

**Comparison of House Bill 1355-00 (2016) and RUC draft charter amendment ordinance dated 1-19-2016**

This comparison document was prepared by the Office of the City Attorney at the request of the Regional Utilities Committee during its meeting on Thursday, January 14, 2016. This comparison is not intended as an exhaustive review, but rather highlights the differences on key issues. A complete copy of the two drafts being compared is attached to this document.

|   | <b>HB1355</b>  | <b>RUC draft</b>  |
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| 1 | Creates the "Gainesville Regional Utilities Authority" (lines 25-29) and defines "Gainesville Regional Utilities" to be a subdivision of the authority (lines 50-51)<br><i>Note: This wording may cause confusion as it suggests creation of a separate legal entity; however, the draft bill further states the "authority shall operate as a unit of city government" (lines 29-30) which seems to indicate a similar intent to the RUC draft.</i> | Creates the Board of Directors of Gainesville Regional Utilities (p 3 lines 33-38)  |
| 2 | The authority is granted exclusive direction and control over the Utilities (lines 31-32)  | The city commission retains authority/input with respect to certain utility issues (p 11 lines 18-45 and p 12 lines 1-6)  |
| 3 | The authority is comprised of 5 members with specific, required qualifications (lines 59-104)  | The Board is comprised of 7 members with expertise and qualifications as specified in a City ordinance (p 4 lines 29-43 and p 5 lines 1-11)   |
| 4 | Prohibits any officer/official of the city or county that was <u>appointed</u> or elected between 1-1-2000 to 1-1-2022 from serving on the authority (lines 105-111)   | Prohibits any officer/official of the city or county that held elected office between 1-1-2000 to 1-1-2020 from being appointed to the board (p 5 lines 9-11)<br><br>Also prohibits any person who holds any other public office or who is an employee of the city or who has a current business relationship with GRU (other than as a customer) from being appointed to the board (p 5 lines 5-7) |
| 5 | Requires annual salary of \$18,000, to be  | No compensation is specified for  |

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|    | adjusted annually based on CPI index, be paid to each member (lines 133-142)  | members.  |
| 6  | States the CEO/GM "shall direct and administer utility functions" (line 166)  | States the GM is the "chief executive officer of the utility responsible for utility management," defines "management," specifies management duties and prohibits interference with the independence of the GM in the performance of his/her duties (p 4 lines 10-11 and 24-26; p 12 lines 10-37; and p 13, lines 1-20) |
| 7  | Contains conflicting language with regard to removal and suspension of members. First, it references state statutes which provide specific grounds for removal or suspension and vest power for same in the city commission (lines 175-176). However, it also states additional grounds for removal and vests power for all suspension, removal or reinstatement in the authority itself by vote of 3 members (lines 177-187) | Vests the city commission with the power to remove or suspend a member for malfeasance, misfeasance or nonfeasance; felony conviction or failure to meet minimum qualifications and states the city commission shall adopt rules of procedure for such removals/suspensions (p 5 lines 31-35)                           |
| 8  | Does not provide for a minimum or maximum transfer of utility revenues to the city and limits the city and county to charging the utility only those license, permit, tax or usage fees that are allowed by state statutes and that do not impose an "unreasonable burden" on the utility (lines 205-218)   | Provides for an annual return on investment to the city in a fixed amount that may thereafter be adjusted by the city commission every five years or anytime federal or state laws adversely impact the financial position of the utility (p 10 lines 32-45 and p 11 lines 1-16)  |
| 9  | States the authority's powers and duties "shall be no less extensive than those exercised by the city commission with respect to GRU as existed on January 1, 2016." (lines 227-229)  | Specifies in detail the powers and duties of the board and the city commission (p 5, lines 37-44; p 6; p 7; p 8; p 9; p 10; p 11; and p 12 lines 1-6)   |
| 10 | States "the authority may not enact rules relating to the disposal or sale of any GRU property which are more expansive than the rules applicable to the city commission as were in effect on January 1, 2016" (lines 230-233)<br><i>Note: It is unclear whether this language refers</i>   | Revises current charter section 5.04 to clarify that neither the city commission nor the board of directors may dispose of utility facilities so as to materially reduce capacity, unless done by ordinance and referendum approved by  |

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|    | to rules for surplus property or is an attempt to expand the current charter language regarding disposal of utility facilities to include the authority members.   | city voters (p 14 lines 24-28)  |
| 11 | Requires the authority to develop its own ethics policy and code of business conduct policy to be reviewed every other year (lines 248-251)  | Is silent as state and federal law provide for and regulate ethics for public officials.  |
| 12 | Places the following ballot question before the city voters at the city election in March 2017: "Shall the Charter of the City of Gainesville be amended by creating the Gainesville Regional Authority, to be the governing board of Gainesville Regional Utilities and appointed by the City Commission of the City of Gainesville?" (lines 258-263) | Places the following ballot question before the City voters on (the date is currently blank): "Should the City's Charter be amended to remove governing authority over Gainesville Regional Utilities from the elected City Commission and place such authority in a board of directors appointed by the City Commission?" (p 14 lines 31-37) |