**Taxation, Revenue, and Utilization**

**of Expenditures (TRUE) Commission**

**Daniel Henry, Chair**

**TRUE COMMISSION**

**Meeting Minutes**

**January 13, 2022**

**4:00 p.m.**

**Don Davis Room**

**1st floor, City Hall**

**Attendance:** Commissioners Daniel Henry (Chair), Dr. Keshan Chambliss (dep. 4:59 p.m.), John Roberts, Bruce Tyson, Ramon Day, Velma Rounsville (dep. 5:20 p.m.)

**Excused:** None

**Absent**: None

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

The meeting was convened at 4:00 p.m. by Chairman Henry and the attendees introduced themselves for the record.

Approval of minutes

The minutes of the December 2, 2021 Commission meeting were **approved unanimously as distributed**.

Public Comment

John Nooney said he is concerned about the lack of opportunity for the public to speak to pending legislation during City Council committee meetings. He is concerned that the City is wasting millions of dollars supposedly allocated for waterways projects and urged the TRUE Commission to investigate where the money is going. Public participation in the legislative process is being crushed. More matters should be referred to the city’s 6 CPACs for public comment.

Carnell Oliver said the City has a problem with insufficient revenues and advocated for a system adopted in California that provides for separate taxing rates for residential and commercial/industrial properties. He said Rep. Jason Fischer is introducing a bill in the Florida Legislature (HJR 923/ HB 830) that would increase the homestead exemption and that would hurt the City’s revenues even more. He urged the TRUE Commission to pass a resolution advocating that the Legislature authorized increased tax rates on commercial/industrial properties while not hurting low income homeowners.

Commissioner Day recommended that Mr. Oliver speak to his state representative and advocate for a dual-rate taxation system via an amendment to the Florida Constitution. The TRUE Commission could not pass a resolution for transmission to the City Council and get that resolution subsequently considered and passed by the Council before the current legislative session would be over. Mr. Day explained the history and the authority of the CPACs, which were created by executive order of the mayor and are not codified in the Ordinance Code. It is unclear without further research what authority the TRUE Commission has to opine on any of the issues Mr. Nooney raised or make recommendations to any entities other than the City Council and Mayor.

Mr. Nooney cited a discussion that took place (possibly in the last Charter Revision Commission several years ago) regarding sending FIND project recommendations to the 6 CPACs for their review and recommendations. The public needs an opportunity to have input and the Waterways Commission does not allow that. He has tried and been shut out of the process over the course of several years.

Council Auditor’s Report

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

#854 Independent Agency Quarterly Budget Summary for the 12 Months Ending September 30, 2021 (<https://www.coj.net/city-council/docs/council-auditor/854-quarterly-summary-report-for-the-twelve-mont.aspx>):

* Once again this report covers just the independent authorities and not the City; they are hopeful that a FY20-21 fourth quarter report will be forthcoming this month.
* JEA is eliminating its fuel rate stabilization fund so customer bills will begin fluctuating monthly based on changes in fuel costs rather than being buffered by the stabilization fund.
* JTA is experiencing no budgetary stress, but 3 divisions exceeded budgetary authority and need to process a budget amendment to true-up the accounts $134.2M of COVID funding has been awarded for allowable costs on a reimbursement basis; $18M has been received thus far. Mr. Henry asked where the new local option gas tax will show up in the JTA budget; Mr. Carter said it will be shown as a revenue stream net of the bond payments to which that stream is pledged. Mr. Day asked how the JTA’s divisions exceeded their appropriation authority; Mr. Carter explained that the authority received more revenue than was budgeted and spent it before getting increased expenditure authority. That’s what needs to be corrected by the budget amendment. The CTC is currently running a negative equity balance, which should have been corrected after the year-end closeout and should be reflected in the next quarterly summary. Commissioner Day asked for the dates of the City Council committee meetings at which the recent JTA budget true-up amendments were discussed so that he can listen to the recordings.
* JPA is experiencing no budgetary stress. The authority ran a $8.2M surplus for the year.
* JAA is experiencing no budgetary stress. The authority had a $28.8M surplus at year end, and got $37.1M in CARES Act and other COVID-related funding.

The Finance and Administration Department got the FY19-20 annual financial report finished and reported to the state by December 31, 2021. They have now moved on to the close-out of FY20-21 and hope to have quarterly budget reports back on track by the second quarter of this year. In response to a question from Commissioner Roberts, Mr. Carter described the City funding streams that go to the various independent authorities. The JTA gets local option gas tax funding. JEA contributes to the City and gets no City funding. JPA gets telecommunications tax revenue from state revenue sharing for capital projects and $800,000 from the City General Fund pursuant to the City Charter (equivalent to one mill of ad valorem tax revenue from 1968 which has never increased).

Mr. Day said the commission has been hearing for over a year about the problems with the implementation of the OneCloud system and asked who in the City structure is responsible for that implementation. The Finance and Administration Department is responsible and Mr. Day suggested that a representative be invited to address the commission at a future meeting about the implementation process and problems. Mr. Day asked if the City got an “unqualified opinion” from its independent auditor (Carr, Riggs and Ingram) for the last fiscal year’s financial report; Mr. Carter said it did. Chairman Henry said he will invite CFO Joey Greive to a future meeting to brief the commission on OneCloud issues.

**Motion** (Day) – the TRUE Commission Chair shall invite the City’s Chief Financial Officer to a future meeting to address OneCloud implementation issues and answer questions – **approved unanimously**.

#815A Follow-Up on Defined Contribution and Deferred Compensation Plans Audit

(<https://www.coj.net/city-council/docs/council-auditor/815a-follow-up-on-defined-contribution-plans-and.aspx>)

The original audit identified16 issues; 2 remain unresolved as of this follow-up. Controls were established after the first audit to ensure that pension-related deductions were properly applied to employee paychecks, but it appears that didn’t completely address the problem as additional discrepancies were identified in the follow-up. There will be an additional follow-up.

Audit Committee Report

None

Legislative Tracking Committee:

Commissioner Roberts reported on one pending ordinance of interest:

2021-889-A Johnson and Johnson Vision Care $7 million economic development incentive – Mr. Roberts questioned why the City is incentivizing a company already located here but said that if the City is going to do that, the medical devices field is a good field to incentivize because of Jacksonville’s existing resources and the growth potential for that market.

Chair’s Comments

Mr. Henry reported that the Inspector General Retention and Selection Committee was scheduled to hold a hearing on terminating Inspector General Lisa Green’s employment, but she resigned the day before that meeting. The committee has a meeting scheduled for possibly February 9 to review applications received for filling that position; the job was posted this week for a 2-week application window. They hope to narrow the field to a few top candidates and select persons for interviews in the spring. The current interim IG is making great progress in dealing with the backlog of pending issues and reports. She is recommending that additional layers of leadership be instituted in the office to provide a better chain of command and increase accountability and transparency to the board and to staff. She recommends creation of positions for a Director of Internal Audit and a Director of Contracts who would be an attorney doing contract review. That may run afoul of the City Charter’s requirement that all legal work be done by the Office of General Counsel, so a work-around may be needed. Commissioner Tyson asked if the Inspector General interviews would be open to the public; Mr. Henry said they would.

Old Business

Sheriff’s Office staffing proposal: Commissioner Day said he had recently spoken with Sheriff Mike Williams about the department’s workforce and got clarification of the Sheriff’s comments at an earlier meeting about the department’s employee cap. 1,827 is the total number of sworn officers in the JSO, not just in the Patrol Division as he had believed. That clarification means the department’s officer shortage is not 369 but rather 396 needed to get to the statewide average of 2.6 officers per 1,000 citizens. Mr. Day said he is reworking his report accordingly and will present a revised version at the February meeting.

Kids Hope Alliance: Mr. Day said he had spoken with Kenneth Darrity of the KHA since his appearance at the December commission meeting and has had two conversations with KHA CEO Mike Weinstein about that organization and how many of the city’s youth are reached by KHA programs. KHA currently has an extensive study underway about KHA’s programming needs and is interested in looking at the agency’s relationship to crime prevention. Mr. Day said he hopes to have a white paper prepared by the April commission meeting that meshes both the JSO staffing issue and the KHA funding level to suggest ways to deal with crime prevention in the community. Sheriff Williams said that the nearly 400 new officers being contemplated would be used to bolster community relations and understand neighborhood issues and problems, something the department can’t do now because of the tremendous volume of calls that officers must deal with. There is no time for preventive actions, additional training, and the like. The JSO is getting a $10M grant soon to bolster its response to mental health-related calls via a co-responder program (trained mental health professionals responding to calls with law enforcement officers to deal with situations where mental health is the main issue behind the behavior being exhibited).

Peer Cities Report

Commissioner Roberts said his research shows that Jacksonville has less taxable property value, less income and fewer financial resources than most other cities in its peer group. The education level of the population is fairly low and needs to be improved. He believes more medical career training programs would be very helpful since that is such a growth field and the city already has a number of programs and resources in that area. Jacksonville has a lot of people who started college but never finished, so that is another possibility for improving employment and income prospects. He recommends that Jacksonville concentrate on its strengths, which include the medical field and insurance/finance. Mr. Henry said he was struck by Jacksonville’s low investment in community health, the result of which is very apparent. Mr. Henry asked about the rationale for including public school employees with city employees in the peer city comparison process; Mr. Roberts said he thought that made for a more valid comparison among all the cities. Mr. Roberts explained how he measured comparative community health using factors such as spending on health clinics and the condition of sanitary sewers. Several commissioners asked for additional time to review and comment on the draft report at a future meeting.

New Business

None

Commissioner Comments

None

Public Comment

Carnell Oliver said that Jacksonville is revenue starved and overly dependent on federal funding because it doesn’t generate enough local revenue. He doesn’t favor across-the-board tax increases but more targeted increases on the sectors most able to pay more. The City needs to do a better job of tapping state revenues and not being so reliant on the federal government. The City needs to raise sufficient revenue to do the job that needs to be done.

John Nooney read from the minutes of the last Inspector General Selection and Retention Committee, which he believes did not accurately represent his comments to that group. He is extremely disappointed that the public is not given an opportunity to speak to Council committees before every vote that is taken. The public is shut out of the legislative process in committees.

Commissioner Day asked Mr. Nooney to provide the commission with a written report on where he thinks FIND funding is being misspent and where the thinks waterways funding deficiencies exist. That will help him to become more conversant in the issues that Mr. Nooney is trying to raise and how the TRUE Commission might be of assistance.

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 – February 3, 2022

The meeting was adjourned at 5:40 p.m.

Jeff Clements, City Council Research Division

[jeffc@coj.net](mailto:jeffc@coj.net) 904-255-5137

Posted 2.4.21 3:00 p.m.