



**Florida Municipal Power Agency  
Finance Advisory Committee  
March 7, 2008**

Submitted by

**Mark Larson, Chairman**

**Committee Members:**

Harry Royal, Jacksonville Beach

Joe Hostetler, Kissimmee Utility

Nina Hurtubise, Fort Pierce

Jack Wetzler, Key West

Don Corley, Ocala

Kathleen Libby, Ocala

James Welsh, Kissimmee, Ex-officio

**Meeting Held at 10:00 a.m.**

**Friday March 7, 2008**

**At FMPA**

**8553 Commodity Circle**

**Orlando, Florida 32819**

**407-355-7767**

**AGENDA ITEM 1**

**Call Meeting to Order – Roll Call**

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**AGENDA ITEM 2 – Consent Item**

- a) Approval of Minutes – Meeting Held  
1/11/08**

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March 7, 2008**

CLERKS DULY NOTIFIED .....January 8, 2008  
AGENDA PACKAGE DISTRIBUTED TO MEMBERS.....January 9, 2008

**MINUTES**  
**FINANCE ADVISORY COMMITTEE (FAC) MEETING**  
**FRIDAY, JANUARY 11, 2008**  
**FLORIDA MUNICIPAL POWER AGENCY**  
**8553 COMMODITY CIRCLE**  
**ORLANDO, FL 32819**

**COMMITTEE**

<b>MEMBERS</b>	Jacksonville Beach	-	Harry Royal
<b>PRESENT:</b>	Key West	-	Jack Wetzler
	Kissimmee	-	Joe Hostetler
	Ocala	-	Don Corley
	Ocala	-	Kathleen Libby
	Ft. Pierce	-	Nina Hurtubise

**CHAIRMAN:** Mark Larson, Assistant General Manager, CFO and Risk Manager

**OTHERS**

**PRESENT:** Mark White, Purvis, Gray & Company  
Helen Painter, Purvis, Gray & Company  
Mark Bates, Lake Worth  
Craig Dunlap, Dunlap & Associates

**STAFF**

**PRESENT:** Jim Arntz, Controller  
Janet Davis, Treasury Manager  
Rich Popp, Financial Planning, Budget & Risk Management Manager  
Steven Ruppel, Contract Compliance Audit Manager  
Terri Bucy, Budget & Accounting Specialist

**ITEM #1 – CALL TO ORDER, ROLL CALL, AND DECLARATION OF QUORUM:**

Chairman Mark Larson called the meeting to order at 10:00 a.m. on January 11, 2008 at FMPA’s offices in Orlando, Florida. The roll was taken and a quorum was not declared until 10:18 with four of five members present. (Jack Wetzler, Nina Hurtubise and Don Corley arrived later.)

**ITEM #2 – ACTION ITEMS:**

**Item 2a – Audit Bidding**

Mr. Ruppel discussed the Agency’s requirements to solicit bids for audit services and provided additional information regarding Auditor Selection Guidelines 2007 and references to Florida Statutes (215.97 and 218.39) and Law (Rules of the Auditor General sec.10.550 and 11.45). The web address is: [http://www.myflorida.com/audgen/pages/pdf\\_files/10\\_550.pdf](http://www.myflorida.com/audgen/pages/pdf_files/10_550.pdf). Contact information for Marilyn: [Rosetti@aud.state.fl.us](mailto:Rosetti@aud.state.fl.us), or Auditor General, Local Gov’t. Reviews & Special Audits, 111 W. Madison St., Section 342, Tallahassee, FL 32399-1450; (850) 487-9031.

**Item 2b – Review Draft Financial Statements**

Draft financial statements for the year ended September 30, 2007 were presented. Discussion included explanations and analyses of variances and changes between 2006 and 2007. Highlights were: all assets in the Pool Loan Fund are classified as restricted assets (this year); minimal debt has been incurred since last year; \$6M was borrowed for the Taylor Energy Center; interest expense is now shown as a separate line

item on the Statement of Cash Flow; the definition of capital assets and depreciable lives; debt repayment; FAS 71 and bond maturation.

**Item 2c – FAC Meeting with External Auditors**

Mark White (partner, Purvis, Gray & Co.), presented the firm's 2007 Management Letter Comments to the committee. He noted that \$10M (mostly development fund money) has been accumulated and that these funds could possibly be utilized in the future and that the "60 days of cash" calculation ("Revenue Billing") should be reviewed as the number fell to 39 days during several of the summer months. (It was discussed and determined that a workshop for the "60 days cash" would be held during the March meeting. Per Mr. White PGP is geographically remote and FMPA should take delivery of profits since it cannot take actual physical delivery of gas. Mr. Arntz was commended for preparing a line loss calculation – something not previously done at FMPA. PG&C was pleased that the number was 2 ½% and considered it a good safety net. In closing, Mark recognized the tremendous efforts on the part of FMPA personnel to prepare the year-end and financial statements and in adding additional professional depth in the accounting department. Mr. Bates asked if FMPA would include responses to the auditor's comments. Ms. Davis added that FMPA should consider adding to the financial statements that we do not have any sub-prime exposure issues.

**Item 2d – Financial Market Update**

Ms. Davis presented and led a discussion on an update of the financial market and how current and projected market conditions impact the Agency's investments and debt. Ms. Davis presented information on our bonds and various performance indexes and pointed out that today's list of counterparties are all in the "A's" and that we have swap agreements with all of them. Ms. Davis answered questions from the Committee. Mr. Dunlap then discussed his opinion of what the current and projected conditions mean for the Agency. Mr. Larson followed and noted that the effects felt by the member cities could "flow up" and affect FMPA.

**Item 2e – Review Listing of Payments to Consultants**

This discussion will be moved to a future meeting and a list of payments made to all consultants will be provided then.

**Item 2f – Affirmation of FAC Mission Statement**

Mr. Larson read the statement: *To promote member trust and participation in strategic finance issues and through a group effort, make recommendations to the General Manager of FMPA for the betterment of FMPA and its Projects.* The committee then discussed the statement and said that it should be studied further. Mr. Royal suggested that in a future meeting, someone should bring up "generator and non-generator" members. Mr. Hostetler emphasized the need for a strong, technical operating committee to ensure that we know how to run the plants properly. Mr. Royal added that he specifically wanted Mr. Hostetler's comments added to the Minutes.

**ITEM #3 – FINANCE MANAGERS STATEMENT:**

Mr. Larson reviewed the list of items to be emailed to the members next week and the topics to be covered in the March meeting.

**ITEM #4 – ADJOURNMENT:**

There being no further business, the meeting adjourned at 3:37 p.m.

Approved on: \_\_\_\_\_ (date) \_\_\_\_\_

MJL/tlb 1/15/08

**AGENDA ITEM 3 – Information Items**

**a) FMPA Debt and Investments**

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**b) FAS 71 Update**

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**c) ARP Bond Finance – Deleted from Agenda**

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**AGENDA ITEM 3 – Information Items**

- d) Billing Error Concern with FPL –  
Key West 45MW Capacity & Energy  
Contract**

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**e) Decrease in Loads**

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**f) Workshop – 60 Days Cash Requirement**

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**g) Proposed C&E Credit Changes for KUA**

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**AGENDA ITEM 4 – Other Information**

**a) Finance Manager's Comments**

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**AGENDA ITEM 5 - Adjournment**

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