

**OFFICE OF THE CITY COUNCIL**

117 WEST DUVAL STREET, SUITE 425

4TH FLOOR, CITY HALL

JACKSONVILLE, FLORIDA 32202

**Brosche-Becton Noticed Meeting Minutes – amended**

**Scope of Services for Potential Advisor to Special Committee on Potential Sale of JEA**

 **March 13, 2018**

**1:30 p.m.**

**Topic:** Scope of services for potential advisor to the Special Committee on Possible Sale of JEA

**Location:** City Council Conference Room A, 4th floor, City Hall – St. James Building, 117 West Duval Street

**In attendance:** Council Members Anna Lopez Brosche, Danny Becton, John Crescimbeni, Matt Schellenberg (arr. 1:43 p.m.), Greg Anderson (arr. 1:52 p.m.), Garrett Dennis (arr. 1:52 p.m.)

Also: Kyle Billy – Council Auditor’s Office; Peggy Sidman – Office of General Counsel; Jeff Clements – Council Research Division; Cheryl Brown – Council Secretary/Director

**Meeting Convened**: 1:41 p.m.

Chairwoman Brosche called the meeting to order and the attendees introduced themselves for the record. Ms. Brosche distributed a draft scope of services and list of consultant qualifications she had developed to start the discussion. Council Member Crescimbeni suggested the addition of a fifth scope of service item in the nature of a miscellaneous item to cover any other needs the committee may identify. ~~He also suggested adding a fifth qualification regarding previous work of the consultant with municipal versus investor owned utilities.~~ He also suggested clarifying the qualification about being free of conflicts of interest to include current or recent (possibly within the last three years) representation of investor owned utilities. Council Member Becton suggested that former JEA executive directors Walt Bussells and ~~Royce Lyles~~ Jim Dickenson might be good historical resources for the committee on the history of the JEA, and that the National Association of State Utility Consumer Advocates might be a national resource to identify a qualified candidate with long experience in the utility industry.

Council Member Crescimbeni said that he had identified three potential consultants - Jim Seaton, Jerry Warren and Harris Kretsge – who seem to have relevant experience in the field, and noted that there is a group at the University of Florida (Public Utility Research Center ) that may also be useful. An issue was raised about whether prior experience working with the JEA would be desirable or not. Council Member Schellenberg said that consultant credibility in the utility and finance industries is important to a good outcome, and that a proper study will cost a substantial sum of money (estimates he heard were between $1 million and $4 million) and take substantial time. JEA’s value can’t be evaluated in a vacuum and needs to be examined in the context of national utility trends. He suggested Morgan Stanley, J.P. Morgan and Goldman Sachs as internationally recognized financial experts with a track record in mergers, acquisitions and huge financial transactions who will be able to accurately evaluate the marketplace and JEA’s potential value to a willing buyer. He believes that the best interests of the taxpayers and employee morale at JEA should be of paramount importance. Ms. Brosche explained the context of the subcommittee’s work on a scope of services in relation to the task of the special committee to respond to the offer of the Jessie Ball duPont Fund to fund an independent advisor. Mr. Crescimbeni said that the special committee is concerned more with determining whether the Council is even interested in considering a potential sale or not than with zeroing in on a specific dollar value that it might be worth.

Council Member Anderson suggested that additions to the scope of services might include a thorough review of the PFM evaluation report already received and an analysis of JEA’s potential future liability with regard to its investment in the Vogtle nuclear power plant in Georgia. He reiterated Council Member Schellenberg’s concern for JEA employee morale during the consideration process. The group agreed to add an item regarding Plant Vogtle liability under the Scope of Services listing as item 4(f).

Council Member Becton said that it is the City Council’s role to make a policy decision about whether the JEA is “priceless”, meaning whether the council would approve a sale under any circumstance for any price. If not, then there is no point in proceeding any further with any evaluation. President Brosche offered to allow legislation to be introduced on an addendum to the agenda at tonight’s council meeting stating the council’s preference to not sell JEA and to halt all further consideration if a member was so inclined to offer that. Mr. Crescimbeni recommended that further investigation and exploration take place before making a final decision on selling or not.

The committee agreed to add an item #5 to the Scope of Services to cover other miscellaneous needs of the committee.

Mr. Crescimbeni noted that the Jacksonville Civic Council was also reported in the media as undertaking its own study of the JEA issue. He said that the Jessie Ball duPont Fund offered to fund a City Council consultant, contingent on reviewing and approving a scope of services and qualifications document. Ms. Brosche said that she had been advised by the Office of General Counsel that there were 4 ways for a private foundation to provide assistance to the City Council’s project, both within and outside of the City’s procurement processes.

**Meeting Adjourned**: 2:28 p.m.

Minutes: Jeff Clements, Council Research

 3.22.18 Posted 2:00 p.m.

Tapes: Brosche/Becton noticed meeting on JEA advisor scope of services – LSD

 3.13.18