



CHARTER REVISION COMMISSION

Wyman Duggan, Chair
Mary O'Brien, Vice Chair

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July 22, 2009
4:00 p.m.

Meeting Minutes
July 16, 2009
City Council Chamber
1st floor, City Hall

Attendance: Commissioners Wyman Duggan (Chair), Mary O'Brien (Vice Chair), Ed Austin (arr. 9:09), Martha Barrett (dep. 12:15), Jim Catlett, Bill Catlin, Teresa Eichner, Robert Flowers, Sr., Beverly Garvin, Mechelle Herrington (arr. 10:45), Ali Korman (dep. 10:30), Gary Oliveras, Curtis Thompson, Geoffrey Youngblood

Excused: Jeanne Miller

Jeff Clements – City Council Research Division, Steve Rohan – Office of General Counsel

The meeting was called to order by Chairman Duggan at 9:00 a.m. with a quorum present, followed by the Pledge of Allegiance and a moment of silence.

Staff reviewed the handouts at each commissioner's seat which included an agenda, a biography of first speaker Jim Rinaman, a copy of Mr. Rinaman's presentation, a copy of the verbatim transcript of the June 30, 2009 public hearing, a meeting notice for an upcoming meeting of the Jacksonville Ethics Commission's Legislative Subcommittee, a printout of the comments received by e-mail to date on the Commission's charterrevision@coj.net e-mail address, a copy of JCCI's 2007 study entitled *Air Quality: Energy, Environment and the Economy*, and a copy of the Florida Fifth District Court of Appeals ruling in the case of Sheriff of Orange County v. Orange County Citizens Review Board regarding the constitutionality of a citizen review board to review the citizen complaints about use of excessive force and abuse of power by the Orange County Sheriff's Office (provided by Commissioner Oliveras).

Jim Rinaman presentation

The Chairman introduced former City General Counsel Jim Rinaman to discuss the history of consolidation and the development of the original consolidated city charter. Mr. Rinaman began with the fundamental belief that the charter should be a broad outline for the structure and function of government, and not a document "cluttered up" with exacting details regulating the operation of city government. He also stated that it is not the particular form that makes a government work or not work, it's the people who run that government that make the difference. He discussed the historical role of counties in Florida up until the 1960s – to provide law enforcement and courts, build and maintain roads, operate elections, and to maintain a taxing apparatus to provide revenue for those services. After 1968 the Legislature provided an authorization for general powers for cities and counties to exercise, and created a charter county option to allow counties to provide typical municipal services in their jurisdictions.

He urged the commission to think of Jacksonville as a corporation, with the Mayor acting as the CEO, the City Council as the board of directors, and the citizens as the company's shareholders. The City has a strong mayor/council form, but with the addition of a Chief Administrative Officer who plays the role of a city manager. He emphasized the importance of the division of powers between the City Council (to enact policy via ordinances and to adopt a budget and levy taxes) and the Mayor (to administer policy and run the day to day functions of government). If there is a weakness on one side of the equation, the other branch of government will tend to encroach and fill the vacuum. Mr. Rinaman strongly opposes partisan city elections and thinks our current unitary election system (with party identifiers on the ballot) is a reasonably good compromise. Staggered City Council terms are theoretically a good idea, but the problem lies in how to make the transition. Half of the council will get either a lengthened or shortened term, and how can that be done fairly?

Mr. Rinaman's ideas and suggestions for issues to study

- Independent authorities should be free from political interference by the City, but should be full participants in the consolidated government and accountable to the elected leadership.
- District-specific funds ("lollipops") are already prohibited but the practice continues and should be stopped.
- Council member salaries are too high and encourage the wrong sorts of people to run for office and to become professional politicians dependent on holding a string of elective offices for their livelihood.
- The City should consider appointment of an ombudsman who would have the power to take citizen complaints, direct them to the appropriate City departments, and have the authority to ensure that action gets taken in a timely manner. That would eliminate the incentive for constituents to call their council member when they're dissatisfied with the response they receive through the normal city complaint/request mechanism. The existing 630-CITY line does not seem to be providing a satisfactory response and council members are more involved than they should be in directly contacting front line city employees and demanding action.
- The constitutional officers (Sheriff, Property Appraiser, Tax Collector, Supervisor of Elections and Clerk of the Courts) should be appointed, not elected. They should be qualified professionals performing ministerial functions, not politicians who depend on the permanent staff to understand the job, but the current system seems to be working fairly well and it's probably not worth the political battle to try and change it.
- The JTA is really a state agency that needs to grow into a regional transportation authority of 3-5 counties; this could be accomplished first through a series of interlocal agreements, leading ultimately to a regional independent agency.
- The JEA should contribute more to the City financially (the current cap on the annual contribution of 5% of JEA gross revenues is too low), and the School Board receives nothing from the JEA but a 10% rate discount. As a partner in the consolidated government, the JEA should also bill the City's stormwater fee and solid waste fee on the JEA bill to save millions of dollars over the City having to use a stand-alone billing system.
- The school system has been a continual problem in Jacksonville for decades and the root of the problem may be that the system is just too big (120,000+ students and 200+ schools) to be run efficiently. Perhaps the district could be broken up into 3 or 4 smaller districts each with appointed boards for better accountability. The Mayor should also have some responsibility for the overall success of the county's schools.
- The City had a strong ethics code in the original charter but it was deleted in the 1980s. A strong ethics system was re-created in the Ordinance Code in the last couple of years, but it needs to be in the charter as a fundamental operating principle of government.
- The recent JCCI study of City finances recommended strengthening the abilities of and support for the TRUE Commission.
- General Counsel Rick Mullaney has produced a "white paper" on the charter amendment process which the Commission should read and consider.
- Moving the city elections to the fall should be considered, both as a way to increase voter participation (spring elections draw less attention than the traditional fall elections) and as a way to ease the burden on new council members who currently are elected in the spring, sworn in in

July, and then expected as their first task to adopt a budget in September before they know anything about how the City operates. However the elections should not be held on the same day as the November presidential /gubernatorial/Congressional elections because the local issues and candidates would be completely lost in the media blitz on the other races.

Jacksonville Port Authority presentation

Rick Ferrin, Executive Director of the JPA, introduced a number of his top administrators and gave an overview of the of the authority's assets and operations. The JPA was created in 1963 from the old City Docks Department. At consolidation it was expanded to include the city's airport operations, which were split off as the Jacksonville Aviation Authority in 2001. Jaxport is a landlord port, not an operating port, and makes its revenues by building and leasing wharves, terminals, and other facilities to private companies for them to operate (unlike the competitor ports in Savannah and Charleston that are owned and operated by their state port authorities). The port of Jacksonville is fairly unique in that it handles all types of cargos, from cruise passengers and containers to roll on/roll off (RO/RO), bulk, liquid bulk and breakbulk materials.

The JPA's mission is to be an economic engine for Northeast Florida, attracting national and international trade and producing good paying jobs both directly at the port and in associated industries like transportation (trucking and railroads), warehousing and distribution. A study commissioned by the authority found a \$3.7 billion annual impact from port operations and 60,000 direct, indirect and induced jobs supported. The authority gets an \$800,000 annual appropriation from the City (was \$1.5 million in 1963), gets the equivalent of 0.25 mills of the JEA annual contribution to the City, receives the proceeds of the City's telecommunications tax, and receives some City assistance with debt service on several port facility bonds.

JPA's top priority in the next few years is dredging of the St. Johns River channel to accommodate post-Panamax ships (the new generation of ships being constructed to traverse the expanded Panama Canal locks beginning in 2014). The new locks and the larger ships they will enable to pass through the canal will fundamentally change patterns of international commerce, opening up the East Coast of the U.S. to direct service from Asia. Jacksonville is perfectly positioned to be a premier port on the East Coast, serving the Midwest market through our exceptional interstate highway and rail links. Dredging is underway now to take some portions of the ship channel to 41 feet in depth, but the whole channel needs to be deepened to 48 feet from the mouth at Mayport to the Talleyrand terminal by 2014-15. It's anticipated to be a \$500 million project, of which the federal government will hopefully provide \$350 million and Jaxport the remaining \$150 million (with City and state assistance).

From Mr. Ferrin's perspective the relationship between the City and the JPA is a good one. He meets regularly with the Mayor and with the City Council's Seaport/Airport Committee to keep the lines of communication open. The city has always been very helpful to the authority in helping them find the resources to accomplish their mission.

JEA presentation

Jim Dickenson, Managing Director/CEO of the JEA, stated that the JEA is the eighth largest municipally-owned electric utility in the U.S., and was created at consolidation from the old City Electric Department. Unlike the JTA and JPA which have numerous board members appointed by the state, the JEA is strictly city-controlled, with all seven board members being nominated by the Mayor and confirmed by Council. The JEA board is its sole rate-making authority; their rates are not governed by the Florida Public Service Commission like a private utility, nor does the City have any authority over JEA rates. The City Council does approve the aggregate JEA budget and does maintain control over the maximum amount of indebtedness the authority may incur. JEA has authority to provide electric service to northern St. Johns County and a small portion of northern Clay County, and to portions of Nassau County west of the Intracoastal Waterway.

The JEA's charter, which may be amended by the City Council, has changed over time but generally works fairly well. The charter originally provided that the JEA's annual contribution to the City could be

up to 30% of JEA's gross revenue, but was subsequently amended down to 5%. The contribution is made on the basis of a formula based on a millage rate multiplied by the number of kilowatt hours of electricity and the number of cubic feet of water sold. The formula is renegotiated every 5 years. JEA is the only municipal utility in Florida that pays a franchise fee to a city, but the JEA prefers the franchise fee method to an increase in the City contribution. The franchise fee is a City-imposed fee for which the JEA is merely the collection agent; the fee does not go into JEA's gross revenues and is not an operating expense, so is looked upon more favorably by the bond rating agencies and helps JEA maintain its favorable bond rating better than an increase in the JEA contribution to the City, which would be a direct expense out of operating revenues.

Mr. Dickenson stated that the JEA bills and collects \$217 million in taxes for the City and \$60 million for the state on total revenues of \$1.8 billion. Their studies show that if the JEA was a private utility paying property taxes and a corporate franchise fee, it would pay less than the current annual contribution method. He also stated that no other municipally-owned utility in Florida pays a contribution to its local school district. The JEA could not currently pay such a contribution if it wanted to because the charter does not provide for it. The JEA is not opposed to the concept, but the community needs to decide how it wants various services funded and be cognizant of the effects on JEA's operational costs, bond ratings, and the subsequent effect on customer rates. The City Council controls JEA's budget in the sense that the Council must approve the budget, but the City has no control over JEA's rates. Theoretically the JEA could present a budget built on a rate increase which the City Council could reject and send back for amendment, but the Council could not mandate a rate decrease.

Mr. Dickenson suggested several issues for the commission to consider:

- Allow the JEA board to be the final authority for collective bargaining rather than having the City Council sign off on JEA's bargaining contracts.
- Amend the charter to exempt JEA bond refinancings from the Council-controlled debt cap.
- State mandates will be a challenge in the future, from a "green power" requirement to restrictions on groundwater withdrawal to requirements to increase sewage treatment levels to achieve greater nutrient reductions in the St. Johns River.

Jacksonville Aviation Authority presentation

Ernestine Moody-Robinson, Interim Executive Director of the JAA, stated that the authority is somewhat different from the City's other authorities in that it is completely financially independent. JAA's budget is based on operating revenues (airline landing fees, concessions, parking, leases, etc.) and funding from the Federal Aviation Administration; there is no City appropriation to JAA and no contribution from the authority to the City. The City Council approves JAA's budget, and the airlines have considerable input since they pay a large portion of the budget through fees. Capital improvements are funded through FAA and FDOT competitive grants. All of the JAA's revenues must be kept in operations and maintenance – none can be diverted for other uses pursuant to FAA regulations. JAA's independent authority status (unlike other airports that are a department of city or county government) allows it to react quickly to changing national and international market conditions.

Jacksonville International Airport is rated as one of the top 5 in the world for service in a survey of airport users by the Airports Council International. The JAA's portion of Cecil Field took a \$75 million investment to civilianize the airport. All hangars are currently leased and two more are under construction. Cecil Field supports approximately 3,000 jobs at present. The JAA and City had some initial disagreements over development and concurrency requirements at Cecil, but have worked through those problems and are on the same page now.

Public comment

Tony Bates of Concerned Taxpayers of Duval County asked how the group could have input into the commission's deliberations and agreed to speak to the Chairman after the meeting. Mr. Duggan announced that he intended to have a public comment opportunity at each meeting.

Commission discussion

The commissioners discussed their meeting schedule (14 meetings remaining over 7 months) and whether to schedule presentations from the constitutional officers. The group agreed to hear at the July 30th meeting from General Counsel Rick Mullaney, from the School Board, the Sheriff and the JTA (which could not attend today). Thereafter each commissioner will develop a list of their top 5 issues for the commission to consider, which will be forwarded to staff to compile into a single list for the group to consider at future meetings. The commissioners agreed to schedule additional meetings on Thursday, November 19 and Thursday, December 17 to compensate for losing two regularly scheduled meetings to the Thanksgiving Day and Christmas Eve holidays.

There being no further business, the meeting was adjourned at 12:50 p.m.

Jeff Clements, 630-1405

Posted 7.22.09

4:00 p.m.

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