



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

Dr. Keshan Hargrove, Chair

TRUE COMMISSION PRELIMINARY MEETING MINUTES

*(Note: these minutes are not official until reviewed and
Approved by the commission at a future meeting)*

September 4, 2025

4:00 p.m.

Lynwood Roberts Room, 1st floor, City Hall

Attendance: Dr. Hargrove (Chair) Commissioners: Charles Barr (Vice Chair), Velma Rounsville, Ramon Day, Kim Pryor (arrival: 4:06 PM), Bruce Tyson, Daniel Henry, Anthony Zebouni, Kevin Luhrs

Excused: Commissioners: Stephanie Oglesby, Chris McHugh, Alexander Hoffman, and Andrea Letizia

Also: Nayeli Jimenez– City Council Research, Tommy Carter – Council Auditor’s Office, David Johnston– Inspector General Office

Chair Hargrove convened the meeting at 4:00 p.m. and the attendees introduced themselves for the record.

Approval of minutes

The minutes of the August 7, 2025 commission meeting were approved unanimously as distributed.

Council Member Mike Gay- 2024-729-E

Vice Chair Barr introduced Council Member Gay to discuss 2024-729-E on direct purchase of construction materials.

Council Member Gay explained that the program allows the City, as a tax-exempt entity, to purchase project materials directly, reducing costs by eliminating sales tax. While commonly used by other local agencies, Jacksonville had not previously adopted the practice. The measure applies to purchases of \$10,000 or more on contracts over \$100,000 and has already produced approximately \$1.1 million in savings since its July 2024 implementation. He noted that contractors remain responsible for installation and warranties, while small and emerging businesses benefit from reduced retainage and improved cash flow. Council Member Gay emphasized that the policy provides both taxpayer savings and support for small contractors, with larger savings expected on upcoming major projects.

Commissioner Zebouni noted past use of owner direct purchase (ODP) and cautioned about risks related to timing, loss, and storage. Council Member Gay responded that contractors remain responsible under contract for timely purchase, installation, and storage. Commissioner Zebouni also asked whether JSEB firms purchase in the City’s name. Council Member Gay confirmed purchase orders are issued through the City.

Commissioner Day asked about thresholds and totals. Council Member Gay explained that for JSEB contracts, purchases of \$10,000 or more qualify, while on other projects the threshold is \$100,000. He reported approximately \$19.1 million in total purchases through ODP to date but did not have a fiscal year breakdown. Mr. Day confirmed that liability for materials remains with the contractor, with the City serving only as purchasing agent.

Commissioner Luhrs suggested that larger firms may absorb sales tax more easily than smaller firms, and asked if the policy has improved competition for small businesses. Council Member Gay replied that the policy reduces financial burdens on smaller firms and should improve their ability to participate, particularly on large projects.

Vice Chair Barr asked whether the policy was tied to the “Buy American” requirement. Council Member Gay explained that provisions such as Buy American, apprenticeship programs, and local participation requirements were negotiated specifically for the stadium project, helping to increase local business involvement. Mr. Barr expressed support for the apprenticeship requirement.

Dr. Hargrove asked about local participation. Council Member Gay explained the bill initially considered a 10% local preference model but was revised to require 40% combined local participation, including JSEBs and subcontractors, rather than preference for prime bidders alone.

Commissioner Henry summarized that the bill both strengthens JSEBs and shifts sales tax burdens off small firms. He asked whether further expansion was planned. Council Member Gay said thresholds could be revisited once the program is fully implemented. Mr. Henry also asked about coordination with other agencies; Council Member Gay replied that JEA, JTA, JAA, and the School Board already use similar models, with JEA in particular leveraging ODP heavily.

Commissioner Zebouni raised state restrictions on local preference when state or federal funds are involved. Council Member Gay confirmed local preference applies only to City-funded projects.

Commissioner Pryor asked whether data was available showing how many small business contracts had been awarded since the bill took effect. Council Member Gay said he would need to work with JSEB Director to provide those figures and agreed to follow up. Commissioner Pryor requested a comparison of small business participation before and after implementation.

Council Member Gay added that while the new procurement system is still being refined, he will continue pressing Public Works to maximize participation and savings.

Public Comment

John Nooney requested that the Commission adopt a resolution recognizing his efforts in advancing Florida Inland Navigation District land acquisition projects in several council districts. He also referenced recent meetings he attended and highlighted City Council legislation regarding electric vehicle charging stations, describing it as an opportunity for JSEB participation. Vice Chair Barr asked whether Mr. Nooney had prepared the draft resolution he was previously requested to bring forward; Mr. Nooney replied he had not yet done so. He concluded by complimenting staff on the minutes.

Council Auditor’s Report

Tommy Carter, Council Auditor’s Office, reported that four audits had been released since the Commission’s June meeting. He highlighted Report No. 891, the audit of the residential waste haulers contract (issued June 4, 2025). The audit reviewed approximately \$76.4 million in payments from

December 2021 through December 2023. Overall, payments were found to be properly supported and authorized. However, significant issues were identified with the Solid Waste Division's calculation of liquidated damages, inclusion of items on invoices outside the contract scope, and delays in city payments. Specific findings included:

- A \$600,000 payment to a hauler for storm debris work that appeared outside contract terms.
- A corresponding reduction in another hauler's payment that also did not align with contract requirements.
- Two haulers exceeding annual fuel caps, leading to nearly \$358,000 in excess payments.

Mr. Carter concluded with an overview of discretionary practices in damage calculations and noted that additional details are available in the full report.

Commissioner Henry asked whether the liquidated damages process in the waste hauler audit applied to the new Meridian contract; Mr. Carter was unsure and agreed to follow up. Commissioner Pryor expressed concern over a \$600,000 payment made outside contract terms, questioning existing checks and balances. Mr. Carter explained the payment was recorded as storm debris removal but later attributed to driver shortages and noted the Auditor's Office recommended better documentation and use of payment checklists.

Commissioner Pryor moved that the Commission request full details on the \$600,000 expenditure; Commissioner Zebouni seconded. Commissioner Day cautioned against singling out one invoice without broader context. Commissioner Pryor reiterated that the size of the payment and conflicting explanations warranted closer review. Commissioners discussed whether the expenditure was a true overpayment, whether emergency procedures may have applied, and whether the matter should be referred to the Inspector General.

After debate, Commissioner Zebouni called the question, and it was seconded. Commissioner Pryor's motion failed.

Following the vote, Dr. Hargrove suggested the Commission should invite Public Works or the Solid Waste Division to explain the expenditure at a future meeting. Commissioner Pryor agreed she would like more information. Commissioner Zebouni asked if the matter was under Inspector General review; IG staff confirmed it was not.

Commissioner Henry announced that this meeting would be his last, as he has been replaced after serving two full terms. He thanked the Commission for the opportunity to serve, noting he valued this board more than others he had served on because it provided a deeper understanding of city governance. He encouraged members to continue asking questions that lead to meaningful reports. He expressed appreciation for the Commission's work and wished the group continued success. Commissioner Pryor asked if he had been officially replaced. Commissioner Henry confirmed his term had expired over two years ago and he was not eligible for reappointment. He welcomed the opportunity for new members to bring fresh perspectives.

Mr. Carter summarized three additional reports:

Report 892: He stated that payments were generally accurate, but significant control weaknesses were identified. Issues included outdated or missing written procedures, excessive user access, duplicate supplier accounts, supplier bank changes made by employees also processing payments, and \$3.8 million in duplicate payments later corrected. Other findings included late payments, improper invoice processing, and invoices not linked to purchase orders, risking procurement violations.

Report 893: He stated that the audit found insufficient procedures for enrolling individuals, delays in attaching monitors, improper fee assessments, inaccurate balances, and excessive system access. In one case, an individual released without a monitor was later re-arrested. JSO has begun revising procedures, including courthouse-based monitoring and improved notifications.

Quarterly Budget Summary: The City projects an overall favorable budget variance of \$67.4 million, largely from a \$36.8 million improvement in the General Fund forecast due to loan repayment and solid waste fee increases. Personnel costs are projected favorable by \$5.6 million, offset by overtime and pension variances. Independent agencies vary, JEA and JAA are filing budget amendments; JTA projects a \$435,000 favorable variance but may also need an amendment and JPA is experiencing no budgetary stress.

Audit Committee

None

Legislative Tracking Committee

None

Chair's Comments

None

Old Business

Vice Chair Barr explained the resolution the TRUE Commission passed last meeting and that Commissioner Day presented it to the City Council meeting.

New Business

Commissioner Pryor raised concerns about ineffective street sweeping in the urban core. She noted that sweepers often run down the middle of streets without clearing curbs, despite the City receiving environmental credits for curb miles swept. She called the practice a waste of money, questioned possible fraud, and suggested that scheduled sweeps with enforceable parking restrictions similar to other cities should be implemented.

Chair Hargrove recommended Commissioner Pryor meet directly with Public Works but agreed the Commission could also request information or refer concerns to the Inspector General.

Commissioner Day asked whether sweeping is limited to Urban Services District 1 and suggested any Commission action be in the form of a motion or resolution.

Vice Chair Barr observed that parked cars block sweepers and questioned whether residents could be required to move vehicles. Commissioner Pryor responded that other cities pass ordinances to mandate parking restrictions during sweep times and proposed a similar system for Jacksonville.

Commissioner Rounseville stressed the importance of first determining exactly where and how street sweeping is conducted in Jacksonville before making accusations.

After discussion, the Commission agreed to invite Public Works representatives to a future meeting to provide details on street sweeping practices.

Commissioner Day motioned for a resolution on the millage rate reduction, it was seconded by Commissioner Rounseville.

Vice Chair Barr noted uncertainty about the Mayor's budget proposal and City Council's stance, acknowledging he had not attended recent meeting.

Commissioner Day explained that Council had targeted specific line items for cuts, including Meals on Wheels, which had raised concerns of politically motivated reductions. To avoid divisiveness, he proposed

a resolution recommending a pro rata reduction of all budget line items sufficient to achieve the \$13 million in required cuts, rather than eliminating specific programs.

Commissioner Zebouni observed that an across-the-board reduction could affect essential services such as fire or police but agreed it would be less politically charged than targeting individual programs.

Commissioner Pryor suggested an amendment clarifying that the resolution would take effect only if the millage rate reduction was approved by City Council. Commissioner Day responded that the millage reduction had already been adopted, though Commissioner Pryor and others clarified that it had only passed the Finance Committee and not the full Council. After further discussion, Commissioner Pryor reiterated her preference to include language conditioning the resolution on final Council approval.

Vice Chair Barr expressed concern that the resolution could be interpreted as endorsing all proposed expenditures, even those that might later be considered unnecessary. Commissioner Day countered that the Mayor's budget was prepared in good faith, and the resolution would simply impose fiscal discipline through a uniform reduction.

Commissioner Luhrs stated he opposed the millage reduction overall but supported the pro rata approach as a reasonable alternative to program-specific cuts. Commissioner Pryor maintained her position that the timing of the resolution was premature.

Following debate, Commissioner Day revised the resolution. The resolution passed on a 4-3 vote.

Commissioner Day reflected on his years of service, noting he had previously advanced several resolutions and encouraged members to take initiative in developing reports and recommendations. He emphasized the need for more appointees to fully staff the Commission and allow subcommittees on revenues and expenditures.

Commissioner Luhrs expressed concern that the Commission sometimes meets without achieving substantive outcomes and encouraged efforts to strengthen its role in city policy.

Commissioner Rounseville recommended that the Mayor's Office be reminded of the outstanding appointments still needed to bring the Commission to full capacity. Chair Hargrove agreed.

Vice Chair Barr added that Council Members could be invited to attend future meetings on specific topics, as demonstrated by Council Member Gay's recent presentation.

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 – October 9, 2025

The meeting was adjourned at 5:49 PM

Amended Minutes: Nayeli Jimenez- Council Research Division

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