



## JACKSONVILLE CITY COUNCIL

### TRUE COMMISSION LONG TERM FISCAL HEALTH COMMITTEE MEETING MINUTES January 8, 2009 3:00 p.m.

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

**Attendance:** Joe Andrews (Chair), Committee Members John Palombi, Elaine Burnett, Wes Benwick and Marcella Lowe

**Excused:** Pam Korn

The meeting was called to order at 3:08 p.m. by Chairman Joe Andrews.

Chairman Andrews opened the meeting by reporting on a meeting he had the previous day with City Finance Director Mickey Miller to discuss what issues the Long Term Fiscal Health Committee might best devote itself to exploring. The issue is broad and multi-faceted and will take a great deal of investigating to get even a rudimentary understanding of all the complexities. Mr. Miller sees the chronic underfunding of basic infrastructure, both for new construction and for maintenance, as a fundamental long-term problem for the city. Mr. Andrews noted that he has been attending the JCCI long term fiscal health study since October and is amassing a tremendous amount of valuable background information on city finances. At the last meeting the JCCI group got a presentation on city expenditures over the past 20 years in both current dollars and constant (inflation-corrected) dollars, which showed that expenditures in almost every programmatic area are relatively flat over time, with the exception of public safety (police and fire department). On the revenue side, property taxes as a percentage of total city revenue will fall in 2008 for the first time in many years, if ever.

Commissioner Burnett reported that she has contacted Zone Chief Wayne Clark at the Sheriff's Office to help put her in touch with the proper JSO officials to answer her questions about the department's finances. She would appreciate some assistance from the other committee members in formulating good questions to ask to get useful information. In her opinion the current state of the economy poses a real problem for public safety in Jacksonville – if the City doesn't have the resources to fund programs that help people find jobs, keep their houses, provide food and clothing for their families while they're unemployed, etc., then desperate people will turn to crime and the City will be forced to allocate even more scarce resources to additional law enforcement. Prevention of crime is the key. Commissioner Benwick proposed that the JSO be asked what internal City regulations may be keeping the department from doing things as efficiently and cheaply as they would like. The TRUE Commission might be able to lend a hand in that area. Commissioner Lowe suggested asking for more detail about the Community Service Officer program: what is their role in the department? Will the CSOs have the opportunity to convert to sworn officers at some point? Also, what is the policy and practice with regard to hiring back retired police officers to active duty?

Commissioner Palombi reported that he has met with numerous people in the City administration and the Auditor's Office with regard to pension issues. There are huge numbers involved, and the issue is complicated by the presence of numerous "legacy" plans that are still in operation many years after they were phased out or replaced by different plans because there are still a handful of retirees or surviving spouses still entitled to that particular set of benefits. Currently there are 3 major plans: General Employee, Correctional Officers, and Police and Fire, not including several separate plans that apply only to employees of independent authorities. None of these funds are fully actuarially funded at present, especially after the stock market losses of 2008. "Underfunding" of a pension obligation is determined by Government Accounting Standards Board (GASB) standards for how pensions must be accounted for and reported, recognizing that the degree of full funding fluctuates up and down continuously based in large part on the performance of the investment markets.

Mr. Palombi sees two fundamental questions to be asked in the area of pensions: 1) why are the pensions considered a problem? What's happening that creates a problem for the city budget? 2) If there really is a big problem looming, then when does it hit home in the budget? What is the lead time needed to make a substantive change in the status quo? In his opinion any change to the pension plan(s) will take at least 10 years to make a substantive difference. The current pension cost to the City budget is approximately \$105 million a year, with the possibility of increasing to as much as \$120-130 million in the near future.

There being no further business, the meeting was adjourned at 4:00 p.m.

Jeff Clements, Chief  
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2:50 p.m.