



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

Marc Hassan, Chair

Patti Anania, Vice Chair

Greg Radlinski, Secretary

## TRUE Commission Meeting Minutes

June 13, 2016

4:00 p.m.

**Attendance:** Marc Hassan (Chair), Greg Radlinski, Danny Ferreira, John Pittman, Ralph Hodges, Patti Anania, Ted Wendler, Charlie Kleeman, Keshan Chambliss, Greg Rachal, Chris Brady

**Excused:** Ernest McDuffie

**Also:** Tommy Carter – Council Auditor’s Office; Jeff Clements – City Council Research; Paige Johnston – Office of General Counsel substituting for Cherry Shaw Pollock; Joe Andrews

Chairman Hassan convened the meeting at 4:00 p.m. with a quorum present and the attendees introduced themselves for the record

### Minutes

**Motion:** approve the minutes of the May 5, 2016 meeting as distributed – **approved unanimously.**

### Public comment

Joe Andrews of Concerned Taxpayers of Duval County distributed and discussed a plan he has developed for a “pay-as-you-go” police and fire pension plan as an alternative to Mayor Curry’s sales tax extension plan recently approved by City Council for a referendum of the voters at the August election. He welcomed any questions or discussion by any commissioners regarding his proposal. Commissioner Radlinski noted that a letter writer to the *Florida Times-Union* recently questioned whether pay-as-you-go systems are legal under Florida law (Sec. 112.61), since the statute requires local governments to budget annually for both the annual normal cost and amortization of accrued unfunded liability. Mr. Andrews stated that the pay-as-you-go system is better in that it would provide funding annually to meet the current payout needs of the plan to pay retirees their benefits and would do away with the unfunded liability. He believes the retirees and currently employed members of the plan do not have a claim to the assets of the plan or to the unfunded liability – they have a contract for an annual cash payment that the pay-as-you-go system would provide. The existing Police and Fire pension plans would be closed out and the current assets of the plans could be invested in U.S. Treasury bills earning approximately 2% annually to provide a portion of the revenue stream needed to fund the annual retiree payouts. In response to a question, Mr. Andrews said that in 24-27 years when the existing assets of the fund run out, another revenue source will be needed to pay the full cost each year. Mr. Andrews has provided this plan to the Mayor and Finance Department but has not heard any reaction as of yet.

Auditor’s report: Tommy Carter of the Auditor’s Office reported that two new audits have been released since the last commission meeting:

#776 Quarterly Budget Summary for the 6 Months Ending March 31, 2016

#777 JEA Payroll Audit

## Committee reports

### Legislative Tracking Committee

The committee has not met since the last TRUE Commission meeting, but will be meeting on Wednesday, June 15<sup>th</sup>. Chairman Radlinski reported that the only two items that appeared to be of substantial interest in the last round of new bill introductions were economic development incentive bills, and he noted that the commission had decided at its last meeting to have the Chair request the Council President to request an opinion from the General Counsel about whether economic development incentives are constitutional under the Florida Constitution, given the section quoted at a previous meeting by Joe Andrews that prohibits local governments from pledging their credit to, borrowing money on behalf of, or investing in private business enterprises. The Legislative Tracking Committee may meet again at the end of the month depending on what legislation is introduced at the last Council meeting before the City Council's summer break.

### Audit Committee

Commissioner Anania reported that the committee had met prior to the full commission meeting and had two previously assigned audits outstanding - Audit #774 (Quarterly Budget Summary for the 3 Months Ending December 31, 2015) assigned to Commissioner Abner Davis and #775 (JSO Investigative Fund for 2012/13) assigned to Commissioner Charles Kleeman. Commissioner Ferreira has volunteered to review new Audit #777, JEA Payroll Audit. Ms. Anania announced that this would be her final TRUE Commission meeting and that a new Chair of the Audit Committee would need to be appointed.

### Chair's Comments

Mr. Hassan reported that the Inspector General Retention and Selection Committee has selected former Deputy General Counsel Steve Rohan to serve as interim Inspector General while a search is conducted, hopefully to be completed by the end of August. He was well-versed in the creation of the Inspector General's Office from his service in the General Counsel's Office.

Mr. Hassan met with City Chief Administrative Officer Sam Mousa about boards and commissions and Mr. Mousa said that the move to evaluate those bodies derives from the work of the Task Force on Consolidated Government, which recommended that all boards and commissions be periodically reviewed and evaluated for their continuing usefulness.

The mayor needs to make six appointments, the CPACs two, and the Council President two. Mr. Hassan will write letters to the Mayor and current Council President to remind them of the needs of the commission for new membership and urge some action sooner rather than later. Commissioner Wendler said that he had requested the Council President to reappoint him to a third term, but has not heard anything back. Mr. Hassan said he understood from Council President Anderson's office that no appointments will be forthcoming until after the change of leadership on July 1<sup>st</sup> and new Council President Boyer will take up the task.

The Chair made a request to the Mayor's Office to have a staff member come and address the TRUE Commission about how the sales tax for pensions will work.

He distributed copies of the report he will be distributing at the 5:00 p.m. joint meeting with the Ethics Commission regarding TRUE Commission work products and activities.

### Old Business

Commissioner Hodges discussed the noticed meeting between Council Members Boyer and Hazouri regarding evaluation of boards and commissions that are not mandated by state or federal law for a

potential automatic sunset or renewal process. At an earlier meeting Ms. Boyer and Mr. Hazouri had discussed the need for training for board and commission members in their duties and responsibilities. Chairman Hassan suggested the need to send a letter to the City Council and Mayor explaining the TRUE Commission's chartering legislation and its responsibilities and authority. The authorization seems to anticipate that the Council and Mayor will be giving the TRUE Commission assignments and tasks to perform and resources with which to work. Commissioner Hodges will request of Council Member Boyer a copy of the ordinance being drafted at the request of herself and Mr. Hazouri to amend the Ordinance Code regarding board and commission reviews and sunset.

The commission wants an opinion from the General Counsel's Office about the constitutionality of economic development incentives, an issue raised by former commissioner Joe Andrews at a previous meeting.

#### New Business

Nomination of officers: Chairman Hassan opened the floor for volunteers and/or nominations to hold any of the offices. Commissioners Hassan and Radlinski said that they planned to remain on the commission until replaced and would be willing to continue on in their offices for the time being.

**Motion:** retain Chairman Hassan as Chair temporarily until he is replaced on the commission – **approved unanimously.**

**Motion:** re-elect Commissioner Hodges as Vice Chair – **approved unanimously.**

**Motion:** retain Commissioner Radlinski as Secretary temporarily until he is replaced on the commission – **approved unanimously.**

Chairman Hassan noted that the TRUE Commission's authorizing chapter makes provision for the commission to receive donations or grants, which might fund the production of a commissioner training and procedures manual. Commissioner Anania offered to get copies of the old orientation materials from former commissioner Marcella Lowe if necessary. The need for a new commissioner orientation was recognized and one will be scheduled.

The group discussed replacing Commissioner Anania as Chair of the Audit Committee as she resigns from the commission. Commissioner Hodges indicated that he would accept the chairmanship, but cautioned that he and his wife travel frequently and he may miss some meetings on occasion. Chairman Hassan said that he would return to the previous practice of assigning audits to members for review if there are no volunteers

#### Commissioner Comments

None

#### Next meeting

August 4, 2016.

There being no further business, the meeting was adjourned at 4:58 p.m. and the commissioners moved to the Lynwood Roberts Room on the first floor of City Hall for its joint meeting with the Jacksonville Ethics Commission.

Posted 8.9.16 9:30 a.m.