 Taxation, Revenue and Utilization of of E Expenditures (TRUE) Commission Daniel Henry, Chair

**M E M O R A N D U M**

**DATE: June 9, 2022**

**TO: Peggy Sidman**

 **Director/Council Secretary**

**FROM: Daniel Henry, Chair**

 **TRUE Commission**

**RE: TRUE COMMISSION ANNUAL REPORT FOR 2021-22**

Pursuant to the requirement of *Ordinance Code* Section 50.110(b), the following is the TRUE Commission’s annual report.

Membership

18 members: 6 members appointed by the Council President; 6 members appointed by the Mayor; 1 member appointed by each of the 6 CPACs. Appointees of the Council President and Mayor shall be residents of the City with an interest in city finance planning and budgeting and knowledge or expertise in financial management or accounting. Members appointed by the CPACs shall be residents of the City interested in public finance issues and actively involved in the community. As of June 2022, the Commission has 6 seated members (3 continuing to serve on expired terms) and 12 vacancies (4 City Council, 6 Mayor, 2 CPAC).

Meetings

The TRUE Commission meets on a monthly basis. The commission met 11 times during the year; one meeting took no official action due to lack of a quorum. The July meeting was cancelled in keeping with the City Council’s summer break.

Audit Reviews

The TRUE Commission reviewed a total of 20 Council Auditor audits/reports during the year. No specific recommendations resulted from the reviews, but the Commission did invite several speakers to meetings to discuss audit findings. Council Auditor Kim Taylor attended a meeting to discuss the audit dissemination process and commonalities in findings across multiple audits (see Invited Speakers below). Marcia Saulo, City Comptroller, attended a meeting to discuss the failure of the Finance and Administration Department to produce quarterly budget summary reports (see Invited Speakers below).

Legislative Reviews

The TRUE Commission reviewed and asked questions of staff on about 40 pending ordinances and resolutions during the year. One discussion (of Ordinance 2022-321) resulted in a letter from the TRUE Commission Chair to the City Council recommending that a competitive procurement process be undertaken in lieu of a non-competitive extension of the contract with ASM (formerly SMG) for management of the City’s public event venues.

Topics Discussed at Meetings

* CARES Act and American Recovery Plan federal funding amounts and uses.
* Sheriff’s Office staffing and funding sufficiency. The Commission invited Sheriff Williams to a meeting to discuss this issue (see Invited Speakers below).
* Kids Hope Alliance funding and programming as a crime prevention strategy. The Commission invited a KHA representative to a meeting to discuss this issue (see Invited Speakers below).
* Comparison of Jacksonville with peer cities on measures of per capita income, employment, crime, governmental revenue and expenditures, governmental workforce, etc.
* Trends in City pension funding ratios.
* TRUE Commission membership - the current membership has serious concerns about the ability of the Commission to accomplish its mission without sufficient members to perform the needed work.
* City Risk Management policies with regard to recurring JSO vehicle accidents.
* Failure of the Finance and Administration Department to produce quarterly budget summaries for more than a year and a half. The Commission is concerned about the potential impact of the lack of these quarterly reports and their trend analysis and projections on the City’s ability to properly prepare a budget for FY22-23.
* Resignation and replacement of the City’s Inspector General.
* 1Cloud financial management system implementation difficulties. The Commission invited Chief Financial Officer Joey Greive to a meeting to discuss this issue (see Invited Speakers below).
* Office of Economic Development annual reporting of incentive recipient compliance and performance.
* School Board millage referendum proposal.
* City Council consideration of and action on Council Auditor reports. The Commission invited Council Auditor Kim Taylor to a meeting to discuss the issue (see Invited Speakers below).
* Council Member Becton proposal to use the rolled-back millage rate as the revenue basis for the FY22-23 budget.
* New law enacted by the 2022 Florida Legislature that gives sheriffs the authority to transfer funds within their budgets without county commission approval.
* JTA’s expenditures exceeding authorized budgetary authority for several years in a row, requiring true-up budget amendments. TRUE commissioners expressed concern about a pattern of budgetary authority being exceeded.
* John Nooney appeared for Public Comment at several commission meetings to request the commission to advocate for increased public participation in City Council and council committee meetings, and to request that the commission investigate the City’s Florida Inland Navigation District (FIND) grant application and expenditure process. He believes that the general public is shut out of that process and that grant funds are being wasted on several projects.

Invited Speakers

* Sheriff Mike Williams attended the October 2021 meeting and engaged in extended discussion with the commissioners on subjects including: JSO staffing levels, community engagement, substations and stop stations, the International Association of Chiefs of Police review of the department, citizen review boards/processes, police response to mental health issues, gang violence, school resource officers and school guardians, gun buy-backs, and decriminalization of marijuana.
* Kenneth Darity, Chief Programs Officer for the Kids Hope Alliance, attended the December 2021 meeting and discussed the following subjects: KHA structure and services overview, estimate of total child service needs citywide, full-service schools, contractual vs. direct service provision, KHA funding, and youth employment and job readiness.
* Marcia Saulo, City Comptroller, attended the March 2022 meeting to discuss the progress and pitfalls of the 1Cloud financial management system implementation.
* Council Auditor Kim Taylor attended the May 2022 meeting and discussed the following subjects: audit reporting process, briefing council members on audit findings, most common audit findings (excess computer access rights, failure to have or to follow standard operating procedures, contract management issues), audit follow-up process, lack of quarterly budget summaries, mayoral administration transition process, SMG public venues management contract extension.

Reports Released or In Process

* **Peer Cities Comparison report**: the report compared Jacksonville to 9 other consolidated city/county governments around the country (Baton Rouge, Boston, Denver, Indianapolis, Lexington, Louisville, Nashville, New Orleans and San Francisco) on a variety of factors, from geography and climate to demographics, education levels, crime rates and economic measures. The report then examined governmental expenditures on various categories of public services. It was released to the City Council and City administration in March 2022.
* **Public safety funding/staffing report**: the Commission has had several discussions about the amount of increased funding needed to appropriately staff the Jacksonville Sheriff’s Office to address the city’s crime and violence problems and to fund the Kids Hope Alliance to meet the total needs for remedial children’s services, which has an impact on crime prevention. Sheriff Mike Williams and Kenneth Darity of the Kids Hope Alliance met with the commission to discuss aspects of this report, which is still under development.