**Taxation, Revenue, and Utilization**

**of Expenditures (TRUE) Commission**

**Daniel Henry, Chair**

**TRUE COMMISSION**

**Meeting Minutes**

**August 5, 2021**

**4:00 p.m.**

**Don Davis Room**

**1st floor, City Hall**

**Attendance:** Commissioners Dr. Keshan Chambliss, Daniel Henry (arr. 4:06), John Roberts, Bruce Tyson, Ramon Day, Velma Rounsville

**Excused:** None

**Absent**: None

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

The meeting was convened at 4:00 p.m. by Vice Chair Dr. Keshan Chambliss.

Approval of minutes

The minutes of the June 3, 2021 Commission meetings were **approved unanimously as distributed**.

Public Comment

Stanley Scott said he is opposed to the new Special Committee on Parks and Quality of Life getting $100 million to spend since there seems to be no plan as to how the funds will be spent. The City Council has not engaged the community about what they want, and the Chair of the special committee was already proposing uses at the first meeting. He doesn’t believe that City employees should be getting bonus pay as announced by the mayor when so many community issues remain unresolved and need funding, particularly issues regarding homelessness and COVID impacts.

Council Auditor’s Report

Tommy Carter of the Auditor’s Office reported that the office has released 5 audits/reports since the last commission meeting:

#800A: Follow-up on City Wire Transfers Audit (issued 06/09/21) (<https://www.coj.net/city-council/docs/council-auditor/800a-follow-up-on-city-wire-transfers-audit.aspx>) - 9 items were identified in the original audit, 6 items were cleared as of this follow-up, and 3 items remain: 1) wire requests not initiated in the accounting system; 2) sign-off by Treasurer not required for wire transfers; and 3) wire transaction procedures were inconsistent with the Ordinance Code.

#848: Fleet Management Audit (issued 06/09/21) (<https://www.coj.net/city-council/docs/council-auditor/848-fleet-management-audit.aspx>) - Audit conclusions: 1) It appears that the Fleet Management Division had proper and accurate inventory records of City vehicles; 2) It appears that motor vehicle purchases were accurate and in compliance with City procurement policies; 3) It appears that revenue generated from the sale of decommissioned vehicles was accurately collected and deposited; however, it was noted that surplus vehicles were not always disposed of in a timely manner. Several internal control weaknesses were noted: 1) certificates of title were signed without a buyer being identified; 2) City vehicles were not always auctioned in a timely manner; 3) non-compliance with vehicle replacement reporting requirements; 4) agencies were not always billed for all their vehicle replacements; 5) capital asset inventory was not always updated.

Commissioner Day asked about the cause for the problems with the inventory deficiencies. Mr. Carter said the audit noted that the responsible department had considerable employee turnover that hurt productivity.

#811A: Follow-up on Mobility Fees Audit (issued 06/10/21) (<https://www.coj.net/city-council/docs/council-auditor/811a-follow-up-on-mobility-fees-audit.aspx>) - 12 items were identified in the original audit, 7 items were cleared as of this follow-up, 5 items remain: 1) systems control weaknesses; 2) various cash handling policy violations; 3) extension fee issues; 4) Certificate of Occupancy obtained after the end of the partial waiver period; 5) mobility fees were received after the expiration of the Mobility Fee Calculation Certificate.

In response to a question from Commissioner Day about whether there is a recognized industry standard/ best practice for the check log processes that the City could implement, Mr. Carter said the City has a formal cash handling policy that was not being followed.

#763B: Follow-up on JTA Payroll Audit (issued 07/06/21) (<https://www.coj.net/city-council/docs/council-auditor/763b-follow-up-on-jta-payroll-audit.aspx>) - 24 items were identified in the original audit, 20 items were cleared as of the first follow-up, 1 item was cleared during this follow-up, 3 items remain: 1) improper segregation of duties; 2) lack of sign-off by drivers to support time worked if they worked strictly normal hours; 3) no automated process for calculating and tracking bus driver leave. The implementation of a new third-party time tracking system (Kronos) by October 2021 should remediate the timekeeping issues.

Commissioner Day asked if it is standard procedure that something as important as an agency’s payroll function is only sporadically audited. Mr. Carter said there was only 1 audit of JTA’s payroll and 2 subsequent follow-ups, which were delayed by COVID. Follow-ups typically happen in 18-24 months to judge compliance with audit recommendations. In general, audit subjects are chosen by the Council Auditor based on a periodic risk assessment of agencies and functions that pose the greatest risk for misappropriation of funds or other malfeasance. The Ordinance Code requires that the constitutional officers must be audited at least once every 5 years, but there is no similar requirement for the independent authorities to be similarly audited. Audits are done on selected functions or areas within departments or agencies, not of the entire agency.

Commissioner Roberts said he will be interested in seeing how the Kronos system works when implemented and if it solves the problems identified by the audit. Commissioner Henry asked what system the City uses for tracking time and attendance. Mr. Clements said it is the Time and Attendance System (TAS). Employees submit weekly timesheets showing hours worked. Commissioner Henry wondered if TAS is available to the independent agencies if they wanted to use it. Mr. Carter said at least some of the independent authorities use other third-party providers for their payroll, and didn’t know if they could use the City’s TAS system or not. In response to questions from Commissioner Roberts about whether employee self-reported hours are verified by a supervisor, Mr. Carter said they are in the City’s TAS system; he didn’t know about JTA’s system.

#769A: Follow-Up on State Housing Initiatives Partnership Audit (issued 07/14/21) (<https://www.coj.net/city-council/docs/council-auditor/769a-ship-follow-up.aspx>) - 14 items were identified in the original audit, 11 items were cleared as of this follow-up, 3 items remain: 1) possible backdating of mortgages for LRP/UTIP projects; 2) mortgage amount doesn’t agree with final contract amount for LRP/UTIP projects; 3) the City’s accounting system and the mortgage office system not reconciled on a timely basis. The follow-up was delayed by a lawsuit between a departmental employee and the City; the Auditor’s Office had to wait until that was resolved before the follow-up could happen.

Mr. Carter noted that all of the Auditor’s Office staff had started working on the Mayor’s proposed budget on July 20th and will be consumed with that task through August. Finance Committee budget hearings start next Thursday at 9 a.m.

Commissioner Roberts asked if the independent authorities are considered “component units” under the City’s annual independent audit. Mr. Carter was unsure if that term included the authorities. Mr. Clements noted that all of the independent authorities commission their own financial audits annually.

Audit Committee Report

Henry asked for a volunteer to step forward to chair the committee to succeed former Commissioner Merritt.

Legislative Tracking Committee: Commissioner Roberts reported that there was a heavy volume of new introductions at the Council’s one meeting in July, particularly appointments and reappointments, and there were a number of bills having to do with major capital expenditures and authorizing large bond issues for housing purposes.

Mr. Roberts said his calculations based on the mayor’s proposed millage rate and the latest report on taxable property values show that the increase in property values will produce a substantial increase in City revenue unless the millage rate is reduced during the budget hearing process. Mr. Clements reported that for the first time in a number of years, the Council Auditor did not propose that the Council tentatively adopt a slightly higher millage rate than that proposed by the Mayor because of the growth in the expected ad valorem tax revenue, combined with the influx of federal coronavirus relief bill payments.

Chair’s Comments

Chairman Henry posed a question about the budgeting of the federal CARES Act funding and American Rescue Plan (ARP) funds and in which fiscal year they are found. He asked if there is a listing of where all the federal funds are being used. Mr. Clements said there is a listing of all the agencies that received CARES Act funding in the current fiscal year; he did not know if there is a similar list for the ARP funding. That will surely be a topic of conversation in the upcoming budget hearings and the committee members will want to see where all of the new funding is being allocated.

**Motion** (Tyson) – the TRUE Commission requests a listing of the amount of federal American Rescue Plan funds anticipated and where they will be budgeted – **approved 5-0**. Staff will draft a letter for the Chairman to request that information from the Finance and Administration Department.

Mr. Henry said he will meet with new City Council President Newby to talk about what he would like to see from the TRUE Commission and to discuss filling membership vacancies.

Old Business

Sheriff’s Office budget project: Commissioner Rounsville asked if the commission’s list of questions had been posed to the JSO and if an invitation had been extended for JSO staff to attend an upcoming meeting. Mr. Clements said it had not yet, but he will be conveying that to JSO shortly.

Peer cities comparability project: Commissioner Roberts said he has produced 4 data tables on comparable city finances, employees, service provision, etc. with comparisons to the comparable cities in several different forms. He asked staff to send the tables to all members for them to review, and recommended that someone should do a white paper on the available data and its potential uses.

New Business

Commissioner Day said his preliminary research shows that Jacksonville is substantially understaffed in the Sheriff’s Office when compared to other comparable cities, possibly by as many as several hundred officers. He thinks the TRUE Commission should do a comprehensive study of that issue and look at what is necessary. He believes the JSO can’t really improve the quality of its officers until they can get more training, and they can’t do that until the staffing complement is increased so every officer can get off the street and into more training. His research shows that 2.3 officers per 1,000 population is a general average for big cities, while Jacksonville is at about 1.7 per 1,000.

**Motion** (Day): The TRUE Commission will undertake a detailed study, over 3-6 months, of Sheriff’s Office staffing compared with other cities, and will determine what it believes an adequate staffing level should be – **approved 5-**0.

Commissioner Comments

Commissioner Rounsville said the JSO officers attending her Sheriff’s Advisory Committee meetings frequently talk about staffing shortages. Chairman Henry said he is interested in how JSO assigns staff to specialized units and how that impacts the general patrol function. Commissioner Day said he’s heard that Sheriff Williams has commissioned a study by the International Association of Chiefs of Police of the department’s staffing sufficiency, but no one has any details about whether that’s true or not or when such a study might be completed.

Next meetings

Audit Committee – a new committee chair is being sought to replace Commissioner Mark Merritt.

Full commission – September 2nd

The meeting was adjourned at 5:13 p.m.

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