



## **Task Force on Consolidated Government**

Jacksonville City Council  
Council Member Lori Boyer, Chair

September 19<sup>th</sup>, 2013

### **HIGHLIGHTS OF MEETING FOUR**

#### **Task Force Member Comments**

- The Blueprint for Improvement contemplated that the City Council would be responsible for long-range planning for the city, which it does not appear to be doing.
- Currently, since the Council has limited staff, this is more likely to happen in the administration than in Council.
- City Council is good at short-term planning but not so engaged in long-term planning because of term limits and lack of long-term continuity. Past council planning efforts have devolved into budgeting and capital allocation exercises.
- The City can utilize the Northeast Florida Regional Council to assist with long range planning and work with neighboring counties to plan for the future of the whole region.

#### **Task Force Member Presentation/Research Requests**

- Compare Jacksonville's revenue sources and percentage to total budget with other major cities and counties in Florida to determine what percentage of total budget comes from which source as compared to other cities.
- Race and consolidation should be taken up in subcommittee
  - Potentially expanded to include economics, education and race and ethnicity beyond a simple black/white division
  - A panel on what was promised by consolidation and what it has actually produced, not so much focused on race alone.
- A future meeting will include a panel of City Council members
- The Library Board has requested to present at a future meeting.
- The Police and Fire Pension Fund board is also a quasi-independent authority.

#### **Independent Authority Presentations**

Cindy Laquidara – OGC

- JPA and JAA are both predominantly state agencies but the City does make some financial contributions so exercises authority through budgetary control.
- JTA is unique among the authorities in that it was created under general state law rather than via a special act, and is not a City Charter entity.
- The JEA is a large complex organization and the City is limited in how much it can derive financially from the authority because of taxation implications.

## **JEA Presentation**

- JEA made a presentation on its efforts to refocus its mission and vision and make improvements to its customer satisfaction ratings, which have risen dramatically in the last year
- JEA is a major economic engine for Jacksonville, and is responsible for 1.5% of Duval County's gross county product in the form of jobs, payroll, procurement and financial contributions to the City
- Standard and Poor's already considers the JEA's annual contribution to the City (\$109.2 million for FY14) as substantial and Moody's penalizes the JEA for the size of the contribution by lowering JEA's adjusted debt service
- The amount of the contribution is based on a contract negotiated every 7 years between the JEA and the City Council
- JEA did not provide answers to the questions provided and has been asked to provide written responses for distribution to the members
- JEA could not identify the mission statement of the City
- JEA does not build new water lines- they rely on developers to do so in new areas; in existing developed areas there is no plan for JEA to provide this infrastructure; sewer lines may be covered by a portion of the stormwater fee for septic tank phase-out

## **Jacksonville Transportation Authority Presentation**

- JTA gave an overview of the authority's history and current mission
- Task force members asked for additional follow-up information on transit-oriented developments (TODs), particularly whether the JTA faces that same federal restrictions on competing with private sector providers in that arena as it does on services like the Jaguars game day shuttle.
- JEA has been asked to provide written responses to all the questions the Task Force requested be answered for distribution to the members

## **Jacksonville Port Authority Presentation**

- JPA's volume of business is up, the number of personnel is down, there has been big growth in service to and from the Asian market and a cruise ship operation has been developed
- JPA's primary value to the city and the region is as an economic engine providing jobs and payroll
- JPA sees the consolidated government as a real asset for the area, making it much easier to get projects done with a minimum of wasted time and effort trying to coordinate multiple parties.
- Central Services
  - JPA has very specialized needs for homeland security and proprietary client data software and financial security so provides its IT services in-house
  - The Office of General Counsel provides almost all legal services
    - except for very specialized areas such as maritime law and complex bond transactions

- The authority does some of its procurement through the City and with the state where possible
- Overall the authority has 20 employees providing central services at a cost of just over \$2 million
- Financial Impact
  - For many years the City has provided an annual appropriation of \$800,000, all of which is allocated to debt service
- Separation of JPA & JAA
  - The missions of the two halves of the agency were very different, their clientele were different, and there were very few economies of scale or operating synergies.
- Economic Development Around the Port
  - The authority is always evaluating opportunities for property acquisitions to expand the port's capacity.
- Subcommittee topic regarding how an authority with a \$52 million annual budget is going to be able to tackle a \$1.2 billion harbor dredging project was suggested

### **Jacksonville Aviation Authority Presentation**

- JAA is governed by strict federal laws and FAA regulations, so must be particularly specialized in and attentive to that regulatory environment
- The JAA is completely funded by federal funding and operational revenues, and is a stand-alone business enterprise as far as City finances are concerned
- Central Services
  - the authority's 4-airport system has very specific needs and are best provided by in-house personnel who know the specific needs of their clientele
  - The JAA does leverage City and state procurement contracts where possible
- Financial Impact
  - The JAA board makes its decisions first and foremost based on its fiduciary responsibility to the authority
- Unity of Purpose
  - The authority's mission dovetails nicely with the City's mission since good air service is a fundamental component of economic development and a thriving economy
- Economic Development
  - FAA regulations restrict the sale of non-aviation-related properties, so land can only be leased and not sold, which is a disadvantage in the development arena
  - The JAA would be amenable to a change in the state law to make authority-owned properties taxable if used for private development, as long as the taxation did not apply to directly aviation-related uses such as runways, taxiways and apron areas
  - Since the JAA has very little private development activity taking place on its properties at this time, this would be a good time to pursue that change if the City is interested.

### **Task Force General Discussion**

- A theme developed in several of the presentations about the authorities being interested in buying additional property and using development activity to support their operation
  - Consideration should be given to the effect on the City's tax rolls, the aspects of competition with private developers, and potential financial returns to the City
- Potential research into how the independent authorities relate to each other, and whether they are competitive or cooperative; actual compete with respect to impact on City budget whether independent or not
- The authorities they tend to be silo-oriented and inward looking, concentrating only on their particular mission and function
- The need to find a way to develop a broader community vision and to tie everyone's efforts together was suggested