

CLEVELAND PUBLIC LIBRARY

Finance Committee

May 19, 2015

RESOLUTION TO AUTHORIZE DIRECTOR TO NEGOTIATE AND ENTER INTO GAS AND ELECTRIC CONTRACTS TO TAKE EFFECT AFTER EXPIRATION OF CURRENT CONTRACTS

WHEREAS, The Cleveland Public Library currently has a contract with Direct Energy Business, LLC for the supply of electricity through August 2015 at the rate of \$6.260 per kWh; and

WHEREAS, The Library currently has a contract with Interstate Gas Supply, Inc. through October 31, 2015 at the rate of \$4.14 per MCF; and

WHEREAS, Market factors have caused the rates for gas to drop to all-time lows in the first quarter of this year, and rates remain below \$3.00 per MCF presently; and

WHEREAS, As a result of low gas prices and other market factors, the cost of electricity is lower than it was in 2014, and is currently below \$6.00 kWh for 24 to 36 month contracts ; and

WHEREAS, The costs of electric and gas have been slowly rising and predictions are that electricity will rise significantly as several coal-fired electric plants are closed in this region and demands increase during the warmer months; and

WHEREAS, The Library Administration has been meeting with energy brokers and consultants who have been watching the market fluctuations and have recommended that the Library enter into gas and electric contracts soon to be effective after the Library's current contracts expire in order to lock in rates before they rise; and

WHEREAS, The Library Administration is therefore requesting advanced authority from this Board to enter into gas and electric contracts since the rates change daily and the Library needs to have the flexibility to enter into a contract at a moment's notice, provided the rates do not exceed the rates the Library is currently paying under its existing gas and electric contracts; now therefore be it

RESOLVED, That the Board of Library Trustees authorizes the Executive Director, CEO, or his designee, to enter into contracts for natural gas and electricity either through a broker or directly, as the Library deems appropriate, with suppliers that have the best fixed rates for periods of time up to and including 36 months, provided the rates do not exceed the rates currently being paid by the Library for gas and electric, as described in this Resolution, and subject to the approval of the Chief Legal Officer; be it further

RESOLVED, That the contracts entered into will be presented for ratification by the Board of Library Trustees at their next regularly scheduled meeting.