



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

John Palombi, Chair

Pam Korn, Vice Chair

Greg Anderson, Secretary

## Meeting Minutes

January 8, 2009

4:00 p.m.

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

**Absent:** Pamela Korn

The meeting convened at 4:13 p.m. with a quorum present.

### Minutes

The minutes of the December 4, 2008 meeting were **amended** to add reference to a question posed by Commissioner Benwick to Chief Administrative Officer Alan Mosley during his presentation about the financing of the Better Jacksonville Plan with regard to the proposed extension of the local option gas tax for additional years. Mr. Mosley stated that the extension was not, in his opinion, a tax increase, merely an extension of the existing rate for an additional period of time. The minutes were **approved as amended**.

### Committee Reports

Performance Committee – Commissioner Anderson reported that, due to the holiday season, no meeting was held last month. He is working to schedule the committee's next meeting at the offices of the City's Information Technology Department in order to meet with ITD Director Kevin Holzendorf and view his department's computer systems map. Chairman Palombi indicated that he had been invited to a January 20<sup>th</sup> meeting of a new council of purchasing officers from the City and the independent authorities. He will attend to see if this might be the beginning of a useful organization that might address some of the concerns previously voiced by the TRUE Commission's regarding various aspects of procurement and contracting.

Long Term Fiscal Health Committee – Commissioner Andrews reported that his committee had met earlier in the day and is considering how to tackle several long-term issues, among them pension obligations. The committee will be considering a fixed meeting day and time and staff will be polling the group to determine what suits most calendars the best.

Legislative Tracking Committee – Commissioner Benwick presented a recommendation from the exploratory group that the Legislative Tracking Committee be appointed as a standing committee meeting

twice a month to review legislation newly introduced in the City Council to see if there are items of interest to the commission.

**Motion:** establish a Long Term Fiscal Health Committee with Pam Korn as the initial chairwoman – **approved.**

Commissioner Jarecki asked if the committee had developed a definition of what constitutes a “significant” bill that is worthy of the commission’s attention. The committee has intentionally not chosen any hard and fast criteria yet, preferring to review new introductions for several cycles to get a feel for the routine flow of legislation and identify the sorts of bills the council deals with. The committee did decide that they will not limit themselves to just appropriations, as other types of legislation have fiscal consequences as well. The committee’s regular meetings will be held on the second and fourth Fridays of each month (the end of a City Council meeting week) at 9:00 a.m. in the Council offices.

#### Auditor’s Report

Kirk Sherman reported that his office released 4 reports in the month of December: 1) annual budget process review; 2) Auditor’s Office annual report; 3) FY07/08 fourth quarter budget summary; and 4) JSO information technologies report. With regard to the fourth quarter budget summary for FY07/08 Mr. Sherman reported that the 07/08 fiscal year ended in the black because of reduced expenditures during the year (\$40 million under budget) as it became apparent that revenues would not meet projections. The report noted that the City’s internal service funds (information technologies, fleet management, etc.) did not balance expenses with corresponding charges to the user departments. The deficits were apparently subsidized by the General Fund, although these internal service funds are intended to be self-supporting via their user charges.

With regard to the JSO information technology report, Mr. Sherman reported that the study and its findings were well received by the Sheriff’s Office. The primary issues identified were: 1) deficiencies in locating and inventorying computer equipment; 2) excessive administrative rights granted to some senior departmental personnel, which might offer the opportunity for violations of proper separation of powers and unauthorized access to certain records; 3) insufficient storage security for computer equipment received but not yet issued to end users; and 4) underutilization of printers issued to every officer with a computer in their JSO vehicle; many printers remain in boxes in vehicle trunks. These printers don’t appear to be needed, at least in the numbers in which they were purchased. In answer to a question about why the JSO has its own information technology operation, Mr. Sherman said that it is a combination of the JSO’s security needs (confidentiality of law enforcement records, need for computers in the secured Police Memorial Building) and the preference of an elected constitutional officer to have the functions performed in-house rather than by City ITD. It is another example of the whittling away of the concept of unified central services enacted under consolidation.

In response to a question about why the internal service funds did not balance at year-end, Mr. Sherman said that it appears that ITD as a matter of policy billed using agencies only 75% of the cost of services provided and that may be where a large portion of the \$40 million in reduced expenses was realized. It will be up to the Mayor’s administration if the policy of under-billing continues in the current fiscal year.

#### Chair’s Comments

Mr. Palombi stated that he would greatly appreciate additional members volunteering to serve on the committees where the bulk of the commission’s work should take place. There is a great deal of work to do and more hands are needed. The Chairman also announced that he would be scheduling a new commissioner orientation session in the next month or so to help bring the newly-appointed members up to speed on the commission’s legislative mandate and policies and procedures. The pending appointees, some of whom were in the audience, were invited to attend as well.

### Old Business

Commissioner Lester presented her review of Audit report #646 – County Courthouse Construction, recommending that the commission continue to monitor this project as planning and eventually construction take place. Commissioner Lowe stated that she is on the Better Jacksonville Plan Oversight Committee, has seen the new plans for the building, and has high hopes that the City will meet the mayor's challenge to get the building open in 2011. Sam Mousa and Dave Schneider are now in charge of shepherding the project to completion.

Commissioner Jarecki asked if there was a specific scope of work and a set of deliverables for the tens of millions of dollars that have been spent already. Mr. Palombi does not believe that to have been the case and noted that the TRUE Commission has previously found procurement and contract management to be a major weakness in the City's procedures. Commissioner Deen suggested that the Office of General Counsel's ability to draft clear, enforceable contracts may be at issue.

**Motion:** accept the evaluation report on Audit #646 without comment at the present time and re-evaluate progress in one year – **approved.**

### New Business

None

### Commissioner Comments

- Commissioner Burnett stated that she has drafted a report on employment assistance programs and will share via staff to all commissioners for discussion at the next meeting.
- Commissioner Mallett announced that he will not be seeking reappointment to the commission due to a variety of other commitments.
- Commissioner Burnett announced that Ruth Arnold will be replacing her as the Urban Core CPAC's representative on the commission.

### Public Comments

- Ruth Arnold stated that she would be submitting her application very shortly and looked forward to assuming a seat on the commission in the near future.
- Jason Fischer stated that he had attended the meeting earlier in the day of the commission's Long Term Fiscal Health Committee and heard the discussion of City pension issues, and also that is currently serving on the JCCI study of the City's fiscal future. He hoped that the TRUE Commission would look into the issue of pensions both for the city and independent authorities as this appears to be a huge issue with serious fiscal consequences.

### Next meeting

The commission's next meeting is scheduled for Thursday, February 5th at 4:00 p.m.

There being no further business, the meeting was adjourned at 5:17 p.m.

Posted 2.5.09

1:55 p.m.

c.c. [cityc@coj.net](mailto:cityc@coj.net)  
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