



Task Force on Consolidated Government
Council Member Lori Boyer, Chair

**Organization, Operations, Personnel, Budget,
Borrowing, & Risk Committee**

March 5, 2014

9:06 -

MEETING SCHEDULE

Welcome

Elaine Brown, Chair

Panel Discussion: Discuss Possible Recommendations

Adjourn

Next meeting:

Wednesday, March 12, 2014, 9 a.m. (*if necessary*)

Conference Rm. A, Suite 425, City Hall



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**Organization, Operations, Personnel, Budget,
Borrowing, Risk, & Economy Committee**

COMMITTEE TOPIC & ISSUE LIST

Group A:

Risk Management

a. Risk management has become increasingly conservative and risk is deemed an administrative as opposed to policy decision. What is the extent of local government immunity and why are the insurance requirements imposed on users so high?

Central Services- mandated usage, cost allocations level of service for OGC, IT, Employee Services, Building Maintenance, Fleet, Procurement, PR, etc.

- a. Within City Government
 - b. Independent Authorities usage
 - c. Constitutional Offices
 - i. Does allocation of unfunded pension cost associated with service price service above market? Solutions?
 - ii. Allocation increased for special services but not decreased for lower usage
 - iii. Specialized needs; super-users
- The promised efficiencies and economies of scale have not been realized
 - Decentralization has been the recent norm
 - The current model is cumbersome, bureaucratic, and while eliminating duplication does not yield high quality effective services to using agencies
 - The current model does not recognize the priorities of individual public-facing departments.
 - Public Works needs to provide a budget for individual departments that reflects the facilities maintenance requirements of those departments.

Procurement/ Contract management

- a. Process improvements- committee composition, etc.
- b. Has Council delegated too much authority to Mayor and admin? No review of large multi-year contracts such as SMG. Should Code be changed?
- c. How do using agencies define service or product needed? Role in process?
- d. Where does contract management responsibility lie? Problem with agreements such as easements (OGC-Panera's) and Grants (HUD)

- e. Minority contracting
- f. How can we truly implement a “prompt pay in thirty days” practice that is currently not being followed?

Budget

- a. Requirement that pension fund establish assumed rate of return no later than March 1 would greatly improve accuracy of budget development
- b. Should prioritization and departmental request presentations occur at MBRC or in a public forum?
- c. Is zero based budget possible- rather than start from prior year?
- d. What constitutes a “balanced budget” and can/should there be a mechanism to return a budget to the Mayor?
- e. The budget establishes employee caps by Department and Division. Should these be enforceable? How? By whom?
- f. Should Departments, agencies be allowed to retain “budget savings” for use in a future year or for special projects? How does that impact the budget as a whole?
- g. Should there be an enforcement mechanism or consequence to a Department or Division that exceeds its budget? What?
- h. Should it take more than a majority vote of Council to override a line-item veto?

Group B:

Boards and Commissions, and Special Taxing Districts

- a. Review to determine need for, effectiveness, and cost. Boards and commissions have proliferated and numbers of vacancies render them ineffective
- b. Review criteria for appointments to determine if creating obstacle to filling positions

Jacksonville Public Library

- b) Is a fixed revenue source for funding the library an appropriate direction?
- c) A JCCI study committee made up of community leaders recommended that the most secure funding mechanism for the library would be to establish it as an independent taxing district. Is this the best option for ensuring a sustained, quality library system for the future?
- d) Should the library and similar city departments have a budget and greater say in identifying their IT priorities and in managing the direction of their IT services?
- e) Should a mechanism be established that recognizes and provides for the capital needs of the library and other individual departments?

Public Health

- a. Health Dept. removed from day to day operations and decisions- how can it be better integrated?

- b. Relationship with UF Shands?
- c. Is UF Health underfunded as the county's hospital?

Group C:

Quality and professionalism of workforce, Institutional knowledge

- a. Civil Service- need for regular reviews (have not been conducted this admin), exams (Clerk of Courts comments), assignment of classifications within Departments (Library could not hire IT class)
- b. Level to which civil service can rise in management has been flattened, more appointed positions in lower levels of management result in loss of continuity; no job descriptions for some appointees

Group D:

Grants

- a. No concerted grant application effort; independent efforts in different divisions and offices

Borrowing Capacity

- a. Debt ratios and capacity targets codified. Are they still correct? They have been waived repeatedly in recent years
- b. How do the decisions of the rest of COJ effect JEA's bond rating?

Borrowing instruments

- a. Currently using covenant pledge to back borrowing in lieu of specific bond issues as used in the past. This mechanism may be expedient, but are there risks? Are the potential uses of funds transparent?
- b. Funds from one borrowing may be used to cover another activity as cash is treated as fungible. That practice has lead to several issues being in cash deficit. Is this a concern?

Alternative Revenue Sources

- a. Franchise fees
- b. JEA contribution
- c. Gas tax
- d. Fees for services
- e. research other Florida cities/counties

Removed:

Economy

- a. Government employment is flat from 1968. What sector has lost jobs and why?
- b. We hear frequent reports of local job losses as well as job gains. Where do we stand on a net basis? How can we prevent the job losses?
- c. Incentives for jobs that may employ those with lower educational levels whose unemployment rates are higher.



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**Organization, Operations, Personnel,
Budget, Borrowing, & Risk Committee**

SUGGESTED RECOMMENDATIONS

Risk Management

- The biannual actuarial report should be given to the City Council (& Council Auditor?) as soon as the report is returned to the Risk Manager
- Provide list of insured properties to the City Council (& Council Auditor?)
- Insurance requirements for organizations to whom the City leases or licenses property (i.e. baseball and soccer leagues in city parks, and licenses for community centers, etc.) should be reviewed and policy changes considered by Mayor/Council
 - Establish standards that could be used to determine situations where we actually don't need to require insurance
 - Are there circumstances where, as a matter of policy, the risk is modest enough the COJ is going to allow an indemnification and hold harmless agreement?
 - Activities where the party doesn't invite someone else in
- All claims for compensatory type damages should fall under Risk Management (budgetary & decision-making)

Contract Management

- The Task Force has reviewed contract management and believes contract management is best handled in the departments of the city and has no recommendation for change.
- Establish contract management procedures that clearly identify who will manage the contract
 - Req. in code, council rules,
 - Recommend specific language that must be in every contract identifying who will manage the contract

Procurement

Many of the suggested recommendations listed below are already in the process of being implemented by the Procurement Dept.

- Protest Procedures – intended decision, too many opportunities to protest each step of process.
 - *Ch. 126 Ordinance Change*
- Define subcommittee procedures, roles and guidelines
 - *Defined in latest revision of Procurement Manual*
- Revamp makeup of committees, eliminate OGC and Procurement. They should be staff only.
 - *Ch. 126 Ordinance Change*
- Look at CCNA scoring for ten standard criteria, is point system most efficient and yield best result, best fit for non-capital or design-architect-planning study?
 - *Procurement Manual Change*
- Some professional services should not be processed under CCNA. Code should include language where Chief can make determination.
 - *Ch.126 Ordinance Change*
- Need to modify sole source and proprietary to just a “single source” award.
 - *Ch. 126 Ordinance Change*
- Consolidate committees and go to one awarding committee (The Procurement Awards Committee, PAC)
 - *Ch. 126 Ordinance Change*
- Should code contemplate Best and Final Offer?
 - *Ch. 126 Ordinance Change*
- Expand Procurements technological abilities to allow for the distribution on bid materials, as well as, the receipt of bids electronically.
- Contracts of certain magnitude and/or certain duration
 - Multi-year operational contracts over \$???
 - Require a public hearing on the date of approval

Internal Service Charges – GENERALLY

- Generally
 - Develop recommendations that focus on developing cooperation between all aspects of local government within consolidated government and outside it. This cooperation focuses on decreasing costs, and improving service through combining like services. The challenge being in distilling services down to a basic enough level that they can be shared. The recommendations will not be to consolidate services but to voluntarily share services.
- Shared Services
 - The city shall engage in the practice of sharing services between the various parts of the consolidated government. This practice shall be focused on creating agreements between the various city

departments such as ITD, fleet, public works, and others if appropriate, and the independent authorities, the constitutional officers, school board, the Beach communities and the Town of Baldwin. The focus of the practice shall be to seek out opportunities for voluntary participation and agreement to cooperate in the provision of services for the mutual benefit of all parties, through cost savings and increased quality of service.

- Office of General Counsel
 - The City Charter should be amended to eliminate the practice of internal budgeting and charging of legal services to all departments, agencies, and offices of the city with exception of the independent agencies. The annual budget shall not allocate legal services to these departments, agencies, and offices of the city. Annually, the office of General Counsel shall be separately but sufficiently funded to meet the legal needs of the city.

Special Taxing Districts

- Special Taxing Districts are a specific act of deconsolidation and run contrary to the intent of City Charter. While this does not mean there is no use for special taxing districts, the creation of one should be done so with caution and other means of maintaining the authority of the City Council and the Mayor should be attempted first. Special taxing districts create a slippery slope effect. The creation of one will lead to the push for the creation of others, all likely legitimate, but at the cost of our consolidated form of government and will dilute the authority of the City Council establish the City Budget and financial priorities, among others.

Jacksonville Public Library

- Revenue generated from the collection of fines and fees should be retained by the Library.
- SPECIAL NOTE: The recommendation will include the note that there will be a straw ballot on August 26th giving voters the opportunity to voice their opinion on whether or not a special taxing district should be created to support the library. If passed the issue will go on the March ballot as a voter referendum to create the taxing district.

Boards & Commissions

- Boards and commissions could be coded in proposed legislation bill titles to provide some basic information about the board (advisory vs. substantive power, categories of membership, number and category of board vacancies, etc.)

- City Council & Mayor should establish a procedure for review of the number and need of the boards and commissions, created by executive order and ordinance, every 4-6 years

Employee Health

- The City of Jacksonville shall contract with a third party vendor to staff and operate a network of primary care clinics for use by City of Jacksonville employees, employees of the school board, and employees of the independent authorities.

Public Health

- Generally
 - There should be a funding source insulated from political sway that can meet the public health needs, including indigent care, of City of Jacksonville
 - Medical clinics established for COJ employees shall also be used to meet the primary care responsibilities of the county
 - Should the plan include dental?
 - Support legislation to change indigent care tax laws allowing consolidated counties to levy a tax for indigent care if they so choose

Organization Committee Recommendation on Employee Health

Issue:

Should the Consolidated Government establish a network of worksite clinics/medical homes?

Background: Worksite clinic/medical homes are a primary care delivery model that is widely used in the private sector, and increasingly is being utilized by public sector entities such as local government and public employee unions. Under this model, the employer contracts with a third party vendor to staff and operate a network of primary care clinics open to its employees and their families. The employer funds the start up costs of the clinics. The vendor is reimbursed for the validated annual operational costs of the clinics, plus a “per employee per month” management fee. Clinic visits, standard drugs, and lab tests are free to employees and their families. The benefit to the Consolidated Government is achieved by i) enhancing shared services in the provision of primary care, occupational health, and workers’ compensation services to employees of the Consolidated Government and their families, and ii) achieving cost savings and containing healthcare cost inflation through reduced health care insurance premiums. The cost savings could be reprogrammed into indigent care and/or pension costs. Employee health records/information maintained by the vendor would be fully confidential and not available to the Consolidated Government.

Locally, this model is already utilized by Baptist Health and Florida Blue for their employees. In addition, the concept has been vetted by the 2009-2010 Charter Revision Commission, and subsequently by the City of Jacksonville’s Health & Life Insurance Procurement Committee.

Recommendation:

Considering all of the advantages and disadvantages of the current system of providing from employee health the Task Force makes the following recommendation:

Ordinance Code Change:

Primary Recommendation: The Consolidated Government should establish a network of worksite clinics for employees and their families. In order to enhance shared services, the following stakeholders should be encouraged to participate: the Independent Authorities, the Constitutional Officers, the Beaches and Baldwin, and the Duval County School District.

Secondary Recommendation: The Consolidated Government should appoint a task force to study the issue of whether a network of worksite clinics/medical homes, once established to serve Consolidated Government employees and their families, could be utilized to provide primary health care to the indigent.



Organization Committee Recommendation on the Office of General Counsel and Internal Services Charging and Budgeting

Issue:

Should the Office of General Counsel be billing internal city departments, offices and agencies for legal services, and should these internal city departments, offices and agencies be required to annually budget for legal services?

Background:

The Office of General Counsel recovers its budget by the hourly billing of services to all city departments, offices and agencies as well as the independent agencies. All such departments, offices and agencies prepare advanced budgets anticipating the legal services for the year. This recommendation relates to all billing except for independent agencies.

Brief statement supporting internal service billing: Internal billing is a means of accountability. It forces departments, offices and agencies to critique and triage their legal needs and discourages them from utilizing Office of General Counsel resources for other than needed legal matters.

Brief statement against internal service billing: Internal billing of legal charges is a source of regular consternation to the departments, offices and agencies. It is not possible to logically anticipate annual legal needs as most law suits and other major issues are sudden and unanticipated. With 21st century technology, legal services can be tracked and accounted for without internal billings. Most importantly, internal legal service billings encourage clients to protect their budgets and avoid seeking legal guidance, leading to exacerbation of liability issues. As the General Counsel has said, all departments, offices and internal agencies are part of the “city”, and the city should budget its legal services separately.

Recommendation:

Considering all of the advantages and disadvantages of the current system of treating the Office of General Counsel as an internal services fund, the Task Force makes the following recommendation:

“Article 7 of the Charter should be amended to eliminate the practice of internal budgeting and charging of legal services to all departments, agencies and offices of the city with the exception of the independent agencies. The annual budget shall not allocate legal services to these departments, agencies and offices of the city. Annually, the Office of General Counsel shall be separately but sufficiently funded to meet the legal needs of the city.”

