



JACKSONVILLE CITY COUNCIL

**TRUE COMMISSION
PERFORMANCE COMMITTEE MEETING MINUTES
January 5, 2012
3:00p.m.**

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

Attendance: Committee Members Ted Wendler (Chair), Marcella Lowe, Joe Andrews, Tom Martin, Patti Anania, Diane Brown and Gamal Lyons

Guests: Jeff Clements – Council Research Division; Tony Bates – Concerned Taxpayers of Duval County

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

Mr. Wendler stated that he would likely be tendering his resignation from the TRUE Commission as a result of beginning a new business venture in which he would be a reporter for a web-based media platform, on the assumption that being both a journalist covering City government activities and a member of a City appointed board generating news to be reported. Committee members suggested that Mr. Wendler seek a legal opinion on whether this does or does not represent a conflict of interest. Staff will assist with that inquiry.

Commissioner Andrews reported that he had attended the last meeting of the City Council's Special Committee on Privatization in December and is developing a white paper for Chairman Ray Holt with some ideas on the philosophical aspects of privatization, which he hopes to complete before the Special Committee's upcoming meeting. Chairman Wendler noted that the privatization committee is talking about EMS service, but has not mentioned hearing about the largest private EMS provider in the country, AMR Inc. Tony Bates of Concerned Taxpayers noted that the City is in the process of developing 4 Requests For Information (RFIs) for EMS service, fire inspections, fleet management and information technologies.

Chairman Wendler stated that he had recently talked to City CFO Ronnie Belton about the latest status of the City's pension plans and learned that the unfunded accrued actuarial liability (UAAL) is anticipated to grow from \$1.6 billion in the current fiscal year to \$2.4 billion next year because of a combination of poor stock market returns (about 1% for 2011), an anticipated state-mandated reduction in the assumed rate of return on investments from the current 8.4% to 7.75%, and a change in Governmental Accounting Standards Board (GASB) rules on how UAAL is shown on governmental balance sheets.

Commissioner Martin said that the City seems to have a very large problem with contract management as indicated by several recent Council Auditor reports, with too little oversight being given to large contracts and apparently no one paying too much attention to change orders and contract performance. The committee discussed the practical inevitability of change orders to meeting unexpected or changing conditions in the field, but stressed the need for control and oversight and for the City to have

independent estimates of the cost of the proposed changes and not simply taking a contractor's word at face value on the costs. Tony Bates pointed out that the City recently changed the Procurement Code with regard to change orders via a bill sponsored by Council Member Holt. Commissioner Andrews noted the importance of good project specifications from the outset of the procurement process through project completion, and said this will be extremely important if the City embarks on privatization through contracting out for services. Specifications will be vital to ensuring that the work is properly bid and properly performed.

The minutes of the December 1, 2011 Performance Committee meeting were approved as distributed.

There being no further business, the meeting was adjourned at 3:50 p.m.

Jeff Clements, Chief
Council Research Division
630-1405

Posted 1.9.12
12:00 p.m.