the Finance Department is projected to be over-budget by about \$400,000. Angela will provide a summary.

There was some discussion on why the increase in the OGC allocation. History was given on how Finance took over the cost of the actuarial work that was once paid for out of the OGC budget.

Mr. Hansen commented on concerns that they are short on personnel. They are not able to compensate current employees at market rate. As a professional department they have no dollars for training and there is not enough money to pay for people to keep up their certifications. Another problem is depth. There are no backups for key technical positions. They need capacity to train backups especially for when people leave.

Next they discussed the items on the enhancement list that includes professional services for bond counsel, travel and training, and two additional positions. The two additional positions being requested will be funded by the Risk Management Miscellaneous Insurance Fund and not the General Fund. Next there was discussion about the hiring of safety employees.

Then they discussion the Risk Management Fund and why Finance is saying it is in disarray. There is no fund balance or operating reserves to cover increases in worker's compensation and heart and hypertension. Code says you can't add to it if you don't have a surplus and it is always negative so there is no money to put back in. Worker's Comp second injury increased. Gross premium written line item went up by \$4 million. Risk Management has raised the "confidence level" which was previously 55% to 70%.

There was discussion on the city's legacy, current claims, and status and method for settlements. They are asking \$4 million for the fund now but that number could be more to make the fund whole, based on how this year finishes.

There was discussion about Insured Programs Fund and how property insurance costs decreased. Risk Management removed medical malpractice insurance for JSO at the jail. They discussed why and what the risks are.

Discussion on the General Employee's Pension was tabled for another day.

Regarding CIP, Mr. Hansen says there is a large list necessary for catchup and maintenance. Some priorities are roads, sidewalks, ADA, Ash, bridges, Liberty Street. They will have to either borrow or close down projects. They now have more than \$100 million in requests. The vehicle list request is at \$26 million, including \$9 million for fire trucks. It was suggested in a CIP meeting that they take \$40 million from borrowing in order to fund CIP. Mr. Mousa asks for a prioritized list. Mr. Mousa wants someone from Fire, JSO, Planning, Public Works to come back to discuss CIP further.

FY 15-16 REQUEST FOR ENHANCEMENTS FROM DEPARTMENTS:

\$437,658 2 0

Department Title	Indexcode	Indexcode Title	Subject	Subject Title	Amount	FTE	Pt Hours	Description
Finance	AFOD011AD	Financial Services Officer	04938	Miscellaneous Services and Charges	\$300			Office Water Service & Off-Site File Storage
Finance	AFOD011AD	Financial Services Officer	05101	Office Supplies - Other	\$300			Staples - Copy Paper, File Folders, Pens, Batteries, etc. & DMT Specialties - Employee Service Awards
Finance	AFOD011AD	Financial Services Officer	05402	Dues, Subscriptions and Memberships	\$100			Membership for Business Community Organization Memberships, AICPA, FGFOA, & Florida Times Union to Building Community Support, Provides latest updates and CPE on GASB regs, Provide Government Finance and Accounting research materials and technical skills Webinars and CPE hours to maintain professional Certifications. Updates members with information on proposed Standards and relevant Legislative updates, and Annual Substription.
Finance	AFTR011	Treasury - Custody & Investment	01201	Permanent and Probationary Salaries	\$11,319			
Finance	AFTR011	Treasury - Custody & Investment	02102	Medicare Tax	\$162			
Finance	AFTR011	Treasury - Custody & Investment	02201	GEPP Pension Contribution	\$3,562			
Finance	AFTR011	Treasury - Custody & Investment	02207	GEPP Defined Contribution Pension	\$33			
Finance	AFTR011	Treasury - Custody & Investment	02304	Group Hospitalization Insurance	\$5,680			
Finance	AFTR011	Treasury - Custody & Investment	03109	Professional Services	\$300,000			Greenberg, Traurig - Bond Counsel & Milliman/Segal - Pension Reform Actuary/Legal Counsel
Finance	AFTR011	Treasury - Custody & Investment	04662	Hardware/Software Maintenance & Licenses	\$200			Check Folding/Sealing Machine, Check Printing, & SS&C Technologies, Inc. - DBC BF Loan Database Software
Finance - Risk Management	AFRM561WC	Workers Comp	04002 / 05401	Travel and Training	\$2,466			send employees to a second WC forum in orlando
Finance - Risk Management	AFRM561WC	Workers Comp	04002 / 05401	Travel and Training	\$910			travel for WC board certification
Finance - Risk Management	AFRM561WC	Workers Comp	04002 / 05401	Travel and Training	\$1,560			send employee to stars user conference in L.A.
Risk Management	AFRM561LP	Loss Prevention	Sal/Ben	Salaries and Benefits	\$56,630	1		Additional safety officer
Risk Management	AFRM581MI	Misc Insurance	Sal/Ben	Salaries and Benefits	\$54,436	1		Additional insurance analysis processor