

# **City of Gainesville**

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



## **Meeting Agenda - Final**

**March 30, 2017**

**6:00 PM**

**City Hall Auditorium**

## **City Commission**

***Mayor Lauren Poe (At Large)***

***Commissioner Harvey Budd (At Large)***

***Mayor-Commissioner Pro Tem Helen Warren (At Large)***

***Commissioner Charles Goston (District 1)***

***Commissioner Todd Chase (District 2)***

***Commissioner Craig Carter (District 3)***

***Commissioner Adrian Hayes-Santos (District 4)***

***If you have a disability and need an accommodation in order to participate in this meeting, please contact the Office of Equal Opportunity at (352)334-5051 at least two business days in advance. TTY (Text Telephone Telecommunication Device) users please call 711 (Florida Relay Service). For Speech to Speech (STS) relay, please call 1-877-955-5334. For STS Spanish relay, please call 1-877-955-8773. For STS French Creole relay, please call 1-877-955-8707.***

## ADOPTION OF THE AGENDA

## 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.*

## ROLL CALL

[160869.](#)

### DISCUSS POSSIBLE PURCHASE OF GREC (B)

*Explanation: At their March 23, 2017 joint City Commission and Utility Advisory Board meeting, the commission voted to hold a special meeting to give the public another opportunity to discuss the possible purchase of GREC.*

*In June 2015, under the direction of a new General Manager, GRU staff undertook an exhaustive review of the GREC Power Purchase Agreement (PPA). In the course of this deep study, staff determined that the impact of the PPA is both financial and operational in addition to legal. The core of the PPA's financial impact is GRU's obligation to pay GREC \$212,000 a day for what is termed "Available Energy". This cost represents GREC's cost of ownership and fixed cost of operations. Put simply, the cost of ownership is GREC's debt payment and the return to its investors. The fixed costs of GREC's operations are effectively GREC's costs of being available to generate (staff, rolling stock and other monthly bills, excluding fuel and consumables). Staff determined that a buyout of GREC's PPA will generate savings in the hundreds of millions of dollars if GRU can negotiate a reasonable buyout price.*

*In November 2016, after determining the purchase would be in the best interest of both the City and GRU's customers, GRU began discussions with GREC owner Jim Gordon. GRU drafted a non-binding Memorandum of Understanding (MOU) that would serve as a framework for a contract to be negotiated later. The initial negotiations occurred under a non-disclosure agreement (NDA), but GRU shortly withdrew from the NDA so that the public, the UAB and the City Commission could be informed at each step in the negotiation. After several drafts went back and forth between the two parties, a final non-binding agreement was reached in March 2017.*

Staff gave presentations regarding the MOU to the Utility Advisory Board (UAB) on March 1, the City Commission on March 2, and the Chamber of Commerce on March 13. Staff gave further updates to the UAB on March 15, the City Commission on March 16, and to the joint UAB/City Commission on March 23, 2017.

*Fiscal Note:* The purchase price and terms of payment outlined in the MOU will be seven hundred fifty million dollars (\$750,000,000). GRU is considering three options for ownership and have estimated reduction in future costs of continuing under the current PPA to range from \$524-\$808 million.

**RECOMMENDATION**

*Discuss*

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**160811.**

**House Bill 759 (2017) regarding governance of the City of Gainesville Utilities (B)**

*Explanation:* On February 9, 2017, State Representative Chuck Clemons Sr., filed House Bill 759 ("HB 759") to amend the City's Charter to significantly restructure governance and management of the City's electric, water, wastewater, reuse water, natural gas and communications utility assets. On March 2, 2017, State Senator Keith Perry filed a related bill (Senate Bill 1568) which is largely similar in substance to HB 759.

HB 759 requires the following question be placed on the March 2018 citywide election ballot: "Shall the Charter of the City of Gainesville be amended by creating the Gainesville Regional Utilities Authority as the governing board of Gainesville Regional Utilities and appointed by the City Commission of the City of Gainesville?" If the referendum is approved by majority vote of qualified electors voting in that election, the act shall take effect - meaning the City is then required to implement the charter amendment language contained in HB 759.

At the direction of the City Commission, the City's Charter Officers reviewed the charter amendment language contained in HB 759, together with the City's current Charter. That review effort was distilled into a Memorandum to the City Commission dated March 24, 2017 that provides an analysis and statement of anticipated impacts from the bill. A copy of the Memorandum is included in the back-up to this agenda item. From their review, the Charter Officers found that, in short, the charter amendment language in HB 759 removes utilities governance power from the City Commission and the Utility Advisory Board and removes utilities management power from the General Manager for Utilities and vests those powers: (1) in an appointed City governing board (referred to in the bill as the "Authority") that is to manage, operate and control the City's utility assets (with one exception described in Issue 4 in the Memorandum), and (2) in a utilities administrator (referred to in the bill as the "CEO/GM") who works under

*the direction and supervision of the Authority. The bill does not create a legal entity that is separate and distinct from the City, such as the Gainesville-Alachua County Regional Airport Authority.*

*HB 759 was referred to three committees in the House of Representatives. Two subcommittees have taken action on the bill as follows: The Local, Federal & Veterans Affairs Subcommittee heard HB 759 on March 8, 2017 and approved it by a vote of 11-4. The Energy & Utilities Subcommittee heard HB 759 on March 15, 2017 and approved it by a vote of 8-5. HB 759 is now pending in its final committee in the House, the Government Accountability Committee, and may be heard by the Committee as soon as Thursday, April 6th.*

*The City's Lobbyist has been working to discuss HB 759 with the Chair of the Government Accountability Committee and with the sponsor of the bill, Representative Clemons. Based on the discussions, input and direction is requested from the City Commission.*

**RECOMMENDATION**

*The City Commission: 1) hear an update from City staff on the status of House Bill 759 and 2) provide direction to City staff and the City's Lobbyist concerning House Bill 759*

**Legislative History**

3/2/17            City Commission            Approved, as shown above

[160811\\_House Bill 759\\_20170302.pdf](#)

[160811\\_Impact Statement and Analysis\\_20170330.pdf](#)

**ADJOURNMENT**