



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

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

## Meeting Minutes

December 2, 2010  
4:00 p.m.

**Attendance:** Wes Benwick (Chair), Thomas Martin, Marc El Hassan, Joe Andrews, Mike McCollum, Greg Anderson, Marcella Lowe, Gamal Lyons Ruth Arnold, Ted Wendler  
**Excused:** Ryan Jones, Ernest McDuffie, Hiron Peck, Mark Cowart, Jason Fischer, Robert Jones  
**Absent:**

The meeting convened at 4:05 p.m. with a quorum present.

### Minutes

The revised minutes of the November 4, 2010 commission meeting were approved as distributed.

### Committee Reports

Legislative Tracking Committee – Commissioner Andrews reported that the committee had met the previous Friday and reviewed the new legislative introductions from two Council meetings. Mr. Andrews had two items of particular interest that he presented to the commission. Ordinance 2010-884 would appropriate \$40,000 from the Environmental Protection Fund for a design competition to produce a low environmental impact redesign of Hemming Plaza. Mr. Andrews questioned the need to re-do the plaza in a time of budgetary stress, and the wisdom and cost of commissioning a design competition for the purpose, and proposed that the commission adopt a resolution opposing the appropriation.

**Motion** (Andrews): that the TRUE Commission adopt a resolution opposing passage of 2010-884.

Commissioners asked questions about the proposed project and the source and intended uses of the Environmental Protection Fund. It was noted that the commission had not heard any information from the City administration about the purpose of the design competition or the park redesign.

**Revised motion:** that the TRUE Commission adopt a resolution stating its questions about the proposed project and proposed design competition and urge the City Council to strongly question the bill's proponents and obtain satisfactory responses before making any decision about the worth of this project in a time of serious budgetary stress – **approved by vote of 7-2.**

Mr. Andrews questioned the rationale behind Ordinance 2010-856 which would amend the Ordinance Code to prevent transient vendors from selling products within 1 mile of a fixed location store selling the same products, stating that it would constitute a restraint of trade and would violate the fundamental

concepts of free market capitalism. The commission briefly discussed the ordinance but reached no consensus on what, if any, action to take.

Performance Committee – Commissioner Anderson reported that the committee had met that afternoon with Kevin Holzendorf and Eric Nagel of the Information Technology Department to discuss the City’s planning for replacement of the FAMIS accounting system. An initial appropriation of \$2 million was made in the current budget to get the process started with the first of several RFPs. It is actually a misnomer to call it a “FAMIS replacement” project, since it involves a much broader consideration of reformulation of many of the City’s standard business practices and consideration of changing various computer systems. The project will likely take 4-5 years and tens of millions of dollars to complete, depending on what the initial consultant determines to be the City’s best course of action, what systems to replace, what to keep, etc. It is still too early in the process to know how big or complicated the project may end up being.

Banking Fund Committee – Commissioner El Hassan reported that he had hoped to have a report for the commission today, but was still in the process of going through additional information received from the City Treasurer after the committee’s meeting with him and the City Comptroller several weeks ago. He will complete his review of this information, prepare a draft report, and circulate it to the committee members to consider before their next meeting. He hopes to be able to have Chief Financial Officer Mickey Miller and/or City Treasurer Mike Givens address the topic at the commission’s January meeting.

Contract Management Committee – Commissioner El Hassan stated that replies to his initial inquiries to various City departments about their contract management practices seems to indicate that there is no central, easily accessible repository of all city contracts, and no uniform method for reviewing and overseeing whether the terms and conditions of these contracts are being complied with. Chairman Benwick said that he would address this topic in the Chairman’s Comments shortly.

#### Auditor’s Report

Kim Taylor of the Council Auditor’s Office reported that one report has been released since the last TRUE Commission meeting: #690 Annual Budget Report for 2010/11 which summarizes the budget for the new fiscal year. Several audits are underway and should be released in the near future. Chairman Benwick encouraged the members to read the Annual Budget Report, and particularly to note the information on employee count by department and the auditor’s several pages of notes on particular items of interest/concern.

#### Chair’s Comments

Mr. Benwick gave an overview of the recent meeting of several TRUE Commissioners with Council President Jack Webb to discuss internal service funds. He particularly wants to look at the Copy Center’s operations which, according to some reports, have not billed sufficiently to cover its operating costs for several years. Commissioner Andrews stated that he left the meeting feeling more positively about the internal service funds than he had going in, and felt the departmental representatives had answered their questions very forthrightly. There are lots of considerations to keep in mind when judging the value of internal service provision versus private sector contracting, including issues of reliability, service level, response time, etc. Commissioner Wendler had requested Angela Moyer of the Finance Department to send him information on the City’s departmental overhead charges which she has done. He is happy to share the file electronically with any commissioners who may have an interest in reviewing the figures.

Chairman Benwick suggested the need to create an Internal Service Fund Committee to give a citizen perspective on how the City is operating these funds. He thinks there are more savings opportunities than

have been looked at to date in each of the operational areas. He recommends dividing up the review tasks to individual commissioners to investigate and report their findings back to the committee and ultimately the full commission, which will in turn make a report to Council President Webb.

**Motion** (El Hassan): that the commission establishes an Internal Service Fund Committee – **approved unanimously**.

Commissioner Wendler agreed to accept the chairmanship of the committee, which will begin work in January after the holiday season. Chairman Benwick urged all commissioners to volunteer to take on a part of the committee's work.

#### Old Business

None

#### New Business

Commissioner Wendler distributed a set of handouts with information on the City's pension system finances and documents he received from the Police and Fire Pension Fund in response to issues raised by his data. He stated that the City has a \$1.5 billion long-term pension liability which does not show up either in the City budget or in the City's debt listings; it only appears in the seldom-read Comprehensive Annual Financial Report (CAFR). His material contains a pension study by the Kellogg School of Management at Northwestern University which lists Jacksonville as one of six U.S. cities whose pension assets will run out by 2020 if changes are not made to address the growing unfunded liabilities. Mr. Wendler stated that he has given this information to City Council members and to the Mayor but as yet has seen no reaction. Commissioner Andrews noted that Curtis Lee has been raising these issues for over a year before the City Council, TRUE Commission and Charter Revision Commission without there being any noticeable reaction. Chairman Benwick stated his belief that the TRUE Commission should issue a report on the subject of the City pension plans in 2011. One important item of information that will need to be addressed is what would happen if one of the City pension plans actually became insolvent and unable to pay its obligations to pensioners. Commissioner Andrews cautioned that there is a lot of misinformation and misunderstanding circulating about the City's pensions, so it will be important to reach the truth of the matter. Commissioner Anderson noted that the extent of the City's pension obligations does appear tangibly in the budget each year in the form of the annual actuarially-determined contribution - \$180 million this year.

#### Commissioner Comments

None

#### Public Comments

None

#### Next meeting

The commission's next meeting is scheduled for Thursday, January 6th at 4:00 p.m.

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

Posted 1.10.11  
5:00 p.m.

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