



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

John Palombi, Chair

Pam Korn, Vice Chair

Greg Anderson, Secretary

## Revised Meeting Minutes

December 4, 2008

4:00 p.m.

**Attendance:** John Palombi (Chair), Pamela Korn, Joe Andrews, Ron Mallett, Greg Anderson, Elaine Burnett, Steve Jarecki, Robert Jones, Marcella Lowe, Wes Benwick, Louvenia Tippins

**Absent:** Mark Cowart, Randy Deen, Nicole Lester

The meeting convened at 4:08 p.m. with a quorum present.

### Minutes

The minutes of the November 6, 2008 meeting were **approved as distributed**.

### Personal appearance- Alan Mosley

City Chief Administrative Officer Alan Mosley made a presentation to the commission on the Mayor's recent proposal to rework the financing of the Better Jacksonville Plan (BJP) projects. He explained that the BJP is financed through a combination of a half-cent voter approved BJP sales tax and the half-cent "tax for tolls" sales tax that replaced the tolls on JTA's roads and bridges in 1989 and funds the JTA's operations. All of the BJP vertical construction projects (main and branch libraries, arena, baseball stadium, equestrian center) have been completed, except for the new county courthouse which should be under construction in 2009.

The revenue from both sales taxes has been running below projections for several years because of the general economic slowdown and this is causing funding shortfalls for the remaining BJP road projects. The sales tax revenue was originally projected to grow at 5.5% per year; this year the growth rate was 3.75% and the outlook for at least the next 2 years is for continued shortfalls below the 5.5% growth target. In addition, the costs for the BJP road projects have risen from \$1.5 billion at the time the plan was approved to \$1.59 billion because of increasing construction costs (steel, concrete, oil). To complete the package of projects promised to the voters in the BJP referendum, the Mayor proposes to ask the City Council to extend the local option gasoline tax for an additional 23 years from its current sunset date in 2016 to 2039 and to renegotiate the City's Interlocal Agreement with the JTA to free up additional funding from the gas tax to the BJP project list by reducing the City's subsidy of JTA's transit operations from a guaranteed funding growth rate of 6.5% per year to the actual growth rate of the sales tax for tolls. The difference in funding rates could be diverted by the City to BJP project construction. In response to a question from Commissioner Benwick, Mr. Mosley stated that he did not consider an extension of the

current gas tax as a “tax increase” because the extension would not increase the rate of the tax currently being levied, but would merely extend its duration for additional years.

Mr. Mosley stated that the City is hoping for a cash infusion from the pending federal economic stimulus package being considered by the Congress. The city is in good position to take advantage of the stimulus package because we have a large number of “shovel-ready” projects already designed and engineered and ready for construction as soon as funds are available. The City will be sending representatives to Washington next week with a \$700 million package of projects from the City, JEA, JAA, JPA and JTA. There may be several different pots of stimulus funding available, depending on how the package is structured. One possibility is for separate funding amounts for different types of work: vertical construction (i.e. the courthouse), horizontal infrastructure (roads, bridges), environmental projects (JEA has several), and other transportation (i.e. airports). The one advantage the current economic recession is that the city is getting great construction bids on projects because of the slowdown – contractors are desperate for work and are bidding low to get the jobs.

In answer to a question, Mr. Mosley stated that the additional funds will be concentrated on City roads, not on state or federal highways. He explained that the BJP undertook work on state roads because the community saw needs that would not be met for years if we waited for the state and federal governments to get around to funding them. In answer to a question about why the gas tax would be extended for 30 years, he stated that it was because the City would be issuing 30-year bonds to pay for the projects, using sales tax revenue (tax for tolls) to fund that debt, and swapping the gasoline tax to the JTA to fund its operations. He also stated that the courthouse project should break ground in the spring and the Mayor says that it will be completed sometime in 2011. Finally, Mr. Mosley said he would be happy to come back to a future commission meeting to discuss the City’s new performance initiative and the pilot project currently underway.

### Committee Reports

Performance Committee – Commissioner Anderson reported that committee will meet monthly on the fourth Thursday at 3:00 p.m. immediately prior to the full commission meeting, and more volunteers to join the committee are welcome. The committee is working on 3 items: 1) follow-up on the Procurement and Contract Management report of several years ago; 2) performance management and the City’s new initiative mentioned by Mr. Mosley; and 3) the City’s information technology needs. The committee heard from the Director of the Information Technology Department that the City currently operates 400 legacy computer systems, many of them decades old. The committee will hold its next meeting in the ITD director’s office.

Long Term Fiscal Health Committee – Chairman Palombi stated that, since Commissioner John Jolly’s resignation, Joe Andrews has agreed to take over the committee chairmanship in addition to serving as a member of the Jacksonville Community Council Inc. study on the same topic. He and Mr. Andrews had met last week to be discussing the committee’s scope and work plan. Commissioner volunteers are needed to fill out the committee and get the work underway. Commissioner Jones volunteered.

Mr. Palombi noted that staff had distributed City government organizational charts to all members with the names and phone numbers of all City department heads and division chiefs. He encouraged the commissioners not to be shy about calling city officials to ask for information or discuss issues of interest. He did caution that the Government in the Sunshine regulations must be observed and that any meeting including 2 or more commissioners must be noticed in advance and minutes taken.

### Auditor's Report

Kirk Sherman reported that several audits will be released shortly. The annual budget wrap-up report was just released, and the Auditor's Office annual report will be released tomorrow. The FY07-08 fourth quarter budget report will be released next week. A report on the Sheriff's Office information technology function will be out next month. Most of the Sheriff's technology work is done in-house with approximately 40 employees.

With regard to legislative issues, Mr. Sherman reported that the Trail Ridge Landfill operating agreement extension proposal will be the subject of a meeting next week between the administration and the Council leadership. The BJP restructuring proposal described earlier by Mr. Mosley will be introduced to the Council in January. Finally, the issue of pension sustainability has gotten a great deal of attention in recent months and will be a big issue for the Council in the coming year. He will be working with City Finance Director Mickey Miller and City Treasurer Michael Givens to help inform the Council about the issue.

In answer to a question, Mr. Sherman stated that he thinks the Trail Ridge Landfill operating contract should be bid out, even if it is interpreted as an extension of the existing contract rather than a completely new contract. He envisions the City being sued by one group or another regardless of whether it decides to bid out the contract or not. In answer to another question about whether the Auditor's Office can and does audit SMG (the management company for the public assembly facilities) and the Gator Bowl Association, Mr. Sherman stated that SMG's operations are covered as a separate element in the City's annual independent audit with a separate audit opinion. That audit should be available in January. His office does not currently audit the Gator Bowl Association but the pending bill to pay the ACC football championship game ticket revenue shortfall does contain a provision for the City to receive a report on the game's finances before it disburses any funds to the association. In answer to a question about whether the City is making any progress on addressing the issue of ITD disaster recovery planning that has been mentioned in the last several independent audits, Mr. Sherman stated that the IT Department had made a presentation on that subject to the Finance Committee in the spring of 2008 and suggested that ITD Director Kevin Holzendorf be invited to a future meeting of the Performance Committee to discuss the issue.

### Chair's Comments

Mr. Palombi stated that he had sent letters last month to the Mayor and City Council President conveying the commission's opposition to the ACC football championship game ticket deficit subsidy. He also sent a letter to CAO Alan Mosley regarding three issues identified in the course of the Commission's review of the Accounts Payable Audit regarding implementation and follow-up of the Auditor's audit recommendations. Mr. Mosley acknowledges that they are important considerations and he is going to work with Inspector General Pam Markham to see what might be done to implement the TRUE Commission's suggestions.

### Old Business

Commissioner Korn stated that she and Commissioner Andrews had met with Kirk Sherman and Jeff Clements at the end of last month's meeting to talk about how to track legislative issues potentially of interest to the commission. The bills introduced in Council and bill summaries for many of those bills are available on-line through the City Council web site; the question is how best to proceed with reviewing them and identifying items of interest. Ms. Korn asked that a committee be formed to determine how to identify legislation of interest and get those bills before the commission in a timely manner so the TRUE Commission can review and comment on them if need be. Joe Andrews and Wes Benwick volunteered to join the committee.

### New Business

None

### Commissioner Comments

Commissioner Burnett wondered if, given the current state of the economy, the City and/or Chamber of Commerce could do more to help the unemployed to access resources and find out what jobs are available in the community. There seem to be a number of resources available but she wonders how well they're coordinated and what they are really offering. Her recent experience attending a job fair was that the information available there consisted largely of referrals to job placement web sites rather than actual assistance and access to on-site employers with jobs to offer.

### Public Comments

Jason Fischer stated that he disagreed with a statement made earlier in the meeting by Alan Mosley that he did not consider an extension of the local option gas tax for additional years to be a tax increase. Mr. Fischer feels that it definitely is an increase if it collects revenue beyond the time limit originally imposed on the tax. He also urged the commission to urge the Mayor and Council President to take action to fill the current vacancies on the TRUE Commission.

### Next meeting

The commission's next meeting is scheduled for Thursday, January 8th (rescheduled from January 1<sup>st</sup> due to the New Year's holiday) at 4:00 p.m.

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

Posted 1.12.09  
4:35 p.m.

c.c. [cityc@coj.net](mailto:cityc@coj.net)  
City Council electronic files  
Media box