



**Task Force on Consolidated Government  
Jacksonville City Council  
Council Member Lori Boyer, Chair**

November 21, 2013

**HIGHLIGHTS OF THE NOV. 14<sup>TH</sup> MEETING**

**Office of Economic Development Presentation- Ted Carter**

- Funding and personnel allocated to the economic development function have decreased steadily over the last few years
- Jacksonville and all of Florida are not particularly competitive in the film and television industry because of a lack of state incentives
- The Jacksonville Small and Emerging Business (JSEB) program is under new leadership and broadening its reach to more participating companies
- OED is responsible for the development countywide
  - They negotiate incentive packages for the City Council to approve
  - Provide support to the City Council as the industrial development authority
  - Manage the sports complex and Cecil Commerce Center
  - Provide compliance oversight for incentives requiring additional performance after the payment has been made to the company; the agreement includes claw-backs in the contract in order to protect taxpayer investment.
- DIA is responsible for focusing on developing Downtown and works with OED
  - the boundary of “downtown” was defined by the downtown Development of Regional Impact
- JAXUSA is the primary point of contact for interested businesses
  - They have the ability to spend money attracting business that OED does not, such as attracting international business
  - They can maintain privacy and are not subject to the Sunshine laws

**JAXUSA Partnership Economic Development Presentation- Jerry Mallott**

- Mr. Mallott believes the current regional structure is very effective and relations among the 7 county partners are very good because companies don't look at cities or counties, they look at regions and so recruitment efforts must be geared regionally
- JAXUSA Partnership is a division of the chamber, but is separately funded and governed on a regional basis
- JAXUSA commissions a consultant every 5 years to refine the area's economic development targeted industries

- Jacksonville is still at a competitive disadvantage compared to the rest of Florida with regard to the length of the incentive approval process, even though the elimination of JEDC eliminated a board approval step and the Council approval has been shortened to as little as 2 weeks.
- He believes that consolidation is a great asset to the economic recruitment process, but the City's 19 council members are more of a challenge than cities with 5 or 7 council members face
- FSCJ and UNF are very focused on programs in the region's targeted industries and developing a workforce that will be a recruitment asset
- JAXUSA is not a participant in the City's comprehensive planning process or Capital Improvement Program development, but has raised the issue of the City's infrastructure deficiencies with the Mayor.
- Mr. Mallot believes the current economic development structure has the potential to be the best
- Elaine Brown said that the political leadership in the 7 counties doesn't really communicate and suggested that more efforts need to be made in that area and other counties have a negative perception of Jacksonville because it doesn't reach out to the rest of the region
- Jim Rinaman stated that Jacksonville has tended to ignore the Northeast Florida Regional Council which should be the most important venue for regional cooperation
- International business has become much more important in the past 20 years and that consolidation is an asset in pursuing those companies
- Companies making large capital investments also tend to pay high wages because they use high tech processes
- The City and JAXUSA are looking at asking the state to change its incentive policies to allow the use of incentives for lower wage jobs that a large segment of the community desperately needs
- Recruiting minority business owners has not been a priority in recent years as emphasis has been placed on generating jobs from any source in tough economic times

### **Finance Department Presentation- Ronnie Belton**

- The city has dealt with 9 years of shrinking revenues and budget cuts because of economic conditions and growing uncontrollable costs, so the emphasis is on cost cutting
- It is problematic that the budget has to be developed without having firm numbers for important revenues such as ad valorem taxes until very late in the process
  - That leads to the need to reduce proposed budgets late in the process which is unpopular but largely unavoidable
- The City carries a good deal of debt and has the underlying capacity to borrow more if not for the lack of revenue to pay the debt service because of competing needs for the funds
- Bond counsel is important in determining how funds can and cannot be used, and with covenant pledge debt as opposed to bond issues, these limitations are contained only in the bond documents

- Ms. Boyer noted that the City used to issue project-specific bonds with specific revenue pledges but has more recently used a more general revenue pledge to do pooled borrowing
- The Office of General Counsel is still involved in bond review in-house but the majority of issuance work is done by outside counsel
- Social Security contributions would be very expensive for City employees so that has not been an avenue that the City has considered as likely in the pension reform discussion

### **Budget Office Presentation- Glenn Hansen**

- Departments know from the start of the process approximately what level of revenue is available and work from that benchmark
- The Budget Office meets with each department to discuss details of revenues and expenses, departmental mandates and discretionary preferences
- The Budget Office totals up all of the departmental requests, analyzes available revenues and produces the final proposed budget
- The Mayor's cabinet (CAO, CFO, Budget Officer, Mayor's Chief of Staff) make the final decisions and policy calls on what gets funded and what doesn't
- Mr. Hansen stated that the unprecedented level of interest rates today hurt the pension's returns, but is great for refinancing our outstanding debt.
- Budget Office has analyzed approximately 900 of the 1,200 outstanding CIP projects which were not tracked in a centralized database and had to be researched by hand using the antiquated DOS-based FAMIS accounting system
- The remaining 300 projects will be researched and completed by the spring
- Most CIP spending in the next year or two will be driven by mandates (i.e. ADA legal settlement) and by absolute necessities.

### **Promises Made During Consolidation Presentation - Rosa Carter**

- The City's three disparity studies from 1990 to 2013 show that the minority business community still does not get its proportional share of City business opportunities
- The City has a very strong Procurement Code but does not mandate the use of Part 8 – Federal Affirmative Action in its procurement
- Since consolidation the formerly thriving African-American community in the downtown/LaVilla area was decimated and attention and investment have turned to the suburbs
- She never participated in the JSEB program because it did not include a guaranteed set-aside for minority contractors and therefore wasn't worth the time and effort required.
- Promises for infrastructure such as water, sewer, roads, and streetlights have not been kept in many areas