

MINUTES
SPECIAL WORK SESSION MEETING
OF THE PERRY CITY COUNCIL
August 25, 2009
5:00 P.M.

1. Call to Order: Mayor James Worrall, Presiding Officer called to order the special work session meeting held August 25, 2009 at 5:00 p.m.

2. Roll:

Elected Officials Present: Mayor James Worrall. Mayor Pro-Tempore Riley Hunt. Council Members Charles Lewis, Joe Kusar, James Moore and Willie King.

Elected Official Absent: Council Member Phyllis Bynum-Grace.

Staff: City Manager Lee Gilmour.

City Departmental Staffing: Ronnie Jones – Director of Public Works, Danny Barfield – Public Works Facilities Operation Manager (Gas Department), Bruce Colbert – Customer Service Supervisor and Joni Ary - Recording Secretary.

Guests: Mr. Jimmy Faircloth – Perry Area Convention and Visitors Bureau Authority, Mr. Randall Walker, Mr. Rusty Huff – Municipal Gas Authority, Mr. Rodney Deal – Municipal Gas Authority, Mr. Wayne James – Jointly Owned Natural Gas and Mr. Ralph Gentry – Board Member Jointly Owned Natural Gas.

Press: None.

3. Items of Review/Discussion: Mayor James Worrall.
 - 3a. Review of City Natural Gas operations. City Manager Lee Gilmour turned the floor over to Mr. Rusty Huff – Municipal Gas Authority to review with Council the natural gas rate components. Mr. Huff stated that the City of Perry natural gas rate components are broken into four components. 1.) Commodity Charge or Spot Market Price of Natural Gas – The commodity charge accounts for the largest percentage of the monthly rate and are the most volatile. The commodity charge is the part of the rate that moves up or down each month (depending on the market) and can be hedged. 2.) Pipeline Charges – The pipeline charges consist of monthly demand charges, storage charges, annual charge monthly demand

and pipeline fuel charge. The annual charge monthly demand if a fixed costs that is paid annually. The pipeline fuel charge is the charge to move the gas through the system. 3.) Gas Authority Service Charges – The charges consist of meter charge (per meter annually), throughput charge (charged by volume) and regulatory compliance service charge (meets mandates). 4.) City of Perry Distribution Charges – These charges are set by the City and consist of distribution margin and monthly base charge. Mr. Huff asked if there were any questions. Council Member Joe Kusar asked how far out can you hedge. Mr. Huff stated that the Gas Authority has already hedged for this coming winter. The City of Perry currently uses an outside consultant for hedging, some Cities participate in the Gas Authority program or they do hedging themselves. Council Member Joe Kusar asked about the difference between the hedging our consultants does for the City and the Gas Authority. City Manager Lee Gilmour stated he would get the data from the Gas Authority and report back to Council.

Mr. Wayne James – Jointly Owned Natural Gas reviewed with Council the history of the Jointly Owned Natural Gas line. Mr. James stated that Jointly Owned Natural Gas does not directly purchase gas, but the five Jointly Owned cities do. Jointly Owned is a partnership between and among the Georgia Municipal Corporations of Warner Robins, Perry, Hawkinsville, Cochran and Byron. Jointly Owned brings natural gas to the member cities and also provides natural gas to customers along the pipeline route on behalf of the cities.

4. Other items as needed:

- City Manager Lee Gilmour presented to Council for their consideration a recommendation to authorize the Gas Authority to contract on the City's behalf for the new peaking service that will meet a portion of the City's peak day requirements. The peaking service will be provided by BG Energy Merchants and will be firm service with a (5) year term. The demand charge savings for the city is projected to be \$31,014 per year, starting September 1, 2010. The recommendation from the Administration is to proceed provided review from the City Attorney. Council concurred.
- City Manger Lee Gilmour reviewed with Council a request to have the DTSI collection charge waived from a taxpayer's bill. DTSI is a company that the City uses to research property ownership on delinquent taxes. Houston County has agreed to waive the charges. City Manager Lee Gilmour stated that Council can decide not to waive the fees or to waive the fees. Mayor Pro-Tempore Riley Hunt asked if the City would still have to pay for the fees. City Manager Lee Gilmour stated that the City

would have to pay for the services. Council concurred not to waive the DTSI collection charge fees.

- Mayor James Worrall wanted to inform Council that they are invited to the Westfield School on Thursday, August 27th at 6:00 p.m. for a ceremony for the Warner Robins American Little League Girl's Softball World Champions.

5. Adjourn. There being no further business to come before the Council Mayor James Worrall adjourned the meeting at 6:35 p.m.