



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

John Palombi, Chair

Pam Korn, Vice Chair

Greg Anderson, Secretary

Draft Meeting Minutes

November 6, 2008

4:00 p.m.

Attendance: John Palombi (Chair), Pamela Korn, Mark Cowart, Nicole Lester, Randy Deen, Joe Andrews, Ron Mallett, Greg Anderson, Elaine Burnett, Steve Jarecki, Robert Jones

Excused: Marcella Lowe, Wes Benwick

Absent: Louvenia Tippins

The meeting convened at 4:10 p.m. with a quorum present. The Chairman introduced 3 new commissioners attending their first meeting as appointed members – Joe Andrews, Steve Jarecki and Robert Jones. The new commissioners briefly introduced themselves and their interest in serving on the TRUE Commission.

Minutes

The minutes of the October 2, 2008 meeting were **approved as distributed**.

Committee Reports

Performance Committee – Commissioner Anderson reported that the committee had met at 3:00 p.m. today prior to the full commission meeting and would make that the regular meeting time for the committee. The committee briefly discussed the committee's two prior reports (on performance measurement and management and on procurement and contract management) and will make efforts as appropriate to determine where the TRUE Commission might be of assistance in helping to see the recommendations of those studies reach some fruition. The committee's first priority at this point is to examine how to promote and assist the City in replacing its existing financial and management computer systems with new hardware and software packages better suited to the task. The existing systems are antiquated, extremely limited in capabilities, and require tremendous amounts of custom programming to be even minimally useful.

Long Term Fiscal Health Committee – in the absence of Commissioner Jolly the report was deferred.

Accounts Payable Audit #654 Committee – Commissioner Korn reported that committee had met twice in the last month and Commissioner Palombi has also met with City Chief Administrative Officer Alan Mosley to discuss the audit's findings and the department's responses. The committee sees a general

need for better responses to the Council Auditor's audit reports from the auditees – more specifics about implementing the recommendations with specific time frames for action and designation of specific personnel to be responsible for the implementation for audit compliance. The committee believes that a system of quarterly progress reports on audit implementation should be established whereby auditees report their progress to an administrative point person in city upper management (probably in the Mayor's office) who will ensure that progress is being made toward implementation of the recommendations in a timely manner. A mechanism is needed to bridge the City's departmental "silos" to ensure that resources are allocated, regulations are changed, processes are coordinated, etc. across departmental lines to enable auditees to make the changes that the audit recommendations call for. It seems at present that auditees sometimes respond to the Auditor's recommended changes by stating that even if they agreed with the recommendation, they can't make the change because to do so would involve reallocation of funds, new computer technology, a change in procurement policies, or other actions over which they have no control. Someone needs to be placed in charge of bridging these gaps and seeing that action takes place. The committee submitted for the commission's consideration a draft letter (to the Mayor, Council President and any other appropriate officials) outlining the committee's recommendation, along with a draft audit implementation reporting/tracking form.

Council Auditor Kirk Sherman stated that his office's regular audit follow-ups (within a year or 18 months after completion of an audit) typically find that the departments do a fairly good job of implementing most of the recommendations made. Some are more problematic than others, but truly insurmountable problems are generally fairly rare. The Auditor's Office would appreciate any help the TRUE Commission could offer in suggesting ways for improving the implementation of audit recommendations.

Motion: Commissioner Korn moved that the commission adopt the Accounts Payable Audit Committee's report and send the proposed letter and audit implementation reporting/tracking form to the Mayor for his consideration. The motion included an invitation to CAO Alan Mosley to attend a future commission meeting to discuss the audit recommendation implementation process. **The motion was approved.**

Auditor's Report

Kirk Sherman reported that his office is back to its usual work routine after the adoption of the budget in last September. They will be preparing a budget wrap-up report and the Auditor's Office annual report for release by the end of the year. Mr. Sherman has been keeping a wary eye on the national financial crisis and its possible implications for the City's budget (particularly with regard to effects on variable rate debt, sales tax revenues, property valuations and ad valorem tax revenues, and bond ratings). He noted that the JEA has already postponed half of its planned capital spending for this fiscal year and has laid off a substantial number of contract employees. Finally, he reported that representatives of the Miami-Dade County Auditor's Office and two Miami-Dade county commissioners will be visiting Jacksonville next week to see how the Council Auditor's Office operates. The auditor's office in Miami-Dade was established several years ago specifically using our Council Auditor's Office as a model, but their office has not yet established the level of trust and backing from the county commission and respect from the county administration that our auditor's office enjoys.

Chair's Comments

Chairman Palombi thanked Greg Anderson for his assistance with the membership push that has filled several vacancies on the commission roster. He stated that the bulk of the commission's work takes place in the committees and strongly encouraged all members to become involved in the work of one or more of the committees.

Old Business

Commissioner Deen presented audit evaluation/effectiveness reports for Audit #638, Special Events Division, and Report #637, JEA Valuation. He noted that Audit #638 reflected a number of larger City-wide issues that seem to crop up in many audit report, particularly cash handling, record keeping and procurement processes.

Motion: Commissioner Deen moved that the Commission accept Report #637 and Audit #638 without comment at the present time, but with the intention of revisiting the Special Events audit when the Council Auditor's Office performs its formal audit follow-up to determine how well the recommendations have been implemented. **The motion was approved.**

New Business

Commissioner Korn asked the commission to discuss pending Ordinance 2008-946 that would appropriate \$430,000 from the City's Juvenile Justice Miscellaneous Account to pay the Atlantic Coast Conference for a shortfall in guaranteed ticket sale revenue from the ACC football championship game played in Jacksonville in December 2007. According to newspaper accounts the City's contract with the Gator Bowl Association (GBA) and the ACC provided that the City and the GBA would subsidize a shortfall in guaranteed ticket sale revenue on a shared basis, with the GBA being responsible for the first \$500,000 of any shortfall and the City assuming responsibility for the next \$750,000. The first \$250,000 of the City's share would be appropriated from Tourist Development Council funds, and the remaining \$500,000 from the City operating budget. Any additional deficit beyond the shared \$1,250,000 would be the responsibility of the GBA. The ticket sales deficit was just over \$2 million, leaving a shortfall of \$751,000 after the City and GBA fulfilled their initial obligations. The GBA negotiated with the Atlantic Coast Conference to accept \$430,000 as a mutually agreeable final settlement and requested the City to appropriate the funds to complete the deficit payout. Kirk Sherman explained that the bill will be moved for withdrawal at the next City Council meeting, but will be replaced with another bill appropriating the same amount but from a different funding source.

Motion: Commissioner Korn moved that the TRUE Commission adopt a statement opposing the appropriation of additional City funds to make up the \$430,000 ticket sale deficit and urging the City to adhere to the terms of the lease agreement entered into between the City, Gator Bowl Association and Atlantic Coast Conference pursuant to Ordinance 2007-1134-E, and to convey that position to the Mayor and City Council via letter. **The motion was approved.**

The commission discussed how the TRUE Commission might be made aware of items such as this ordinance that appear on the City Council agenda and on which the commission may wish to take an official position or offer some comment. The possibility of developing some sort of review or screening mechanism was suggested to examine the City Council's agendas for new introduction items of interest. Commissioner Korn will meet with the Council Auditor and Chief of Research to discuss possible mechanisms.

Commissioner Comments

Commissioner Anderson urged the commissioners to review the City's external audit on the City web site (www.coj.net), and to pay special attention to the management letter which often contains the most interesting highlights and issues worth noting.

Public Comments

None

Next meeting

The commission's next meeting is scheduled for Thursday, December 4th at 4:00 p.m.

There being no further business, the meeting was adjourned at 5:40 p.m.

Posted 11.25.08
11:30 a.m.

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