



**CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING**

#24-0029

TO: Honorable Mayor & Members of the
Fort Lauderdale City Commission

FROM: Greg Chavarria, City Manager

DATE: February 6, 2024

TITLE: Resolution Approving a Settlement Agreement with Florida Power & Light
Company to Receive a Refund in the Amount of \$202,289.91 -
(Commission Districts 1, 2, 3, and 4)

Recommendation

Staff recommends the City Commission adopt a resolution authorizing the City Manager to execute the attached Settlement Agreement with Florida Power & Light Company (FPL), in substantially the form attached, to receive a refund in the amount of \$202,289.91 and that the unanticipated revenue be allocated to (1) pay audit fees owed to Troy and Banks for identifying the billing discrepancies and (2) to invest the remainder in further reducing City electricity bills through solar installations on City facilities.

Background

In 2020, the Public Works Department's Sustainability and Climate Resiliency Program secured the services of Troy & Banks, Inc., to audit the City's FPL electricity bills to identify billing discrepancies and cost saving opportunities. The intent of this audit was to generate a new funding source that could be reinvested in achieving additional electricity cost savings through energy efficiency improvements and renewable energy projects. The executed agreement (Exhibit 1) was a piggyback upon a Sarasota School Board contract. For any realized savings, as per the Agreement, the Troy & Banks fee for services is 20% of historical savings realized and 20% of the first 12 months of any future savings realized.

Working with the Parks and Recreation Facilities staff and the Public Works Sustainability Division, Troy & Banks examined all municipal electricity accounts to identify billing discrepancies and savings opportunities. For 20 accounts, Troy & Banks recommended changing the billing rate from general usage to time of use. The City agreed to change the rate for 14 of these accounts. This resulted in net savings of \$3,231 across those accounts in the first year. As per its Agreement, in 2022, the City paid Troy & Banks \$646 (20% of the realized savings for the first 12 months since the rate change) for the savings associated with the rate changes for those 14 accounts.

Additional savings have since been identified by Troy & Banks associated with the City

streetlight accounts and will be finalized by approval of the FPL Settlement Agreement (Exhibit 2). The audit of streetlight accounts identified billing discrepancies associated with 381 non-billable wood poles and 45 non-billable concrete poles, which the City had been charged for dating back at least five (5) years prior to discovery. As a result of this finding, FPL has prepared the attached Settlement Agreement which will refund the City the amount of \$202,289.91 to correct for this historical overbilling. This amount includes \$192,583.64 in refunds from previous bills and \$9,706.27 in interest on the overbilled amount. This correction will also reduce current and future streetlight bills by an estimated \$29,000 per year.

Following execution of the agreement, the \$202,289.91 refund will be received in the form of a check payment for the historical discrepancies. Refund revenues will be received through a budget amendment (CAM #24-0035). A total of approximately \$47,000, 20% of the refund plus 20% of the first-year savings, will be owed to Troy & Banks for their services. The remainder will be allocated to invest in further reducing City electricity bills through solar installations on City facilities.

Resource Impact

This action will result in a positive impact to the City in the amount of \$202,289.91 for the FP&L settlement agreement.

Source:

<i>Funds available as of January 12, 2024</i>					
ACCOUNT NUMBER	COST CENTER NAME (Program)	ACCOUNT/ ACTIVITY NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	AMOUNT
10-001-7040-537-369-900	Sustainability Operations	Miscellaneous Revenues/ Other Miscellaneous Revenues	\$0	\$0	\$202,289.91
TOTAL AMOUNT ►					\$202,289.91

Use:

ACCOUNT NUMBER	COST CENTER NAME (Program)	CHARACTER/ ACCOUNT NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	AMOUNT
10-001-7040-537-30-3199	Sustainability Operations	Services/ Materials/ Other Preprofessional Services	\$209,066	\$73,532	\$47,000.00
10-001-7040-537-60-6499	Sustainability Operations	Other Equipment	\$0	\$0	\$155,289.91
TOTAL AMOUNT ►					\$202,289.91

Strategic Connections

This item supports the *Press Play Fort Lauderdale 2024* Strategic Plan, specifically advancing:

- The Infrastructure Focus Area
- Goal 1: Build a sustainable and resilient community
- Objective: Ensure climate change resiliency and implement local and regional strategies to reduce our carbon footprint
- Objective: Promote energy efficiency and the expansion of renewable energy sources
- The Internal Support Focus Area
- Goal 8: Build a leading government organization that manages all resources wisely and sustainably.
- Objective: Integrate sustainability and resiliency into daily operations

This item advances the *Fast Forward Fort Lauderdale 2035* Vision Plan: We Are Ready

This item supports the *Advance Fort Lauderdale 2040* Comprehensive Plan specifically advancing:

- The Infrastructure Focus Area
- The Climate Change Element
- Goal 1: Develop mitigation and adaptation strategies to reduce emission that contribute to climate change.

Attachments

Exhibit 1 - Agreement for Energy Savings Program Between the City of Fort Lauderdale and Troy & Banks, Inc.

Exhibit 2 - Settlement Agreement Between Florida Power & Light Company and the City of Fort Lauderdale

Exhibit 3 - Resolution

Prepared by: Glen Hadwen, Sustainability Manager, Public Works

Department Director: Alan Dodd, P.E., Public Works Department