

**OFFICE OF THE CITY COUNCIL**

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**SPECIAL FINANCE COMMITTEE MEETING MINUTES -**

**2014-462 (PRELIMINARY TAX MILLAGE) AND 2014-483 (ENGAGEMENT OF AKERMAN, LLP AS SPECIAL COUNSEL)**

 **July 22, 2014**

**10:00 a.m.**

**Location:** City Council Chamber, City Hall – St. James Building; 117 West Duval Street,

**In attendance:** Council Members Richard Clark (Chair), Lori Boyer, Reggie Brown, Doyle Carter, John Crescimbeni, Bill Gulliford, Ray Holt, Matt Schellenberg

**Excused**: Council Members Kimberly Daniels

**Also:** Council MembersGreg Anderson, Bill Bishop, Robin Lumb, Don Redman, Clay Yarborough

**Meeting Convened**: 10:02 a.m.

2014-462 (TRIM notice adoption)

Chairman Clark convened the meeting with a quorum present. Council Auditor Kirk Sherman explained the rationale for his comments at last week’s Finance Committee meeting recommending that the City Council consider amending 2014-462 to tentatively approve a millage rate 1 mill higher than the Mayor has proposed in order to give the Council room to deal with several potential revenue contingencies. Mr. Sherman stated that his staff, in their preliminary review of the proposed budget, have questions about several issues: the amount of the City’s proposed employer contribution to the Police and Fire Pension Plan (a potential $11 million variance); questions about several revenue projections; identification of a $600,000 revenue item that was double-counted and needs to be corrected; and the use of $37 million in reserve funds as a revenue source. Mr. Sherman indicated a concern about the failure of this year’s budget document to reference both an employer contribution percentage and a specific contribution dollar amount to the Police and Fire Pension Fund. Deputy General Counsel Peggy Sidman said that an amendment will be prepared to insert a specific dollar amount as is usually done. Mr. Sherman said that another amendment has been requested by the administration to add $5.5 million to the CIP for stormwater and septic tank projects.

Council members posed numerous questions to Mr. Sherman and Ms. Sidman about the Ordinance Code language regarding the submission of a balanced budget and how that is defined, if at all. Council Member Boyer discussed a 2005 ordinance that attempted to set requirements for the Mayor’s budget submission and questioned what, if any ability the Council has to require the Mayor to comply with those requirements. If the answer is that Council can’t compel him to deliver a budget as Council requests, then the Council needs to consider requesting the Duval Legislative Delegation to amend state law to more clearly define what a “balanced budget” is. Chairman Clark expressed strong disagreement with the Mayor’s allocation of the $13.4 million Jacksonville Shipyard settlement as a revenue source for the budget because the Council clearly deposited that settlement into a reserve account for future Council allocation. Council Member Crescimbeni said that the Ordinance Code needs to be amended to more clearly define what a balanced budget is and what revenues may and may not be included. He also recommends that the timing of the budget submission be changed to give the Council and the Council Auditor more time to review and understand the mayor’s budget before having to adopt a TRIM notice by the August 4th deadline.

Council Member Boyer strongly opposed using reserve funds in addition to the revenue growth from increased property taxes to fund the budget, and especially opposed any consideration of adopting an even higher tentative millage rate unless it was specifically allocated to paying down unfunded pension liability and for no other purpose.

The committee discussed several potential straw ballots on potential millage rate recommendations, then decided to recommend to the full Council that a decision on 2014-462 be deferred to allow the Council Auditor more time to analyze the budget and that special Finance Committee and Council meetings be held before the August 4th deadline.

2014-483 (engagement of Akerman, LLP as special counsel)

Council Member Schellenberg stated that the Ordinance Code already provides for the General Counsel to hire outside counsel in an amount not to exceed $50,000 with the written concurrence of the Council President and he recommended that Akerman, LLP be hired under that provision rather than using an appropriation under 2014-483. Deputy General Counsel John Phillips explained the upcoming deadlines in four federal court cases and the need for immediate legal expertise to handle those filing deadlines. Council Member Lumb said that the City cannot afford to take a chance of losing these cases because of the huge liability involved and urged getting the best attorney possible to represent the City’s interests. Council Member Boyer recommended that the City utilize the $50,000 administrative process to hire Cindy Laquidara as special counsel for 30 days to meet the immediate August and September deadlines and to finalize any transition of existing caseload to OGC attorneys and then have her step aside, so no emergency will be needed on 2014-483.

President Yarborough said the he would take the direction of the City Council tonight as to whether they preferred to act on 2014-483 or to direct him to use the administrative process for an engagement of up to $50,000 to deal with immediately impending deadlines. Council Member Crescimbeni asked the OGC for information about the specifics of when motions were filed asking for extension in all of the pending cases.

By a show of hands the committee voted 6-2 to recommend that the Council President utilize the administrative process to approve a limited engagement of Ms. Laquidara for the purpose of meeting immediate court deadlines. Mr. Yarborough requested that the Office of General Counsel draft a resolution to that effect for him to offer at tonight’s meeting to give the Council the opportunity to express their sentiments in a vote.

**Meeting adjourned:** 12:06 p.m.

Minutes: Jeff Clements, Council Research

 7.22.14 Posted 1:00 p.m.

Tapes: Special Finance meeting – LSD

 7.22.14