

**CITY OF BLUE ASH**  
**Interoffice Memo - City Manager's Office**

**TO:** City Council  
**FROM:** City Manager and Department Directors  
**SUBJECT:** Agenda Items for the April 8, 2010 Council Meeting  
**DATE:** April 5, 2010  
**COPIES:** Department Directors, Press, Clerk of Council, Solicitor

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The following offers a brief description of the items included on the April 8 Council agenda:

**9.a.1. Ordinance No. 2010-18 - Amending Ordinance No. 2010-1 regarding Duke Energy/utility payments**

Electric Choice began in Ohio in 2001, and since that time electric customers have been able to choose the company that supplies (generates) their electricity. The economic downturn has affected electricity demand resulting in reduced power prices and two opportunities for savings.

The City may contract with an energy supplier for City facilities:

1. Fixed price electricity, based upon cents per kWh, a product marketed by both Good Energy and Duke Energy Retail Sales (DERS) or
2. Contract with DERS, a non-PUCO regulated affiliate of Duke Energy Corporation, for a guaranteed savings of 18% off existing generation and transmission pricing.

Both opportunities require commitments through December 31, 2011. Fixed pricing allows for customers like the City to more accurately budget for electricity expenses and would provide a greater savings if the cost of electricity increases. However, if the price of energy were to dip below the contracted rate, the customer would end up paying more than those without contracts. Additionally, contracting for fixed pricing requires a bidding process which would entail time, (resulting in less savings) and commonly, the cost of a third party broker such as Good Energy.

DERS's guaranteed savings offer to the City is simply a reduction by 18% of the monthly generation and transmission price. Savings will fluctuate as does the price. Unlike with fixed pricing, this opportunity would continue to provide savings even if the cost of electricity decreases. Furthermore, acceptance of this opportunity requires only Council's approval of the revised utility ordinance.

Staff recommends acceptance of DERS' guaranteed discount offer as it can be implemented quickly and is less risky than fixed pricing. Based on today's energy pricing and last year's usage, approximate total savings is \$140,000 with only \$2,000 required for equipment upgrades. Further evaluation of fixed pricing opportunities will occur near the end of the current program (Dec. 2011). Based on this recommendation, Ordinance No. 2010-18 (drafted with assistance from Dinsmore) amends Section I of previously adopted Ordinance No. 2010-1 to allow the City's participation in this program through 2011.

Please direct questions regarding this ordinance to the Assistant to the City Manager, Kelly Osler at 745-8503 or kosler@blueash.com.

**9.b.1. Ordinance No. 2010-19 - Awarding bid for purchase of electric golf carts**

Bids were recently solicited for the purchase of 20 electric golf carts, with the sole bid received (from E-Z-Go Textron) opened on Thursday, April 1.

Ordinance No. 2010-19 recommends that E-Z-Go be awarded the bid for the purchase of 20 new electric golf carts for a net amount, including trade-ins, of \$51,900. The breakdown of their bid is below:

20 new 2010 electric carts @ \$3,635 each .....	\$72,700
Less: credit/trade-in of 16 Year 2004 cart @ \$1,100 each.....	(\$17,600)
Less credit/trade-in of 4 Year 2001 carts @ \$800 each.....	<u>(\$3,200)</u>
Net Total.....	\$51,900

The most recent purchase of new golf carts took place in early 2007. The price bid for the 2010 carts is very competitive – in fact, it is over \$300 less for each of the 2010 carts compared to what was paid in 2007. The Golf Pro and Recreation Administration recommend moving forward with the purchase of these replacement carts this year as the purchase of new carts for the Course has been delayed at least one year so far, and issues with several of the older carts and inconveniences to golfers started to occur late in last year's golf season.

Questions regarding this ordinance should be directed to the Parks & Recreation Director.