



## CITY COUNCIL MEETING

**MONDAY, JULY 24, 2017; 7:00 PM  
COUNCIL QUESTIONS / STAFF RESPONSE**

From: Alderman Jamie Mathy

### Regular Agenda Items 8C:

Can we please get a report that shows what the past performance we have had with energy brokers is?

Specifically, I would like to see what the rates both the City and residents paid under the brokered agreements, as well as what they would have paid if they had just purchased their energy from Ameren.

I am also uncomfortable with the fact that we have a rate of \$.0005 per kWh without knowing an estimate of how much Stone River Group will be paid annually.

I guess the question I am looking for an answer to is "Did the City and Residents save money after paying for our energy broker's fees?" If we did not save money, then why are we continuing this program?

### Staff Response: David Hales, City Manager

The City's Municipal Aggregation program has saved residents and small businesses money as compared to Ameren's typical rates as per past analysis. Steve will collect past analysis information associated with cost savings and distribute it to the City Council. We will also be preparing updated cost saving analysis several months prior to any new contract bidding and share the same with City elected officials. I strongly agree that we want to continue to monitor and verify that the MA program is generating a savings for the retail customers. If not, then we should consider terminating the MA program.

Stone River like our past broker has been paid a commission based on a percentage of actual electricity sales which practice is common in the industry. I seem to recall that several years ago we estimated the probable annual commission based on projected sales. We can research actual commissions paid and provide that to the Council if it is available.

Several years ago we switched from a commission based compensation formula to a set fee based compensation for insurance brokerage services. I am not aware that this approach was pursued this year with Stone River.