

CITY COMMISSION WORK SESSION
May 1, 2009

The meeting of the Winter Park City Commission was called to order by Mayor Kenneth Bradley at 8:00 a.m. in the Commission Chambers, 401 Park Avenue South, Winter Park, Florida.

Members present:

Mayor Kenneth Bradley
Commissioner Margie Bridges
Commissioner Beth Dillaha
Commissioner Karen Diebel
Commissioner Phil Anderson

Also present:

City Manager Randy Knight
Deputy City Clerk Nancy McLean

Electric System Rate Study.

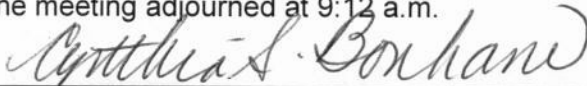
Electric Director Jerry Warren gave a PowerPoint presentation on the Winter Park Electric Rate Study. He discussed how recent events have affected the rate study, the WPE financial performance, reasons for negative cash flows, the 5 year revenue adequacy, the 5 year general government repayment strategy, the 7 year revenue adequacy, the 7 year general government repayment strategy, and the rate comparison of a 1,000 kWh monthly bill of Florida Municipal Utilities.

He addressed the board recommendations and actions he requested of the Commission to: 1) decouple rates from Progress Energy and set Winter Park Electric (WPE) rates based on the WPE cost structure to be considered annually with the budget; 2) approve a 5 year repayment strategy to repay the City; 3) implement a quarterly fuel adjustment process; 4) Increase retail rates 2% effective July 1; and to adopt a 5 year program of rates changes to insure the 5 year repayment strategy. Mr. Warren addressed the strategy to pay back the City in 5 years which the Utilities Advisory Board unanimously approved. He addressed a 5 year pro forma, but commented that he had no idea how fast the economy will rebound and because this is unknown they suggest their sales will be flat within the next 5 year period. He added that by the end of 2010 they have to renew their contract with Progress Energy. He stated that they have given the City figures that are considerably higher, that he is evaluating this and will bring forward a recommendation to the Commission with the possibility of having to go to the open market.

Mr. Warren stated that sometime within the next fiscal year he will suggest replacing their fuel adjustment with a purchase power adjustment. Financial Advisor Craig Dunlap and First Vice President Tony Grey of Gardnyr Michael Capital also answered questions on the bond issue.

Mayor Bradley commented that they will receive these recommendations from the Utilities Advisory Board on May 11. He expressed that their work was helpful to Mr. Warren and his team. He stated that they want to preserve our rating and ensure that they provide great power and utilities to our customers.

The meeting adjourned at 9:12 a.m.


Cynthia S. Bonham, City Clerk