

**OFFICE OF THE CITY COUNCIL**

**RESEARCH DIVISION**

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4TH FLOOR, CITY HALL

JACKSONVILLE, FLORIDA 32202

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**COMMITTEE OF THE WHOLE MEETING ON**

**ORDINANCES 2021-223 (LOCAL OPTION GAS TAX) AND**

**2021-235 (SEPTIC TANK REMEDIATION CIP PROJECT)**

**Meeting Minutes - Amended**

 **May 19, 2021**

**9:00 a.m.**

**Location:** Hybrid in-person (City Council Chamber) and virtual (via Zoom platform) meeting

**In attendance:** Council Members Tommy Hazouri (President), Danny Becton, Aaron Bowman, Michael Boylan, Matt Carlucci, Kevin Carrico, LeAnna Cumber, Randy DeFoor, Garrett Dennis, Rory Diamond, Al Ferraro, Terrance Freeman, Reggie Gaffney (arr. 11:30), Joyce Morgan, Sam Newby, Ju’Coby Pittman (arr. 9:15), Brenda Priestly Jackson (arr. 9:17), Ron Salem, Randy White

**Also**: Kim Taylor, Phillip Peterson and Brian Parks – Council Auditor’s Office; Jeff Clements and Yvonne Mitchell – Council Research Division; Cheryl Brown – Council Director/Secretary; Jessica Matthews – Legislative Services Division; Peggy Sidman Martin, Paige Johnston and John Sawyer – Office of General Counsel; Jordan Elsbury, Leeann Krieg, Rachel Zimmer – Mayor’s Office; John Pappas – Public Works Department; Nat Ford and Cleveland Ferguson - JTA

**Meeting Convened**: 9:03 a.m.

President Hazouri convened the meeting and Council Member DeFoor gave the invocation and led the Pledge of Allegiance. A roll call of the attendees was taken. The President said that no public comment would be taken today. The previously-proposed list of amendments will be taken up in order. Council members will be given 3 minutes to speak, twice on each action.

2021-223 – Local Option Gas Tax (LOGT)

Council Member Amendments

Carlucci #1: Mr. Carlucci moved an amendment to apply $132M of LOGT proceeds to the Emerald Trail project and amend the JTA Interlocal Agreement project list to add that project. Council Member DeFoor seconded the amendment and advocated for the project as a transformative project for parks and neighborhoods. In response to a question from Council Member Cumber, Nat Ford, CEO of JTA, confirmed that JTA management is in agreement with the amendment but will need to get the JTA board’s concurrence to amend the project into the board’s approved list. Deputy General Counsel Peggy Sidman noted that the amendment includes the Emerald Trail project on a revised JTA compulsory project completion list. Ms. Cumber asked for a time frame for full completion of the project. Public Works Director John Pappas said the initial plan was for 5-8 years, but it could be accomplished more quickly if some of the various phases can be done simultaneously. Council Member Bowman questioned whether the Emerald Trail is an authorized use of local option gas tax funds. Peggy Sidman said the OGC has issued an opinion stating that there are elements of the Emerald Trail project that are eligible for payment from the LOGT. Mr. Bowman suggested the need for a Florida Attorney General’s opinion. Jordan Elsbury, Mayor’s Chief of Staff, said that General Counsel Jason Gabriel has researched the issue and opined that the trail project is a legitimate use.

Council Member Ferraro questioned the wisdom of allocating a specific dollar amount when much of the trail has not even been designed yet. He noted that there are tremendous infrastructure needs in other parts of the community and he believes there are higher needs than the Emerald Trail, as good a project as that may be. Council Member Salem said the original intent of his Salem #1 amendment at the last meeting was to pull $132M from JTA’s U2C project and hold it in reserve for future allocation, but he is now supportive of this amendment to apply it to the trail. Council Member Cumber said she was not supportive of mandating this project at $132M to the JTA board when they did not consider and approve the project when assembling their list. Council Member Diamond said he loves the concept of the Emerald Trail, but thinks it should be considered separately from discussion of the LOGT. President Hazouri advocated for funding the trail now with LOGT since future funding would be speculative and may not materialize.

**The Carlucci #1 amendment was approved 14-4** (Ferraro, Bowman, Cumber and Diamond opposed).

Cumber #1: Council Member Cumber moved an amendment restricting the use of the LOGT only for road projects, maintenance and repair of roads, green bike lanes, existing bus service and Ferry Boat capital and operations.

**The Cumber #1 amendment was approved 11-7** (Pittman, Dennis, Priestly Jackson, White, Freeman, Hazouri, Carlucci opposed)

**A motion to reconsider the vote was approved.**

**The Cumber #1 amendment was approved 13-5** (Dennis, Priestly Jackson, White, Freeman, Hazouri opposed)

Cumber #2 was withdrawn by the sponsor.

Cumber #3: Council Member Cumber moved an amendment to change the number of mayoral and council appointments to the Financial Advisory Committee and the Project Advisory Committee from 2 to 3 apiece and to remove any JTA appointments. Jordan Elsbury explained the current method of appointments to the FAC and PAC, the members of which are confirmed by the City Council. Council Member Carlucci opposed the amendment and said that JTA representatives serve a useful purpose in the oversight process. Assistant Council Auditor Phillip Peterson said that the committees will oversee both the Better Jacksonville Project projects and the new LOGT project list, if approved. Ms. Cumber opposed giving more JTA representation to the committees overseeing the BJP projects with which JTA is not involved; more equal representation is appropriate for the LOGT project list, but not for BJP projects. Council Member Morgan asked Nat Ford to discuss JTA’s level of involvement in BJP projects. Mr. Ford said JTA is responsible for a road project list funded with $100M of BJP funds and an additional $42M of JTA funds thus far. Council Member Carlucci advocated for increasing the size of the FAC and PAC because of the large increase in the number of projects the LOGT will represent. Council Member Priestly Jackson noted that two additional FAC and PAC mayoral appointees will help protect the City’s interests in the projects.

**The Cumber # 3 amendment failed 2-16** (Cumber and Becton in favor)

Cumber #4: Council Member Cumber moved an amendment to establish post-employment restrictions for City officers and employees to prohibit anyone who worked on LOGT projects while a City employee or elected official from thereafter being employed by companies performing work on the projects for a period of 2 years. Council Member Priestly Jackson questioned why this amendment is necessary since a post-employment restriction is already included in the Ordinance Code and in state statute; she believes the amendment is unnecessary and redundant. Ms. Cumber said she believes that it is advisable to reiterate the Code requirement in bills dealing with large projects with huge amounts of funding for the purpose of visibility and public reassurance. President Hazouri said he agrees with the spirit of the amendment but feels the requirement is already in the Code and therefore unnecessary in this bill.

**The Cumber #4 amendment was approved 11-7** (Morgan, Pittman, Dennis, Priestly Jackson, DeFoor, Freeman, Hazouri opposed)

Ferraro #1: Council Member Ferraro moved an amendment requiring a voter referendum on levying the LOGT. Council Member Carlucci advocated against the amendment because of the importance of investing to meet community needs even in the face of potential citizen opposition. He believes voters are willing to increase taxes when the question is phrased in terms of how they want their community to be improved rather than just a simple yes or no on more taxes. Council Member Cumber supported the referendum proposal because she knows the community wants to weigh in on the subject. Council Member Boylan said he opposes the referendum, in part because that would push the projects back several years until after the referendum can be held at the next general election. Council Member Priestly Jackson said that City Council has voted several times to extend the local option gas tax without calling for a referendum, and she believes this decision is one for the Council to make. Council Member Becton said the “improve the community vs. don’t raise taxes” dichotomy is a false one because the City can make needed improvements without raising taxes. He has introduced a bill to do just that. He is not opposed to letting the public speak via referendum. Council Member Bowman said he is opposed to the whole concept of approving a LOGT for the full 30 years allowed and believes a majority of the community doesn’t even know this proposal is in the works. He thinks the referendum is necessary to explain the proposal to the community.

Council Member Morgan said the citizen input she has been receiving has not mentioned wanting to have a referendum, so she doesn’t think there’s a strong feeling in the community that it’s desired. Council Member Dennis said he opposed the referendum proposal and the citizen referendum will come in 2 years when council members are on the ballot for their next election. He noted that state law requires that sales tax increases be approved by referendum; that is not the case for the LOGT. Council Member Diamond said he opposes the LOGT and opposes the referendum amendment as well because he opposes any path that could lead to raising taxes. Mr. Carlucci said that in a republican form of government, elected leaders are chosen to use their best judgement in making decisions for the best interests of the community. Ms. Cumber said a 6 cent tax has a bigger impact on families than a half-cent sales tax and citizens should have the right to express their feelings. Mr. Dennis said there is a big difference between a half-cent sales tax on everything a family purchases and a 6-cent sales tax just on gasoline, which has a very different impact. Ms. Priestly Jackson said that the legislative authorization for sales tax and gas tax are very different. Her constituents are eager to have a better public transportation system and are concerned with accountability. Council Member Cumber pointed out that not all items are subject to the sales tax (i.e. necessities like groceries and medicine). President Hazouri opposed the referendum requirement. Mr. Ferraro said that trust in government is a huge issue in Jacksonville and reiterated that the general public is not aware of this proposal. He believes a referendum is the right way to go to give the public their say in the matter.

**The Ferraro #1 amendment failed 6-12 (**Ferraro, Bowman, Cumber, Priestly Jackson, Becton and Carrico in favor**)**

**A motion to reconsider the vote was approved.**

**The Ferraro #1 amendment failed 5-13** (Ferraro, Bowman, Cumber, Becton and Carrico in favor)

Bowman #1: Council Member Bowman moved an amendment to authorize a 2-cent gas tax for 10 years and adoption of the 9th cent state-authorized gas tax for 10 years, to be used solely on projects in an Urban Core Development Area; it also requests establishment of a select committee to create an Urban Core Development Authority. He expressed regret that the City administration presented such a major proposal to the Council with very little council input on the front end, which has made this a difficult process. Council Member Diamond said that his district is tired of being taxed to send funds to other parts of the city and getting very little back. Council Member Priestly Jackson said that equality of services and infrastructure has been a long-standing problem in many parts of Jacksonville and finally the City seems to be making a real effort to overcome decades of neglect. Mr. Bowman said his proposal is intended to target improvements to the neediest areas of the city.

**The Bowman #1 amendment failed 4-13** (Bowman, Freeman, Newby and Carrico in favor)

Diamond #1: Council Member Diamond moved an amendment to require that the City’s share of the LOGT be distributed with a minimum split of 3% to each of the 14 city council districts. Council Member DeFoor said her understanding was that the CIP already includes projects in every council district that should meet this test. Council Auditor Kim Taylor said that 3% of the estimated LOGT revenue would be $17M per council district. Council Member Carlucci said that while equality is desirable, what is more important is meeting needs. Council Member Becton pointed out that his district, which produces the most gas tax revenue of any district, is not scheduled to receive any funding from the LOGT project list. Council Member Dennis advocated for a redistribution of the funding among the districts, especially given that a number of council members have said that their constituents don’t want the tax and they will not be voting for it. Council Member Newby said that needs vary tremendously from place to place in Jacksonville so he is not supportive of an equal distribution formula.

**The Diamond #1 amendment failed 6-11** (Ferraro, Priestly Jackson, Becton, Diamond, DeFoor and Carrico in favor)

**A motion to reconsider the vote was approved.**

**The Diamond #1 amendment failed 5-12** (Ferraro, Becton, Diamond, DeFoor, Carrico in favor)

Dennis #2: Council Member Dennis moved an amendment providing for direct contracting of $250M with JSEBs (Jacksonville Small and Emerging Businesses) for the LOGT projects. Jordan Elsbury said that this amendment is a commitment and not a goal, and the administration is supportive of the amendment. Council Member Salem questioned if there is enough JSEB capacity to meet this scope of work without slowing projects down. Mr. Elsbury said that there is a mechanism to keep projects moving by allocating funding to areas where there are sufficient JSEB companies if they are not available in some other areas. Council Member DeFoor asked about the JSEB program being aspirational versus an absolute commitment. Mr. Elsbury said that JTA already meets a 30% JSEB target for its current work, so they are very confident that the $250M commitment can be met for the whole LOGT project. JTA CEO Nat Ford said that JTA has a robust small business program and has a 34% participation rate for its federally funded projects and 30% for its non-federal projects. He is very confident that this $250M commitment can be met. Council Member Bowman said that Jacksonville currently has over 21,000 unfilled job openings and a 4.8% unemployment rate, so employers are finding it impossible to fill jobs. Setting an absolute commitment sets the City up for failure because of current market conditions. Council Member Freeman said the recent work of the Special Committee on JSEBs set up the conditions for JSEBs to succeed with the new LOGT program. He believes the City should step up its efforts to recruit and train small businesses to be successful in City procurement. Council Member Newby asked City JSEB Administrator Dinah Mason if there is enough JSEB capacity in the city to handle $250M of projects. Ms. Mason said that the pool of qualified companies is growing and she believes there will be sufficient capacity. In response to a question from Council Member Pittman about JSEB workforce readiness, Cleveland Ferguson of JTA explained JTA’s capacity building workshops for small businesses that ensure they have a pool of qualified companies to draw on. Ms. Pittman said it is incumbent on the City to step up its efforts to recruit and build capacity of JSEBs and to keep college students in Jacksonville after their graduation to contribute to the local economy.

**The Dennis #2 amendment was approved 17-0.**

Priestly Jackson #1 (floor amendment): Council Member Priestly Jackson moved an amendment to remove the Soutel Drive Road Diet from the project list, as the project has been recently removed from the CIP.

**The Priestly Jackson #1 amendment was approved 17-0.**

Council Member Carlucci moved 2021-223 for approval as 7 times amended. Council Member Salem asked for clarification of the vote needed today. Peggy Sidman said a simple majority is needed today to make a committee report to the full Council at its special meeting next Wednesday. At that meeting a vote of 11 (simple majority plus 1) will be needed for approval.

Council Member Bowman said he will propose his amendment again next week.

Council Member Ferraro said he opposes the bill.

Council Member Salem said he is supportive of the bill in order to put a huge dent in the City’s tremendous septic tank problem, to build the Emerald Trail, and to deal with a backlog of road, sidewalk and bike path projects.

Council Member Boylan said he wants to support the bill but can’t vote for it today until all the town hall meetings are completed and citizens have had their say. There is still due diligence to be done to inform the citizens about the need for downtown investment and how individual districts will be impacted so that everyone feels good about supporting the bill. He also wants to know what state and federal funding amounts are going to be coming to the City before taking a final vote on the LOGT. This is a big decision and needs to be postponed until all questions are answered and the public is fully informed.

Council Member DeFoor said she is conflicted but will vote to move the bill out today to the special council meeting and make a final decision at that point.

Council Member Carlucci said that this project will be a job creator and provides the resources to make long-needed investments in Jacksonville’s future. Past generations of leaders have passed the “tax for tolls” and the Better Jacksonville Plan, and now it’s time to step up and do the same to invest in making Jacksonville the best city it can be. Supporters will look back on a positive vote with pride. He commended President Hazouri for leading a very thorough and transparent process.

Council Member Newby supported the bill for 3 reasons: infrastructure improvements, Emerald Trail construction, and fulfilling overdue promises to neglected neighborhoods.

Council Member Priestly Jackson said she supports the proposal. Jacksonville’s neighboring counties and 31 counties across the state have already adopted the full 12 cent local option gas tax. This will provide improvements in quality of life (septic tanks, roads, sidewalks, etc.) all across the city. JTA is a nationally known transit agency that can improve and expand its services with these funds. JTA is a hybrid state/local agency with 4 state-appointed board members, so there will be good oversight. Unemployment is a big problem in the minority community so this will be a big help.

Council Member Morgan is supportive of the proposal but is still getting public input and will convey what she hears in future meetings. She is excited for the prospect of what this bill can do for JSEBs in Jacksonville, especially with JTA’s expertise and past record of success. She is hopeful that Jacksonville will finally realize its possibilities of being a progressive, forward-thinking city.

Council Member White said he is supportive of the bill for all the reasons the other supportive council members have stated.

Council Member Pittman said that this proposal offers the opportunity for a new start. The city is not moving forward by continuing to do the same things in the same way. JTA is a leader in transportation and needs support to be even better. She is excited about the possibilities for making the city better for generations to come.

Council Member Carrico said his town hall meeting is tomorrow so he needs to tell his constituents where the proposal has landed and get their feedback. He suggested a deferral until the town hall meetings are completed.

Council Member Cumber opposed investing $250M on the Skyway. It is problematic that the only locked-in project list is JTA’s – the rest of the funding is allocated generally to the City CIP which is subject to change. She will be voting no on the bill.

Council Member Gaffney thanked the council for their kindness and support in the last few weeks following the passing of his ~~father~~ mother. He is supportive of the bill, particularly because of the opportunity to start making a dent in the septic tank problem. Jacksonville is growing rapidly and needs to expand and improve its infrastructure to keep pace. JTA is doing things right with regard to small businesses and the City can benefit from their example.

Council Member Freeman said this proposal helps deal with unfulfilled and broken promises all around the city. How Jacksonville deals with its most neglected and underserved communities is paramount.

Council Member Becton said that there is a third option to the false binary choice of “improve quality of life vs. no new taxes”, which is his bill to make improvements using currently available revenues. Businesses can’t find employees to fill current jobs, gas prices are rising, and District 11 is getting absolutely nothing from this initiative, so he will be voting in opposition and supporting his alternative bill.

President Hazouri said that the work of many recent special committees has demonstrated Jacksonville’s needs and this is a way to address them. There are still several town hall meetings where the public can have their say. He thanked the Mayor’s office for their hard work and willingness to answer any and all questions, and he feels like a good partnership has been established. Mr. Hazouri said that septic tank remediation is an absolute need so 2021-235 needs to be passed to start making a dent in that problem. Jacksonville needs to remedy 50 years of neglect and move into the future.

Council Member Boylan moved that the bill be deferred until a special called meeting of the Committee of the Whole next Tuesday at 3:00 p.m. in order to let the town hall meeting process be completed before the Council takes a vote as a Committee of the Whole.

Council Member Carlucci recommended taking the vote today and then letting the council members with remaining town hall meetings present the amended version of the plan to their constituents and get their reaction. Council Member Ferraro agreed with the motion to defer.

**The Boylan motion to defer action failed on a voice vote.**

**A motion to recommend approval of 2021-223 as 7 times amended was approved 13-6** (Ferraro, Bowman, Cumber, Becton, Diamond and Carrico opposed)

2021-235 – septic tank remediation funding

Jordan Elsbury explained the intent of the bill to do $100M in septic tank phase-out work over the next 2 fiscal year using City funding resources freed up by the impending passage of 2021-223. The City and JEA have committed $70 million to the task over the past several years and are looking at the possibility of using federal funding opportunities leveraged by this $100M to do even more work.

Kim Taylor proposed and described several technical amendments.

**The Auditor’s technical amendments were approved unanimously.**

Council Member Bowman said he would be offering an amendment to waive the $21.15 monthly base sewer charge for the first 12 months for the homes hooked up to the JEA sewer system after septic tank removal. Council Member Cumber advocated for allocating $200 million of Jacksonville’s upcoming federal American Recovery Act funding toward additional septic tank remediation. Jordan Elsbury said that City Council will ultimately decide how those funds are used. President Hazouri said that JEA is nearing the end of a study of alternative technologies that could make septic tank remediation less expensive. Council Member Salem said there will be many calls for use of $343M expected to be received from the federal government from the Beaches cities and the independent authorities, so allocating a large percentage of that funding today would be premature. Council Member Boylan agreed that committing funding today would be premature. Council Member Ferraro said the whole reason for the LOGT initiative was to free up funding for septic tanks, so he is interested in hearing more about how much, how many, where and how.

**The motion to recommend approval of 2021-235 with the Auditor’s technical amendments was approved 17-0.**

Council Member Ferraro asked when Council Member Becton’s pending ordinance 2021-289 will be considered. Council Member Becton asked why 2021-223 was not going to be on the agenda of the regular council meeting of March 25th and said that he has a family situation that will prevent him from being at the special called meeting on the 26th. He wants to be able to vote on the bill and asked that it be on the agenda of the regular meeting on the 25th. Council Member Salem said that there was considerable dialogue at the Finance Committee this week about the timing of the two bills and Council Member Becton committed to withdrawing his bill if the LOGT bill passed, which was scheduled for May 26th. Mr. Becton said his understanding was that the May 26th meeting was a Committee of the Whole meeting to take a final vote on a recommendation to the full Council for action at a future meeting. His bill will be pending as an alternative should the LOGT bill fail.

A Special Council Meeting will be held on May 26th at 10 a.m.

**Meeting adjourned:** 12:31 p.m.

Minutes: Jeff Clements, Council Research Division

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5.20.21 Posted 1:30 p.m.