



Taxation, Revenue and Utilization of Expenditures (TRUE) Commission

Niki Brunson, Chair

MEMORANDUM

DATE: June 7, 2018

TO: Dr. Cheryl L. Brown
Director/Council Secretary

FROM: Niki Brunson, Chair
TRUE Commission

RE: TRUE COMMISSION ANNUAL REPORT FOR 2017-18

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 2018 the commission's membership stands at 11 filled seats, with one of those members continuing to serve beyond the end of his expired term. One mayoral seat is filled with a current appointee and five mayoral seats are vacant. All of the Council President seats are filled, with two members' partial terms expiring in June 2018 (both eligible for reappointment). Four of the six CPAC seats are filled, with one member serving on an expired term. A replacement appointment for one of the CPAC members should be introduced in City Council shortly.

Meetings

The TRUE Commission meets on a monthly basis. The commission met 10 times from August 2017 through June 2018; the July 2017 meeting was cancelled in keeping with the City Council's summer hiatus and the September 2017 meeting was cancelled due to the state of emergency caused by Hurricane Irma. The October and December 2017 and January 2018 meetings were held without a quorum being present so no official action was taken. The appointment of new members in December 2017 and February 2018 helped to overcome the quorum issue.

Standing Committees

The TRUE Commission currently has three standing committees: Legislative Tracking, Audit, and Internal Operations. The Legislative Tracking Committee met on an occasional basis in 2017-18 to review new legislation introduced by the City Council for fiscal or operational impacts and make recommendations to the full commission of potential recommendations to be made to the City Council and Mayor. The Audit Committee meets monthly immediately prior to the full Commission meeting to review audits/reports issued by the Council Auditor's Office and makes recommendations to the full commission of potential recommendations to be made to the City Council and Mayor. The Internal

Operations Committee was formed during the 2016-17 year and met on an occasional basis this year to review the commission's legislative authorization, policies, procedures and by-laws and to suggest ways to improve the commission's focus and effectiveness. The Commission is considering several revisions to its Policies and Procedures Manual as a result of recommendations from the Internal Operations Committee regarding the timing of meetings to better mesh with the City Council's meeting schedule and regarding communication of the commission's recommendations to the Council, Mayor, CPACs and general public.

Sampling of topics discussed and recommendations made in 2017-2018

Audit Reviews

The TRUE Commission reviewed a total of 15 Council Auditor audits/reports during the year and made 1 recommendation to the Duval County Tourist Development Council for action.

Legislative Reviews

Under new leadership in 2017-18, the committee spent several of its own meetings and engaged in discussion with the full commission in its meetings about the appropriate role of the TRUE Commission in legislative review and recommendations. The committee is currently engaged in a process of developing a methodology for determining what legislative items fall within the commission's purview, which of those items merit review, and how the Legislative Tracking Committee can make recommendations to the full commission for action in a manner that is timely enough to provide input to the City Council before it takes final action on the bill under consideration. The commission's once-per-month meeting schedule makes it difficult to take actions and make recommendations to the City Council before it takes action. The TRUE Commission reviewed several dozen pending ordinances without making any recommendations for action to the City Council.

Other Topics Addressed

- City Economic Development Officer Kirk Wendland attended a commission meeting to discuss the OED's method of calculating return on investment for proposed economic development incentive packages. TRUE Commissioner John Roberts suggested that the methodology could be improved by the addition of a net present value calculation of the long-term cost of applying City funds to the proposed project rather than other uses, which the Commission is continuing to pursue. The commission had a lengthy discussion with Mr. Wendland about the types of incentives offered by the City, its "clawback" procedures for recouping incentives for failure by a recipient to meet the requirements, and the OED's project tracking and reporting system.
- Property Appraiser Jerry Holland attended a commission meeting to discuss the "greenbelt" tax exemption on properties being used for bona fide agricultural purposes. The commission posed a number of questions about the criteria used to determine eligibility for the exemption (set out in state law) and about the process by which properties with the greenbelt exemption are monitored for compliance with the exemption criteria. Several commissioners expressed concern with the fact that state law permits valuable developable properties to retain a greenbelt exemption and pay very little property taxes until the day that construction starts on a new use.
- The commission discussed the City's lack of a comprehensive, publicly accessible contract management system to track all of the City's currently in-force contracts. Members believe that the lack of such a system to constantly monitor compliance with the terms and conditions of contracts contributes to some of the difficulties the City has experienced over the years with construction contracts (which have led to lawsuits over liability for faulty construction of public facilities), performance of economic development incentive recipients, and the like.

- The TRUE Commission requested (via the Council President) a legal opinion on the commission's jurisdiction to investigate and comment on matters relating to the Duval County Schools system. The General Counsel responded that the school system is an independent body politic and not part of "the City" as generally defined, and therefore the TRUE Commission does not have authority to investigate its operations.
- The commission's Internal Operations Committee undertook considerable work on a revision to its Policies and Procedures Manual, which was last revised in 2006. The revisions relate primarily to procedures for the Legislative Tracking Committee's work reviewing pending legislation, for undertaking studies of special topics, and for publicizing the work of the commission to the City Council, the CPACs, the media and the general public.