



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

Marc El Hassan, Chair
Greg Radlinski, Vice Chair
Diane Brown, Secretary

TRUE Commission Meeting Minutes

November 1, 2012
4:00 p.m.

Attendance: Greg Radlinski (Vice Chair), Marcella Lowe, Ernest McDuffie, Ted Wendler, Thomas Martin, Patti Anania, Joe Andrews, Leroy Kelly, Alex Marerro, James Edwards, Daniel Blanchard

Excused: Marc El Hassan, Diane Brown

Absent: Jason Fischer, David Lane

Also: Kirk Sherman and Phillip Peterson – Council Auditor’s Office; Jeff Clements – City Council Research; Ben Warner – Jacksonville Community Council Inc.; TRUE Commissioner-designate Danny Becton

Vice-Chairman Radlinski convened the meeting at 4:05 p.m. with a quorum present.

Minutes

The minutes of the October 4, 2012 commission meetings were approved as distributed.

Presentation – Ben Warner, Jax2025 initiative

Ben Warner, Executive Director of Jacksonville Community Council, Inc. (JCCI), made a presentation about JCCI’s new Jax2025 initiative. The initiative started several years ago with a study of City finances and a finding that there is not a good definition of city “core functions.” The community sees a need to determine how Jacksonville can improve itself and how to ensure that public tax dollars are spent wisely on the right priorities. There have been approximately 230 “visioning” efforts of one kind or another in Jacksonville by a wide variety of organizations over the course of several decades, many demonstrating common themes and priorities, but others with contradictory or conflicting findings and recommendations. The Jax2025 initiative, a completely privately-funded exercise, seeks to engage the community in a visioning exercise by means of getting 10,000 citizens to fill out a survey (4,000 have been completed so far) and by holding 5 community meetings starting in January 2013 with the goal of developing an action plan with broad-based community support by May 2013. Mr. Warner invited the TRUE Commissioners to become involved in the process and to spread the word far and wide. The survey and more information on the effort can be found at the web site “Jax2025.org.”

Commissioner Andrews recounted his dissatisfaction with the earlier JCCI study’s failure to reach a real understanding of “core functions” of government. He believes it should not be conceived of as everything the City does now and more, but should be limited to true fundamental government services that the private sector cannot or will not provide otherwise. Mr. Warner said that Jax2025 is intended as a work plan for the entire community, not just a menu for government services, and noted that Jacksonville University’s new master’s degree in public policy program will be providing academic research to

support the effort. The hope is to integrate all of the common elements of many pre-existing plans – the City’s 2030 Comprehensive Plan, Mobility Plan, area vision plans, and neighborhood action plans, the Northeast Florida Regional Council’s regional Plan, and others. Lots of plans have been produced over the years that have never been implemented fully or even partially.

Committee Reports

Legislative Tracking Committee – Commissioner Andrews reported that the committee has recently reviewed 11 bills of particular interest. Several have been passed by City Council, and Mr. Andrews is following up on several more, including a refinancing of an affordable housing loan to an apartment complex (2012-654) and an authorization for \$40 million in new Housing Finance Authority bonds (2012-659). Commissioner Radlinski asked the Commission to oppose an appropriation to the I.M. Sulzbacher Center for the Homeless and to Catholic Charities to fund services for the homeless. The Urban Core CPAC, of which Mr. Radlinski is a member, opposes the concentration of services for the homeless in downtown Jacksonville. The Sulzbacher Center was an unsuccessful applicant for City grant funding for FY12-13 and it appears that the City is attempting to find another way to fund the center outside of the competitive process.

Motion (Andrews): that the TRUE Commission opposes the passage of 2012-655 – **approved 10-1** (Martin opposed).

The Legislative Tracking Committee’s next meeting will be Friday, November 16th at 9:30 a.m. instead of 12 noon.

Performance Committee – Commissioner Wendler stated that the Mayor seems to be trying to take an aggressive approach to tackling all aspects of pension reform, which is a good start. The committee will follow the progress of the reform proposals. At its meeting just prior to the full commission meeting, the Performance Committee discussed what rate of employer contribution to incorporate into its spreadsheet model. Mr. Wendler has spoken with staff at the Boston College Institute on Pensions who stated that as long as the City continues to make the required annual contribution, the pensions will continue to remain solvent, but that assumes that the City can afford to make the employer contributions at a rate that might displace almost all other city spending. He will use the FY12-13 contribution rate as the maximum percentage of payroll contribution for calculation purposes, which will eventually lead to fiscal insolvency because the current benefit structure is unsustainable in the long run.

Commissioner Radlinski urged the commission to petition the City to push for a judicial ruling on the status of the 30 year agreement between the City and the Police and Fire Pension Fund to determine once and for all which is the right negotiating partner the City should be bargaining with over changes to the pension plan – the Police and Fire Pension Fund Board of Trustees or the police and fire unions.

Motion (Andrews): that the TRUE Commission urges the City Council and Mayor Alvin Brown to instruct the Office of General Counsel to pursue whatever legal actions are necessary to obtain a final, binding judicial determination of the status of the City’s agreement with the Police and Fire Pension Fund Board of Trustees as it relates to collective bargaining between the City and its police and fire unions, and thereby obtain clear direction as to which party or parties the City must negotiate with over potential changes to the Police and Fire Pension plan – **approved 11-0**

Audit Review Committee - Commissioner Lowe introduced Audit #721, Oceanfront Parks Revenues and asked Tera Meeks, Chief of the Waterfront Parks Division of the Parks and

Recreation Department, to address the audit findings and answer questions from the commission. Ms. Meeks discussed the division's staffing at the two waterfront parks (Hanna and Huguenot) and cash handling policies, including cash register tape reconciliation and cash security and deposit practices. She explained the audit finding related to credit card security and that a software patch is being implemented to encrypt credit card numbers that are stored in the computer related to campground reservations. She noted that all credit card bank transactions have always been encrypted and secure.

Annual and early bird access passes were discussed. There are policies for how to deal with requests for replacement passes that have always proved to be sufficient, but necessarily entail some degree of reliance on the honesty of park patrons in unusual circumstances where the original pass may have been completely destroyed and can't be returned (even in shreds) to prove that it is not being used by someone else. There was also discussion of the concession vendor contract and its application to vending machines on park property.

Motion (Lowe): that the TRUE Commission accepts Audit #721 without further comment – **approved 11-0.**

Reports #723, Council Auditor's Annual Report, and #724, FY12-13 Budget Adoption Summary, will be discussed at the next meeting.

Auditor's Report

Council Auditor Kirk Sherman responded to a question posed at the previous commission meeting concerning Better Jacksonville Plan funding for the JTA, specifically whether BJP sales tax funds were being used to subsidize mass transit operations rather than being used for capital expenditures. Mr. Sherman explained that there are several City cash flows to the JTA – the “tax for tolls” sales tax from the early 1990s, some of the BJP sales tax from 2000, and several different slices of state and local option gas tax – and that all of the funds are co-mingled in JTA's budget and used for all of its functions, including a large subsidy to bus operations. He suggested that this might be an interesting topic for the TRUE Commission to explore.

The Auditor's Office released Report #722 – JEA Valuation Report – in response to a request from a City Council member. JEA's value for possible sale purposes is a very complicated question, and the JEA is a very unique asset. A City Council special committee is studying the issues and should make a report by the end of the year. The report recommended that if the City Council is seriously interested in potentially selling the JEA, then an expert utility consultant should be hired to generate a very detailed report and valuation. Mr. Sherman noted that sale of the JEA would also have a substantial effect on the City's General Employees' Pension Plan because approximately one-third of the members of that plan are JEA employees. A buyer would have to fund the accrued retirement benefits for all those employees as part of the sale.

As noted earlier, the Council Auditor's annual report was just released, as was the FY12-13 budget wrap-up. The budget process this year was a massive effort, absorbing almost all of the office's time and resources for more than two months.

Chair's Comments

None

Old Business

Commissioner McDuffie noted that the procurement disparity study that he has discussed several times over the last year is still not complete, the deadline having been extended to January. There

will be another public hearing on November 14th and he urges minority and female contractors to attend and provide testimony.

New Business

Staff distributed to each commissioner, either by e-mail or paper copy, a packet of materials from the City Ethics Office on government in the sunshine and the state's open meetings law. Commissioners are asked to review the materials and return the signed completion certification form to Jeff Clements as soon as possible.

The January commission meeting is scheduled for Thursday, January 3, 2013. Because of the New Year's holiday on Tuesday, January 1st, City Council's committee meetings for the first week of January will be held on Wednesday and Thursday, January 2nd and 3rd, which presents a meeting room conflict. The commission agreed to move the Performance Committee and TRUE Commission meetings to Friday, January 4th at 3:00 p.m. and 4:00 p.m., respectively.

Commissioner Comments

Commissioner Lowe announced that there would be a ceremony on Saturday, November 3rd at 2:00 p.m. at the Goodby's Creek boat ramp on San Jose Boulevard at which the ramp would be renamed in honor of her late husband, John Lowe. All commissioners are invited to attend.

Public Comments

None

Next meeting

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

There being no further business, the meeting was adjourned at 5:42 p.m.

Posted 12.7.12
5:00 p.m.

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