



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

Bruce Glassman, Chair
Tom Crabtree, Vice Chair

Meeting Minutes
September 21, 2004
4:00 p.m.

Attendance: Bruce Glassman (Chair), Randall Deen, Tony Bates, Marcella Lowe, Charles Curley, John Palombi, Mark Roesser, Louvenia Tippins, Lee Martin, Tom Crabtree, Mike Meroney

Excused: Dick Berry

Absent: Charles Magee, Elaine Burnett, Don Wolfson, Lou Myers, Dan Davis

The meeting convened at 4:02 p.m. A quorum was present, and staff was requested to have the minutes reflect those commissioners absent without prior excuse as well as those present and excused.

At the Chair's request, staff reported that two commissioners – Tony Bates and Randy Deen - are currently serving terms that expired on June 30th. Commissioner Deen indicated that he wished to be re-appointed for a second term and that his resume' on file could be re-submitted as it had not changed since his original appointment. Commissioner Bates indicated that he would not be serving a second term, but would serve until his replacement was nominated and confirmed.

Minutes

The minutes of the August 17, 2004 meeting were previously distributed.

.. The minutes were approved as distributed.

Committee Reports

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

Audit #580 – First Coast Black Business Investment Corporation: Commissioner Bates reported that the City Council Finance Committee had just approved a \$300,000 appropriation for First Coast BBIC operations for the upcoming fiscal year after the previous year's Audit Committee recommended that they not receive any further City public service grant funding. The commission reviewed the draft BBIC Committee report and proposed revisions to Ordinance Code Chapter 118 (Public Service Grants). Commissioner Lowe is meeting with Sandra Richardson of the City Community Services Department and with Pam Markham of the Council Auditor's Office to further discuss the Chapter 118 revisions. The BBIC Committee will meet again on October 7th to finalize its recommendations. It appears the 5 points covered in Part 1 of the committee report (regarding 1st Coast BBIC's use of City grant funds) are already being addressed by the GPATE Committee. The BBIC Committee will recommend next month that the Commission adopt the Part 2 findings and recommendations regarding project oversight, monitoring and evaluation.

Pam Markham noted that item number 4 in the Part 1 findings incorrectly stated that City funds were "given to FCBBIC to lend to small businesses for start-up assistance." She clarified

that the funds were *granted* to pay the *operational expenses* of a loan program for start-up businesses. The funds BBIC loaned to small businesses were provided by the state and by private banks. In response to a question about oversight of these funds by the other lenders, Commissioner Berry stated that he believed the State may have audited the use of its funds, but that the private lenders had not.

Performance Measurement Committee: Commissioner Palombi explained the committee's request for performance measurement information from all 9 City departments, the City's Chief Operating Officer, the independent authorities and the Constitutional officers. The committee is awaiting responses by its September 30th deadline. He noted that he and Commissioner Bates had met with Councilman Kevin Hyde about how the committee would interact with the GPATE Committee on the subject of performance measurement issues. Commissioner Palombi will inquire if Councilman Hyde is available to attend the TRUE Commission's October meeting. He also noted that the only indication of reluctance to comply with the committee's request had come from the Tax Collector, who questioned the commission's jurisdiction over constitutional officers. Richard Wallace explained that he had spoken to the Tax Collector regarding the committee's request and, while Mr. Hogan wanted to be cooperative, he needed to better understand what the committee was requesting and why. Mr. Wallace also noted that the City's Administration and Finance Department realizes its current performance measurement efforts are only measuring a small fraction of the department's functions, and has recently begun a new measurement effort.

Commissioner Martin questioned whether the Performance Measurement Committee's information request, sent out on the TRUE Commission's letterhead, implies that the whole commission is making the request when only the Performance Committee made the request? He suggested that perhaps a little less formality and a more informal personal contact with department heads and authority CEOs might produce a better response.

Cash Management Committee: Commissioner Lowe requested that this issue be deferred until further notice while the City administration continues its work on revising the City cash management policy. Commissioners Roesser, Palombi and Bates volunteered to work on the issue when the time is appropriate to resume.

Powers and Duties Committee – 57.105(b): the committee solicited suggestions for how the commission should choose topics to investigate outside of those raised directly by audits, including how topics might be suggested by the general public.

Powers and Duties Committee – 57.105(f): the committee had no report to make.

Audit #589 – JEA Pipe Bursting Contract: Commissioner Martin will submit a written report at next month's meeting; he and Commissioner Bates will meet in the interim.

Audit #592 – Fleet Management: deferred to the next meeting.

Audit #531 – Duval County Housing Finance Authority: staff reported that a letter to the new chairman had been received from the staff of the Jacksonville Housing Commission acknowledging receipt of the TRUE Commission's previous correspondence requesting the Housing Commission to review audit #531. The letter indicated that the Housing Commission staff had reviewed the audits and was referring them to the commission's Program and Policy Subcommittee to develop an action plan. The commission's executive director, Doug Brown, indicated that he would schedule a meeting with the TRUE Chairman and other interested commissioners to discuss the audit's findings and recommendations and a timeline for their subcommittee to take action.

Auditor's Report: Council Auditor Richard Wallace stated that he had been delegated by Suzanne Jenkins, chair of the City Council's Government Performance, Audit, Technology and Education (GPATE) Committee, to work out the process by which audits can be most efficiently reported to the GPATE Committee and the TRUE Commission. He proposes to start the presentation and review process with the TRUE Commission and then proceed, with the TRUE Commission's recommendations, to GPATE. Mr. Wallace also indicated that he wanted the

City's outside auditor and the outside auditors of the independent authorities to make presentations to the commission on the findings of their audits. He anticipates that together the Auditor's Office and the TRUE Commission would develop findings, recommendations, and legislative proposals for the GPATE Committee's consideration.

Regarding the soon-to-be-adopted City budget for 2004-05, Mr. Wallace reported that the City General Fund budget is approximately \$855 million, the total City budget is approximately \$1.5 billion (all funds), and that the total with all independent authorities and the School Board included tops \$4 billion. He expressed the hope that the 5-year budget projection process mandated by ordinance is taken seriously and is overseen by someone in the City's financial staff on a regular basis, and that the TRUE Commission and Finance Committee would be vigilant in this regard. Mr. Wallace cautioned that the administration is budgeting a very sizeable amount of fund balance from the current year to balance next year's budget. If that fund balance doesn't fully materialize, then a pinch could be felt by the middle of the next fiscal year. The administration took the \$72 million vehicle replacement fund and allocated it all for current operations in the new budget and will buy replacement vehicles out of the proceeds of a commercial paper loan pool. The Council disapproved of another proposal to purchase \$5 million in library books through borrowing rather than one-time appropriation.

In response to a question from Commissioner Bates about the allocation of operational funding to First Coast Black Business Investment Corporation after last year's Audit Committee recommended no further funding for the organization, Mr. Wallace indicated that the proposal was made within the last month, and had been approved by the Finance Committee yesterday. In response to a question from Commissioner Palombi about the presence of performance measures in the proposed budget, Mr. Wallace indicated that there were 20 pages of Goals and Measures, but no clear connection between those goals and measures and funding allocations.

New Business:

Discussion of two new audits and one quarterly budget report was deferred to the next meeting.

Chairman's Report: Chairman Glassman noted that the City Council would be holding a special workshop next week to discuss the new courthouse project – all interested members are invited to attend and hear the latest information. The chairman also asked the commissioners to think about how to prioritize how the commission should allocate its limited time and resources to the greatest effect. There are more issues and more potential work than a volunteer organization can tackle, and differing micro and macro perspectives among the commissioners about what is most important to be studying. The commission needs to reach some consensus about what its work program will be.

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Commissioner comments

Commissioner Bates reported that the committee for the Fleet Management Audit was very pleased with the response of the division to the audit – they appear to have addressed every recommendation satisfactorily. Mr. Bates also requested that staff provide a copy of the draft reorganization plan of the JEDC to all commissioners electronically.

Next meeting

The commission's next meeting will be on Tuesday, October 19th at 4:00 p.m.

There being no further business, the meeting was adjourned at 5:52 p.m.

Items pending further follow-up

Children's Commission audit – Commissioners Wolfson and Bates
Cash Management Committee – Commissioner Lowe
JEA Pipe Bursting audit committee – Commissioner Martin
Government in the Sunshine Law briefing – Chairman Glassman
Performance Measurement Committee – Commissioner Palombi
First Coast Black Business Investment Corporation – Commissioner Bates
Powers and Duties – 57.105(b) – Commissioners Curley and Myers
Powers and Duties – 57.105(f) – Commissioners Roesser, Glassman and Palombi
Fleet Management audit – Commissioner Berry
Housing Commission response to TRUE inquiries – Chairman Glassman
JEDC reorganization – Commissioners Berry and Bates
Better Jacksonville Plan courthouse and roadway projects update – Chairman Glassman
TRUE Commission Purposes – 57.104 – Commissioner Roesser