

City of Jacksonville

*117 W. Duval Street
Jacksonville, FL 32202*



Meeting Minutes

Tuesday, April 21, 2026

11:00 AM

**Council Chamber,
1st Floor, City Hall**

Duval DOGE Special Committee

*Council Member Ron Salem, Chair
Council Member Chris Miller, Vice Chair
Council Member Raul Arias
Council Member Mike Gay
Council Member Rory Diamond*

*Legislative Assistant: Rebecca Bolton
Council Research: Steven Libby
Auditors: Kim Taylor and Brian Parks
OGC: Mary Staffopoulos*

Meeting Convened: 11:01 a.m.

Attendance:

CM J. Carlucci (Visiting)

I. Call to Order and Introductions

Chair Salem convened the meeting and called for introductions.

II. Public Comment

Mr. Vincent Barone spoke on fiscal responsibility.

Mr. John Nooney spoke on Jacksonville's waterways.

III. Update on Telehealth – CM Diamond

CM Diamond informed the Committee that he would need to review drafts from the lawyers before providing the lawyers with follow-up questions. Chair Salem stated that he had seen the draft and had provided feedback to the lawyers. CM Diamond stated that he did not have a document to share with the public but would share one as soon as he received it. Chair Salem stated that a document would be released by the next meeting.

IV. Update on the 2% Lapse – Council Auditor's Office

Ms. Kim Taylor, Council Auditor, informed the Committee that the Council Auditor's Office had not received any requests from departments to restore funding. Chair Salem stated that the Special Committee on Duval DOGE would wrap up by the end of June and that any requests on the 2% lapse received after that point would be referred to the Finance Committee.

V. Update from The Bailey Group

Ms. Sherry Bugnet, the Bailey Group, presented on the implications of the City covering three entities under its benefits program whose members are not City employees. The entities were the First Coast Workforce Development Consortium, the Northeast Florida Regional Council, and the Jacksonville Housing Authority.

Ms. Bugnet reviewed the three entities, the approximate number of employees covered under the City's benefits program for each, and the benefits each received. She also reviewed legal and compliance considerations, the City's claims liability and financial risk, and the trade-offs for the smaller entities of participating in the City's plan. Ms. Bugnet noted that the Jacksonville Housing Authority differs from the other two entities in that it also participates in the deferred compensation plan. She reviewed the differences between ERISA and MEWA and their applicability to the City's plan, and highlighted the importance of determining the ERISA-exempt status of the three entities. She outlined the factors courts and the Department of Labor use to determine whether an entity qualifies as an instrumentality of a government. She recommended that the City work with its internal legal team or an outside ERISA attorney to determine the ERISA status of the three entities, and that if the entities were confirmed as non-ERISA, the City should review contracts and consider plan designs and contributions. She reviewed best practices for mitigating risk if the City moved forward with covering subsidiaries under its benefits program.

Mr. Brian Parks, Council Auditor's Office, stated that the Council Auditor's Office conducted an audit in 2015 and raised questions of whether the entities were paying their fair share under the City's self-insurance structure. He stated that based on claims data, the entities were paying their fair share at that time, but that rates had not changed since and may no longer be appropriate. Mr. Parks also noted that there are historical reasons for the entities being covered under the City's benefits program, some of which date back to 1977.

Ms. Mary Staffopoulos, OGC, stated that she would follow up with Mr. Sean Granat, OGC, regarding OGC's involvement in the review of the renewals, the most recent of which occurred in 2018. Chair Salem requested that OGC also review whether the renewals were compliant with the various legal provisions discussed during the presentation. Ms. Staffopoulos agreed.

Chair Salem asked the auditors whether they were tracking the costs associated with the individual employees from the three entities. Mr. Parks stated that the Council Auditor's Office was not directly tracking the expenditures because the contracts specified that the rates had to be the same as the City's plan.

Mr. Parks provided a timeline, stating that the Council Auditor's Office conducted the audit, issued its finding, and the prior administration subsequently executed the agreements.

Chair Salem asked Mr. Parks whether anything had been done since 2017. Mr. Parks stated that there had not been an update to the agreements, and that he would need to reach out to Employee Benefits to determine what they were actively tracking.

Chair Salem stated that the City contributed \$375,000 to the Northeast Florida Regional Council and asked the auditors whether health insurance was factored into that amount. Mr. Parks deferred to Ms. Beth Payne, CEO, NEFRC.

CM Arias asked whether City employees were paying updated rates or whether rates had been frozen for everyone since 2017. Mr. Parks stated that rates had not changed for either employees or the employer since January 1, 2015, or January 1, 2016, when the City transitioned to self-insurance, and that as a result, the City had been using contributions from the General Fund or other funding sources to cover costs.

CM Arias asked Chair Salem whether the Committee planned to take action given that 11 years had passed and the City was covering costs through the General Fund. Chair Salem recounted the previous year's budget process, during which the Council subsidized health insurance with \$23 million to make the fund whole. He stated that the reserve account had been depleted and that the Council contributed \$5 million in General Fund money as a stopgap. He further stated that a letter was sent to the State informing them that the City possessed reserves that would be used if it encountered a bind on health insurance. He noted that the contracts needed to be reviewed, given that seven to eight years had passed, to determine whether they remained applicable. He observed that the entities were paying the same premiums as the City but that those premiums were not meeting costs. He added that it was one matter to subsidize the City's own employees, but another matter to subsidize employees of outside entities.

CM Arias asked Ms. Sabrina Abare, the Bailey Group, whether the City was required to keep the rates the same for the three entities and City employees. Ms. Abare stated that the rates could differ but that doing so would require negotiation.

CM Arias asked Ms. Abare whether there was an estimated cost for how much the City was paying for health insurance coverage for the three entities. Ms. Abare stated that those numbers were not yet available, but that the Bailey Group would present them at meetings in May and June.

Chair Salem stated that it would likely amount to several million dollars to cover health insurance for the three entities. He estimated that multiplying 250 employees by approximately \$10,000 per employee yielded a rough figure of \$2.5 million, possibly approaching \$3 million.

Chair Salem stated that the next step would be for OGC to follow up on compliance with ERISA and the other legal provisions discussed. Ms. Staffopoulos confirmed that she would follow up. She then stated that the Jacksonville Housing Authority is an independent authority of the consolidated government and is treated similarly to the other independent authorities.

Chair Salem asked whether the Jacksonville Housing Authority's participation in the deferred compensation plan distinguished it from the other two entities. Ms. Staffopoulos stated that she was not sure, but that it might be the case given that the Jacksonville Housing Authority is an independent authority of the consolidated government, unlike the other two entities. She added that the Regional Planning Council is statutorily provided for, creating obligations for the City regarding membership, which she noted was discussed during the previous year's budget process. She noted that she was not familiar with the First Coast Workforce Development Consortium's history with the City or the City's obligations to it.

CM Arias stated that his focus was on the other two entities rather than the Jacksonville Housing Authority, given that the Jacksonville Housing Authority is an independent authority.

Ms. Staffopoulos stated that the Northeast Florida Regional Planning Council was the entity with substantial discussion during the previous year's budget process. She stated that the Jacksonville Housing Authority is provided for in Chapter 51A, Ordinance Code, to manage housing.

Chair Salem asked, with respect to both CareerSource and the Northeast Florida Regional Planning Council, whether the City provided a lump sum to each entity. Ms. Staffopoulos stated that she was not familiar with the First Coast Workforce Development Consortium. She confirmed that the City provides an annual contribution to the Northeast Florida Regional Planning Council and stated that she would research whether the City contributes additional funds for health insurance. She added that she would also research the contract for the First Coast Workforce Development Consortium.

Chair Salem stated that he did not recall CareerSource coming up during the previous year's budget process and asked the auditors whether the Council had ever approved a lump sum to the entity or whether the City was only providing health insurance coverage. Ms. Taylor stated that

she was not aware of any lump sum contribution to CareerSource and that there was not a nondepartmental contribution comparable to the one made to the Northeast Florida Regional Planning Council. She stated that she would research whether separate legislation had provided such a contribution in the past, but noted that it was not included in the current year's budget.

Chair Salem invited representatives of the three entities to introduce themselves. Ms. Adina Teodorescu, CAO, Jacksonville Housing Authority, introduced herself. Ms. Beth Payne, CEO, Northeast Florida Regional Council, introduced herself. Ms. Cheryl Taylor, CareerSource, introduced herself and stated that CareerSource does not receive any funds from the City of Jacksonville other than health insurance.

Ms. Bugnet reviewed the project plan timeline for May and June. Chair Salem asked the Bailey Group whether they would need one meeting in May and two meetings in June. Ms. Bugnet stated that the Bailey Group may not need a meeting in May, as the Bailey Group would be working with their actuaries that month to prepare funding recommendations for the Committee by June. She stated that they would need both June meetings. Ms. Bugnet stated that the stop loss figures presented in June would be estimates rather than firm numbers, as firm numbers would normally require data through September, which would be after the conclusion of the Special Committee on Duval DOGE.

Chair Salem stated that he had also asked the Bailey Group to examine a premium structure with a tiered approach in which higher-paid employees would pay higher premiums.

VI. Comments from Committee

CM Diamond requested that the Committee review the Oversight Committee draft legislation at the next meeting. Chair Salem asked whether the legislation had been drafted. Ms. Staffopoulos confirmed that the legislation had been drafted and stated that she could provide copies to the members to review before the next meeting. She stated that she could also outline a few caveats for the members' consideration before the next meeting. CM Diamond stated that it might be better for the Committee to review the legislation in two weeks, after each member had reviewed the bill.

Ms. Staffopoulos provided a brief overview of the bill, stating that it amends Council Rule 2.102 to add a standing committee, per CM Diamond's direction. She noted that, per CM Diamond's direction, the charge of the Oversight Committee would be to consider matters relating to staffing levels and funding for the Office of Inspector General and the Office of Ethics, Compliance and Oversight. She noted that the proposed meeting schedule of the Oversight Committee would be once a month on the third Wednesday of each month. She flagged for the members' consideration whether the Oversight Committee should receive legislation, noting that if it did, the once-monthly meeting cadence would delay the legislative process. She also noted that, per CM Diamond's request, the Oversight Committee would review audits and financial reports of the City and independent agencies, which would be duplicative of the Finance Committee's current charge. She flagged for the members' consideration whether to maintain the duplication or to alter the scope of what the Finance Committee and the Oversight Committee would each review.

CM Diamond informed the Committee that he was not wedded to any specific element of the

proposed Oversight Committee. He stated that he viewed the Oversight Committee's role as investigatory rather than legislative, with the purpose of bringing matters to light. He noted that Council Members received numerous reports and that it would be helpful to have a committee dedicated to reviewing them.

CM Arias suggested that, rather than the proposed schedule, the Oversight Committee could either meet for thirty minutes before the Finance Committee meeting, or could operate as a floating committee like the Tower Review Committee, which meets only when necessary. Ms. Staffopoulos stated that CM Arias's suggestion was more similar to a special committee, and that CM Diamond's intent was for the Oversight Committee to be a consistent standing committee with regular meetings and regular staff. CM Arias responded that it would make more sense for the Oversight Committee to meet before the Finance Committee meetings, because meeting once a month might slow down the process.

CM Diamond responded that the Oversight Committee would not need to review any legislation, and that as a result, it would not slow the legislative process. He also noted that he wanted the Oversight Committee to have regularly scheduled meetings because of the value of its investigatory and oversight authority for the City.

Chair Salem stated that further discussion would be needed to determine whether the Oversight Committee should be a standing committee with regular meetings that receives issues from the Council President and reports for review, or a floating committee that is active only when there are issues. He added that he agreed that regular meetings would be needed to make the committee effective.

Chair Salem stated that the Committee would meet in May to discuss the Oversight Committee draft legislation and Telehealth, and would have two meetings in June.

CM Miller stated that he supported the Committee's discussions and the idea of a committee dedicating time to making the government more effective and efficient.

Chair Salem stated that there needed to be a venue for these types of issues after the conclusion of the Special Committee on Duval DOGE.

Ms. Staffopoulos noted, following discussion with the auditors, the existence of an Audit Subcommittee. She stated that they would research the Subcommittee's prior charge to determine whether elements of it could be incorporated into the Oversight Committee. She added that if the members wanted to move away from regular meetings and toward allowing the Council President to refer issues to the committee as needed, the Oversight Committee could be established as a permanent ad hoc committee rather than a standing committee.

Chair Salem asked Ms. Taylor about the Audit Subcommittee's process of reviewing audits with two or three Council Members and the Council auditors. Ms. Taylor stated that the Council Auditor's Office presented its audits to two or three Council Members in more detail and provided a process for raising issues and keeping Council Members up to date on the City's finances. She added that it was an effective vehicle for going into more detail.

Chair Salem asked whether the Audit Subcommittee continued to meet. Ms. Taylor stated that the Subcommittee no longer met regularly. She stated that its activity had been inconsistent and depended on the particular Council.

Chair Salem recommended including the Audit Subcommittee in future discussions as well.

VII. Adjourn

Chair Salem adjourned the meeting at 11:55 a.m.

**Minutes: Steven Libby, Council Research
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Posted: 4/30/26, 2:00 p.m.**