

**OFFICIAL PROCEEDINGS OF THE
SPECIAL CALL COUNCIL MEETING**

**August 11, 2010
6:00 p.m.**

At the appointed time, Mayor Hark directed the City Clerk to read the call. It was:

To the Chief of Police of the City of Hannibal, Missouri:

Greetings:

You are hereby directed to notify City Attorney James Lemon, Council Members Knickerbocker, Dobson, Barta, Louderman, Hark and Lyng, that there will be a called session of the City Council to be held in the Council Chambers at City Hall at 6:00 p.m. on Wednesday, August 11, 2010, for the purpose of:

ROLL CALL

CALL TO ORDER

**ROBERT STEVENSON – BPW GENERAL MANAGER
Re: Purchased Power – Electric Service Full Requirements Agreement**

RESOLUTIONS

ADJOURNMENT

ROLL CALL

Present: Council Members Dobson, Barta, Mayor Hark and Council Members Louderman, Hark, Lyng and Mayor Pro Tem Knickerbocker – 7

Absent: -0-

CALL TO ORDER

There being a quorum present, Mayor Hark called the meeting to order.

**ROBERT STEVENSON – BPW GENERAL MANAGER
Re: Purchased Power – Electric Service Full Requirements Agreement
*Ameren Energy Marketing
(Resolution No. 1670-10, to follow)***

In the alternative to the above
(Resolution No. 1671-10, to follow)

Board of Public Works General Manager came before Council, thanked them for coming to the meeting. He reviewed the negotiation process explaining that, since last fall the Board has been seeking bids through a consultant, analyzing the bids and finally, negotiating with a short list of low bidders, trying to achieve an economical power supply contract for the City for 2012-2014.

Bids were received from more than a dozen entities from as far away as Florida, according to Stevenson. Four entities had the best initial proposals and additional time was spent with those four to begin developing contract language, then a final review of prices was completed. The result is the conclusion of those efforts, which is being presented at this meeting.

He recalled the negotiations of the previous week, reminding Council that just prior to the Special Call Council Meeting one of the bidders presented a substantially more attractive offer than they had previously been willing to offer. Offers had to be reevaluated at that time; and these are now completed.

City Attorney Lemon entered the meeting.

During an earlier Board meeting, Stevenson explained that various options were discussed and the Board voted to approve and wish to recommend a contract with Ameren Energy Marketing. The contract they are offering is fully responsive to the RFP, and has no contract re-openers for any reason. He added that Hannibal was not alone in seeking these bids and completing negotiations, there were three other cities, Marceline, Kahoka and Centralia; however, Hannibal is the largest city in the contract, representing 70% of the total market in the contract. One of the terms of the Ameren offer that still stands is – all four cities must sign the same contract at the same time. As of 4:00 p.m., the other three cities have approved the contract and signed the signature page which was sent to Ameren with the understanding that all are void if Hannibal fails to sign.

The other issue that was discussed in some detail was the issue of credit worthiness. It is typical for a supplier to require the Board AND Council to stand behind the contract, by pledging City assets to the fulfillment of the contract. It was pointed out that Ameren has recently experienced a down-grade of their bond rating, which is not uncommon; however, for that reason, the Board felt it was prudent to negotiate into the contract as much reciprocity possible with respect to credit worthiness, therefore the Board has extracted from them a \$5 Million guarantee from their corporation and the contract is also assignable. If Ameren is forced into bankruptcy or forced to merge with another company, this contract will remain to be honored. He did add that the City has done business with Ameren for thirty years.

RESOLUTION NO. 1670-10

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AN ELECTRIC SERVICE FULL REQUIREMENTS AGREEMENT BETWEEN THE CITY OF

**HANNIBAL, BOARD OF PUBLIC WORKS AND AMEREN ENERGY MARKETING
FOR THE 2012-2014 PURCHASED POWER SUPPLY CONTRACT IN AN AMOUNT
NOT TO EXCEED \$47.17/MWh**

Motion was made by Mayor Pro Tem Knickerbocker to have the City Clerk read Resolution No. 1670-10, and call the roll for adoption. Motion was seconded by Council Member Barta.

Motion carried.

Roll Call

Yes: Council Members Dobson, Barta, Mayor Hark and Council Members Louderman, Hark, Lyng and Mayor Pro Tem Knickerbocker – 7

Absent: -0-

Mayor Hark declared Resolution No. 1670-10, duly approved and adopted on this date.

Motion carried.

(In the alternative to the above)
RESOLUTION NO. 1671-10

**A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A MARKET BASED
RATE FULL REQUIREMENTS AGREEMENT BETWEEN THE CITY OF HANNIBAL,
BOARD OF PUBLIC WORKS AND AMERICAN ELECTRIC POWER SERVICE
CORPORATION FOR THE 2012-2014 PURCHASED POWER SUPPLY CONTRACT IN
AN AMOUNT NOT TO EXCEED \$49.32/MWh**

Motion was made by Council Member Louderman to take off the table Resolution No. 1671-10.
Motion was seconded by Council Member Dobson.

Motion carried.

ADJOURNMENT

Motion was made by Council Member Louderman to adjourn the Special Call Council meeting at this time. Motion was seconded by Council Member Barta.

Motion carried.