

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."

GENERAL MANAGER FOR UTILITIES130677.**Special Meeting on GRU Governance (NB)**

Explanation: The City Commission held a workshop on February 4, 2014 to discuss the issue of GRU governance and scheduled a special meeting to decide what, if any, action to take based on discussion at the workshop.

Fiscal Note: None.

RECOMMENDATION

The City Commission consider further action resulting from discussion of GRU governance.

130677 GRU Governance Workshop 20140204-Chart.pdf

130677 GRU Governance Workshop 20140204-FMEA Presentation - Revised

ADJOURNMENT

ADOPTION OF THE AGENDA

The meeting was called to order at 6:08PM. Comm Hawkins arrived at 6:12PM.

A motion was made by Commissioner Hinson-Rawls, seconded by Commissioner Bottcher, that this Matter be Adopted. The motion carried by the following vote:

Aye: 6 - Mayor Braddy, Commissioner Bottcher, Commissioner Poe, Commissioner Chase, Mayor-Commissioner Pro Tem Wells, and Commissioner Hinson-Rawls

Absent: 1 - Commissioner Hawkins

ROLL CALL**AGENDA STATEMENT****GENERAL MANAGER FOR UTILITIES**

130677.

Special Meeting on GRU Governance (NB)

Jim Konish, Nathan Skop, Rob Brinkman, Debbie Martinez, Jo Beaty, Don Glendening, Ray Washington, Ernesto Martinez, Joe Little, Donald Shepherd, Jason Fults, Mark Venske, Karen Eppell, Lee Owen and Harvey Ward spoke to the matter.

1st Motion: Comm TC moved and Comm YHR seconded to appoint Mayor Braddy to meet with Representative Perry on conditions needed to withdraw the GRU Governance Bill. Motion carried 7-0.

2nd Motion: Comm YHR moved and Comm TH seconded to have APPA give a presentation on governance issues at a future City Commission meeting. Motion carried 7-0.

RECOMMENDATION

The City Commission consider further action resulting from discussion of GRU governance.

Approved, as shown above

ADJOURNMENT-8:46PM

Kurt Lannon, Clerk of the Commission

Governance Models

Working Draft 2/4/14

CITY	GOVERNANCE	HOW WAS THE GOVERNING BODY CREATED?	HOW DOES REVENUE FLOW FROM UTILITY TO CITY?	IS THERE AN ADVISORY COMMITTEE SIMILAR TO RUC?	WHAT IS THE COMPOSITION OF THE BOARD?	IS SERVICE PROVIDED OUTSIDE THE CITY LIMITS?	DOES THE CITY OR UTILITY PAY THE UTILITY EMPLOYEES?	WHAT IS THE TOTAL NUMBER OF RESIDENTIAL (R) & COMMERCIAL (C) ACCOUNTS?	PERCENTAGE OF POWER PURCHASED
FORT PIERCE	FORT PIERCE UTILITIES AUTHORITY (Charter states: The Authority shall operate as a separate unit of the city government...and shall be free from the jurisdiction, direction, and control of other city officers and of the city commission.)	By Special Act	Utility pays 6% of gross revenues derived from the utility operations from the preceding year.	No	5 members comprised of the Mayor and 4 citizens appointed by the City Commission.	Electric 5.4% Water 5.3% W/W 9.9%	All Utility staff (including Utilities Attorney) are employees of, and paid by the Authority	Electric 19,287 (R) 4,171 (C) Water 12,435 (R) 2,915 (C) WW 11,040 (R) 2,320 (C)	Purchases 100% of its power from FMPA.
JACKSONVILLE	JACKSONVILLE ENERGY AUTHORITY (JEA)	By Special Act	City Council has the power to appropriate up to 30% of estimated gross revenues from JEA for uses and purposes of the City.	No	7 members appointed by Mayor, confirmed by the City Council. Each member must be a resident and elector of the City for at least 6 months.	Yes	- Uses the City's central services on a cost account basis - Legal services provided by City Attorney - City pays utilities employees	Electric 371,242 (R) 47,164 (C) Water 249,895 (R) 23,336 (C) WW 217,948 (R) 17,338 (C)	Percentage of Energy Purchased: 2011 12.7% 2012 12.9% 2013 9.4%
LAKELAND	LAKELAND UTILITIES Governing body is the City Commission. City Manager controls and directly supervises the Utility.	Lakeland Electric was established in 1904 when it was purchased from a private owner, documented by Resolution.	With Finance Director approval, City Commission may transfer any part of an appropriation to a purpose or object for which the appropriation of the current year has proved insufficient.	Yes	13 members: • Mayor • 6 City Commissioners • 4 citizen members appointed by Mayor (1 city resident from residential rate class; 1 non-resident from outside city in the residential rate class; 1 citizen member whose	Yes Electric 52%	The City pays utility employees.	Electric 100,505 (R) 20,832 (C) Water 46,049 (R) 6,358 (C)	

Governance Models Working Draft 2/4/14

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	same at its pleasure.)		each month, OUC provides monthly financial statements to Orlando City Council. On July 1 of each calendar year, OUC provides Orlando City Council a complete detailed report of all financial transactions for the previous year.		Orlando shall submit 3 persons for consideration to OUC who will then nominate 1 of the 3 persons to the City Council or reject all 3 nominees. The City Council shall then elect or reject the OUC's nominees to serve a 4 yr term. Every member shall be both a customer and a qualified elector residing within OUC service area.				
TALLAHASSEE	CITY COMMISSION		Last year changed from 6.99% to a base amount with annual CPI increase.	Yes, serves in advisory capacity to City Manager which is made up of 15 members appointed by the city Manager. Selection is based on the member's qualifications. All 15 members shall be the City's utility customers with		Yes Electric 17% Gas 6% Water 8%	The City pays utility employees.	Electric 95,617 (R) 15,305 (C) Water 73,674 (R) 8,254 (C) Gas 27,341 (R) 1,797 (C)	(in kWh) Total Net Generation 2,660,414,338 Total Purchases 98,298,000 Total Off-System Sales 76,583,000 Net Energy Load 2,682,129,338 System Use and Losses 136,752,755 Total Retail Sales 2,545,376,583

Governance Models
Working Draft 2/4/14

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				5 persons nominated by the County commission 3 are selected from a group of 5 persons nominated by the City commission 1 is selected from a group of 3 persons nominated by the organization representing the other municipalities of Alachua County.					

Item # 130677
02-04-14 GRU Governance Workshop

Electric Utility Governance Options

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City Commission

(27 cities)

- ♦ Elected by city voters
- ♦ No direct representation of outside customers
- ♦ Rarely distinguish between city or county
 - Never heard a single complaint about different service
- ♦ But... direct voter representation missing
- ♦ Attention be pulled in many directions
 - Utilities, planning & zoning, etc.

Commission/Customer Committee Hybrid A (Lakeland)

- ♦ 24 meetings per year (considering 12)
 - Separate from City Commission meetings
 - Consider & vote on all utility issues, including rates & budget
- ♦ City Commission then takes up same issues and votes in their meeting
 - Rarely overturns a vote of Hybrid Committee, but has done so twice
- ♦ Reasonable transition
 - Done by City ordinance

Commission/Customer Committee Hybrid B (Idea)

- ♦ 12 meetings per year (flexible)
 - Separate from City Commission meetings
 - Consider & vote on all utility issues, including budget
- ♦ Reasonable transition
 - Done by City ordinance

Dependent Utility Authority

(Ft. Pierce, Jacksonville, Orlando, Kissimmee, New Smyrna Beach)

- ♦ Tend to be more professionally governed
 - Governing board members attend industry conferences, read industry publications, have greater focus with limited agenda
- ♦ Lake Worth dropped their UA because of claims it was too independent (returned governance to Commission)
- ♦ Requires local ordinance or state local bill
 - Creates new business entity separate from city

Customer Advisory Committee

(Many)

- ♦ Appointed by city manager
 - Sometimes input from governing board
- ♦ County representation
 - Broad community-wide background
- ♦ 12 meetings per year
 - Discuss most utility issues
 - Not fiduciarily responsible
 - Recommendations only
- ♦ Mildly engaged, not well known in community
 - Rarely attend industry conferences

Local Boards vs IOU Boards

(Investor-Owned vs. Public Power Utilities)

- ♦ IOU boards – privately appointed by investors
 - Consumers, PSC, elected officials have no input
 - Minimal local input, no local decision-making
 - Generally act only through regulation or best interest of shareholders
- ♦ Public power utilities
 - 100% local, only accountable to local community and not distant shareholders
 - City/County representation issue exists for some
 - Many public meetings, public input
 - Highly reflective of local interests

Elephant in the Room

- ♦ Unfavorable Legislative proposal, battle
 - Local election on governance
 - Contentious, divisive & expensive
- ♦ Compromise?
 - Who ever wants to compromise?
- ♦ Is there a reasonable option?
 - You can control the outcome
- ♦ Difficult choice
 - Action = Leadership