



Taxation, Revenue, and Utilization of Expenditures (TRUE) Commission

Wes Benwick, Chair
Jason Fischer, Vice Chair
Joe Andrews, Secretary

Meeting Minutes.

March 3, 2011
4:00 p.m.

Attendance: Wes Benwick (Chair), Ernest McDuffie, Thomas Martin, Joe Andrews, Mike McCollum, , Marc El Hassan, Marcella Lowe, Ted Wendler, Diane Brown,

Excused: Hiron Peck, Ruth Arnold, Ryan Jones, Jason Fischer, David Lane, Mark Cowart, Gamal Lyons

Absent: None

The meeting convened at 4:04 p.m. with a quorum present.

Minutes

The revised minutes of the February 3, 2011 commission meeting were approved as distributed.

Presentation: Wight Greger – affordable housing issues

Wight Greger, Director of the Housing and Neighborhoods Department, distributed 3 handouts: JHFA Bond Program Basics, What Is Affordable Housing (1000 Friends of Florida/Florida Housing Coalition), and a summary of the Housing and Neighborhoods Department's grant funding for the past 6 years. She explained that "affordable" housing is defined as costing no more than 30% of the gross monthly income of a household. Affordable housing may be public housing or Section 8 voucher-supported housing, but is not necessarily either of those things; it can simply be market housing that is affordable (as defined above) for low- and moderate-income persons in the community. The City's involvement is primarily geared to keeping the developer's/owner's cost of capital low by offering low-interest financing, which enables the owner to charge lower rents. The City requires a standard package of amenities of each of the multi-family complexes it helps finance, and the complexes are inspected on a regular basis to ensure the good quality living conditions are maintained.

Under federal and state law the City is authorized to make affordable housing assistance available to serve persons making up to 140% of the median area income, but typically City-assisted projects are targeted at much lower income levels. The area's affordable housing need is determined by two factors – research conducted at the University of Florida and the credit underwriting process. The Schimberg Center for Housing Studies at the University of Florida collects and analyzes housing and income data statewide to determine the demand for and supply of affordable housing on a statewide basis. Each JHFA bond issue requires an independent market study to document to the City and to potential bondholders that there is adequate demand for the product being proposed and that the project will likely be successful. The issuance of housing assistance bonds is governed by both federal and state law. Jacksonville gets an annual allocation of approximately \$40 million (on an entitlement formula basis determined by population), and the sale of bonds requires a federally-mandated TEFRA public hearing process, City

Council approval and the Mayor's signature. The JHFA also coordinates carefully with the district council member who represents the area where a proposed project is located. It can be a lengthy process from beginning to end. The City is a "conduit lender", meaning that as soon as housing bonds are sold the City has no liability. The relationship is then between the project owner and the bond holders who purchased the bonds and any issues, including default, is a legal matter between those parties with no further City or JHFA involvement.

In response to a question, Ms. Greger indicated that in a large majority of cases the JHFA makes bonds available for multi-family projects. In the past it has issued bonds to generate proceeds to loan to banks to be re-loaned as low interest mortgages for first-time homebuyers, but the agency currently has a moratorium on funding single-family homes because of the glut of housing available in the market. Use of bond funds to purchase existing single-family homes to help reduce the glut on the market is allowable but developers typically don't like to do it; they prefer to build new homes from scratch. In response to another question Ms. Greger estimated that the JHFA has supported 20-30 projects over its lifetime but did not know the total amount of bonds issued in that time. She will check with her staff and provide that information to the commission. There is approximately \$70 million in existing bond capacity that has been authorized to Jacksonville but not yet committed to specific projects.

Committee Reports

Legislative Tracking Committee – Commissioner Andrews reported that the committee is tracking several issues that are pending before City Council: 2011-50 (authorizing fee for replacing recycling blue bins), 2010-884 (appropriating \$40,000 for Hemming Plaza low impact design competition), 2010-856 (transient vendor location regulation). 2010-884 was withdrawn at the last Council meeting. 2010-856 has been assigned to a special joint committee which has not yet scheduled a meeting. Commissioner Brown has investigated 2011-50, met with the Council President and representatives of the Solid Waste Division and the Mayor's Office, and produced a report with 4 recommendations, a copy of which was distributed to the commissioners.

Motion (Brown): approve the transmittal of the 4 recommendations to City Council as follows:

- 1) Suggest Public Works Department work with one of the local universities to promote the recycling program. Explain the benefits of recycling and explain the alternatives to charging a bin replacement fee.
- 2) Pursue a partnership with home improvement stores, similar to the JEA CFL light collection bins, to offer recycling bins to homeowners for the replacement cost. Require homeowners to turn in the damaged bin and sign for a new bin.
- 3) Pursue selling advertising on the bins to defer replacement cost.
- 4) Defer passage of 2011-50 authorizing \$13 replacement fee until some of these cost offsetting options can be pursued.

Motion approved unanimously.

Performance Committee – Commissioner Wendler reported that the committee had had a productive meeting just before the full commission meeting and will take up as priority topics the City budget and the internal service funds. The committee members have each volunteered to investigate an internal service fund in detail, and representatives of the Budget Office will be invited to the next committee meeting to discuss how internal service fund budgeting occurs. Mr. Wendler stated that the City is facing a huge budget deficit over the next 5 years and will need to make substantial changes to its current practices to keep the budget viable.

Banking Fund Committee – Commissioner El Hassan reported that he had received several comments today and would finalize the draft report for the April meeting.

Contract Management Committee – Commissioner El Hassan distributed copies of a revised draft report dated March 3, 2011 to the commissioners and stated that he had added several recommendations since the original draft was circulated.

Motion (El Hassan): approve and transmit the March 3, 2011 revised draft report to the City Council with 8 recommendations as follows:

- Establish a task force to establish a system with policies and procedures for the tracking and management of all third party contracts/agreements.
- The task force should at a minimum include the Office of General Counsel and the Central Operations Office (procurement falls under this department).
- The tracking and management system should address all third party contracts/agreements that exceed one year either by initial term or through an extension or renewal provision of the contract/agreement.
- The tracking and management system should address all third party contracts/agreements that have a performance provision/requirement.
- Each contract/agreement should be assigned an attorney, in the Office of General Counsel, who will be available to the department and/or personnel responsible for the contract/agreement. It is preferable that the assigned attorney is the same attorney who originally reviewed, drafted, and/or approved the contract/agreement.
- A contract/agreement timeline and review schedule should be established and followed by the assigned attorney and the department and/or personnel responsible for the contract/agreement.
- A process for verifying that each contract/agreement is following the timeline and review schedule should be established and incorporated into overall tracking and management system.
- The overall tracking and management system should ensure that all contract/agreement, timeline, review schedule, name and contact information of the responsible department, and/or personnel, assigned attorney, third party, and any and all other pertinent information is filed in a common digital system and easily and readily accessible by all pertinent parties.

Motion approved unanimously.

Auditor's Report

Tommy Carter of the Auditor's Office reported that the office had released one report since the last meeting – Report #696 – Quarterly Budget Summary for Three Months Ended December 31, 2010. The report shows the General Fund with a projected unfavorable balance by year-end of \$14.3 million caused by a revenue shortfall of \$5.5 million and expenditure overages of \$8.8 million. \$9.4 million of the unfavorable balance has been offset by use of \$9.4 million in contingency funds.

Chairman's Comments

Mr. Benwick stated that his review of the Copy Center internal service fund was a very difficult process and he discovered that the Copy Center's rates don't match up with their costs. The convenience (non-charging) copiers installed throughout city offices siphon business away from the Copy Center and contribute to its inability to be self-sustaining. He plans to schedule a meeting with Copy Center personnel to discuss the issues further.

With regard to the SMG management contract for City public assembly facilities, Mr. Benwick stated that information he had requested shortly after the February 1 meeting had just been hand delivered earlier in the day. He will review the documents and schedule another meeting to discuss the issues further.

Old Business

None

New Business

Nominating Committee – Chairman Benwick asked for nominations for a Chair to lead the Nominating Committee in producing a slate of candidates for TRUE officers for the upcoming year. Marcella Lowe volunteered to lead the committee and was approved by acclamation. Ms. Lowe requested volunteers to serve on the committee.

Commissioner Comments

Commissioner Andrews noted that there are several plans currently being reported in the media by various groups interested in spending additional money on the revitalization of downtown.

Commissioner Wendler asked how much the TRUE Commission publicized its research and recommendations in the media, particularly for issues such as the looming pension crisis for which he cannot seem to generate any interest. Chairman Benwick stated that the TRUE Commission speaks via resolutions or letters to the Mayor and City Council and hopes that the media will cover the commission's activities and recommendations. Once the commission has taken a collective position by formal action, any commissioner is free to carry that message to other groups or potentially interested parties. TRUE Commissioners speaking to individuals or groups are free to have and express personal opinions, but are asked to be sure to clarify that those personal opinions do not reflect the TRUE Commission's opinion unless the group has formally adopted a position. Mr. Benwick invited commissioners to propose a report or resolution on any issue they think merits the group's attention so that a formal position can be adopted.

Public Comments

Bob Downey, former General Manager for SMG Jacksonville: Mr. Downey distributed a package of materials responding to the discussion that took place at the February 1, 2011 noticed meeting on SMG issues which he asked to be included in the Commission's record as a rebuttal to statements made by SMG attorney Paul Harden on that date. He stated that SMG's \$25 million/year contract with the City will be up for review and renewal by the City in the near future, so the time is right for a close look at the company's performance. He believes that SMG grossly overcharged the City for insurance until 2009 when the City insisted that the company use a competitive bidding process and is ready and willing to meet with a TRUE Commission committee to discuss SMG issues. Mr. Benwick stated that now that the requested insurance information has been received, he will schedule a meeting in the next couple of weeks.

Next meeting

The commission's next meeting is scheduled for Thursday, April 7th at 4:00 p.m.

There being no further business, the meeting was adjourned at 5:15 p.m.

Posted 4.12.11
5:00 p.m.

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City Council electronic files
Media box