

# Agreements & Associations

FEB. 2024

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*\*The Risk Management Department topic represents elements that fit under both Section 1 and Section 2.*

*This topic is located on page 13 and has been listed in both sections for the purposes of completeness and clarity.*

# Executive Summary

GRU maintains numerous formal and informal associations and agreements with General Government (GG), which consists of all City of Gainesville departments other than GRU. As the utility works with the GRU Authority to satisfy the requirements of the law created by House Bill 1645, management is evaluating each of these relationships to determine which of them “solely further the fiscal and financial benefit of the utility system and customers.”

In the following pages, we describe many of the associations connecting GRU and GG. Some are formalized through memoranda of understanding (MOUs), others through service level agreements (SLAs), and still others are informal arrangements.

This document will serve as a repository of associations and agreements moving forward. The document is organized into three sections: Cost Allocation Plan, Direct Payments and Shared Contracts & Agreements.

GRU will be evaluating its associations and agreements throughout the year and updating this document quarterly to record changes. The graphic below provides a summary of our cost associations with GG and identifies the estimated annual amount we are scrutinizing to obtain the most cost-effective services at the highest value to our customers and employees.

## FY24 payments to City of Gainesville

**Total: \$41 million**

**FY24 GSC**  
\$15.3 million

**FY24 Utility Taxes**  
\$16.4 million

**Remaining**  
\$9.3 million

## Timeframe to address remaining funds

**Immediate**  
\$1.4 million

**FY25**  
\$3.4 to 3.6 million

**Future**  
Pending

*IT costs pending,  
±\$2.9 million*

# SECTION 1

# COST ALLOCATION PLAN

# Broadcasting

**DESCRIPTION** GG Broadcasting is primarily responsible for recording and broadcasting City Commission meetings for the general public.

**ROLES & RESPONSIBILITIES** GG provides video and production services to assist city communications. GG Broadcasting additionally provides occasional video and production assistance to GRU Communications.

**COSTS** GRU's share of the broadcasting allocation was \$95,268 for FY22.

## RECOMMENDATION

**GRU is performing all video and broadcasting services internally and will no longer use GG Broadcasting. This reduces payment to GG and allows GRU to focus on its specific broadcasting needs.**

## FINANCIAL IMPACTS

**Costs will be reduced by \$90,505, but costs for internal broadcasting setup and operations are necessary and ongoing.**



# City Attorney

**DESCRIPTION** The city attorney has historically provided all legal support to GRU.

**ROLES & RESPONSIBILITIES** Legal support provided by the city attorney to GRU has included, but is not limited to: contracts, employee relations, torts, bond closings, legal reviews, legal representation, mediations, consultations, etc.

**COSTS** GRU has allocated \$295,695 annually (\$114,548 to FCAP and \$181,147 as a direct payment) to cover costs associated with the city attorney's office.

## RECOMMENDATION

**GRU is currently conducting an RFP for complete legal representation from external counsel. GRU has yet to determine how legal responsibilities will be allocated between city attorney and new counsel. Those determinations will influence the cost adjustments.**

**Acquiring independent counsel would allow that counsel to focus solely on GRU business.**

## FINANCIAL IMPACTS

**Costs will be adjusted according to above recommendation.**



# City Auditor

**DESCRIPTION** The city auditor completes internal audit functions, monitors the anonymous fraud hotline and manages the contract for GRU's annual financial statement audit.

**ROLES & RESPONSIBILITIES** The city auditor will administer the fraud hotline and pass the information to GRU's CEO/GM for action. GRU will assume responsibilities for management of the contract for the financial statement audit. Determination on all other audit functions is pending review.

**COSTS** GRU's share of the city auditor's allocation was \$352,001 for work completed in FY22. Of that amount, \$13,700 was for management of the fraud hotline. This cost is expected to persist. Any other costs will be determined after a recommendation on audit services is made.

## RECOMMENDATION

**GRU's BFA Department should take over responsibility for managing the contract for the annual financial statement audit.**

**The city auditor should continue to monitor the fraud hotline to maintain a single source, anonymous reporting apparatus. Except for reports that implicate the CEO/GM, any fraud hotline items related to GRU would be reported to the CEO/GM who would determine the course of action and to whom any investigation would be assigned. An SLA will be required to document the responsibilities and associated cost allocations.**

**GRU will evaluate alternatives to the city auditor performing internal audit functions and prepare a recommendation for consideration during a future GRU Authority meeting.**

## FINANCIAL IMPACTS

**Costs will be reduced by \$264,000.**



# City Clerk

**DESCRIPTION** The city clerk works for the City Commission and assists the City Commission to facilitate their meetings. GRU historically has allocated a significant portion of the expenses associated with the city clerk's office.

**ROLES & RESPONSIBILITIES** The city clerk has historically provided the following services to GRU:

- Serving as the custodian of public records for GRU
- Monitoring and updating JustFOIA, the public records storage portal
- Training on the records portal
- Managing eScribe, the software for public meetings
- Administrative support for City Commission

**COSTS** GRU's share of the city clerk's allocation was \$652,353 in FY22.

## RECOMMENDATION

**GRU should take responsibility for all clerking responsibilities, except the following, which make up about 25% of responsibilities:**

- Custodian of public records
  - JustFOIA
  - eScribe
- Limited clerk consulting/assistance

## FINANCIAL IMPACTS

**Costs will be reduced by \$437,000.**





# City Commission

**DESCRIPTION** All costs associated with the operation of the City Commission.

**ROLES & RESPONSIBILITIES** The City Commission costs include salaries, supplies, travel and all other operating costs. A portion of these costs were previously allocated to GRU.

**COSTS** GRU allocated \$212,750 to the City Commission in FY22.

## RECOMMENDATION

GRU no longer operates under the authority of the City Commission, and therefore should not pay any costs associated with their operation.

## FINANCIAL IMPACTS

Costs will be reduced by \$212,750.



# Human Resources

**DESCRIPTION** An SLA outlines the relationship between GRU and the City of Gainesville Human Resources Department, which provides services required to support and sustain GRU’s human capital.

**ROLES & RESPONSIBILITIES** HR provides the following services within the timeframes set forth by the SLA:

- Availability to GRU staff via in-person/virtual meetings, telephone support, voicemail and email
- **Administration** - Oversees all HR/OD functions for the city and provides services such as strategic HR/OD planning, HR metrics, public records requests coordination and consistent interpretation of policy.
- **Classification & Compensation Support** - Ensures the city’s compensation plan is effectively used to attract, motivate and retain employees; oversees the city’s HRIS people analytics, transactions and job descriptions; conducts salary surveys; performs job classification audits; assists with staffing analyses; develops and reorganizes all city pay plans.
- **Employee & Labor Relations Support** - Promotes teamwork between management and employees by assisting with labor and employee relations issues; negotiates with the labor union; applies and monitors policies and procedures, grievances, disciplinary actions, terminations, labor agreements, and other local, state and federal labor laws.
- **Talent Acquisition Support** - Partners with departments to search, acquire, assess and hire the correct talent for the organization; assists in developing effective management reference and interview tools and diversity goals; drives the onboarding process and applicant tracking systems.

**COSTS** GRU has allocated \$1,337,244 annually for all HR support costs.

## RECOMMENDATION

**GRU should continue the current SLA through FY25 with City of Gainesville’s HR Department providing service. GRU should continue to research feasibility and benefits of shifting to in-house or contracted HR services for FY26.**

## FINANCIAL IMPACTS

**Staff is evaluating future financial impacts and benefits.**



# Office of Equity & Inclusion

**DESCRIPTION** The Office of Equity & Inclusion (OEI) provides expertise, tools, data and programming to promote diversity, equity and inclusion. OEI drives cultural transformation through education, policy development and guidance, the celebration of diversity, and fair and objective responses to complaints and concerns.

**ROLES & RESPONSIBILITIES** The OEI provides the following services to GRU:

- **Small Business Program** - Ensures local small, women-, minority-, and service-disabled veteran-owned businesses can participate on a nondiscriminatory basis in all aspects of contracting and procurement.
- **Equity** - Assists departments in operationalizing equity in policy, practices, programs and procedures; provides training to departments and individual employees.
- **Compliance** - Enforces the City of Gainesville’s anti-discrimination and anti-harassment policies and ordinances which prohibit discrimination either by or against its employees or citizens utilizing city services, programs and activities on the basis of race, color, gender, age, religion, national origin, marital status, sexual orientation, disability or gender identity.

**COSTS** GRU has allocated \$488,414 annually for all OEI support costs.

## RECOMMENDATION

**GRU should continue the reduced service through FY24 and evaluate conducting only required OEI services in-house or outsourcing services in FY25.**

## FINANCIAL IMPACTS

**Costs will be reduced by approximately \$390,701.**



# Payroll

**DESCRIPTION** GG's Financial Services Department manages the payroll for all GRU employees.

**ROLES & RESPONSIBILITIES** GG will continue to run payroll for all GRU employees.

**COSTS** Payroll will be increased beyond \$278,982 annually.

## RECOMMENDATION

GRU should keep payroll management as is.

## FINANCIAL IMPACTS

If GRU pursues its own payroll system, work would increase by an order of magnitude due to knowledge loss and start up costs. Additionally, external parties could charge more than GG per transaction.

# Risk Management Department

**DESCRIPTION** The Risk Management Department manages, directs and delegates all critical risk management programs related to organizational operations and ensures statutory and regulatory compliance of federal, state and local laws related to employee benefits (health, retirement, pension, etc.) drug testing, workers' compensation and clinical practices.

**ROLES & RESPONSIBILITIES** GG provides a monthly invoice to GRU on costs.

**COSTS** GRU pays \$45,411 annually in the FCAP. GRU pays an additional 44% of the Risk Management Department's personnel, operating expenses and indirect costs which is \$1,131,939 for FY23. GRU also pays claims and amounts associated with GRU employees for workers' compensation, as well as general and auto liability via monthly payments.

## RECOMMENDATION

**GRU should keep all aspects of its relationship to the Risk Management Department the same. GRU needs to add/confirm Risk Management's role in the CWA negotiation process. In addition, GRU should monitor/request summary of services provided each month to demonstrate value.**

## FINANCIAL IMPACTS

**As with most services and employee benefits (health, retirement, pension, etc.) there are annual increases. These often represent the increase in cost of services over time or when analysis of the distribution of employees occurs on some frequency. For example, the change in the allocation base to respective percentages to some pension obligation bonds will increase \$826,000 in FY25.**

# SECTION 2

# DIRECT PAYMENTS

# ConnectFree

**DESCRIPTION** These funds are collected from from a surcharge on W/WW connection fees from new customers outside of city limits. The funds have traditionally been used for water and sewer connections for new affordable housing projects to provide local match for federal tax incentive programs. This has typically included paying for connection charges, W/WW extensions and sometimes plumbing. These funds have also been used for converting owners of malfunctioning well and septic systems to GRU W/WW customers.

**ROLES & RESPONSIBILITIES** GRU collects the funds and transfers them in their entirety to GG. The city manager has complete control to disburse funds within the Resolution No. 2023-806 guidelines.

**COSTS** In FY23, GRU passed \$788,065.77 through to GG; since January 2020, GRU has collected and passed through approximately \$3.1 million.

## RECOMMENDATION

In FY25, GRU should stop collecting the surcharge on collection charges.

## FINANCIAL IMPACTS

This will have no direct impact on GRU. It will remove the funding source of the GG ConnectFree program.

# County Streetlights

**DESCRIPTION** The agreement between the city and the county to pay for streetlights and fire hydrants in unincorporated areas of GRU's service territory has been governed by the Fire Hydrant and Streetlight Services Agreement, which was drafted in the 1970s in response to the threat of a lawsuit between the two entities over payment of said services. With regard to streetlights, the agreement states, in short, that the county will pay all bills to GRU in relation to streetlights and fire hydrants within 45 days. The city will then reimburse the county those charges minus any charges imposed by the county to the city for use of the county's right-of-way. The city originally agreed to reimburse the county from its general fund. The agreement will continue until terminated by mutual agreement of both parties.

In October 2022, GRU and GG entered into an MOU as the result of Resolution No. 21132 (adopted July 14, 2022). The terms state:

- GRU will assume full responsibility of the street lighting charges within unincorporated areas of Alachua County.
- GRU will reduce the GSC paid to GG equal to the same amount for street lighting charges within the unincorporated area of Alachua County.
- GG will adjust its revenue budget based on this reduced transfer and reduced expenditure.
- A true-up of the actual revenue billed each year to the estimated revenue will occur at fiscal year-end and settled between the two parties. During the last budget cycle, the City Commission instructed GRU to carry the cost of the county streetlights without government services contribution reduction.

**ROLES & RESPONSIBILITIES** In FY24, GRU was directed to pay the county streetlight bill in total without reimbursement from the GSC.

**COSTS** GRU is scheduled to pay approximately \$1.1 million for the streetlight bill in FY24 without reimbursement.

## RECOMMENDATION

In FY25, GRU should adhere to MOU terms: pay for county streetlights and reduce the GSC accordingly.

## FINANCIAL IMPACTS

GRU would see a cost reduction of approximately \$1.1 million.





# Desk Phone

**DESCRIPTION** GRU has the responsibility of operating the phone system. BFA pulls a monthly report from AT&T and charges GG their portion. These charges are paid through the interfund process each fiscal year and reconciled and balanced at year's end.

**ROLES & RESPONSIBILITIES** GRU IT specialists work with AT&T phone consultants to identify line usage (between GRU and GG) and bill GG accordingly.

**COSTS** Costs depend on phone usage; in 2023, they were \$14,525.

## RECOMMENDATION

**GRU should continue to provide this service. In addition, GRU should review lines bi-annually to ensure accurate billing charges based on actual usage and line ownership.**

## FINANCIAL IMPACTS

**No impact. Costs are allocated to GG based on usage.**

# Fleet

**DESCRIPTION** GG provides comprehensive fleet services to GRU, including inventory acquisition and disposal, as well as fuel management.

**ROLES & RESPONSIBILITIES** GRU is a customer of GG Fleet. GRU is responsible for paying GG for purchased assets and ensuring said assets are brought to Fleet for proper servicing.

**COSTS** GRU pays GG \$2.5 to \$3.7 million annually for fleet services.

## RECOMMENDATION

Given the size and importance of GRU's fleet along with the likelihood that GRU would incur greater costs to internalize or contract fleet services, GRU should continue with the current SLA until a new agreement can be created by Oct. 1, 2024. The new agreement should establish responsibilities, prices and level of service goals for all fleet and fuel management services.

## FINANCIAL IMPACTS

GG fleet is an "at-cost" service and doesn't have a profit margin to maintain on services provided. External providers may bring more efficiency in specific services, but there is no local provider available that could provide the complete services needed for GRU's inventory during routine and emergency operations for both fleet and fuel management.

Internalizing fleet would incur the significant costs of managing contracts, meeting with vendors and factory representatives, procurement and disposal, and tracking of surplus inventory.

# GSC

**DESCRIPTION** Formerly the General Fund Transfer, the Government Services Contribution (GSC) is utility revenues transferred annually to GG. The amount transferred in FY24 is \$15.3 million, which is based on the following formula: proxy for property tax plus electric franchise fee.

**ROLES & RESPONSIBILITIES** HB 1645 defines the maximum cap of the GSC as:

- For any fiscal year, the GSC may not exceed aggregate utility system net revenues less flow of funds
- Any remaining funds, after deductions for flow of funds and GSC, shall be dedicated to additional debt service or utilized as equity in future capital projects

**COSTS** The FY24 GSC is \$15.3 million.

## RECOMMENDATION

**The GRU Authority should determine the GSC for FY25. On Jan. 17, GRU presented alternate GSC scenarios and illustrated the potential impacts to net debt and rates. The Authority is holding a joint meeting with the City Commission to discuss scenarios.**

## FINANCIAL IMPACTS

**The current FY25 budget figure for the GSC is \$15,348,987.**

# Interfund Process

**DESCRIPTION** GG and GRU bill one another for services the other provides for day-to-day business. GRU and GG both record the expenses for the items and bill as appropriate, ideally on a quarterly basis.

**ROLES & RESPONSIBILITIES** Finance staff in GRU and GG keep track of what items need to be billed or reimbursed.

**COSTS** Direct payments are sent often between GRU and GG. The latest FCAP allocated \$8,377 for GG's administrative journal entries.

## RECOMMENDATION

For the foreseeable future, GRU and GG need to exchange funds. The current process is efficient and GRU should keep it as is.

For next FCAP, since both GRU and GG track entries, GRU should review both GRU's and GG's journal entry metrics to determine if this should be eliminated from FCAP going forward.

## FINANCIAL IMPACTS

For the foreseeable future, GRU and GG need to exchange funds. The current process is efficient and should remain.

# IT Services

## DESCRIPTION

The SLA between GRU and GG covers the following aspects:

- Enterprise IT services provided to the City of Gainesville.
- General levels of response, availability, and maintenance associated with service.
- Responsibilities of IT as the provider of these services and the corresponding responsibilities of the clients receiving them.

The range of IT services include networking and infrastructure, application development, maintenance and support, service desk support, IT project management, license management, cybersecurity, IT governance and strategy, ERP support and direction, and general operation support.

## ROLES & RESPONSIBILITIES

The chief information officer provides vision and direction to 68 professional staff members through three area directors, each of whom manage:

- **Infrastructure:** phones, cloud environment, general connectivity
- **ERP Management:** integrations between enterprise systems (e.g. Workday, SAP, Opentext, Service Desk)
- **Governance and Compliance:** documentation of IT processes, cybersecurity, fiscal account management

## COSTS

Costs are approximately \$5.8 million, based on Microsoft licensing, email, application access, facilities support, and GG-specific application access and support and the removal of all SAP-related application support staff.

## RECOMMENDATION

GRU should:

1. Enter discussions with GG about IT services to gain a better understanding of value provided and adjust service amount to actual cost.
2. Present service-level options while GG assesses its ability to provide its own IT support (along with facilities and resources).
3. Show prior metrics/processes to inform the GRU Authority.

## FINANCIAL IMPACTS

GRU offers two options: a full service and scope option defined in the SLA at a cost of \$5.8 million, or a basic break/fix option at a cost of \$2.9 million, with the latter option requiring a revised SLA.

GG may choose to seek IT services from a third party. This would result in a reduction of \$2.9 million of GRU's annual revenue.



# ProjectDox

**DESCRIPTION** GRU's New Services and Customer Operations departments use ProjectDox, a platform to collect and process information.

**ROLES & RESPONSIBILITIES** GG manages application and access while GRU purchases licenses per user.

**COSTS** Licensing costs are estimated at \$74,000 annually.

## RECOMMENDATION

The application is essential for the operations of some departments in GRU. In the interest of avoiding disruption, GRU should continue licensing this platform through GG.

## FINANCIAL IMPACTS

No additional cost beyond the approximate annual \$74,000 licensing cost.

# ROW Permit

**DESCRIPTION** GRU is currently exempt from paying permit fees in the City of Gainesville rights-of-way. The City of Gainesville is making revisions to ordinances governing the use of the right-of-way (ROW).

**ROLES & RESPONSIBILITIES** GRU has facilities in the City of Gainesville's ROW. GG administers all activities in the ROW.

**COSTS** GRU does not currently pay for use for the city's ROW.

## RECOMMENDATION

**GRU and GG should develop the most efficient and cost effective agreement for maintaining GRU's infrastructure in the city's ROW.**

## FINANCIAL IMPACTS

**Costs are unknown until the ordinance is revised. Additional permit fees are estimated between \$100,000 and \$250,000.**

# Stormwater & Refuse Fees

**DESCRIPTION** GG uses the GRU customer information system to maintain data for stormwater and solid waste fees and collection.

**ROLES & RESPONSIBILITIES** GRU is responsible for monthly invoicing, collection and reporting, ongoing call center support, move-ins, and building of technical master data into the CIS for all new developments and relevant property changes.

**COSTS** GRU currently bills GG approximately \$777,463 annually (\$529,816 for stormwater management utility and \$247,647 for solid waste).

## RECOMMENDATION

GRU should continue to provide this billing service to GG for stormwater and refuse.

## FINANCIAL IMPACTS

This revenue offsets GRU's costs.



# Surplus

**DESCRIPTION** City of Gainesville policy dictates the sale of surplus equipment by public auction. Surplus equipment is composed of vehicles, heavy equipment, yard equipment and office furnishing. GG auctions surplus through Weeks Auction Company and GovDeals.com. In recent years, GRU has sold very few items via the GRU administrative procedure that explains GRU’s Investment Recovery Committee (IRC). The procedures are not often used due to the high volume of items necessary to sell and the efficiency of GG’s process. GRU has an administrative policy that details this IRC special process.

**ROLES & RESPONSIBILITIES** GG manages surplus for the city. GRU’s Facilities Department manages the process of moving items from GRU to GG’s warehouse. GRU staff submit items via the online “FacilityDude” platform and the tickets are handled by the GRU Facilities Department in consultation with GG. The money received for sold items specific to GRU items is transferred to GRU via the interfund billing process.

**COSTS** For GRU, costs are mostly staff time. GG manages the process.

## RECOMMENDATION

**GRU should maintain this relationship as is. Before the end of FY24, the processes, roles and responsibilities should be documented via an SLA and an update to GRU’s administrative policy.**

## FINANCIAL IMPACTS

**Establishing a separate warehouse for GRU to sell surplus would be costly. The current process is efficient.**

# Tax Collection

**DESCRIPTION** The City of Gainesville, Alachua County, and the City of Alachua all levy a 10% utility tax on electric, gas, and water charges. These tax revenues are passed directly to the levying authority and allowable by state statute. No administrative fee is currently charged.

For customers living inside Gainesville’s city limits:

- **Electric, gas and water:** 10% city utility tax
- **Wastewater:** no city utility tax

For customers living outside Gainesville’s city limits:

- **Electric and gas:** 10% surcharge plus 10% county utility tax
- **Water:** 25% surcharge plus 10% county utility tax
- **Wastewater:** 25% surcharge and no county utility tax.

GRU collects 10% utility tax plus a franchise fee for Newberry, High Springs and City of Alachua monthly/quarterly. For the City of Gainesville and Alachua County, on the monthly bill that GRU sends to those customers, the bills are paid and the utility tax sums are sent monthly to the City of Gainesville and Alachua County. If amounts are not ultimately collected from the customer due to failure of payment, GRU eventually recovers the bad debt when it is written off after seven years.

**ROLES & RESPONSIBILITIES** Each entity (city or legislative body) passes ordinances to alter tax amounts and alerts GRU to changes. GRU only collects money from current GRU customers in those areas.

**COSTS** GRU does not charge an administrative fee and is solely a pass through.

## RECOMMENDATION

**GRU should continue to collect and transfer the tax collected to each levying authority (City of Gainesville, Alachua County, City of Alachua, Newberry and High Springs) for FY24 and FY25 without charging an administrative fee.**

## FINANCIAL IMPACTS

See recommendation.



# Warehouse

**DESCRIPTION** GG purchases a variety of material on a regular basis.

**ROLES & RESPONSIBILITIES** Material requests are sent to Stores, where GRU records item identity, box number, account code for city department, and the name of the requesting employee.

**COSTS** Warehouse charges an 8% administrative fee to GG.

## RECOMMENDATION

**GRU should maintain the current agreement. It is efficient for employees of GRU and GG and changes would be disruptive and would not add value.**

## FINANCIAL IMPACTS

**Costs are immaterial to GRU.**

# Workday

**DESCRIPTION** A GG-purchased software-as-a-service (SaaS) ERP product that is supported by the Workday operations team. Workday ERP is an integrated suite of business applications that include human capital management (HCM), payroll, time tracking, recruiting, learning, benefits management, financial management and procurement. GRU does not utilize the financial management and procurement modules.

**ROLES & RESPONSIBILITIES** GRU's director of ERP is tasked to act as the liaison for Workday. The director oversees day-to-day staffing needs and is a member of the Workday Steering Committee who provides input and insights to ERPs, such as SAP and Workday, that help guide stabilization efforts to meet GRU's requirements.

**COSTS** GG has not developed a Workday SLA for GRU's approval that would assign costs.

## RECOMMENDATION

**GG should be asked to create a defined SLA provided for GRU CEO/GM approval that reflects the actual costs minus the unused modules and acknowledges the staff time as well as provided space at the Administration Building and the Eastside Operations Center.**

## FINANCIAL IMPACTS

**All associated costs remain undetermined.**

# **SECTION 3**

# **SHARED CONTRACTS**

# **& AGREEMENTS**

# City Works

**DESCRIPTION** City Works is an asset, permit, and licensing management software that includes an entire suite of GIS-centric management tools for public works, utilities and governments.

**ROLES & RESPONSIBILITIES** GRU operational areas manage enterprise level agreement.

**COSTS** Enterprise agreement (three-year agreement: '22/'23 = \$115,000; '23/'24 = \$130,000; '24/'25 = \$150,000). GRU is looking to evenly split costs with GG.

## RECOMMENDATION

Continue licensing as this platform is essential for operations

## FINANCIAL IMPACTS

FY25 licensing cost for GRU is \$150,000.



# CoG “CADET” Program

**DESCRIPTION** The City of Gainesville, Santa Fe College, and CareerSource of North Central Florida have agreed to work together in the CADET (Community Action through Development, Education & Training) program to assist young adults with the training to have careers in public safety and utilities.

**ROLES & RESPONSIBILITIES** GG is responsible for the administration of the program. GRU has made commitments to provide training on utility skills.

**COSTS** GRU has committed to provide training on utility skills.

## RECOMMENDATION

If program remains past FY24, GRU should continue to work with GG on providing training resources to the program without incurring additional indirect costs. Developing skilled workers from the local community is advantageous to filling GRU’s vacancies in operational areas.

## FINANCIAL IMPACTS

The program gives GRU access to potential employees that would be untapped otherwise.



# Commercial Drivers Licensing

**DESCRIPTION** GRU requires CDLs for a significant number of positions in operational areas.

**ROLES & RESPONSIBILITIES** GG provides CDL testing services to GRU.

**COSTS** GRU does not compensate GG for CDL testing. External services typically charge between \$2,000 and \$6,000 per driver with significant off-site training requirements.

## RECOMMENDATION

GRU should work with GG to define an SLA to compensate GG for the services being provided to GRU and decide if these services are cost effective in comparison to internalizing the testing or contracting with an external testing and training provider.

## FINANCIAL IMPACTS

GRU would likely need to pay GG between \$30,000 to \$72,000 annually to cover testing costs. The additional cost of using an external provider for off-site training is estimated at 2,000 hours per year.





# Construction Manager at Risk

**DESCRIPTION** List of approved CMARs. Current contracts may contain some items that are not in alignment with HB 1645.

**ROLES & RESPONSIBILITIES** GG keeps a list of approved vendors to be hired as construction managers at risk. GRU issues task orders as needed.

**COSTS** Additional City of Gainesville ordinances result in an increased cost to contracts. By eliminating these additional ordinances, GRU could be more competitive. GRU takes on additional administrative burden by managing contracts.

## RECOMMENDATION

For the sake of efficiency, cost reduction and HB 1645 compliance, GRU's Procurement office should continue working with all GRU departments to establish a separate list of approved vendors in FY25. GRU can develop individual bids as necessary until the contract is complete.

## FINANCIAL IMPACTS

Reduced contract costs would result.



# CWA Labor Agreement

**DESCRIPTION** GRU's hourly employees are non-exempt from Fair Labor Standards and are represented by CWA.

**ROLES & RESPONSIBILITIES** GRU is part of the collective bargaining team and co-signer on the CWA agreement. GG administers the CWA agreement through HR and Risk Management. The City Commission historically approves the CWA agreement.

**COSTS** GRU does not currently incur additional costs to be a part of the collective bargaining team.

## RECOMMENDATION

To comply with HB 1645, GRU should collectively bargain a new agreement between GRU and CWA and review the SLA with HR and Risk Management to ensure administration and obligations of the contract are covered within the SLA.

## FINANCIAL IMPACTS

GRU will incur costs to administer the CWA agreement without the assistance of HR and Risk Management.



# Dark Fiber/Network Connectivity

**DESCRIPTION** GRUCom currently provides fiber telecommunications services to GG through contracted terms. Internet services are provided by three vendors: Cox, GRUCom and AT&T.

**ROLES & RESPONSIBILITIES** GG pays market rates for GRUCom's network connectivity services, but does not currently pay for all fiber circuits.

**COSTS** GG uses nine legacy fiber circuits to provide network connectivity to various GG sites that are not being billed by GRUCom. These circuits have a market value of \$1,915 per month. There is an additional transport circuit with a market value of \$992 per month. The total unbilled market value is \$218,724 annually.

## RECOMMENDATION

**GRUCom should work with GG to determine the level of network connectivity needs for 10 unbilled circuits and recover the costs of service using the standard GRUCom Data Services Order MOU.**

**GG network connectivity represents an incremental revenue stream that offsets GRU's network costs.**

## FINANCIAL IMPACTS

**A potential \$218,000 of incremental revenue if GG continues to use GRUCom for network connectivity services.**



# Emergency Management

**DESCRIPTION** GRU is a part of City of Gainesville and Alachua County Emergency Operations.

**ROLES & RESPONSIBILITIES** GRU has a utility emergency manager that participates in city and county emergency management.

**COSTS** There are no costs transferred between GG and GRU for emergency management; however, GG pays disposal costs of debris after major weather events.

## RECOMMENDATION

**GRU should develop a revised policy for declaring emergencies and to clarify its role in the city's emergency operations including responsibilities during and after storms. GRU is part of the City of Gainesville, and this solution maintains essential emergency coordination between the city, county and state.**

## FINANCIAL IMPACTS

**The cost of debris handling is unknown, but could be significant if not reimbursed from FEMA.**

# Engineering/Architecture Needs

**DESCRIPTION** List of vendors with approved skills, credentials, degrees, etc. for specialties in professional architectural, engineering, landscape architectural, surveying and mapping services. These are often referred to as “GEAC” (a derivative of the specialties included). Current contracts may contain some items that are not in alignment with HB 1645.

**ROLES & RESPONSIBILITIES** GRU Procurement creates contracts from approved vendors. GG uses these contracts as needed.

**COSTS** There is an increased cost to the contracts because of additional City of Gainesville ordinances. By eliminating these additional ordinances, GRU could be more competitive. There is additional administrative burden to GRU managing the contracts.

## RECOMMENDATION

**GRU’s Procurement office has completed a new solicitation for these specialties. New contracts will be in effect soon (estimated at end of March when the current contracts end). This recommendation is efficient, likely to reduce contract cost, and compliant with HB 1645.**

## FINANCIAL IMPACTS

**Reduced contract costs.**



# Federal Lobbyist

**DESCRIPTION** Both GG and GRU utilize the services of Van Scoyoc Associates for lobbyist services for matters concerning GG and GRU at the federal legislative level.

**ROLES & RESPONSIBILITIES** Consultation, advocacy, communications and logistical support.

**COSTS** GRU pays 50% of the contract amount – \$54,000 annually (plus travel, not to exceed \$1,500 per year) – and is billed \$2,250 per month. Contract expires October 2024.

## RECOMMENDATION

**GRU should continue the current service through FY24. GRU will not continue this service in FY25.**

## FINANCIAL IMPACTS

**Discontinued service will reduce GRU expense by \$27,000 annually. The state lobbyist contract may include a portion of these services and thereby slightly increase those costs.**



# Financial Document Timing

**DESCRIPTION** GRU's audit relies on pension information/reports from the actuary. GG should send financial statements to actuary in early November.

**ROLES & RESPONSIBILITIES** GG Finance staff.

**COSTS** None since early completion benefits GG and is needed for their audit.

## RECOMMENDATION

GG sends the pension information/reports from the actuary to GRU by Dec. 15 each year. GRU should incorporate these documents into financial statements for the financial statement audit and additionally document this timeline with the actuary and GG.

## FINANCIAL IMPACTS

Impacts GRU's debt transactions.



# Fuel Tax Refund

**DESCRIPTION** GG purchases fuel (diesel and gas) and tracks its use. The State of Florida issues a refund on the sales tax paid and GG passes on GRU's portion of the refund.

**ROLES & RESPONSIBILITIES** GG files documentation with Florida and transfers GRU's portion of the refund.

**COSTS** GRU is not directly charged by GG for the refund.

## RECOMMENDATION

GRU should document this service in the new fleet SLA for efficiency.

## FINANCIAL IMPACTS

Additional staff hours will be required to manage the fuel tax refund if this agreement does not continue.





# Power District

**DESCRIPTION** GRU owns approximately 17 acres of surplus property east and south of the Administration Building. In 2011, GRU entered into an MOU with GG and the former Community Redevelopment Agency outlining proposed plans for the redevelopment and/or reuse of the property.

**ROLES & RESPONSIBILITIES** The CRA was designated by the City Commission as the lead agency for these efforts, with GRU and GG as partners in the effort.

**COSTS** Currently there are no “designated” funds allocated for this project. Expenses are budgeted as needed (appraisals, environmental surveys, etc.). GCRA historically maintained an annual fund for power district related costs.

## RECOMMENDATION

**GRU should assume full control of management and disposal efforts to establish a more efficient plan to dispose of property and yield the highest return to pay down debt.**

## FINANCIAL IMPACTS

**GRU is issuing an RFP for a commercial real estate brokerage firm. Costs will be included in that agreement.**



# Recording Fees

**DESCRIPTION** The City Clerk's office reimburses GRU for recording fees associated with various real estate documents.

**ROLES & RESPONSIBILITIES** GRU records legal documents in the Official Records of Alachua County and pays for said recording via NPOD requests to GRU accounts payable (AP). GRU AP coordinates the interdepartmental transfer/billing for reimbursement.

**COSTS** Estimated recording fees are less than \$5,000 annually.

## RECOMMENDATION

**GRU Real Estate should continue to manage the process for recording documents. GRU Real Estate budgets to cover recording fees. Recapture current allocation for recording GRU legal documents from the City Clerk's office.**

## FINANCIAL IMPACTS

**N/A. This is a passthrough charge.**



# Security Services

**DESCRIPTION** GRU is piggy-backing on GG's current contract for security services at GRU facilities.

**ROLES & RESPONSIBILITIES** GRU manages the contract.

**COSTS** GRU spends \$460,000 on these services annually.

## RECOMMENDATION

GRU will issue an RFP in February 2024.

## FINANCIAL IMPACTS

Anticipate similar or slightly higher costs.



# State Lobbyist

**DESCRIPTION** GG and GRU utilize the services of Peebles, Smith and Matthews and GrayRobinson for lobbyist services for matters concerning GG and GRU at the state legislative level.

**ROLES & RESPONSIBILITIES** Consultation, advocacy, communications and logistical support.

**COSTS** GRU pays half of the \$84,000 contract amount. The contract expires September 2024.

## RECOMMENDATION

**GRU should continue the current service through FY24 and initiate an RFP to contract service separate from the City of Gainesville beginning FY25. GRU should anticipate a slight increase in cost.**

## FINANCIAL IMPACTS

See recommendation above.



# Sweetwater Wetlands

**DESCRIPTION** Sweetwater Wetlands is the most economical means of meeting regulatory standards for removing nutrients from GRU's permitted discharges.

**ROLES & RESPONSIBILITIES** GRU is responsible for facilities that pertain to meeting our regulatory requirements. GG is responsible for stormwater, sediment, trash and public access.

**COSTS** There are no costs transferred between GRU and GG under the MOU.

## RECOMMENDATION

GRU should continue to fulfill its responsibilities outlined in the MOU.

## FINANCIAL IMPACTS

None under current MOU.



**END OF DOCUMENT**