

From: [Jacobson, Barry M](#)
To: [Baxley, Robin L.](#)
Subject: Re: UAB Recommendation
Date: Friday, July 13, 2018 10:47:25 AM

Hi Robin:

Here is my letter to the City Commission. Please let me know whether you'll send it to them or whether I should email it directly.

Regards,
Barry

Dear Mayor Poe and City Commissioners:

Last night at the UAB meeting, we were asked by GRU staff to recommend to the City Commission, with the GRU manager supporting the 1st option.

1) \$35M ERP; 2% pay increase; \$1M/yr Total Rewards; 6 FTEs, Shift in GFT payment - Results in 3.10% electric increase; 2.40% WW increase

2) No ERP; no pay increases; no Total Rewards; no new FTEs; Shift in GFT payment - Results in no increase in any system

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3) \$20M ERP; 2% pay increase; \$1M/yr Total Rewards; 6 FTEs; Shift in GFT payment - Results in 2.00% electric increase; 1.85% WW increase

Chair Alford asked that I, as the maker of the motion that passed, write this email describing the rationale behind this decision. I agree with her that the rationale is likely more important and useful for the Commissioners than a simple reporting of a motion itself. The UAB members briefly discussed what to include in this write-up. However, except as noted otherwise, what follows is my understanding and opinion and has not been reviewed by other UAB members.

I made the motion for the UAB to support the 1st option. This was seconded by Mr. Sylvester. After a good discussion, this motion passed 4 – 2 with Dr. Denslow, Mr. Sylvester, Dr. Porter, and me in favor and Chair Alford and Mr. Wheeler against. The dissenters stated that they would have supported the 3rd option of \$20M for ERP. Chair Alford felt that the ERP could be done for less than \$35M. Mr. Wheeler felt that the 3rd option was a good compromise using the Voltaire quote -- "The best is the enemy of the good." The consensus of the UAB members was that ERP, total rewards, and 6 FTEs were needed for the responsible running of GRU based on fiscal responsibility, employee retention, and reliability.

In response to Chair Alford's concerns about ERP, I asked GRU's Chief Information Officer, Walter Banks, the potential impact of having the ERP budget at \$35M and having the acceptable ITN responses come back lower (such as \$20M). He said that

the budget and GRU rates could then be lowered. I also asked the converse question of the impact of having the ERP budget at \$20M and having the acceptable responses come back higher (such as \$25M). He said that either budget and rates would need to increase or the scope would need to be trimmed, which would be very problematic.

Our previous agenda item was the proposed amendments to the City Code related to the UAB. These changes shift the focus of the UAB from examining day-to-day GRU management issues to larger policy issues. It states that we should make budgetary recommendations based on "Delivering safe, reliable, cost-effective (which shall include a reasonable return on the city's investment), and environmentally responsible utility service" and "The future utility needs of the city".

My understanding is that the UAB recommendations should be based on what is best for GRU and the City as defined by these goals. My opinion is that our recommendations should not be based on factors outside of our domain, such as what the GFT should be, determining other sources of city funds, or politics in general.

I appreciate that your role as City Commissioners requires that you include these and other factors in your final decision making. At times, commissioners have been publicly criticized for not taking UAB recommendations. Whether or not you take our recommendation in the end, I trust that you are taking our recommendations into careful consideration and incorporating them into your decision-making process.

Last night's recommendation illustrates an extreme case of this. At the meeting, I said that I would be supporting the 1st option based on my UAB member responsibility to promote what GRU and the City should be doing from a technical and fiscal viewpoint, but that I might be lobbying City Commissioners to vote against it because of the political implications and their impacts.

Thank you for incorporating our recommendations in your decision process and for taking on the complex mission of promoting the needs and desires of the citizens Gainesville.

Regards,

Barry Jacobson