



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

Dr. Keshan Hargrove, Chair

TRUE COMMISSION Meeting Minutes

August 3, 2023

4:00 p.m.

Don Davis Room, 1st floor, City Hall

Attendance: Commissioners Charles Barr (Vice Chair), Velma Rounsville, Ramon Day, Bruce Tyson, Kim Pryor, Daniel Henry

Excused: Commissioners Carter Jones, Dr. Keshan Hargrove

Absent: None

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

The meeting was convened at 4:00 p.m. by Vice Chair Barr and the attendees introduced themselves for the record.

Approval of minutes

The minutes of the June 8, 2023 commission meeting 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 4 new reports since the last commission meeting.

#869: Public Works Construction-Related Vendors Audit (issued 06/06/23)

Commissioner Henry said he was surprised by some of the weaknesses identified by the audit and saw several deficiencies that need to be addressed – seemingly no standard terms and conditions in contracts leading to too much variability; lack of interaction between Public Works officials and the department’s third-party consultants; and seeming lack of consistent contract management practices. He said the state designates certain of its employees as defined contract managers, but it seems the City does not. He questioned whether the City has developed the JSEB processes that were supposed to have been created after a revision of the JSEB ordinance passed by City Council in 2021. Mr. Carter said that the audit time frame was from 2016 to 2020, so preceding the adoption of that ordinance. The audit follow-up will be looking for that compliance. Mr. Henry said that the auditee’s response gave the common refrain that full implementation of the 1Cloud financial management system would solve the problem. Commissioner Day suggested hearing from a representative of the new administration on the subject of the implementation of the 1Cloud system.

Motion (Day/2nd Rounsville): request staff to invite a representative of the administration to the November TRUE meeting to discuss 1Cloud implementation progress – **approved unanimously**.

Motion (Henry/2nd Pryor): invite the Chief of the Procurement Division to the October TRUE Commission meeting to discuss contract administration and the revisions to the Procurement Code currently pending before City Council – **approved unanimously**.

Commissioner Henry asked why the City uses third-party construction managers to inspect construction projects rather than in-house City employees. Mr. Carter said that would be appropriately directed to the Public Works Department for a response. Commissioner Day asked if the City used a monitoring mechanism similar to the American Institute of Architects (AIA) standard form typically used in commercial and residential construction projects for contractor payment draw requests. Mr. Carter said that when he was involved in construction audits in years past there was a construction manager assigned to projects who had to review and approve draw requests. Commissioner Day asked about the reporting structure within Public Works through which contract managers report project progress up to Public Works management.

Motion (Day/2nd Rounsville): invite the Public Works Director and any appropriate division chiefs to the September TRUE Commission meeting to discuss contract management procedures – **approved unanimously**.

Commissioner Pryor reported that the West 4th Street restoration project in Springfield did not end up the way it was intended – the end product didn't match the original specifications and the quality of some of the work was not good. She is concerned that the third-party construction inspector has the ability to approve work that may not be up to the quality the City or the public expect.

Motion (Day/2nd Henry): reconsider the previous motion – **approved unanimously**.

Motion (Day/2nd Pryor): invite the Public Works Director and any appropriate division chiefs to the September TRUE Commission meeting to discuss contract management procedures and to specifically address the 4th Street Restoration Project from Main to Pearl Streets – **approved unanimously**.

#763C: Follow-up on JTA Payroll Audit (issued 06/07/23):

All outstanding issues remaining from the previous follow-up were rectified and the audit is now closed.

#870: Public Works Department - Public Buildings Division - Security Guard Contract Audit (issued 06/14/23): findings included 1) documentation retention issues with payrate and staffing schedules; 2) the billing rate for one position was overstated and resulted in overbilling of approximately \$2,000; 3) security guards working in excess of the maximum amount allowed in a 24-hour or 48-hour period per the contract; 4) the Public Buildings Division was not being notified of terminations of security guards as required by the contract.

#871: Procurement Audit - Informal Purchase of Supplies (issued 06/26/23): findings include 1) various issues with the Procurement Manual including unwritten, incomplete, and outdated policies and procedures; 2) requisitions could bypass the Procurement Division and therefore purchase orders created without following proper processes; 3) system access issues; 4) gaps in procurement data (e.g., requisition numbers); and 5) exempt records not properly protected.

Mr. Carter noted that the Finance Committee budget hearings begin on August 10th and run for 3 weeks.

Commissioner Barr said that the Audit Committee met prior to the full commission meeting and he looks forward to seeing the response of the administration. Commissioner Pryor asked about the result of audit recommendations; Mr. Carter explained the follow-up process and eventual resolution of the identified issues. The Council Auditor works for the City Council and makes recommendations only; implementation of recommendations is the responsibility of the Mayor and her administration. He explained that the Auditor engages in a bit of negotiation with the audited department about how to achieve compliance. Commissioner Day said it is incumbent on the Finance Committee and the City Council to ensure that action takes place in a timely manner. Commissioner Pryor asked if it was possible to get a listing of all previous audit recommendations and their implementation status. Mr. Carter said he would consult with the manager of the audit function to see what might be possible. Commissioner Henry asked about the form of the audit tracking system and whether it is searchable for key terms that might show up from audit to audit. Mr. Carter said he will make a report at the next meeting on his discussions with the Council Auditor and the audit manager.

Legislative Tracking Committee:

Commissioner Henry said he is interested in pending Ordinance 2023-20 which is a major re-write of the Procurement Code. He thinks the section on contract administration and oversight could be improved in the area of certification of contract management employees. He believes the state language on contract managers should be utilized and that contract managers should be assigned to all contracts rather than just high-risk contracts identified by the Inspector General. He noted that the Inspector General's Office is in the process of hiring one or more contract specialists to review contracts. Mr. Clements explained that the Council President has requested the chairs of the 4 committees to which the 2023-20 has been assigned each devote half an hour at their next meeting to getting presentations from the Office of General Counsel and the Procurement Division on the contents of the bill.

Chair's Comments

Commissioner Barr said he is excited about the work the TRUE Commission will be undertaking in the coming months.

Old Business

- Capital Improvement Plan discussion - none

New Business

- By-laws revision proposal
Vice Chair Barr suggested that the proposal be deferred to the next meeting given the absence of 2 commissioners.

Motion (Day/2nd Rounsville) – table the discussion of by-laws revision to the September meeting – **approved unanimously.**

Commissioner Comments

Vice Chair Barr asked if TRUE Commissioners are required to or would be attending Finance Committee budget hearings. Commissioner Henry said that the by-laws were amended in 2018 or 2019 to include a requirement for commissioners to attend budget hearings but it has not been observed. Commissioner Day said that in his opinion the Finance Committee and City Council have exercised very little oversight of the city's budget. Commissioner Henry said that a few past council members (Lori Boyer and John Crescimbeni, for example) were noted for their deep and penetrating questions, but generally the Finance Committee gives a fairly high-level overview of the budget. Mr. Clements described the typical process by which the Finance Committee reviews the many departmental and independent agency budgets over the course of 7 day-long hearings. Commissioner Day noted that the budget review process is the same today as it was when the city and county first consolidated 55 years ago, despite the growth and change

that has taken place in the city in all those years. Commissioner Henry asked if council members can get a listing of the capital improvement projects in their district; Mr. Clements said they have been receiving a district-specific project list for at least the last couple of years.

Commissioner Rounsville pointed out that the TRUE Commission by-laws do provide for the commission to review and comment on the Mayor's proposed budget. The group discussed means of having input into the process, whether as the commission or as individuals communicating with their individual council members. Commissioner Day said he has individually spoken to several council members about getting an appropriation to support the reactivation of Jacksonville Community Council Inc. (JCCI). He noted that the TRUE Commission last year made a recommendation for the City to add 148 new JSO officers every year for 8 years to get up to 2.73 officers per 1,000 population which the commission felt was an adequate level of service.

Mr. Clements described the process for the "wrap-up" session of the budget hearings at which the Finance Committee allocates any funds remaining in the Special Council Contingency fund during the course of the hearings. The group asked that a meeting be scheduled for Monday Aug 14th from 4-5 p.m. to discuss TRUE Commission budget requests. Commissioner Day said he will submit an explanation for his JCCI request for distribution to the membership in advance of that meeting. The group discussed the possibility of asking for an appropriation for staff for the TRUE Commission as discussed at an earlier meeting and where such a staff person would be appropriately located in the City's structure. Commissioner Day asked to be provided with information about an appropriate salary level and benefit amount for that position.

Commissioner Rounsville suggested the need to review the commission's Policies and Procedures manual to see what changes might need to be made.

Commissioner Henry said he believes the City needs to invest more into the support of citizen boards and commissions so that the general public can be better served and know more about what those bodies are doing.

Commissioner Tyson said that boards and commissions need to be better staffed and their work publicized, which requires funding,

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 – September 7, 2023.

The meeting was adjourned at 5:39 p.m.

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Posted 10.6.23 11:00 a.m.