



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

Marcella Lowe, Chair

John Palombi, Vice Chair

Meeting Minutes
October 31, 2005
4:00 p.m.

Attendance: Marcella Lowe (Chair), Lee Martin, Dick Berry, John Palombi, Lou Myers, Elaine Burnett, Arnold Whisenant, Louvenia Tippins, Bruce Glassman, John Jolly

Excused: Mark Roesser, Mike Meroney, Charles Curley

Absent: Randy Deen, Charles Magee

The meeting convened at 4:10 p.m. with a quorum present.

Minutes

The minutes of the October 3, 2005 meeting were previously distributed.

◆ The minutes were **approved as distributed**.

Committee Reports

Jacksonville Housing Partnership Committee: Commissioner Myers reported that the committee had requested copies of the user satisfaction surveys filled out by participants in the housing rehabilitation program over the last year so that they could judge the experiences of a wider sample of program participants. They look forward to receiving and reviewing the surveys.

Performance Committee

Commissioner Palombi reported that the committee had met twice since the last commission meeting, and is working on both old and new recommendations, hoping they will "take root" in either an existing City agency or perhaps a new entity that would mesh the performance measurement and budgeting systems to greater effect.

Auditor's Report

Council Auditor Richard Wallace presented an overview of his office's FY2005-06 budget summary. He briefly described the budget process that begins at the departmental level in January and leads to the mayor's budget submission to the Council at the first meeting in July, then to Council review and adoption by the end of September for an October 1 effective date. The budget just adopted totals approximately \$3.8 billion for the City and all affiliated agencies and authorities; \$1.6 billion for the City proper. He mentioned several notable features of this year's budget. The number of employee positions increased substantially in large part because of an Ordinance Code change that mandates conversion of "full-time part-time" employees to full-time employees with benefits. There was a substantial reduction in the use of one-time revenues to fund recurring expenses, from over \$100 million in Mayor Peyton's first budget to \$17 million this year. In part to meet that sizeable reduction in one-time revenue use and in part to meet rising expenses, the 3% revenue increase cap was not observed for the first time since the voters approved it in 1991. Mr. Wallace noted that the

General Counsel had issued a legal opinion after the referendum that the charter amendment was not binding because it was unconstitutional, but that mayors and city councils had voluntarily complied with the referendum until this year. The millage rate was reduced by .004 mills, but to observe the revenue increase cap would have cost the City an additional \$26 million in cuts from the budget just adopted. Almost all City departments had seen budget decreases from the prior year, with the exception of the Sheriff's Office and Fire and Rescue Department, which saw substantial increases.

Four new policies were adopted along with the budget this year that will substantially drive the process in the future: 1) a prohibition against use of one-time revenues to fund recurring expenses; 2) the establishment of a new Emergency Reserve account of \$40 million initially, with an eventual goal of 7% of the General Fund GSD budget; 3) a prohibition against granting new pension benefits unless the pension fund in question is at least 90% actuarially funded (the Police and Fire Pension currently stands at 60% funded, the General Employees Pension at 82%, and the Correctional Officers Pension at 75% funded); and 4) the 5-year Capital Improvement Program must be financially feasible and projects listed must be actually funded during the period for both construction and operation.

The Auditor's Office made four recommendations in its report with regard to the annual budgeting process: 1) don't include administrative reorganizations as part of the annual budget ordinance – it makes for too much complication and difficulty in comparing departmental budgets year-to-year; 2) cease the use of one-time revenues for recurring expenses; 3) encourage the administration to generally be more careful in the budget preparation process, eliminating double counting of revenues, under- or over-counting revenues and expenditures, etc. It seems as though the process is rushed to completion too quickly at the end of the preparation process leaving the Council Auditor and Finance Committee to correct accounting errors in the review process; 4) the 5-year budget forecasting process could be better and more detailed, thus making the overall budgeting process easier.

Mr. Wallace reported that new City Chief Financial Officer Mickey Miller has drafted and introduced a bill to Council to establish a "banking fund" to allow for short, intermediate and long-term borrowing that can be re-lent to City departments as capital funding needs arise. The commission asked that Mr. Miller be invited to the December commission meeting to introduce himself to the group and to discuss his fiscal philosophy and particular ideas such as the proposed banking fund.

Chair's Report

Chairwoman Lowe introduced new commissioner John Jolly, whose appointment resolution was recently approved. She also noted that former TRUE commissioner Donald Wolfson was recently elected as Mayor of Atlantic Beach, and extended the commission's congratulations to Mr. Wolfson.

Ms. Lowe stated that she had attended the GOOHS Committee meeting prior to the start of the commission meeting and made a brief presentation to the committee on the results of the commission's review of the CityLink citizen service request system. In addition, she provided the committee members with copies of the TRUE Commission's report on public parking and suggested the committee follow up on letters the commission sent to the Mayor, Council President and Finance Committee transmitting the commission's public parking recommendations, as the topic has been prominent in the news lately.

The Chair reported that the commission had received two requests recently from news media requesting copies of the Council Auditor's post-audit review resulting from its audit of the JEA pipe bursting contract. Copies of that post-audit review were distributed to all commissioners for their information at the meeting today. Commissioner Martin continues to chair the JEA pipe bursting committee, with commissioners Lowe and Whisenant. Finally, Ms. Lowe noted that she had chatted recently with Tax Collector Mike Hogan about the survey distributed some months ago by the commission's Performance Committee, which Mr. Hogan had declined

to answer, in part, on the grounds that he as a state constitutional officer and therefore not a City department head obliged to respond to requests from the TRUE Commission. He did indicate that he would be happy to attend a commission meeting and discuss the operations of his office in lieu of responding to the survey.

Discussion ensued about the authority of the TRUE Commission to interact with constitutional officers and the extent of its jurisdiction over entities and agencies of "the City", as provided in the commission's charge in the Ordinance Code. A legal opinion from the General Counsel's Office defining the boundaries of the commission's jurisdiction was suggested. Staff explained that, as a result of previous conversations with attorneys in the General Counsel's Office, it was his understanding that the TRUE Commission is not a direct client agency of the General Counsel's Office, and therefore does not have the ability to directly request that legal services be provided. As a board appointed by the Mayor and City Council and staffed by the Council, it would seem that the appropriate means to make a request for legal services would be via a request to the City Council, which could then authorize the requested service to be charged to the Council's legal services budget.

Motion: Commissioner Berry moved that the commission transmit a letter to Council President Hyde and to GOOHS Committee Chair Suzanne Jenkins requesting clarification from the General Counsel's Office as to the TRUE Commission's authority and parameters in dealing with constitutional officers and independent authorities, and in otherwise defining the proper scope of the commission's authority.

♦ The motion was **approved** by a vote of 4-3.

Old Business

Commissioner Berry reported that ordinance 2005-1194 had been introduced in City Council, which would reorganize the structure and somewhat the function of the Jacksonville Economic Development Commission. He reminded the commission that the recently adopted FY2005-06 budget put half of the JEDC budget "below the line", requiring subsequent Council action to release the funds. This proposed ordinance would restructure the agency and release the escrowed funds. Mr. Berry will keep the commission updated as the bill progresses through committee.

Commissioner Comments

- Commissioner Burnett reported that her CPAC would take up the appointment of her replacement on the TRUE Commission at its next meeting.
- Commissioner Glassman asked how the position of Council Auditor is filled, given the recent announcement of the retirement of Council Auditor Richard Wallace. Assistant Council Auditor Pam Markham reported that the position advertisement had been officially posted that morning, inviting applications from current members of the City Council staff who are licensed CPAs. The window for submission of résumés is November 1-7, after which selection will be made by the City Council Personnel Committee. A retirement party for Mr. Wallace will be held at City Hall on January 27th. Chairwoman Lowe suggested that the commission take up a collection at the January meeting for a retirement gift or memento for Mr. Wallace.

Next meeting

The commission's next meeting will be on Monday, December 5th at 4:00 p.m. following the GOOHS Committee meeting in the City Council Chamber.

There being no further business, the meeting was adjourned at 5:30 p.m.

Items pending further follow-up

- Housing Commission response to TRUE inquiries – Chairwoman Lowe
- Housing Partnership home rehab program – Commissioner Myers
- JEDC reorganization – Commissioner Berry
- TRUE commissioner access to the City Intranet – staff
- Public Service Grants Chapter 118 amendments – Chairwoman Lowe
- Mickey Miller invitation to December commission meeting – Chairwoman Lowe
- Request for clarification of TRUE Commission jurisdiction – Chairwoman Lowe