



# City of Saginaw

## City of Saginaw

**Meeting Date:** 12/06/2016

**Staff Contact:** Nan Stanford  
City Manager

**Agenda Item:** 4e  
(CC-1216-05)

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**SUBJECT:** Action regarding Resolution No. 2016-17, Authorizing the Mayor or City Manager to sign an agreement with Gexa extending a recent contract term of 2018-2020 for electric service for City accounts another two years at or below the contract price commitment for the 2018-2020 term

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**BACKGROUND/DISCUSSION:**

In October 2015, the City Council approved a three year contract for electricity. Prices have been decreasing throughout 2016 and we have the opportunity to convert the three year contract to a five year contract and take advantage of the lower prices. With the current contract the savings would be approximately \$3,300 per year. However, at the \$0.03711 rate compared to what we are paying right now, it would be approximately \$153,000 per year in savings starting January 1, 2018. The first step in being able to convert to the five year contract is approval of Resolution No. 2016-17. Approval doesn't commit the City to signing the extended contract but if prices continue to drop, it will allow the City to take advantage of the lower prices.

**FINANCIAL IMPACT:**

The financial impact will be the potential savings if the costs of electric service continue to drop.

**RECOMMENDATION:**

Staff recommends approval of Resolution No. 2016-17, authorizing the Mayor or City Manager to sign an agreement with Gexa extending a recent contract term of 2018-2020 for electric service for City accounts another two years at or below the contract price commitment for the 2018-2020 term.

Attachments

Proposed Resolution

**RESOLUTION NO. 2016-17**

**AUTHORIZING THE MAYOR OR CITY MANAGER TO SIGN AN AGREEMENT WITH GEXA EXTENDING A RECENT CONTRACT TERM OF 2018-2020 FOR ELECTRIC SERVICE FOR CITY ACCOUNTS ANOTHER TWO YEARS AT OR BELOW THE CONTRACT PRICE COMMITMENT FOR THE 2018-2020 TERM**

1.     **WHEREAS**, the City of **Saginaw**, Texas (“City”) is a member of Texas Coalition For Affordable Power, Inc. (“TCAP”); and
  
2.     **WHEREAS**, City took advantage of an offer facilitated by TCAP in the Fall of 2015 to contract for the full requirements electrical energy needs of the City with Gexa for a three-year period commencing January 1, 2018; and
  
3.     **WHEREAS**, the price for the 2018-2020 period is considerably less than the current price being paid by the City; and
  
4.     **WHEREAS**, TCAP has facilitated an offer for an additional two years at or below the 2018-2020 price; and
  
5.     **WHEREAS**, energy prices for future periods are at levels below anything experienced since retail deregulation commenced in 2002;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF **SAGINAW**, Texas:

**Section 1:**

The City of **Saginaw** desires to take advantage of the opportunity to stabilize future energy costs by extending its electric supply agreement with Gexa until December 31, 2022 at the same or lower price the City contracted for the 2018-2020 time period.

**Section 2:**

Either the Mayor or City Manager is authorized to sign a contract consistent with Section 1.

Passed and Approved on this the 6<sup>th</sup> day of December, 2016, by the following vote:

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Abstentions: \_\_\_\_\_.

\_\_\_\_\_  
Mayor Gary Brinkley

ATTEST:

\_\_\_\_\_  
City Secretary Janice England