

**OFFICE OF THE CITY COUNCIL**

**RESEARCH DIVISION**

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**CITY COUNCIL ORIENTATION PROGRAM DAY 3 MINUTES**

**June 7, 2019**

**9:00 a.m.**

**Location:** Jacksonville University Public Policy Institute, Davis College of Business, 2800 University Boulevard North

**In attendance:** Council Members Aaron Bowman, Joyce Morgan, Ju’Coby Pittman

Council Members-elect Ron Salem, Matt Carlucci, Rory Diamond, Randy DeFoor, Michael Boylan, Brenda Priestly Jackson

**Excused**: Council Member Terrance Freeman

**Also**: Tim Cost and Rick Mullaney – Jacksonville University; Mark VanLoh – JAA; Aaron Zahn – JEA; Beth McCague – JPA; Cleveland Ferguson – JTA; Sheriff Mike Williams; Mayor Lenny Curry; Clerk of the Courts Ronnie Fussell; Property Appraiser Jerry Holland; Tax Collector Jim Overton; Robert Phillips – Supervisor of Elections Office; Diana Greene – Duval County Schools Superintendent

**Meeting Convened**: 9:00 a.m.

Jacksonville University President Tim Cost welcomed the group to the JU campus and noted the university’s interest in redeveloping the Arlington area and improving the city’s workforce. Community service is a JU point of emphasis. He lauded the work of the Public Policy Institute (PPI) in developing informed and civil public discourse for the benefit of the community. He introduced Council President Aaron Bowman who said that he had approached the Public Policy Institute about providing training to new council members on the practicalities of being a public official, which should be a very helpful introduction. He hopes that the next orientation will also include training for new council members in media relations. Mr. Bowman presented Public Policy Institute Director Rick Mullaney with a gift in appreciation for organizing the program.

Mr. Mullaney welcomed the attendees and briefly described the programs and work of the PPI. The PPI is a non-partisan, neutral convener of debate, discussion and research for the public good. He reviewed the history of Jacksonville’s consolidation and its structure resulting from the serious problems the city faced in the 1950s and 1960s, which included under-appraised property, a polluted river, disaccredited schools and rampant public official corruption. Jacksonville’s fully consolidated form of government is fairly unique in the United States and is the only one in Florida. The authority to consolidate derives from a 1934 act of the Florida Legislature amending the Florida Constitution to authorize Jacksonville and Duval County to abolish all existing governments and offices and create a completely new system. A Local Government Study Commission formed in 1966 recommended a new consolidated government charter, based on the federal system’s separation of powers among 3 co-equal branches of government, that was approved by the voters in 1967 and became effective October 1, 1968. The defining characteristics of the government are its strong mayor form, the separation of powers with its checks and balances, the centralization of internal service provision, and the role of the General Counsel as the provider of legal services to the entire government, including the independent authorities and constitutional officers, and as the ultimate issues of binding legal opinions. The independent authorities are also branches of the municipal corporation and utilize the City’s legal services and have their budgets approved by the City Council.

Advantages of consolidation include greater accountability of public officials, lack of intra-governmental litigation, cost efficiencies, and the ability to build public and private consensus around important community issues. Consolidation is not perfect and problems remain, but it is a good vehicle for progress and success via good public policy.

Mark VanLoh, Executive Director of the Jacksonville Aviation Authority, said that JIA is the fastest growing airport in the United States and April 2019 was the biggest passenger month in JIA’s history. The market is very evenly divided among the major airlines in Jacksonville and the fact that Jacksonville is not a hub is actually good for travelers because the competition keeps rates lower. The JAA realizes that its weakness is direct service to the west coast, and they are working on that. Mr. VanLoh demonstrated the pitch that the JAA makes to airlines to try to convince them to establish direct service connections. He discussed the other airports in the JAA system (JaxEx at Craig, Cecil, Herlong). Cecil Airport is also designated as one of eight spaceports in the U.S. He described the construction of the new Concourse B at JIA and the tremendous parking demand the airport is experiencing – new parking capacity is being planned.

Aaron Zahn, Executive Director of the JEA, talked about the utility’s on-going transformation and its emphasis on developing one-to-one relationships with its customers to improve their lives and the life of the community. JEA is the equivalent of a Fortune 300 company, is the10th largest public utility in the country, and is the largest water utility (by geographic area) in the nation. Mr. Zahn said that city council members will be receiving monthly reports from the JEA that will include their 4 major dashboard measures and their board meeting information packets. He described the utility’s “one water” concept that will help to build understanding of the importance of water, its limited supply, and the need for its purification and reuse. Mr. Zahn described the evolution of the electric industry and the challenges faced by electric utilities worldwide, demonstrated by the fact the 50% of the utilities that existed 10 years ago no longer exist. JEA has changed its philosophy from operating as a government utility to an aggressive corporation via an on-going strategic planning process. One concept under consideration is a subscription-model service. He urged the City Council members to wear their shareholder hats when making decisions with regard to JEA’s operations rather than just their consumer advocate hats (concerned most with keeping rates low) and to consider the impact of their decisions on JEA’s future viability. Mr. Zahn believes the JEA could easily be a national player in water supply and reuse.

Beth McCague, CFO of the Jacksonville Port Authority, explained that JPA is one of 17 strategic military ports in the US and is on-call at all times to move freight for a variety of national and international purposes. Jaxport is very well geographically located and with easy access to interstate highways and rail lines to serve a large population in the Southeast US with 1-day service. The port is an economic engine for Northeast Florida, creating 24,000 jobs locally and 133,000 indirectly throughout the state. Three members of the JPA board are appointed by the City and four by the Governor. JPA’s strategic initiatives include: financial strength, habor deepening, new container terminal at Blount Island, personnel development, facilities and security, and business development. The authority’s financial balance sheet is very strong, as is its credit rating (A stable). Revenue is well diversified among containers, autos, bulk cargo, cruise, and other cargos. JPA is also well diversified in imports (52%) versus exports (48%). Jaxport is a landlord port, leasing space to tenants to operate the docks and warehouses. International trade is growing substantially in the last 10 years, particularly the Asian trade. The largest trading partner, as it has always been, is Puerto Rico. Ms. McCague described the harbor deepening project; contracts A (3 miles) and B (5 miles) are underway and contract C (3 miles) is anticipated to start in the fall of 2020 and finish in 2023. JPA’s commitment to the harbor deepening incentivized the Asian shipping lines to add Jacksonville to their regular service lines. A recent 30-year agreement with port operator SSA will expand their operation from 50 to 80 acres on Blount Island as a “super terminal” with new cranes, improved wharves, and on-shore facilities. Carnival Cruise Line has entered into a 3-year contract with the port and recently upgraded the ship assigned to Jacksonville. Jaxport and Jacksonville are leaders in the liquified natural gas (LNG) industry, both as a ship fuel and as a product for export.

Cleveland Ferguson, CAO of the Jacksonville Transportation Authority, said that technology disruption is a huge issue for the public transit industry with the advent of ride-sharing (Uber, Lyft) and self-driving vehicles. Jax Transit Management is a public benefit corporation within the JTA that hires and manages the bus drivers who have the right to strike, despite the fact that Florida is a right-to-work state, because of the way the authority was created in the 1970s by a merger of the Jacksonville Highway Authority with several private bus companies. JTA’s operations include fixed-route bus service, the Skyway, the Mayport Ferry, and the community paratransit service (Connexion), in addition to the construction of roads, bridges and sidewalks (Mobility Works). Mr. Ferguson said that agency is focused on being a mobility integrator and facilitator in all of its operations through innovation. The authority has been very aggressive and successful in seeking and obtaining federal and state grants in recent years for transportation improvements. JTA provides operations in Nassau, Clay and Baker counties. The Jacksonville Transportation Center in LaVilla will be the City’s transit hub and should handle the city’s transportation integration needs for many years to come. The First Coast Flyer is the largest bus rapid transit system in the southeastern US and a federal grant has been received to assist with the build-out of the fourth leg from downtown to the Orange Park Mall next year. New alternative transportation options include taxis, beach buggies and eventually autonomous vehicles utilizing the backbone of the Skyway and extending into neighborhoods at street level.

President Bowman introduced Sheriff Mike Williams who gave an overview of the Sheriff’s Office, a full-service law enforcement agency. The department has 3,230 current employees, 790 of which are correctional officers and 655 of which are civilians. The budget is $439 million with 85% of that being for salary and benefits. The Sheriff believes the department is understaffed with police officers compared to large Florida cities. He will not be asking for any new employees in the upcoming budget but in the fall will have a staffing assessment done by a national agency to develop a recommendation for the department’s true staffing needs going forward. There may be efficiencies to be gained by changing the department’s zone lines, which have not changed in the last 20 years. The Sheriff encouraged the council members to take full advantage of the expertise of the 6 zone commanders and to bring any problems or questions to them for resolution. The department received 1.4 million calls for service last year which generated 836,000 dispatches (22,000 per day). The pre-trial jail downtown houses 2,700-2,800 inmates per day and the Montgomery Correctional Center on the Northside houses approximately 800 at a time. The Sheriff noted that the medical care for the inmates was privatized a couple of years ago. The Matrix House in-jail drug treatment center is a tremendous resource and, although expensive, is very much worth its cost. New technology (ShotSpotter, Real Time Crime Center, etc.) is a great force multiplier and important to the department’s operation. Body cameras will be assigned to all street officers by the end of this year and will be extended to all officers below the rank of lieutenant, regardless of assignment, in the coming years. Council Member-elect Salem suggested that after the next US Census, an effort be made to try to make planning districts, JSO zones, and City Council districts more similar so that data analysis would be easier and more comparative.

President Bowman introduced Mayor Lenny Curry who reviewed where the city has been in the last few years and where he sees it going in the next few years. The relationship between the Mayor’s Office and the City Council is vastly improved since he has been in office because the two entities communicate much better and work through issues. The City’s fiscal house is in order and $376 million in bonds have been paid off in the last 4 years, with a AAA bond rating just awarded on a recent bond issue. Pension reform has freed up considerable funds to deal with important priorities like fighting crime, economic development, and improving communities. Substantial investment has been made in revitalizing the Sheriff’s Office with additional officers, new vehicles and equipment. The mayor highlighted the importance of the Kids Hope Alliance in intercepting young people who either have been or are likely to be involved in the criminal justice system as a foundation to breaking the cycle of crime. His administration has made major investments in public infrastructure over the last couple of years to make up for years of neglect. The mayor said that he is strong advocate for downtown, which is the heart of the community. He feels that downtown is at a tipping point and could see major improvements and activities in the next couple of years. Real funding is being put into dealing with homelessness, including the Urban Rest Stop, and homelessness declined 9% in the past year. Dawn Lockhart in his office is leading a team working on finding ways to connect the homeless with permanent housing. The mayor indicated his interest in walking the streets with any interested council member, whether publicly with media coverage or privately.

The program was in recess from 12:15 to 1:02 p.m.

Clerk of the Courts Ronnie Fussell, a former City Council member, described the breadth of the functions and operations of the Clerk’s office (over 1,000 different duties). He supervises over 400 employees in the courthouse and about 85% of the functions and budget are devoted to state functions, the remainder are county functions. There are two branch locations of the Clerk’s Office, one in the Ed Ball Building downtown and one at Neptune Beach. Mr. Fussell explained the difference between the Clerk of the Court and the Court Administrator’s office, which is a completely separate operation. The Clerk’s office collects approximately $400 million per year in fines, fees, and escrowed funds and is responsible for the cataloging and permanent storage of all trial evidence. His office also processes domestic violence and mental health evaluation petitions. The Clerk’s office began processing passports 3 years ago and has been recognized as one of the best passport processors in the nation by the US State Department.

Property Appraiser Jerry Holland, a former City Council member and Supervisor of Elections, expressed the feeling that the current two-term (8 year) limit is too short for constitutional officers because of the depth of knowledge needed to do the job efficiently. He noted that the Property Appraiser’s budget must be approved by the Florida Department of Revenue in addition to the City Council, so is the first budget to be seen and approved by the Finance Committee and City Council. He explained the differing roles of the Property Appraiser and Tax Collector in the tax assessment and collection process and the difference between fair market, appraised and taxable values. The growth in taxable value thus far this year should produce approximately $49-50 million in new ad valorem at last year’s millage rate. He cautioned the council members to think long-term and not be fixated on reducing millage rates every year because a time will come when property values decline and the millage will need to be increased again to maintain government operations. There are 192,000 properties in the city with homestead exemptions, and he made it a priority when he took office to assign employees to intensively research and find properties claiming a homestead exemption to which they were not entitled. Mr. Holland explained the work of the Value Adjustment Board. He said that his office is unique among the constitutional officers in having no civil service employees.

Rick Mullaney suggested that term limits deserve attention by the upcoming Charter Revision Commission, especially with regard to the constitutional officers who have ministerial, professional duties rather than being political representatives of constituencies.

Tax Collector Jim Overton, former City Council member and Property Appraiser, described the role of the City Council in setting millage rates which apply to the property value determined by the Property Appraiser and produce revenues collected by the Tax Collector. His budget, like the Property Appraiser’s, must be approved both by the City Council and the Florida Department of Revenue and his office, like all of the rest of City government, is subject to investigation by the City’s Inspector General. He described the wide variety of state and local fees collected by his office. Mr. Overton said that Florida’s tax system is extremely inequitable because of the Save Our Homes law and it will take tremendous political will by state legislators to correct the inequities. A new queuing system for the office is in the works for the next year to reduce wait times and simplify confusion.

Robert Phillips, Chief Elections Assistant for the Supervisor of Elections, described the functions of the office with regard to the conduct of elections, the qualification of candidates, and the registration of voters. The SOE’s budget fluctuates substantially from year to year depending on the number of elections being contested that year. His office works with City Council on the deadlines for placing referenda on a ballot. Mr. Phillips said that he works closely with City Council members on finding new polling locations when current locations decide they no longer wish to host a voting precinct. The new City Council will be the one that handles local redistricting in 2021 based on the results of the 2020 Census and then the State of Florida will experience federal reapportionment (change in the number of Congressional seats) in 2022 using those same Census results. Mr. Phillips outlined the duties of the Election Canvassing Board, which includes a City Council member. Council members will be invited during the last week in June to tour the election operations center at the Imeson Center on the Northside.

Rick Mullaney asked the constitutional officers about the impact of changing technology on their operations. Clerk of the Courts Fussell said that his operation is often mandated to provide new technology by the state, frequently without funding. Computer security is extremely important and can be costly. Mr. Phillips said that election operations have gone almost entirely electronic in the last decade, and that has produced a need for computer-savvy poll workers. Jerry Holland said that he has purchased a new optical recognition system that will be able to read deeds and capture information without the need for employees to enter the data manually. Mr. Fussell said that some technology makes life easier for citizens and may make transactions more accurate, but doesn’t necessarily reduce the workload of the office.

The former council members among the constitutional officers offered their perspectives on life on the council. They noted the importance of avoiding “groupthink” and feeling pressured to vote along with the majority if that’s not how you feel about an issue. They urged collegiality and not taking policy disagreements personally. Also, council members are never off the clock, so be prepared to hear from constituents about their problems in every conceivable venue and at all times. The importance of the executive council assistants was emphasized in making council members successful and serving the public.

In response to a question from President Bowman about how redistricting affects sitting council members, Jerry Holland said that incumbents can be protected to some degree within the bounds of federal law. He said it is a complex process that involves give and take among the 14 district council members via dozens of map revisions. Sitting members continue to serve their existing districts until the next election when the new districts take effect.

School Superintendent Diana Greene gave an overview of the district which has 200 schools and employs over 11,000 people in the sixth largest district in the state and 20th largest in the nation. The district, with 128,000 students, is rated “B” overall by the state, with 87% of schools ranked as “A”, “B” or “C”. Last year the district saw its highest graduation rate ever at 85.1% (counting only students who graduated in 4 consecutive years after entering high school). Students who take longer than 4 years to graduate or who get a GED do not count as graduates. The district gets state funding (FEFP), federal funding (entitlement and discretionary in a variety of programs) and local tax funds (required local effort). The primary funding source is FEFP which multiplies FTEs (number of classes a student takes in mandated subjects) by the state base student allocation. The FTEs are calculated by the state during 3 weekly surveys throughout the school year, and are paid in two halves ing the fall and spring. Each grade level gets paid a different “program cost” per FTE, as do students in special programs (English as a Second Language, exceptional needs, etc.). Last year the district got $949 million FEFP funding from the state. The Florida Lottery only produces about $5 per student for local school districts, which DCPS gives to school advisory councils. The vast majority of revenue goes to the Bright Futures college scholarship program.

The state sets the “required local effort” millage rate which cannot be raised or lowered, and is limited by the state to 1.5 mills for capital projects. The millage produced $268 million for required local effort, $99 million for capital outlay and $50 million for discretionary operating expenses. School boards have two ways to raise additional revenue – a half-cent sales tax for capital purposes for 15 years that must be approved by voters, and 1 mill of property taxes for operational purposes for a maximum of 4 years. Ms. Greene described the variety of federal funding programs that support the district’s budget. 41.22% of the district’s budget goes to salaries and benefits for instructional personnel.

Dr. Greene said that large schools pay for small schools, but only to a limit. The district has huge facility needs for its many old schools. Some consolidation and replacement of schools is necessary to maximize the use of limited funding. In response to a question from Council Member-elect Salem about what is preventing school consolidation at present, Dr. Greene said that it’s because the schools that would gain students are in no better condition than the ones they would be leaving. Some consolidation is absolutely necessary, and some new schools are needed to replace outdated ones. Council Member-elect Boylan pointed out the need for comparative spending data from other large Florida school districts to determine if DCPS is being as efficient as it could be with the funding it gets. In response to a question from Council Member Pittman about the transportation impacts of closing schools, Dr. Greene said that would depend on an inspection of the walking path to the new school. The district spends $70 million a year on transportation and only gets 40% reimbursement from the state because much of the transportation is to magnet schools, which is voluntary on the part of the district. Approximately 70% of the district’s students fall under Title I and qualify for free or reduced lunches because of their poverty status. Dr. Greene invited the council members to attend the school board’s meeting next Tuesday at which the proposed sales tax referendum will be extensively discussed and offered to meet individually with any council member for a detailed explanation.

In response to a question from Council Member-elect Boylan about the impact of technology on the future of education, Dr. Greene pointed out that the district’s online school is one of its major educational programs. The district spends enormous amounts just refreshing its current computer technology, and many of the older schools are not equipped or even able to incorporate wireless technologies. She said that teacher retention is difficult because DCPS is the only urban school district in Northeast Florida and conditions in the surrounding counties are more attractive to teachers. Next year the district will begin bringing in retired teachers to be one-on-one mentors and partners with new teachers.

President Bowman thanked Mr. Mullaney and the Public Policy Institute and Council Secretary/Director Cheryl Brown for hosting and organizing the event. He found the event extremely valuable and hoped that the incoming members learned some valuable lessons. He urged the members to uphold high ethical standards and to exercise their judgement wisely. He described the importance of the Executive Council Assistants in representing the individual member and the Council as a whole. He also noted that he consults several former council members who act as mentors to discuss issues and offer advice. He recommended scheduling occasional individual meetings with Mayor Curry to discuss important issues and share perspectives. Mr. Bowman also recommended occasional use of noticed meetings on particular topics for general conversation among interested council members just to share ideas. He urged the members to remember and adhere to the ethics rules discussed earlier in the week and to retain all communications as public records.

**Meeting adjourned:** 3:35 p.m.

Minutes: Jeff Clements, Council Research Division

7.16.19 Posted 9:00 a.m.

Tape: City Council Orientation Program 6.7.19 – Legislative Services Division