

City of Gainesville

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



Meeting Agenda - Final

April 10, 2018

6:00 PM

Joint City Commission/Utility Advisory Board Workshop

Gainesville Regional Utilities Multi-Purpose Room

City Commission

Mayor Lauren Poe (At Large)

Mayor-Commissioner Pro Tem Harvey Budd (At Large)

Commissioner Helen Warren (At Large)

Commissioner Charles Goston (District 1)

Commissioner Harvey Ward (District 2)

Commissioner David Arreola (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**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.

DISCUSSION ITEMS[170960.](#)**Discussion of Baseline Budget Approach (B)**

Explanation: In order to maintain transparency in the budget process and provide as much flexibility as possible to the City Commission and Utility Advisory Board as we move through budget development, staff is proposing constructing the FY19 budget in levels. The initial level would be a baseline budget representing the resources necessary for the Utility to continue to deliver current service levels at current staffing with no pay increases. Incremental levels would be submitted separately, communicating information related both to the additional service to be provided along with incremental cost in the form of the rate impact of each increment. At this point the potential increments to be presented include:

- Smart Metering*
- Total Rewards Study (compensation package)*
- Solar Initiative*
- ERP projects*
- o Enterprise Asset Management (EAM)*
- o Customer Care System (CCS - billing system)*
- Additional FTEs*
- Salary increases (2% beginning January 1)*

Fiscal Note: The budget presentation structure would communicate the rate impact of the proposed FY19 baseline service delivery as well as the individual rate impacts of the potential increments submitted.

RECOMMENDATION

The City Commission and the Utility Advisory Board receive a presentation regarding the structure of the FY19 budget process.

[170960 Baseline Budget Discussion Pres - Revised 20180410](#)[170962.](#)**Direction on Direct Assistance (NB)**

Explanation: During the Cost of Service study process the former Chair of the Utility Advisory Board requested that the scope of the study be expanded to include a review of rate structures that would:

- Assist economically disadvantaged customers
- Promote conservation

The concept was discussed with the City Commission who, ultimately, based on the cost of the expanded study and the position of members of the Commission that sufficient data exists to proceed to address these goals without expansion of the original work, the City Commission voted not to expand the scope of the work already provided by Willdan Financial Services.

There have been several discussions with the City Commission and the Utility Advisory Board about the availability of relevant data sets that could potentially be used to develop approaches to address these goals. Staff is seeking direction from the Commission and the Board on a common approach for developing a long term program to address providing direct assistance to economically disadvantaged customers through a collaborative effort with outside agencies and General Government.

Fiscal Note: None

RECOMMENDATION

The City Commission and the Utility Advisory Board provide direction for developing a program to provide direct assistance to economically disadvantaged customers.

[170963.](#)**Potential Rate Tiers for FY19 Budget (NB)**

Explanation: Over the past several weeks the General Manager and CFO have met individually with City Commissioners to discuss the upcoming FY19 budget process. During these discussions, interest has been expressed in reviewing several potential electric rate tiering structures:

- Single tier
- The existing two-tier structure with a break at 850 kWh
- A two-tier structure with the break at 750 kWh
- A three-tier structure with breaks at 500 kWh and 1,000 kWh

At a recent workshop Utility Advisory Board members expressed interest in a high-demand residential tier.

Fiscal Note: None.

RECOMMENDATION

The City Commission and the Utility Advisory Board discuss and provide direction for electric rate tiers to be developed for the FY19 budget

process.

[170964.](#)

Discretionary Portion of GRU Operating Budget (NB)

Explanation: GRU's combined FY18 budget, both fuel and non-fuel, totaled \$448,028,095. Excluding those portions of that budget over which GRU exercises little discretionary control, when including safety and reliability of plants, such as :

- Fuel*
- Debt service*
- Labor*
- Other plant related costs*
- Contribution to the Utility Plant Improvement Fund, and*
- the General Fund Transfer*

After reducing the total budget by these items, the remaining discretionary portion is \$26,729,942 in non-labor O & M or 5.97% of the budget which would be considered discretionary. After the DHR transaction, which reduced the FY18 budget to \$407,033,450 (the DHR transaction reduced the fuel budget by \$67,011,920 and increased the debt service budget by \$26,017,275) the discretionary portion of the budget rises only to 6.57%.

Fiscal Note: None.

RECOMMENDATION

The City Commission and the Utility Advisory Board receive a presentation regarding the discretionary portion of the FY18 budget.

ADJOURNMENT