



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

**Ron Mallett, Chair**

**Elaine Burnett, Vice Chair**

**Mike Meroney, Secretary**

## **Meeting Minutes**

**March 6, 2008**

**4:00 p.m.**

**Attendance:** Ron Mallett (Chair), Louvenia Tippins, John Palombi, Marcella Lowe, Nicole Lester, Mark Cowart, Pamela Korn, Randy Deen, Greg Anderson, John Jolly, Elaine Burnett, and Lou Myers

**Excused:** Mike Meroney

**Absent:** Charles Curley, Charles Magee

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

### Minutes

The minutes of the February 7, 2008 meeting were **approved as distributed**.

Copies of the TRUE Commission charter, by-laws and Policies and Procedures Manual were distributed to the members for discussion at a future meeting.

### TRUE Commission charter and by-laws

Staff member Jeff Clements reported his discussion with an attorney in the City General Counsel's Office about the relationship between the TRUE Commission's charter contained in Chapter 57 of the City Ordinance Code and the commission's self-adopted by-laws. With regard to the specific question raised at the last meeting about the proper procedure for changing the size and composition of the TRUE Commission, the attorney stated that the by-laws need to be complied with, but within the context of the parallel need for City Council to amend the Ordinance Code to accomplish the proposed change. Procedurally, the TRUE Commission should propose the desired change in the commission's charter to the City Council via a formal action such as a properly adopted resolution. If the Council makes the requested change by means of an ordinance amending the TRUE Commission's Ordinance Code chapter, then the commission can amend its by-laws as provided in the by-laws themselves to reflect the results of the Code amendment.

The attorney noted that it was unusual for board or commission by-laws to contain both underlying charter legislation that the board or commission cannot change by itself and also self-adopted procedural language. She also stated that it was unusual and probably not advisable for by-laws to contain an amendment procedure that would allow the by-laws to be amended by a majority, even a super-majority,

of the members present at a meeting rather than of the full membership. This could have the effect of a super-majority of a bare quorum, which might be less a majority of the full membership, being able to change the fundamental operating procedures of the body.

Staff was requested to list the issue of commission size and composition as an agenda item for the April meeting and to notify and encourage all commission members to be in attendance for the discussion. Chairman Mallett stated that he would draft a synopsis of the issue to explain his rationale for preferring a smaller commission.

### Committee Reports

Performance Committee – Commissioner Palombi reported that the committee had met twice since the last commission meeting and had reviewed the Auditor’s Overtime audit (#644). The committee requests the Chair to write to the Mayor and Council President to suggest the need to take firm action to deal with this problem area after apparently many years of inattention.

Mr. Palombi also reported that the City Council’s Ad Hoc Committee on Budget Efficiencies has been meeting to review departmental budgets and to determine the effects of the 2% budget withholding, and that he has been welcomed as an active participant in the committee’s work. The committee has worked through the budgets of the Public Works Department and most of the Recreation and Community Affairs Department and has thus far restored almost all of the sequestered funds. The Council Auditor’s questionnaires to the various departments asking for information on their operations are asking many of the same questions posed by the Performance Committee in its project 2 years ago and seem to be finding many of the same things that the Performance Committee found – generally unsatisfactory performance measurement and reporting practices. The Performance Committee’s work on procurement and contract management does not seem to have gotten much attention or reaction since its release.

The committee has also begun a look at the Sheriff’s Office’s Matrix Consulting report on the department’s operations, and all commissioners have gotten a copy of the 19-page executive summary distributed at their seats today. Mr. Palombi asked for volunteers to read, review and comment on sections of the report during March so that the commission can make any comments it may have before the Ad Hoc Committee on Budget Efficiencies meets for the last time on April 1<sup>st</sup>. Chairman Mallett announced that he would invite the Sheriff to the TRUE Commission’s April meeting to discuss the audit in person.

Commissioner Lowe stated that she and Commissioner Deen had reviewed the entire report and found that it seemed to be intended to address efficiency of operations and sufficiency of resources to meet the department’s goals. It was apparently not commissioned for the purpose of finding cost savings, and some of the recommendations in fact recommend increased spending. The group scheduled a Performance Committee meeting for March 18<sup>th</sup> and will invite a representative of the Sheriff’s Office to attend for the purpose of discussing the report’s findings and recommendations. The following commissioners volunteered to review sections of the Matrix report in the next 2 weeks: Lowe (Corrections Division); Burnett (Police Services); Jolly and Tippins (Sheriff and Undersheriff); Korn (Patrol Division); Cowart (Personnel); Myers (Homeland Security). Staff will attempt to divide the large report into smaller segments for electronic distribution if possible, or paper copies if commissioners prefer that.

Commissioner Myers mentioned an article in the day’s issue of the *Florida Times-Union* reporting on the large increase in the City’s contribution to the Police and Fire Pension in recent years. Council Auditor Kirk Sherman explained that the substantial increase is the result of a combination of factors, including the depletion of the fund of “excess” contributions accumulated in previous years that lessened the need

for current contributions from the City and the downturn in the stock market that creates an actuarial shortfall that the City is required to fill with current contributions to keep the fund actuarially sound. That led to a brief discussion of the proposal pending before City Council to create a new defined contribution (DC) retirement plan (the local government equivalent of a 401(k) plan) as an option for new city employees. Mr. Sherman explained that it is a very complicated issue and has ramifications both for the employees and for the City and its funding of the existing general employee pension. The current defined benefit (DB) plan may not be the best plan for a new generation of workers who will change jobs numerous times in their working lives and need a portable retirement plan that carries their accrued savings from job to job. On the other hand, a reduction in the number of city employees belonging to and paying into the existing DB pension plan may well increase the City's pension contributions from general revenue sources to keep the existing fund actuarially sound with a smaller participant base.

Commissioner Palombi related his opinion that the Ad Hoc Committee is having a difficult time determining if departments are being truly efficient in their operations and deserve to have their lapse factor restored. One of the few substantial policy or operational changes they've identified for possible revision is the concept of capitalizing whatever expenditures are reasonable to attribute to capital spending in order to free up General Fund resources for other uses that cannot be capitalized (that is, attributed to a particular project or activity and perhaps paid for over several years through bonds and earmarked revenues).

Staff was requested to obtain a copy of the City's overtime policy and send copies to all commissioners.

Chairman Mallett stated that he knows that the Mayor has read the commission's report on performance and understands the commission's findings on the subject. With regard to the commission's recommendation on employee health care self-insurance, he understands that the City has issued an RFP for an insurance consultant and has a company under contract. Commissioner Deen stated that the consultant hired is the same company the City already has under contract to perform its annual review of the City's health insurance contract with a private provider, and he believes that no action is taking place in the City administration on the concept of health self-insurance.

Commissioner Korn stated her perception that very little change results from the work of the TRUE Commission and the Council Auditor's recommendations on the issues they study. Is there a point to producing these studies if no action results? Commissioner Burnett expressed the hope that the Effectiveness Committee's work would help spread the word to the general public and hopefully produce some action. Chairman Mallett stated that the commission's annual report would be distributed to the media this year and hoped that the media and the general public would show some interest.

Effectiveness Committee – Commissioner Burnett reported that the group had met just prior to the commission meeting and distributed evaluation forms to the members to review and analyze past commission studies and reports. They hope to have the evaluations completed by May to aid in the production of the commission's annual report.

Nominating Committee – Commissioner Anderson asked for volunteers to offer themselves for commission offices next year. The committee will be meeting in the next few weeks to compile a slate for the commission to consider.

#### Auditor's Report

Kirk Sherman reported that the FY07-08 first quarter budget review was released in February. The first quarter is too early to begin to know anything substantive about how the year will progress. He and his staff are immersed in the work of the Ad Hoc Committee on Budget Efficiencies. Several audits are underway and should be

released within the next couple of months, including the audit of the county courthouse project expenditures to date.

Old Business

Commissioner Burnett noted that she is still working with the Sheriff's Office on her Riverside neighborhood concerns and the JSO's response. She has heard from a City Council member on the same subject.

Chair's Comments

Chairman Mallett stated that he will be writing to the Mayor to request a replacement for Commissioner Mike Meroney whose health unfortunately continues to deteriorate. He will propose Joe Andrews, who has attended several recent commission and committee meetings, as the replacement nominee. Mr. Mallett also introduced commissioner nominee Wes Benwick in the audience. Mr. Benwick's appointment resolution has been approved by the Rules Committee and will be before City Council next week.

Commissioner Comments

None

Public Comments

None

Next meeting

The commission's next meeting is scheduled for Thursday, April 3rd at 4:00 p.m.

There being no further business, the meeting was adjourned at 5:16 p.m.