



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

John Palombi, Chair

Ron Mallett, Vice Chair

## Meeting Minutes

June 7, 2007

4:00 p.m.

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

**Excused:** John Jolly, Lou Myers

**Absent:** Charles Magee, Lee Martin, Charles Curley

The meeting convened at 4:05 p.m. with a quorum present.

### Minutes

**Motion:** The minutes of the May 3, 2007 commission meetings having been previously distributed by e-mail and a revised copy having been distributed prior to the meeting, a motion was made to approve the minutes as revised.

The motion was **approved**.

### Committee Reports

**Public Parking Committee:** Commissioner Mallett requested that this item be removed from the agenda until further activity on the part of the City warrants a reactivation of the committee.

**Funding Control and Effectiveness/Chapter 118 revisions:** Chairman Palombi noted that the work of the committee is on hold pending the outcome of the Florida Legislature's special session on property tax reform and its effects on the City's Public Service Grant process, and pending release of a final draft of the ordinance revising Ordinance Code Chapter 118 – Miscellaneous Appropriations. This committee's reports will also be removed from the monthly meeting agenda until further activity warrants.

**Performance Committee:** Commissioner Meroney thanked committee members Lowe, Mallett, Lee and Deen for their attendance at numerous recent meetings. The committee has met with Audit Committee Chairman Richard Clark, City Chief Administrative Officer Alan Mosley, and Director of Administration and Finance Mickey Miller to discuss the ideas of consolidating the health insurance procurement of the City with all of its affiliated agencies, and of self-insuring some portion of the total insurance package. Mr. Miller indicated his openness to changing the way insurance is now procured, but did not see that it was feasible to implement a new system by January 1, 2008. It may be possible to make the change by

January 1, 2009. He pointed out that a change of this magnitude will require dealing with the impending budget cuts mandated by the State Legislature, and negotiating with 14 collective bargaining units before a change can be made. The Ordinance Code provides for the appointment of an advisory committee to advise the administration on the health insurance procurement process, and that committee should be appointed shortly to begin working on next year's RFP.

Commissioner Mallett has met with CAO Alan Mosley and reiterated the opportunity that exists for the City to do something now with a potential financial crisis looming. There is low-hanging fruit waiting to be had and immediate savings to be achieved. He recommended that the commission write to the Mayor and City Council President to press the issue, and the group concurred. Commissioner Meroney will draft a letter to that effect for the Chairman's signature. Commissioners Looney and Deen both reported that they have talked to City employees and retirees about their satisfaction with the City's health insurance system and found them to not be opposed to a self-insurance system; they just want good coverage at an affordable price.

Ordinance Code Chapter 118 Revisions: Commissioner Lowe asked that, given the discussion reported above, this item be removed from the agenda until there is more clarity about potential budget cuts and their effect on public service grants.

Fair Taxation Committee: Commissioner Korn reported that the committee has held its first meeting to begin framing the issues it will study, and began with a review of the revenue sources for the General Fund. The committee will ask Kirk Sherman to appear at their next meeting to talk about other non-General Fund revenues, and will invite Property Appraiser Jim Overton to a future meeting to discuss property taxes in more detail, and Tax Collector Mike Hogan to discuss license and other fee revenues.

TRUE Commission Effectiveness: Chairman Palombi asked that this item be removed from the agenda for the time being. Commissioner Burnett volunteered to chair a group to discuss the purpose of and need for an effectiveness review committee. Commissioners Cowart and Looney volunteered to join the exploratory effort.

Nominating Committee report/Election of Officers: In the absence of Chairman Myers, Commissioner Lowe made the report of the Nominating Committee.

**Motion:** The committee recommended the following slate of officers for the coming year:

President – Ron Mallett; Vice-President – Elaine Burnett; Secretary – Mike Meroney

The committee also recommended expanding the role of the Secretary to include the following functions:

- 1) tracking commission attendance; 2) tracking and ensuring full membership; 3) updating the commission business cards annually; 4) overseeing a quarterly news release highlighting the commission's activities and achievements for the quarter; and 5) collecting funds for and purchasing the traditional plaque for the outgoing commission chair.

The Chair opened the floor for any further nominations; there were no additional nominations.

The motion on the slate of officers and amendment to the duties of the office of Secretary was **approved**.

#### Council Auditor Committee

Commissioners Lowe reported that, as a result of a discussion initiated at the May commission meeting, she and Commissioner Deen had met with Council Auditor Kirk Sherman to discuss his office's staffing level and work load. As a result they distributed a proposed resolution for consideration by the

commission that would request the Mayor and City Council to increase the Auditor's Office staff in the upcoming fiscal year budget. The commission discussed whether or not the resolution should be directed to the Mayor since the Auditor's Office is within the purview of the City Council staff, and whether to specify the number or type of personnel to be added. The commission also considered whether to specify a maximum number of years between audits of a department or entity.

**Motion:** Commissioner Lowe moved that the commission adopt the proposed Council Auditor staffing resolution as distributed. The motion was **approved**. Copies are to be sent to the Mayor and all City Council members, with the Council Auditor's Risk Assessment document attached.

#### Auditor's Report

- 1) Council Auditor Kirk Sherman reported that the City administration gave its mandatory mid-year budget update to the City Council's Finance Committee earlier this week, and reported a projected positive year-end fund balance of \$4.2 million. This represents a very tiny percentage of the General Fund budget (0.5%) and is, of course, only a projection at this point.
- 2) His office released its quarterly budget summary for the second quarter of FY06-07, and noted no anticipated problems for the remainder of the year.

In response to a question from Commissioner Mallett about whether the Council's Audit Committee would be carried over to the new council year and, if not, where the TRUE Commission would be reporting, Mr. Sherman indicated that decisions about next year's committee structure have not yet been announced.

#### Chair's Report

Chairman Palombi thanked the members for their hard work in tackling a variety of tough issues in the past year. He noted that the commission's mission is very broad, so there is great scope for the group to look at any issue they think merits attention. Mr. Palombi also reported that letters have been sent to all of the departments and authorities that received the Performance Committee's survey and report two years ago asking what changes or improvements have been made in the intervening years in performance measurement or management. Finally, he reported that he had forwarded Commissioner Burnett's report on crime issues in the Riverside/Avondale area to Sheriff Rutherford as directed by the commission at its last meeting.

#### Old Business

TRUE Commission Effectiveness Committee – Commissioner Burnett volunteered to assume the chairmanship of this committee, along with commissioners Cowart and Looney.

#### New Business

- Staff was requested to send a letter to the chair of the Southwest CPAC to request a nominee to replace outgoing commissioner Lee Martin, who has served 2 terms, on the TRUE Commission.
- The commission discussed possible methods for increasing public awareness of the TRUE Commission and its activities. Commissioner Mallett suggested publishing notice of the TRUE Commission's monthly meetings in the Community Calendar of the *Florida Times-Union*. Commissioner Burnett suggested making the minutes of commission and committee meetings available to the public via e-mail or by copies available at the City Hall information desk.

#### Commissioner Comments

- Commissioner Looney inquired of the Council Auditor about the status of the Medical Examiner Office audit. Work is progressing and should be wrapped up shortly.

- Commissioner Burnett suggested the need for TRUE committees to provide written reports to all commissioners after committee meetings

Next meeting

The commission's next meeting is scheduled for Thursday, July 5th at 4:00 p.m. in the City Council Chamber. In light of the Independence Day holiday on the 4<sup>th</sup> and the likely absence of some commissioners on vacation, staff was requested to e-mail all commissioners and poll them for their availability for the meeting. If the response indicates a likely quorum shortage, the meeting may be cancelled at the discretion of the Chair.

There being no further business, the meeting was adjourned at 5:16 p.m.

Items pending further follow-up

- Fair Taxation Committee – Commissioner Korn
- TRUE Commission Effectiveness Committee – Commissioner Burnett
- Performance Committee – Commissioner Meroney