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| **OFFICE OF THE CITY COUNCIL** |
| GREG ANDERSON COUNCIL MEMBER, AT LARGE GROUP 4OFFICE (904) 630-1678FAX (904) 630-2906E-MAIL: GANDERSON@coj.net | July 17, 201311:00 a.m. | 117 West Duval StreetSUITE 425JACKSONVILLE, FLORIDA32202 |

**Topic:** FY 2013-2014 Finance Committee Procedures

**Location:** Conference Room A

**In Attendance:** Council Member Greg Anderson, Council Member Stephen Joost, Council Member Bill Gulliford, Council Member Clay Yarborough, Council Member John Crescimbeni, Council Member Matt Schellenberg, Council Member Robin Lumb

**Also in Attendance:** Peggy Sidman (Office of General Counsel), Ronnie Belton (Administration), Glenn Hansen (Administration), Lin White (Public Works), Kirk Sherman (Council Auditors Office), Kyle Billy (Council Auditors Office), Joe Andrews (TRUE Commission)m, Steve Patterson(Times Union), David Chapman (Daily Record), Mercedes Parker (ECA CM Brown), Leeann Krieg (ECA CM Anderson).

**Meeting Convened:**  10:00 a.m.

**\*\*\*AMENDED MEETING MINUTES\*\*\***

 CM Anderson opened the meeting by welcoming everyone and stating the purpose of this meeting was to discuss the procedures for the Finance Committee both in the budget hearings and the upcoming year. CM Anderson addressed the topic of the Millage Rates as it pertains to the budget proceedings.

 Kirk Sherman from the Council Auditors Office reviewed the process for establishing the millage rate. The Council votes on the purposed millage rate by a Resolution at the July 23, 2013, City Council meeting.

 Peggy Sidman from the Office of General Counsel elaborated to that point by explaining different scenarios in deciding where the millage rate should be set. One option is to set the millage levy at the maximum rate the Council is willing to pass with the possibility of working it down from that amount. The second option is to set the millage levy at the current rate and work towards that goal. Ms. Sidman also stated the Mayor does not have the authority to veto the Millage Resolution the Council approves. If the Mayor fails to sign the approved legislation, the millage levy will default to the roll back rate of 10.2107.

 CM Anderson asked Committee members to address Mr. Sherman with questions they have regarding the Mayor’s proposed budget.

CM Lumb asked Mr. Sherman if he could provide the exact amount of funds currently available in the City’s reserve accounts. Mr. Sherman stated that he is unsure of the exact number but will compose a report to the Finance Committee regarding this matter.

 CM Schellenberg also requested that an analysis of these reserve accounts spanning the last ten years also be included in these reports. He suggested the recovered money appropriated to the Downtown Investment Authority (DIA) and Office of Economic Development (OED) be included in this analysis as well. CM Crescimbeni asked that all other items being funded through the General Fund with monies unspent also be included in this report. Mr. Sherman did point out that appropriated amounts for the DIA and OED are not considered in reserves as they were set aside for a specific purpose.

 CM Anderson asked that Mr. Sherman explain the difference between “lapses” and “extraordinary lapses” and provide a definition for a “balanced budget.” Mr. Sherman explained that his office reviews the budget by ensuring that expenditures are presented in a way that works and lapses are equaled by changes in operations. A regular lapse is typical practice of every budget as it relates to salaries and benefits. An extraordinary lapse equals a lapse amount greater than 3% of the budget. CM Gulliford asked Mr. Sherman if he was aware of the origin of extraordinary lapses. Mr. Sherman stated that it was first used during the Peyton Administration though it was sparingly. It became commonplace during last year’s budget process. CM Gulliford asked that we clearly define extraordinary lapses by setting a watermark as opposed to the limitless definition as it stands.

 Ms. Sidman stated that the Council will be voting on eight separate budget bills. Councilman Anderson asked that Ms. Sidman comprise a memorandum listing all eight budget bills along with the Mayor’s veto capabilities. Ms. Sidman agreed to this assignment.

 CM Anderson raised the issue of Ordinance 2013-366. This is the only committee that is taking up the pension bill. At this time, Ms. Sidman cautioned Council Members from engaging any dialogue which may reflect their opinions on this matter **that may come in front of them in an impasse hearing.** CM Lumb asked if he is free to discuss his position at Finance Committee meetings and Ms. Sidman stated that it is not acceptable to do so **if this matter should come before them in an impasse hearing.** She explained that one can ask questions and for information freely as long as they do not debate the merits of the issue. **CM Yarborough recited a passage from an email that Cindy Laquidara of the General Counsel’s office sent stating the following, “With labor negotiations, you cannot take public positions on matters which will be presented to you in an impasse proceeding. There will be no impasse proceeding on this contract dispute with the Pension Board.”**

 At this time, CM Gulliford raised the point that this issue furthers the need for the Council to pursue the option of outside legislative counsel. He stated the Executive Committee will be meeting to discuss hiring a specific outside counsel in the near future.

 CM Anderson polled the committee members concerning their preference in deferring a vote on 2013-366 until a resolution to any filed suit is reached. The members agreed to this point. CM Crescimbeni also asked that the committee delay any Shade Meeting(s) until outside legislative counsel has been hired. The members also agreed to this point. Ms. Sidman stated she would need to clarify whether outside legislative counsel would be allowed to be present at the Shade Meeting. She will report back to the committee on this matter.

 CM Lumb asked that the committee formulate a philosophic definition of the budget process along with a method of establishing spending priorities. He suggested reviewing any accounts that retain previously committed but unused funds. He also suggested tapping into reserve accounts to recover a portion of the budget shortfall. CM Lumb stated that he disagrees with across-the-board cuts.

 CM Crescimbeni and CM Yarborough agreed to the point that departments should provide different options of budget cuts and the specific value of these cuts both in service levels and dollar amounts. CM Anderson committed to issue a memo to all departments to be prepared to so at their respective budget hearings.

 CM Anderson thanked all those present for attending and adjourned the meeting.

**Meeting Adjourned:** 11:15 a.m.

**Minutes:** Minutes completed by Leeann Krieg ECA, for CM Anderson.

GA/lk

cc: Council Members/Staff

Cheryl Brown, Director/CouncilSecretary

Dana Farris, Chief, Legislative Services Division

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