

Executive Summary

Using this document, the Concerned Taxpayers of Duval County calls into question the validity of Mayor's budget projections and spending priorities as found in the Mayor's proposed 2009-2010 budget. This document also suggests specific budget cuts to be considered by the Jacksonville City Council during their budget deliberations.

Approach Taken By The Budget Committee of the Concerned Taxpayers of Duval County

Starting on July 18th, the Budget committee studied the budget documents *Proposed Budget FY 2009-2010* and the *Expense by Subobject* report identified from this point on in this report as the 321 report with the purpose of identifying potential budget cuts for consideration by the City Council in lieu of raising the millage rate. Given the time and information available to us, we do not claim that this document represents a comprehensive analysis of the 2009-2010 budget. However, we believe that we have identified important issues to be considered by the City Council in its deliberations on the Jacksonville city budget.

General Observations

Actual Spending

It immediately became clear that the only "hard" data in the report was the actual spending for 2007-2008 and for the first six months of 2008-2009. Since we do not have more current numbers for the current fiscal year, it appears that the review conducted by the Mayor's office is to compare the budget for 2009-2010 with the budget for 2008-2009 and/or projected spending estimates for the last six months of the 2008-2009 fiscal year. This may not be a good approach since it does not take into account the current spending trend. The economic situation is dramatically different from when the budget was prepared last year. The proper approach would be to compare the proposed budget to what is currently being spent. In the future, every effort should be made to provide more up to date actual spending data in its budget reports.

Budget for 2009-2010

Numerous instances were noted where even though no money had been spent in the current year and the projection was for \$0, the same amount was budgeted for next year. If a department has spent no money through March, and is projecting to spend no money the remainder of the year, then without a proven use for the money the City Council should request that the budget for next year be reduced, if not eliminated.

It is possible that the reason that no money was spent in the current year was due to an unexpected delay in implementing a city program and therefore the money was allocated for the next fiscal year. If so, the continued need for this expenditure should be justified to the City Council as if it were a new expenditure. It could be argued that if the city department made do without this expenditure in the current year, it could make do without it in the coming year. Of course, this argument would be moot if the expenditure is required by an existing contract.

Mayor's Recommendation

In most cases the Mayor appears to have adopted the budget proposed by the department and the budget review. This is proper as the department head should have the best handle on what he is spending and should be spent. There would be some areas where the Mayor or the Accounting department would have better knowledge such as allocations or insurance premiums and would have to increase the department budget in those areas in which he would have superior knowledge. However, there were several cases where the Mayor increased the salary budget over the department request. This seems inappropriate. At the very least, a detailed explanation from the Mayor should be forthcoming as to why he is increasing salary expenses in those departments where the department head has not requested this increase. The City Council should then consider each of these spending increases separately.

Sheriff's budget

The Sheriff's department has the largest budget of the City. Public safety is a core non-discretionary function of government. As such, it does not get the scrutiny that so called discretionary functions get. However, it appears that certain things have crept into the Sheriff's budget that might more properly be allocated to other departments. For example, the Police Athletic League although mostly done by the Sheriff's department is arguably a recreation and welfare function, not a public safety function. Security provided at certain events such as intramural football might more appropriately be charged to that program rather than be part of the public safety function. All the programs in the Sheriff's department should be listed separately and reviewed to see if they are in fact the Sheriff's department functions. Those programs not identified as core law enforcement responsibilities should be scrutinized to see if they are in fact discretionary and could be reduced or eliminated. The City Council should request a list of the programs in the Sheriff's department that could be considered discretionary functions. If there is any doubt as to whether or not a program is discretionary, it should be classified as such and thus be given the same scrutiny that other discretionary programs are being given.

Specific Cuts/Freezes

- The Out of School Suspension Centers and Ex-Offender programs (Ex-Offender Re-Entry Portal, Ex-Offender Employment Program, Ex-Offender Training /Re-Entry) should be immediately eliminated from the budget and the City Council should move towards the elimination of the rest of the Public Safety Initiative. Savings to the city - \$3,508,549.
- The following programs should be eliminated from the Sheriff budget. Emphasis should instead be put on the investigation of serious violent and property crimes.

Marijuana Eradication
Prescription and Designer Drug Squad
Police Athletic League

Savings to the city - \$1,569,605.

- Entertainment Events. All entertainment programs from athletic leagues, to sports stadiums, to music festivals should have their budgets frozen to 08/09 levels or eliminated. Savings to the city – undetermined.
- Jacksonville Economic Development Commission. A one year moratorium should be placed on any new projects that require funds from the city either directly or in guaranteed loans. If finances are better next year or if the economic situation improves, then those funds can be restored at a later date. Savings to the city – undetermined.
- Assistant Management Improvement Officers (AMIOs). The number of these positions have increased dramatically to 192 during the Peyton administration's tenure. Since these positions are relatively new and are potentially subject to being used for political patronage and nepotism, every one of these positions should be reviewed to determine if they are absolutely necessary. Savings to the city – up to \$11 to 12 million.
- Funding for the Jacksonville Children's Commission should be reduced or even eliminated. Savings to the city – up to \$22,211,756.
- Subsidies from the General Fund for programs that take in revenue through charges for services or fines should be reduced or eliminated. These programs should at the very least be expected to bring in enough revenue or reduce costs so that General Fund subsidies are no longer needed. Even better, if possible, they should be sold off to private investors. These programs include:

Cecil Field Commerce Center
Alcohol Rehabilitation Program
Kathryn A. Hanna Park
Public Parking Garages
Municipal Stadium

Savings to the city – up to \$9,544,455.

- Health Plans. The health plans (not including dental or vision plans) for employees (not their dependents) are totally paid for by the city. Most employers have moved away from paying the entire health coverage for their employees. The city should adopt a plan where the employees pay some portion of the costs of their health insurance coverage. Savings to the city – undetermined.

Concluding Remarks

- Public Safety is paramount and is the primary function of government. The budget defects mentioned above apply to the public safety departments and need to be evaluated. However, until provided current spending information on what is actually being spent, it is difficult if not impossible to make a meaningful review.

- **Social Services.** These are tough times and hard decisions have to be made. Even in the best of times there is never enough money to go around. With the downturn in the economy and many of our citizens in financial trouble, it is critical that the city be careful with the money it gets and try to lessen the burden on citizens as much as possible. Social services have to be maintained, but not necessarily by the government.

However just because a particular service has been funded in the past is not a good enough reason to fund it in the future. The assessment needs to be of the results, not how much is spent. Someone, preferably with no stake in the outcome, needs to be reviewing the social service functions to see if they are in fact economically providing a needed service. Simply because paid employees or beneficiaries of the service come forward to say it should be continued is not a true assessment or just because a politician wants a service is not adequate justification. We would recommend that membership on citizen committees providing oversight of social services funded by city government should include people of all different points of view concerning the need for and the scope of government funded social services.

- **Entertainment and Special Events.** Many of our citizens have had to cut entertainment out of their budgets and it seems appropriate that the city needs to do the same. It does not seem appropriate for our citizens who have cut out their own personal entertainment for them to be levied upon to support entertainment for others. It would seem that the people who use entertainment venues provided by the city should be the ones who pay for those services. It should not be assessed to those who have cut it out of their own personal budget. It also does not seem appropriate for our citizens who have cut out art or musical training for their own children to be taxed to provide that same benefit to other people's children.
- **Investments.** Certain functions such as the Jacksonville Economic Development Commission spend money to get business to move to Jacksonville. These are investments in the future. However, in business, there are times when you must delay investing until the economic situation improves. If you do not have the money or if the economic picture is too uncertain, then you delay your investment until better times. This seems to be our current situation.
- **Priorities.** Unlike the federal government, the City of Jacksonville cannot print or borrow money for its operating expenses. Its only source of funds is what it takes from its citizens. With double digit unemployment, the income of our citizens has been reduced. They have to reduce their spending and redefine priorities. The city needs to do the same. The budget proposed by the Mayor attempts to increase revenue and spending. The current economic crisis is an opportunity to review the wisdom of some of the city's spending patterns and we hope that City Council will make use of that opportunity.