

**OFFICE OF THE CITY COUNCIL**

**RESEARCH DIVISION**

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

**Virtual meeting via Zoom.us – no physical location**

 **June 22, 2020**

**11:00 a.m.**

**Location:** Virtual meeting – no physical location

**In attendance:** Council Members Michael Boylan (Chair), Ron Salem, Terrance Freeman, Garrett Dennis, Joyce Morgan, Brenda Priestly Jackson, Randy DeFoor, Scott Wilson, Al Ferraro

**Also**: Peggy Sidman, Paige Johnston, Lawsikia Hodges, Jody Brooks – Office of General Counsel; Kyle Billy, Kim Taylor, Jeff Rodda, Heather Reber – Council Auditor’s Office; Cheryl Brown – Council Secretary/Director; Jeff Clements and Yvonne Mitchell – Council Research Division; Steve Cassada, Melanie Wilkes and Eric Grantham - Council Support Services; Bruce Dugan, Kurtis Wilson, Nancy Veasey – JEA

**Meeting Convened**: 11:00 a.m.

Council Member Boylan called the meeting to order and made brief opening remarks welcoming today’s meeting participants. He said the purpose of the meeting is to review the draft JEA charter amendment legislation and the timeline for its adoption and he gave a brief overview on how the Workshop process evolved from examining the JEA privatization effort to amending JEA’s Article 21 in the City Charter. He distinguished between areas where the City Council has direct control versus direct involvement with regard to its relationship with JEA. Chairman Boylan thanked the council members, JEA representatives and staff who have been involved and done great work throughout this process. Council Member Salem thanked Mr. Boylan for his leadership and hard work. Council Member Dennis asked about the timing of the introduction of the bill.

Deputy General Counsel Lawsikia Hodges reviewed the redline version of the latest draft of the omnibus JEA amendment bill, which will be filed under Council Member Boylan’s sponsorship at the only City Council meeting in July. The bill repeals 3 sections of the article that were so heavily amended as to merit complete repeal and replacement. The changes fall into several general categories: transparency, governance, Council Auditor notification and audit rights, cross-references between related sections and provisions, and clarification of JEA’s powers and authority.

Council Member Salem asked what City Council’s recourse would be if the JEA board was to attempt to take a specifically prohibited action. What is Council’s mechanism to prevent or challenge such a JEA action? Ms. Hodges said that is an important question that deserves further discussion by the Office of General Counsel. Mr. Salem said he hoped a specific set of concrete steps can be developed to deal with that situation, perhaps for inclusion in the Charter if that’s determined to be necessary. Chairman Boylan said the Council’s ultimate power would be to remove and replace its four board appointees if that provision is adopted. Council Member DeFoor said that evidence seems to indicate that the JEA board and City Council were deliberately kept in the dark during the JEA privatization process and the City Council depends on the Office of General Counsel to advise it on enforcement of the Charter and Code requirements. Jody Brooks of the Office of General Counsel said that failure by the JEA to follow any of the requirements of its charter also constitutes a failure to comply with its bond covenants, which require compliance with all Charter provisions. Mr. Salem suggested adding a provision that gives the Office of General Counsel the authority to temporarily halt a process or action if there is any question about its legality until the OGC has an opportunity to investigate and rule on its propriety.

Council Member Salem suggested the addition of language clarifying that the JEA’s CEO and other senior executives could have outside business interests (i.e. owning rental properties) so long as such business interests do not interfere with their JEA duties. Council Member Dennis advocated for using the same language that applies to the Mayor and constitutional officers requiring that their public office be their only employment. Ms. Hodges and Ms. Brooks noted the existence of a secondary employment policy at both the City and JEA that regulates the outside work of employees. Ms. Hodges pointed out the addition of considerable new language concerning the CEO’s employment contract, which is the only employment contract to be allowed for JEA employees. There is also new language regulating employee bonus programs which must comply with the requirements of the *Florida Statutes* and be approved on an annual basis by the JEA board.

Ms. Hodges stated that the JEA procurement section has been substantially rewritten to include the concerns expressed by council members at previous workshops. In response to a question from Council Member Salem, Ms. Brooks said that the JEA board will be creating a board policy manual review committee and part of that committee’s charge is to revise the manual to include the Charter changes that the omnibus bill will impact.

Jody Brooks reviewed the new privatization section (21.11) and said that additional language refinement is needed with regard to the definition of “systems” and how the 10% limit on disposing of assets relates to those “systems”. She has tried to make the privatization language broadly inclusive of either direct or indirect actions taken by either the JEA or any of its advisors or consultants.

Ms. Hodges briefly reviewed the public engagement section (21.12) which she said largely reflects the work of Council Member Becton.

Chairman Boylan said if there are further changes to be requested, council members should make those requests to Ms. Hodges or to Ms. Brooks before the bill is introduced; thereafter amendments can be made during the committee process. Council Member DeFoor asked to be added as a co-sponsor. Mr. Boylan said he welcomed all council members adding themselves as co-sponsors.

Council Members DeFoor, Freeman and Priestly Jackson thanked Chairman Boylan for his great work in leading the workshop process. Mr. Freeman and Ms. Priestly Jackson said they would be adding themselves as co-sponsors of the bill.

Deputy General Counsel Peggy Sidman said the bill is currently drafted as if the referendum is approved to provide for City Council to have 4 JEA board appointments but has a provision for what happens if that referendum fails. The omnibus amendment bill will be filed by the July 21st deadline for introduction on July 28th. Once the final draft is prepared it will be circulated before introduction and council members may add themselves as co-introducers. The *Florida Statute*-required second reading public hearing will be held on August 11th, then the JEA Charter-required public hearing will be on September 8th. Sixty days must elapse after that public hearing before final action can take place on the bill. The omnibus bill will be in the Council committees for consideration on November 2nd and 3rd and ready for Council action November 11th. Although the omnibus bill has been drafted to include the language of 2020-100-E, to have City Council appoint four of the seven JEA board members, the inclusion of that language is contingent on the voter referendum which will be held on November 3rd. Council could act on the bill on November 11th if the referendum result is not certified by that date; action could be delayed to November 25th.

Council Member Salem has another JEA bill in development concerning the employee bonus plan. This bill is in committees presently, and requires a referendum due to the requirement that Council approve such plans annually. Council Member Salem has been working with the JEA board which has indicated that the board policies would include measures embodied in Ordinance 2020-245, without additional council action. Council Member Salem is trying to craft a solution to avoid a referendum requirement; other non-referendum aspects of Council Member Salem’s bill are included in the omnibus bill under Section 21.08. Contingent on Council Member Salem’s and the JEA Board’s actions concerning the employees bonus plan, he may withdraw 2020-245 at committee in July.

Public Comment

Stanley Scott said that he feels ethics is not being sufficiently addressed in Jacksonville despite the Charter being strengthened in that area 10 years ago. The JEA situation should never have arisen and the City Council demonstrated poor leadership by not reacting until the very end of the privatization process. He urged more attention to ethics.

**Meeting adjourned:** 12:58 p.m.

Minutes: Jeff Clements, Council Research Division

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