



JACKSONVILLE CITY COUNCIL

**TRUE COMMISSION
PERFORMANCE COMMITTEE MEETING MINUTES**

June 9, 2011

1:00 p.m.

**City Council Conference Room B
Suite 425, City Hall
117 W. Duval Street**

Attendance: Committee Members Ted Wendler (Chair), Marcella Lowe and Diane Brown

The meeting was called to order at 1:01 p.m. by Chairman Wendler who initiated a discussion of the committee's recommendation items for next week's meeting with the City Council Ad Hoc Budget Savings Review Committee. He distributed several handouts showing the line item budgets for each of the City's internal service fund departments/divisions, including the Copy Center, Fleet Management and Information Technology Department. He also distributed a sheet briefly summarizing the major functions of each of the internal service departments/divisions.

Commissioner Lowe distributed a page of thoughts and questions pertaining to the Office of General Counsel. She recounted her discussions with Assistant General Counsel Peggy Sidman regarding the OGC's employee complement (static for the past 3-4 years) and use of outside counsel. In addition to her original list of eight questions meriting further investigation, Ms. Lowe added three additional questions during the course of the committee's discussion regarding the procedures for funding and reporting legal settlements and the subject of problems with contracts and change orders.

Commissioner Brown distributed a memo of general and specific observations resulting from her attendance at the Ad Hoc Budget Savings Review Committee meetings. General observations included: 1) the City administration should determine what internal services it needs to provide, which can best be provided in-house, and which are better off being outsourced; 2) the budget process should be approached fundamentally differently, using a more zero-based budgeting approach than constant incremental increases. If funding is allocated for a project that comes in under budget or is not constructed at all, those funds should be recouped to the General Fund rather than shifted to other project uses.

Her impression of the Information Technology Department (ITD) is that the city's IT functions are fragmented and duplicated in too many agencies (sheriff's office, School Board, JEA, etc.). Too many agencies want to be independent of the central service. With regard to Fleet Management, more scrutiny needs to be given to the take-home car program, particularly cars driven out of the county and cars accruing excessively high mileage. The question of whether take-home cars are an employee benefit or compensation and therefore subject to collective bargaining needs to be answered definitively. The Inspector General just did a study of Fleet Management, so that report needs to be read and digested.

Chairman Wendler stated that he understands that Mayor-elect Brown is very interested in the internal service funds as a source of potential efficiency increases and budget savings. Commissioner Lowe believes the consolidated government has lost much of its efficiencies by allowing the Constitutional

officers and independent authorities to opt out of many central operations functions (ITD, human resources, procurement) and this trend needs to be reversed.

The committee next turned to discussion of Commissioner Wendler's draft resolution on City pension issues. Commissioner Lowe had a number of questions about the factual basis for several specific "whereas" clauses in the resolution, which Mr. Wendler explained. Ms. Lowe felt the resolution should be shared with City Council President Jack Webb and President-Elect and Finance Chairman Stephen Joost so they are aware that the issue is being discussed by the TRUE Commission. She also disagreed with the "be it also resolved" clause appointing Commissioner Wendler as the TRUE Commission's official spokesman on the issue of pensions as being contrary to the usual commission practice. Mr. Wendler stated that he included the provision because he understood that to be Commission Chairman Wes Benwick's instruction. He requested staff to obtain a copy of a PowerPoint presentation on pension issues being prepared by City Finance Director Mickey Miller.

Commissioner Brown remarked on the complicated nature of the pension problem and the variety of competing interests. Commissioner Wendler stated that his intention is to raise the profile of the pension issue in a way that doesn't seem to be happening now. He cited Mickey Miller's remark at an earlier TRUE Commission meeting that one of the City's most serious problems is the failure of the government and the City at large to recognize and acknowledge the seriousness of the pension funding deficit. He hopes that the media will pick up the cause and inform the general public, City employees and pension plan retirees of just how serious the \$1.6 billion unfunded actuarial liability is to the future viability of the pension system and the City's finances. He noted that despite robust returns in the stock market over the past year, the fund's assets are still only valued at the same level as in 2007. We have lost 4 years of compound interest on those investments that will never be recovered.

Tony Bates of Concerned Taxpayers of Duval County explained the nature of the lawsuit the group has filed against the City and the Police and Fire Pension Fund contesting the legality of a 30-year contract between the parties that the fund interprets as an agreement preventing any reduction of pension benefits to active police and fire department employees during that period. The lawsuit consists of two parts, one regarding the agreement and the other alleging violations of the Government in the Sunshine law for meetings held without public notice or opportunity for participation. The Sunshine Law allegation is included as a means of gaining standing for Concerned Taxpayers that it might not otherwise have to intervene in the case, despite the fact that the city's taxpayers are the ones ultimately on the hook to pay the bills for what the two parties agree to.

Mr. Wendler will share his pension resolution with the Ad Hoc Committee at the meeting next week.

There being no further business, the meeting was adjourned at 2:58 p.m.

Jeff Clements, Chief
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Posted 6.10.11
6:00 p.m.