

**OFFICE OF THE CITY COUNCIL**

117 WEST DUVAL STREET, SUITE 425

4TH FLOOR, CITY HALL

JACKSONVILLE, FLORIDA 32202

904-630-1377

**Special Committee on Hemming Park**

**Meeting Minutes**

 **July 27, 2016**

**10:30 a.m.**

**Topic:** Finance Special Committee meeting

**Location:** City Council Conference Room A, Suite 425, City Hall – St. James Building, 117 West Duval Street

**In attendance:** Council Members Greg Anderson (Chair), Bill Gulliford, Sam Newby, Danny Becton, John Crescimbeni, Anna Lopez Brosche (arr. 10:52)

 **Excused:** Council Members Reginald Gaffney and Scott Wilson

**Also**: Council President Lori Boyer (arr. 10:50); Kirk Sherman and Heather Reber – Council Auditor’s Office; Peggy Sidman – Office of General Counsel; Jeff Clements – Council Research Division; Sam Mousa, Ali Korman Shelton and Dr. Johnny Gaffney – Mayor’s Office; Wayne Wood and Vince Cavin – Friends of Hemming Park; Daryl Joseph – Parks, Recreation and Community Services Department

See attached sign-in sheet for additional attendees

**Meeting Convened**: 10:32 a.m.

Chairman Anderson called the meeting to order and the attendees introduced themselves for the record. Mr. Anderson announced that all information, reports, etc. compiled by the committee will be placed on the committee’s web site linked to the City Council’s home page for easy access by the media and the general public. He noted that the recently released report on Friends of Hemming Park (FOHP) finances by the Council Auditor’s Office had been delivered to and briefly reviewed by two Council standing committees, and that Mayor Curry has included a $250,000 allocation to FOHP in his proposed FY16-17 budget. Mr. Anderson summarized the basic positions of the various parties to the FOHP agreement as of the last meeting of the Special Committee.

Council Auditor Kirk Sherman reviewed his office’s recent report which found that FOHP was in a precarious financial position at the time of the review in late May, with cash on hand of $17,262 and accounts payable of $27,197. The report found, in answer to questions posed by council members, that two employees had received pay increases in December 2015, the CEO had been given a $1,500 bonus in that month, and that one employee had been reclassified to a higher level position with a salary increase. The report found FOHP’s expenditure rate to be $50,000 - $60,000 per month. The report made 4 recommendations: 1) FOHP should establish a separate bank account strictly to handle its City contributions for ease of tracking; 2) FOHP should revise its chart of accounts for increased clarity regarding uses of funds; 3) in light of some questionable expenses, the City’s agreement with FOHP should be amended to clarify appropriate use of funds; and 4) FOHP should work with the City to see if any expenses could be reduced by using City-provided services at a lower cost (i.e. internet and phone service, pest control, cleaning services).

Council Member Crescimbeni expressed extreme displeasure with some of FOHP’s expenditures and felt that the organization showed an unacceptable disregard for the prudcnt use of taxpayer dollars.

Vince Cavin, Executive Director of Friends of Hemming Park, stated that the recent attention to FOHP’s finances seems not to acknowledge the fact that the organization has raised $450,000 in private donations and implies that City funds have been inappropriately expended. He believes the agency’s agreement with the City does not contain a clear statement of expectations for FOHP’s use of the City funds, and creating separate bank accounts for the City and privately raised funds will allow for much more clarity about which funds are being used for which purposes. He noted that some of the food and beverage expenses that have been criticized as improper resulted in substantial private donations being made to the park, which is one of the requirements of the agreement with the City. Wayne Wood of the FOHP board agreed that some mistakes have been made, which is not unusual for a newly created organization in its first dealings with a City government contract, and promised that improvements have been and will continue to be made. He apologized for the errors that have occurred, but noted that only a small fraction of the agency’s overall expenses have been questioned and lamented that the good work that has been done in the park to date is seemingly being overshadowed by this controversy.

Mr. Cavin said that FOHP has been providing quarterly reports and copies of check registers to the City since the contract first got underway and noted that no questions had been raised about any expenditures until recent weeks. He said that the organization could reduce its expenditure rate to $30,000 per month for a bare bones operation, although a $40,000 monthly expenditure rate would allow for more investments in “clean and safe” functions. FOHP has raised $17,000 in private contributions in the past month, a figure that Council Member Crescimbeni asked to be verified by the Auditor’s Office. Mr. Wood said that FOHP has established 3 bank accounts: one for City contract funding, one for private operating funds, and one for capital funds. The organization intends to implement all of the Council Auditor’s recommendations.

John Insetta and Allen DeVault of Black Sheep Restaurant Group, Inc. discussed their plans for opening a Black Sheet restaurant in Hemming Park in a structure made from re-purposed shipping containers. They said their primary concern about the success of the venture revolves around the continuing development of a welcoming and attractive atmosphere in the park and the continuation of regular programming, particularly at night and on weekends, to continue drawing the crowds necessary to make a restaurant in that location successful. If the programming in the park is reduced, that substantially reduces the prospects for success and therefore the company’s interest in the project. The restaurant has invested approximately $50,000 of its own capital in planning, acquisition of the shipping containers and payments to JEA for needed utility connections. Mr. DeVault said the total estimated cost of the project is $400,000, with a gap of $170,000 - $175,000 that will need to be filled with some form of financial assistance. Black Sheep plans to invest $90,000, there is $85,000 available through FOHP from a Southwest Airlines community improvement grant, and Sweetwater Restoration is donating $52,000 of construction services. The project has become somewhat more costly because of a plan to enlarge the restrooms from what is needed just to serve the restaurant ($15,000) to larger facilities to serve Hemming Park’s larger population ($50,000).

In response to questions from Council Member Gulliford, it was stated that Friends of Hemming Plaza did not utilize an RFP or competitive bidding process to choose Black Sheep as the restaurant developer, and Black Sheep does not have a lease with either the City or for the proposed restaurant site. Chief Administrative Officer Sam Mousa said that any expenditures made by Black Sheep Restaurants on the project to date are at the company’s own risk and emphasized that the City has not entered into any contracts regarding this project. He urged all parties to meet and begin the process of drafting appropriate contracts to facilitate the restaurant project.

Daryl Joseph, Director of the Parks, Recreation and Community Services Department, was asked to describe his research into public/private park partnerships. Mr. Joseph said that intensely urban parks similar to Hemming Park (i.e. Bryant Park in New York City) are typically operated and programmed by non-for-profit organizations with the city providing fundamental maintenance. He agreed that the current contract between the City and FOHP does not lay out clear and explicit expectations of the parties. He said that the $100,000 Project for Public Spaces grant that FOHP received from Southwest Airlines for Hemming Park redevelopment could not have been applied for by the City – only private not-for-profit organizations are eligible to apply. That is an example of the type of resources that can sometimes be tapped by private organizations that would not be available to the City and therefore one of the advantages to having a private organization involved. Council Member Crescimbeni asked Mr. Joseph to develop a report on what the Parks and Recreation Department could do in Hemming Park with the City funding now being channeled to FOHP.

Council President Boyer expressed concern about the judgement being shown by FOHP with some of its expenditures and stated her expectation that any future activities and expenditures will be made with a considerably different attitude and greater care than in the past. It appears to her that the programming activities, as successful as they have been, have not fully achieved one of the fundamental goals of changing the amount and nature of the objectionable behavior by some users of the park. It may be necessary to re-evaluate the premise that increased positive activity in the park would displace or at least greatly reduce the perception of undesirable activity.

The committee discussed what action to take on pending Ordinance 2016-385 (appropriating $150,000 from Special Council Operating Contingency – Hemming Park to Friends of Hemming Park). Council Member Crescimbeni urged deferral of the bill while the City surveys its employees regarding their attitudes about the park and prepares a new RFP to see a new park manager, saying that he had lost all confidence in the current FOHP management and board of directors. Council Member Gulliford supported appropriating the funds with two conditions attached – a requirement that Southwest Airlines be paid back $74,000 of its grant that FOHP used for operational purposes rather than public spaces “place-making” and the adoption of a very specific set of expectations and expenditure restrictions for operational uses only. Council Member Becton felt that FOHP had learned from its mistakes and would do a better job going forward with its new understanding of the City’s expectations. He agreed with the suggestion to refund a large portion of the grant to Southwest Airlines and expressed the feeling that there may be no magic solution to the problems of undesirable activities in the park, either by FOHP or by the City. He believes that placing FOHP on a month-to-month operating agreement is a recipe for disaster. Council Member Brosche said that doing business with the City has a steep learning curve and requires some experience. She believes that not enough attention has been paid to the issues involved in making the park safe and welcoming for users.

Chairman Anderson felt that all parties had learned a great deal about each other and about the park’s operations over the last several weeks, but believes there is still a major gap between expectations and outcomes. He agrees that FOHP needs to take a more conservative approach to spending City funds, but pointed out that the expectations and the performance measures spelled out in the contract between the two parties don’t match, which is a major source of the problems identified thus far.

Public Comment

Seber Newsome said that Hemming Park is being poorly managed and most of its events are losing money. He believes programmed events are doomed to failure and should be discontinued. Metropolitan Park is a better venue for special events and activities. FOHP has not managed to get the homeless population out of the park and he believes the social service coordinator position is a waste of money. He urged that Friends of Hemming Plaza’s contract be discontinued and the park turned back into a passive park.

Peyton Quina said that the general public is furious about the waste of City funds by FOHP.

Thaddeus Powell said that the FOHP office in the Main Library is not open to the general public. He went to the office on Monday and Tuesday of this week and turned away at the door. He questioned why activities in the park are shut down at 2 p.m. (tables, chairs and umbrellas removed, food trucks leave, etc.).

Nick Thompson said that FOHP is trying but is failing to be as successful as not-for-profit park operators in other cities. He believes the Sheriff’s Office needs to do much more active patrolling in Hemming Park at all times and said that the police presence disappears entirely after 5 p.m. on weekdays and all weekend.

Sarah Collins of the FOHP staff explained that Mr. Powell did not find the office open on Monday because of a staff meeting, and explained the unusual access problems posed by the nature of the office space in the library. Od’Juan Whitfield, FOHP’s social service counselor, explained his work with the users of the park and how he refers people to health care, social service and employment programs. He described his frustration with the sporadic and seeming ineffective efforts of the Sheriff’s Office to enforce the ordinances against prohibited behaviors in the park. Council Member Anderson asked Mr. Whitfield to compile a list for the next special committee meeting of issues and needs in the park. Mr. Cavin echoed Mr. Whitfield’s comments about the JSO efforts at enforcement of ordinances. He has met with representatives of the Mayor’s Office and Sheriff’s Office and is given to understand that First Amendment free speech and free assembly rights prohibit the officers from taking the kinds of enforcement actions that would seem necessary to prevent objectionable conduct and language in the park.

**Meeting Adjourned**: 12:15 p.m.

Minutes: Jeff Clements, Council Research

 7.29.16 Posted 3:30 p.m.

Tapes: Special Committee on Hemming Park meeting– LSD

 7.27.16

Materials: Special Committee on Hemming Park handouts

 7.27.16