

SPECIAL COMMITTEE ON THE POTENTIAL SALE OF JEA
AGENDA

Thursday, March 8, 2018
3:30 p.m.
Council Chambers 1st Floor, City Hall

Carol Owens, Chief of Legislative Services
John R. Crescimbeni, Chair
Danny Becton
Anna Lopez Brosche
Garrett Dennis
Joyce Morgan
Lori Boyer
Jim Love
Greg Anderson
Tommy Hazouri

Legislative Assistant: Staci Lopez
Legislative Assistant: Mia Richardson
Research Assistant: Jeff Clements
Council Auditor's Office: Kyle Billy
Council Auditor's Office: Phillip Peterson
Office of General Counsel: Margaret Sidman
Sondra Fetner

DATE TAKEN: March 8, 2018
TIME: 3:35 p.m. - 5:14 p.m.
PLACE: City Hall
117 West Duval Street
Council Chambers
Jacksonville, FL 32202

This cause came on to be heard at the time and place aforesaid, when and where the following Proceedings were reported by:

Stephanie Powers Cusimano
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P R O C E E D I N G S

MR. CRESCIMBENI: We're going to call the meeting on the special committee on the potential sale of JEA. Today is Thursday, March 8th, 2018. It's about 3:35.

I want to thank everybody for being here. Today's meeting is kind of going to be a -- more or less an organizational meeting, and we're going to try to set -- plot a course and move forward with the information provided to us today. I've got a couple of discussion points that I want to put forward to find some conclusion on.

So with that said, if we can have everybody introduce themselves for the record. And we'll start with Mr. Anderson.

MR. ANDERSON: Greg Anderson, at large, Group 4, just visiting.

MS. BOYER: Lori Boyer, City Council, District 5 --

MR. HAZOURI: Tommy Hazouri -- excuse me. Go ahead.

MS. BOYER: -- just visiting.

MR. HAZOURI: Tommy Hazouri, Group 3 at large.

1 MR. NEWBY: Sam Newby, Group 5 at large,
2 just visiting.

3 MR. LOVE: Jim Love, District 14, just
4 visiting as well.

5 MS. BROSCHE: Anna Lopez Brosche, Group 1.

6 MR. DENNIS: Garrett Dennis, District 9.

7 MR. CRESCIMBENI: I'm John Crescimbeni, at
8 large, Group 2.

9 MR. BECTON: Danny Becton, District 11.

10 MS. MORGAN: Joyce Morgan, District 1.

11 MS. FETNER: Sondra Fetner, Office of
12 General Counsel.

13 MS. SIDMAN: Peggy Sidman, Office of
14 General Counsel.

15 MR. BILLY: Kyle Billy, Council Auditor.

16 MR. PETERSON: Phillip Peterson, Council
17 Auditor's office.

18 MR. CLEMENTS: Jeff Clements, Council
19 Research.

20 MR. CRESCIMBENI: Again, thank you for
21 being here.

22 Ms. Sidman, are you -- you're assigned to
23 this committee?

24 MS. SIDMAN: Yes.

25 MR. CRESCIMBENI: All right. Would you

1 mind just reading the committee charge into the
2 record.

3 And for those of you who may have noticed,
4 we have a court reporter here today, so this
5 meeting is going to be -- there's going to be a
6 verbatim transcript created for this meeting
7 and each subsequent meeting.

8 So go ahead and read that into the record.

9 MS. SIDMAN: This is the special committee
10 of the potential sale of JEA. The committee
11 charge, understand all aspects and
12 implications, who, what, where, and why --
13 sorry, who, what, where, when, and why of the
14 potential sale of JEA and the roles that
15 various parties to such a potential sale will
16 play in the process; conduct necessary meetings
17 and hearings to gather the relevant facts the
18 entire City Council should consider in its
19 decision related to the potential sale of JEA;
20 offer monthly, or as frequently as necessary,
21 updates as to the progress of this work to the
22 City Council at its regular meetings; make
23 recommendations to ensure a transparent and
24 open process for the citizens of Jacksonville
25 as to the consideration of the potential sale

1 of JEA.

2 MR. CRESCIMBENI: All right. Thank you,
3 Ms. Sidman.

4 With that said, I wanted to say that my
5 goal as chair of the special committee is to
6 hold exactly what our charge calls for, and
7 that's a series of objective and transparent
8 conversations about the possible benefits and
9 drawbacks to the City, to the JEA rate payers,
10 to the JEA employees, potential sale of JEA.

11 However, I have -- I'm very concerned with
12 recent events, many of those which have been
13 reported in the news have muddied the waters in
14 which we can have such an objective
15 conversation, and I also sense that some of my
16 members on -- not only this committee, but on
17 the Council as well have developed -- or those
18 news events have kind of contributed to a
19 feeling of mistrust, and I think we need to
20 overcome that.

21 So as chairman, in order to have, as the
22 charge calls, a transparent objective
23 conversation, I personally want to wipe the
24 slate clean of all recent events and new
25 stories, and I'm going to ask that you consider

1 doing the same as well.

2 Also, I want to facilitate an environment
3 in these meetings in which we can be assured
4 that we receive accurate, truthful information,
5 which we can all rely on. And part of today's
6 meeting later on in the agenda will include
7 discussion on some tools that are available to
8 us to help us do just that.

9 So with that, we will go on to our JEA
10 fact review. These are some things that I
11 think have been misconstrued not only in the
12 press but amongst some of my colleagues. I
13 just would like to get some facts out in front
14 of everybody today.

15 And I had spoken at our last meeting
16 between Mr. Dennis and I, at the noticed
17 meeting, you-all have this in your packet.
18 It's a pretty easy read. This is a copy of the
19 portion of JEA's 1995 Annual Report. It's 23
20 years old. But this was a report they
21 published on the 100th anniversary of the
22 forming of our local municipal utility, so it's
23 not a complete copy of the report, it's a copy
24 of the -- part of the report from '95 that
25 talks about the history of the electricity in

1 Jacksonville, Florida. I would encourage you
2 to go back home and instead of watching TV,
3 Mrs. Brosche, dig this out, it's a pretty good
4 read. History is always fascinating, but it
5 talks about -- as I mentioned a couple of weeks
6 ago, it talks about how there were a couple of
7 utilities -- couple of electrical companies
8 that started in Jacksonville in 1893, something
9 like that, and they were charging exorbitant
10 rates for the city just to string a few
11 streetlights downtown. And they ended up
12 getting bought by a person that owned the gas
13 company here, so it was probably the first
14 utility in Duval County. And the city
15 wanted -- electricity was a fascinating
16 invention. It sparked a lot of demand --

17 MR. LOVE: Sparked.

18 MR. CRESCIMBENI: Sparked, yeah. And the
19 city decided that they weren't going to pay the
20 rates that were being charged by the then
21 existing monopoly, and they decided to start
22 their own electric facility. And they put
23 before the voters a \$1 million bond issue of
24 which part of the funds -- \$1 million in 1895,
25 part of the funds were used to construct a new

1 electrical plant, a city electric plant, and
2 string some infrastructure to have electricity.
3 This is the kind of stuff many groups love. I
4 would encourage you to read that. It is a
5 fascinating read. So it gives you a good
6 perspective of where we came from. And now 123
7 years later, we're having another conversation
8 in the opposite direction.

9 All right. I think -- is Jordan Hope
10 here? Come on down, Jordan.

11 I asked Jordan to provide us with some
12 history on Florida electric and sewer sales and
13 customer accounts over the past ten years.
14 Some of the new council members that may have
15 attended a JEA orientation back in 2015 might
16 have been exposed to some of this information.
17 But I think it's interesting and I want Jordan
18 to go through these five or six slides here.
19 They should be up on the screen, but I want you
20 to pay close attention to trends with regard to
21 not only electric consumption, gallons of water
22 consumed, gallons of water treated on the
23 City's waste water program. Also pay attention
24 to customer count through the years. And as we
25 go through these slides, look at customer

1 counts going in one direction and revenues
2 until very recently going into another
3 direction. Mr. Pope.

4 MR. POPE: Thank you. Jordan Pope, JEA.
5 Thank you, Mr. Chair and Council Members.

6 The six slides in front of you, just a
7 brief overview, the first four are JEA sales
8 broke down by system, so electric, water,
9 sewer, reclaim, with the associated customer
10 counts. The fifth slide looks at revenues.
11 And the sixth slide looks at electric sales
12 back to 1979 and water sales back to 1990.

13 On the first slide, electric sales, at
14 Councilman Cresembeni's request, we went back
15 ten years, so fiscal year through 2008 through
16 fiscal year '17. As you can see at the bottom
17 of the slide, our customer count has continued
18 to grow since that time. I believe from '08 to
19 '17, it's probably about 12 percent. At the
20 same time sales have continued to be a bit of a
21 challenge, and, of course, we've talked about
22 this many times before in that energy
23 efficiency has been one of the main drivers of
24 the story on electric sales. You can certainly
25 have weather dry fluctuations from year to

1 year, but as appliances, HVAC, lighting, and
2 other things have become more efficient, that
3 has been the main driver of electric sales over
4 the past decade.

5 Slide two is water sales. And I'm going
6 to lump the next three slides together just a
7 bit, so water, waste water, reclaim. Same
8 story on electric in that customer -- number of
9 customer accounts has continued to grow. And
10 you can see that since 2014, sales are up a
11 bit. The weather can also be a large driver of
12 sales in these systems. And as can you see on
13 the reclaim slide, which is slide 4, the
14 customer count has seen significant growth,
15 which results in a significant increase in
16 sales.

17 The fifth slide is JEA's operating
18 revenues over the last ten years. This is
19 broken down by electric and the water sewer
20 reclaim system. And electric is broken down by
21 base rate and the fuel rate.

22 I will let you draw your own conclusions
23 from this slide, but as you can see, on the
24 electric side has -- sales have continued to
25 reflect the advancements in technology that

1 along with that comes the associated revenue
2 that JEA takes in. And as you can see from the
3 previous slide regarding the slight uptake in
4 sales on the water, sewer, and reclaim slide,
5 you can see a slight uptake in recent years,
6 however slight it may be, on revenues from the
7 water and sewer and reclaim system.

8 Finally, the final slide, looking back on
9 the top of the page, the charter going back to
10 1979 on electric sales, you can see that
11 between 1979 and 2007, JEA experienced roughly
12 3 percent annual growth, historical growth.

13 In 2007 that changed, and you can see the
14 dashed line on the right portion of the chart
15 would indicate what 3 percent through 2023
16 would look like. But as you can see from 2007,
17 we are 10 percent declined from our peak sales,
18 and those are projected to be flat or
19 decreasing through 2023.

20 The bottom portion is water sales since
21 1990. And this is just water, this does not
22 include sewer and reclaim. The water system
23 experienced 5 percent historical growth 1990 to
24 2007. And that dashed line on that chart would
25 also represent what a 5 percent growth rate

1 would look like through 2023. We have a
2 14 percent decline since 2007 to today. And
3 as can you see, we're projecting sales to be
4 flat or down through 2023.

5 Mr. Chairman, with that, I'll take any
6 questions.

7 MR. CRESCIMBENI: Thank you, Mr. Pope.
8 Thank you for preparing these for us.

9 A 10 percent decline in electric sales,
10 most of that, and 14 percent decline in water
11 sales is in the face of increased customer
12 count, right?

13 MR. POPE: Yes, sir.

14 MR. CRESCIMBENI: Are there any questions
15 from the committee on this?

16 Cue, Mr. Hazouri?

17 MR. HAZOURI: Thank you, Mr. Chairman.
18 Just quickly.

19 You attribute this decline based on the
20 condemnation programs that y'all have of both
21 electric and water or is this -- is this
22 comparable to all other public and private
23 utilities around the state?

24 MR. POPE: On the electric side, energy
25 efficiency is the driver. On the water side, I

1 mean, you can see in both of these charts that
2 the time the sales start to decline is
3 consistent with when we had some issues with
4 the economy in the mid 2000s.

5 There are certainly conservation efforts
6 on the water side that we hope contribute.
7 Water is a valuable resource, but as you can
8 see, sales are continuing to increase on that
9 side. And there are a number of drivers,
10 Councilman, from weather and other things.

11 MR. HAZOURI: And I don't want to get into
12 the next chapter before you get to it of the
13 private, but do you know off the top of your
14 head how this reflects on the -- as reflected
15 on the part of the rest of the utilities around
16 the state?

17 MR. POPE: As far as sales?

18 MR. HAZOURI: As far as on kind of sales,
19 yeah, declines on both water and electric?

20 MR. POPE: I'll stick to electric. Energy
21 efficiency has impacted the industry in general
22 because of the efficiencies of everything you
23 see around you, from appliances, HVAC,
24 lighting, insulation, you name it.

25 On water, I would rather answer that

1 question after gathering some more information.

2 MR. HAZOURI: Okay. Thank you,

3 Mr. Chairman.

4 MR. CRESCIMBENI: Mr. Becton.

5 MR. BECTON: Thank you, Mr. Chair.

6 And I guess my question is to you in your
7 vision in terms of us going forward. This was
8 the -- like you said, a presentation that many
9 of us when we got in office in 20- -- right
10 before we got in office in 2015, we met with
11 Mr. McElroy and JEA and pretty much kind of had
12 this glass-half-empty conversation with JEA.
13 And I know personally I stood back after the
14 meeting and talked to Mr. McElroy about a
15 different perspective on how companies that
16 are, you know, facing adversity with technology
17 and the obsolescence and so forth, but what
18 were the opportunities of, you know, glass half
19 full of JEA. And certainly looking at it at
20 the time, we were negotiating our contribution,
21 or getting ready to, the conversation with woe
22 is me, please don't ask for any more money than
23 we can afford, and certainly that was -- that
24 was kind of the conversation at the time.

25 But I guess my question to you is is, do

1 you plan to have the leadership of JEA come in
2 here and talk about the opportunities instead
3 of just saying, you know, we're racing toward
4 obsolescence, but -- in terms of electricity or
5 is this the time that I should ask Mr. Pope
6 about how do we change this trajectory of JEA
7 and what the vision is?

8 MR. CRESCIMBENI: You're welcome to ask
9 Mr. Pope that. I'm confident that he's not
10 going to be able to answer that question
11 because he doesn't have authority to answer
12 that question. And I don't know, the only
13 other person here from JEA is Renee, correct,
14 so we can certainly -- part of today's meeting
15 is an informational meeting. I'm going to ask
16 this committee for guidance on what this
17 committee wants to pursue. We can certainly
18 have JEA come and make that presentation. That
19 may be helpful in our conversation about a
20 potential sale.

21 MR. BECTON: Well, if you don't mind me
22 while I have the microphone making a
23 suggestion, that -- I certainly would like some
24 leadership of -- to see JEA come in and give us
25 a shareholder presentation in terms of how

1 they're going to enhance our value with utility
2 rather than us just insinuate that the decline
3 is going to be forever, and at some point, you
4 know, this is going to be Block Buster video
5 and we're all going to be using DVRs. So I
6 think there might be another story to be told
7 here, at least I would hope so, because if not,
8 that is a conversation that we need to expand
9 upon.

10 MR. POPE: Mr. Chairman, may I respond
11 quickly?

12 MR. CRESCIMBENI: Sure.

13 MR. POPE: Councilman Becton, I hear you.
14 We'll be happy to come back and talk about
15 that. This is simply the facts of the last ten
16 years and what we would project, and we'd be
17 happy to have the other part of that
18 conversation.

19 MR. CRESCIMBENI: Well, on the electric
20 side, JEA's facts aren't too much different
21 from any other electric facility, correct?

22 MR. POPE: Yes, sir.

23 MR. CRESCIMBENI: Ms. Boyer.

24 MS. BOYER: Through the Chair, Mr. Pope, I
25 just want to make sure. I'm on your last

1 chart, and reading your percent declines that
2 you were referencing. So this is a percent
3 decline projected over the period 2007 to 2023,
4 so that's 10 percent over 16 years; is that
5 correct?

6 MR. POPE: The 10 percent reference is
7 2006 through 2016, the arrows -- being the end
8 of the arrows.

9 MS. BOYER: Okay. That's what I was
10 trying to understand. So that is a ten-year
11 10 percent decline, so you're seeing
12 approximately 1 percent a year if you're
13 averaging it?

14 MR. POPE: Yes, ma'am.

15 MS. BOYER: Okay. And then in your water
16 sales, is it 2007 to '17 based on your --

17 MR. POPE: Yes, ma'am.

18 MS. BOYER: -- arrows? Okay. Thank you.

19 MR. POPE: You're welcome.

20 MR. CRESCIMBENI: Ms. Boyer.

21 Mr. Hazouri for the second time.

22 MR. HAZOURI: Mr. Pope, just for my own
23 clarification for this committee, is it JEA,
24 beyond the RFP that was sent out, are y'all
25 doing any other studies? Is this going on at

1 the same time? Are y'all reviewing the
2 possibility of a sale or not a sale at the same
3 time or are we -- I'm talking about
4 duplication. I just want to know -- we're
5 here. We know what we're doing. I want to
6 know if y'all are doing something like this
7 specific council is or have y'all also
8 continued to move along as if you're going to
9 sell or not sell? Have y'all got a study going
10 on yourselves?

11 MR. POPE: Through the Chair to the
12 councilman, this is -- really the only thing
13 I'm aware of is that our board at its last
14 meeting agreed to schedule a workshop to
15 discuss this topic. Other than that, I'm not
16 aware of any other duplicative effort.

17 MR. HAZOURI: A workshop -- through the
18 Chair, a workshop meaning that y'all could very
19 well move forward, reviewing it yourself,
20 continuing where you left off with that
21 \$100,000 RFP, and I'm using that as my example
22 of what y'all did, and continue that moving
23 forward, that y'all may very well at the
24 workshop decide that y'all want to continue to
25 study and do what we're doing right here?

1 MR. POPE: Through the Chair, I'm not
2 aware of what would come of that workshop, but
3 I know that the -- it was expressed that they
4 would like to hold that workshop to discuss the
5 topic.

6 MR. HAZOURI: The only reason I'm really
7 asking is because, as Mr. Becton was
8 indicating, he'd like y'all to come and talk to
9 us, and you said you would be glad to. And I
10 don't want to do a Texas two step anywhere,
11 you're talking to us and y'all are talking to
12 yourselves, and then I've got two different
13 approaches and two different answers.

14 MR. POPE: Yes, sir.

15 MR. CRESCIMBENI: Mr. Hazouri.

16 Mr. Dennis.

17 MR. DENNIS: Through the Chair to
18 Mr. Pope, I would appreciate these handouts,
19 but I would like to know, you know, year over
20 year, you know, what is your net profit,
21 because I understand sales. You can have, you
22 know, \$2 billion in sales, you know, and
23 decline to, you know, 900,000 -- I mean \$900
24 billion in sales, but it's saying that, again,
25 \$30 of sales, but you could make a -- you know,

1 a 2 percent profit, but you could have \$900
2 million in sales and have a 10 percent profit.
3 So I think it would be helpful to me to know
4 what was the net profit, because sales, you
5 know, can be inflated or -- you know, I mean,
6 just because you -- you know, again, just
7 because you, you know, do less in sales, you
8 would have a huge profit margin because you cut
9 costs, because you've become more efficient in
10 how you do business.

11 So, you know, in order for me to really
12 understand the health of the -- of the
13 organization, of the utility, I would like to
14 know, you know, the net profit, the bottom
15 line. I don't know if you have that today, but
16 definitely at the next meeting that would be
17 helpful for me.

18 MR. POPE: Through the Chair, my first
19 response would be we're a not-for-profit
20 community and utility, but to the extent
21 that -- I think I understand what you're
22 looking for, and if you want to, we can talk
23 afterwards so that I can provide you with the
24 right information.

25 You know, we have -- we have been fiscally

1 diligent in the last number of years with our
2 debt. And so to the extent that you want to
3 see any of that, we can provide it.

4 MR. DENNIS: Through the Chair, so I
5 really appreciate you want to talk to me off,
6 but I think that moving forward, you know, I
7 think it will be very, very important that we
8 talk in the open, in the public, so all of my
9 colleagues will hear the same thing that I'm
10 hearing.

11 But again, I understand that you're not
12 for profit, but, you know, from -- you know,
13 from my understanding is that that the utility
14 is very healthy, you know, it's flush with
15 cash. And so I would like to get to the bottom
16 of how much cash and how much cash that -- that
17 utility is making year over year.

18 And again, just showing graphs, I mean,
19 I -- you know, in my business there's years
20 where I didn't make as many sales, but my
21 profit margin was very high. You know, there's
22 years where, you know, I made a whole lot in my
23 business, but my profit margin was very low.
24 So this -- this can be a little misleading that
25 the sales are going down, but again, you could

1 have efficiencies in the way you do business
2 and you could -- you know, you could run a lot
3 of trucks and you can potentially -- you know,
4 you could have bought your fuel at a cheaper
5 cost, which, again, you know, lower your
6 operating -- your operating dollars. So that's
7 very, very important for me to see.

8 MR. POPE: Yes, sir. Through the Chair, I
9 did not mean to insinuate that information
10 without being in public, just that we could
11 clarify. And we are certainly happy to have
12 everyone have that information.

13 MR. CRESCIMBENI: Thank you, Mr. Dennis.

14 Mr. Billy, can you work with Mr. Pope or
15 whomever at JEA and perhaps look at a -- or
16 just come up with kind of a rudimentary revenue
17 and expense sheet for ten years? I know
18 there's not going to be a net profit line, but
19 something that we can see, maybe increased
20 contributions to net services at the time,
21 et cetera, so we can see where the money's
22 going.

23 MR. BILLY: Yes, I would be happy to.

24 MR. CRESCIMBENI: Would that satisfy you?

25 Ms. Morgan.

1 MS. MORGAN: Thank you so much.

2 Through the Chair to Mr. Pope, Mr. Pope, I
3 wanted to pretty much continue along the same
4 vein as Councilman Dennis because I actually
5 had written down the exact same questions. So
6 I won't ask the same questions, but I will ask,
7 since JEA is not-for-profit, then what is the
8 mission of JEA?

9 MR. POPE: Our mission is to provide
10 electric, water, waste water, reclaim water
11 service to the community. That is our mission.

12 MS. MORGAN: So does your mission
13 statement include that you are supposed to
14 provide it at a lower rate or at a discounted
15 rate or at a reasonable rate, or is -- rates
16 are not considered in your mission statement,
17 correct?

18 MR. POPE: I think rates are certainly --
19 excuse me. Through the Chair, rates are
20 certainly a part of what we do. Our rates are
21 very important to us. If you look at our rates
22 now, we're below the medium in our business
23 lines when compared to the state of Florida.
24 And so rates are absolutely important because
25 we are owned by the community. What we collect

1 from the community is what we put into our
2 business, and we don't want to collect any more
3 than what we need. That is a municipal entity,
4 and so rates are absolutely a part of what we
5 do.

6 MS. MORGAN: All right. And I guess that
7 kind of goes back to what we were talking about
8 as far as making a profit and the
9 sustainability of JEA. When you're looking at
10 the graphs that you gave us, you would -- you
11 almost feel uncomfortable because we see
12 that -- we see a decline. And -- and, quite
13 frankly, when you look at something like this
14 and you see decline, I think automatically that
15 triggers people to think that we're not doing
16 well, and so that -- I guess that's why I
17 wanted to ask pretty much the same questions as
18 Mr. Dennis', and is, what's the purpose of JEA?
19 What's the mission statement? Did you make a
20 profit? Can you make a profit? And then
21 what's the strategic plan for the future? And
22 that is exactly what Mr. Becton hit on, and
23 where we go. Because if you say this to us,
24 then seemingly most of us have always been
25 taught that if you identify a problem, then the

1 next line is to come up with the solution. So
2 I look forward to talking about the solutions.
3 Thank you.

4 MR. CRESCIMBENI: Thank you. Thank you,
5 Ms. Morgan.

6 Just for clarification, I requested
7 Mr. Pope to provide this information and I set
8 the parameters for the information. This isn't
9 anything that he came up with to bring to the
10 committee. I want the committee to take a
11 ten-year look-back at JEA. I understand that
12 this is not anything dissimilar to any other
13 electric utility in the U.S. Everybody is
14 trying to combat energy efficiency in the face
15 of debt service that was planned for growth,
16 isn't materializing because I put an LED light
17 bulb in my home and I'm reducing my electric
18 bill.

19 So I can tell you my business experience
20 of 37 years, it was not a goal to see sales
21 slip. If anything, you wanted to do as much
22 business as you did last year, but you want to
23 grow, you want to grow, you want to increase
24 because you're fighting off costs -- you're
25 fighting off inflation and everything else.

1 Mr. Becton for the second time.

2 MR. BECTON: Thank you. Through the
3 Chair, I'll be really quick.

4 You know, certainly Council Member Morgan
5 got me thinking, and I kind of want to expand
6 on what I think maybe you stopped short of, and
7 that is, having JEA as part of that leadership,
8 glass half full, but also I think understanding
9 the mission of JEA is going to be imperative in
10 our pros and cons of our charge here and the
11 fact that there are some reasons that you guys
12 exist as a -- you know, as a publicly owned
13 utility. And some of those things are, you
14 know, things that you do to go out there -- you
15 were spending -- I know 2015 we made a comment
16 about spending millions of dollars to tell us
17 to quit using your product. I mean, we're
18 like, why are we doing that? You know, I bet a
19 private company doesn't go out, you know,
20 2 million times and says, don't buy any more
21 hamburgers or don't buy any more of this that I
22 sell, and y'all were spending \$1 million to do
23 that.

24 And also things like being -- you know,
25 trying to be more responsive, you know, trying

1 to enhance the quality of life of being a --
2 you know, a publicly owned company. So I do
3 think we need to understand a lot more broader
4 in terms of how JEA does look at their role in
5 our community. Once again, we're shareholders.
6 This is almost like a board of directors
7 meeting as we go forward in evaluating the pros
8 and the cons of, you know, the company that we
9 own. And I think it's important that we all
10 understand together why JEA exists beyond 123
11 years ago, you know, why -- you know, are we on
12 the same mission? Have we improved that
13 mission and is that a benefit to the community?
14 Do you agree, Mr. Pope, on that?

15 MR. POPE: Yes, sir, we look forward to a
16 comprehensive review over the coming months.

17 MR. BECTON: Okay. Good. Thank you.

18 Thank you, Mr. Chair.

19 MR. CRESCIMBENI: Council Member Brosche.

20 MS. BROSCHE: Thank you, Mr. Chairman.

21 Through the Chair to Mr. Pope, and
22 actually picking up on what my colleagues have
23 shared, you know, we had that orientation that
24 Councilman Becton referred to. And while it
25 might seem that we've known this, we've been

1 working with JEA ever since we had that
2 orientation, there is just a new light now in
3 the context of that information that was
4 provided when we first came in or had an
5 update.

6 I know that Councilman Anderson and
7 Councilwoman Boyer had the opportunity to go to
8 the bond rating hearings as well. I had the
9 opportunity to do that. It was an excellent,
10 once again, overview orientation/presentation.
11 And I think that that is exactly what I hear us
12 asking for so that we can understand that
13 mission and the overall trends of what things
14 are going on so we can ask questions of the
15 leadership team.

16 So thank you, Mr. Chairman.

17 MR. CRESCIMBENI: Thank you. Are there
18 any other reports or anything that we want
19 Mr. Pope to run before we convene again in two
20 weeks?

21 (No response.)

22 MR. CRESCIMBENI: All right. Mr. Pope,
23 I've got two requests for you to take back.
24 The -- is it the PFM report? Is that -- have I
25 got the acronym correct?

1 MR. POPE: Yes, sir.

2 MR. CRESCIMBENI: In the PFM report, there
3 was some discussion about one of the components
4 of a potential sale that a municipal should
5 consider is the philanthropic giving of
6 utility, the volunteerism of the -- of the
7 utility, but there was no quantification of
8 that in the report. Is that something that you
9 can do or look back on for a five-year period?

10 There was some mention in the report
11 about -- a dozen bullet items, participating in
12 the preservation project, et cetera, but what's
13 not captured in the numbers in the PFM report
14 are any dollars from JEA that went to
15 sponsoring something at JAXPORT or a chamber
16 luncheon or you name it. And what I'd like to
17 see, or if you need to consider that, because I
18 think it's very much worth considering, I would
19 like to put a value on that. And I guess I'm
20 asking you to do a pretty extensive accounting
21 exercise to go back for a five-year period on
22 an annual basis, look at what JEA's done in
23 terms of dollar contributions to anything
24 outside the operation of utility.

25 And the second part of that request would

1 be volunteerism, which was mentioned in the
2 report. I don't know if you have any way of
3 tracking that, or whether -- I'm sure your
4 employees get involved in volunteer efforts --

5 MR. POPE: Yes, sir.

6 MR. CRESCIMBENI: -- if you have any data
7 on that, I'd like to see --

8 MR. POPE: We do.

9 MR. CRESCIMBENI: -- prior reports or try
10 to come up with a dollar value on cash
11 expenditures that are unrelated to the
12 operation of the utility.

13 And although I remember -- I've had a
14 recollection of seeing JEA logo as a sponsor on
15 a lot of things, I hope you track those over
16 the past five years for --

17 MR. POPE: Yes, sir, we'll look into it.

18 MR. CRESCIMBENI: Thank you very much.

19 The next thing is the report. I asked the
20 Council Auditor's office to prepare this report
21 on revenues or -- I'm sorry, Ms. Boyer, I did
22 not see you.

23 Mr. Pope, you need to come back.

24 MS. BOYER: Through the Chair to Mr. Pope,
25 Councilman Crescimbeni is asking about

1 additional information. And as he flipped back
2 through the back of the report, one of the
3 things that was pointed out in the PFM report
4 was that private utilities are not eligible for
5 FEMA reimbursement. So what I wanted to know
6 is, what was the extent of damage incurred both
7 with Matthew and with Irma that you might be
8 seeking reimbursement for so that we can just
9 put in our thinking cap on any kind of disaster
10 situation, what kind of liability we might face
11 that would not otherwise be reimbursable.

12 MR. POPE: Yes, ma'am.

13 MS. BOYER: Thank you.

14 MR. CRESCIMBENI: Is that related to the
15 report you sent me earlier this year?

16 MR. POPE: Yes, sir.

17 MR. CRESCIMBENI: You got full
18 reimbursement?

19 MR. POPE: No, sir, it's not full
20 reimbursement. We do have insurance, and it is
21 pretty close.

22 MR. CRESCIMBENI: Okay. That's an easy
23 one for you because you've already done it.

24 MR. POPE: Yes, sir.

25 MR. CRESCIMBENI: All right. Thank you.

1 The next sheet that I wanted to at least
2 look before going -- this is a -- this is
3 getting manipulated in the media and e-mails
4 that I get, and that's the contribution --
5 JEA's contribution, not to be confused with a
6 collection of a fee or tax the City levies,
7 it's remitted to us each year. And this is a
8 ten-year look-back on that.

9 So in 2017, look at this chart. It refers
10 you to try to educate people when they have a
11 misconception of what's going on. In 2017,
12 yes, but JEA contributed from their operations
13 \$115.8 million in the City's capital fund. We
14 spent that as we saw fit in the budget, but
15 38 million, which is our 3 percent franchise
16 fee, and the 86 million, which, I believe, was
17 a 10 percent utility tax, we're going to
18 collect that regardless of who the electric
19 provider is. That's -- that's something we're
20 telling the utility to collect on our behalf.
21 If you levy the taxes, if you levy the fee,
22 those have to be collected by a new membership.

23 So I get a little frustrated reading in
24 the newspaper about JEA's \$240 million
25 contribution in 2017. No disrespect, but it

1 was 115- of their revenue, the other -- the
2 difference is simply passed, it would go to, I
3 think, our behalf. So hang onto to this chart.
4 Feel free to share that with interested
5 parties.

6 Ms. Boyer.

7 MS. BOYER: Thank you. Through the Chair
8 to the committee and potentially to Mr. Billy,
9 if I'm interpreting this right, but as I was
10 looking at the chart, there were several trends
11 from your prior JEA charts that seemed to carry
12 through.

13 So if you look at the franchisee fee
14 number, the peak on the franchise fee number
15 is -- seems to be back in 2011, and I presume
16 that's because the franchisee fee is collected
17 on kilowatt hours and on consumption units,
18 whereas the City utility service tax is
19 collected on the bill, right? It's not
20 collected on the kilowatt hours, it's collected
21 on the charges. So this kind of gets to the
22 question that people were asking about margins
23 and things in that you can see different trends
24 on line 2 from line 3. Line 3 is continuing to
25 increase, which would be based on dollar value

1 number or revenue number, and then line 2 is --
2 has decreased based on a consumption number.

3 MR. CRESCIMBENI: Mr. Billy, are you-all
4 prepared to answer that today?

5 MR. BILLY: Through the Chair to Council
6 Member Boyer, now, the franchisee fee is
7 collected on the gross and -- on the bill. The
8 UST, I call it a public service tax, that is
9 also on the bill, but there's some methodology
10 there. Say it's on the fuel part from 1970
11 through -- pre-1970 through part of fuel, and
12 then if it's on all the base parts, and I
13 believe it's on water, non sewer, is the way
14 that one works.

15 MS. BOYER: So through the Chair to
16 Mr. Billy, maybe at another meeting we could
17 have a little bit more clarification because
18 if -- if you are collecting the franchisee fee
19 based on consumption, and the trends in all of
20 this -- in all providers across the industry is
21 declining consumption, then we would beg into
22 our thinking a declining revenue on the
23 franchisee fee if that is, in fact, the
24 reality. So that's what I'm trying to
25 understand.

1 MR. CRESCIMBENI: All right. Mr. Billy,
2 can you work on that and have that for a future
3 meeting?

4 MR. BILLY: Yes.

5 MR. CRESCIMBENI: And doesn't -- is the
6 franchisee fee levied on the utility tax? Is
7 it the other way around? I thought so. Okay.
8 So the utility tax actually taxes everything
9 and the franchisee fee amount, right?

10 MR. PETERSON: Through the Chair to
11 Council Member Crescimbeni, that's correct.
12 Part of that is that fuel part that Mr. Billy
13 mentioned.

14 MR. CRESCIMBENI: All right. Any more
15 questions from the councilwoman?

16 All right. Mr. Dennis.

17 MR. DENNIS: So through the Chair to
18 Mr. Billy, so the yellow line was just the
19 contribution to the general fund. That's based
20 on -- I know you give us an in-depth dive or
21 overview of it, but the yellow line is based on
22 what -- what --

23 MR. BILLY: Okay. Through the Chair to
24 Councilman Dennis, that's pursuant to the
25 formula that we have, and that formula

1 basically has changed about every five years
2 since the late '70s when it was established.
3 It is based -- there is some kilowatt hours or
4 the amount of water you were sold, but there's
5 always a floor, or a minimum, and that minimum
6 has to go up 1 percent a year over the base.
7 And the base was the very first year of the
8 agreement. So I think we're in about the
9 second year right now in the five-year. So
10 it's not 1 percent over the previous year, it's
11 1 percent over -- up over the base each year.

12 MR. DENNIS: So, in essence, the yellow
13 line is showing -- it's increasing from 2009 to
14 2018, so therefore -- so therefore there is
15 more money being made even though there's a
16 decrease in usage.

17 MR. BILLY: Through the Chair to
18 Councilman Dennis, when you say there's more
19 money being made, you're talking about bottom
20 line, like JEA's income increasing. There's
21 really not necessarily a correlation between
22 that and the formula.

23 The formula was based on sales
24 historically and then along the way, probably a
25 few decades ago now, they started making

1 automatic increases or -- now, if there was a
2 period of five years when we're able to now
3 make two and a half million dollars a year,
4 there was -- you know, now we're at the point
5 where it goes up 1 percent a year. So that
6 increase is not necessarily tied to how JEA's
7 performance is.

8 MR. DENNIS: Thank you.

9 MR. CRESCIMBENI: Thank you, Mr. Dennis.

10 The next sheet is a fifth of a monthly
11 report that's published each month by the
12 Florida Municipal Electric Association, and
13 their website is down at the bottom,
14 publicpower.com. And this organization tracks
15 a lot of information on a monthly basis. You
16 should have a sheet that looks like this. Can
17 we get one for Mr. -- and again, if you have
18 some time, I encourage you to visit the site.
19 You can go back and take a look at all this
20 information. And this is just part of a
21 monthly report, but they can archive it with
22 probably a decade at least on their website.

23 I pulled three sheets out of the report.
24 The first page is essentially a bar graph that
25 just lists all the -- all the municipal

1 utilities and their current rate structure
2 based on -- on a 1,000 kilowatts bill. And you
3 can see a dash line there, which is the average
4 investor-owned utility cost for 1,000
5 kilowatts. The dark line is municipal average.
6 You see where Jacksonville ranks.

7 When you flip the page to the blue and
8 gold bar, this was following the municipal
9 utilities of January 2018. It also lists the
10 investor-run utilities in Florida. Municipals
11 are blue. Investor-owns are gold. And you can
12 see where we rank from left being the lowest
13 cost for 1,000 -- this is at 1200 kilowatts, to
14 the highest on the right being highest at
15 1200 kilowatts.

16 We also -- the third page, they also give
17 you all the components of the rates for all the
18 utilities at varying increments of consumption,
19 and they post the commercial rate comparison.
20 This is the first page of the comparison
21 residential. It looks at three different
22 consumption levels, housing, 1200, 2500, whole
23 lots, and compare any municipals at the top
24 listing, and down at the bottom all the
25 investor-owned utilities are listed there.

1 If you go back and look at these charts
2 over a ten-year period, you see how well or
3 poorly JEA has performed compared to other
4 municipals and investor-owned utilities. Just
5 food for thought, and I encourage you to visit
6 the website. And it's a good place to refer
7 constituents to as well.

8 The next item on our agenda is information
9 or updates of the Council Auditor. And Kirk --
10 I'm sorry. Kyle, I got the right first letter
11 right, you're not prepared to talk about where
12 you stand on your Council Auditor reports, but
13 you ordered an update on what one might expect
14 to --

15 MR. BILLY: Yes, sir. I'd say probably
16 about a week and a half, or definitely by the
17 next meeting, which, I believe is two weeks
18 from now.

19 MR. CRESCIMBENI: And can you describe
20 what that report will address or would prefer
21 not to?

22 MR. BILLY: I'd prefer not to.

23 MR. CRESCIMBENI: Okay. That's fine. All
24 right. And then you are -- you have had a
25 chance to review the PFM report, which was

1 distributed on or about February 14th. And
2 although he's not necessarily going to opine on
3 that today since he's going to -- his report
4 may deal with some of that -- deal with some of
5 that, is his overview. He said he would answer
6 any questions, but he might have to think about
7 that, so I don't know if anybody had any
8 questions. Did everybody read that report?

9 Ms. Brosche.

10 MS. BROSCHE: Thank you, Mr. Chairman. I
11 don't really have any questions for Mr. Billy
12 on that report. I do have questions for the
13 JEA leadership when they come visit, so I'd
14 like to hold my questions.

15 MR. CRESCIMBENI: That's fine. If you
16 haven't read the report, it's 20, 30 pages,
17 it's a pretty interesting read. It's -- some
18 of it's a little technical, you might have to
19 read the paragraph a couple of times to get all
20 the same -- but it's -- I read it a couple of
21 times, and parts of it I was interested in,
22 parts of it I thought was boilerplate, but, you
23 know, could have been anybody's report, just
24 take out some utility's name and plugged in
25 JEA. But I've got questions too and we can

1 certainly address those at the next meeting.

2 Mr. Hazouri.

3 MR. HAZOURI: What was interesting at the
4 outset too was the date of the report to me. I
5 mean, it just kind of glared at me. It went
6 out -- the report went out on December the 20th
7 and it was completed on January 15th, a month
8 less -- a day less than a month on --

9 MR. CRESCIMBENI: Mr. Hazouri, I think you
10 might be talking about the RMP.

11 MR. HAZOURI: I am.

12 MR. CRESCIMBENI: I'm talking about the
13 report that was distributed to us at the
14 conclusion of the meeting.

15 MR. HAZOURI: Oh, I got you. Okay. I'm
16 sorry.

17 MR. CRESCIMBENI: Do you have a copy of
18 it?

19 MR. HAZOURI: Right, I've got it. Thank
20 you. I'm sorry, but that still concerned me
21 too anyway. It's still a concern, how it was
22 done in that month period, I'm talking about
23 the RFM, and maybe we can get to that at some
24 point that began -- the transparency part began
25 then and --

1 MR. CRESCIMBENI: That would be opposite
2 of this meeting. I'd like to kind of move past
3 everything that we have to deal with --

4 MR. HAZOURI: That's fine.

5 MR. CRESCIMBENI: -- and move forward with
6 conversation and hopefully in an environment
7 that's not clouded by all this --

8 MR. HAZOURI: There are a lot of
9 questions.

10 MR. CRESCIMBENI: -- that has happened.

11 MR. HAZOURI: Yeah.

12 MR. CRESCIMBENI: Okay. I appreciate your
13 comment on that.

14 MR. HAZOURI: Thank you.

15 MR. CRESCIMBENI: All right. The last
16 item I had on my agenda today was whether or
17 not this committee might want to consider based
18 on trying to create an environment that -- in
19 which to receive information that we can depend
20 upon and rely on as being accurate for this to
21 be relied on and consider a special consultant
22 group to help procure information.

23 Someone reached out to me this week that
24 represents a foundation here in the city and
25 expressed the same concerns I had about whether

1 or not -- let me back up and say, I expressed
2 concerns about the fact that I perceive some of
3 my colleagues having a trust issue at this
4 point on the source of information that we're
5 typically used to relying on and whether or not
6 we could actually have an objective
7 conversation in that environment. And they
8 offered to be -- that they would help
9 underwrite costs of a -- an advisor or a
10 consultant if they -- if we thought that might
11 be helpful in this process. So I wanted to
12 bring that up today.

13 I talked briefly with Ms. Sidman about
14 that, and Ms. Sidman has a couple of
15 alternatives. Why don't you go ahead and
16 articulate those just for the record now.
17 We'll probably need to work through this, but
18 then I want to hear from the committee on if
19 that's an item that you want to pursue. And
20 then, Ms. Sidman, in your charge, you also talk
21 about some of those other rules I'd like to
22 talk earlier -- talked about that this
23 committee could use to help bolster a sense of
24 information accuracy, so to speak.

25 MS. SIDMAN: Sure. Through the Chair,

1 Councilman Crescimbeni inquired about the
2 structure that's here on their agenda, the
3 independent special committee
4 consultant/advisor.

5 As Councilwoman Boyer is well aware, there
6 was an individual for which a not-for-profit
7 paid to help support the task force, and that
8 was --

9 MR. CRESCIMBENI: The task force on
10 consolidated government.

11 MS. SIDMAN: Sorry, the task force on
12 consolidated government, and that was a
13 structure that was permitted.

14 There is also -- as you may recall during
15 the pension time, the Pew Charitable Trust gave
16 information of product and they provided that
17 to the committee. So depending on the
18 structure that the committee wants to set up,
19 there's possibilities. I would just encourage
20 that whatever the structure is set up, that we
21 would be compliant with the permit code if
22 we're going to procure that or -- and/or the --
23 all the Sunshine and the public records laws
24 that would be in play depending on the
25 structure. So I want to give you those

1 comments.

2 The second thing that Councilman
3 Crescimbeni inquired about was about the City
4 Council's ability in the special committee to
5 administer an oath. And this came up several
6 years ago, and we -- Office of General Counsel
7 indicated that there is a rule, Council Rule
8 2.208, that allows for the chair of a standing
9 committee to administer an oath or affirmation
10 to witnesses who appear in front of the
11 committee for the purpose of testifying at any
12 matter before the committee. The individual
13 can choose not to speak or provide testimony.

14 There is also further provisions in the
15 council rules and in the charter that allow for
16 the council secretary to issue subpoenas to
17 compel testimony and the oath. So I wanted to
18 provide that information at the request of the
19 chair.

20 MR. CRESCIMBENI: Again, I bring all three
21 of these up just for a discussion on creating
22 an environment to receive information we can
23 rely on, that we don't have to second-guess to
24 the level of accuracy that it is.

25 I can tell you when I was LUZ chair in

1 2010/2011 calendar year, I swore in everybody
2 that spoke at the LUZ meeting because, quite
3 frankly, my years on LUZ, I've always felt like
4 the speakers took great liberty with the truth.
5 And the tool was primarily designed to create a
6 sense that perhaps they're going to be held
7 accountable for misstatements and expectation
8 that might foster a little more accuracy coming
9 from that.

10 So I'm going to throw out all three of
11 these ideas, and we'll hear what the
12 committee --

13 MR. HAZOURI: Let me hear the three ideas.

14 MR. CRESCIMBENI: Sorry?

15 MR. HAZOURI: Can you repeat the three
16 ideas?

17 MR. CRESCIMBENI: The three ideas were an
18 independent special committee
19 advisor/consultant, whatever you want to call
20 that person. They could help us procure or
21 validate information that we receive. And
22 again, I've been approached by a local
23 foundation that was prepared to underwrite
24 that all -- up to a limit.

25 And then we're going to have a court

1 reporter here so we have a verbatim transcript
2 of all the meetings so there's a preservation
3 of what was said, what wasn't said.

4 Ms. Sidman advised me earlier about -- I
5 inquired about the -- the oath at the podium,
6 of our ability to still be able to do that.
7 And, of course, she mentioned the ability that
8 the council has to people coming to talk to us.
9 So we'll have three members on the -- cue,
10 Ms. Boyer.

11 MS. BOYER: Through the Chair, with
12 respect to the first issue of hiring an
13 independent advisor, another option I did not
14 hear mentioned, but there is also a corollary
15 for is the audit that we -- the auditor that we
16 hire works for and under the direction of the
17 council auditor. And so that's always an
18 appropriation that we do and we -- you know, we
19 pick and -- do an RFP and pick and hire
20 someone, but they work under the supervision of
21 the council auditor. And so another option
22 might be in terms of supervision or direction
23 that someone would work under the supervision
24 of the council auditor in terms of providing
25 advice. So that might be another structure. I

1 don't know what -- if Ms. Sidman thinks that's
2 satisfied or not, but I think it's worth
3 considering.

4 The second point that I'll just -- I know
5 you don't want to go backwards, but in terms of
6 the consultant and/or advisor, I don't know if
7 the RFP that was issued in December is moving
8 forward and that contract is being executed. I
9 know it's not supposed -- with specific
10 reference to JEA, it might be with reference to
11 other matters as well. But I had asked whether
12 there was anything in the budget this year that
13 we had specifically appropriated for funding
14 entering into that contract. I was advised
15 that we had not, but that there were funds
16 through the mayor's transfer authority that
17 could be used to enter into that contract
18 without further council action. So that --
19 that seems like it could proceed simultaneously
20 on a parallel track or not, but that was the
21 information I received back to that inquiry.

22 And finally as to the swearing in,
23 Ms. Sidman was nice and didn't mention it, but
24 that was me too, when we were in the CIP
25 committee, because we were challenged with

1 trying to get accurate and correct information
2 on where a number of things were, that we took
3 the position that we needed to start swearing in
4 people, which precipitated some people not
5 wanting to speak, but it did bring to light
6 where there was -- where there was a lack of
7 certainty about information that people had
8 previously presented at certain -- so I see
9 a precedent for that and I would not object
10 if that was something the committee looked at
11 if counsel thought it was appropriate.

12 MR. CRESCIMBENI: Thank you, Ms. Boyer.
13 Mr. Anderson.

14 MR. ANDERSON: Thank you, Mr. Chairman.

15 MR. CRESCIMBENI: Mr. Anderson before you
16 comment, will you raise your right hand.

17 MR. ANDERSON: We can get that. We can do
18 that.

19 Councilman Crescimbeni, it's just really
20 more of a clarification question. Do -- the
21 role of this independent consultant, how do you
22 see that functioning? Is it -- is it sort of
23 an adjunct to the committee? Is it to vet all
24 the information? I'm just trying to understand
25 what the role would be.

1 MR. CRESCIMBENI: This is certainly
2 subject to discussion, but initially this is
3 something I thought about early on but didn't
4 know how we would fund it. I was only
5 approached a couple days ago on an offer to
6 help with that, or actually I think they -- it
7 would be an offer to cover it outright.

8 But my idea was to have a person, kind of
9 like a council auditor, that is our check and
10 balance. Kyle doesn't have the expertise -- no
11 disrespect to Kyle, he doesn't have the
12 expertise of utility business.

13 MR. ANDERSON: Okay.

14 MR. CRESCIMBENI: And I would want to
15 procure someone that would know that business
16 inside and out. Not necessarily what the
17 RFP -- Mr. Hazouri, I looked at you earlier,
18 just looking for someone to facilitate a sale
19 or just somebody that knows the business so
20 that when we start asking questions about the
21 things that were listed in the PFM report that
22 were suggestions or things that we needed to
23 look at -- there is one thing I will say about
24 the PFM report is I didn't -- I didn't walk
25 away from that report with the same perspective

1 that Folio Weekly has this week of advocating a
2 sale. I felt like there were points about --
3 these are good things. There were a lot of
4 things in there that cautioned us, you need to
5 look at this, you need to look at that. I just
6 want to -- I don't know anything about
7 utilities and stuff other than how to operate
8 some appliances and pay my electric bill. So I
9 want somebody who can kind of be the truth
10 meter on the information that we get, is it
11 fact or is it fiction. Is it real or is it
12 bologna. And I just -- Kyle is busy. I don't
13 think he has the in-depth expertise there, and
14 so my consideration was finding somebody that
15 we could rely on to keep us --

16 MR. ANDERSON: I thank you for that
17 clarification. Sometimes I can really look for
18 industry expertise more than anything at this
19 point.

20 MR. CRESCIMBENI: Coupled with buy/sell
21 expertise.

22 MR. ANDERSON: Oh, okay. All right.
23 Thank you.

24 MR. CRESCIMBENI: And just for the record,
25 I attended an underground presentation at

1 Winter Park in January. There was a guy there,
2 very impressive. And he's dealt mainly with
3 helping cities buy back the infrastructure to
4 create their own utility. It's kind of the
5 opposite of what we're talking about here.

6 The PFM report mentioned about at certain
7 points in time franchise agreements or whatever
8 with utilities expire, and they either are
9 renewed or some utilities buy them back.

10 But the PFM report talked about utilities
11 that had been sold at this point. They didn't
12 mention anything about utilities that had
13 been -- private utilities that had been carved
14 out and gone municipal.

15 And this conference was in Winter Park,
16 and the reason it was in Winter Park, because
17 Winter Park, a number of years ago, decided
18 when their franchise agreement was up with
19 Progress Energy, or whoever it was, they were
20 done with you, they wanted their own utility,
21 and they bought their territory back from that
22 utility, and then [inaudible] underground. We
23 talked about -- quite fascinating.

24 All right. Mr. Hazouri.

25 MR. HAZOURI: There has been a lot of

1 thinking through all this, I guess I have to --
2 through the Chair, I just want to make sure I
3 understand the structure and the process of
4 this committee. We're not a voting body, is
5 that correct, or no? Through the Chair, would
6 y'all -- would decisions be reached in this
7 committee? because a lot of us are appointed.
8 We want to -- we're interested in what's going
9 on. And unlike a standing committee, meaning
10 you can't vote if you attend the meetings, but
11 are we -- is there going to be a vote of some
12 kind to come out of this at the end or just a
13 recommendation with a vote? How do you do
14 that?

15 MR. CRESCIMBENI: I refer you to the
16 charge in the committee.

17 MR. HAZOURI: Okay.

18 MR. CRESCIMBENI: We're not going to make
19 any recommendations without taking some sort of
20 poll of the committee about what the
21 recommendations --

22 MR. HAZOURI: There's going to be a poll.

23 MR. CRESCIMBENI: We are going to be
24 voting on whatever we present to the council as
25 we wrap up our work here.

1 MR. HAZOURI: Okay. So let me ask you
2 this, so I'm attending -- and say others are
3 attending these meetings maybe on a regular
4 basis or what have you, and we have -- and we
5 hired an independent consultant, we're going to
6 be having to expedite that obviously because
7 that four-month camp that is -- you know,
8 mentioned about how long this committee would
9 last. So how -- can we -- will we be able to
10 ask the same questions if you do the subpoena
11 or whatever you want to do, are we able to do
12 the same thing as the committee does or are
13 we --

14 MR. CRESCIMBENI: It should be --

15 MR. HAZOURI: Excuse me? For those who
16 are on the special committee.

17 MR. CRESCIMBENI: Yes, sir. Mr. Hazouri,
18 this will be just like any other committee.
19 I've got -- there's five members of the
20 committee. We'll have the ability to make
21 motions, take vote on motions, and anybody else
22 that's not on the committee to participate with
23 recommendations, ask questions just like a
24 regular committee.

25 MR. HAZOURI: I just wanted --

1 MR. CRESCIMBENI: The same --

2 MR. HAZOURI: Well, the subpoena thing
3 kind of adds a new dimension to it. You've
4 been through it. I don't know how it works
5 with those who aren't technically on the -- let
6 me just follow up, then, with that.

7 So we have subpoena powers if we do that.
8 I can anticipate what -- what happens if we --
9 I hate to use the term "perjury." I've been
10 watching too much for me CNN. What -- if
11 something happens that we think that they
12 didn't tell the truth, what is their penalty or
13 what is their punishment, or is there a
14 punishment that we can levy as a council body?
15 Is that a legitimate question to ask? I just
16 want to know how far we can go.

17 MR. CRESCIMBENI: That's a legitimate
18 question. I don't have the answer to that.

19 Ms. Sidman, can you comment on that?

20 MS. SIDMAN: Through the Chair, that would
21 be something that we would get with law
22 enforcement, the State Attorney's Office and
23 talk about and leave that over to them, because
24 even though you have the power to do the
25 subpoenas and issue the subpoenas and compel

1 testimony, the penalty thereof would have to go
2 through the entire due process that this body
3 doesn't have to dole out.

4 MR. HAZOURI: Okay. Will we -- the last
5 question, then, as you mentioned to Mr. Pope a
6 while ago, if we call the JEA members or their
7 staff or whomever for questioning and all,
8 they're going to be -- it's going to apply to
9 them as well. Now, do you expect to call them
10 to ask questions of them? I guess it was
11 Mr. Becton was asking about that. Are we --

12 MR. CRESCIMBENI: Mr. Hazouri, we've
13 already had a request from a committee member
14 today to have JEA leadership come back and talk
15 about, you know, the enhanced value of a
16 utility and how they -- what's their plan to
17 combat slipping sales. So whether they come or
18 not, I don't know. Will they answer questions
19 when they're here, I don't know. They haven't
20 agreed to the subpoena, we haven't agreed to do
21 an oath. These are ideas on the table.

22 MR. HAZOURI: I don't mind all the ideas.
23 I like the ideas. I just want to know what's
24 going to be real and what's not, what we can
25 do. I don't want to play, you know, the

1 intelligence committee of the House or Senate,
2 but I just want to make sure that what we do, I
3 want to get the correct answers, just like all
4 of us do, and I want to make sure that we're in
5 position.

6 So if we -- if we decide to subpoena
7 somebody and they decide not to go -- I guess
8 I'm watching too much -- in the last month or
9 so, I'm watching too much, for me, CNN, but
10 what is -- I mean, can we require them to come
11 and will they be in contempt if they don't?
12 These are just questions that -- I just wonder
13 what -- how far we can go to get to the truth.

14 MR. CRESCIMBENI: How about we have
15 Ms. Sidman kind of work out all the different
16 scenarios of what could or couldn't happen, and
17 maybe she could file a one- or two-page white
18 paper and just distribute it to the council --

19 MR. HAZOURI: Yeah, because we want
20 somebody to come here if we think they have the
21 answers, and they say, well, I'm not going to
22 come, then can we do anything about it? That's
23 the question. Thank you.

24 MR. CRESCIMBENI: Thank you, Mr. Hazouri.

25 Ms. Brosche.

1 MS. BROSCHE: Thank you, Mr. chairman. To
2 the three ideas, I appreciate your
3 clarification on the truth here of the
4 independent consultant. Would this person --
5 also much like you're asking Mr. Billy to do
6 certain analysis, would this person also be
7 helpful in answering questions if we think
8 that -- that they or the expertise would be the
9 best person to help us understand the lay of
10 the land, would they fulfill that role as well?

11 MR. CRESCIMBENI: I think that's a
12 decision that the five of us are going to have
13 to make, what would be our expectations of a
14 special committee consultant/advisor. If we're
15 going to go look for somebody, we're going to
16 have to kind of nail down what we think are
17 going to be --

18 MS. BROSCHE: Okay. Well, I'm definitely
19 in favor of having somebody that we can rely on
20 to help us understand and make sure that we are
21 getting the right information.

22 To the oath question, or administering an
23 oath, I am in favor of doing that from the
24 beginning, because I do agree that it sets a
25 tone of us trying to get to the truth. And I

1 prefer not to have to throw the flag at some
2 point and call anybody out on how that happens,
3 because if it happens from the beginning, then
4 that's exactly how it will proceed the entire
5 time.

6 I am going to do my best as well to kind
7 of follow your recommendation to ignore
8 questions that have come up in terms of the
9 flow of information, and I appreciate you
10 making that suggestion at the beginning.

11 I will also say that to the extent that
12 any of the answers to my questions in the
13 process happen to intersect with a number of
14 things that have been taking place, that
15 warrant questions, I will go there, hopefully
16 at your permission, because the question of --
17 as an example, and I'm limiting it to one
18 because others have already been brought up,
19 but the timing of Mr. McElroy's contract
20 negotiations and things like that, I think
21 there are some things that do intersect with
22 what's happening and what -- the question that
23 we have before us, and I think that there's
24 going to be some gray there, and so I'll look
25 to you for guidance as we continue to go

1 through this process. I thank you very much.

2 MR. CRESCIMBENI: Okay. Thank you,
3 Ms. Brosche.

4 Mr. Dennis.

5 MR. DENNIS: Through the Chair, on your
6 three recommendations, I do support those.

7 Also, this advisor/consultant, now, I
8 don't know, this non profit, this foundation
9 that's willing to pay, will this person have a
10 legal background as well? I'm sort of curious
11 about on that.

12 Also Councilwoman Boyer mentioned about
13 the PFM RFP that went out and did we budget
14 money for -- for the administration to go into
15 contract, and she said that the administration
16 has, you know, the authority to move money in
17 order to enter into a contract.

18 And I know prior to being elected on this
19 body, this council, the previous city council,
20 which, you know, three people were here, was
21 four with Councilwoman Boyer, you-all limited
22 the transfer and spending power of Mayor Brown.

23 When we were elected in 2015, we increased
24 that and gave the current administration the
25 authority to spend more without coming to the

1 council. Because this is a very sensitive
2 issue and there are a lot of questions, we need
3 to get to the bottom of it, I would like to
4 limit the spending powers of this
5 administration. Just like the last council
6 mentioned here, three former -- three of
7 you-all were here when you limit the spending
8 power of Mayor Brown.

9 I think we're in a situation to where we
10 need to move forward with limiting the spending
11 and transfer authority of this administration
12 until we finish the work of this body, and then
13 we can increase it or have a time limit.

14 So my question to Ms. Sidman, if you can
15 research and provide when that ordinance was
16 passed limiting Mayor Brown's spending and
17 transfer authority, and then when this council
18 of 2015 increased it, increased the spending
19 and transfer authority to this administration.
20 And then I would like to work on legislation to
21 limit and restrict this administration from
22 spending so they will not go into contract till
23 after this committee body of work is completed.

24 Then my next statement, I know that right
25 now this committee is going to be working every

1 two weeks, but I think with all of the
2 information, everything that we have to do, I
3 surely believe that we need to accelerate,
4 maybe not meet every two weeks, you know, maybe
5 weekly. That's just my recommendation because
6 if we're talking about, you know, two meetings
7 in March, two meetings in April, two meetings
8 in May, I think it's so much information and --
9 and -- you know, and I think it's going to be
10 coming fast and furious. I don't know if, you
11 know, every two weeks will do it. Just my
12 idea, but -- but again, the main thing is that,
13 you know, I would like the information when --
14 you know, three of -- three -- you know, four
15 council members restricted Mayor Brown's
16 spending authority and then when we increased
17 it and authorized it in 2015. Thank you.

18 MR. CRESCIMBENI: Thank you. Just for
19 clarification purposes, the mayor's transfer
20 authority has always been restricted. And what
21 happened, Mayor Brown was -- the limits were
22 reduced from one prescription level, then over
23 prescription level. But that's all always
24 been -- there's always been some sort of
25 restriction. That amount has fluctuated and

1 then it did go back up after the
2 administration --

3 MR. DENNIS: And so -- thank you,
4 Councilman Crescimbeni, for that clarification.

5 So I think while this body -- this
6 committee is doing the work, I think we need to
7 lower that restriction. And it doesn't have to
8 be indefinitely, but lower that even, you know,
9 for the length of this -- of this committee.
10 But I think we need to act very quickly and
11 very judicially in reducing that. So I don't
12 know if that's something that we can break up
13 as a committee or do as an individual council
14 member introduction of -- of legislation. So I
15 would like that information, whenever you
16 provide it.

17 MR. CRESCIMBENI: Ms. Sidman, Mr. -- do
18 you remember what the previous limit was prior
19 to the reduction in the Brown administration,
20 where it is now?

21 MR. BILLY: Through the Chair, we're
22 talking amongst ourselves, and it was 750- at
23 one point. We believe it went down to 250-,
24 and now it's back at 500-.

25 MR. CRESCIMBENI: Okay. That was with our

1 legislation.

2 MR. BILLY: Yes.

3 MR. CRESCIMBENI: And that would be -- of
4 course, it was on an expedited path. It would
5 be probably the end of April before we -- the
6 last council meeting in April before --

7 MR. DENNIS: Through the Chair, I'm
8 willing to offer it as an emergency, see how it
9 goes text Tuesday. If my colleagues -- if
10 you-all don't support an emergency, I guess
11 we'll go the regular route. But this is
12 something I think is very, very important, that
13 we need to do everything we can to put the
14 brakes on it till we -- until we -- you know,
15 until this committee finishes its report and
16 its investigation.

17 So I'm willing to get with Ms. Sidman
18 between now and, I guess, Monday to be ready
19 for Tuesday. And I'll be -- I'll see if we can
20 get --

21 MR. CRESCIMBENI: Okay.

22 MR. DENNIS: Thank you.

23 MR. CRESCIMBENI: Thank you, Mr. Dennis.

24 Ms. Morgan.

25 MS. MORGAN: Yes, thank you so much.

1 To the Chair, I do also support your
2 recommendations. My question about the
3 possible consultant/advisor is -- is -- is
4 parameters, and I suppose that would be
5 something that we would determine once we
6 choose a person with -- or --

7 MR. CRESCIMBENI: I think we have to -- I
8 think the foundation would expect us to come up
9 with some sort of scope of services and -- that
10 they would have to sign off on before they
11 would underwrite what we wanted to have done.

12 MS. MORGAN: All right.

13 MR. CRESCIMBENI: So I would encourage --
14 I mean, that's my understanding of the offer
15 that was made. I don't think it was write a
16 blank check for whatever you want to do.

17 So what my recommendation was going to be
18 at the end of this meeting was perhaps asking
19 for a couple of committee volunteers that might
20 want to sit down and develop a scope of
21 services or qualifications, whatever you want
22 to call it. Quite frankly, we may need to have
23 some help with the council auditor, but it's a
24 complex issue. This is a very -- the subject
25 matter is a very complex issue. Finding -- or

1 identifying the party who is interested is
2 going to be difficult because we're all not
3 experts in this field. So --

4 MS. MORGAN: And then to piggyback on what
5 Council President Brosche said, I think it was
6 her, about how this person interacts with us
7 and with us as the committee, because I guess
8 we would just be asking -- this person would
9 sit here with us just like we have our experts
10 over here and -- and if we needed consultation
11 or needed clarification, we would just go to
12 our advisor consultant.

13 MR. CRESCIMBENI: Yes. In addition to I
14 think the right advisor/consultant could also
15 help us make sure we're asking the right
16 questions, we're looking under the right rocks,
17 so to speak. I think they could bring positive
18 information, having -- they're familiar with
19 this process, bring a lot of information on
20 what we be might be overlooking that we should
21 be considering.

22 This report gave us the categories of
23 things we should look at, but I have no idea
24 whether that's a complete list of things we
25 should look at or if that's just a bare

1 perspective of what we're supposed to look at.
2 I think -- I think someone that came to work
3 for us might be able to help us with that and
4 say, hey, listen that's a good list, but I got
5 14 more things you need to look at.

6 MS. MORGAN: So basically what you're
7 saying, Mr. Chair, is that since this would be
8 our consultant/advisor, we -- this committee
9 would possibly have another opportunity in
10 between our meetings to have a noticed meeting
11 with our consultant to talk about things that
12 we possibly needed assistance with.

13 MR. CRESCIMBENI: Yes. As a committee
14 member, you'd be able to meet with them
15 independently of a noticed meeting or if you
16 wanted to meet with other council members, that
17 would happen, of course.

18 MS. MORGAN: Okay. Thank you.

19 MR. CRESCIMBENI: I would see that as a
20 resource, just about anything we would need
21 related to this conversation.

22 MS. MORGAN: All right. Thank you.

23 MR. CRESCIMBENI: But scoping out
24 qualifications for such a person is going to be
25 a task. It is.

1 Mr. Love.

2 MR. LOVE: Thank you. Through the Chair
3 to the committee, I definitely agree that we
4 need an expert in utilities, an
5 advisor/consultant that's going to check what
6 they hear from the folks.

7 As far as the subpoena power and swearing
8 in, I think -- my suggestion is to wait until
9 you read the white paper from Ms. Sidman before
10 you decide that. I can see where we're
11 swearing people in, maybe they won't -- you
12 know, won't want to come up here, or if -- and
13 what the pros and cons are before we decide,
14 so -- of course, if they don't want to come,
15 you can subpoena them, right? But certainly I
16 would want to read what Ms. Sidman had to say
17 before we make that decision.

18 MR. CRESCIMBENI: All right. Thank you,
19 Mr. Love.

20 Mr. Becton.

21 MR. BECTON: Thank you. Through the
22 Chair, Mr. Love just kind of changed a little
23 bit of my verbiage here because I think he
24 makes a very good point because -- but it's a
25 caution. Certainly we want to get all the

1 facts, that's what we here for, right?

2 You know, on the surface, the subpoena --
3 you know, getting -- from what Council Member
4 Brosche said, if we're going to do it, we do
5 need to start it from the beginning and not
6 just, you know, have an arbitrary starting
7 point, which would identify somebody that we
8 are suspicious is not doing that, so that would
9 make a lot of sense.

10 I do want to comment on my -- Council
11 Member Dennis regarding the change of transfer
12 power. Well, you know, I think from the very
13 beginning, the mayor has kept emphasizing that
14 he's not -- you know, he's neutral, he's not
15 behind the sale of JEA and so forth. And in an
16 abundance of respect for the administration and
17 that we're partners in this, I think perhaps we
18 can get the administration to come up and us
19 just kind of make a very legislative
20 recommendation to say, please hold -- we're
21 going through this fair process for which you
22 have stated that, you know, you're watch- --
23 you're probably watching here too, that the
24 perception of executing any RFP would not have
25 very good optics, and let's just mutually agree

1 that that won't happen.

2 And certainly I do feel and trust the
3 administration that if they came up here before
4 us and said, that's not going to happen while
5 this committee is in session, while no decision
6 has been made, then I think I can feel
7 comfortable that changing the limits is taking
8 a sledgehammer to a problem that you might just
9 mutually agree to resolve, and there wouldn't
10 be any optics of us, you know, trying to be
11 heavy-handed in a situation where the mayor
12 might need something between now and then to --
13 and we've limited that type of authority.

14 So my recommendation on that would be to
15 have the administration come up and understand
16 our position on this, that -- and see perhaps
17 how we can work it out in a respectful way.

18 Ms. Sidman, as far as this advisor, as
19 Council Member Dennis was alluding, you know,
20 if we do do bimonthly meetings here, we've only
21 got six, maybe seven meetings to do all this.
22 I mean, what would be the process of us trying
23 to find the individual of this nature? I mean,
24 the Chair mentioned that he ran in to an
25 individual, but is there anything that by the

1 time we figured out who that person was, we're
2 into May and June and we're past due, or is
3 there something that will happen that will
4 expedite that and we will have somebody upon
5 this committee make a decision, I guess,
6 sitting here at the next or the meeting after
7 next?

8 MS. SIDMAN: Through the Chair, I think
9 that the committee needs to decide on the scope
10 of the work that's needed and the expertise,
11 and then once the committee decides on that,
12 you'll be able to see who would meet those
13 qualifications. But you're right, there is the
14 time for that decision and the time for
15 impaneling that individual, so --

16 MR. BECTON: So if someone else is hiring
17 this individual, so is this individual going to
18 be under our RFP procurement process of any
19 sorts, you know? I mean, where -- where does
20 that come down on?

21 MS. SIDMAN: Those are all -- depending on
22 the structure that you use, those are all the
23 items that I would want to be able to advise
24 you on. I wasn't sure if it was going to be
25 the not-for-profit going forth and bringing you

1 back a report. Listening to your dialogue
2 today, it sounds, no, it's going to be an
3 individual that's providing you information
4 that's more similar to the -- the task force
5 individual that was hired to provide
6 information and collect information for the
7 task force. So that happened to be done by
8 legislation through that particular one just
9 because the not-for-profit gave the money to
10 the City and then the City allocated that
11 contract to the individual. So it depends on
12 the structure on how you do that.

13 MR. BECTON: So is this realistic that we
14 could have this person in a reasonable amount
15 of time in order to -- to accomplish what it is
16 that we're looking to accomplish? Because
17 we're going to, I assume, kind of hit the
18 ground running at the next meeting as this is
19 very organizational and in scoping out where we
20 want to go.

21 I mean, the next meeting, I assume we're
22 going to be having -- maybe even have
23 leadership up here giving us information that
24 if this individual is not in place, they'll --
25 I guess they'll have to just watch the tape,

1 but we won't have that person to say do you
2 agree or disagree. So you look at this -- I
3 guess is it realistic to think we can do this
4 properly?

5 MS. SIDMAN: I think that -- that council
6 has the opportunity to have noticed meetings
7 and dialogue about the qualifications. You
8 have resources that are available to you that
9 can -- the auditors may help you to say this is
10 the type of people that you might look at.
11 There's opportunities for you to have those
12 noticed meetings in between times that you can
13 dialogue about that person to expedite the
14 process.

15 MR. BECTON: Okay. Through the Chair,
16 since -- you gave us a lot of -- that you
17 thought about this, it seems like you thought
18 about this. How do you -- how do you see this
19 transpiring and getting this asset if we were
20 to do this on -- you know, on staff sitting
21 here with us in an amount of time that they
22 would be helpful?

23 MR. CRESCIMBENI: I think that famous line
24 from the movie A Few Good Men, one of the
25 attorneys asked, how are you going to get him

1 to confess online? And Tom Cruise says, I've
2 got no idea.

3 But it's going to be difficult because we
4 are under a time constraint, and we've got -- I
5 don't know how fast we can procure somebody,
6 and -- but I think it's essential. And I set
7 this up as kind of an every other-week-meeting
8 schedule, but we're certainly not married to
9 that. I'm already -- I mean, my colleague over
10 here asked for another meeting. If you want to
11 meet next Thursday, I think we can get -- I
12 would like to ask a couple of you committee
13 members to come up with a scope of services or
14 qualifications or whatever and report back by
15 next Thursday. I'm hoping Ms. Sidman might be
16 able to comment back next Thursday on how we
17 can facilitate this with the foundation. I'm
18 prepared to meet as often as we need to.
19 Listen, we need to accomplish that. The
20 council was meeting twice each, so -- or the
21 LUZ committee was meeting more, so I'm in this
22 for the long haul. It's important.

23 This is probably the most complex issue
24 I've ever seen. I think this is more complex
25 than pension. And we're going to do it right.

1 It may take a time commitment that will involve
2 additional time from this committee to get it
3 right.

4 MR. BECTON: Okay. Just wanted to, you
5 know, understand as we kind of leave here today
6 what it's going to take. It sounds like we're
7 kind of in agreement that this would be
8 definitely an asset to the committee of how we
9 can get that engaged sooner rather than later.

10 MR. CRESCIMBENI: And frankly, you know, I
11 thought about this idea, but I factored in how
12 to introduce legislation and find a funding
13 source that full council -- I mean, you know, a
14 calendar and the time block just really wasn't
15 going to make that happen. But just by chance,
16 someone approached me. That's a different
17 ballgame.

18 Mr. Anderson.

19 MR. ANDERSON: Just a quick question.
20 The -- the committee charge -- through the
21 Chair to the president or the Chair, however
22 you want to do that. It's pretty broad, and so
23 my question is that I think we have to come in
24 through committees next week, at least two
25 pieces of legislation that deal with this --

1 somewhat deal with this subject.

2 Mr. Shellenberg, I think, has a bill, also it's
3 been deferred for several cycles. Is it your
4 intention that this committee provide a
5 recommendation or an opinion on the pending
6 legislation? Since we'll be seeing that fairly
7 soon, I just wanted your thoughts on that.
8 Thank you.

9 MR. CRESCIMBENI: I haven't really thought
10 about it. If this committee would like to
11 opine on pending legislation, I think they
12 can -- probably could do that. But what's the
13 other piece of legislation?

14 MR. ANDERSON: Well, you introduced a
15 couple of pieces of legislation, and then
16 Mr. Shellenberg's got the --

17 MR. CRESCIMBENI: The charter amendment
18 that would actually amend the charter, that's a
19 60-day-cycle charter. There are some public
20 hearing windows that don't necessarily match up
21 to our traditional public hearing schedule that
22 the council with the charter change. So as
23 soon as we can deal with that would be April,
24 probably end of April. And the resolution to
25 put something on the ballot, a small ballot

1 item, won't back anything up. I don't think
2 that's anything that really needs to --

3 MR. ANDERSON: Okay.

4 MR. CRESCIMBENI: Ms. Brosche, Council
5 Member Brosche?

6 MS. BROSCHE: Thank you, Mr. Chairman. I
7 just wanted to respond to your request for
8 committee members. I'm happy to volunteer.

9 MR. CRESCIMBENI: I asked because you were
10 one of the names on my list. Thank you for
11 doing that.

12 Mr. Hazouri briefly.

13 MR. HAZOURI: Briefly.

14 MR. CRESCIMBENI: Briefly, because we need
15 to wrap up. We're only noticed for --

16 MR. HAZOURI: It's just a thought that I
17 wanted to share with y'all. Wearing two hats
18 again, and with all due respect to Mr. Dennis,
19 we started off -- I think Ms. Brosche said it,
20 you said it, we want to start with a clean
21 slate when we're talking about truth in respect
22 to the office. I'm not talking about the
23 individual now or before, in the office as
24 mayor, that we should not have to go and start
25 going -- regressing back to what happened

1 during the Brown administration and now in the
2 Kirby administration.

3 I would give him the benefit of the doubt.
4 If we're talking about truth, to give him the
5 benefit of the doubt just like we're giving
6 everybody else that comes before this
7 committee. I don't think it shows respect for
8 that office, again, not just the individual,
9 but for that office to go back and say, well,
10 we're going to hold off on your dollars, if
11 we're thinking that way. And I know that
12 Mr. Garrett probably is saying, there he goes,
13 he's supporting the mayor or something like
14 that, I don't want to speak for you, but it's
15 not the case of that. It's if we're starting
16 with a clean slate, then by gosh, let's make it
17 clean and give the mayor the benefit of the
18 doubt, give this committee the benefit of the
19 doubt, and move forward and not look back.

20 MR. CRESCIMBENI: Thank you, Mr. Hazouri.

21 All right. In closing, I've got a few
22 action items I've written down. Let me -- very
23 quickly. We're going to invite JEA leadership
24 back to talk about the declining revenues and
25 how they intend to combat that.

1 In the event there is not a sale, we're
2 going to have a report -- I think JEA's going
3 to work with the council auditor on developing
4 a five-year look-back on -- a ten-year
5 look-back on revenue and expenditures on some
6 basic categories, nothing too detailed just so
7 we can see what's up and what's down across the
8 board over a ten-year period.

9 JEA's going to produce a report on
10 philanthropic expenditures, I think that's for
11 five years, as well as volunteerism efforts by
12 their employees.

13 Ms. Boyer, I think, asked for some
14 information from JEA on FEMA reimbursements
15 from the past two storms, so they're going to
16 work on that.

17 Councilwoman Boyer also asked that the
18 council auditor explain at our next meeting
19 some detail on the franchise fee and the
20 utility tax components thereof, et cetera, and
21 what they're applied to.

22 And then I will like the administration to
23 come to our next meeting. Mr. Becton, you made
24 it a point to simply ask them, see what they
25 say, and I can't imagine that they wouldn't

1 disagree.

2 So with that said, Ms. Brosche's
3 volunteered to work on development of some
4 qualifications or scope of services. Does
5 anyone care to volunteer for that?

6 MR. DENNIS: I will.

7 MR. BECTON: Sure, I will.

8 MR. CRESCIMBENI: Mr. Becton, you're
9 buying --

10 And do we want to meet in two weeks? I
11 think we have some deliverables when we're back
12 here in two weeks and get those --

13 MS. MORGAN: Yes.

14 MR. CRESCIMBENI: I don't know if anybody
15 has a conflict next Thursday. I don't know
16 what I have -- we'll --

17 MS. BROSCHE: Next Thursday?

18 MR. CRESCIMBENI: I'm sorry, next
19 Thursday. We're scheduled to meet two weeks on
20 the 22nd, but --

21 MR. BECTON: Nothing I can't change.

22 MR. CRESCIMBENI: I think we can probably
23 have some information come back.

24 Mr. Billy, did you say that you could
25 possibly be ready in a week -- or you kind of

1 picked a middle number, ten days.

2 MR. BILLY: Through the Chair, I said a
3 week and a half but certainly by the next
4 meeting, which on the agenda said March 22nd.

5 MR. CRESCIMBENI: If we moved it up to the
6 next -- if we moved it up to the 15th, would
7 that -- have any problems?

8 MR. BILLY: I mean, I don't think I'd have
9 my report issued by then.

10 MR. CRESCIMBENI: All right. Well, I
11 think we have some deliverables. We can
12 certainly spend some time talking about where
13 we are on the scope of services and
14 qualifications.

15 Ms. Brosche.

16 MS. BROSCHE: Yes, something else that I
17 would like to add to the list is that we would
18 receive some direction from the general counsel
19 on this process, which led me to some
20 questions. And so I'd like to add that -- not
21 necessarily to the next meeting. It can fit
22 wherever it fits with respect to --

23 MR. CRESCIMBENI: You want to ask the
24 questions now or do you want to ask them at the
25 next meeting?

1 MS. BROSCHÉ: I would say ask at the next
2 meeting, I don't see Mr. Gabriel here, about
3 the memo that he issued.

4 MR. CRESCIMBENI: You want me to invite
5 Mr. Gabriel to come?

6 MS. BROSCHÉ: Sure. That would be great.

7 MR. CRESCIMBENI: All right. So does
8 anybody have any opposition to meeting next
9 Thursday? Same time, same place. Is an hour
10 and a half acceptable? All good?

11 Also, do we want to take public comment?

12 MS. MORGAN: No, not then. I can meet
13 next Thursday. No, I can meet next week.

14 One of the things that I do want to say,
15 Mr. Chair, though, is that since we were
16 talking about the fact that we do want our
17 consultant in and we do want to expedite that
18 process, how can we expedite that process so
19 that we either have -- have a meeting to --
20 have a noticed meeting to talk about those
21 qualifications, get that done, and either move
22 quicker on that to be ready by the next meeting
23 to put that out? Is that possible?

24 MR. CRESCIMBENI: Well, if we meet next
25 week, I'm hoping that Mr. Becton and

1 Ms. Brosche will have a meeting or two with
2 Ms. Sidman and whoever to help to try to
3 formulate a list, and we'll just have to see
4 where we stand next Thursday and -- but offer a
5 position to move forward.

6 Ms. Sidman, how are we to communicate to
7 the council members on the subcommittee, the
8 foundation has reached out so that they can
9 have -- they can start a dialogue with the
10 foundation?

11 MS. SIDMAN: The question is, how do you
12 communicate with your fellow council members on
13 the one-way dialogue? Is that the question?

14 MS. MORGAN: One-way.

15 MR. CRESCIMBENI: Yeah.

16 MS. SIDMAN: Just a one-way dialogue? So
17 one-way dialogue is permitted as long as nobody
18 responds to that. Sometimes the council
19 chooses to go through their council secretary
20 and have her send that out, communication. But
21 one way, as long as no one responds, you're
22 fine.

23 MR. CRESCIMBENI: Okay. All right. So
24 next week, that's -- any objections to next
25 week?

1 All right. Anything else to come before
2 today's meeting? Ms. Brosche.

3 MS. BROSCHE: Thank you, Mr. Chair.
4 Through the Chair to Ms. Sidman, I think you
5 described the model for the consultant that was
6 used on the task force for consolidated
7 government. It seems like that would be
8 helpful to have prepared, and hopefully we can
9 walk into that structure pretty quickly, but
10 assuming that structure and have us hopefully
11 have the scope of services, meet, and ask that
12 we expedite things. Thank you.

13 MR. CRESCIMBENI: And as I understood the
14 discussion to be, we do want to adopt the
15 speaker cards or the oath at the podium; is
16 that correct?

17 MS. BROSCHE: No.

18 MR. BECTON: Like Council Member Love was
19 saying --

20 MR. CRESCIMBENI: I was on the oath at the
21 podium, do we want to swear people in?

22 MR. BECTON: Yes.

23 MR. CRESCIMBENI: And Ms. Sidman is going
24 to follow up on the subpoena.

25 All right. I want to thank everybody for

1 coming today. This was an
2 hour-and-a-half-noticed meeting. I apologize
3 if you were expecting more. I think we
4 accomplished a lot. I'm not sure what you were
5 anticipating would happen today. We didn't
6 hold an auction to sell the utility, so that's
7 a good thing. But in the future, we may be in
8 a position to take public comment. We're on a
9 very tight schedule and we were noticed for an
10 hour and a half. No disrespect, but we just
11 couldn't afford out of the gate to spend 30
12 minutes or 40 minutes on public comment, so I
13 hope you'll bear with us until we get rolling
14 here. And hopefully we can have some comment
15 in the future meetings.

16 Ms. Brosche.

17 MS. BROSCHE: Thank you, Mr. Chairman.

18 And on that note with respect to the meeting
19 being noticed for an hour and a half, I didn't
20 catch that it was, so I just blocked it till
21 six when the building is closed. And so in
22 future meetings, should we plan on it being an
23 hour and a half or should we plan on it being
24 two hours or until six o'clock?

25 MR. BECTON: You have 15 minutes to get

1 out.

2 MR. CRESCIMBENI: I don't know what's
3 the -- if we stay past six, is that an
4 additional expense for -- is that an additional
5 expense for the front security people?

6 MS. BROSCHE: I think it is. I think
7 arrangements have to be made. And so much like
8 we had another meeting -- well, actually the
9 February 14th meeting, we adjourned around 5:50
10 to make sure everybody --

11 MR. CRESCIMBENI: I'm -- we'll notice it
12 for two hours next time, have some time to have
13 some comment.

14 All right. That's everything for today.
15 Thank you-all. Thank you, committee members.

16 Mr. Love, I appreciate you staying in
17 here. And we'll see everybody here again next
18 week at 3:30. This meeting is adjourned.

19 (Proceedings concluded at 5:14 p.m.)

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REPORTER'S CERTIFICATE

STATE OF FLORIDA)

COUNTY OF DUVAL)

I, Stephanie Powers Cusimano, Registered Professional Reporter and Notary Public in and for the State of Florida at Large, hereby certify that I was authorized to and did stenographically report the proceedings and that the foregoing transcript, pages 1 through 86, is a true record of my stenographic notes.

I further certify that I am not a relative, employee, attorney, or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED this 15th day of March 2018.

Stephanie Powers Cusimano
RPR, Court Reporter