



OFFICE OF THE CITY COUNCIL

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FINANCE COMMITTEE BUDGET HEARING #7 MINUTES

August 23, 2019
9:00 a.m.

Location: City Council Chamber, City Hall – St. James Building; 117 West Duval Street,
In attendance: Council Members Aaron Bowman (Chair), LeAnna Cumber, Randy DeFoor, Terrance Freeman, Tommy Hazouri, Ju'Coby Pittman, Ron Salem
Excused: None

Also: Council Members Reggie Gaffney, Randy White, Scott Wilson, Michael Boylan; Peggy Sidman – Office of General Counsel; Kyle Billy and Brian Parks - Council Auditor's Office; Crystal Shemwell and Staci Lopez – Legislative Services Division; Brian Hughes, Jordan Elsbury, Rachel Lockhart, Leeann Krieg – Mayor's Office; Joey Greive and Angela Moyer – Finance and Administration Department

Meeting Convened: 9:02 a.m.

Chairman Bowman convened the meeting and the attendees introduced themselves for the record. Mr. Bowman expressed his great satisfaction with the level of preparation and the process of the budget hearings to date.

Page references from this point refer to Auditor's Budget Hearing #7 handout.

Police and Fire Pension Fund Administration

Motion: on p. 4, approve Council Auditor's recommendation #1 to increase "Personnel" by \$8,957 on Schedule AC in order to increase the General Employees' Defined Benefit pension contribution to correct the amount and reducing the group hospitalization, group life and group dental to reflect the proper number of pay periods. This will be offset by increasing "Trust Fund Revenues" by \$8,957 on a REVISED Schedule AB in order to balance the budget – **approve**.

Motion: on p. 4, approve Council Auditor's recommendation #2 to remove "FY 18 Adopted" and "Adopt/Amend FY 19" amounts from the schedule. We also recommend adding a subtotal for Administrative costs, other formatting changes, and corrections for rounding issues as depicted on Revised AB and AC based on all of these recommendations – **approve**.

In response to a question from Council Member Hazouri, Tim Johnson, CEO of the Police and Fire Pension Fund, said that the fund is involved in 2 active lawsuits – one with former PFPF CEO John

Keane and 2 other plaintiffs regarding the senior employees pension fund, and another suit with a plan member regarding accrual of his service time. The Curtis Lee litigation over public records issues was settled in the last year. Mr. Johnson said the parking garage is more than 90% occupied and has a waiting list. In response to a question from Council Member Salem, Mr. Johnson said that the plan is closed to new members but will continue managing the program for the existing members.

General Employees Pension Fund

In response to a question from Council Member Salem, Mr. Greive described the management of the pension fund's assets and the use of outside investment consultants. He said that over the last 5 years the GEPP and PFPF have begun partnering to share investment managers and thereby reduce costs. Mr. Salem requested that the investment rate of return for both the GEPP and PFPF be reported in future budget hearings. Mr. Greive said that he would send investment performance reports to the committee members later today. In response to a question from Chairman Bowman, Mr. Greive said that both funds' investment returns have been performing very well in comparison to peer cities. He noted that the actuarial funding percentage of the two funds will remain relatively flat for the next 8 to 10 years until the sales tax for unfunded pension liability takes effect, which will drive up the funded percentages thereafter.

Risk Management

In response to a question from Council Member Hazouri, Brian Parks said that the budget contains \$300,000 for the costs of the heart/hypertension presumption for public safety officers, but it is in a budget that was covered in a previous meeting. In response to a question from Council Member Salem, Risk Manager Twane Duckworth said that the independent authorities have the option whether to participate in the City's worker's compensation and general liability self-insurance programs; JEA and the Housing Authority have chosen to participate, the others have opted not to participate. Chairman Bowman asked for additional research on any risk the City may have should the non-participating authorities experience a catastrophic loss beyond the coverage of whatever insurance they may have.

The committee was in recess from 9:53 to 10:24 a.m.

Finance and Administration Department

Brian Hughes praised the work of the Budget Office and other personnel in the preparation and presentation of this year's \$1.4 billion budget. Chairman Bowman lauded the close working relationship between the department and the Council Auditor's Office.

Driver Education Safety Trust

Motion: on p. 21, approve the Council Auditor's recommendation to place these funds into a designated contingency within the Driver Education Safety Trust until the Duval County School Board is able to resolve the issue causing them to be on the Chapter 118 non-compliance list – **approved**.

In response to a question from Council Member Hazouri, Chris Tongol, Chief of Fleet Management, said that there is one City vehicle inspection site and the City's staff goes to school bus depots to inspect the buses there.

The committee discussed the City Council budget and the level of enhancements originally submitted to the Mayor's Budget Review Committee and subsequently approved after input from the Council President. Council President Wilson said that a Personnel Committee has been scheduled for next Tuesday to discuss the council's short-term and long-term personnel needs, among other topics.

Enhancement Requests

Brian Hughes said that he had spoken with the Mayor about the enhancements suggested at yesterday's hearing and said that the administration is willing to allocate \$20,000 from the Mayor's available current

year contingency fund to each of the Volunteers In Medicine, retention pond marketing effort, and Goodwill A-STEP program.

Council Member Freeman proposed an enhancement for the I.M. Sulzbacher Center for the Homeless and invited Sulzbacher Center CEO Cindy Funkhouser to describe the needs. Ms. Funkhouser said that the Urban Rest Stop has been so successful in attracting clients that they are experiencing a notable increase in food costs for feeding those clients. She requested an allocation of \$50,000 for that purpose.

Deputy General Counsel Peggy Sidman described the Code requirements for direct contracting with an entity and the need for scopes of services and contracts for those entities to be included in the budget ordinance. Alternatively, the enhancement funding could be placed in a designated contingency fund for separate appropriation after the scope and contract documents have been received.

Council Member Gaffney proposed an enhancement of \$50,000 for a Unity in the Community event to begin building community connections with young people to fight crime. JSO Chief Delores O'Neil said the Sheriff is supportive of the event and is ready to be involved.

Council Member Cumber reiterated her proposal with Council Member Pittman from yesterday's meeting for an enhancement of \$150,000 for a mailer and social media campaign to inform residents who live in close proximity to retention ponds about the presence of the ponds, safety tips, how to call the CARE system to report issues with ponds, and to highlight the availability of free swimming lessons, all in an effort to reduce drownings, especially of small children.

Council Member Hazouri asked Ms. Funkhouser questions about the feeding program at the Sulzbacher Center and the additional costs incurred by the Urban Rest Stop clients. The proposed budget increases the Urban Rest Stop funding to allow expansion from 5 to 7 days of operation per week, which will further increase the food consumption costs.

Council Member Salem reiterated his proposal from yesterday's meeting for an enhancement of \$97,870.60 to Volunteers In Medicine to open a second free health clinic location on the Westside in zip code 32210, which includes \$38,214.20 for salaries, \$33,235.40 for supplies and \$27,300 for space in the Inspire to Rise Campus. Chairman Bowman asked if Council Member Boylan had a conflict of interest in speaking on the issue as the Chair of the Volunteers in Medicine Board as well as being a council member who would ultimately vote on this enhancement request if recommended by the Finance Committee. In an abundance of caution, Mr. Boylan took no part in the discussion. Jennifer Ryan, CEO of VIM, discussed the program and its benefits and positive return on investment.

Chairman Bowman recommended allocation of \$250,000 to Goodwill Industries of North Florida Inc. to fund an A-STEP workforce preparation program for disadvantaged adults at the Legends Center in Northwest Jacksonville. He introduced Leah Lynch of Goodwill Industries to describe the A-STEP program, which helps clients via workforce preparation, financial counseling, academic case management, and other services to enable them to earn employment credentials and find good jobs.

Brian Parks reported that the Special Council Contingency fund stands at \$363,087, plus the \$60,000 additional from the Mayor's Office current year contingency fund offered by Mr. Hughes.

Peggy Sidman distributed an enhancement request from Council Member Brenda Priestly Jackson to divide the \$363,087 evenly among the 14 council districts for use at the council members' discretion for district needs.

Council Member Randy White proposed an enhancement to utilize the available contingency funds for enhanced litter cleanup activities.

The committee discussed how to allocate the \$60,000 offered by Mr. Hughes from the Mayor's Contingency fund and the remaining funds in the City Council's FY18-19 Contingency fund toward enhancement requests.

Motion (Cumber): approve three enhancement requests as follows:

- Volunteers In Medicine (\$97,871 total - (\$20,000 from FY18/19 Mayor's Contingency + \$16,934 from FY18/19 City Council Contingency + \$60,937 from FY19/20 Special Council Contingency);
- Public information campaign for retention pond safety program (\$150,000 - \$20,000 from FY18/19 Mayor's Contingency + \$16,933 from FY18/19 City Council Contingency + \$113,067 from FY19/20 Special Council Contingency);
- Goodwill Industries A-STEP workforce training program – (\$226,016 total - \$20,000 from FY18/19 Mayor's Contingency + \$16,933 from FY18/19 City Council Contingency + \$189,083 from FY19/20 Special Council Contingency)

Peggy Sidman noted that the proposals contain funding from 2 separate budget years, so additional legislation will be needed to allocate funds from the current year's budget to the identified projects from the Mayor's and Council's FY18-19 contingency funds.

Council Member DeFoor advocated for dividing the available funding equally among all of the requested enhancements. Council Member Gaffney advocated either for Ms. Cumber's equal division among the enhancement requests or for equal division among the 14 council districts.

The Cumber motion was approved 7-0.

Council Member Pittman inquired about the possibility of using the Loblolly Wetlands Mitigation Fund to make additional enhancements. Peggy Sidman noted that there is pending litigation on the Loblolly Fund that may affect its future use. The Chairman asked Ms. Sidman to distribute a Loblolly Fund white paper to the committee describing its origin and uses.

At the request of Council Member Salem, Ms. Sidman described the need for minor changes in the terms of the "Project Save Lives" contract and the need for amendment of that contract attached to the budget with the direct contracting items. Mr. Bowman said the committee will take that up that change at a future meeting.

Chairman Bowman congratulated the committee on excellent work on the budget. Council President Wilson echoed the congratulations to the committee, the Council Auditor's Office and the administration on a smooth budget hearing process.

Meeting adjourned: 11:45 a.m.

Minutes: Jeff Clements, Council Research
8.23.19 Posted 4:30 p.m.

Tapes: Finance Budget Hearing #7 – LSD
8.23.19

Materials: Council Auditor's Budget Meeting #7 handout - LSD
8.23.19