**Taxation, Revenue, and Utilization**

**of Expenditures (TRUE) Commission**

**Daniel Henry, Chair**

**TRUE COMMISSION HYBRID IN-PERSON/VIRTUAL MEETING**

**Preliminary Meeting Minutes**

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

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

**April 1, 2021**

**4:00 p.m.**

**Lynwood Roberts Room and virtually via Zoom platform**

**Attendance:** Commissioners Daniel Henry (via Zoom), John Roberts, Mark Merritt, Bruce Tyson, Ramon Day, Keshan Chambliss (via Zoom)

**Excused: C**ommissioner Velma Rounsville

**Absent**: None

**Also**: Jeff Clements and Yvonne Mitchell – Council Research; Eric Grantham – Council Support Services; Tommy Carter – Council Auditor’s Office

The meeting was convened at 4:03 p.m. and the attendees introduced themselves for the record.

Approval of minutes

The minutes of the February 4 and March 4, 2021 Commission member-to-member virtual meetings were approved with one correction to the March minutes – correction of the number of the first report under the Council Auditor’s presentation from #842 to #840.

Public Comment

Carnell Oliver said that how dollars are generated and spent should be beyond party lines and should be about quality of service. There will be a proposal from the Mayor soon to approve a 6 cent local option gas tax increase. He wants the TRUE Commission to pass a resolution in support of the gas tax increase. The homestead exemption is crippling the City’s revenue and a millage rate is likely needed in the future.

Auditor’s Report

Tommy Carter of the Auditor’s Office reported that his office had released 6 reports since the last TRUE Commission meeting, which were discussed at the last Audit Committee meeting:

#842 COJ Quarterly Budget Summary for the Period Ending September 30, 2020: the report is being issued several months late due to issues related to the year-end closeout problems with the new 1Cloud financial management system.

#778B: Follow-up on Jacksonville Aviation Authority (JAA) Payroll Audit: all outstanding issues were cleared and the audit is closed.

#812A: Follow-up on Landfill Contract Audit: 15 issues originally identified, 8 are cleared, 7 remain for future follow-up.

#749B: Follow-up on JTA Accounts Payable Audit: all outstanding issues now cleared and the audit is closed.

#805A: Follow-up on Building Inspection Division Audit: 22 issues originally identified, 6 cleared, 16 remain for future follow-up.

#808A: Follow-up on Communication Tower Audit: all but 2 items have been cleared; there will be a second follow-up.

Questions from previous meeting:

* Mr. Carter provided answers to questions posed by commissioners at the previous meetings. He described the context of the 2 payroll systems operated by the Supervisor of Elections Office as identified in the SOE Payroll Audit. All COJ full-time and regular part-time employees are paid through one system, the other is for temporary election day and early voting site workers so as to avoid the need to add them to the City’s regular payroll system and turn their accounts on and off throughout the years.
* In response to a question from Commissioner Merritt at the last Audit Committee meeting, Mr. Carter reported that the City has received federal CARES Act funding of $167M to date, but those funds did not impact the positive variance of the General Fund shown on the Quarterly Budget Summary.
* Mr. Carter reported that a new building inspection permitting system is still a way off from being implemented because of COVID delays.
* In response to a question from Commissioner Roberts about what consumer price index figure is used in the landfill contract annual adjustment, Mr. Carter reported that it is the Consumer Price Index for all Urban Wage Earners.

Chairman Henry said the Quarterly Budget Summary #842 report’s unfavorable revenue variance seems to be mostly from a shortage in the sales tax revenue. He asked if that unfavorable variance was from the entire 12 months of the last fiscal year and if there was any impact from the recently-adopted sales tax for school improvements. Mr. Carter clarified that the variance had nothing to do with the sales tax for schools – it applied to the 2 pre-existing local option sales taxes.

Carnell Oliver asked what sales surtaxes the City already levies. Mr. Carter reported that they are the ½ cent sales tax that goes to JTA for transportation and road projects, and the ½ cent for Better Jacksonville Plan projects. The third ½ cent for the school system just became effective this year. Mr. Oliver asked how much the City might get if the state legislature passes the currently pending bill to tax online sales. Mr. Carter said that revenue would be added to revenue from the state’s existing 6 cent sales tax, and he didn’t know how much that might be generate for Jacksonville.

Chairman Henry noted that when the City got CARES Act funding, some of it went to public assembly facilities to help them cope with revenue losses. He asked if that is reflected in the #842 Quarterly Summary. Mr. Carter will have to inquire and report back.

Mr. Henry said the federal American Rescue Plan is estimated to produce $180M for Jacksonville and wondered if the City has received any guidance from the U.S. Treasury about how it can be spent. Me. Carter said he understood that the City had not received any guidance as of earlier this week.

Carnell Oliver asked who gets to decide how that money is spent. Mr. Henry said the U.S. Treasury will tell local governments how it can be spent, and that guidance is still not finalized.

Committee Reports

Audit Committee: Commissioner Merritt said the committee met on March 26th and reviewed 5 audits.

#842 General Government Quarterly Budget Summary Through September 30, 2020 – the overdue report covered the period through last September, and the Auditor’s Office still haven’t seen the report for the quarter ending December 31st. He said the City should be concerned by the delays caused by the 1Cloud system in both the quarterly reports and the CAFR.

#812A Landfill Audit – there are ongoing concerns in several areas that still aren’t resolved, including contractual compliance issues.

#805A Building Inspection Division Audit Follow-Up – most of the remedies for the identified issues are being attributed to a new building inspection processing system, so that bears following up to see if it really works that way and resolves the issues.

Legislative Tracking Committee: Commissioner Roberts reported interest in 2 pending bills – a $40M appropriation for COVID relief and expansion of the Doors to Stores transportation program in the food desert areas to a larger area. He sees nothing else of great significance to report at this time.

Chair’s Comments

None

Old Business

Sheriff’s Office comparable cities research: Commissioner Merritt said the data he collected and distributed largely speaks for itself. The number of 911 calls and the emergency call response time are the least reliable of the data – he needs to find a way to separate out police from fire calls in the data he’s studied. He said almost all police departments divide their calls into true emergencies and non-emergencies, and the data reports the true emergency calls reflecting both police and fire issues. Jacksonville looks good on emergency response time, especially given the size of our jurisdiction and our low population density compared with the other cities. The police department budget data was collected from city government web pages and excludes corrections department budgets to the extent possible from all reporting. The column showing the ratio of police budget to overall city budget shows Jacksonville being higher than any city except Louisville KY. Some cities have begun to react to the “defund the police” movement and spend considerably less than Jacksonville.

Carnell Oliver said it looks like cities that spend a lot on law enforcement have a lower murder rate, and asked what they are doing that Jacksonville isn’t. Mr. Merritt said his efforts to date have been about data gathering, which will then lead us to the right questions to ask about why and what other cities are doing. He noted that every city seemed to have had a surge in murders in 2020 over 2019 even while other crimes fell. It is a mystery as to why. Mr. Merritt said we need to know why murders happen, especially the amount of gun violence. Crimes of passion that happen in the spur of the moment may be difficult if not impossible to prevent. Jacksonville and many other cities used to do gun buy-back programs but Jacksonville hasn’t done that in a while. Policing is largely reactive, not proactive. Commissioner Chambliss said she looks forward to hearing from JSO representatives about their reaction to this data and about what other cities are doing that’s different or more effective. Commissioner Day said his quick computations show that Jacksonville’s rate of murders per 100,000 people jumped from 13.9 to 17.2 from 2019 to 2020, and the City spends $276 per resident on JSO. Miami spends a little more but has many fewer murders, and the same holds true for Tampa – more spending, fewer murders. We need to find out what’s happening there. There are some comparability issues with comparing a consolidated city/county like Jacksonville with counties that have lots of municipalities.

Commissioner Roberts urged running calculations for rates per capita on all the major statistics to do real valid comparisons. He recommends looking at all serious crimes, not just murder. He’s done some preliminary per capita calculations on murders and Jacksonville is very high compared to others. He thinks there is a problem in the chart with the Baton Rouge data regarding the number of police officers and the population – they may not be for the same jurisdiction. He noted that Jacksonville appears to be the only jurisdiction with an elected chief law enforcement officer and wondered if that could account for some of the difference in the murder rate. Commissioner Merritt said he will do more calculations on the per capita basis and go back and look at the Baton Rouge data to verify its correctness.

Carnell Oliver said it needs to be determined how many police officers Jacksonville really needs to serve its population, and the City needs to look at the crime prevention programs in other cities which might explain why their statistics are so much better than Jacksonville’s. Chairman Henry asked if it would be possible to find out how much other cities spend on prevention and diversion programs, such as Jacksonville’s Kids Hope Alliance, teen drug court, etc., and how comparable Jacksonville is in spending in those areas. Commissioner Merritt said it could be hard to find in other cities’ budgets what their programs are and where they’re funded. Budget comparisons from a distance can be very complicated. Commissioner Chambliss reiterated her earlier comment that we need to hear from JSO leadership about how they react to this data.

The commissioners talked about how to proceed with the project - what is the next step? Commissioner Chambliss said she is interested in hearing more about preventive programs in other cities, then bringing in JSO to comment on the data. Commissioner Day said he is still receiving information from Bill Clement, the Budget Officer at JSO, and asked for another month or two to complete data collection and research to put together a full picture for presentation at the May meeting, then bring in JSO at the June meeting. The general consensus of the group is that that sounded like a reasonable timeframe. Carnell Oliver said Jacksonville’s citizens want more crime prevention and more police protection. We need to find the best model for prevention. Chairman Henry said it would be good to hear about diversionary programs (e.g. KHA) as well at the July commission meeting.

Comparable city financial research: Commissioner Roberts said he has gathered information on population, income, age, and other demographics on 11 comparable cities with and is doing per capita calculations for comparison purposes, which is turning out to be a very difficult task because the cities are so different. Meaningful comparisons are difficult because of different organization and fund accounting among the cities. He’s working on making comparability work.

New Business

JSO vehicle accident study: Commissioner Tyson said he has gotten information from the Sheriff’s Office on their accident policies, but has not gotten any information from Risk Management or Fleet Management yet.

Commissioner Comments

Commissioner Day noted that JSO Budget Officer Bill Clement is being very helpful in his research and the TRUE Commission should be able to produce a very good report. He asked for a one month postponement on the health care issue – he will get back to that research in May.

Next meetings

Audit Committee – April 15th

Full commission – May 6th at 4:00 p.m.

The meeting was adjourned at 5:21 p.m.

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Posted 4.5.21 5:30 p.m.