



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

John Palombi, Chair

Ron Mallett, Vice Chair

Meeting Minutes

April 5, 2007

4:00 p.m.

Attendance: John Palombi (Chair), Marcella Lowe, Bob Lee, Elaine Burnett, Louvenia Tippins, Lou Myers, Randy Deen, Mike Meroney, Mark Cowart, Charles Curley, Gary Looney, Ron Mallett, Pamela Korn

Excused: John Jolly, Lee Martin

Absent: Charles Magee, Greg Anderson,

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

Minutes

Motion: The minutes of the February 1 and March 1, 2007 commission meetings having been previously distributed, a motion was made to approve the minutes.

Amendment: a motion was made to amend the March 1 minutes to delete a paragraph at the bottom of page 2 duplicated from the February minutes, being a statement by Commissioner Martin about the need to review the TRUE Commission's effectiveness.

The motion was **approved as amended**.

Committee Reports

Public Parking Committee: The committee had not met since the last Commission meeting. With the passing of former Chairman Mark Roesser, Commissioner Mallett was appointed to chair the committee.

Performance Committee: Copies of the committee's final report on Procurement, Contracting and Contract Management were distributed electronically to all commissioners the week before the meeting, and a revised copy correcting several formatting errors was distributed at the meeting. Chairman Meroney walked the commission briefly through the findings and recommendations of the report and expressed the committee's belief that the most important findings are the need for City agencies and departments to find ways to discuss and share lessons learned in the contracting and procurement process, and to procure and contract cooperatively. In response to a question from Commissioner Mallett about how the committee hoped the report would generate action in the City government, Chairman Meroney stated that copies would be sent to the Mayor, City Council, and all city agencies, authorities and departments. Meetings

and verbal presentations to the Mayor and Council would be scheduled. He believes that a champion has to be identified who will adopt the report and really push it forward.

Motion: a motion to approve the report as distributed was **approved**.

Funding Control and Effectiveness/Chapter 118 revisions: Commissioner Myers reported that pending ordinance 2007-105 which would amend Ordinance Code Chapter 118 – Miscellaneous Appropriations – is still being deferred in committee. Commissioner Lowe stated that she had recently reiterated to Finance Committee Chairman Kevin Hyde that the TRUE Commission feels that continuing annual appropriations to particular organizations or entities (i.e. the Jacksonville Zoo) ought to be separated from the competitive Public Service Grant process and placed in a category of “continuing contracts”. Councilman Hyde has taken the suggestion under consideration.

TRUE Commission Effectiveness: In the absence of Commissioner Martin the matter was deferred.

Auditor’s Report

- 1) Council Auditor Kirk Sherman explained that every audit report released by his office receives a follow-up in 6 months to a year to determine if and how its findings are being implemented. Mr. Sherman suggested that the TRUE Commission might want to consider a similar policy of following up on its reports to see what action has resulted.
- 2) Mr. Sherman reported that the audit of the Jacksonville Public Library’s operations had been recently released. The initial project resulted from a combination of the opening of 7 new libraries with budget cuts and Sunday library closures, and sought to examine the effects of the Sunday closures on library operations. The report was never issued because the confluence of too many moving variables made definitive findings difficult to achieve, but the draft document did identify 12 common-sense suggestions for operational improvements. The administration recently wanted to utilize the draft report in preparation for crafting the budget for the next fiscal year, so the Auditor’s Office reviewed, refined and will issue the report.
- 3) Mr. Sherman also described the process his office recently used to develop its Risk Assessment document, or plan of action for the next several years. He indicated that the Council Auditor has authority to review and audit almost every function and entity in the City or related agencies, with the exception of the Jacksonville Housing Authority (operating entirely with state and federal funds). His office has in recent years done less and less auditing of the Duval County Schools because the school system has its own internal audit function, is reviewed by the State Auditor General’s Office, and because the City Council has no budgetary authority over the school system’s operations. The Auditor’s Office does have a cordial, though informal, relationship with the School Board staff. The Risk Assessment rates potential audit subjects on a weighted scale based on 5 criteria: 1) how recently an office or function was audited; 2) the financial significance of the target (size of budget); 3) any known or alleged problems or complaints about the function; 4) the potential for cost savings and operational improvements; and 5) the degree of risk of loss, fraud or corruption.

Commissioner Palombi asked if the success of the library operations review (not a full-fledged audit, but full of helpful findings) didn’t make the case for more quick reviews that aren’t lengthy, costly, and too narrowly targeted? Mr. Sherman agreed, while cautioning that recognition needs to be made of the fact that there are certain fundamental professional standards in the auditing world that need to be followed in any kind of work project. In response to a question from Commissioner Myers about the City’s interaction and relationship with the Beaches cities, Mr. Sherman noted that those relationships are largely defined by the interlocal agreements that exist between Jacksonville and each of the Beaches and Baldwin, and by years of political negotiation (and occasional threat of lawsuits).

Mr. Sherman explained that his office intends to tackle the top 10 issues on the Risk Assessment over the course of the next 3 years, recognizing that occasional crises will inevitably crop up during that time and take precedence over the long range plan. He also noted that the City's annual Comprehensive Annual Financial Report was released last week and that it contains a wealth of financial information. The city's independent auditor will be presenting an overview of the CAFR to the council's Audit Committee (tentatively scheduled for April 30th) and the TRUE Commission will be welcome to sit in on the presentation if members are interested.

Staff was requested to send the Risk Assessment document to all commissioners electronically.

Chair's Report

- Chairman Palombi reiterated his suggestion for the establishment of committees to study the following issues: 1) a fair taxation committee (how to make Jacksonville the most fairly taxed community), and 2) how to increase public awareness of City financial issues.
- At the May meeting Mr. Palombi will be appointing a Nominating Committee to propose a slate of officers for election at the June meeting. Volunteers for both the Nominating Committee and to serve as officers for next year are welcomed and encouraged.

Old Business

- The commission thanked Commissioners Burnett, Palombi and Mallett for the production and distribution of the commission's business cards.

New Business

Commissioner Burnett distributed to the commissioners a document produced by Riverside Avondale Preservation and the Riverside/Avondale Development Organization regarding crime and safety issues in the Riverside area. She hopes that the commission will discuss the issue at a future meeting.

Commissioner Comments

None

Next meeting

The commission's next meeting will be on Thursday, May 3rd at 4:00 p.m. in the City Council Chamber.

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

Items pending further follow-up

- Public Parking Committee report – Commissioner Mallett
- Funding Control and Effectiveness Committee – Commissioner Myers
- Chapter 118 Revisions Committee – Commissioner Lowe
- TRUE Commission performance review – Commissioner Martin
- JEA "green building" policies – Commissioner Burnett