

**OFFICE OF THE CITY COUNCIL**

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4TH FLOOR, CITY HALL

JACKSONVILLE, FLORIDA 32202

904-630-1377

**Special Committee on the Future of JEA Meeting Minutes - amended**

**June 27, 2018**

**4:00 p.m.**

**Topic:** Future of JEA

**Location:** City Council Chamber, 1st floor, City Hall – St. James Building, 117 West Duval Street

**In attendance:** Council Members John Crescimbeni (Chair), Greg Anderson, Anna Lopez Brosche, Al Ferraro, Jim Love, Scott Wilson, Doyle Carter (arr. 4:47), Garrett Dennis (arr. 5:05)

**Excused:** Council Members Matt Schellenberg, Bill Gulliford, Garrett Dennis, Doyle Carter, Lori Boyer, Joyce Morgan, Tommy Hazouri, Sam Newby, Danny Becton

**Also**: Susan Grandin - Office of General Counsel; Kyle Billy, Phillip Peterson, Brian Parks and Jeff Rodda - Council Auditor’s Office; Staci Lewis and Althea Henry – Legislative Services Division; Jeff Clements – Council Research Division; Nancy Kilgo and Jordan Parks – JEA

**Meeting Convened**: 4:02 p.m.

Council Member Crescimbeni called the meeting to order without a quorum present and the attendees introduced themselves for the record.

Mr. Crescimbeni distributed a requested amendment submitted by JEA clarifying the entities not charged the City’s franchise fee on electric sales. The group agreed to insert the change.

Council President Brosche suggested an amendment on p. 3 in the last line of the first full paragraph to clarify the wording relating to JEA operating revenues and expenses. Ms. Brosche asked if the term “valuation” or “evaluation” should be used in reference to the Council Auditor’s reports on the value of JEA, suggesting that “valuation report” is a specific term of art in the business world and neither the Council Auditor nor PFM are qualified to issue valuation reports. The group agreed that the term throughout the document would be changed to “evaluation.” Ms. Brosche said that PFM serves as JEA’s bond counsel and recommended that that fact be mentioned in the report. Jordan Pope of the JEA said that PFM is a financial advisor to JEA, not its bond counsel. Mr. Crescimbeni agreed to reference early in the report that PFM is a financial advisor to JEA in addition to providing the evaluation report. Ms. Brosche pointed out several other formatting corrections to be made throughout the document. Ms. Brosche questioned the reference to the JEA’s liability for Plant Vogtle obligations being $1.2 billion. That figure was drawn from the PFM study, but the committee heard other testimony during its hearings about higher potential liability figures. Chairman Crescimbeni said that he recalled hearing a higher figure, but had scoured the committee’s minutes and meeting transcripts and could not find a definitive higher figure.

Staff was asked to clarify the chairmanship of the Jacksonville Civic Council co-chairs of their study and to include both names. Ms. Brosche felt that the Special Committee had not touched on the subject of JEA’s governance which was one of the committee’s charges. Mr. Crescimbeni said that he had received the previous day a response to his earlier question to the Office of General Counsel regarding whether JEA’s CEO or Board Chair had the authority to execute employee retention agreements with utility employees without full board authorization and was told that they could not. Mr. Crescimbeni said that he would attach the three Office of General Counsel opinions he had requested and received during the course of the Special Committee’s tenure (authority of CEO/Board Chair to execute employee retention agreements; definition of “10% of JEA” for purposes of City Council being involved in approval of a proposed sale; whether a simple majority or a super majority vote of City Council would be required to approve a sale of JEA pursuant to the JEA’s Charter.

Chairman Crescimbeni will revise the draft report as discussed today and provide the final report to the Council President by the close of business tomorrow (June 28th) before President Brosche’s term ends.

Susan Grandin of the Office of General Counsel read from the Council Rules concerning the requirements for reports of a special committee, which require a majority vote of a quorum of the body. With only six members present, the committee cannot adopt a final report.

Public Comment

Chap Gray thanked the Special Committee for their time and diligence throughout the study process.

Council Member Anderson thanked Chairman Crescimbeni for his even-handed leadership of the committee, which he believed has learned a number of very interesting facts during the course of its work. Mr. Crescimbeni said that he too had learned a great deal that he never knew about the JEA. President Brosche also thanked Mr. Crescimbeni for agreeing to accept the chairmanship and doing a fine job under difficult circumstances.

Chairman Crescimbeni said that during the course of the committee’s work he learned that JEA’s contributions to the City far exceed the annual financial payment, franchise fee and utility service tax proceeds. They also include contributions to numerous community events, assistance to the City in purchasing preservation lands, cooperation in economic development, and many other non-financial contributions.

The committee was in recess from 4:41 to 5:11 p.m. awaiting the arrival of a quorum.

The committee was unable to achieve a quorum to vote on the final report. Susan Grandin recommended that the group transmit the draft report to the Council President and request that it be placed on the next council agenda for adoption by the full council.

**Meeting Adjourned**: 5:13 p.m.

Jeff Clements, Council Research Division

7.18.18 Posted 4:30 p.m.