



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

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

Meeting Minutes

September 6, 2007

4:00 p.m.

Attendance: Ron Mallett (Chair), John Palombi, Marcella Lowe, Mark Cowart, Lou Myers, Elaine Burnett, Pamela Korn, Charles Magee,

Excused: Mike Meroney, Nicole Lester, John Jolly, Gary Looney, Randy Deen

Absent: Lee Martin, Louvenia Tippins Greg Anderson, Charles Curley,

The meeting convened at 4:05 p.m., lacking a quorum, in City Council Conference Room A, having been relocated as a result of a special called Finance Committee budget hearing in the City Council Chamber.

Minutes

In the absence of a quorum, consideration of the minutes of the August 2, 2007 meeting was deferred.

Personal appearance – City Council President Daniel Davis

President Davis asked the commissioners present to introduce themselves, give a brief explanation of what interested them in serving on the TRUE Commission, and give an example or two of where the TRUE Commission has had success or made an impact by its work. Commissioner Palombi cited the work of the Performance Committee on performance measurement and procurement and contracting; Commissioner Korn cited the current work of the Fair Tax Committee; Commissioner Burnett cited the commission's assistance to several elderly homeowners with their housing rehabilitation program contracts; Commissioner Myers cited the recommendations on Ordinance Code Chapter 118 and the public service grant process; Commissioner Lowe cited the work on cash management policies and the Sheriff's Investigative Fund, and the Commission's advocacy for increasing the staff of the Council Auditor's Office several years ago.

President Davis thanked the commission for its good and timely work, and for its citizen perspective on the government's finances and operations. He stated that he would be corresponding with Finance Committee Chairman Art Shad to let him know that he has met with the commission and to ask him for suggestions about how the TRUE Commission could be useful to the Finance Committee's work. He suggested that a look at the City's fee structure, particularly those fees that have not been evaluated or adjusted in many years, would be helpful, especially in light revenue constraints that will likely be ongoing into the next fiscal year.

Committee Reports

Performance Committee:

Commissioner Mallett felt that the TRUE Commission's work in this area will definitely get some attention from the Mayor's Office with Pam Markham now installed as the City's Inspector General. He also feels that the committee's work on self-insurance will also get a real look.

Fair Taxation Committee: Commissioner Korn reported that the committee had met and will be looking at the various revenue sources and how Jacksonville compares to other Florida cities on those sources, and then will decide what particular issues to study more in-depth. Commissioner Mallett suggested the possibility of holding an advertised public hearing to get input on public perceptions of Jacksonville's tax fairness. If nothing else, a presentation by the Commission could help put Jacksonville's revenue streams into perspective for those citizens who attend. Commissioner Korn indicated that she would be meeting next week with Art Shad, Chairman of the Finance Committee, to inform him of the committee's work and would broach the subject of a possible TRUE public hearing.

Public Information/Effectiveness Committee: Commissioner Burnett reported that the committee had met immediately prior to the full commission meeting today and will try to schedule its regular meetings for 3:00 p.m. on the days of full commission meetings for convenience.

Personal Appearance – Mayor John Peyton

Mayor Peyton stated that the TRUE Commission is already having an impact via its recent procurement report and recommendation for self-insurance for employee health care. His office reads and appreciates the commission's work. Commissioner Mallett suggested the idea of a TRUE Commission public forum on the fairness of the 3 proposed new fees. The Mayor felt that a commission forum might be confusing to the public and distract from the City Council's intensive work on the fee bills. He feels the issues are most properly dealt with by the Council.

In response to a question about where the TRUE Commission's efforts might be most usefully applied, the Mayor suggested 2 possible study topics: 1) City pension obligations, which he sees as a huge potential threat to the City's long-term fiscal health; and 2) the state legislature's threat to home rule and local fiscal autonomy, as evidenced by the recent property tax reform legislation and the upcoming vote on a "super" homestead exemption. Mayor Peyton is concerned that the City is "at a crossroads" and a bad decision now could start a long downhill slide toward mediocrity and disappointment. He feels the City is woefully under-funded in many areas and could really suffer from lack of spending on necessary facilities and services. He feels that the legislature is crippling local governments by simultaneously imposing drastic restrictions on the property tax base while at the same time imposing continual unfunded mandates on local governments to pay for state functions and priorities.

Auditor's Report

Council Auditor Kirk Sherman reported that his staff has been overwhelmed by both the budget process and the administrative reorganization ordinance in recent weeks. The fiscal third quarter budget review looks relatively good – projecting a \$5-10 million year-end surplus at this point.

The Auditor's report on the Medical Examiner's Office has been released, although additional facts are still coming to light as late as this week. Some changes have been made by the Finance Committee as part of the budget process but additional procedural changes and safeguards will need to be implemented to rein in the outside income the office's employees are deriving from work performed for counties outside of the local judicial circuit. In response to a question, Mr. Sherman indicated that to his knowledge there has never been an audit performed on the Medical Examiner's Office. He still has

questions about possible City liability for any financial arrangements among the doctors and other City employees for hours worked and dollars collected from other counties and distributed among the staff.

The Sheriff's Office Investigative Fund annual audit has been completed, with no substantial issues identified. Mr. Sherman also reported that, in response to a question at the last meeting, he had contacted the Florida Department of Revenue concerning the taxability of churches on for-profit operations (i.e. parking garages). He learned that churches that operate for-profit operations must be properly incorporated in the State of Florida and any profit-making functions are taxable under state law. In response to another question, Mr. Sherman indicated that he could not predict with any confidence what the Council would do with the 3 proposed new fees. The Council is wrestling with the proposals and budget simultaneously and he cannot predict what will happen by the budget deadline.

Chair's Comments

Chairman Mallett expressed his appreciation for the Mayor and Council President coming to visit the commission and providing some insight on their priorities. He knows that Art Shad and the Finance Committee also appreciate TRUE's input. The commission will have a better idea of where it can be helpful after the budget is completed and new fees either are or are not adopted.

Old Business

- Builders Care: Commissioner Myers reported that he met with Mrs. Smith and Mr. Simons of Builders Care to discuss the complaint the commission received at its August meeting from a member of the public. In his opinion the overhead costs included in the contract seem extremely high for administration, product delivery and supervision. Even so, the homeowner's problem was not so much with the cost of the overhead as with the failure of the organization to talk to her and explain in detail the costs included in the bill. Chairman Mallett suggested that perhaps the City needs to set maximum charges for administration and overhead and then recruit contractors who are willing to abide by those rates. He also suggested that the TRUE Commission's recommendations regarding the Housing Authority's home rehab program be extended to the Builders Care program as well.
- Riverside/Avondale crime: Commissioner Burnett reported that the Sheriff's Office is receptive to building an e-mail "crime alert" tree. Chairman Mallett offered to intervene with the Sheriff to get a response from JSO deputy chiefs if RAP feels that its requests are not being paid sufficient attention. Ms. Burnett also noted that the Riverside/Avondale ShAdCo has moved its meetings to the Willow Branch Library at her suggestion and the last meeting drew a full house.

Special Presentation

Chairman Mallett and Commissioner Burnett presented past Chairman John Palombi with a plaque in honor of his outstanding service as TRUE chairman. Mr. Palombi thanked the group for their hard work and dedication and hoped that the commission would continue to utilize its unique position to represent and support Jacksonville's citizens.

Next meeting

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

There being no further business, the meeting was adjourned at 6:00 p.m.