



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

**Ron Mallett, Chair**  
**Elaine Burnett, Vice Chair**  
**Mike Meroney, Secretary**

## **Meeting Minutes**

**August 2, 2007**

**4:00 p.m.**

**Attendance:** Ron Mallett (Chair), Marcella Lowe, Lou Myers, Elaine Burnett, John Jolly, Pamela Korn, Louvenia Tippins, Gary Looney, Charles Magee, Nicole Lester

**Excused:** Bob Lee, Mike Meroney, Greg Anderson, Charles Curley, Mark Cowart, John Palombi

**Absent:** Lee Martin, Randy Deen

The meeting convened at 4:17 p.m. with a quorum present

Chairman Mallett noted the absence of Commissioner Meroney who was hospitalized recently but who is now at home is recovering nicely. The commission keeps him in their thoughts and looks forward to his return.

### Minutes

**Motion:** Approve the minutes of the June 7, 2007 commission meeting as previously distributed by e-mail. Commissioner Burnett clarified that the Effectiveness Committee that she chaired would also handle public information functions.

The motion was **approved**.

### Sunshine Law briefing

Steve Rohan, Deputy General Counsel and the City's Ethics Officer, made a presentation about Florida's expansive Government in the Sunshine law and its application to the TRUE Commission. Briefly summarized, the law defines a "meeting" as any communication between 2 or more members of the same elected or appointed governmental body at which positions are developed or action taken on public business. A meeting can be a physical gathering, a telephone call, an exchange of letters or e-mails, or the use of a third-party intermediary to convey messages back and forth for the purpose of developing a position or taking action on a matter that is, or could conceivably be, on the agenda of the board, commission or body. Meetings are required to be held in public buildings, open and accessible to any interested member of the general public to attend, with reasonable advance notice given, and written minutes produced afterward. "Reasonable notice" means at least 24 hours, not including weekends and holidays.

The key to compliance is the reasonableness test, and a judge will ultimately decide what is a reasonable attempt to fairly comply with the letter and spirit of the law. Penalties for violation can include monetary fines, jail time for serious offenses, civil lawsuits, and public embarrassment. Mr. Rohan indicated that members may communicate with members of other boards and commissions, with the City Council or the Mayor without violating the Sunshine Law; the law applies to meetings of members of the same body. Casual meetings on the street or in restaurants, social events, and other gatherings are not a problem as long as no discussion of public business takes place. Members may communicate with each other in person, by phone or e-mail without advance notice for purposes of coordinating schedules to arrange a time, date and place for a noticed public meeting without violating the law, as long as no other business is discussed.

### Committee Reports

#### Performance Committee:

Commissioner Mallett reported that the committee's primary issue at the moment is its recommendation that the City self-insure for employee health care. The committee met with City Director of Administration and Finance Mickey Miller who felt that there is not sufficient time to undertake that kind of project for the upcoming fiscal year (FY07-08 beginning October 1, 2007). The committee disagrees, since the health insurance contract takes effect January 1, 2008. Mr. Mallett pointed out that the School Board recently announced its decision to self-insure for health care for 2008, indicating that it must be possible. He will be meeting with the Mayor next week to press this issue for the upcoming budget because of the potentially large cost savings to be had.

Fair Taxation Committee: Commissioner Korn reported that the committee had met and reviewed the City's General Fund and Special Revenue Funds to determine where the revenue comes from. The next meeting will address the topic of what is "fair" in regard to taxes and revenue. Chairman Mallett recommended that Ms. Korn meet with Art Shad, Chair of the Finance Committee, to talk about the Fair Taxation Committee's work and its relevance to the City's budget process. Commissioner Myers inquired about the taxable status of churches that also operate for-profit ventures. Council Auditor Kirk Sherman believes that the for-profit operations are subject to the federal income tax and possibly to local public service taxes, but didn't know how property taxes were calculated on such entities. He will get further information and report back to the commission.

#### Auditor's Report

- 1) Council Auditor Kirk Sherman reported that his office has released its annual report of the Auditor's Office's activities for FY05-06.
- 2) The office has also released a short report on some aspects of operations at the Fleet Management Division. The report was prompted by several tips telephoned to the Auditor's fraud hotline regarding some questionable practices. Recommendations included paying closer attention to vehicle oil change intervals and to the requirement that every third oil change be performed at the Fleet Management garage rather than at a private contract facility, and preventing the practice of drivers signing work invoices as complete when they drop the vehicle off before the work has been performed.
- 3) At the request of Council Member Clark, the office has examined the possibilities for cost savings in the City's cellular phone contracts. The study found that the City and its authorities utilize 3,004 phones contracted through 4 providers, at a total cost of \$1.2 million this year. The report concluded that by "piggybacking" all users onto the lowest cost service plan of each of the 4 providers, the City could save \$49,682.74 this year, while maintaining all current phone and service providers.
- 4) The budget process is the Auditor's Office's top priority at this time of year. This year will be a difficult one, given the state's property tax reform package. City Council acted this morning to

adopt the Mayor's proposed rolled-back millage rate that complies with the state's property tax rollback mandate. The projected \$65 million gap between projected revenues and desired expenditures was filled in equal parts by budget cuts (after allowing minimal growth for inflation) and the proposal of new revenue through 3 new fees (JEA franchise fee, stormwater management fee, and solid waste management fee). The Council is scheduled to hold a public hearing and tentatively approve the Finance Committee's budget proposal on September 11<sup>th</sup>, then give final approval on September 25<sup>th</sup>.

In response to a question from Commissioner Myers about how the new fees would be collected, Mr. Sherman stated that the JEA franchise fee would be added as line on the JEA customer bill, and the stormwater and solid waste management fees would be separately billed on a monthly basis for the first year. He stated that Jacksonville's proposed fees are very low compared to other Florida jurisdictions for the same fees. Jacksonville is not setting its rates to cover the full cost of the services. Commissioner Jolly stated that ensuring compliance may be problematic with a separate billing system. Jacksonville Beach, where he lives, bills the solid waste and stormwater fees on the city's monthly water bill and uses the threat of shutting off the utilities to ensure payment of the other fees.

#### Chair's Report

Chairman Mallett stated his desire for the commission's work to be relevant and beneficial to the City Council and Mayor. He has met with the Council President and will meet soon with the Mayor to offer the commission's services and to solicit their specific instructions on what the commission could do to be useful and relevant.

#### Old Business

Business cards – In the absence of Commissioner Meroney, Commissioner Burnett will work on the revision of the business cards.

#### Commissioner Comments

- Commissioner Lester introduced herself and talked briefly about her background and her interest in the work of the commission..
- Commissioner Burnett expressed her concern with how the state's mandated local property tax cuts will impact the City's ability to meet its obligations under the 2010 Comprehensive Plan. The City is currently producing its Evaluation and Appraisal Report on the progress of the Comprehensive Plan, and she urges citizens to be involved in the process, attend the public hearings, and let the City know how they think the Comp Plan is really working and what needs changing.

#### Public Comment

Tony Bates congratulated Ron Mallett on his election as Chair of the commission and urged the commissioners to be active participants in the work of the committees where the real work of the commission gets done. He suggested that the commission look at the City's pension plan as a potential study topic. His group, the Concerned Taxpayers of Duval County, is working with the Mayor, the JEDC, the *Florida Times-Union*, and others to put together a panel presentation on the upcoming January Constitutional amendment referendum on expanding the homestead exemption in order to educate the taxpayers about the consequences of the amendment.

Shirley Smith described a problem to the commission that she is having with regard to work done on her home by Builders Care. She has never gotten a satisfactory bill for the work done, and is having trouble finding what the City's records show was done to the home. Commissioner Myers will meet with Ms. Smith and attempt to help her obtain the information she is seeking from the City. Ms. Smith is also concerned about crime and poor street lighting in her neighborhood. Commissioner Burnett suggested

that she attend the CPAC and SHADCO meetings in her area, and speak to her district City Council member about her neighborhood's concerns.

Next meeting

The commission's next meeting is scheduled for Thursday, September 6th at 4:00 p.m. in the City Council Chamber.

There being no further business, the meeting was adjourned at 5:42 p.m.

Items pending further follow-up

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