**Taxation, Revenue, and Utilization**

**of Expenditures (TRUE) Commission**

**Daniel Henry, Chair**

**TRUE COMMISSION**

**Preliminary Meeting Minutes**

*(These minutes are unofficial until reviewed and approved by*

*the TRUE Commission at a future meeting)*

**September 9, 2021**

**4:00 p.m.**

**Committee Room B**

**1st floor, City Hall**

**Attendance:** Commissioners Daniel Henry (Chair), Dr. Keshan Chambliss, John Roberts, Bruce Tyson, Ramon Day

**Excused:** Velma Rounsville

**Absent**: None

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

The meeting was convened at 4:02 p.m. by Chairman Henry and the attendees introduced themselves for the record.

Approval of minutes

The minutes of the August 5, 2021 Commission meetings were **approved unanimously as distributed**.

Public Comment

None

Council Auditor’s Report

Tommy Carter of the Auditor’s Office reported that the office has released 2 reports since the last commission meeting:

#849 – Independent Agency Quarterly Budget Summary for the Quarter Ending June 30, 2021 (<https://www.coj.net/city-council/docs/council-auditor/849-independent-agency-quarterly-summary-for-the.aspx>): Again the report only covers the independent agency and not the City’s General Fund due to 1Cloud issues affecting the FY19-20 closeout.

JEA will transfer $22.6M from its fuel rate stabilization fund to cover increasing costs, which will place its balance in that fund at $50.7M, less than its target amount of $68M.

JPA is projecting a year-end $7M surplus.

JAA is projecting favorable revenue and expenditure variances which will produce $1,919,195 to Passenger Facility Charge Reserve and a transfer of $3,218,813 to Retained Earnings. This will leave a projected surplus of $25,028,592 at year end. JAA has received a total of $25.8 million in CARES Act funds, with $11.2 million received in Fiscal Year 2020/21.

JTA needs to file legislation to amend its FY18/19 budget and FY19/20 budget due to expenditures exceeding budgetary appropriation approved by City Council. The JTA Board has approved the budget amendments for FY18/19 and FY19/20, but legislation has not yet been filed. JTA is projecting a favorable budget variance of $12,743,021 at year-end in the Bus Division and will need to file a budget amendment for FY20/21 as well.

Chairman Henry asked if JTA’s budgetary exceedance is from the same cause year after year. Mr. Carter said it has different causes each year. They have exceeded their budgetary authorization and need to amend the budget retroactively to reflect that, but have not yet done so for the last 2 years. JTA staff says they will file all three years together when they do the FY20-21 reconciliation at the end of this fiscal year.

Chairman Henry asked how the federal CARES Act funds show up in the authority budgets and whether they are for readily identifiable purposes. Mr. Carter said the fund show up as increased revenue and increased expenditures, not as an identifiable single line item. The uses must be allowable pursuant to federal law for COVID-related expenditures. Some funds are granted in advance, some are done on a reimbursement basis.

#850 – Debt Management Fund Audit (<https://www.coj.net/city-council/docs/council-auditor/850-debt-management-fund-audit.aspx>): the report was released this afternoon and Mr. Carter has not had an opportunity to read and analyze it yet. He will give the report at the October TRUE Commission meeting.

Chairman Henry asked about the legislative authority for the Council Auditor’s requirement to audit the constitutional officers once every 5 years. He would like to compare Jacksonville’s audit requirement with those of other counties to see if they are comparable or whether Jacksonville’s once-in-five-years mandate is noticeably different.

Audit Committee Report

None

Legislative Tracking Committee:

Commissioner Roberts said that two pending ordinances of note are 2021-596 and 2021-600, which between them appropriate $4.6 million of federal COVID relief funds for homelessness initiatives and other COVID-related uses.

Chair’s Comments

Chairman Henry said he is interested in the topic of how often constitutional officers are audited in other counties. He will be doing some research to see if the Ordinance Code’s requirement of once every five years is more or less often than the officials are audited in other places.

Mr. Henry noted that the list of COVID-related federal funding uses requested at the last meeting was provided by staff shortly afterward by email.

Sheriff Williams will be attending the Commission’s October meeting to respond to the list of questions posed by letter to the Sheriff by the Commission. Staff was asked to circulate the questions to the commissioners who were asked to review them before the next meeting to be ready for discussion.

Old Business

Sheriff’s Office staffing comparability study: Commissioner Day reported that the City Council’s Safer Together Workshop released a report after the last TRUE meeting and he understands that the International Association of Chiefs of Police study of the Sheriff’s Office was also recently released. He asked staff to read through those two reports and pull out information relating to staffing levels and to circulate the reports to the membership. Chairman Henry reported that a recent Finance Committee budget hearing heard about a pilot program (the Co-Respondent Program) in the JSO which has a mental health professional respond with JSO officers on calls where the issue appears to be a mental health issue rather than a criminal issue.

Commissioner Day said that he listened to the budget hearing discussion on the Police and Fire Pension Fund regarding the plan’s funding status. The PFPF has total liability of $4.4 billion and has about $2.2 billion in assets, so has an accrued unfunded liability of approximately $2.2 billion. He’s interested in knowing the trends in the City’s pension contribution – is it increasing, decreasing or level? Jeff Clements said that the pension contribution is a line in the budget each year and he will pull the last 10 years of figures and chart them. The annual required contribution is lower than it otherwise would be because of the adoption by the voters several years ago of the “sales tax for pension” referendum which will extend the current Better Jacksonville Plan sales tax beyond its expiration date in 2031with the revenues being allocated to paying down the accrued unfunded pension liability. Using the net present value of that future revenue stream as an asset, which required a successful change in state law, has permitted the City to make a smaller annual contribution than it would otherwise be legally obligated to make given the size of the unfunded liability.

New Business

Chairman Henry noted that the City Council’s Parks, Recreation and Quality of Life Special Committee is currently meeting and said now would be a good time to send the committee the TRUE Commission’s report on park maintenance produced a couple of years ago. Staff will forward the report to the Special Committee for their information.

Commissioner Comments

Commissioner Roberts said he will have an update to the peer cities report ready for distribution next month and wonders who would be interested in having it and how it should be distributed. Chairman Henry said he understands that staff normally sends the commission’s reports to the City Council and the cityc@coj.net email distribution list. A commission vote is required to authorize sending reports to the news media, per the Policies and Procedures Manual

Chairman Henry said he will communicate with the two CPACs (Urban Core and North) that have vacancies on the commission about finding replacements.

Public Comment

Stanley Scott thanked the group for doing a good job and being an important resource for the community. He will be providing substantive comments at a later date.

Next meetings

Audit Committee – at the call of the Chair as needed when new audits/reports are released

Legislative Tracking Committee – at the call of the Chair as needed

Full commission – October 7th

The meeting was adjourned at 4:52 p.m.

Jeff Clements, City Council Research Division

jeffc@coj.net 904-255-5137

Posted 9.16.21 4:00 p.m.