



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

Wes Benwick, Chair

Jason Fischer, Vice Chair

Joe Andrews, Secretary

Meeting Minutes September 2, 2010

4:00 p.m.

Attendance: Wes Benwick (Chair), Thomas Martin, Marc El Hassan, Joe Andrews, Hiron Peck, Marcella Lowe, Ruth Arnold, Mike McCollum, Jason Fischer, Ryan Jones, Gamal Lyons, Randy Deen, Greg Anderson, Ernest McDuffie

Excused: Mark Cowart, Robert Jones

Absent: None

The meeting convened at 4:00 p.m. with a quorum present.

Minutes

The minutes of the June 3, 2010 commission meeting were approved as distributed.

Committee Reports

Performance Committee – the committee had not met since the last full commission meeting, and is awaiting a new charge from the commission.

Budget Committee – the committee had not met since the last full commission meeting.

Legislative Tracking Committee – Commissioner Andrews reported that the committee had reviewed dozens of new bills since the last commission meeting in June and was still gathering information about several. One topic that continues to interest the committee is the continued expansion of the City's Banking Fund, now authorized for up to \$476 million. The committee believes the issue is ripe for another look by the TRUE Commission.

Auditor's Report

In response to a question, Tommy Carter of the Council Auditor's Office reported that a Banking Fund audit is on the Auditor's Office work plan, but he wasn't sure when it was scheduled to begin. He will check and report back to the commission. Mr. Carter reported that five reports have been issued since the commission's last meeting: #682 – JEA Franchise Fee and Public Service Tax audit; #683 – Landfill Ticket Audit; #684 – Sheriff's Investigative Fund 2009 attestation; #685 – Clerk of the Courts Audit; and #686 – FY09-10 Third Quarter Budget Summary. The third quarter budget summary projects a \$9.6 million unfavorable variance in the General Fund, largely as a result of shortages in sales tax revenues. If the budget doesn't balance at year-end then the deficit would need to be covered out of reserve funds. Mr. Carter agreed to provide the commission with some information on how the City's "lapse factor"

budgeting practice works. The Finance Committee has largely completed its budget hearings and will wrap up the final details at the next regular Finance Committee meeting on September 8th.

Motion (Lowe): that the TRUE Commission accepts the Sheriff's Investigative Fund 2009 audit (#684) without comment – **approved**.

Motion (Lowe): that the TRUE Commission accepts the JPA Dredging Procurement Audit (#679) without comment, but requests that the Council Auditor's Office report back to the commission when the JPA makes a decision about whether to take on dredging as an in-house function rather than hiring contractors – **approved**.

Motion (Lowe): that the TRUE Commission accepts the Landfill Ticket Audit (#683) without comment, but requests that the Council Auditor's Office report back to the commission when the Public Works Department decides whether or not to allow the use of debit/credit cards to pay charges at the landfill – **approved**.

Chair's Comments

Chairman Benwick stated that he has identified 3 issue areas where he feels the TRUE Commission could be uniquely helpful to the City in the coming year:

1. Contract management – the TRUE Commission has looked at this issue in the past but never come to any resolution. He has attempted to get in touch with Chief Administrative Officer Kerri Stewart to discuss this topic, but has thus far been unsuccessful. The commission needs to find out how the City tracks and manages contract compliance. Marc El Hassan volunteered to chair a subcommittee on contract management.
2. Banking Fund – the cap has been raised to \$476 million, a huge increase in the past 2 or 3 years, and the TRUE Commission needs to find out why, as well as familiarize itself with how the fund is capitalized and how it operates. The Council Auditor's Office will begin an audit of the Banking Fund later this year, so it is a timely topic.

Motion (Fischer): create a Banking Fund Subcommittee to study the issue; begin by getting a presentation to the committee by the appropriate City officials, then a presentation to the full Commission – **approved**. Marc El Hassan volunteered to chair the subcommittee.

3. Information technology issues, particularly the state of the City's budget, accounting, human resources, payroll, and other internal service systems. The problem has been identified by multiple parties, but it will take a huge effort and financial investment to remedy, and several mayors have been leery of tackling the problem because of the complexity and expense. The upcoming mayoral transition may present a good opportunity to focus attention on the problem and prod some action. Commissioner Deen stated that other cities have spent \$100 – 200 million for such systems and Jacksonville doesn't have the resources or the will to tackle something that big. The issue was assigned to the Performance Committee and committee chairman Greg Anderson issued a call for volunteers to help with the project.

Old Business

None

New Business

None

Commissioner Comments

Commissioner Andrews announced that he has filed as a candidate to run for the City Council District 12 seat to replace outgoing member Daniel Davis.

Commissioner Anderson announced the he has filed as a candidate to run for the City Council At-Large Group 4 seat to replace outgoing member Kevin Hyde.

Commissioner Lowe stated that the TRUE Commission has pointed out cash management issues as problematic for the City in the past, and the recent Landfill Ticket audit shows that it is still a problem. She plans to follow up with Chief Administrative Officer Kerri Stewart and Inspector General Pam Markham to see what is happening in this area.

Commissioner Andrews asked the Council Auditor's representative when the next audit of the JEDC is scheduled. Mr. Carter reported that it is scheduled for this fall.

Public Comments

None.

Next meeting

The commission's next meeting is scheduled for Thursday, October 7th at 4:00 p.m.

There being no further business, the meeting was adjourned at 4:38 p.m.

Posted 10.1.10
5:00 p.m.

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