

ADOPTION OF THE AGENDA**ROLL CALL****AGENDA STATEMENT**

"Citizens are encouraged to participate in City of Gainesville meetings. In general, speakers will be limited to 3 (three) minutes per agenda item. Additional time may be granted by the Mayor or by the City Commission as directed. The City of Gainesville encourages civility in public discourse and requests that speakers limit their comments to specific motions and direct their comments to the Chair. Signs or Props are not permitted in the meeting room. Citizens are encouraged to provide comments in writing to the Clerk of the Commission before meetings and/or during meetings for inclusion into the public record. Citizens may also provide input to individual commissioners via office visits, phone calls, letters and e-Mail, that will become public record. In some instances, i.e., Quasi-Judicial Hearings, these particular contacts may be prohibited.

GENERAL MANAGER FOR UTILITIES130677.**Gainesville Regional Utilities (GRU) Governance (B)**

Explanation: At the January 16 City Commission meeting, the Commission directed that a workshop and special meeting be scheduled to discuss GRU governance. As such, information will be presented on governance structures of other municipal utilities at the workshop.

Fiscal Note: There is no fiscal impact at this time.

RECOMMENDATION

Hear a presentation from Barry Moline, Executive Director of The Florida Municipal Electric Association (FMEA), and Jim Stanfield, former CEO of Lakeland Electric; and discuss municipal utility governance spreadsheet.

[130677 GRU Governance Workshop 20140204-Chart.pdf](#)

[130677 GRU Governance Workshop 20140204-FMEA Presentation - Revised](#)

ADJOURNMENT

ADOPTION OF THE AGENDA

A motion was made by Commissioner Poe, seconded by Commissioner Hinson-Rawls, that this Matter be Adopted. The motion carried by the following vote:

Aye: 6 - Commissioner Botcher, Commissioner Poe, Commissioner Chase, Commissioner Hawkins, Mayor-Commissioner Pro Tem Wells, and Commissioner Hinson-Rawls

Absent: 1 - Mayor Braddy

ROLL CALL

AGENDA STATEMENT

GENERAL MANAGER FOR UTILITIES

130677. Gainesville Regional Utilities (GRU) Governance (B)

*Mayor Braddy arrived at 6:09PM.
Barry Moline, Jim Stanfield and Cynthia Austin made presentations.
Jim Konish, Debbie Martinez, Barbara Sharpe, Paula Stahmer, Nancy Gearen, Lee Owen, Ernesto Martinez, John Davies, Rob Brinkman, Jo Beaty, Mac McEachern and Nathan Skop spoke the matter.*

RECOMMENDATION *Hear a presentation from Barry Moline, Executive Director of The Florida Municipal Electric Association (FMEA), and Jim Stanfield, former CEO of Lakeland Electric; and discuss municipal utility governance spreadsheet.*

Discussed

ADJOURNMENT-9:19PM

Kurt Lannon, Clerk of the Commission

CITY	GOVERNANCE	HOW WAS THE GOVERNING BODY CREATED?	HOW DOES REVENUE FLOW FROM UTILITY TO CITY?	IS THERE AN ADVISORY COMMITTEE SIMILAR TO RUC?	WHAT IS THE COMPOSITION OF THE BOARD?	IS SERVICE PROVIDED OUTSIDE THE CITY LIMITS?	DOES THE CITY OR UTILITY PAY THE UTILITY EMPLOYEES?	WHAT IS THE TOTAL NUMBER OF RESIDENTIAL (R) & COMMERCIAL (C) ACCOUNTS?	PERCENTAGE OF POWER PURCHASED
FORT PIERCE	FORT PIERCE UTILITIES AUTHORITY (Charter states: The Authority shall operate as a separate unit of the city government... and shall be free from the jurisdiction, direction, and control of other city officers and of the city commission.)	By Special Act	Utility pays 6% of gross revenues derived from the utility operations from the preceding year.	No	5 members comprised of the Mayor and 4 citizens appointed by the City Commission.	Yes Electric 5.4% Water 5.3% W/W 9.9%	All Utility staff (including Utilities Attorney) are employees of, and paid by the Authority	Electric 19,287 (R) 4,171 (C) Water 12,435 (R) 2,915 (C) WW 11,040 (R) 2,320 (C)	Purchases 100% of its power from FMPA.
JACKSONVILLE	JACKSONVILLE ENERGY AUTHORITY (JEA)	By Special Act	City Council has the power to appropriate up to 30% of estimated gross revenues from JEA for uses and purposes of the City.	No	7 members appointed by Mayor, confirmed by the City Council. Each member must be a resident and elector of the City for at least 6 months.	Yes	<ul style="list-style-type: none"> Uses the City's central services on a cost account basis Legal services provided by City Attorney City pays utilities employees 	Electric 371,242 (R) 47,164 (C) Water 249,895 (R) 23,336 (C) WW 217,948 (R) 17,338 (C)	Percentage of Energy Purchased: 2011 12.7% 2012 12.9% 2013 9.4%
LAKELAND	LAKELAND UTILITIES Governing body is the City Commission. City Manager controls and directly supervises the Utility.	Lakeland Electric was established in 1904 when it was purchased from a private owner; documented by Resolution.	With Finance Director approval, City Commission may transfer any part of an appropriation to a purpose or object for which the appropriation of the current year has proved insufficient.	Yes	13 members: <ul style="list-style-type: none"> Mayor 6 City Commissioners 4 citizen members appointed by Mayor (1 city resident from residential rate class, 1 non-resident from outside city in the residential rate class, 1 citizen member whose 	Yes Electric 52%	The City pays utility employees.	Electric 100,505 (R) 20,832 (C) Water 46,049 (R) 6,358 (C)	

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TALLAHASSEE	CITY COMMISSION		Last year changed from 6.99% to a base amount with annual CPI increase.	Yes, serves in advisory capacity to City Manager which is made up of 15 members appointed by the city Manager. Selection is based on the member's qualifications. All 15 members shall be the City's utility customers with	Orlando shall submit 3 persons for consideration to OUC who will then nominate 1 of the 3 persons to the City Council or reject all 3 nominees. The City Council shall then elect or reject the OUC's nominees to serve a 4 yr term. Every member shall be both a customer and a qualified elector residing within OUC service area.	Yes Electric 17% Gas 6% Water 8%	The City pays utility employees.	Electric 95,617 (R) 15,305 (C) Water 73,674 (R) 8,254 (C) Gas 27,341 (R) 1,797 (C)	(In kWh) Total Net Generation 2,660,414,338 Total Purchases 98,298,000 Total Off-System Sales 76,583,000 Net Energy Load 2,682,129,338 System Use and Losses 136,752,755 Total Retail Sales 2,545,376,583
		same at its pleasure.)	each month, OUC provides monthly financial statements to Orlando City Council. On July 1 of each calendar year, OUC provides Orlando City Council a complete detailed report of all financial transactions for the previous year.						

Governance Models

Item #130677
 GRU Governance Workshop 2-4-14
 Working Draft 2/4/14

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				5 persons nominated by the County commission • 3 are selected from a group of 5 persons nominated by the City commission • 1 is selected from a group of 3 persons nominated by the organization representing the other municipalities of Alachua County.					

Item # 130677
02-04-14 GRU Governance Workshop

Electric Utility Governance Options

**Barry Moline, Executive Director
Florida Municipal Electric Association**

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www.publicpower.com

City Commission

(27 cities)

- ◆ **Elected by city voters**
- ◆ **No direct representation of outside customers**
- ◆ **Rarely distinguish between city or county**
 - Never heard a single complaint about different service
- ◆ **But... direct voter representation missing**
- ◆ **Attention be pulled in many directions**
 - Utilities, planning & zoning, etc.

Commission/Customer Committee Hybrid A (Lakeland)

- ♦ **24 meetings per year (considering 12)**
 - Separate from City Commission meetings
 - Consider & vote on all utility issues, including rates & budget
- ♦ **City Commission then takes up same issues and votes in their meeting**
 - Rarely overturns a vote of Hybrid Committee, but has done so twice
- ♦ **Reasonable transition**
 - Done by City ordinance

Commission/Customer Committee Hybrid B (Idea)

- ◆ **12 meetings per year (flexible)**
 - Separate from City Commission meetings
 - Consider & vote on all utility issues, including budget
- ◆ **Reasonable transition**
 - Done by City ordinance

Dependent Utility Authority

(Ft. Pierce, Jacksonville, Orlando, Kissimmee, New Smyrna Beach)

- ♦ **Tend to be more professionally governed**
 - Governing board members attend industry conferences, read industry publications, have greater focus with limited agenda
- ♦ **Lake Worth dropped their UA because of claims it was too independent (returned governance to Commission)**
- ♦ **Requires local ordinance or state local bill**
 - Creates new business entity separate from city



www.publicpower.com

Customer Advisory Committee

(Many)

- ◆ **Appointed by city manager**
 - Sometimes input from governing board
- ◆ **County representation**
 - Broad community-wide background
- ◆ **12 meetings per year**
 - Discuss most utility issues
 - Not fiduciarly responsible
 - Recommendations only
- ◆ **Mildly engaged, not well known in community**
 - Rarely attend industry conferences

Local Boards vs IOU Boards

(Investor-Owned vs. Public Power Utilities)

- ◆ **IOU boards – privately appointed by investors**
 - Consumers, PSC, elected officials have no input
 - Minimal local input, no local decision-making
 - Generally act only through regulation or best interest of shareholders
- ◆ **Public power utilities**
 - 100% local, only accountable to local community and not distant shareholders
 - City/County representation issue exists for some
 - Many public meetings, public input
 - Highly reflective of local interests

Elephant in the Room

- ♦ **Unfavorable Legislative proposal, battle**
 - Local election on governance
 - Contentious, divisive & expensive
- ♦ **Compromise?**
 - Who ever wants to compromise?
- ♦ **Is there a reasonable option?**
 - You can control the outcome
- ♦ **Difficult choice**
 - Action = Leadership