



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

Ron Mallett, Chair

Elaine Burnett, Vice Chair

Mike Meroney, Secretary

Meeting Minutes

May 1, 2008

4:00 p.m.

Attendance: Ron Mallett (Chair), John Palombi, Marcella Lowe, Nicole Lester, Randy Deen, Mark Cowart, Pamela Korn, Greg Anderson, Elaine Burnett, Lou Myers and Wes Benwick

Excused: John Jolly

Absent: Charles Curley, Charles Magee, Louvenia Tippins

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

The preliminary agenda was **amended** to add two discussion items under New Business: Commissioner Benwick wishes to discuss a School Board procurement issue, and Commissioner Burnett wishes to discuss a Jacksonville Sheriff's Office issue. The agenda was **approved as amended**.

Minutes

The minutes of the April 3, 2008 meeting **approved as distributed**.

Committee Reports

Performance Committee – Commissioner Palombi reported that the committee had met in April to talk with City administrators about the concept of self-insurance for employee health care. A presentation by the City's health care consultant outlined four options for insurance provision ranging from total contracting to an insurance company to total self-insurance, with two intermediate steps in between. The group will meet again next Thursday to receive the results of the committee's request for additional information on Jacksonville's particular situation with regard to self-insurance and on examples of other comparable jurisdictions that have gone to self-insurance.

Ad Hoc Committee on Budget Efficiencies

Commissioner Palombi reported that the committee had met once since the last commission meeting to review additional departments' budgets and to consider their need for the 2% lapse imposed at the time of budget adoption. In almost all cases the committee voted to restore the funding after hearing the departments' explanations. The committee's meetings have been held in rooms packed with departmental personnel and constituents interested in seeing the funding restored. The council members are learning

more about the inner workings of the departments which should prove useful in dealing with the preparation of next year's budget which will begin in July. He does not sense that there is a prioritization by the City departments of needs and wants nor recognition of a need to manage with less revenue. The Ad Hoc Committee meets again on May 12th. In response to a question about whether this same Ad Hoc Committee procedure would be used again next fiscal year, Council Auditor Kirk Sherman reported that the City is potentially facing a \$50 million deficit going into the next fiscal year and it is not yet clear how the administration plans to deal with that deficit. Council members are experiencing first-hand how difficult it is to make cuts when constituencies show up in force at meetings to plead their case for funding.

Effectiveness Committee – Commissioner Burnett reported that the committee will have a report for the TRUE chairman by late May, and urged the commissioners to send in any audit or committee evaluations that may still be outstanding. Evaluation forms have been e-mailed to all members. The committee hopes the report will be of great assistance to the chairman in compiling his year-end report, and they will also distribute the report to the news media.

Nominating Committee – Commissioner Anderson proposed the following slate of officers for the upcoming TRUE Commission year: Chair – John Palombi; Vice-Chair – Pam Korn; Secretary – Greg Anderson. The Chairman opened the floor for additional nominations, of which there were none.

Housing Rehabilitation Committee – Commissioner Myers reported that he had talked with several of the people who had brought difficulties with housing rehabilitation programs to the commission's attention and they seem to be generally satisfied that their concerns have been fairly addressed. His major concern is that the cost of program administration seems to be high (up to 30%). Chairman Mallett asked that the issue be removed from the TRUE Commission agenda as a standing committee item, but that a commissioner volunteers to keep an eye on the issue to follow up with at a later date.

Auditor's Report

Council Auditor Kirk Sherman noted that Report #647 – Procurement - Sole Source/Proprietary Purchases - indicates that sometimes advertisements for these types of contracts appear to be posted on the City's Web site for too short a time to adequately inform the public of their occurrence. The Auditor's Office needs to see further documentation of the posting process.

Audit #646 – Courthouse Construction – found that the project budget was seriously compromised from the very beginning when the decision was made to build the new courthouse on land not already owned by the City. With property acquisition and development costs factored in, the original \$190 million budget was never going to be sufficient. The City has hired former Chief Administrative Officer Sam Mousa to spearhead the new construction effort, and he is counting on the current economic slowdown to increase competition among bidders and drive the project cost down in conjunction with cutting back on nice but expensive materials (polished granite and walnut wood) in favor of more inexpensive materials. The City won't know what the actual construction cost will be until a final design is selected and definitive plans drawn and put out to bid. The previous project management contract paid on the basis of the passage of time versus percentage of job accomplished – this won't be the case again.

Commissioner Lowe stated that she has been on the Better Jacksonville Plan Oversight Committee almost since the beginning and she thinks that the courthouse project is finally on track to actually being constructed. Commissioner Myers asked about the results of Main Library Construction audit – did the City or the contractor prevail in the dispute over whether the project was or was not completed on-time and on-budget. Mr. Sherman will check. Commissioner Burnett asked if City contracting procedures would change as a result of the problems encountered with the Main Library and courthouse projects. Commissioner Palombi stated his belief that the Ad

Hoc Committee process has been informative in showing the council members how difficult it is to change processes in the city government.

In response to a question from Chairman Mallett, Kirk Sherman indicated that the Council was about ready to restart its consideration of fleet maintenance out-sourcing as proposed several months ago by the Auto Masters company. In response to a question from Commissioner Burnett about the status of the amendment to the JTA charter by the legislature, Mr. Sherman indicated that the bill had been approved against the Council Auditor's recommendation. The change will allow the JTA to utilize outside attorneys without the City's approval or consent and will allow further changes to the JTA charter without the use of the local J-bill process.

Chair's Comments

- Chairman Mallett stated that a resolution appointing Joe Andrews to the commission as Mayor's appointee should be introduced soon.
- He also cautioned the commissioners against parking in front of City Hall on Duval Street in the restricted parking zone with only the TRUE Commission pink parking placard. The placard is good only for parking at a meter; without a pass from the Mayor's Office, parking on Duval Street will get you a ticket. If a commissioner has been ticketed for parking in front of City Hall on Duval Street today, Mr. Mallett will attempt to intercede with the Mayor's Office to have the ticket invalidated.

Old Business

The chairman instructed that the issue of the TRUE Commission's size and membership be dropped from the agenda as a standing item until such time as there is sufficient interest among the commissioners to address it again.

New Business

- Commissioner Burnett stated that she will continue to keep the commission up to date on her continuing efforts on behalf of better information exchange and communication between the Sheriff's Office and citizens in the Riverside/Avondale area. She appreciates the commission's support of her efforts.
- Commissioner Benwick stated that he had sent a letter to the School Board expressing concerns about the district's copy machine contract that was recently awarded to Xerox without a local competitive bidding process. The school district piggybacked its order onto an out-of-state joint procurement contract. There were savings realized from the use of this joint procurement contract, but Mr. Benwick believes that even greater savings could have been achieved with a local competitive bidding process. The City recently did a somewhat similar thing with a copier contract with IKON, and that process did not turn out well. Commissioner Palombi noted that the Performance Committee had heard a little about this kind of contracting process during its procurement study and suggested that this might be the opportunity to dust off that work and dig deeper into this issue. The Performance Committee will take it up at their next meeting. Commissioner Deen suggested that it may have been proper or legal for the School Board to have piggybacked onto an out-of-state contract; Mr. Sherman will look into the issue, and Chairman Mallett stated that he would invite the School Board to address the issue at the next meeting.

Commissioner Comments

Commissioner Burnett is concerned about the proposed sale of the John Gorrie School building in Riverside and its effect on the surrounding neighborhood. The building could be an asset if redeveloped for residential or commercial reuse, but there is no guarantee that that is what's going to happen or that the sale will be a positive for the community.

Public Comments

Former TRUE Commissioner and Chairman Tony Bates offered congratulations to the slate of new officers. He recommended that Commissioner Benwick talk to Mary Kelli Palka of the *Florida Times-Union* about his

concerns over the School Board's copier contract. She just left the paper's City Hall beat to cover the School Board and may be interested in this issue. Mr. Bates also cautioned the group to continue to be vigilant about the courthouse construction project, pointing out that Sam Mousa was part of the Mayor's team that sold the original \$190 million price tag to the public. He suggested that the commission might want to have a standing courthouse review committee to keep tabs on the project as this latest version develops. Finally, he noted the upcoming memorial gathering for deceased commissioner Mike Meroney in late May.

Potential commissioner Joe Andrews stated his readiness to join the commission and hoped his appointment resolution would be forthcoming soon.

Next meeting

The commission's next meeting is scheduled for Thursday, June 5th at 4:00 p.m.

There being no further business, the meeting was adjourned at 5:15 p.m.