**Taxation, Revenue, and Utilization**

**of Expenditures (TRUE) Commission**

**Daniel Henry, Chair**

**MEMBER TO MEMBER MEETING OF**

**MEMBERS OF THE TRUE COMMISSION**

**Preliminary Meeting Minutes - Amended**

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

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

**January 8, 2021**

**3:00 p.m.**

**Virtual meeting via Zoom platform**

**Attendance:** Commissioners Daniel Henry, Velma Rounsville, Keshan Chambliss, Mark Merritt, Bruce Tyson

**Excused:** Commissioner Ramon Day

**Absent**: Commissioner John Roberts

**Also**: Jeff Clements– Council Research Division; Tommy Carter – Council Auditor’s Office; Steve Cassada and Eric Grantham – Council Staff Services

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

Public Comment

None

Auditor’s Report

Tommy Carter of the Auditor’s Office reported that one report has been issued since the last commission meeting - #837 Independent Agency Quarterly Budget Summary through December 31, 2020. The City’s quarterly report is somewhat delayed because of the new 1Cloud system delaying year-end closeout. The commission was interested in the delay in the report and when the City’s financial reports will become available. Jeff Clements recounted Council Auditor Kim Taylor’s remarks on this summary to the Finance Committee at its meeting on Tuesday giving the highlights of the report:

* JEA’s fuel stabilization reserve stands at $73M (target $68M). JEA has a balanced budget

overall, with the water/sewer operation showing a $9.3M surplus. Some of JEA’s bond ratings

on various issues have been upgraded recently.

* JTA got $22M in CARES Act funding last year. It exceeded budgetary authority in some areas

so will need to seek a budget amendment to fix that.

* JPA shows an $8M surplus after mid-year budget cuts to balance reduced revenues.
* JAA was tremendously impacted by COVID and lost traffic in the airline industry. It got $21M

in CARES Act funding and achieved a balanced budget $30M lower than the original budget

amounts, in part through an employee reduction program.

Tommy Carter gave more details about the JTA’s budget imbalances and the need for a budget amendment to rectify the discrepancy. The Skyway and Engineering divisions overspent their budgets by between $600,000 and $700,000 each (in part due to COVID-related expenditures), which required subsidies from the Bus Operations account to fill those holes. Budget amendments to rebalance the accounts are not unusual for the independent authorities.

Committee Reports

Audit Committee – the Audit Committee has not met since the last meeting. Meet next Friday, January 15th at 1 p.m. via Zoom.

Legislative Tracking Committee

No report

Old Business

None

New Business

None

Chair’s Comments

Chairman Henry reported that he has received no response from the Mayor’s Office to his letter late last year inquiring about his intentions regarding making appointments to the TRUE Commission.

In response to a question from the Chair, Jeff Clements gave an overview of the debate on the Lot J proposal at yesterday’s City Council Committee of the Whole meeting. After 10 hours of debate and amendments, the basic parameters of the deal and the City’s financing contribution remain largely unchanged. A number of clarifying and City-protective amendments were debated and many were adopted after discussion and agreement with the developer’s representatives. The bill as substituted was approved 15-4 by the Committee of the Whole and now goes to the City Council for final approval next Tuesday, which must be by a super-majority of at least 13 affirmative votes.

Chairman Henry asked staff to provide the commissioners with a copy of the debt capacity study requested by the City Council of Chief Financial Officer Joey Greive during yesterday’s meeting. The study is intended to calculate how the issuance of $200+ million in debt for the Lot J project impacts the City’s capability to borrow for other identified future needs, such as a potential project on the Jacksonville Shipyards property, septic tank remediation, TIAA Bank Field improvements, etc. Commissioner Tyson expressed concern about how much the City is borrowing for projects in a small area of town while there are so many needs in other areas. He urged careful scrutiny of the “breadbox” loan to be sure that what’s supposed to happen actually happens and that the City recoups its investment.

Chairman Henry thanked Commissioners Merritt, Tyson and Roberts for their contributions to the letter he sent to City Council in December regarding the TRUE Commission’s concerns about the Lot J proposal.

Mr. Henry asked the commissioners for suggestions of topics of interest to be studied in 2021. Commissioner Merritt suggested debt affordability. Mr. Clements said there is a lot of information available on that subject, especially the City’s annual debt affordability study and the debt information contained in the annual financial report. Commissioner Rounsville expressed interest in the subject of minority contracting and how much minority businesses participate in the City’s procurement contracting. Mr. Clements offered to get information on that subject from the Council’s Special Committee on JSEB (Jacksonville Small and Emerging Business) for Ms. Rounsville. Commissioner Tyson suggested risk management and the City’s loss experience, and what is the City doing to minimize its losses due to accidents. He is curious if there are consequences for employees who are involved in multiple accidents/ incidents and about how often the City is involved in lawsuits related to accidents. Chairman Henry asked Mr. Tyson to submit questions to Mr. Clements to be conveyed to the Risk Management Division to be researched before an invitation for someone from that office to come speak to TRUE. Chairman Henry suggested community investment as a potential topic to study.

Commissioner Comments

Commissioner Merritt noted that the Sheriff’s Office is the largest line item in the City budget, yet violent crime is still very problematic. The topic of crime and its relation to the City budget is a potential topic for study. Commissioner Chambliss agreed that crime is a huge issue and suggested perhaps inviting JSO to come talk about what’s happening. Mr. Henry said it would be interesting to know what the JSO’s strategic plan is and how they intent to finance it. Commissioner Rounsville noted that City Council is in the process of approving the hiring of 40 new JSO officers via Ordinance 2020-762

Next meeting

Full commission - February 4th; Audit Committee – Friday, January ~~17th~~ 15th.

The meeting was adjourned at 3:57 p.m.

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