



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

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

TRUE Commission Meeting Minutes

May 2, 2013
4:00 p.m.

Attendance: Greg Radlinski (Vice Chair), Thomas Martin, Joe Andrews, John Campbell, Diane Brown, Marcella Lowe, James Edwards, Ernest McDuffie, Patti Anania Ted Wendler

Excused: Daniel Blanchard, Danny Becton, Marc El Hassan

Absent: Leroy Kelly, Alex Marerro

Also: Tommy Carter– Council Auditor’s Office, Jeff Clements – City Council Research

Vice Chairman Radlinski convened the meeting at 4:10 p.m. with a quorum present.

Minutes

The minutes of the April 4, 2013 commission meetings were approved as distributed.

Better Jacksonville Plan finances – Marc Stickney, Senior Debt Manager – City Treasury

Mr. Stickney distributed a handout providing an overview of Better Jacksonville Plan finances, including the total amount of project costs, the breakdown of bond-funded projects versus pay-as-you-go projects, a summary of debt issued, and the amounts of bond issued and bonds outstanding. All vertical construction projects are now complete, except for the State Attorney’s Office renovation. The revenue shortfall means that some road projects will not be constructed as promised. The assumed 5% growth rate in BJP sales tax and local option gas tax revenues has not been met over the past 5 years, leading to the revenue shortfall. BJP debt is self-sufficient (no General Fund subsidy), and accounts for over half of the City’s current outstanding debt. After 10 years of paying mostly interest, the City is just now beginning to pay of substantial amounts of principal on BJP bonds.

In response to a question about use of BJP sales and gas tax for JTA bus operations, Mr. Stickney explained that the City and JTA entered into an interlocal agreement on how to shared pooled revenues for BJP road projects and JTA mass transit operations. The first use of the sales and gas tax revenues is to pay debt service on BJP road bonds. The second use is for JTA operational expenses, both for mass transit and for road work. The third use of any revenues in excess of those first two needs is a 50/50 share between the City and JTA; to date there have been no excess funds after application to the first two uses. The BJP funding model at the time the plan was adopted anticipated that the gas tax revenues would be sufficient to fund JTA’s mass transit and all of the sales tax revenue would be used for BJP roads, but that is not how it has worked out.

The BJP bonds require a 130% coverage ratio (revenues pledged to debt service on the bonds must be 30% greater than the required debt payments), and that requirement means that the current revenue stream is insufficient to meet the 130% coverage test to issue additional bonds to fund the last of the planned BJP projects. Any more projects undertaken will have to be funded from General Fund revenues. In response to a question from Commissioner McDuffie about using federal grant funds for the additional BJP projects, Mr. Stickney indicated that would be very unlikely. In response to a question from Commissioner Martin, he indicated that the BJP bonds have all been refinanced to lower interest rates in recent years. In response to a question from Commissioner Andrews about using revenues from the Loblolly Wetlands Mitigation Bank for BJP projects since the mitigation bank was created using BJP funding, Mr. Stickney was unaware of how the mitigation bank funds could be used.

Capital improvement budgeting – Council Member Lori Boyer

Council Member Boyer said that she is looking for volunteers to help her study the City's tracking process for capital improvement project budgets – which projects are at what stage of completion, how much has been spent on each project, how much remains in each project budget, when is a project deemed complete, why are some capital bond funds in a deficit funding position, etc. The Council Auditor's Office has offered to look at a few select projects, but Ms. Boyer believes that a much more comprehensive look is warranted. Commissioner Andrews volunteered his service. Ms. Boyer hopes to have the project complete by budget time in August/September. Commissioner Radlinski will refer the matter to Chairman El Hassan for possible appointment of a committee.

Committee Reports

Legislative Tracking Committee – Commissioner Andrews reported the committee's recommendations on a number of pending bills:

2013-121 (additional \$25,000 homestead exemption for low income seniors)

Commissioner Radlinski noted that he voted in opposition to this bill in committee but has since changed his mind after learning that Jacksonville voters approved Constitutional amendment providing for the additional exemption.

Motion (Andrews): that the TRUE Commission opposes passage of this ordinance – **fails by a vote of 2-7.**

2013-226 (amending the Ordinance Code to delete reference to an Entertainment Zone in Chapter 191)

Commissioner McDuffie asked if the district council member had taken a position on this bill.

Commissioner Wendler felt that this bill was not a TRUE Commission issue because it does not have financial ramifications.

Motion (Andrews): that the TRUE Commission recommends that City Council not approve 2013-226 - **approved 7-2.**

2013-227 (appropriating \$75,000 for construction of a dog park at Ed Austin Regional Park)

Motion (Andrews): that the TRUE Commission recommends that City Council not approve 2013-727 on the grounds that the proposed \$75,000 appropriation does not meet the project value minimum threshold for capital improvement projects – **approved 9-0.**

2013-243 and 2013-264 (**243** – appropriating \$2,040,000 from the Loblolly Wetlands Mitigation Trust Fund to the Jacksonville Zoo for construction of the Trail of the Tiger exhibit; **264** – appropriating \$2,800,000 from the Loblolly Wetlands Mitigation Trust Fund to create 14 district council park funds of \$200,000 apiece)

Motion (Andrews): that the TRUE Commission recommends that City Council not pass 2013-243 and -264 on the grounds that the Loblolly Wetlands Mitigation Fund was created using Better Jacksonville

Plan (BJP) funding and that revenues into the fund should be used either for construction of additional BJP projects currently being deferred due to lack of funding or should be used to pay down BJP bonded debt – **approved 9-0**.

Performance Committee – Commissioner Wendler reported that the committee met earlier in the day and reviewed a draft of a final report on the Police and Fire Pension Fund. The committee will meet again on Wednesday, May 8th.

Audit Review Committee – Commissioner Lowe reported that the committee had met earlier in the day and discussed two items – Audit #730, Quarterly Budget Summary Ending December 31, 2012 and the Office of Economic Development’s new standard economic incentive contract.

#730 - Quarterly Budget Summary Ending December 31, 2012: Commissioner Martin’s questions about why BJP funds were being used for JTA mass transit operations were addressed by Mr. Stickney’s presentation earlier.

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

OED economic incentive contract: the committee felt the new contract appears to be very comprehensive and addresses many of the issues raised by the TRUE Commission over the years about economic incentive contracts. The major question is whether the contract will be better managed and overseen than in the past. Who will be assigned to monitor contract compliance?

Motion (Lowe): that the TRUE Commission recommends that that a specific employee be assigned to each contract with responsibility for oversight and follow-up – **approved 9-0**.

Auditor’s Report

Tommy Carter of the Council Auditor’s office reported that no new audits have been released in the past month, but several are in final review and should be completed shortly. The next quarterly budget report will be released by May 15th, as should the Mayor’s mid-year budget report. The full council will meet to hear the mid-year review. With regard to a question asked at the previous commission meeting about red light camera revenues, Mr. Carter reported that \$85,825 has been received but not yet remitted to the state. The enforcement didn’t begin until March of this year, so it is difficult to get any feel yet for what normal revenues will be. He will provide additional information at the next meeting about the flow of fine revenues and how they are divided among the city, state and the camera operator.

Chair’s Comments

None

Old Business

None

New Business

Appointment of Nominating Committee: Commissioners Lowe Anania and Brown volunteered to comprise the committee, with Ms. Lowe as the Chair. The committee will meet later in May.

Commissioner Comments

None

Public Comments

None

Next meeting

The commission's next meeting is scheduled for Thursday, June 6th at 4:00 p.m. The Audit Committee will meet at 2:30 p.m. and the Performance Committee at 3:00 p.m. that afternoon.

There being no further business, the meeting was adjourned at 5:37 p.m.

Posted 6.14.13

5:00 p.m.

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City Council electronic file
Media box