

LAKELAND UTILITY COMMITTEE
May 18, 2009

The Lakeland Utility Committee met in the Commission Chambers. Members Stacy Campbell-Domineck, Karen McKnight, Tom Joyner, George Lindsey, Terry Simmers, and Dave Curry were present. Commissioners Glenn Higgins, Justin Troller, Jim Verplanck, Howard Wiggs, Gow Fields and Mayor Fletcher were present. LE General Manager Jim Stanfield, City Manager Doug Thomas, City Attorney Tim McCausland and City Clerk Kelly Koos were present along with staff.

Mayor Fletcher called the meeting to order at 1 p.m.

Jim Stanfield reviewed the agenda
Workforce Planning and Power Academy Update
Workforce Retention and Recruitment
Monthly Financial Report
Commission Item

Commissioner Verplanck introduced Karen McKnight the new committee member.

Workforce Planning and Power Academy Update

Betsy Levingston explained that LE had outsourced the Exit Interviews with Polk Works in hopes that employees leaving would be more open and candid. They were also reviewing evaluations on supervisors and managers. One of the reasons people leave was because of their first line supervisor.

Betsy reviewed LE's Workforce Strategy and gave an update on the Power Academy. She recognized the graduating seniors from the Power Academy and the instructor, Mr. Kiger.

Workforce Retention and Recruitment

Jim Stanfield gave this presentation. He and Betsy Levingston attended a conference in Chicago. The workforce retention issues are nationwide. 85% of LE's projected retirements come from skilled/technical areas. To solve the issues some are turning to contractors. Those companies with sufficient staff are subject to raiding from other companies. LE had already faced raiding. LE would lose 18 employees this year. LE must continue its workforce planning efforts, utilize technology for knowledge capture and process-based training and conduct timely market compensation surveys. Stacey Campbell-Domineck explained that Polk Works offered training dollars for employees and companies. She encouraged LE to look into that opportunity.

April 2009 Financial Report

Assistant Finance Director Don Eckert gave this report.

Summary for April:

- Retail Sales: still in the red but making up ground compared to last year and compared to budget.
- Profitability: \$2 million net income as LE heads into the most profitable part of the year
- Amended Budget: beating amended budget by 3.5 because of savings in O&M Costs
- O&M Costs: The O&M costs are in the green
- Fuel Forecast: beat the fuel forecast for April and the Forecast To Date basis were spot on.

Don Eckert then reviewed the FGU Prepay Gas Agreement. LE entered the agreement in 2006. They started taking volumes from the deal in December 2008 as they waited for the expiration of the GSAP #1 prepaid deal. The discount was approximately \$.57 cents per dekatherm. This deal was less than 7% of LE's annual volume. UBS was hit by the credit crisis and their credit rating was downgraded. UBS decided to get out of the business. They were unable to find another party to take over their role in the agreement. LE would get a settlement of approximately \$3 million. LE lost nothing on the ending of this deal. The settlement would help soften the need to purchase gas on the market. The ending of the GSAP deal would not affect the June forecast.

LE's collection policy was working because the 90-day collections were maintaining despite the economy.

April fuel analysis showed negative megawatts used by Unit 3 because there was not generation in April but there was station service.

Memo re: Agreement with Global Enterprise Managers, Inc. to Provide Software and Services for Documenting Utility Processes

Jim Stanfield asked Betsy Levingston to explain the software package approved on the consent agenda.

Commissioner Troller asked what was happening with the Amscot contract. Doug Thomas explained that Commissioner Troller asked that Amscot refund the city some of the fee they were charging customers for the service. Staff was looking into that possibility. Commissioner Troller wanted to see that refund be applied to a fund to help the poor with their electric bill.

Commissioner Verplanck heard complaints on the neighborhood tour about LE's storage lot on Main and Canal. The neighborhood complained about the appearance of that lot. It was not screened. He would like for LE to look at that and see if they can cooperate with the neighborhood.

Commissioner Higgins pointed out that there were only two utilities in FL that were cheaper than LE. That was commendable for Lakeland Electric.

The meeting adjourned at 2:07 p.m.

Ralph L. Fletcher, Mayor

Kelly S. Koos, CMC, City Clerk