**Taxation, Revenue, and Utilization**



**of Expenditures (TRUE) Commission**

**Daniel Henry, Chair**

**TRUE COMMISSION**

**Preliminary Meeting Minutes**

*The minutes of this meeting are preliminary until reviewed and*

*approved by the TRUE Commission at a future meeting.*

**October 1, 2020**

**3:00 p.m.**

**Virtual meeting via Zoom platform**

**Attendance:** Commissioners Daniel Henry (dep. 4:00 p.m), John Roberts, Velma Rounsville, Keshan Chambliss, Mark Merritt

**Excused:** Commissioner Ramon Day

**Also**: Jeff Clements and Yvonne Mitchell – Council Research Division; Tommy Carter – Council Auditor’s Office; Marcia Saulo – City Comptroller; Greg Pease – Chief of Procurement; Eric Grantham, Melanie Wilkes - Council Staff Services

The meeting was convened at 3:02 p.m. and the members introduced themselves for the record.

Approval of Minutes

The minutes of the September 3, 2020 TRUE Commission meeting were **approved unanimously** as distributed.

1Cloud Implementation Report

City Comptroller Marcia Saulo and Chief of Procurement Greg Pease introduced themselves and made a presentation on the City’s new 1Cloud ERP (enterprise resource management) financial, procurement and human resources management system. Mr. Pease talked about the benefits of replacing a myriad of old and separate technologies with single, unified, modern ERP system. All of the data is in one place, is easily accessible, and much easier to work with without having to access multiple databases and spreadsheets to answer relatively simple questions. The system has moved all data to “the cloud” so the City is not responsible for data maintenance and can easily share its data with multiple users. The new system has improved reporting capabilities that will be available to more users who can be responsible for their own reports in the future. 1Cloud offers a much greater ability to go paperless, including for procurement processes which has never been the case previously. Accounts payable is moving in the direction of paperless transactions and ACH payments. The new system does away with the FAMIS index codes and sub-objects which will be much simpler after the initial learning period. Overall the system is more business-driven than IT-driven, with IT providing assistance when necessary.

The acquisition and implementation of 1Cloud has been many years in coming and the change-over to Phase 1 happened on February 29th just 2 weeks before the City shut down due to the COVID-19 pandemic, which hampered the implementation process. A great deal of user training has taken place within and among departments to determine what 1Cloud can do and how it differs from the old systems. Limited resources imposed a heavy workload on key employees who had to both do their regular jobs and also put in many hours on learning the new system. Training on 1Cloud is an important ongoing task and will be for some time to come. Several challenges have been identified that need to be solved: 1) the FAMIS “all years” system concept doesn’t match 1Cloud’s single-year system; 2) balance sheets are needed at lower levels than the fund level; 3) the data warehouse is still to come; 4) change management is an ongoing challenge; 5) identified implementation gaps are being revisited now that the fiscal year has ended; 6) knowledge transfer is crucial; 7) the projects and grants module is still presenting challenges, requiring interfaces with multiple departments; and 8) lessons learned are being applied to the next phases of implementation.

Commissioner Henry asked about what data the public will have access to in the future. Mr. Pease said that staff still has to collect and enter previous years’ data before the system is ready to be opened to public access so there’s historical context available. Procurement will be easier to open to the public than other functions, and a lot is already available now (informal bids, general supplier information, award committee meeting minutes, etc.). Within a year the attachments to purchase orders and more procurement documents will be available to the public. In response to a question from Mr. Henry about how training has picked back up after the COVID shutdown, Ms. Saulo said they are working on an updated Q&A document and referring employees back to earlier training materials from pre-shutdown.

In response to a question from Commissioner Roberts about whether 1Cloud and the older systems are running in parallel for the time being, Ms. Saulo said they are not, although they might do that for the payroll system when the time comes to make that conversion just to be safe. Mr. Roberts asked about whether system security is upgraded. Ms. Saulo said it is, with module owners determining who does and doesn’t get access to their module, along with requirements for supervisor sign-off and sometimes ITD approval for different levels of access.

Commissioner Rounsville asked what is covered in Phase 2 and when it will start. That phase covers core human resources functions, benefits management, employee leave, time and attendance, payroll, etc. and it’s targeted for implementation in January 2022. Commissioner Henry asked when the data warehouse of historical data will be ready. There is not a specific deadline, but work will start on it after the current fiscal year end closeout tasks are over. Mr. Henry noted that the City got a huge infusion of CARES Act funding from the federal government which will want details on how that was used and asked if there is public access to information on how CARES Act dollars were spent. Ms. Saulo said the City got $167 million directly from the US Treasury and has done 2 high-level reports on all expenditures made through June. The 13th of October is the next reporting deadline, and 1Cloud’s project management function is very helpful in tracking the expenditures. She did not know what the public would eventually have access to.

In response to a question about when the whole implementation of all phases will be completed, Mr. Pease said the real answer is never – there are constant evolutions and updates every time a new functionality is rolled out by Oracle so there will always be changes and upgrades and the City will always have the latest functionality at its disposal. Phase 2 covers the core HR functions mentioned earlier; Phase 3 – is the budget module, and Phase 4 will cover labor relations, training, performance management, risk management, talent management. In response to a question from Commissioner Roberts about whether the system allows additional elements from other companies to be added to the system, Mr. Pease said he understood that some interfaces to other products are possible, but 1Clould is an Oracle system and requests can be made to Oracle for changes the City would want to see in its functionality. One of the goals of procuring a new ERP system was to get away from the old customization model that made FAMIS and other functions so non-compatible. Ms. Saulo and Mr. Pease invited the commissioners to pose any additional questions via email.

Auditor’s Report

Tommy Carter of the Auditor’s Office reported that no new reports had been issued since the commission’s last meeting. Now that the budget process is completed, staff will go back to their usual audit work. He said he will work with the administration to complete the accounting of CARES Act fund uses requested at the September commission meeting.

Committee Reports

Audit Committee – Commissioner Merritt reported that the committee reviewed all of the audits and reports released over the last 6 months at its last meeting. He found 2 reports of particular concern and recommended them to the commissioners for detailed review. #762B – City Payroll Audit Follow-Up

(<https://www.coj.net/city-council/docs/council-auditor/762b-follow-up-on-city-payroll-audit.aspx>) was troubling and he recommended that everyone read it and become familiar with the recommendations still not implemented. This audit needs to be watched and the recommendations dealt with. The implementation of 1Cloud was hoped to have solved a lot of the problems identified, so that will bear watching. Also, #835 – Independent Agency Quarterly Budget Summary through June 2020 (<https://www.coj.net/city-council/docs/council-auditor/835-independent-agency-quarterly-summary-for-the.aspx>) showed that the Jacksonville Aviation Authority took a big hit in revenues because of the COVID-19 pandemic’s decimation of the airline industry. Mr. Merritt asked staff to put links to Council Auditor’s audits in the agendas and minutes documents where they are referenced so that commissioners can easily link directly to those documents and review them.

Legislative Tracking Committee

Commissioner Roberts said he has concerns about pending Ordinance 2020-529 sponsored by Council Member Dennis that would provide a 6-month window for City employees to take early retirement and wondered if the City has a surplus of employees it is trying to reduce or if there is another reason at play. Jeff Clements recounted Mr. Dennis’ explanation to the Finance Committee recently that the bill was filed because an incident with a City employee reported to him by a constituent that led to his belief that there are a number of City employees frightened of contracting the COVID virus who would like to retire but are just a year or two short of meeting the thresholds for avoiding reductions in their pension benefits due to retiring at a minimum age or with a minimum number of years of service. In response to a question, Mr. Clements reported that the new FY20-21 budget that goes into effect today added 70 or 80 new positions to the City employee cap, so it does not appear that reducing an excess of employees is an issue. Mr. Roberts felt that the ordinance rationale indicated an employee management issue and that the City shouldn’t set a precedent of resolving those types of issues by means of pension plan adjustments.

Commissioner Roberts said the other ordinance of interest was a bill (2020-557) amending the Ordinance Code to remove language regarding automatic fee increases as a result of the required annual review of City fees. Mr. Clements recounted the discussion of this issue by the Finance Committee at one of its budget hearings. The Code currently requires that all City fees be reviewed each year to determine if they are recovering the full cost of the service for which they are charged. Fees recovering less than 85% of the service being provided are required to be increased over the course of several year, and the Code provides that the fee increases become automatically effective at the time the Chief Financial Officer reports the fee schedule to the City Council, unless the Council acts to affirmatively to prevent the increases. For a number of years the City Council has included a provision in the annual budget ordinance waiving the requirement for the fee study to be conducted so that the automatic fee increases would not be triggered. This year the Finance Committee determined that it would be a better practice to let the fee review be conducted to determine how much of full cost recovery is actually taking place, but to waive in the budget ordinance only the requirement that the fee increases become automatically effective upon filing with the City Council. Council Member Cumber then introduced this bill to remove the automatic effectiveness provision from the Code.

Old Business

Policies and Procedures Manual: Commissioner Merritt said the manual identifies 3 standing committees - Legislative Tracking, Audit, and Indoctrination, which we’ve never really had. He asked if the members preferred to keep or eliminate the Indoctrination Committee. Chairman Henry felt it would be good to have it as a mechanism to introduce new commission members to their duties. The group agreed to leave it as it is and review again next year.

New Business

Election of Officers: Chairman Henry asked for volunteers to serve as Cahir, and asked that whoever is Chair allows him to keep going to the Inspector General Selection and Retention Committee meetings because he likes doing that. Commissioner Chambliss volunteered to serve as Vice Chair. Commissioner Roberts suggested reelecting the same officers. Commissioner Merritt volunteered to serve as Secretary and Commissioner Henry agreed to serve as Chair for a last term.

**Motion** (Rounsville): the commission elects Daniel Henry as Chair, Keshan Chambliss as Vice-Chair and Mark Merritt as Secretary – **passed unanimously**.

Annual report to City Council: the draft report prepared by staff was **approved by acclamation**.

Chair’s Comments

In the absence of Chairman Henry who had to leave the meeting early, Vice Chair Chambliss thanked the members for their attendance today and for the good discussion.

Commissioner Comments

None

Next meeting

November 5th at 4:00 p.m. – venue to be determined.

The meeting was adjourned at 4:24 p.m.

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Posted 10.2.20 1:30 p.m.