**Taxation, Revenue, and Utilization**



**of Expenditures (TRUE) Commission**

**Daniel Henry, Chair**

**TRUE COMMISSION**

**Meeting Minutes**

**June 3, 2021**

**4:00 p.m.**

**Lynwood Roberts Room**

**1st floor, City Hall**

**Attendance:** Commissioners Daniel Henry, John Roberts, Mark Merritt, Bruce Tyson, Ramon Day (dep. 5:09), Keshan Chambliss

**Excused:** Commissioner Velma Rounsville

**Absent**:

**Also**: Jeff Clements - Council Research; Tommy Carter – Council Auditor’s Office;

The meeting was convened at 4:04 p.m. and the attendees introduced themselves for the record.

Approval of minutes

The minutes of the April 1, 2021 Commission member-to-member virtual meetings were **approved unanimously as distributed**.

Public Comment

John Nooney read his remarks from the minutes of the public comment period of the previous TRUE Commission meeting. He said that Ordinance 2020-559 enacting a new vessel registration fee was fast-tracked through the council committees this week and is up for a final vote next Tuesday. He asked the TRUE Commission to request the City Council to defer action on the bill until the commission has the opportunity to review it. He raised numerous questions about how the funds could be used if the fee is approved. In committee meetings there was talk about fixing docks and boat ramps, but he is especially leery of the potential use of the fee for regulatory purposes, which is an authorized use of the revenues under state law. In response to a question from Commissioner Chambliss, Mr. Nooney said that he attends many committee meetings where public input is not accepted, so he hopes the TRUE Commission will at least raise questions about the uses of the fee on behalf of the public and ask for a deferral of a final vote next week. In response to a question from Commissioner Day, Mr. Clements said that public comment is not mandated at committee meetings, but is allowed at the discretion of the chair of each committee. Commissioner Day asked Mr. Nooney to email his comments to Mr. Clements to be forwarded to the TRUE Commissioners.

Stanley Scott said he feels completely disrespected when he comes to City Hall and tries to express his opinions on issues where he has expertise. Public participation is not welcomed so the public has given up on coming to City Hall and even trying, except for a few persistent souls who care about the citizens of Jacksonville. He has research that he would be happy to freely offer, but it isn’t welcomed. There is too much nepotism and cronyism at City Hall. Nothing will ever change until hearts change and there is concern about equity.

Council Auditor’s Report

Tommy Carter of the Auditor’s Office reported that the office has released 1 report since the last TRUE Commission meeting - #847 – Independent Agency Quarterly Budget Report for the Quarter Ending March 31, 2021. The report does not include the City’s General Fund financial information since the Finance Department is still trying to process the year-end closeout for the last fiscal year with the new 1Cloud system, which is proving to be problematic.

Audit Committee Report

Commissioner Merritt reported that the Audit Committee had reviewed a number of audits and reports at its meeting earlier in the day:

#808A – Cell Tower Audit Follow-up: there are two remaining issues of the 10 identified in the original audit: 1) expedite the Cell-On-Wheels application process; and 2) lack of tenant insurance coverage documents on file from tenants leasing space from the City and no review of insurance coverage by the Risk Management Division.

#843 and #844 – FY16-17 and FY17-18 Sheriff’s Investigative Fund: the review found mostly good results, with the money being handled appropriately in compliance with state law. There were some small internal control issues with lack of standard operating procedures (inadvertently deleted from the SOP manual) and paperwork flow for cash handling. The amount in the fund is large ($750,000), which is used for undercover operations such as drug purchases and prostitution sting operations.

#845 – Adult Bookstore License Fees: the audit found that there were insufficient or no SOPs either at JSO for the adult bookstore application process or at the Planning and Development Department for identifying the establishment of adult bookstores and reporting them to JSO for investigation. During the audit period the Sheriff’s Office identified 12 potential adult bookstores, so there is a potential for $4,800 in missed revenues annually ($400 fee x 12 bookstores). Chairman Henry asked when was the fee was created; Jeff Clements said it may have been 1994 with the adoption of a new Adult Entertainment and Services Code, but he could not be sure without further research. There was a discussion about how legislative enactments of the City Council are turned into action – who is responsible for implementation of things like new fees, application requirements, etc. when legislation is approved by Council? Mr. Clements said that the mayor and his administrative staff should be following Council’s actions each meeting and doing what’s necessary to implement the policy decisions enacted.

#846 Kids Hope Alliance Grants Administration Audit: Commissioner Merritt says this was a great audit that found numerous problems and weaknesses that need to be fixed, and he urged the commissioners to read the full report. The new management at KHA is at work on fixing the numerous problems identified. It is fundamental to have well-trained people to do the job that needs to be done and to have good managers to be sure it happens. KHA handles large amounts of money (tens of millions of dollars) so this audit needs to be carefully monitored in the future to be sure everything gets fixed. Mr. Merritt said he looks forward to seeing the follow-up on this audit.

#847 Independent Agency Quarterly Budget Summary for the Quarter Ending March 31, 2021:

JEA – the electric system had a projected unfavorable variance of $15,027,190 in Fuel Revenues due to a mild winter and a decrease in projected sales and a projected unfavorable variance of $22,515,749 for Fuel and Purchased Power Expense due to anticipated increases in fuel costs. After transfers to cover these shortfalls the Fuel Rate Stabilization Fund would have an end of year balance of $71,310,357.

JTA - the Bus Division shows a current surplus of $334,695 in actual revenues and expenditures, but JTA is projecting a favorable budget variance of $37,289 at year end. For Operating Revenues, there is a projected unfavorable budget variance of $8,921,069 in Federal, State & Local Grants that is due to the anticipation of less CARES Act funding due to a projected favorable budget variance of $12,771,007 in Net Sales Tax – Operating. JTA has been awarded a total of $76,260,029 in CARES Act funding related to the pandemic on a reimbursement basis. JTA has received a total of $30,092,692, of which $3,533,293 has been received in Fiscal Year 2020/21. As noted in several previous quarterly summaries, JTA needs to file legislation to amend their Fiscal Year 2018/2019 budget and Fiscal Year 2019/20 budget due

to expenditures exceeding budgetary appropriation approved by City Council. The JTA Board has approved the budget amendments for Fiscal Year 2018/19 and Fiscal Year 2019/20, but legislation has never been filed with City Council.

JPA: The Port Authority is projecting a $2,000,000 unfavorable budget variance in Cruise Revenue due to the COVID-19 pandemic. This is offset by a projected $1,959,531 favorable variance in Other Operating Revenues. Container and auto revenues are exceeding budget and JPA is projecting a favorable expenditures variance of $1,006,405 due to the management of expenses.

JAA: The Aviation Authority projects an end-of-quarter surplus of $11,482,661 before a $187,062 transfer from the Passenger Facility Charge (PFC) Reserve and a $11,669,723 transfer to Retained Earnings. Operating Revenues experienced no budgetary stress and are projected to experience a favorable budget variance of $3,888,395 at year end due to increases in Concessions revenue from nonairline passenger related car rentals and additional Fees & Charges revenue related to increasing airline operations. JAA has received a total of $25.8 million in CARES Act funds, with $11.2 million received in Fiscal Year 2020/21.

Mr. Carter noted that once again this summary does not include the City’s General Fund for the second consecutive quarter due to issues with the year-end closeout of FY19-20 and staff needing to do the consolidated annual financial report for last year for the first time with the new 1Cloud financial management system.

Chairman Henry said the lack of quarterly summaries for City operations is troubling and asked if there is an estimate of when they may become available. Mr. Carter said the Auditor’s Office has not gotten any indication from Finance Department about when to expect those summaries. Mr. Clements said he understands that there is a hard and fast deadline of June 30th for the FY19-20 audited City financial report to be submitted to the state, and that there may be financial repercussions if the report is not presented on time.

Legislative Tracking Committee: Commissioner Roberts highlighted 4 bills of interest:

2021-192 is a tax increment infrastructure development grant for the construction of a 324-unit apartment complex on the Northside, which includes waiver of the City’s Public Investment Policy requiring the creation of at least 20 new full-time jobs.

2021-210 involves a historic rehabilitation grant and forgivable loans to Regions Bank for renovation of its Bisbee Building headquarters on Bay Street.

2021-223 is the 6-cent local option gas tax extension/expansion bill. The proposal is billed in part as a way to fund septic tank remediation, but that topic is not included in this bill and is dealt with in a separate piece of legislation. City Council during its hearing process adopted several limitations on JTA’s use of the gas tax funds and transferred some of the future revenue to construction of the Emerald Trail. The LOGT will be shared with the Beaches cities and Baldwin based on their population.

2021-346 is an economic incentives proposal to recruit the headquarters of Dun and Bradstreet to Jacksonville. The project is estimated to produce 500 jobs at average wage of $77,000 per year. The incentives include a headquarters retention grant, a jobs creation grant, and a REV grant based on taxes paid.

Mr. Roberts reported on his comparable cities data project. He has completed the data gathering and is cross-checking his figures and doing per capita, per personal income, and other comparability measures to make the data useful for research purposes.

Chair’s Comments

Chairman Henry reported that he had attended the recent Inspector General Selection and Retention Committee meeting where the group reviewed the Inspector General’s annual report. They also approved the annual budget recommendation for the IG’s office. An additional auditor position is being hired for the IG to expand their capacity. The potential sale of the JEA and Kids Hope Alliance issues absorbed major time and effort on the part of the IG’s staff last year. JTA is following through with its pledge to adopt anti-harassment policies. The IG’s office received its accreditation last year during COVID and is the only currently accredited local IG in the state.

Old Business

JSO crime report: commissioners were asked at the last meeting to submit questions to staff to be compiled and forwarded to the JSO. Mr. Clements said that Commissioner Merritt had submitted 3 questions, which he read into the record

1. A few years ago JSO purchased Shot Tracking equipment/technology that was supposed to localize gunshots that went off in neighborhoods. How is this working? Can you share any success stories on how well it has worked and the number of arrests that can be attributed to this equipment?
2. How successful has JSO been in cracking down on gang violence? It seems to be that gangs are the main cause for murders, and maybe other crimes. Any news to share on this front?
3. Many years ago JSO, along with other police departments, used to do gun buy-back programs. The idea as I understood it was to take guns out of the hands of criminals, as often it was the cheap Saturday night special-type guns that were brought in to be exchanged for cash, these were the guns most responsible for the crimes. If I remember correctly, these were fairly successful in taking at least some guns off the streets. Why has JSO discontinued these programs? Are guns less of a problem now than in the past?

Commissioner Chambliss suggested a question: 4) How much is spent on crime prevention and how is it being used?

Chairman Henry suggested a question: 5) How is Cure Violence working in its second year and what statistics can show its success or lack thereof?

Commissioner Tyson suggested a question: 6) What is the department doing to better its relations with the community?

The group approved the list of questions – Commissioner Merritt’s 3 question plus the 3 proposed today – for transmittal to the Sheriff’s Office. Staff will format the questions into a letter for Chairman Henry to send with an invitation to the JSO to attend the August TRUE Commission meeting.

Mr. Clements reported on the status of the commission’s request for JSO vehicle accident information. A portion of the requested information from the Fleet Management Division has been received and was forwarded by email to the commissioners. The remaining information from the Risk Management Division should be received very shortly and will also be distributed.

New Business

None

Commissioner Comments

Commissioner Merritt announced that he has declined to be reappointed to the TRUE Commission for a second term. He and his wife are both retired and will be looking at spending their time on traveling and other pursuits. He said it’s a shame that the TRUE Commission can’t get a full membership complement and do the work it was intended to do. He urged the commission to keep doing good work on behalf of the citizens of Jacksonville. Chairman Henry thanked Mr. Merritt for his service and his unique perspective and insights from many years as a City employee.

Next meetings

Audit Committee – at the call of the chair when there is sufficient business to merit a meeting.

Full commission – August 5th; the commission will observe the City Council’s summer meeting hiatus during the first two weeks of July.

The meeting was adjourned at 5:18 p.m.

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