



City of Jacksonville – The Jacksonville Journey

MINUTES

OF

SPECIAL MEETING

MIKE HOGAN PRESENTATION

March 20, 2008

The Jacksonville Journey – Special Meeting: Mike Hogan

Presentation

March 20, 2008

3:30 p.m.

PROCEEDINGS before the Jacksonville Journey - Steering Committee taken on Thursday, March 20, 2008, Ed Ball Building - 8th Floor; 214 N. Hogan Street; Jacksonville, Duval County, Florida commencing at approximately 3:45 p.m.

Steering & Funding Committee & Committee Chairs

Betty Holzendorf - Steering Committee Co-Chair

John Rood - Steering Committee Co-Chair

Ed Austin - Member

Mac Brunson - Member

Toni Crawford - Member

John Delaney - Member

Nat Glover - Member

Hugh Green - Member

Steve Halverson - Member

Dr. Adam Herbert - Member

Pete Jackson - Member

Rev. Rudolph McKissick, Sr.

Jim McMillan - Member

Pam Paul - Member

Gertrude Peele - Member

Steve Wallace - Member

Cleve Warren - Member

Wayne Weaver - Member

John Coxwell - Intervention & Rehabilitation Chair

W.C. Gentry - Education, Truancy, Dropout & Literacy Chair

Paul Perez - Law Enforcement Deterrence Chair

Tony Boselli - Neighborhood Safety & Stability Chair

Tom Petway - Funding Chair

Audrey Moran - Positive Youth Development Chair

Will Ketchum - Public Relations Chair

APPEARANCES

COMMITTEE CHAIRS & MEMBERS:

BETTY HOLZENDORF - Chair
W.C. GENTRY – Chair
PAUL PEREZ – Chair
TONY BOSELLI - Chair
TOM PETWAY – Chair
JOHN COXWELL – Chair
STEVE HALVERSON – Member
JIM MCMILLAN – Member

NAT GLOVER – Member
STEVE WALLACE – Member
ED AUSTIN – Member
CLEVE WARREN – Member
HUGH GREENE - Member
PAM PAUL – Member

ABSENT COMMITTEE MEMBERS:

John Rood - Chair
Mac Brunson - Member
Dr. Adam Herbert – Member
Rev. Rudolph McKissick, Sr.- Member
Wayne Weaver – Member
Steve Wallace – Member
John Delaney – Member
Gertrude Peele – Member
Toni Crawford – Member
Pete Jackson – Member
Audrey McKibbin Moran – Chair
Will Ketchum - Chair

STAFF:

SUSIE WILES	DAN CRONRATH
KANDI BEGUE	RACHEL DAVIS
MISTY SKIPPER	GINNY WALTHOUR
RENEE BRUST	KRISTEN BEACH
KERRI STEWART	CHAD POPPELL
ROSLYN PHILLIPS	STEPHANIE BARNETT
LINDA LANIER	RACHELLE SUNDY
SUSAN PELTER	ANNA BRADLEY
	CAMERON SIPLE

OTHERS PRESENT:

Mike Hogan – Tax Collector
Momi Shay – Ander Crenshaw’s Representative
Ed Pratt-Dannals – School Superintendent
Chris Hand – Funding Sub-Committee
Mike Hightower – Funding Sub-Committee
Gary Chartrand – Funding Sub-Committee
Ashton Hudson – Funding Sub-Committee
Various Media Representatives

PROCEEDINGS

March 13, 2008

Steering Committee & Committee Chairs

3:30 p.m.

Call to Order and Comments. Chairwoman Holzendorf called the meeting to order at approximately 3:40 p.m.

Purpose of Meeting. Presentation of Amendment #CP0045 - State and Local Revenue Limitations - by The Honorable Mike Hogan, Tax Collector for Duval County.

Chairwoman Holzendorf began the meeting at approximately 3:40 pm, by extending a welcome to the committee assembled, and noting the housekeeping items. Chairwoman Holzendorf then introduced The Honorable Mike Hogan to make his presentation to the assembled group and noted that we would follow the Agenda; have comments and questions first from the Committee members and, if time permitted, the general public.

Mr. Hogan began his presentation with a brief biography about his life and the steps that brought him before the assembly that day. He noted that he feels government is growing faster than the taxpayer can pay for it. This brought him to the Taxpayer Protection Act - and he noted that any point in the Amendment can be changed by a 2/3 majority vote of the legislative body. He noted that this bill has been through the legislature for more than six months and that the Mayor's staff presented 14 amendments to this bill. After thorough review, he notes that he may be able to fix 12 points; one request was to exempt Jacksonville. He noted that he didn't feel he could be a hypocrite, because this

would only help his "hometown"; but he would try to find a way to help Duval County. He notes that he will not put through any amendment that would only exclude Duval County. He explained that this bill is scheduled to go before the full committee for a vote on 3/26/08, but that there is one issue related to Bonding that may cause the vote to be moved to 4/4/08. He notes that after meeting with the Mayor's office a couple of times, he is currently working on an amendment to the bill that would provide an incentive to those governments who are fiscally responsible.

After the overview, Chairwoman Holzendorf opened the floor to questions for Mr. Hogan:

W. C. Gentry posed a question about an earlier proposed amendment that would also significantly impact Duval County's ability to raise monies locally; did it not? Mr. Hogan: There is a component where it doesn't allow the non-homestead and commercial properties to, there's a cap there for 5%; the other portion, of course, has to do with School taxes - a local required effort. Mr. Gentry: My real focus on this group and has been for some time, is with Education, and reading the papers, I understood the proposed constitutional amendment would withdraw the ability of the school district to raise 5 mills of tax money that they are presently able to raise here in our local community, is that correct? Mr. Hogan: That's correct, but you have to know that the history of how it got to that, to draw that conclusion. Just a few years ago, in fact, I had this conversation with Betty last night, and I learned even more than I knew...we hit a recession in the economy in the state of Florida, in the early 90's. As a result, what's

happened, if you read the constitution, it states that it's the paramount responsibility of the State of Florida to fund Education. Mr. Gentry: Yes it does, we've done a great job of that. Mr. Hogan: That's right, so what's happened in the late 80's and early 90's, is that required local effort...

Mr. Gentry: Actually, that was Amendment 1998 - first time that it went up...

Mr. Hogan: It's moved from about 20% required local effort, to in some communities, 50% of the property tax bill; almost is required local effort. The sponsor of the bill and ultimately the sponsors of the bill wanted to make sure that we followed the direction of the constitution and forced State government to fund Education and not put that on the backs of the local taxpayer on their property taxes.

Mr. Gentry: So, the effect as I understand it, I think 5 mills generates about \$300 million dollars...I think that's ballpark...So as I understand this recent constitutional amendment, the concept is that rather than allow Duval County to raise \$350 million dollars for its school system, that now we're going to rely upon the legislature, apparently, to hopefully pass additional sales taxes that will then become general revenue to the State of Florida, and then we will be here in Duval County relying on Tallahassee to appropriate that \$350 million and hopefully a lot more, back to us. Is that the way it's supposed to work now?

Mr. Hogan: Yes, and no. According to the representative of the School Board, there are still about 7 mills that have not been touched.

Mr. Gentry: And our budget here is over \$1 Billion dollars, so the \$350...anyway, the point is, and again I don't want to get off too far on this, because it's pretty bothersome, you read the Times-Union today, you know how much the School District is having to cut, and the cuts in the school funding are due to basically what?

Mr. Hogan: Revenue shortfall...

Mr. Gentry: A drop in sales tax... So basically, and you voted for that provision I presume, that was passed earlier this week?

Mr. Hogan: Yes, I did.

Mr. Gentry: So instead of relying on a predictable stream of income of \$350 million dollars here locally, we're now going to rely on an unpredictable stream of maybe, sales tax that goes through Tallahassee and then trickles back to our local community.

Mr. Hogan: Well, I'm not going to walk into the trap, all I can tell you is that according to economists, and if you look at the history of the State of Florida, that the property and sales tax have both been equally affected by the economy, and they're both equally effective as a revenue source.

Mr. Gentry: So you're saying that economists have told you that property taxes and sales taxes are equally predictable?

Mr. Hogan: Yes, both economists on both sides of the isle of that issue said that was true.

Mr. Gentry: When you were in the legislature, how many tax increases did you vote for?

Mr. Hogan: How many...legislature, I can't remember any time that the legislature voted for a tax increase, there were some things I

voted for that didn't make it, you know, out of committee...there were tax increases the three years I was there, we were flush with money.

Mr. Gentry: You're basically putting onus on the legislature too, with this and the other provisions that you're proposing to pass the largest tax increase ever in the history of this State, in order to make up for the funds that you're now moving out of the local community.

Mr. Hogan: Well, I would say it's equilibrium...it's going to replace...it's just a shifting from one pocket to another as to who pays that tax. Certainly, the property owner will pay the additional sales tax, but they'll have tremendous relief from the burden of the property tax. Property tax, to me, is more aggressive to them than sales tax.

Mr. Gentry: On the TABR bill or the Hogan TABOR bill that we're

Mr. Hogan: Hogan TPA, I don't like TABOR - it's got too much direct democracy in it...we've stripped just about all of that from the bill.

Mr. Gentry: I think that you indicated, and just so I can be clear when you were talking about initially proposing the amendment to exempt Jacksonville, am I correct that you agree that since Jacksonville has been fiscally conservative and we have a very low tax rate, that we're in comparison to other communities who have been raising taxes, that this puts us at a disadvantage starting off?

Mr. Hogan: I would say there are three groups; good, bad and average...Jacksonville would be good.

Mr. Gentry: So, you recognize that this potentially penalizes Jacksonville because it's been fiscally responsible in the past, and how do...

Mr. Hogan: No sir, I don't see it as a penalty. If you've been good and responsible, you're saying because someone has been bad, I guess I should have been bad and irresponsible. So, no...I don't see a penalty. I think the taxpayers have been properly treated by good government, I don't see it as being a penalty.

Mr. Gentry: Do you recognize that we have some tremendous problems in this community with crime, violence and social issues that we desperately need to deal with at this time?

Mr. Hogan: Oh, yes sir...

Mr. Gentry: Did you have an opportunity to look at the report that my sub-committee issued regarding recommendations and the costs that it's going to require to deal with these problems?

Mr. Hogan: No sir.

Mr. Gentry: OK...this group of people have been working very hard to address these issues and to come up with action items and come up with specific costs...and I'm sure that the amount of money is going to be quite substantial. And the City of Jacksonville may have to significantly have more revenue than it's traditionally had in order to fund these programs in order to finally deal with our problems. Under your amendment, we're going to be precluded from doing that...

Mr. Hogan: No sir, you're not...

Mr. Gentry: Unless we get a super majority of the City Council

Mr. Hogan: It's not a super majority, it's 2/3; if you can't get

13 council members to agree with your committee, that what you want to do and how much money you need and that's going to break the cap; and they won't break it, then I don't think you've done a very good job of convincing them they need to break the cap. But absolutely, police and fire, anything that would come to me as a legislator that would require additional funding and was well thought out and well planned and was well documented, and I'm not going to have a problem with supporting that. And I don't think the public does, as I mentioned in Colorado, 80% of the time they had to go to the public for a vote, they supported either breaking the cap or increasing the tax.

Mr. Gentry: And how much does it cost every time we go to the public?

Mr. Hogan: Only when you have a regular election. There is no extra cost, just an extra item on the ballot.

Mr. Gentry: So you wait until you have a regular election and then put it on the ballot?

Mr. Hogan: You're usually budgeting out 2-3 years anyway, so yes, you'd put it on the ballot. You'd have to have a special election if you had to have a special tax, but we do that now.

Mr. Gentry: Why do you think, since you recognize that Jacksonville has been fiscally responsible in the past, why do you think it's necessary to put limitations on the City's ability to carry on government and to rule itself as it has traditionally done?

Mr. Hogan: Well, if you look at the State as a whole...

Mr. Gentry: I'm talking about Jacksonville...

Mr. Hogan: Well, I'm charged on this committee, to look at the State as whole, not this one City.

Mr. Gentry: And you've told us that you recognize that Jacksonville has been fiscally responsible, you told me that you recognize that we've got big problems in this community that are going to require expenditure of funds, and now...and you've told us that because four local people showed up; one guy said it wasn't fair to his town either, because they'd been fiscally responsible, and your fellow committee members were upset with you, that you therefore, pulled the amendment that would have excluded Jacksonville. I don't understand that, you start off telling us how you were taught to do the right thing, and it wasn't mocked, and you've recognized this wasn't the right thing for Jacksonville, and you've pulled your amendment...

Mr. Hogan: I never said this wasn't the right thing for Jacksonville, you've said that, but I've never said that, No...

Mr. Petway: Thank you W.C...we're going to now hear from Linda Lanier; I apologize, we're going to go by the agenda, John Coxwell is next:

Mr. Coxwell: Posed a question noting that, like the late Tillie Fowler, he believes we should take away some of the bills on the taxpayer. He notes that he feels this bill will really hurt business people - he further notes that he would rather pay property taxes rather than increase sales taxes.

Linda Lanier: As Executive Director of the Jacksonville Children's Commission, we are one of eight children's services councils around the State...the other seven are special taxing districts, we

are not...they're called independent, we're called dependent because as you know, we're part of the City's general revenue. From your comments, I believe that you do care about education and I've heard you be sensitive to that, and that you have tried to figure out ways to craft funding for education and whether we agree with it or not, I believe you've been thoughtful about that...but, one thing that's important to us is the time during a child's life when they're not actually in school, what happens outside of school is also very important. The kinds of things that a Children's Service Council, like us, we fund are things like...home visiting for mothers who are at risk of abusing or neglecting their children...we fund after school programs, which are proven effective in helping children be successful in school and also in life. We fund behavioral house care for children who are terribly underserved...we fund summer camps, we're just getting ready to fund summer camps right now, we'll be able to serve about 5,000 kids this year. In your plans, have you...what have been your discussions about the impact of these changes on the special districts?

Mr. Hogan: Special Districts are exempt from the revenue cap; both dependent and independent special districts.

Tony Boselli posed the question regarding why we would want to take control away from the local government - how does Tallahassee feel that it knows best what Duval County needs to survive? Mr. Hogan noted that he didn't feel that this bill was causing that to happen.

Paul Perez: Notes that he chairs the Law Enforcement Deterrence

Committee; notes that the passion that Mr. Hogan hears from everyone in the room, is that everyone in that room loves the community that we reside in; and notes that we've been able to drill down in the committees; and have found areas that need help. In looking at the Sheriff's budget, the consulting firm (Matrix) recommendation is that the budget be increased and the sheriff has asked for that increase, to better handle the violent crime problem in the city. The needs of the Sheriff, how the administration of justice has been so clogged up with the amount of violent crime and arrests; prosecutions - it's a never ending circle...the way out of all of this, is money. He asks that Mr. Hogan be cognizant of this fact as he goes forward with this bill.

Mike Hightower: I totally understand and appreciate your approach of how you're taking this, because I believe in your heart, you understand the problems that we face. I would like to suggest to you that we in Jacksonville were given an opportunity and an opening that would not have happened, I would ask that you consider this as purely parochial, the following: You are the North Florida person on the commission; you're the only person, who as growing up here from the beginning, which means you were here before the consolidated government and what we have overcome in a very short period of time; you being from a consolidated government can stand up before that commission and expound on how your city is a good player; you can note how we lead by example. Lastly, we are a community of small businesses; mom and pop organizations. We have 39,000 small business (more than) in this community. It is the mainstream; the backbone - it is what makes

us unique. I think that we're doing it ok, and I would ask that you just stand up and say, "it's ok to be parochial because of the things I've said". I understand where you're coming from, I think that you have this unique opportunity to stand up and be the role model for consolidation and to represent small business. We in this community, who have worked so hard together, never thought that we would be confronted in this community that has as many churches, synagogues and love of life and children; that we would be sitting here struggling with what we have to do for safety and security, and I think this - we've been dealt a bad hand, here. Mike Hogan, I think in the position you have, that you, yes you, can do something for the City of Jacksonville that can confront and change this bad hand that we've been confronted with. I would ask that you be absolutely parochial in your position. Mr. Hightower strongly urged Mr. Hogan to be a champion for Duval County.

Nat Glover: He notes that with the City being the murder capital of the State that would be a "big stick" that Mr. Hogan could use to help make his point; to not use this weapon would be almost criminal.

It should also be noted, that other members of the committee acknowledged their support of the committee position in support of Mr. Hogan taking a proactive approach in his support for a Duval County exemption.

At the end of the questions by the committee members, Mr. Tom Petway thanked Mr. Hogan for coming out and explaining his stand on this proposal; and he encouraged Mr. Hogan to reconsider his

position and fully understand that the full committee is strongly against this bill and has submitted a letter stating such, as well as a resolution declaring their opposition to the Duval Delegation.

Chairwoman Holzendorf then adjourned the meeting at approximately 5:15 p.m.