



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

Dr. Keshan Hargrove, Chair

TRUE COMMISSION Meeting Minutes

November 9, 2023

4:00 p.m.

Don Davis Room, 1st floor, City Hall

Attendance: Commissioners Charles Barr (Vice Chair), Bruce Tyson, Tony Zebouni, Ramon Day, Daniel Henry (dep. 5:30), Velma Rounsville (dep. 5:41), Keshan Hargrove (arr. 5:20)

Excused: Commissioner Carter Jones

Absent: None

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

Vice Chair Barr convened the meeting at 4:04 and the attendees introduced themselves for the record.

Invited Speaker: Dustin Freeman – Chief of Procurement

Mr. Freeman provided answers to a list of questions posed in writing in advance of the meeting by Commissioner Henry:

Do City contracts have standard terms and conditions? Yes.

Are electronic documents and signatures used? They will be when the current complete re-write of the Procurement Code is voted on and approved by City Council next week and the Procurement Manual is rewritten thereafter (due by next July 1). The City uses an Oracle enterprise financial and human resources system and hopes to turn on the procurement contracting module that will make the procurement system completely electronic from start to finish by the second quarter of next year.

Does the Procurement Division review contracts with suppliers or contractors before they are signed by the user agency? No, the division just handles the procurement and award processes; after that it becomes the Office of General Counsel’s and the user agency’s responsibility to execute and administer the contract.

Who administers the contract? The user agency, not the Procurement Division.

Are executed contracts stored in the 1Cloud system and can the public access them? They are in 1Cloud (everything since implementation in 2020) but not externally accessible to the public yet. When the Procurement Code rewrite is approved then they will be made available via the Procurement website.

Can the website show all the associated documentation that goes along with a contract? Not right now but will be available eventually, hopefully soon. They are public records and can be requested by the public in hard copy now.

Does the Procurement Management Division have a contract management system? Yes, as does the Office of General Counsel.

Do departments designate contract managers? Yes. The new bill will require the Procurement Division, OGC and the Council Auditor to jointly develop a contract manager training and certification program for everyone who gets that designation in their department. The pending ordinance includes a contract risk assessment program for the Procurement Division and the Inspector General to identify high risk contracts. Procurement needs a couple of new employees to establish that contract management certification program. Mr. Freeman said he got an amendment included in the bill to provide for a contract performance assessment mechanism. Commissioner Henry said the State of Florida has a good contract management system pursuant to state law and recommended it as a model to consider. Commissioner Zebouni said the JEA has long had a contract interim and final evaluation mechanism that could be considered. Mr. Freeman said he is given a good deal of authority by the new ordinance to deal with challenges and protests, and he envisions that there will be an appeal mechanism to an adjudicatory body so that he will not be making the final rulings. Mr. Zebouni recommended that Mr. Freeman meet with industry groups to explain what the new ordinance does and how things will change.

Mr. Freeman said a big holdup in the current procurement process is a lack of staff in the Office of General Counsel to draft, review and approve contracts. There are only 3 attorneys doing that work for the entire city and that is insufficient to handle the workload on a timely basis. In response to a question, Mr. Freeman said that the decision of whether to have a full-fledged contract or not generally lies with the using agency, not with Procurement; there is no codified requirement about formal contract thresholds. Commissioners Pryor and Zebouni suggested that many contracts could be drafted in advance during the procurement advertisement process and needing only to fill in the name of the successful bidder, not completely drafted from scratch after the award. A long delay getting the contract completed is inefficient and could cost the city money as prices go up during an extended delay. Mr. Freeman described the numerous steps involved in developing, advertising, receiving, evaluating, and awarding a contract, which is a lengthy process.

Are procurement awards committee meeting recordings available to the public? Not currently self-accessible, although they are available upon request as a public record. Commissioner Henry said that some procurement documents are available online on the front end of the process, but the general public doesn't get to see what happens to a contract after that initial meeting unless they make a special effort to request a public record. Making those meeting recordings available online would reduce the amount of public records requests made and improve transparency. Mr. Freeman said eventually the Oracle procurement module will make all the documentation readily available online. Commissioner Day asked what percentage of City contracts come in under or over budget. Mr. Freeman said that information is not centrally collected – it's in the records of the user agencies.

Approval of minutes

The minutes of the October 5, 2023 commission were **approved unanimously as distributed**.

Public Comment

None

Council Auditor's Report

Tommy Carter of the Auditor's Office noted that three reports have been issued by the Council Auditor's Office since the last commission meeting, but only one has been presented to the City Council Finance Committee, so he will be reporting on that item today and reporting on the others at the next meeting after the Finance Committee has been briefed.

#812B – Follow-up on Landfill Contract Audit: Mr. Carter said that all 7 items from the original item were cleared and the audit is closed out.

Mr. Carter explained that all audit work ceases for during the budget adoption process so it has now resumed since the beginning of the fiscal year. Commissioner Pryor requested a report of all prior audits, the number of issues identified in each, and the length of time to achieve completion of all outstanding items via follow-up reports. Mr. Carter said all audits are posted on the website, and the follow-ups are listed with the original audit. When a follow-up finds that all items are cleared, that is noted parenthetically under the last follow-up. There is a database kept of all issues identified in audits, but for practical purposes the Council Auditor's Office (CAO) staff uses the reports on the website to track completion. Since the change of administrations, the CAO is sending notice of previous audits to the various executive departments to let them know what was previously found in their department. The scheduling of audit follow-ups depends on staff availability and workload. Ms. Pryor asked if there is a recognized accounting standard for how soon follow-ups take place. Mr. Carter said he is unsure if there is a recognized standard. The CAO's policy is to start a follow-up within 12-18 months of the original report release. Some recommendations naturally take longer to achieve than others, such as implementing new computer systems, hiring new employees, etc. Commissioner Day said in his opinion the City of Jacksonville has been very lax in its operations compared to the private sector. Five years from an original audit to the close-out after a second follow-up seems to him extremely tardy.

Legislative Tracking Committee

None

Audit Committee

None

Chair's Comments

None

Old Business

By-laws revision: the proposed revision was moved but died for lack of a second at the previous meeting. Commissioner Day said the by-laws haven't been updated since 2003 so are due for revision. His proposed draft made 2 substantive changes: 1) change the membership from 18 to 12 members to reflect the reality of current membership; and 2) appoint separate vice-chairs for revenue and expenditures. The matter was deferred until the next meeting.

Commissioner Pryor said she wants a full audit done of JTA. Mr. Carter said their independent financial audit was recently released, and a full operational audit of JTA is beyond the capacity of the Auditor's Office to handle. Ms. Pryor referred back to a discussion at a previous meeting about JTA taking 2 years to request a budget amendment and asked how they could overspend their budget by \$7M without permission and where the money for that overspending came from. Mr. Carter explained JTA's revenue sources, which includes several portions of different gas taxes, local option sales tax, FDOT funding for the transportation disadvantaged, federal grant funds, and operational revenues. He said all independent agencies report their budgets to the CAO quarterly and the CAO reviews their projections for year-end balances and cautions when budget amendments are needed. Ms. Pryor said JTA should not be spending

money above budget without prior approval by City Council. Mr. Carter said the Council President made very clear to JTA representatives at a recent Finance Committee meeting that he was extremely displeased by the lateness of their budget amendment and was promised that it would not happen again.

New Business

None

Commissioner Comments

Commissioner Pryor posed questions about items pending before the City Council:

2023-715 and -755 – why the secrecy about the names of the companies? Why is fast track approval being considered for unknown companies? Commissioner Maldonado said confidentiality of company names is allowed by the state and companies want it that way for competitive reasons.

2023-720 – the ordinance moves CIP money from one project to another. Why did projects go over budget? What can the TRUE Commission do about it? Commissioner Zebouni said when he worked for the City there used to be a tracking system that documented every change order on contracts and why they were necessary.

2023-734 - why is JEA increasing its borrowing capacity? Commissioner Day said JEA is planning for the future growth coming to the city and its utility expansion needs. Commissioner Barr said it could be related to the Plant Vogtle nuclear plant expenses beginning to come online.

2023-759 – the bill waives Northwest Jacksonville Economic Development Fund guidelines for giving more than the allowable percentage of funding to a project – why?

2023-764 – appropriation to MLK Week 2024 programming. Where did the money come from and what is it being spent for?

2023-766 - \$1.8M to purchase the liquor store in Brentwood. How much will it cost to develop the building into a community center after it is purchased?

Commissioner Zebouni said he is involved in numerous organizations that have dealings of various kinds with the City and asked for guidance on who he should or should not be talking to and when from an ethical standpoint.

Chairman Pringle asked staff to email the commission's Policies and Procedures Manual to the members.

Commissioner Barr said he hopes the City Council listens to the TRUE Commission, the CPACs and other entities representing citizens and that the participants in those organizations can make a difference.

Commissioner Day said that he missed the last couple of meetings because he was caring for his late wife during her illness and is looking forward to resuming the important work of the TRUE Commission.

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 9, 2023.

The meeting was adjourned at 5:11 p.m.

Jeff Clements, City Council Research Division

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Posted 11.16.23 4:30 p.m.