



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

Marc El Hassan, Chair

Mike McCollum Vice Chair

Joe Andrews, Secretary

TRUE Commission Meeting Minutes

October 6, 2011

4:00 p.m.

City Council Chamber

Attendance: Marc El Hassan (Chair), Marcella Lowe, Joe Andrews, Diane Brown, Ernest McDuffie, Greg Radlinski, Ryan Jones (dep. 4:35), Ted Wendler, Thomas Martin Gamal Lyons, Melodee Dew

Excused: Hiron Peck, David Lane.

Absent: Jason Fischer

Resigned: Mike McCollum

Commissioner nominee: Patti Anania

The meeting convened at 4:02 p.m. with a quorum present. Chairman El Hassan announced that Commissioner Mike McCollum had submitted his resignation from the commission due to work and scheduling conflicts which prevented him from being able to fully participate in the commission's work.

Minutes

The minutes of the September 1, 2011 commission meetings were amended in several respects and approved.

Committee Reports

Legislative Tracking Committee – Commissioner Andrews reported that the committee had not met since the last Commission meeting because there had been few bills of interest to the commission. He distributed a legislative tracking matrix and reported on the status of several bills the committee has been tracking. 2011-414 (appropriating \$387,000 for construction of the S-line bicycle/walking path), 2011-407 (authorizing \$71 million in Banking Fund project borrowing) and 2011-514 (appropriation of Handicap Parking Trust Fund revenues) were approved by the City Council at its September 27th meeting. 2011-521 (directing proceeds of sales of ash site remediated properties to the Contamination Assessment Fund rather than to the Park and Conservation Land Acquisition account) remains pending in three committees.

Performance Committee – Commissioner Wendler stated that the committee had met just before the full commission meeting and discussed the degree to which the TRUE Commission is recognized and understood by the City Council. Members are of the general opinion that the council members have little to no knowledge of the TRUE Commission's work, and feel that the commission's reports and resolutions do not receive much, if any, attention or consideration. The group discussed potential ways of raising the commission's profile in the minds of the City

Council, including making more personal contacts with council members and appearing regularly before meetings of the council and its committees to read TRUE Commission resolutions and recommendations into the official record. The committee proposed a motion to that effect to be presented to the full commission for its consideration.

Auditor's Report

Tommy Carter of the Auditor's Office reported that no audits or reports have been issued since the last commission meeting. The office has been deeply involved in the budget adoption process for the past several months and will shortly be issuing a wrap-up report on the budget process. He also noted that a second draft of the JEDC audit has been sent to the JEDC staff for review and comment. In response to a question from Commissioner El Hassan about the process for dealing with situations where an audited agency or department substantially disagrees with an audit's findings or recommendations, Mr. Carter explained that after an exchange of proposed revisions, if the parties cannot reach agreement on a finding or recommendation the Council Auditor will publish the report with a rebuttal letter noting the areas of disagreement. The Council Auditor may follow up with City Council leadership to discuss the impasse. This is a fairly rare circumstance. The Auditor's Office follows up on all of its audits within 12 to 18 months to check on the progress of recommendations and promised action. Mr. Carter stated that audits and reports are issued to the City Council, TRUE Commission, State Attorney's Office, the Mayor, department heads, and other who have requested to be on a distribution list.

Old Business

Commissioner Lowe suggested the need for the commission to make a more concerted effort to read, discuss and take formal action on the Council Auditor's reports and audits. She had read a number of the audits/reports released in the past year and offered the following comments and motions:

#693 Shands indigent care contract: the TRUE Commission has previously recommended that the Mayor appoint a definite contract administrator charged with keeping up with the performance of Shands and compliance with the contract terms.

Motion (Lowe): move to ask the Mayor's office if a contract administrator has been appointed to oversee the Shands Jacksonville indigent care agreement – **approved unanimously**.

#695 County Funded Court-Related Functions

Motion (Lowe): accept without comment – **approved unanimously**.

#702 JSO Investigative Fund: Ms. Lowe stated that this was the cleanest annual report on this fund that she has seen in a number of years. The only substantive finding was a need for better training on proper paperwork and reporting procedures on the part of officers who utilize the fund.

Motion (Lowe): move to accept the report without comment, but to write the JSO a letter suggesting the need for additional training on proper reporting procedures – **withdrawn**.

#698 Audit of Miscellaneous Bank Accounts:

Motion (Lowe): accept without comment – **approved unanimously**.

#700 Jacksonville Sunshine Law Compliance Review: Chairman El Hassan felt that this audit did not fall within TRUE's purview because of its lack of financial implications. Commissioner Radlinski suggested that the audit evaluation form be amended to add another check box for items that do not need to be reviewed because they do not fall within the commission's authorized mission.

#697 City Accounts Receivable: Commissioner Lowe was interested in how often the City bids out the contract for collection services and why training employees is reported to take 2 years. She believes that neither the Council Auditor nor the Director of Finance get copies of the write-off report, but should. **Motion** (Lowe): accept the Auditor's recommendations without comment, and request a copy of the current list of write-offs be provided to the TRUE Commission within 60 days, subject to revision if it is determined that the Council Auditor already gets a copy of the list – **unanimously approved**.

#701 JEA Accounts Payable

Motion (Lowe): move that the audit be accepted with a note of the commission's concurrence with the Auditor's recommendation on Internal Control Weakness 2-5 that the JEA Procurement Division maintain copies of all contracts awarded by JEA - **unanimously approved**.

Commissioner Brown stated that the \$221,000 accounts receivable write-off mentioned in Audit #697 raises a red flag in her mind, as does the fact that there are some accounts due for 60, 100 and 120 days, which is far too long. Chairman El Hassan returned to the discussion of how disagreements between the Council Auditor and auditees are resolved. In response to a question about whether the City Council ever steps in to take action on these issues, Mr. Carter indicated that the Council Auditor sometimes works with a particular interested council member to bring attention to an issue. Commissioner Brown noted that when she worked for Prudential they had a system for tracking all outstanding audit issues and keeping attention on the issues until they were finally resolved.

Chairman El Hassan noted that the City Council has recently appointed an Audit Committee (chaired by former TRUE Commissioner Greg Anderson) which will be the TRUE Commission's primary point of contact. The commission needs to meet with that committee and work out a procedure for how the two will interact. Commissioner Lowe volunteered to chair a TRUE Commission Audit Committee to keep the commission focused on its audit review responsibility.

#699 and #703 Quarterly Budget Summaries: Chairman El Hassan stated that the quarterly summaries look at 29 City sub-funds deemed to be of greatest importance and that 10 and 9 sub-funds were running deficits in the quarterly reports for FY11.

Motion: approve the two quarterly summaries with the comment that the commission and City Council need to remain attentive to impending budget problems - **unanimously approved**.

Commissioner Radlinski reported that he had tried to get information from the Mayor's Office regarding the proposed Education Commissioner position, but has not gotten any response yet. The commission is curious about how the commissioner is operating currently, particularly whether he is receiving any staff support from a City department.

Commissioner Lowe announced that a new commissioner orientation session will be held on Wednesday, October 19th at 4:00 p.m. Handbooks of information will be distributed. All commissioners who have not attended an orientation are encouraged to attend, as are any commissioners who may be interested in a refresher course.

Chair's Comments

Chairman El Hassan announced the appointment of a TRUE Audit Review Committee to be chaired by Commissioner Lowe. He also stated that he had contacted the Mayor and City Council President with requests for meetings to discuss their relationship with the TRUE Commission and expects to hear back from them in the next few days. He also stated that the commission should offer the Council Audit Committee copies of recent TRUE Commission research projects, including the Banking Fund and Contract Management reports.

New Business

- **Motion** (Andrews): move that the Commission create an on-line archive of its resolutions and studies on the TRUE Commission web page – **unanimously approved.**
- **Motion** (Andrews): move to make it a standard practice to have TRUE Commissioners attend meeting of the City Council to read commission resolutions into the record, if possible as a scheduled council agenda item.
- **Motion** (Martin): move to table the Andrews motion until Chairman El Hassan has had the opportunity to meet with the Council Audit Committee and discuss working relationships and procedures – **unanimously approved.**
- **Motion** (Andrews): move to encourage TRUE Commissioners to meet with individual City Council members on a personal basis to establish knowledge of and a working relationship with the TRUE Commission.
- **Motion** (Lyons): move to table the Andrews motion until Chairman El Hassan has had the opportunity to meet with the Council Audit Committee and discuss working relationships and procedures – **unanimously approved.**
- **Motion** (Andrews): move to communicate to the Mayor the commission’s caution and concern about future operation of the Banking Fund after the departure of Mickey Miller, Mike Givens, Kevin Stork and Kent Olsen from the Department of Administration and Finance, and the need to replace them with personnel who understand and can operate the intricacies of the Banking Fund.
- **Motion** (Radlinski): move to invite CFO Ronnie Belton to the TRUE Commissioner’s November meeting to address Banking Fund issues – **unanimously approved.**
- Chairman El Hassan asked the commissioners to consider volunteering to run for the position of Vice Chair left vacant by Commissioner McCollum’s resignation. Nominations will be taken and an election held at the November commission meeting.
- **Motion** (Lyons): move to appoint commission liaisons to attend City Council and council committee meetings.
- **Motion** (Radlinski): move to table the motion – **approved.**

Commissioner Comments

Commissioner Wendler stated that he would be attending the next City Council meeting to read the TRUE Commission’s resolution opposing passage of 2011-400 into the record during the public comment period.

Public Comments

Connie Benham noted, with regard to the earlier discussion about the Banking Fund, that the City Council budget just adopted makes an effort to do more capital projects on a pay-as-you-go basis with less Banking Fund borrowing. The Ordinance Code mandates that beginning next year the Council budget the equivalent of one mill of property tax revenue to pay-as-you-go projects.

Tony Bates stated that the TRUE Commission got into the audit review business as a means of promoting attention to the Council Auditor’s reports and findings, which did not seem to be getting much publicity or action. When he was chairman the commission used to invite representatives of the audited departments to come to commission meetings to discuss the findings and their responses. The Finance Committee was not reviewing audits then, and the TRUE Commission acted as a change agent to make the recommendations happen. Mr. Bates also reported that the judge hearing the case of Concerned Taxpayers of Duval County vs. City of Jacksonville regarding the legality of the 30-year agreement between the City and the Police and Fire Pension Fund has announced that he should have a ruling within the next week.

Next meeting

The commission's next meeting will be on Thursday, November 3rd at 4:00 p.m.

There being no further business, the meeting was adjourned at 5:55 p.m.

Posted 11.8.11
5:00 p.m.

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