**Taxation, Revenue, and Utilization**

**of Expenditures (TRUE) Commission**

**Daniel Henry, Chair**

**TRUE COMMISSION**

**Meeting Minutes**

**June 2, 2022**

**4:00 p.m.**

**Don Davis Room**

**1st floor, City Hall**

**Attendance:** Commissioners Daniel Henry, John Roberts, Bruce Tyson

**Excused:** Commissioners Velma Rounsville, Dr. Keshan Chambliss, Ramon Day

**Absent**: None

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

The meeting was convened at 4:01 p.m. by Chairman and the attendees introduced themselves for the record.

Approval of minutes

The minutes of the May 5, 2022 Commission meeting were **deferred due to the lack of a quorum.**

Public Comment

John Nooney said the City Charter has been gutted. The public has been completely shut out of participation in the Florida Inland Navigation District (FIND) grant application process. The Pottsburg Creek project is a massive cover-up. He appealed to the TRUE Commission to advocate for restoration of public comment in City Council proceedings and to investigate the FIND grant expenditures. Millions of dollars are being wasted on FIND projects into which the public has had no input.

Council Auditor’s Report

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

#858 – Independent Agencies Quarterly Budget Summary for the Six Months Ending March 31, 2022:

Mr. Carter stated that once again there is no quarterly report on the City budget; none has been presented since September of 2020.

* JEA is projected to exceed its budgetary authority for the electric system by $164 million mainly due to fuel cost increases, so that will require a City Council budget amendment. The water and sewer system is also projected to exceed its budget for capital projects. Several JEA bond ratings were upgraded recently which will save on borrowing costs.
* Jacksonville Transportation Authority projects to an overall balanced budget; a sale of property has produced unbudgeted revenue. JTA has filed legislation to amend its FY20-21 budget. Received considerable CARES and ARP funding.
* Jacksonville Port Authority projects no budget stress despite incurring a cost of $4M to pay off debt early as part of an agreement to allow a new operator to take over operation of a terminal from another operator.
* Jacksonville Aviation Authority projects a $26.9M favorable variance largely due to increasing car rentals, concessions, passenger fees and receipt of federal COVID funding.

Commissioner Roberts asked about JTA’s increased expenditure on the Skyway. Mr. Carter said it was due to higher than anticipated maintenance costs on the antiquated vehicles and extra costs for COVID-related cleaning and sanitizing. Chairman Henry asked about the JTA prior years’ budget amendment recently filed. Mr. Carter said the bill covers adjustments to three JTA budget categories – Bus, Skyway and Engineering.

Chairman Henry asked why the Jacksonville Housing Authority is experiencing the same problem as the City with producing quarterly budget reports. Mr. Carter said it is likely because the JHA’s budget is managed on the City’s financial system so is delayed by the same 1Cloud factors. Mr. Henry asked if the City would be producing quarterly reports for past fiscal years or would just move forward without them after last year’s annual financial report is completed. Mr. Carter said it will likely be on a go-forward basis since one of the major purposes of the quarterly report is to track revenues and expenditures in order to project trends to year-end, so that would no longer be useful for past years for which quarterly reports were not produced. He is unaware of how the Budget Office plans to craft the proposed budget for next year without having those quarterly reports and projections to draw on. Mr. Carter and Mr. Clements described how the Council Auditor’s Office runs its own independent projections of revenues and expenditures to compare to the administration’s projections in preparation for the next year’s budget hearings. Mr. Henry said that the lack of expenditure figures and trend analysis could make budgeting for next year difficult if the Council doesn’t have a good grasp of what is being spent in the current year. Commissioner Roberts asked how much information the department heads have on previous and current year expenditures for budgeting purposes. Mr. Carter explained that they have access to current account information for the present year and their budget filings from previous years. The budgeting process is separate from the quarterly reporting process.

#859 - Property Appraiser Audit: Mr. Carter said the audit found that properties are being inspected at least once every five years as required by state law and that changes in property values due to permitted improvements were being accurately captured. Three internal control weaknesses were identified: 1) some employees had access to create and change permit details in the appraisal system even though they did not need that access based on their job duties; 2) a query used to determine whether an inspection was completed on all parcels within the last five years did not include condominiums; and 3) Property Appraiser’s Office employees could edit the value of their own property in the appraisal system. Mr. Henry asked if the audit had looked at whether there was any indication of unauthorized changes in property values for Property Appraiser employees. Mr. Carter said they were checked and there was no evidence of any unauthorized changes. He said he was not aware of any changes in property values that would need to be made outside of the annual valuation process and the VAB process.

Audit Committee Report

None

Legislative Tracking Committee:

Commissioner Roberts reported that a majority of the new bills introduced in the latest cycle were rezonings and road-related. He noted several items of interest:

2022-399 authorizes the City to participate in an opioid settlement agreement with Walgreens.

2022-402 is a JTA budget amendment for FY20-21. Mr. Roberts said he was in Detroit last week and their people-mover system is about like Jacksonville’s – not much use.

2022-405 allows employees of companies receiving City economic development incentives to work remotely and still count as new job creation for the purpose of qualifying for the incentive despite not actually working at the facility. Mr. Roberts said he disagrees with allowing employees of incentive recipients to live outside of Jacksonville as they won’t contribute anything to Jacksonville’s economy.

2022-408 and -409 authorize special elections in August and November to fill the seats from which City Council Members Gaffney and Dennis have resigned to run for other offices.

2022-401 authorizes payment of travel expenses for City employees to travel to receive reproductive health services (including abortions) if they are unavailable within 100 miles.

Commissioner Henry said there is no easy way for the general public to find out how the companies that receive City economic development incentives are performing and meeting their incentive requirements. The Office of Economic Development’s so-called annual report is very slim and provides no details on the individual projects, which is distressing and should be rectified. Commissioner Tyson asked about whether OED checks on what incentive recipients report back about their compliance with the terms of their incentives to verify accuracy. Mr. Clements said that the OED sends out annual questionnaires to its incentive recipients requesting information on job creation, average salary and capital investment, but he doesn’t know how the results are treated or verified.

Commissioner Tyson noted that 2022–403 and -404 authorize certificates of public convenience and necessity (CONs) for the operation of concrete recycling facilities. It seems to him that there is a lot of processing capacity being permitted and he wonders if there is really a need for that much capacity to serve the market. Mr. Clements said his understanding is that the City grants CONs to any company that makes application and is qualified to perform the work; it does not determine market conditions and restrict how many companies can compete for contracts. Mr. Tyson wondered if anyone is checking on what kind of material comes into these recycling facilities, whether it’s clean and recyclable as required, and what happens to material that should not be deposited there. He said that dumpsters at construction sites are notorious for collecting all sorts of illegally dumped debris, so who is inspecting these sites to look for that kind of material? The tonnage capacity being requested in these permit applications would produce tremendous amounts of truck traffic to haul that material and probably would damage the roads leading to those sites.

Chair’s Comments

Chairman Henry asked about whether a presentation has been arranged regarding the excessive computer rights access issue discussed at the last meeting. Mr. Clements said he had talked to CFO Joey Greive and he said the administration will make a presentation at the next Commission meeting.

Old Business

Public safety staffing proposal - deferred

New Business

TRUE Commission annual report: Commissioners Henry and Tyson suggested several additions to the bullet point list of topics discussed at meetings before the final report is sent on the subjects of JTA exceeding its budgetary authority without filing budget amendment legislation on a timely basis and the potential impact of the lack of quarterly City budget summaries on the budget preparation process. Mr. Tyson said that commission membership is a big problem and should be mentioned in the report. The commission needs to have enough members filling the authorized seats to be able to do its job. Commissioner Roberts said that excessive vacancies are a common problem on City boards – he serves on the Council on Elder Affairs which is perennially shorthanded.

John Nooney requested that a bullet point be added to the annual report to include the issues he’s raised at several meetings regarding lack of public participation opportunity in City Council and council committee meetings and in the FIND grant process.

Commissioner Comments

None

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 – August 4, 2022. The commission is observing the City Council’s summer holiday and not meeting in the month of July.

The meeting was adjourned at 5:02 p.m.

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