

# **City of Gainesville**

*City Hall  
200 East University Avenue  
Gainesville, Florida 32601*



## **Meeting Agenda**

**December 14, 2017**

**5:30 PM**

**MODIFIED AGENDA**

**City Hall Auditorium**

## **Utility Advisory Board**

*Annie Orlando  
Darin Cook  
David Denslow  
Robert Walpole  
Mary Alford  
Sandra Campbell  
Michael Selvester*

*Persons with disabilities who require assistance to participate in this meeting are requested to notify the Office of the Equal Opportunity at 334-5051 or call the TDD phone line at 334-2069 at least two business days in advance.*

**CALL TO ORDER****ROLL CALL****ADOPTION OF CONSENT ITEMS**[170649.](#)**Minutes of the September 5, 2017 Special Meeting and the November 9, 2017 Regular Meeting (B)****RECOMMENDATION**

Approve the minutes of the September 5, 2017 special meeting and the November 9, 2017 regular meeting as drafted.

[170649 UAB 9-5-17 Special Meeting Minutes 20171214](#)

[170649 UAB 11.9.17 Meeting Minutes 20171211](#)

[170642.](#)**Renewal of Memorandum of Agreement with Northeast Florida Utility Coordination Group (B)**

*Explanation:* Over the last 10 years, GRU has been coordinating with other utilities in the North Florida area on water supply issues in a group known as the Northeast Florida Utility Coordination Group (NFUCG). The NFUCG includes GRU, JEA, Clay County Utility Authority, St. Johns County, City of Atlantic Beach, City of Jacksonville Beach, City of Neptune Beach, and Town of Orange Park. The group has been working collaboratively to evaluate the long-term sustainability of regional groundwater resources to meet public water supply needs and protect natural systems, and participates in the St. Johns River Water Management District (SJRWMD) and Suwannee River Water Management District (SRWMD) water supply planning processes. Participation in the group allows members to cost-share on engineering consulting and legal support services related to water supply issues and to minimize or avoid conflicts between members through collaboration.

The group has been operating under an existing 3-year memorandum of agreement, which recently expired. Staff seeks authorization for GRU to enter into a new agreement that continues this relationship. Under the agreement, GRU will pay 13.35% of the combined cost for the group's efforts for a maximum of \$66,752 per year for a maximum total of \$200,256 over the 3-year term of the agreement.

*Fiscal Note:* Annual costs for participating in NFUCG are included in the approved FY2018-2023 GRU operations and maintenance budget.

**RECOMMENDATION**

The UAB recommend that the City Commission authorize the General Manager or his designee to

*execute the memorandum of agreement, subject to approval by the City Attorney as to form and legality.*

[170642 NFUCG 2014 MOA GRU Expired 20171214](#)

[170642 NFUCG MOA 2018-2020 FINAL 20171214](#)

## ADOPTION OF REGULAR AGENDA

**GENERAL CITIZEN COMMENT - For items not on the agenda, limited to 3 minutes per citizen**

## STATE OF THE UTILITY

[170652.](#)

### Operational Update for November 2017 (B)

**RECOMMENDATION**      *Receive a report.*

[170652 Operational Updates Nov 2017 - All Depts. 20171214](#)

## OLD BUSINESS

[170647.](#)

### Alternative Electric Rate Structures to Distribute Savings Related to GREC Acquisition (B)

*Explanation: At the joint meeting of the City Commission and Utility Advisory Board on November 28, 2017, alternative electric rate structures designed to distribute savings resulting from the acquisition of the GREC facility were proposed for consideration. One of the proposed alternatives weighted savings more heavily towards non-residential customers, and one alternative spread the savings evenly among customer classes. Based on input provided at the meeting, a third alternative weighting savings more heavily towards residential customers was added. Staff is recommending a timeline for implementation of the revised rates that would provide for an effective date for the new structure of February 1, 2018.*

*Fiscal Note: Evenly distributed savings resulting from the GREC acquisition translate to base rate bill reductions for all rate classes of approximately 9.1%. Weighting the savings adjusts this bill reduction by approximately 1%.*

**RECOMMENDATION**      *The Utility Advisory Board recommend a revised electric rate structure to the City Commission for consideration at their December 19, 2017 meeting.*

[170647 Electric Rate Discussion Presentation 20171214.](#)

[170650.](#)

**Status Update on SAP Enterprise Management System to include Re-implementation of Financial Management System (FMIS), Customer Care System (CCS) and Enterprise Asset Management modules (EAM) (B)**

*Explanation: In July 2016, the City Commission approved three phases of the SAP Enterprise Resource Project. Phase I - \$10.7M for FMIS, Phase II - \$10M for CCS, and Phase III- \$10 M for EAM projects = 30.7M (not included was the necessary SAP platform updates). During Phase I, GRU implemented the Financial Management System (FMIS) and went 'live' in the new system on April 3, 2017. The last part of the FMIS project was the budget and planning functionality which went 'live' on December 4, 2017. The financial system is functioning as designed, GRU budgets are loaded in the system, and we are currently stabilizing the system. However, due to resource constraints and a re-prioritization of personnel toward purchasing GREC, some of the treasury and accounting work effort extended past 'go-live' and required additional consulting services. This work is being completed now.*

*In addition there were services and configuration required to ensure the foundation of the financial management system would integrate with the other phases of the SAP project. These additional costs were charged to the project (against the entire requested amount of 30.7M) yet benefited the entire ERP project. These include Open Text - a document management system at \$353,000; project systems - a tool for managing projects at \$150,000; and additional hardware and software configuration support Basis support \$162,000. In addition, other items that span all three phases were addition licenses (Redwood, single sign-on FIORI and Uperform) \$176,000 - totaling \$841,000.*

<i>Additional Costs Spanning the entire SAP implementation incurred in Phase I</i>	<i>Costs</i>
<i>Open Text</i>	<i>\$353,000</i>
<i>Project Systems</i>	<i>\$150,000</i>
<i>Additional hardware and software support</i>	<i>\$176,000</i>
<i>Basis Support</i>	<i>\$162,000</i>
<i>Total</i>	<i>\$841,000</i>

<i>Breakdown</i>	<i>Cost</i>
<i>Original Request</i>	<i>10.8M</i>
<i>Additional spanning tasks</i>	<i>841K</i>

*\*\*\*Consultant resources to overcome internal staffing level shortfalls  
1.6M*

*Total project to date 13.2M*

*GRU has designed and implemented an organizational structure, chart of accounts, and cost flow that will support the integration of CCS and EAM. New treasury and budgeting modules were implemented that will allow better forecasting and planning. Implementation of the treasury module is over 90% complete and re-modeling the budget to actual report is 85% complete.*

*Lessons learned:*

*The project has not been without its challenges which have led to valuable lessons learned. The largest of which is the importance to filling require staff levels. Without proper staffing (number of available FTEs) to allow dedicated GRU staff to be assigned to the SAP project (100% of the time), deadlines and project goals became at risk. To mitigate, GRU had to augmented staff with SAP and project management consultants. Without this augmentation / infusion of consultant's deadlines and outcomes delivered during the April 3 or December 4th "go-live" periods would have been impossible. The result was costs over-runs for phase I. The issues surrounding the procurement and filling of required FTEs also created additional stress to our existing staff. To correct this issue we must ensure that human resources is aware of the FTE requirements for phases II&III, the costs and risks associated with not filling these FTE positions and the impact to the outcomes associated with the SAP project.*

*Future Items:*

*System version upgrade and patch management*

*AMS - application management services*

*GRC - Governance, Risk and Compliance*

*Fiscal Note: Funds for the initial phases of this project are available in the FY18 and FY19 budgets and will be requested in FY 20 budgets, subject to the final appropriation of funds.*

**RECOMMENDATION**

*Hear a status update from staff on the overall OneSAP Enterprise Resource Planning (ERP) program.*

[170640 SAP Update Presentation 20171214](#)

**NEW BUSINESS**[170656.](#)

Broadband Connectivity Sub-Committee requests to proceed with Broadband expansion Request for Proposals (B)

*Explanation: The Gainesville City Commission established the Broadband Connectivity Subcommittee to the General Policy Committee to explore broadband availability, affordability, performance and development opportunities in our community. The initial meetings began in July of this year with three City Commissioners (Hayes-Santos, Ward, and Arreola), invitees from Alachua County IT and University of Florida representatives. Since then, the Subcommittee has reviewed a number of issues related to broadband delivery, with an emerging goal of "Expanding Affordable Internet in Gainesville". The sub-committee recognizes there are other areas of the county that are also underserved*

and have challenges in getting adequate broadband service.

At the November 17, 2017, Broadband Connectivity Subcommittee meeting, the commissioners unanimously approved a motion to request that Alachua County partner with the City to further study how we may be able to improve broadband availability, affordability and access throughout Alachua County. The Subcommittee is in the process of recommending a Request for Proposals to conduct an analysis to determine how we can make Gainesville the "Most Connected City in America" and how we may achieve the following goals...

*Primary Goals*

- Lower prices and increased speeds for residents
- Lower prices and increased speeds for businesses
- Everyone has access to municipal network in designated areas

*Secondary Goals*

- Lowest priced gigabit internet for residential service in the United States
- Lowest priced internet for businesses in the United States
- Universal free service to all residents served

With consideration that areas outside of the city limits are in need of affordable broadband access, we would like to study the following areas to see if expanding our municipal internet service is a feasible option:

- GRU Service Area
- Urban Reserve with consideration for density
- Municipal areas within the county where GRUCom has infrastructure (Newberry, Hawthorne, Archer, High Springs, Waldo and Alachua)

The expense for the feasibility study is estimated to be around \$140,000 and is expected to include feasibility cost estimates for several coverage options, financial feasibility and forecasting models for various market-based levels of service, a market analysis and a report of the study's findings.

*Fiscal Note:* The expected expense for the study as outlined is approximately \$140,000. Both GRU and General Government have budgeted \$20,000 each for a total of \$40,000 available funding.

**RECOMMENDATION**

Hear a report on the Broadband Sub-Committee's recommendation to proceed with a broadband expansion Request for Proposals.

[170656 RFP Outline 20171214](#)

[170651.](#)

**Utility Advisory Board Sub-Committee (NB)**

*Explanation:* During the discussion of GRU governance at the November 28, 2017 joint meeting of the UAB and the City Commission, the two bodies discussed the idea of creating a UAB sub-committee to further study the issue. The sub-committee would be composed of two City

Commissioners and two UAB members. The Commission proposed having Commissioners Ward and Budd sit on the sub-committee and the UAB proposed Members Selvester and Alford to represent the UAB. Because the meeting was a workshop, the bodies could not take formal action, so they directed staff to bring the item back to the regular meetings for a vote.

**RECOMMENDATION**

Discuss creation of a sub-committee to study the UAB's role in GRU governance and take any action deemed appropriate.

[170603.](#)

**Utility Advisory Board Terms and Qualifications (B)**

*Explanation:* At their December 7, 2017, regular meeting, the Commission discussed the terms of the Utility Advisory Board members and debated how to fill the current and upcoming vacancies (three in all). They thought it would be prudent to seek the Board's advise on how to handle filling the seats, as well as have the Board look at the existing qualifications defined in Ordinance #140384 and to make a recommendation on establishing a procedure for assessing disclosure of conflict of interest and financial disclosure.

After the discussion, the Commission voted unanimously to advertise the current vacancy and the two upcoming vacancies at the same time, refer to the UAB discussion and recommendation back to the commission for the different classifications for members of the UAB, as well as a suggestion on how to assess conflict of interest and financial disclosure.

**RECOMMENDATION**

The UAB make a recommendation to the City Commission on:

- 1) Advertising three vacancies and whether they should have qualifications from the existing criteria set forth by ordinance or just open it to any candidate and assess the qualifications of those in the pool;
- 2) Whether to modify the existing criteria for the categories of membership;
- 3) How to assess whether applicants/members have a conflict of interest and how they should make a financial disclosure.

[170603 UAB Terms - Customer Class Represented 20171207](#)

[170603 Transcription of Item from CCom Mtg 20171214](#)

[170603 UAB Qualifications per Ordinance 20171214](#)

[170653.](#)**Status of GRU's Chief Financial Officer Position (NB)**

*Explanation: GRU's Chief Financial Officer has resigned from the Utility, to be effective on December 21, 2017. The Board has requested an update on the General Manager's plan for filling the vacancy.*

**RECOMMENDATION**      *Hear an update from staff.*

**MEMBER COMMENT****CITIZEN COMMENT****NEXT MEETING DATE**

*January 11, 2017*

**ADJOURNMENT**