



Committee of the Whole Meeting – Feb. 7, 2022 Staff Responses to Council Questions

Before each Committee of the Whole or City Council meeting, questions that have been posed by the City Council relating to [the agenda](#) for that evening will be posted to the City's website. Below are the responses to this week's questions.

3. Items of Business

b. Consider Draft Resolution Authorizing a Farm Lease with Pitstick Farms at a Cost of \$330 per Tillable Acre at Prairie Green Preserve for the 2022 and 2023 Crop Season.

Q: Please provide a breakout of actual receipts from the Pitstick contract for 2020 (fiscal year 2021) and 2021 (FY 2022) including any credits applied for by the contractor for invasive species control, mowing and chemical application each year.

A: The City received payments of \$31,972.50 and \$26,833.00 (\$58,855.55 total) in FY 2021. The second payment was reduced to reflect the actual acreage planted, which was limited due to drainage issues leaving some areas inaccessible. The drainage issues were resolved later in the year. The City received two equal payments of \$32,972.50 (\$63,945 total) in FY 2022. There were no credits applied for invasive species control, mowing, or chemical applications in either year.

Q: Were all 245 acres planted and harvested in 2020 (FY 2021) and 2021 (FY 2022)?

A: Due to the drainage issues stated above, 225.5 acres were planted in FY 2021. All 245 acres were planted in 2022.

e. Consider Draft Resolution Adopting an Energy Risk Management Policy for Participation in the PJM Market.

Q: Who is responsible to review and approve the creditworthiness of the counterparties for whom a credit agreement is required? Who reviews and approves the credit agreements?

A: City staff along with our consultants and legal counsel would review any counter party's creditworthiness when negotiating a forward contract.

Q: Are updates required on a regular basis?

A: No, only if the City Council requests a review. City staff monitors markets and news to keep updated on any credit issues that could arise with a contract.

Q: How many transactions that create forward transaction values in excess of \$20,000 with a single counterparty are typically entered into on an ongoing basis? (Annually)

A: Few, if any. The BEP contract is renegotiated every several years and currently it expires in December 2022. The contract with NextEra is in place until the end of 2023, and the NIMPA participation agreement has an expiration date in 2042.