



JACKSONVILLE CITY COUNCIL

TRUE COMMISSION PERFORMANCE COMMITTEE MEETING MINUTES November 6, 2008 3:00 p.m.

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

Attendance: Greg Anderson (Chair), Committee Members John Palombi, Nicole Lester (arr. 3:20), Ron Mallett, Randy Deen (arr. 3:15) and Steve Jarecki
Excused: Marcella Lowe, Wes Benwick

The meeting was called to order at 3:05 p.m. by Chairman Greg Anderson.

The group discussed the formal membership of the committee – Commissioners Anderson, Lowe, Jarecki, Benwick, Deen, and possibly Lester.

Minutes

The minutes of the July 28, 2008 meeting of the Performance Committee were reviewed and **approved as distributed**.

Chairman's introduction

Chairman Anderson briefly reviewed the committee's purpose. He noted that the City is in the midst of at least a third attempt to establish a performance measurement and management system, and the City Council Finance Committee has appointed a Subcommittee on Audits and Performance, so there appears to be a critical mass of interest in the subject of performance management and perhaps a ripe opportunity for the TRUE Commission to be of assistance.

Past committee reports

In 2007 the Performance Committee released a report on Procurement and Contract Management that was at least a small part of the impetus to the City's reestablishment of a Central Operations Department and unified procurement function. The City Inspector General's Office is working in this area and has asked the TRUE Commission to hold off on work in this area until the IG can gain a better understanding of the current state of procurement processes. Commissioner Palombi intends to meet with Inspector General Pam Markham before the next full TRUE Commission meeting to discuss the status of her investigations and to determine where the commission might be of assistance.

In 2004 the committee released a report on Performance Management that found there appeared to be little or no linkage between performance measurement and budgeting in the City's financial processes. Commissioner Palombi stated that the process undertaken by a subcommittee of the Council Finance Committee during the 2007-08 fiscal year to review the operations of City departments before releasing the 2% budget withholding enacted at the time of budget passage seemed to confirm that there was an absence of any real methodology or rationale for determining what City functions were necessary,

efficient, or functioning at a high level. Budget levels seem to be set primarily on the basis of precedent (what a department got in last year's budget) and the lobbying ability of department directors if questioned in a budget hearing. The city has attempted two or three different performance measurement systems but none has lasted more than a few years. The City is back to "square one" with Heath Beach of the Finance Department leading an effort to devise a new set of performance measures. He will be attending a meeting this afternoon to talk about a technology solution that would "mine" data from the City's financial operating systems for performance management purposes.

An attempt was made in the FY08-09 budget document to incorporate performance measures as an appendix to the budget, mostly in the form of inputs rather than outputs or results measurement. As always, measurements of inputs (dollars, numbers of employees, hours of work, units of equipment) are easier to quantify and report than measurements of service efficiency or customer satisfaction. One huge problem the City faces is that almost all of its financial and management computer hardware and software systems are 25 years old or more (pre-Windows), are custom-written, and require large numbers of in-house programmers to keep operational. Everyone recognizes that the systems are antiquated and inefficient and would be much better off replaced with modern financial, accounting and performance management package systems now available on the market. The stumbling block is the huge cost to purchase such a system, especially in the current difficult financial times.

The committee determined that the most immediate "opportunity area" where substantial gains could be made in promoting performance measurement and management is in the City's acquisition of new financial and management technology resources. Commissioner Jarecki inquired if the City required a business case (detailed cost/benefit justification) for major capital purchases and was informed that it does.

There being no further business, the meeting was adjourned at 3:55 p.m.

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2:40 p.m.