

**OFFICE OF THE CITY COUNCIL**

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**SPECIAL BUDGET ANALYSIS COMMITTEE MINUTES**

**March 20, 2014**

**3:00 p.m.**

**City Hall**

**117 W. Duval St., 1st Floor**

**Committee Room B**

**Attendance:** Council Members Clay Yarborough (Chair), Robin Lumb, Don Redman, Matt Schellenberg, Warren Jones, Lori Boyer

**Excused:** Council Member Reggie Brown, Richard Clark

**Also**: Kirk Sherman – Council Auditor’s Office;Peggy Sidman – General Counsel Office; Carol Owens and Philip Zamarron – Legislative Services Division; Yvonne Mitchell – Council Research

See attached sign-in sheet for additional attendees.

Council Member Yarborough called the meeting to order at 3:10 p.m.

**Task Force of Pension Fund**

Mr. Hand provided a brief update of the retirement process considering the task force has submitted its findings to the Mayor. He reported that task force was comprised of a current and past council member, community and business leaders, and labor attorneys. The committee initially began with seventeen members until the untimely death of Dr. Chester Atkins. The committee was focused on three primary tasks:

1. governance of police and fire pension fund – The task force recommends independent investment committee and new disclosure rules
2. pension design – The task force recommends separate set of benefits for new employees and changes to current employees (particularly to amount contributed, how Colas are calculated and rate of return in drop program)
3. $1.7 billion unfunded liability (bulk of annual Police & Fire Pension payment) – The task force recommends the City make additional payment each year toward ARC until funded status of plan reaches 80%

Mr. Hand stated an executive summary of all the findings will be provided to the Council. He reported that administration is moving quickly to begin dialogue with Police & Fire representatives as the next step to reach an agreement. Council will be engaged according to collective bargaining process rules. Mr. Hand will follow up with the committee with an explanation to last year actuarial report with only $40 million credited from $300 million. The City is on a 90 day credit watch by Moody’s & Fitch rating agency. The current rating is Double A plus. Mr. Hand’s expectation is to have a new agreement with Fire & Rescue to the Council by the end of the year.

**Downtown Investment Authority**

Mr. Aundra Wallace provided a power point presentation. He gave an overview of DIA. It was established in August 2012 (Ordinance 2012-364-E as an independent authority that serves as the City’s community redevelopment agency with regards to the downtown CRAs. He shared various strategies needed to improve downtown including attracting housing alternatives leading to increase in downtown residents, increasing the total number of employees working downtown and supporting existing and new downtown businesses to foster greater services for residents. Mr. Wallace provided information on plan updates and the different phases. A lot of investment is being focused in the urban core area. There is planned improvement for waterway taxi access. Mobility is very critical for anything in downtown. Transportation circulators are needed to move people from Brooklyn Riverside area to sports complex is critical to the CRA plan.

The BID plan links the vision of the plan update with DIA’s mission and sets forth an action plan for conscious community renewal and growth. It provides market-driven strategic projects, programs and initiatives that are outlined, scheduled, estimated, measures and benchmarked for outcomes. The core values of DIA include business retention, attraction, expansion and improvements to public infrastructure.

The market feasible study is in progress and will be inserted in the final draft of the CRA & BID plan will be available on April 8th. Hemming Plaza is a project is a priority for investment. Mr. Wallace is gathering information about property downtown as it relates to ownership in the specific districts. He will provide document next week.

Mr. Wallace committed to following up and attending a meeting with CM Schellenberg with Bill Warner, Concours d’Elegnace to bring an event to Jacksonville. He commented that anything having to deal with downtown should be reverted to DIA as point of contact. There is a component of the plan that will address homelessness downtown. This will encompass mental health issues and other various concerns related to homelessness.

**Procurement**

CM Schellenberg requested an itemized tracking of all costs associated to the changing of departments that come through procurement.

Mr. Greg Pease reported that Procurement division is a centralized function that oversees the procurement of goods, services, capital improvements and professional services for the City of Jacksonville and its using agencies in accordance with Chapter 126 of the Municipal Code. The division also manages the Copy Center, Central Mailroom and Surplus activities. The total division budget is $4,540,281. The average spend is $300 million annually, 400 formal actions annually over $65,000 and 17,000 purchase orders annually under $65,000. The model utilized is a hybrid system.

Mr. Pease share various division accomplishments including saving $350,000 in annual personnel expense through reorganizations via increasing supervisor employee ratio. The opportunities for improvement involve procurement code changes, expanding the use of e-procurement and leverage technology, professional development and continuously seeking innovative ways to procure that are strategic and cost effective.

Mr. Pease will follow up with Mosquito Control to begin process to sell the unusable aircraft costing $2000 a month on storage. He explained that using agencies are departments and divisions. Independent authorities do not use services of Procurement. JEA is one of the agencies of focus to increasing dialogue towards agreements to capitalize on any economic savings. As it pertains to improvement, an integrated system like ERP (Enterprise Resource Program) is necessary for the several different projects the City is involved in daily. It would be a personnel module with a financial and procurement component combined.

CM Yarborough reviewed the presentations schedule with the committee. He reported a request was sent to JSO and JFRD. It is expected that both agencies will present separately at first two meetings in April. A suggestion was made for Mr. Overton from the Property Appraiser’s Office is added to the list. The committee will hear from Finance Department (Budget Division) and Risk management at the next meeting for any additional revenue opportunities.

The next meeting is scheduled for March 27th at 3:00 p.m. There being no further business, the meeting was adjourned at 4:53p.

Yvonne P. Mitchell, Council Research Division (904) 630-1679

Posted 03.31.14 12:00 p.m.