

130677.**GRU Governance (B)**

Explanation: At its regular meeting on January 16, 2014, the City Commission directed that a workshop and special meeting be scheduled to discuss GRU governance.

On February 4, 2014, the City Commission held a workshop, heard presentations from Barry Moline, Executive Director of the Florida Municipal Electric Association (FMEA), Jim Stanfield, former CEO of Lakeland Electric and Cynthia Austin, Board member of Jacksonville Electric Authority, received public comment and discussed municipal utility governance options.

On February 11, 2014, the City Commission held a special meeting, further discussed municipal utility governance models, received public comment and directed staff to invite APPA or other experts give a presentation on governance at a future City Commission meeting.

At its regular meeting on March 6, 2014, the City Commission approved placing a GRU Governance item on the March 20, 2014 City Commission regular meeting agenda. At its regular meeting on March 20, 2014, the City Commission further discussed utility governance, heard public comment and referred Commissioner Poe's proposed Governing Board criteria to the City Attorney to create a draft ordinance as a guide/framework for use at a future workshop to be scheduled by the City Clerk.

On April 1, 2014, the City Commission held a workshop, heard a presentation from the City Attorney's Office, discussed the framework for creating an advisory board that would study utility governance for a period of time and report back to the City Commission with recommendations concerning GRU Governance. Commissioners expressed a desire to receive more information from staff regarding an estimated timeline for the advisory board work, topics the advisory board would be expected to examine, identification of a facilitator with expertise in utility governance, and an estimated budget for the board activities.

At its June 2014 Strategic Planning Retreat, the City Commission discussed adding this issue to its Strategic Plan. On September 18, 2014, the City Commission adopted the initiative and added it to the Strategic Plan as Initiative 8.2: Develop New GRU Governance and Oversight Model and Implementation Plan.

Staff from the City Attorney's Office and GRU have worked together to:
1) prepare a draft ordinance to create a governance advisory board; 2) develop a proposed timeline (with associated topics/tasks) for the board's work; 3) estimate a budget for the board's meetings and activities; and 4) identify a professional facilitator to assist with the board's work. Information on these items is provided in the backup to this agenda item.

Fiscal Note: Assuming 6 - 12 meetings of the advisory board, the budget is estimated to be \$11,662 to \$24,346. \$24,000 has been budgeted in the GRU Proposed Budget for FY15.

RECOMMENDATION

The City Commission: 1) review the draft ordinance and provide final policy direction to the City Attorney's Office to finalize an ordinance for first reading on October 2, 2014; 2) authorize the Clerk of the Commission to advertise the draft ordinance; 3) approve the proposed timeline and sample tasks for the board's work, subject to revision by the facilitator and the advisory board; 4) approve the expenditure of the budgeted funds; and 5) authorize the Interim General Manager of Utilities, or her designee, to execute contracts with the facilitator and such professionals or organizations as are necessary to guide and assist the board in its work, subject to review as to form and legality by the City Attorney.

Legislative History

2/4/14	City Commission	Discussed
2/11/14	City Commission	Approved, as shown above
4/1/14	City Commission	Discussed

130677 Comm Poe Draft 20140401

130677 GRU Governance and APPA Workshop 20140401

130677 GRU Governance Workshop 20140204-Chart.pdf

130677 GRU Governance Workshop 20140204-FMEA Presentation - Revised

130677 GRU Governance Memorandum 20140401.pdf

130677 C Poe back-up 20140401.pdf

130677 Nathan Skop Presentation 20140401.pdf

130677a draft language for ordinance 20140904.pdf

130677b proposed timeline sample tasks 20140904.pdf

140303.

Florida's Government-in-the-Sunshine Law - Meetings held at locations other than City Hall (B)

Explanation: From time to time, the City Commission receives requests to meet at a location other than City Hall. City staff reviews such requests and often offers alternative solutions that more clearly comply with the requirements of Florida's Government-in-the-Sunshine Law. At the Agenda Review meeting on August 27, 2014, several members of the City Commission discussed a recent invitation that the City Commission received to meet with University of Florida representatives on campus. With respect to this request, City management and legal staff has met with UF staff and discussed alternatives for structuring any such meeting in a manner that complies with the Sunshine Law. The Commission

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Mayor Braddy arrived at 2:39PM.

Jim Konish, Paula Stahmer, Nancy Gearan and Jo Beaty spoke to the matter.

Note: Referral to consider governance topic, training and communication strategies with Commissioners and the public. Meeting to be attempted to be scheduled in October 2014.

RECOMMENDATION

The City Commission: 1) review the draft ordinance and provide final policy direction to the City Attorney's Office to finalize an ordinance for first reading on October 2, 2014; 2) authorize the Clerk of the Commission to advertise the draft ordinance; 3) approve the proposed timeline and sample tasks for the board's work, subject to revision by the facilitator and the advisory board; 4) approve the expenditure of the budgeted funds; and 5) authorize the Interim General Manager of Utilities, or her designee, to execute contracts with the facilitator and such professionals or organizations as are necessary to guide and assist the board in its work, subject to review as to form and legality by the City Attorney.

A motion was made by Commissioner Wells, seconded by Commissioner Warren, that this Matter be Referred to the General Policy Committee, due back on 3/4/2015. The motion carried by the following vote:

Aye: 7 - Mayor Braddy, Commissioner Poe, Commissioner Hinson-Rawls, Commissioner Carter, Commissioner Warren, Commissioner Wells, and Mayor-Commissioner Pro Tem Chase

140303.**Florida's Government-in-the-Sunshine Law - Meetings held at locations other than City Hall (B)**

This item was heard in the evening. Sean Mcdermott made a presentation. Jo Beaty spoke to the matter.

RECOMMENDATION

City Commission hear a presentation from staff.

Heard

CITY AUDITOR

EQUAL OPPORTUNITY DIRECTOR

COMMITTEE REPORTS (PULLED FROM CONSENT)

ADVISORY BOARDS/COMMITTEES (APPOINTMENTS/REPORTS)

PUBLIC SAFETY COMMITTEE

130932.**Bicycle Registration Program (B)**

Legislative #
130677a

**Draft language for an ordinance to
create a Utility Governance Advisory Board**

Section 1. Intent. It is the intent of the City Commission to thoughtfully consider the most effective governance for the City of Gainesville's water, wastewater, electric, gas and telecommunication utilities which are operated under the fictitious name of Gainesville Regional Utilities ("GRU"). The City Commission believes a prudent first step in that process is to create an advisory board that will research and evaluate various models of utility governance in the State of Florida, develop policies to guide the governance and management of GRU, and ultimately recommend a governance structure and operational policies best suited for GRU. The City Commission recognizes that this important and deliberative process will take time. This ordinance creates the advisory board and outlines the structure, responsibilities and powers of the advisory board.

Section 2. Creation and Composition of the Governance Advisory Board;
compensation

(a) The City Commission hereby establishes a Governance Advisory Board (the "Board") that consists of seven (7) members appointed by the City Commission, as follows:

- (1) Three members of the City Commission; and
- (2) One member who is a residential customer of GRU and lives in the unincorporated area of Alachua County; and
- (3) One member who owns a business that is a general service customer of GRU and is located in the unincorporated area of Alachua County; and
- (4) Two members who have significant professional expertise in the field of finance/investment, engineering, business administration, and/or construction. These

1 “expertise” members must be a residential customer of GRU or own or work for a
2 business that is a commercial customer of GRU.

3 (b) Current and former City or GRU employees are ineligible for appointment to the Board.
4 Each appointed member will be asked to serve for the term of this Ordinance (set forth in
5 Section 7 below). In the event an appointed member is unable to continue to serve, the
6 vacancy will be filled by City Commission appointment. The new appointee must meet
7 the qualifications of the vacant seat. The new appointee shall serve for the remainder of
8 the unexpired term for the seat filled. An appointed member may be removed by
9 majority vote of the City Commission.

10 (c) The Board members shall not be deemed employees of the City of Gainesville, nor
11 entitled to compensation, pension, or other retirement benefits on account of service on
12 the Board.

13 (d) The Board and its members shall be subject to the provisions of Florida’s Government in
14 the Sunshine Law (section 286.012, Florida Statutes) Florida’s Code of Ethics for Public
15 Officers and Employees (Part III, Chapter 112, Florida Statutes) and Florida Public
16 Record’s Law (Chapter 119, Florida Statutes), all as may be amended from time to time.

17 **Section 3. Responsibilities of the Governance Advisory Board**

18 The Board’s primary responsibility is to study, evaluate and make a final recommendation to the
19 City Commission concerning the long-term governance structure and governing operating
20 policies that are best suited for GRU, prior to the sunset of the Board and repeal of this
21 Ordinance as set forth in Section 7 below. The Board shall have such other responsibilities as
22 are assigned by the City Commission.

1 In carrying out its responsibility, the Board shall foremost consider the need to operate GRU in a
2 manner that provides safe and reliable utility services, at fair, just and reasonable rates (which
3 includes a reasonable return on the City of Gainesville's investment).

4 The Board may request information and assistance from the General Manager for Utilities and
5 such other City Charter officers as the Board finds necessary. The Board shall conduct research,
6 gather information and learn from the experiences of industry experts and board members from
7 throughout the state in order to make an informed and independent recommendation to the City
8 Commission. The Board may consider information from sources such as, but not limited to, the
9 American Public Power Association, the Florida Municipal Power Association, the Warrington
10 School of Business's Public Utility Research Center, National Association of Regulatory Utility
11 Commissioners' Rate School and public utilities in the State of Florida. Board members will be
12 reimbursed for expenses associated with research related traveling, if any is scheduled and
13 required. Reimbursement will be in accordance with the City's travel policy. Board members
14 are expected to actively engage in the collection and evaluation of information.

15 **Section 4. City Resources**

16 (a) At the direction of the Charter Officers of the City of Gainesville, City (including GRU)
17 staff shall prepare such reports, analysis, and recommendations as the Board deems necessary to
18 remain fully informed and to carry out its responsibilities as set forth in this ordinance.

19 (c) The City Attorney, or her designee, shall serve as legal advisor to Board.

20 (d) The General Manager for Utilities shall designate a staff member to serve as clerk to the
21 Board. The clerk shall publish the notice of meetings, shall prepare an agenda and shall record
22 and keep minutes of each Board meeting.

23 **Section 5. Board Meetings and Procedure**

1 (a) The Board shall elect a chairperson and vice-chairperson.

2 (b) The Board shall hold a minimum of one regular monthly public meeting within the City
3 Hall of the City of Gainesville. The Board may hold more frequent regular meetings as needed
4 and at such times and places as it may designate in accordance with Florida's Government in the
5 Sunshine Law. Two or more Board members may request a Board meeting.

6 (c) A quorum shall consist of a majority of the members of the Board; however, a smaller
7 number may adjourn a meeting. Official action may be taken by vote of a majority of the
8 quorum present.

9 **Section 6. City Commission consideration of Board recommendations**

10 Prior to the sunset of the Board and repeal of this Ordinance as set forth in Section 7 below, the
11 recommendations from the Board concerning GRU governance will be placed on a City
12 Commission meeting agenda for discussion and action by the City Commission. The City
13 Commission shall determine whether any changes to the governance structure or governance
14 operations are necessary or desirable. In making its determination, the City Commission may
15 take into consideration the information and recommendations provided by the Board, industry
16 experts, as well as the information and research that the City Commission has itself gathered and
17 analyzed.

18 **Section 7. Sunset and Repeal**

19 This ordinance shall become effective immediately upon adoption; however, the Board shall not
20 begin exercising its responsibilities described herein until such time as the full Board is
21 appointed by the City Commission. This Ordinance shall be valid and effective until
22 _____, at which point the Board shall be deemed sunsetted and this Ordinance
23 repealed, unless extended by ordinance of the City of Gainesville.

Legislative #
130677b

Proposed Timeline and Sample Tasks/Topics for Utility Governance Advisory Board

Date	Action Item
September 2014	City Commission provide final policy guidance on draft ordinance to create the utility governance advisory board (the "Board")
October/November 2014	City Commission adopt ordinance creating the Board and appoint Board members
November 2014	Board hold initial organizational meeting, select chairperson and vice-chairperson and review proposed timeline and tasks
December 2014	Facilitator and/or APPA webinars "How Public Power is Governed: Structures and Authorities of Utility Boards" and "Duties, Responsibilities and Legal Obligations of Public Power Governing Boards"
January 2015	Facilitator and/or APPA webinars "Performance Monitoring and Accountability for Boards" and "Achieving Excellence in Public Power Governance"
February 2015	Review current GRU governance model and function of City Commission as the GRU board; discuss pros and cons of current model; discuss whether a) operational changes to current governance model and/or b) governance model changes, are necessary or desirable
March 2015	No board meeting – individual research and site visits/meetings with management and/or governing board members of other public utilities in Florida
April 2015	Presentations on individual research and discussion; begin to draft preliminary findings and recommendations
May 2015	Continue to draft findings and recommendations
June/July 2015	Board present its findings and recommendations to the City Commission, City Commission discuss Board's findings and recommendations and provide direction to the City Attorney, if ordinance(s) are necessary
August/September 2015	Hear and adopt ordinance(s), if necessary, and sunset the Board
October 2015	If a charter amendment is necessary, request filing and support of local bill at first meeting of Alachua County Legislative Delegation.

Potential Facilitator for Utility Governance Advisory Board

In an email to the City Commission dated March 14, 2014, Kathy Viehe, Interim General Manager for Utilities, recommended APPA's Executive Consultant Dr. Jeff Tarbert as a potential educator/facilitator for governance discussions.

Dr. Tarbert worked for the APPA for over 37 years and upon retirement in 2013, now offers consulting services. During his career with the APPA, Dr. Tarbert led hundreds of courses and workshops on effective public power policy governance, strategic planning and executive leadership. In addition, Dr. Tarbert analyzed the sustainability of public power's business model in the context of the changing electric power industry. He previously led a year-long study of how public power should respond to the likely changes and challenges facing the industry, which resulted in the publication of *It's Your Future ... Lead It: Public Power in the 21st Century*.

Dr. Tarbert is well qualified to educate and facilitate discussions on:

- The evolution and definition of governance
- The fiduciary duties and policy responsibilities of public power governing bodies
- Characteristics of high performance governing boards
- Key indicators and metrics for evaluating the governing board itself
- Steps necessary to assure the board's plan and actions are mission focused, customer driven and address the value of community ownership of the utility
- Areas for consideration and options for the utility's future: operations/reliability, competitiveness, delivering value to customers, and the business and governance models most likely to achieve success
- An examination of the current governance needs and challenges facing the utility industry, the major issues that are likely to impact the utility and its governing body in the next 3-5 years, and the various options for the most effective structure of GRU's governance
- An in-depth discussion of the various authorities that are exercised through public power governance, as well as the types of governance structures (city commission or council, independent board or authority, municipal corporation, a hybrid model or other) that are most likely to result in the successful, long-term operation of GRU

Proposed Budget for Utility Governance Advisory Board

Item	Budget Estimate	Budget Amount
Dedicated staff assistance – administrative assistance to take minutes, facilitate requests <i>(existing staff member would be budgeted at overtime hourly rate as regular duties continue)</i>	<ul style="list-style-type: none"> Time and half rate of $\\$31.3876 \times 14\% = \\$35.78/\text{hr. (OT)}$, assuming six to twelve meetings at three hours each Two hours between each meeting for follow up and preparing notes, materials for next meeting 	<p>\$644 - \$1,288</p> <p>\$429 - \$858</p> <p>Total = \$1,073 - \$2,146</p>
Expert governance resource – education, facilitation, research along with programs/sessions to cover important governance topics	<ul style="list-style-type: none"> One to three days research at @ \$1,500 day (<i>research, interviews, drafting programs and models</i>) One to three Sessions @ \$4,000 on site/day (<i>designing curriculum, producing materials, conduct session, travel time</i>) 	<p>\$1,500 - \$4,500</p> <p>\$4,000 - \$12,000</p> <p>Total = \$5,500 - \$16,500</p>
Governance series webinars (APPA) - Provides an introduction to policymaker responsibilities and the processes of electric utility governance and policy setting	<ul style="list-style-type: none"> Nine live webinars from January through December with the option to view past webinars for time management \$89 each or \$700 for series 	\$89 - \$700
Other – Resources for the committee to use for additional training, research, travel reimbursement	<ul style="list-style-type: none"> Expenses related to duties 	\$5,000
Total budget range		\$11,662 – \$ 24,346