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## DEVELOPMENT REVIEW BOARD PETITIONS

## SCHEDULED EVENING AGENDA ITEMS

## UNFINISHED BUSINESS

140384.

### GRU Governance (B)

*Explanation: On February 26, 2015, the City Commission last held a workshop to continue its discussion of GRU Governance. At that workshop, the Mayor and Commissioners discussed their individual ideas for changes to GRU governance. Several members indicated a preference for a Lakeland model or other type advisory board that would review and make recommendations to the City Commission on items of GRU business. The Commission requested that staff provide information on the Lakeland advisory board model for further consideration. The three Resolutions that created the Lakeland Electric Utility Committee, along with a Committee notice/agenda and its companion City Commission agenda are included in the backup.*

On March 26, 2015, Commissioners Poe and Wells held a public meeting to further discuss, and obtain citizen input, on their visions for an advisory board. At the public meeting, key points were offered as the basis for an ordinance that would create such a board. An outline of these points is included in the backup. The shared objective seemed to be the formation of an advisory board that has/would develop expertise in utility governance, management and operation and would meet to hear GRU agenda items and make an informed recommendation on each item that would be placed on a City Commission agenda. Other thoughts discussed at the meeting included an expectation that the City Commission would be deferential to the advisory board's recommendations and after a period of operation that would allow the Commission and citizens to evaluate how the advisory board is functioning, perhaps even drafting a referendum question that would allow voters to decide whether they wish to retain the advisory board or convert that board to a final decision-making board for most GRU decisions.

**RECOMMENDATION**

*The City Commission: 1) Discuss creating a utility advisory board; and 2) if consensus is reached, direct the City Attorney to prepare a conceptual ordinance and place it on the April 2 Regular City Commission Meeting for review and further discussion.*

**Legislative History**

10/21/14	General Policy Committee	Approved, as shown above
1/21/15	General Policy Committee	Approved as shown above (See Motion)
2/26/15	City Commission	Discussed

140384 FMEA Governance Presentation 2014.10.21

140384 Governance Chart 2014.10.21

140384 GRU Governance and APPA Workshop 2014.10.21

140384 GRU Governance Memorandum 2014.10.21

140384 Utility Governance Changes and Examples 20150121.pdf

140384 Outline of Proposed Advisory Committee 20150330.pdf

140384 Lakeland Information 20150330.pdf

**COMMISSION COMMENT****CITIZEN COMMENT (If time permits)****ADJOURNMENT (no later than 11:00PM - Mayor to schedule date and time to continue meeting)**

RECOMMENDATION*Refer to Committee*

A motion was made by Commissioner Warren, seconded by Commissioner Carter, that this Matter be Referred to the Community Development Committee, due back on 10/2/2015. The motion carried by the following vote:

**Aye:** 6 - Mayor Braddy, Commissioner Hinson-Rawls, Commissioner Carter, Commissioner Warren, Commissioner Wells, and Mayor-Commissioner Pro Tem Chase

**Absent:** 1 - Commissioner Poe

**DEVELOPMENT REVIEW BOARD PETITIONS****SCHEDULED EVENING AGENDA ITEMS****UNFINISHED BUSINESS**140384.**GRU Governance (B)**

*Lisa Bennett made a presentation.*

*Jim Konish, Jo Beaty, Annie Orlando, Harvey Budd, Nancy Deren and Paula Stahmer spoke to the matter.*

*Comm Poe moved and Comm Warren seconded to:*

- 1. Authorize the City Attorney to draft an ordinance that encompasses the recommendation made in the back-up called "Outline of Proposed Advisory Committee". Motion carried 6-1 with Mayor Braddy voting no.*
- 2. Ask the Legislature to place a referendum question on the November 2016 ballot to indicate whether they want to continue with the new governance model implemented in Gainesville or move to an independent governing board. Motion carried 7-0.*

RECOMMENDATION

*The City Commission: 1) Discuss creating a utility advisory board; and 2) if consensus is reached, direct the City Attorney to prepare a conceptual ordinance and place it on the April 2 Regular City Commission Meeting for review and further discussion.*

**Approved, as shown above - See Motion(s)**

**COMMISSION COMMENT****CITIZEN COMMENT (If time permits)****ADJOURNMENT-12:29AM**



# MEMORANDUM

Office of the City Attorney

Phone: 334-5011/Fax 334-2229

Box 46

**TO:** Mayor and City Commissioners **DATE:** April 1, 2015

**FROM:** Nicolle Shalley, Co-Champion of Strategic Initiative #8.2 *NMS*

**SUBJECT:** Strategic Initiative #8.2: Develop New GRU Governance and Oversight Model and Implementation Plan

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The Commission adopted Strategic Initiative #8.2 ("SI 8.2") as part of the City's Strategic Plan FY 2015-2016. SI 8.2 states "Desired Outcome: Governance models have been evaluated for consideration by the City Commission." Commissioner Todd Chase serves as the Initiative Sponsor and Kathy Viehe, General Manager for Utilities, and I are the Initiative Co-Champions.

Even prior to the adoption of SI 8.2, the Commission was actively engaged in a discussion of GRU Governance. The Commission has held numerous public meetings and heard from experts, citizens, the Chamber of Commerce, elected officials and from City staff. Commissioners have individually attended webinars, reviewed information and researched various governance structures both within and outside the State of Florida. Given the volume and detail of the information studied by the City Commission with respect to governance models and options, the City Commission may now be at a decision point with respect to SI 8.2.

This Memorandum is intended to outline the primary options that have emerged from the GRU governance discussions.

## Primary Options

Option 1: Create the utility as a separate public entity with its own elected board, transfer all utility assets and employees to this new entity (Example: Keys Energy Service.)

Option 2: Create a City utility governing board with final decision-making authority as to utility matters (with some key matters like bonds, rate setting and the general fund transfer done in consultation with the City Commission or as otherwise specified in new charter provisions), utility remains owned by City and utility employees remain City employees (Examples: JEA and Orlando Utilities Commission.)

Option 3: Create a "strong" appointed advisory board that will replace/consolidate the Regional Utilities Committee, the Gainesville Energy Advisory Committee and the new (but not yet created) Rate Advisory Board, and will hear all utility matters and make recommendations to the City Commission (Example: Lakeland Electric Utility Committee.)

Option 4: Take no further action and remove SI 8.2 from the Strategic Plan

### **Is there Commission support for any of these Options?**

Based on the discussions, it appears there is some level of support for Option 2 or Option 3.

### **Basic procedural steps to implement Option 2 or Option 3**

Option 2: There are two ways to implement Option 2.

- A. Submit a referendum question to the City voters (e.g., “Do you want the City to create a City Utilities Board to govern GRU, instead of the City Commission?”) with the following requirement: if the question is approved, the City Commission is directed to prepare the necessary Charter Amendment and Ordinance(s), and either submit the Charter Amendment to the City voters (per the Charter amendment referendum process in the Charter) or to the Florida Legislature (as a local bill to amend the City Charter.)

To submit this question to the voters, the Commission can either: (a) request Representative Perry amend current HB1325 to substitute the above concept, or (b) adopt a City Ordinance (by vote of at least 4 members of the City Commission) placing the question on a ballot.

- B. Adopt a City Ordinance (by vote of at least 6 members of the City Commission) that contains the full text of the Charter Amendment and submits the Charter Amendment to the City voters.

Option 3: Adopt a City Ordinance that creates this new advisory board and sunsets GEAC, amend the City Commission Rules to remove the RUC, and take no further action to create the RAB.

**Option 1: Create utility as a separate public entity.**

- Transfer all assets and liabilities to new entity
- GRU employees become employees of new entity
- Elected board

**Option 2: Create a separate City Governing Board**

- Governing Board has final decision-making authority
- Governing Board appointed and removed by City Commission
- Governing Board receives input from City Commission on key issues either through Charter provisions or through City Commission approval of items
- Assets of utility still owned by City Of Gainesville
- GRU employees remain City employees

**Option 3: Create a strong Advisory Board**

- Advisory Board hears all utility matters and makes recommendation to City Commission
- Replaces existing committees and advisory boards

**Option 4: Take no action**

## **Option 2: Separate City Governing Board – can be accomplished 2 ways**

### **A. Referendum question to City voters**

- 1. “Do you want the City to create a City Utilities Board to govern GRU, instead of the City Commission?”**
- 2. Affirmative response obligates City Commission to prepare Charter Amendment and**
  - a. submit it to voters (6/7 vote of City Commission); or**
  - b. submit to state legislature (majority vote of City Commission or action of local delegation)**
- 3. Can be accomplished by:**
  - a. request Representative Perry to amend current HB 1325 (majority vote of City Commissioners); or**
  - b. adopt a City Ordinance placing the question on a ballot (by vote of at least 4 City Commissioners)**

### **B. Actual charter amendment to voters (By vote of at least 6 City Commissioners)**

- 1. Contains full text of Charter Amendment**
- 2. Submit the Charter Amendment to City voters**

## **Option 3: Strong Advisory Board**

### **A. Adopt Ordinance creating Advisory Board and sunseting GEAC (by vote of at least 4 City Commissioners)**

### **B. Amend Commission Rules removing RUC and no further action on Rate Advisory Board**

## **Decision Points**

### **Which Option?**

- 1. Separate Public Entity**
- 2. Separate City Governing Board**
- 3. Strong Advisory Board**
- 4. No action**

### **Most Discussed Option – Procedural Steps**

#### **Option 2:**

- 1. Referendum Question before charter amendment**
  - a. By house bill**
  - b. By ordinance**

#### **2. Charter Amendment**

#### **Option 3:**

- 1. Ordinance**
  - a. Discuss and select favored model**
  - b. Direct staff to draft ordinance**
- 2. Resolution amending Commission Rules**



