



JACKSONVILLE CITY COUNCIL

TRUE COMMISSION LONG TERM FISCAL HEALTH COMMITTEE MEETING MINUTES March 11, 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
Guest: Thomas Martin

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

Chairman Andrews opened the meeting by distributing a draft copy of the final report of the JCCI “Our Money, Our City: Financing Jacksonville’s Future” study on which he is serving. The report provides the draft findings of the study committee to date, without any conclusions or recommendations which will be determined over the next 6 weeks. Mr. Andrews feels that the report provides a good overview of City finances and could be the basis of the Long Term Fiscal Health Committee’s factual findings. John Palombi agreed that it provides a fairly comprehensive overview of the City’s operations, finances and challenges, but the TRUE Commission needs to turn it into something really useful by using the data to make specific, concrete recommendations in 3-5 areas that might help the City deal with its very difficult upcoming budget for FY09-10. It appears to the committee that the City has underfunded some areas of City operations (pension obligations, infrastructure maintenance) over the years, so with expenditures already fairly low it will be difficult to find even more areas where spending can be deferred without real consequences.

Commissioner Palombi posed a broad question to try to frame the “big picture” – looking at how the City currently receives its revenue and where it currently expends its funds, where are the likely places to look for reductions, if not total elimination, of some expenditures, or for substantial revenue enhancements that will help balance next year’s budget? Are there any obvious areas to explore that have the potential to reduce expenditures enough or raise enough revenue to make a real difference in the big picture?

Primary revenue streams: property taxes (49%), sales taxes (10%), BJP tax (10%), fees (7%), utility taxes (11.6%)

Primary expenditures: public safety (\$450 million plus grants), finance and management functions (\$219 million), public works (\$84 million), recreation and community services (\$53 million), libraries (\$38 million), other (\$83 million).

The committee discussed long-term and short-term objectives. Long term systemic changes are surely needed in some areas, but can’t be accomplished in a time frame that will help the FY09-10 budget. Short term changes that involve any significant amount of money are either going to be difficult to find or are going to involve a substantial amount of internal and external political opposition and therefore be difficult to accomplish.

In the area of long-term changes that could amount to significant savings in operational costs, the committee discussed the TRUE Commission's previous report on procurement, contracting and contract management. Mr. Palombi, who served on that study committee, recapped the committee's findings that there are serious problems to be overcome, but also substantial savings to be had from making the needed improvements. The procurement process seems to be the strongest of the three, but then the contracting portion is weaker and the contract management phase is either ineffective or nonexistent. There seemed to be some overall agreement by the City with many of the commission's findings, but it has never been a high enough priority to generate any action. Too much time and attention is devoted to "putting out fires" and dealing with ever-changing priorities, so no one has seemed to have the time or interest to pursue the commission's recommendations. There may be some hope in that the City Inspector General, Pam Markham, has recently undertaken an effort to map and understand these processes, so her findings may have enough clout to get upper management's attention and prompt some action.

The committee felt that, generally speaking, the City does not have an ingrained culture of continuous review and improvement of policies and procedures, standardization of operations, etc. that all derive from a fundamental underlying ethic of providing first class public services to citizens. Priorities and procedures seem to vary with the election of each new mayor, if not even more often.

In an effort to sharpen their focus and decide what, if anything, the committee wants to propose to the full commission to in turn propose to the Mayor and City Council, the committee members agreed to take the next week developing their individual lists of 3-5 areas they feel are the best candidates for short term cost savings in the FY09-10 budget and to submit those ideas to staff to circulate to the committee. At the next meeting the committee will determine which, if any, they will recommend to the full commission.

There being no further business, the meeting was adjourned at 4:40 p.m.

Jeff Clements, Chief
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630-1405

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