



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

Tony Bates, Chair

Meeting Minutes
June 15, 2004
4:00 p.m.

Attendance: Tony Bates (Chair), Dan Davis, Randall Deen, Marcella Lowe, Charles Curley, John Palombi, Tom Crabtree, Amy Holliman, Bruce Glassman, Elaine Burnett, Dick Berry, Lou Myers, Mark Roesser, Louvenia Tippins, Larry Jaffe

Excused: Don Wolfson, Lee Martin

Guests: Renee Smith, Jennifer Spinelli and Tasha Morgan - Council Auditor's office; Mike Meroney - commissioner nominee

The meeting convened at 4:07 p.m.

Minutes

The minutes of the May 18, 2004 meeting were previously distributed.

.. The minutes were **approved as distributed**.

Committee Chairs' Reports

Audit #541 - Jacksonville Children's Commission: the item was deferred to the next meeting.

Audit #585 - Shands Jacksonville Indigent Care: Commissioner Myers reported that the audit found no serious issues of concern in the charging of medical bills to the indigent care account at Shands Jacksonville medical center. Four slight exceptions were noted, but the cases were not deemed to be material and the audit found that the fund is being legitimately charged for care provided to patients who are eligible residents of the City of Jacksonville.

♦ The report was **accepted without further action**.

CityLink Committee: Commissioner Davis distributed copies of the committee's final report (see attached) and moved that the report be adopted and forwarded to the appropriate City officials, and that the committee check back in 6 months on the status of the proposed training program.

♦ The report was **approved as distributed**.

Commissioner Roesser asked if materials such as committee reports could be distributed to the commissioners prior to meetings in order to allow them to be reviewed before a motion to approve.

Audit #580 - First Coast Black Business Investment Corporation: Chairman Bates reported that he had met with John Alderson of the JEDC staff to pose the commission's questions about the JEDC's monitoring of First Coast BBIC's operations, and will meet with JEDC staff again next week to get answers to at least some of those questions. Mr. Bates reported that he also had met with Lew Belkin, formerly an employee of the Gateway Small Business Center, to ask him about the range of small business assistance programs available in Jacksonville. He also noted that Councilwoman Sharon Copeland is working on a re-write of

the Chapter 118 Public Service Grant process. Mr. Bates asked for volunteers interested in working further on this audit; commissioners Lowe, Crabtree, Roesser and Myers volunteered to form a committee.

Performance Measurement Committee: Commissioner Glassman requested additional volunteers to expand his committee; commissioners Palombi, Holliman and Roesser volunteered to serve. He mentioned a recent article in the Florida Institute of CPAs journal on performance measurement written by a Central Florida CPA and expressed the hope that the commission might be able to invite this expert to come to Jacksonville and speak to the group. He stated that the committee hopes to pick one or more comparable cities against which to benchmark Jacksonville's performance.

Policies and Procedures Committee – deferred

Cash Management Committee: Commissioner Lowe stated that the committee would postpone further work until the Policies and Procedures Committee had completed its work (hopefully at the meeting on June 25th) and had reported. She requested that staff schedule a committee meeting for Friday, August 6th at 10:00 a.m.

Audit #583 – Property Appraiser's Office Audit: Commissioner Burnett reported that her committee had met with Property Appraiser Jim Overton on May 13th and distributed copies of the notes and findings from that meeting. The committee found that many of the recommendations made by the audit have begun to be implemented. The major items identified in the audit included: staff training; the computer assessment system; meeting the state-mandated 3-year physical visit and reappraisal timeline; and verifying homestead exemption eligibility. Mr. Overton reported that staff training takes a great deal of time, and he is looking at perhaps 18 months to hire and completely train the new staff he needs to make his office as efficient as it ought to be. The new computer system is vital, and procurement is underway. He acknowledges that the office does not meet the state mandate to physically visit and reappraise every property in the city at least once every 3 years, but noted that almost no jurisdiction in Florida manages to meet that requirement. Computerized appraisals using sales of comparable properties is the predominant way of re-appraising, staff time for site visits to properties is largely taken up visiting new construction for purposes of doing initial appraisals. Ms. Burnett noted that the Property Appraiser is in the somewhat unique position of having to be responsive to both the Florida Department of Revenue and the City, given his status as a constitutional officer in a consolidated government charter system.

Mr. Overton also reported that downtown property appraisals were being improved through the grouping of like property uses (waterfront, residential, etc.) for comparative purposes. In response to a question he stated that there is currently not a program in place to cross-check lists of HUD-subsidized rental properties against the homestead exemption list to ensure that owners are not falsely claiming the homestead exemption on a property that is used for rental purposes. The state currently allows property appraisers to "write off" or not assess property taxes that are under \$30. The City's policy is to write off only those taxes under \$5 – consideration should be given to raising the threshold to the state maximum, given the time and cost of billing for extremely small amounts that may often be uncollectible.

Motion: Commissioner Burnett moved that the TRUE Commission recommend to the Property Appraiser and Housing Authority to develop a process to require a cross-check of records to ensure that landlords seeking HUD-certified rental property status for their properties are not also claiming a homestead exemption on the properties before HUD certification is granted.

♦The motion was **approved**.

Motion: Commissioner Burnett moved that the TRUE Commission recommend that the City Council give special attention to funding the staff and CAMA computers needed by the Property Appraisers Office to meet the state-mandated 3 year physical site inspection and reappraisal cycle. After some discussion, the last sentence of this recommendation in the committee's written report regarding potential increased revenue was stricken.

◆The motion was **approved as amended**.

Motion: Commissioner Burnett moved that the appropriate City officials recommend to the State Department of Revenue via a local J-bill that a system be developed to allow senior citizens and veterans receiving the additional income-based homestead exemption to verify their continued eligibility to receive the additional exemption via the same post card used to verify their eligibility for the original \$25,000 homestead exemption, returning the card to indicate their loss of eligibility.

◆The motion was **approved**.

Motion: Commissioner Burnett moved that the TRUE Commission recommend to the Property Appraiser and City Council that the threshold for "writing off" or not assessing *de minimis* tax bills be increased from the present \$5 to the state maximum of \$30.

◆The motion was **approved**.

Motion: Commissioner Roesser moved that the TRUE Commission recommend that the Property Appraiser perform a cost/benefit analysis to calculate a projection of the enhanced *ad valorem* tax revenues that might be accrued through the application of the proposed new appraisal staff and computer system.

◆The motion was **approved**.

#586 - First Coast No More Homeless Pets: Commissioner Lowe reported that 13 veterinarians are currently participating in the program with the City's Neighborhoods Department to spay and neuter pets at low cost. The audit found that only 20% of the animals spayed or neutered under the program were properly licensed with the City as required. The Office of General Counsel is working on an amended contract between the City and First Coast No More Homeless Pets to address: 1) limiting the number of pets altered for any individual owner to no more than three; 2) requiring proper City licensing when procedures are performed; and 3) clarifying allowable uses of the \$7.50 per animal administrative fee. She noted that the City's new Chief of Animal Control, David Flagler, has recently come on board.

Motion: Commissioner Lowe moved that the TRUE Commission encourage the City Council to pass the pending animal control ordinance re-write to answer to the concerns identified by the Council Auditor, Audit Committee and TRUE Commission with regard to this program

◆The motion was **approved**.

Audit #589 – JEA Pipe Bursting Contract – item deferred

Motion: Commissioner Palombi moved that the TRUE Commission adopt a policy of reviewing and processing audits as they are received from the Council Auditor's Office without waiting to determine whether the Council Audit Committee will take action first.

◆The motion was **approved**.

Auditor's Report: None

Chairman's Report: Chairman Bates noted that he is still seeking volunteers to review the powers and duties of the commission outlined in Chapter 57 and how the commission can best meet its responsibilities. Commissioner Palombi has volunteered to start with a review of Section 57.105(a) and his committee has met twice and produced a partial draft report that should be completed in July. Copies of the draft were distributed for information.

Commissioners Lowe and Burnett volunteered to review of section 57.105(c), Commissioners Curley and Myers volunteered to review section 57.105(b), Commissioners Palombi and Lowe will handle 57.105(d), and Commissioners Roesser, Glassman and Palombi will handle 57.105(f).

Commissioner comments

Commissioner Lowe reported on the activities of the last Council Audit Committee meeting. The committee received and/or discussed the Fleet Management audit; the second quarter financial summary; the SMG, Equestrian Center and Jaguars game day expenses reports; the Childrens' Commission; interest rate swaps; JEA bond issue and bond rating; Chapter 118 public service grant process re-write; and JEDC redevelopment agreements. Council President Daniels thanked the Audit Committee, the Council Auditor and the TRUE Commission for their good work over the past year.

Nominating Committee

Commissioner Lowe reported that the Nominating Committee had met and after lengthy discussion offered the following slate of candidates:

Chair – Bruce Glassman; Vice Chair – Tom Crabtree; Secretary – Randy Deen

The committee also recommended an orientation session for the 8 new commission members to familiarize them with the commission's work and procedures. Ms. Lowe presented a plaque of appreciation to Tony Bates for his service as Chair of the commission.

Secretary: there being no additional nominations from the floor, Commissioner Deen was unanimously elected.

Vice Chair: there being no additional nominations from the floor, Commissioner Crabtree was unanimously elected.

Chair: Commissioner Bates nominated John Palombi in addition to the Nominating Committee's nomination of Bruce Glassman. Commissioners Glassman and Palombi gave brief overviews of their aspirations for the commission in the coming year and considerable discussion ensued.

By written ballot Commissioner Glassman was elected Chair by vote of 7-5.

New Audits

Audit #592 – Fleet Management – was distributed. Commissioner Berry volunteered to chair the committee.

Next meeting

The commission's next meeting will be on Tuesday, July 20th at 4:00 p.m.

There being no further business, the meeting was adjourned at 7:05 p.m.

Items pending further follow-up

Children's Commission audit – Commissioner Wolfson
Government in the Sunshine Law briefing – Chairman Glassman
Performance Measurement Committee – Commissioner Deen
First Coast Black Business Investment Corporation Policy and Procedure Committee – Commissioner Martin
Property Appraiser's Office audit – Staff
First Coast No More Homeless Pets – Spay/Neuter Jax audit – Staff
Powers and Duties – 57.105(b) – Commissioners Curley and Myers
Powers and Duties – 57.105(c) – Commissioners Lowe and Burnett
Powers and Duties – 57.105(d) – Commissioners Palombi and Lowe
Powers and Duties – 57.105(f) – Commissioners Roesser, Glassman and Palombi
Fleet Management audit – Commissioner Berry