



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.

March 2, 2023
4:00 p.m.
Don Davis Room
1st floor, City Hall

Attendance: Commissioners Daniel Henry (arr. 4:07), Keshan Chambliss, Bruce Tyson, Ramon Day

Excused: Commissioner Velma Rounsville

Absent: None

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

The meeting was convened at 4:04 p.m. by Vice Chairman Day and the attendees introduced themselves for the record. Chairman Henry arrived shortly thereafter.

Approval of minutes

The minutes of the February 9, 2023 commission meeting were approved **unanimously as presented**.

Public Comment

John Nooney said the TRUE Commission needs to investigate the Jacksonville Waterways Commission and the City’s treatment of waterfronts. Public participation is not allowed at City Council committee meetings until the end of the meetings. He approves of the City’s purchase of the property on Lasalle Street for a drainage pump station but the City is paying vastly over the appraised value of the property. Pottsburg Creek is an environmental disaster and should be investigated. He has been told he cannot distribute information to members of his CPAC, which is outrageous. The FIND process needs to be investigated.

Commissioner Day offered thoughts on the possible rationale for paying above appraised value for the Lasalle Street property. He said the only City agency the TRUE Commission might be able to investigate would be the Waterways Commission; the Florida Inland Navigational District is a state agency and not within TRUE’s purview. He invited Mr. Nooney to send a detailed letter to the commission requesting that the commission study his issues of concern.

Capital Improvement Program discussion

City Chief Financial Officer Joey Greive said this is a timely topic as the CIP process is just kicking off for FY23-24. The current year's CIP is approximately \$500 million, which is considerably higher than in previous years to help catch up for several years of low investment during the COVID pandemic. He noted that Kathleen Collins has recently returned to the Finance Department as the CIP administrator. The CIP is a 5-year document, with the first-year projects funded and 4 more years of projects planned for future funding. The projects roll forward each year with the second-year projects from one year becoming the first year funded projects the next year. High priority projects can be added into the plan as first-year funded priorities as urgent needs or opportunities arise. The CIP development process begins in the early spring with departmental project requests being sent to the Finance Department for compilation of a comprehensive list which is then the subject of a public hearing, review and ranking by the Mayor's Budget Review Committee, and ultimately put in the Mayor's proposed budget package for presentation to the City Council in July. The Council acts thereafter in its budget hearings. The Council Auditors review the proposed CIP for compliance with minimum funding allocations required by the Ordinance Code in various areas.

Mr. Greive explained that the City doesn't issue debt to fund projects until the funds are actually needed. A debt affordability study is presented annually to the City Council to show what is already borrowed for capital project, what more needs to be borrowed, and when. The City's CIP funding assumes that 50% of a project's total cost will be expended in the first year, 25% the second year, then 15% and 10% over 2 more years. Typical spending on CIP projects is about \$150 million per year. The City pays for projects from pooled cash on hand throughout the year and then does one large bond issue at the end of the year to reimburse the cash pool for what was used for CIP projects. The City has a AA bond rating because the rating agencies are generally impressed with Jacksonville's prospects, which include steady population and business growth and the fiscal impact of pension reform adopted several years ago. Despite the recent spike in interest rates to over 7%, the City is selling its bonds at 3-4% interest.

Commissioner Day asked for information on funding sources for the CIP. Mr. Greive said that in addition to the handout he distributed to the members which is an overview, the full CIP book is posted on the Budget Division website which contains detailed information on the funding for each project.

Commissioner Chambliss asked how citizens can have input into the CIP process. Mr. Greive said the CPACs are consulted so input could be made there, and citizens can also communicate with the Mayor's Office, the department head in the relevant area of need, and of course via City Council members. Springtime is the best time to make suggestions for projects because the CIP development process wraps up in late June for presentation of the budget to City Council in July. Commissioner Tyson asked how the decision is made about fairly allocating available funds to address issues citywide. Mr. Greive said it's a complex process that starts with fundamental quantitative and qualitative measurements of current conditions from each department to set a baseline of the community's needs. The departments pitch their projects to the administration's CIP development committee that has to weigh all the competing concerns and decide what's most important. The most important priorities get year 1 funded status, lesser needs go in years 2-5. In response to a question from Commissioner Tyson, Mr. Greive explained that sometimes decisions are made based on dedicated funding sources for particular uses, such as specific-purpose grant funding or cultural service grants. In response to a question from Commissioner Day about whether FIND projects are funded completely with FIND grants, Mr. Greive said he thought that was the case.

Commissioner Henry noted that the City has gotten lots of federal money in the last couple of years due to the COVID pandemic and asked how the City decided what projects to do with federal funds versus issuing debt. Mr. Greive said the CARES Act funding was almost entirely for pass-through relief programs for citizens and businesses (i.e. rent, mortgage and utility assistance). The American Rescue Plan (ARP) funds allowed more uses for capital and other projects. The Curry administration recommended holding \$73 million or ARP funds for the next City Council to prioritize, and to have a

reserve to use if some COVID-related expense are deemed not to be reimbursable by FEMA. They look at all available funding sources before using debt as a last resort. \$50 million has been allocated from ARP for septic tank remediation projects and \$50 million for the Parks and Quality of Life Special Committee's allocation to its priorities. Chairman Henry asked about transparency of spending and the possibility of creating a public dashboard for CIP spending like the School Board has created for its half-cent sales tax-funded school renovation and replacement projects. Mr. Greive reiterated that the City publishes the CIP book online and said the City's portion of the Jobs for Jax (local option gas tax) project has a project list on its website. He said a CIP dashboard could be a good idea. Commissioner Tyson said Steve Long, the relatively new Public Works Director, is working on a dashboard for Public Works projects. Commissioner Day asked if City Council members get the background information and scoring matrix for the Mayor's proposed CIP project list; Mr. Clements said they do not, just the project list and proposed funding amounts and sources. Commissioner Day asked if the MBRC meetings are open to the public and noticed; Mr. Clements said they are.

In response to a questions about how CIP projects get added to the list or get advanced from an originally planned year to earlier year, Mr. Clements said that projects can get added or reprioritized as opportunities or serious problems arise. Commissioner Tyson discussed how the CPACs are involved in the CIP project proposal process; they are asked for suggestions late in the calendar year via their Planning Department coordinator. In his experience the CPAC members sometimes don't understand the parameters of what qualifies a project for CIP funding and therefore don't often make project proposals for consideration. Chairman Henry asked that further CIP discussion be placed on the agenda for the April meeting.

Council Auditor's Report

Tommy Carter of the Auditor's Office reported that the office has released 4 new reports since the last commission meeting. 3 have not been presented to Finance Committee so will not be discussed until the next commission meeting. One new report and the two reports postponed at the last commission meeting are ready for review.

#823A -Stormwater Fee Audit follow-up: the original audit identified 23 items, of which 12 were cleared and 11 items remain for further follow-up. The remaining items include the need for better impervious area calculation and verification; more review of manual adjustments to parcel data; failure to send stormwater fee notices to newly developed parcels; incomplete low-income household exemption and income documentation; charitable and faith-based exemptions automatically granted without applications; and exemptions not timely removed.

#780B – Sheriff's Office Payroll Audit second follow-up: the original audit identified 23 issues, of which 7 were cleared after the first follow-up and 16 issues were cleared by the second follow-up. One opportunity for improvement will be taken care of by the implementation of a new timekeeping system so that finding is waived and the audit is considered closed.

#795B PFPF Bank Accounts Audit second follow-up: the original audit identified 11 issues of which 5 were cleared by the time of the first follow-up, leaving 6 issues remaining. All of those issues have now been cleared and the audit is closed.

Mr. Carter said he was asked at the last meeting to follow up on #787B - Compensation Benefits Division Audit second follow-up to find out what happened with the case of the retirees on the defined contribution retirement plan who hadn't had premiums withheld for their City health insurance. He has learned that the City told them they needed to pay the premiums, they refused, and the policies were cancelled. The division has since made some changes to its system to identify defined contribution plan retirees so that they can be properly billed for the premiums.

Audit Committee Report

None

Legislative Tracking Committee:

None

Chair's Comments

Mr. Henry asked that further discussion of the CIP process be on the agenda for the next meeting so the commission can consider how the general public can be more involved and better informed about the process.

Old Business

Nnone

New Business

None

Commissioner Comments

Commissioner Day asked about the process for requesting funding and staff for the TRUE Commission. Mr. Clements said the commission could go to the Mayor or could go to Council leadership and make the request. Mr. Day said after the council leadership election takes place in May could be a good time to approach the next leadership and make the request. He believes the Council Auditor's reports show a pattern of mismanagement and neglect throughout the city administration that needs to be corrected by management (executive branch) and the board of directors (City Council). A staffed and funded TRUE Commission with a full complement of members could be vastly more effective than the body currently can be with very limited membership.

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 – April 6, 2023

The meeting was adjourned at 5:22 p.m.

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Posted 3.3.23 4:30 p.m.