



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

Marc El Hassan, Chair
Greg Radlinski, Vice Chair
Joe Andrews, Secretary

TRUE Commission Meeting Minutes

August 2, 2012
4:00 p.m.

Attendance: Marc El Hassan (Chair), Marcella Lowe, Ernest McDuffie, Ted Wendler, Greg Radlinski, Thomas Martin, Diane Brown, Patti Anania, Joe Andrews, Daniel Blanchard

Excused:

Absent: Hiron Peck, Jason Fischer

Also: Tommy Carter – Council Auditor’s Office; Jeff Clements – City Council Research; Cindy Laquidara - Office of General Counsel

Chairman Marc El Hassan convened the meeting at 4:07 p.m. with a quorum present.

Minutes

The minutes of the June 7, 2012 commission meetings were approved as distributed.

Committee Reports

Legislative Tracking Committee – Commissioner Andrews reported that the committee had met once in the last month and was tracking a variety of pending bills.

2012-422 (renewal of a contract with Downtown Vision, Inc. for business improvement district management and programming for 7 years)

Motion (Andrews): the TRUE Commission recommends that the City Council renew the DVI contract for 1 year and initiate a competitive bidding or RFP process for a management entity for the BID – **approved unanimously.**

2012-433 (FY12-13 City budget)

Motion (Andrews): the TRUE Commission opposes the waiver of the pay-as-you-go requirement in the budget ordinance for purchase of replacement vehicles – **approved unanimously.**

2012-449 (amending the Ordinance Code to repeal and replace the authorization for red light camera enforcement)

Motion (Andrews): the TRUE Commission requests that experts on the legislation present information to the TRUE Commission at its next meeting regarding how the program is envisioned to work and how the City has projected the revenue stream that is incorporated in the proposed FY12-13 City budget – **approved unanimously.**

Motion (Andrews): the TRUE Commission requests the City Council to defer action on passage of 2012-449 until the TRUE Commission has gathered information and made a recommendation on the subject of red light camera enforcement – **approved unanimously**.

2012-450 (appropriating \$6.12 million in operational savings from the Sheriff's Office FY11-12 budget to fund balance for carry-over to the Sheriff's budget for FY12-13)

Motion (Andrews): the TRUE Commission supports passage of 2012-450 – **approved 9-1** (Martin opposed).

2012-461 (authorizing execution of a Memorandum of Understanding between the City and the FDOT for City use of property under I-95 in Riverside as an extension of Riverside Park)

Motion (Andrews): the TRUE Commission opposes passage of 2012-461 – **approved**.

2012-487 (approving economic development incentive package for Deutsche Bank):

Commissioner Andrews expressed philosophical opposition and will oppose the bill personally; no action requested of the full commission.

Performance Committee – Commissioner Wendler said that the committee had met just prior to the full commission meeting and talked about the recently released Police and Fire Pension Fund (PFPF) actuarial report dated October 1, 2011 which showed that the fund is only 42% of fully funded on an actuarial basis. The City's employer contribution to the fund in the upcoming budget will be 82.7% of police and fire payroll. The committee believes that a broad-based educational effort is needed to get both the citizens at large and the public employees to realize how serious the under-funding of the pension is and it threatens the viability of the system entirely. Mr. Wendler has been unable to get information from the PFPF office about the plan's actual returns on investments for the past 20 or 30 years. Commissioner Radlinski suggested that a Freedom of Information Act request be made for copies of the plan's comprehensive annual financial reports (CAFRs) which will contain that information. The Performance Committee would appreciate additional volunteers to help distribute the work. It plans to meet again before the September commission meeting. Mr. Wendler urged all the commissioners to read the PFPF 2011 annual report. Chairman El Hassan said that City General Counsel Cindy Laquidara would be arriving at 5:00 p.m. to address the commission's question from a previous meeting about the nature of the 30 year contract between the City and the PFPF board and how it affects the City's ability to set pension benefits.

Audit Review Committee - Commissioner Lowe asked commissioners if they had any comments to make or questions to ask about recent audits.

Report #719 Quarterly Summary for Nine Months Ended June 30, 2012

Motion (Lowe): the TRUE Commission concurs with the Council Auditor's concern expressed in Report #719 that the City continues to administer a \$1 billion budget without a Treasurer or Comptroller since September 2011 and urges the administration to promptly fill those positions with qualified personnel – **approved unanimously**.

Ms. Lowe urged the members to read Report #719 which, while lengthy, is extremely important.

Report #715 – Recreation and Community Services Bank Accounts Audit

Motion (Lowe): the TRUE Commission accepts the audit without comment, counting on the Council Auditor's Office to continue to follow up on its recommendations to ensure that they are implemented in a timely fashion – **approved unanimously**.

Report #716 – Jacksonville Sunshine Law Compliance

Motion (Lowe): the TRUE Commission accepts the report without comment – **approved unanimously**.

Report #717 – Audit Follow-Up 2011

Commissioner Radlinski expressed great concern that many of the weaknesses identified in the Northwest Jacksonville Economic Development Trust Fund audit have apparently not been corrected since the report was issued in October 2009.

Motion (Radlinski): the TRUE Commission requests the City Council to suspend the operation of the Northwest Jacksonville Economic Development Trust Fund until the deficiencies identified in Audit #672 are remedied and the recommendations made by the Council Auditor are completely implemented – **approved unanimously**.

Commissioners El Hassan and Lowe will attend the next meeting of the City Council's Audit Subcommittee to discuss this recommendation. Mr. Radlinski stated that it appears that some audited agencies pay little or no attention to the Council Auditor's very clear recommendations. A suggestion was made that the Council Auditor impose firm deadlines on audited departments to comply with audit recommendations.

Report #718 – Jacksonville Sheriff's Office Aviation Unit

Motion (Lowe): the TRUE Commission accepts the report without comment – **unanimously approved**.

Insurance Committee

Chairman El Hassan reported that Commissioner Gamal Lyons will not seek reappointment to the commission for a second term. In his absence, the Insurance Committee will be disbanded.

Auditor's Report

Tommy Carter of the Council Auditor's Office reported that the office had released two audits in the last month - #717, the Audit Follow-Up Report and #718 – the JSO Aviation Unit Audit. The whole Council Auditor's staff will be almost exclusively involved in the budget review process during the month of August, beginning with the budget hearings from 9 a.m. to 4 p.m. on Thursday and Friday, August 9th and 10th.

Chair's Comments

Chairman El Hassan again noted Commissioner Gamal Lyons' departure, but reported that several new commission appointments are pending or nearing introduction. He pointed out that several were in the audience attending the meeting and welcomed them to the commission. The Chairman led a discussion of how the TRUE Commission could potentially act in a timelier manner to make its recommendations more relevant to the City Council. The difficulty of reviewing pending legislation in a once-a-month meeting format was discussed. Suggestions were made to perhaps change the commission's regular meeting day or to hold full commission meetings more than once a month (at least during the budget hearing process). Commission staff member Jeff Clements explained that with the City Council meeting weekly, either in committee or as the full Council, there will not be an ideal time for the commission to schedule a single monthly meeting that would enable the commission to address all parts of the legislative process in a timely manner. Commissioners Wendler and Andrews suggested that it would be better to arrange the schedule to facilitate input to the council committees rather than targeting the full City Council meetings. Commissioner McDuffie noted that special meetings could be held as necessary to deal with particular items that may come up on which the commission definitely wants to make an official stand.

General Council Cindy Laquidara – 30 year agreement between the City and the Police and Fire Pension Fund board of trustees

Ms. Laquidara said that the 30 year agreement is currently in litigation brought by the firefighters union, so she is limited in what she can say about the agreement. She explained that the agreement is between the City and the Police and Fire Pension Fund board, not the firefighters union, so is a bit of an odd circumstance and there are complicated questions about the ability of the parties to waive their powers to negotiate over pension issues. She did say that the contract was agreed to by a past City Council at least in part because there is some value to certainty versus uncertainty and the Council at the time felt that the certainty provided by the contract was worth having. Part of the issue is how to leave the elected representatives the maximum power to act as they see fit as circumstances change. Ms. Laquidara feels the City has good and valid defenses for its legal position.

The complaint was filed three years ago and then quickly stayed when the Peyton administration introduced pension legislation that is still pending. Commissioner Wendler asked how the agreement could be legal since state law prohibits collective bargaining agreements that exceed three years. He has been in contact with the Governor's Office, the Florida Attorney General's office and the Florida Public Employment Relations Commission (PERC) and can't get any of them to give a clear answer about the legality of the agreement. Ms. Laquidara said that the issues involved are complicated and involve, in part, whether one or both parties to collective bargaining can waive their rights to collectively bargain over particular matters by mutual agreement. Another issue is who has standing to challenge a mutual agreement waiver of rights. She said it is not to the City's benefit to let the PERC make that call because that may not be the best forum to decide the issue; the City might fare better in the courts. Jacksonville has a long history of mayors, city councils and general counsels signing off on this agreement and agreeing to abide by its terms.

In response to a question from Commissioner Wendler, Ms. Laquidara stated that "the City", for purposes of petitioning PERC for a ruling, depends on the stage of collective bargaining underway at the time. If the Mayor is negotiating with a union, then the Mayor constitutes "the City" for that purpose and could file an unfair labor practice charge with PERC. If the negotiations have reached an impasse between the Mayor and the union and the matter has been passed on to the City Council to resolve, then the Council makes the call. If the union disagrees, then it can file a charge with PERC. In response to a series of clarifying questions from Council Member Radlinski, Ms. Laquidara stated that the firefighters union is plaintiff in the legal action, they believe that the 30 year agreement is a binding contract, and the City contends that the question is broader than simply the legality of the 30 year agreement. The uncertainty of the situation is driving the parties to negotiate rather than fight in court. Similar issues are being litigated in other parts of the state and case law is developing that could affect the outcome of our case. If commissioners are interested in a more detailed discussion, she can have more candid talks in a one-on-one setting.

Old Business

Chairman El Hassan reported that he had tried to talk to Chief Financial Officer Ronnie Belton about the commission's on-going interest in contract management improvements but has been unable to get in touch with him. He will try again to contact Mr. Belton and may raise the issue at the August 20th Audit Committee meeting.

New Business

None

Commissioner Comments

None

Public Comments

None

Next meeting

The commission's next meeting is scheduled for Thursday, September 6th.

There being no further business, the meeting was adjourned at 5:35 p.m.

Posted 9.11.12

2:30 p.m.

c.c. cityc@coj.net
City Council electronic files
Media box