

**OFFICE OF THE CITY COUNCIL**

**RESEARCH DIVISION**

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**CITY COUNCIL FUTURE OF JEA WORKSHOP MEETING MINUTES**

**Lynwood Roberts Room, 1st floor, City Hall**

 **January 27, 2020**

**11:00 a.m.**

**Location:** Lynwood Roberts Room, 1st floor, City Hall – St. James Building; 117 West Duval Street

**In attendance:** Council Members Michael Boylan (Chair), Danny Becton, Aaron Bowman, LeAnna Cumber, Randy DeFoor (arr. 12:16), Garrett Dennis (arr. 11:25, dep. 12:19), Al Ferraro, Terrance Freeman, Reggie Gaffney, Tommy Hazouri, Joyce Morgan, Sam Newby (arr. 11:10), Brenda Priestly Jackson, Ju’Coby Pittman (arr. 11:10), Ron Salem, Randy White, Scott Wilson (dep. 11:41)

**Also**: Peggy Sidman and Paige Johnston – Office of General Counsel; Kyle Billy, Kim Taylor, Heather Reber, Jeff Rodda – Council Auditor’s Office; Jeff Clements – Council Research Division; Carol Owens and Steve Cassada - Council Staff Services; Cheryl Brown – Council Secretary/Director; Nancy Veasy – JEA; Carla Miller – City Ethics Officer

**Meeting Convened**: 11:01 a.m.

Council Member Boylan called the meeting to order and the attendees introduced themselves for the record. A moment of silence was observed in honor of the late Mayor Jake Godbold, who died last week. Mr. Boylan read from prepared remarks about the public’s attitude about JEA and about how the City Council should proceed. He lauded the appointment by Council President Wilson of a JEA fact-finding special committee to study what happened in the past while these workshops will continue to be focused on JEA’s future and on potential changes needed in the City Charter to ensure a sound future for the JEA. He said that if there is time at the end of the agenda he would allow public comment, but asked that comments be directed toward JEA’s future and not to past events.

Deputy General Counsel Peggy Sidman explained that the Charter can be amended in several ways, including some items by vote of the City Council (a 2/3 majority is required specifically in the case of the JEA Charter provisions) and others requiring a referendum of the voters or action of the Florida Legislature. The specific change desired will determine which mechanism of amendment will be required. Council members have suggested Charter changes in 5 basic categories: 1) qualifications of the JEA board and CEO; 2) appointing entity for the JEA board; 3) rules for process for sale of JEA; 4) review of JEA’s contracts (with employees and outside consultants); and 5) JEA structure (independent authority versus City department). She said that each proposal will need to be analyzed for its specifics as to what type of amendment mechanism is needed. In response to a question from Council Member Salem, Ms. Sidman described the Council Rule relating to legislation that fails in City Council and the requirement that the legislation can’t be re-introduced for a year unless it is “substantially changed”.

Council member suggestions for JEA Charter changes

Council Member Salem suggested limiting the number of employee contracts at the independent authorities and their maximum amounts.

Council Member Cumber asked for a referendum authorization timeline and a chart clearly delineating what kinds of changes require what sort of amending action.

Council Member Bowman suggested that JEA board members be required to have certain professional qualifications to bring relevant knowledge to bear. He also suggested putting national expertise on the board (perhaps in the form of paid experts in the utility field).

Council Member Priestly Jackson expressed concerned about how City Council engages with and intervenes in the operations of all the independent authorities. She asked for a compilation of that JEA-related bills that have been introduced over the past 10 years and whether they passed or failed in order to know the context of JEA’s history. She wants these Future of JEA workshops to deal with the findings of the upcoming JEA Special Investigation Committee when it finishes its work.

Council Member Hazouri said there will probably be some overlap between the Special Investigation Committee and the JEA Workshops, so there will be a need to coordinate and not file overlapping legislation. He wants to know how far the City can go in changing the appointment makeup of the JEA without having to go to the state for approval.

Council Member Gaffney urged the member not to punish the other authorities because of what has happened at JEA; the others may not be broken and need the same level of City involvement. Diversity is an important consideration when dealing with the board composition. He wants consideration given to the Council liaison being a voting member on all the authority boards. Council Member Newby agreed with the voting liaison concept, saying he thinks it would help both sides. Council Member Salem felt that Council liaisons need to at least be sitting at the table at authority board meetings and participating in the discussion, not seated in the audience.

Council Member Priestly Jackson said the Council is not trying to anything to punish the authorities, so there is a need to look at Council’s role in relation to all independent authorities to ensure proper exercise of authority. She wants a visual display of all the proposed changes and where they would fit into the Charter. She recommends a specific notice requirement for the independent authorities to notify the Council Auditor in advance of certain specified actions.

Chairman Boylan said he would reach out to the Government Structure and Preserving Institutional Knowledge Committee of the Charter Revision Commission to see if they have suggestions.

Council President Wilson noted that the JEA’s charter differs somewhat from others in not having a specific provision that the Council Auditor is authorized to review their finances.

Council Member Ferraro cited a need to go out to the community to have town hall meetings to explain to the public what the Council is doing and what it is finding in order to restore the public trust. The media is doing a good job of following the issues but can’t convey the full scope of what’s happening. Some meetings need to be held at night in order to be publicly accessible for working folks.

Council Member Becton suggested: 1) at least a 2/3 majority vote of City Council to approve any sale of JEA; 2) a better definition of “10% of assets” with regard to a sale of all or a portion of JEA; 3) an exploration of what Council can do to help JEA explore additional revenue sources to be financially sound; and 4) clear requirements and qualifications of board members, who can’t just be rubber stamps but truly get involved in all decision-making. Chairman Boylan said he’s talked to JEA about what the Council could do to help them expand business lines and they want to hold off on that topic for now. He invited the City Ethics Director and Council Auditor to suggest whatever changes they need to be more effective in fulfilling their roles.

Council Member Dennis said he thinks the Council needs several appointments to the JEA board, and that since JEA has expanded into neighboring counties, perhaps those counties should also get appointments to represent their interests.

Council Member Pittman said the Council needs to hear what the constituents have to say, and the public can’t be here at City Hall for daytime meetings. She suggested the need a phone line or email box for input, and taking meetings out to the public.

Council Member Salem said the Council needs to look at the expansion of the number and salaries of the JEA senior management team, how that happened, and whether the Council has a role in reining that in - can Council limit JEA’s management structure?

Chairman Boylan expressed concern about the number of and amount of money being spent on JEA consultants and suggested considering if the Council can limit that.

Council Member Hazouri agreed that public meetings are a good idea. He said JEA Interim CEO Melissa Dykes has already said that they will hold such meetings, so there should be coordination with them and not duplication of effort. He said that sometimes authority board members make decisions with other people’s money that they wouldn’t make with their own. He is interested in what can JEA already do to expand its business lines that doesn’t require Charter changes?

Council Member Priestly Jackson said she doesn’t think that JEA management is the right entity to convene town hall meetings because of their lack of credibility; the Council should run that process. She suggested the need to specify when the JEA has to finalize and publish its agenda to the public. She also suggested the need to know what kind of ethics training the board got and what understanding they have of their governance authority and control of management.

Council Member Morgan said she has invited JEA to appear at her February town hall meeting and thinks that is a better venue than JEA holding its own meetings since it offers more Council control of the process. She will notice her town hall so that any council member can attend. She believes more board member training is vital for all the authorities – they need to understand the seriousness of their responsibility and be ready to really do the job. City Council has the same fiduciary responsibility.

Council Member Newby agreed with the earlier comments that Council liaisons need to actually be at the table at authority board meetings and have a real voice in the discussion.

Council Member Dennis noted that the 2016/17 Rules Committee reviewed all of the boards and commissions. JEA’s only request at the time for a charter change was to allow it to reduce its number of board meetings to bi-monthly. He believes that monthly meetings are necessary for proper accountability. Council Member Bowman suggested formalizing the training for authority board members to ensure they know what they’re supposed to be doing, potentially by hiring a consultant to develop a training plan. Board members need to know the limits of their authority.

Council Member Ferraro said the City Council needs to get straight answers before it goes out to the public so there’s no confusion or different answers from different people at different times. Mr. Hazouri suggested the need to decide on a single town hall meeting arrangement with JEA and do it correctly from the outset. Mr. Salem said he thought 14 town halls is maybe too much, and suggested holding the meetings jointly with the 6 CPACs as hosts, with council members and JEA representatives in attendance.

Mr. Salem said that board member training is crucial before a member takes their seat and starts voting. He thinks board members and the Council liaisons should be individually briefed by management before the meetings.

Council Member Gaffney said that council members need updates from the board liaisons when things start happening so they can get ahead of the issue, and that’s why the liaisons need to be active participants in authority board meetings. Council Member Becton said the council liaison role is undefined. The JEA board meeting agenda is not complete when originally published a few days before the meeting, materials show up at the last minute, and items are taken up out of order, making it very hard to follow what’s happening. He suggested a requirement for voting items to be finalized and “laid on the table” (like the proposed City budget) for a minimum time before the meeting at which a vote is taken.

Council involvement with the JEA board and management moving forward

Council Member Morgan offered her February 24th community meeting as a forum to discuss JEA issues with Council and JEA together.

Council Member Ferraro said JEA needs to be at community meetings explaining itself, not Council members attempting to speak for them. The public should be able to ask questions directly to JEA employees, and then not have “I don’t know” as an answer. JEA need them to do its due diligence in advance and be ready to really answer questions.

Council Member Dennis said he wanted an agenda and JEA’s presentation in advance of the town hall meetings so council members and other experts can fact-check them beforehand for accuracy.

Council Member Salem said a decision needs to be made about who is going to run these proposed town hall meetings – JEA? City Council? CPACs? Someone needs to ask the CPACs if they even want to be the vehicle for these meetings. The meetings need to be spread out geographically around the city.

Council Member Hazouri suggested using the 7 School Board districts (made up of paired city council districts) and having them run by Council in school auditoriums.

Council Member White recommended appointing a subcommittee of the Future of JEA Workshop to decide on the details for the town hall meetings.

Council Member Bowman urged that the default position for dealing with JEA’s challenges shouldn’t be selling the utility. He felt the City Council needed to meet jointly with the JEA board to determine a path forward.

Council Member Cumber said she wanted at least 3 JEA town hall meetings in her district because it is so elongated. The subcommittee should consider accessibility and representativeness when deciding how many events to hold and where.

Council Member Freeman agreed that some council districts are large and elongated and fair accessibility for all residents needs to be considered.

Chairman Boylan said that JEA Interim CEO Melissa Dykes has said the Invitation to Negotiate, Initial Public Offering and co-op options are all off the table, so it seems to him that there are several ways to proceed with regard to exploring the remaining options: 1) JEAs explores all of the various options itself, chooses a path forward, and then talk to Council about what is needed to make that work; 2) City Council and JEA form a joint committee of council members and JEA board members to look at the path forward; or 3) the full City Council and JEA board could meet jointly to work through the process.

Council Member Becton questioned what can be expected from these town hall meetings. He envisions nothing more than a JEA “apology tour” because the utility doesn’t know what its future path will be. It would be better if there was more preparation and exploration of potential options before going out to the public to talk about a practical plan for JEA’s future, not speculating about a bunch of unknowns.

Chairman Boylan said an apology tour doesn’t make sense; what’s needed is to explore the various paths forward and put something substantive in front of the public that they can address concrete options. The next two workshop meeting will explore how the JEA’s strategic planning process led to the current situation (February 10th) what independent utility experts have to say about challenges facing the entire utility industry (February 24), and then the group can talk about various future paths.

Council Member Gaffney said he has a town hall meeting scheduled this Thursday evening at Seacoast Charter School and welcomed discussion of JEA at that meeting as one of many topics.

Council Member Priestly Jackson said didn’t see the sense in studying JEA’s strategic planning process because they didn’t follow it anyway and questioned what value could be gained from that. The JEA Investigative Committee doesn’t have its official charge yet but she wants to go where the Council wants it to go. She also wants to know how much JEA has spent on the privatization process thus far and if there are any options to claw back any of those expenditures.

Chairman Boylan said he thinks hearing from McKinsey and Company next time about their facilitation of the JEA’s strategic planning process will help the Council understand what they did as the consultant and how the outcome ended up as it did.

Public Comment

John Nooney said the Charter Revision Commission is meeting now and could be a vehicle to make changes. Ethics was put back in the Charter 10 years ago after the last CRC but it has been weakened since. How many independent authority assets touch the water? He asked for a Charter amendment requiring DIA and CRA projects with public funding to guarantee public access to waterways. The CRC is proposing creation of a new Urban Services District Authority.

**Meeting adjourned:** 12:38 p.m.

Minutes: Jeff Clements, Council Research Division

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1.29.20 Posted 5:00 p.m.