



# Taxation, Revenue, and Utilization of Expenditures (TRUE) Commission

Daniel Henry, Chair

## TRUE COMMISSION Preliminary Meeting Minutes

*The minutes of this meeting are not official until reviewed and approved by the commissioners at a future meeting.*

**October 6, 2022**

**4:00 p.m.**

**Don Davis Room  
1<sup>st</sup> floor, City Hall**

**Attendance:** Commissioners Daniel Henry, Ramon Day, Bruce Tyson, Velma Rounsville

**Excused:** Commissioner Dr. Keshan Chambliss

**Absent:** None

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

The meeting was convened at 4:06 p.m. by Chairman Henry and the attendees introduced themselves for the record.

### Approval of minutes

The minutes of the September 8, 2022 commission meeting were approved unanimously as distributed.

### Public Comment

John Nooney advocated for the TRUE Commission to study public access to the waterways and the City’s FIND grant process. The current leadership on the Waterways Commission did not appoint a subcommittee to review FIND grant project possibilities as has traditionally been done. There is a lot of back room dealing that goes into waterways projects. No one seems to care about the waterways. The City has a new resilience initiative that will absorb millions of dollars. Public access to waterways is embarrassing in Jacksonville. The TRUE Commission should be investigating how waterway dollars are being wasted. There is no public comment allowed at City Council standing meetings before votes are taken.

### Council Auditor’s Report

Tommy Carter of the Auditor’s Office reported that the office has released one new report since the last commission meeting - #808B Follow-up on Communication Tower Audit. The original audit identified 10 issues (3 internal control weaknesses, 6 findings and 1 opportunity for improvement), of which 8 were previously cleared. The remaining 2 issues are cleared as of this follow-up and the audit is considered closed out. At the request of Commissioner Tyson, Mr. Carter briefly reviewed the findings of the

original audit, which dealt with management of permanent and temporary cell phone towers located on City properties.

As requested at the last meeting, Mr. Carter explained that lists of how the 2 tranches of federal American Rescue Plan (ARP) 1 and 2 funds were spent and copies of the grant agreement and audit requirements for those funds were distributed to the members via email yesterday.

Chairman Henry asked about who is responsible for overseeing ARP grant contracts – the Finance Department or perhaps the Grants and Compliance Office. Mr. Carter said he would ask for clarification and report to the commission via Mr. Clements. Mr. Henry said he wants to invite a grant manager to the next TRUE meeting to discuss how the funds are being used and whether there have been any contract amendments with the non-City grant recipients. This would be useful information for a potential TRUE Commission contract management study project. Mr. Henry said the usual wording of grant contracts is that the Council Auditor’s Office, the Inspector General, and the City administration have audit rights on grants and he’s curious if there are any plans for spot audits to check on compliance. Mr. Carter said is not aware of any Auditor’s Office plans to do any such audits; they usually audit when a problem is identified. Mr. Henry said he didn’t see any performance benchmarks in the standard grant contract and is interested in whether grant spending is purely self-reported or is subsequently verified by the City.

Commissioner Tyson asked about an apparent discrepancy in several amounts shown on the ARP distribution tables and questioned whether the City would be producing a wrap-up report in the next year or two verifying that everything was spent as it was intended, both in-house and by grant recipients. Mr. Henry said he thought he had heard that the City would have to account for all expenditures to the federal government eventually. Mr. Carter said that the Finance Department is doing the accounting for the ARP funds. In response to a question, Mr. Carter said that \$7M in ARP funding for claims was used to offset increasing health insurance premiums. Mr. Clements said Finance Committee was told during the budget hearings that employee premiums will have to go up soon after not increasing for a number of years.

#### Audit Committee Report

None

#### Legislative Tracking Committee:

Chairman Henry asked for more details about Resolution 2022-716 approving an economic development agreement with JAX LNG, LLC to assist in funding the expansion of a liquified natural gas plant on Dames Point on the Northside. Mr. Clements provided information from the bill summary report.

#### Chair’s Comments

None

#### Old Business

Chairman Henry referred to the minutes of the last meeting wherein the commission authorized the drafting of a letter to the City’s Chief Financial Officer and the Council Auditor asking for clarification of whether a waiver has been sought and approved regarding the requirement in Ordinance Code Chapter 106 – Budget and Accounting Code – that the Finance and Administration Department must provide quarterly budget reports to the City Council. Quarterly reports have not been produced for nearly 2 years. Mr. Henry said he would begin drafting that letter and send it to the commission’s staff for refinement and printing on commission letterhead for distribution.

#### New Business

**New research project selection:** Commissioner Rounville said she likes the idea of a Public Works project dashboard as discussed at the last meeting. Commissioner Day advocated for a study of City

contract management practices. In response to a question about construction of public works projects, Mr. Carter said the City contracts out some construction projects and performs some in-house with City forces. JTA contracts out all road and bridge construction projects. Commissioner Day talked about the Race Track Road widening project on the Jacksonville/St. Johns County line that seems to be very poorly managed, taking a long time to complete and saw the removal of large utility poles that had been installed before the project started. He suggested that the commission could use that project as a case study and delve into the details – how was the project planned, what agreements exist between Jacksonville and St. Johns County, whether construction plans changed mid-project and if so, when and why, etc. Commissioner Tyson said that might help illuminate a larger picture about what standard operating procedures exist and how they are or are not followed and how contract management for big projects works. Mr. Day wondered if recently retired Public Works Director John Pappas would possibly be willing to talk to the TRUE Commission about how things really work in the field. Mr. Tyson said it probably wouldn't take too long to get a feel for how a project is graded, selected for construction, and chosen for in-house work versus contracting out. Chairman Henry said the process could start with the broad scope of how things should work, then drill down to the Race Track Road project as a specific case study. Mr. Tyson cautioned that the commission shouldn't be accusatory and put the department on the defensive; emphasize that TRUE just wants to be educated and understand how things work.

Staff was asked to contact the Public Works Department and ask for someone to come to the November meeting. Mr. Clements suggested that the Chair could write a letter introducing the TRUE Commission to the newly promoted Public Works Director and explaining the purpose of the project. Mr. Clements will produce a draft letter for Mr. Henry to refine. Chairman Henry said this discussion of the proposal in some ways consolidates project suggestions #1, 2 and 4 from the last meeting. Mr. Tyson said that Public Works' contract management protocols and processes will inform the commission about how they work, or should work, citywide, assuming there are SOPs for contract management that apply to all departments.

**Election of Officers:** Commissioner Day volunteered to serve as Vice-Chair, Commissioner Henry volunteered to continue as Chair for another year, and Commissioner Rounsville volunteered to serve as Secretary.

**Motion (Day):** the commission elects Daniel Henry as Chair, Ramon Day as Vice-Chair and Velma Rounsville as Secretary for the upcoming year – **approved unanimously.**

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 – November 3, 2022.

The meeting was adjourned at 5:37 p.m.

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