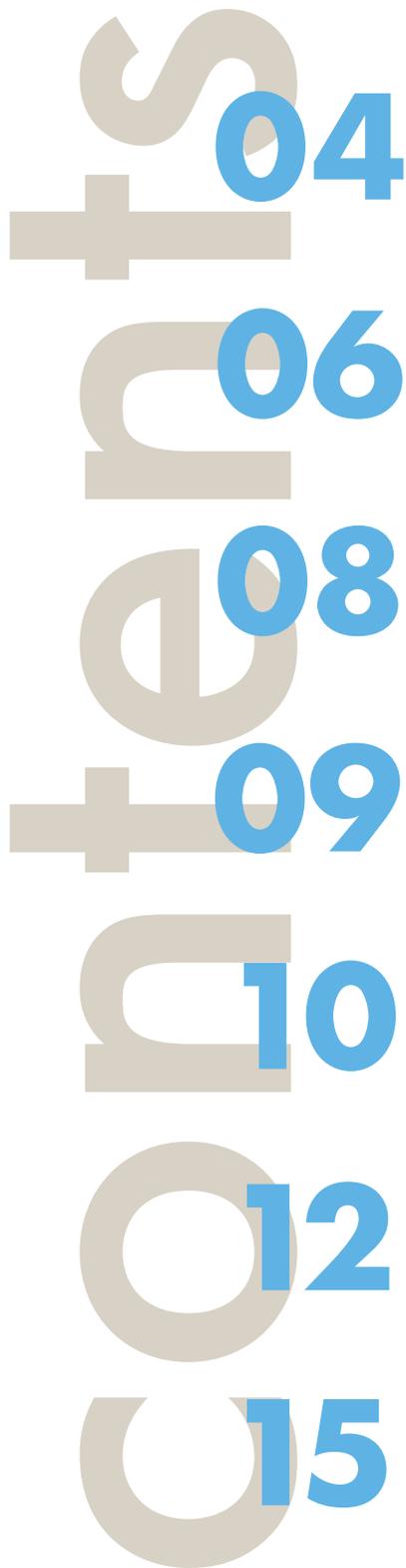


# 2019 Annual Report







Mission & Employee Standards

Letter to Our Community

Leadership

Service Territory Map

Community Outreach

City of Ocala Utility Advisory Board

Financial Statements

# Our Mission

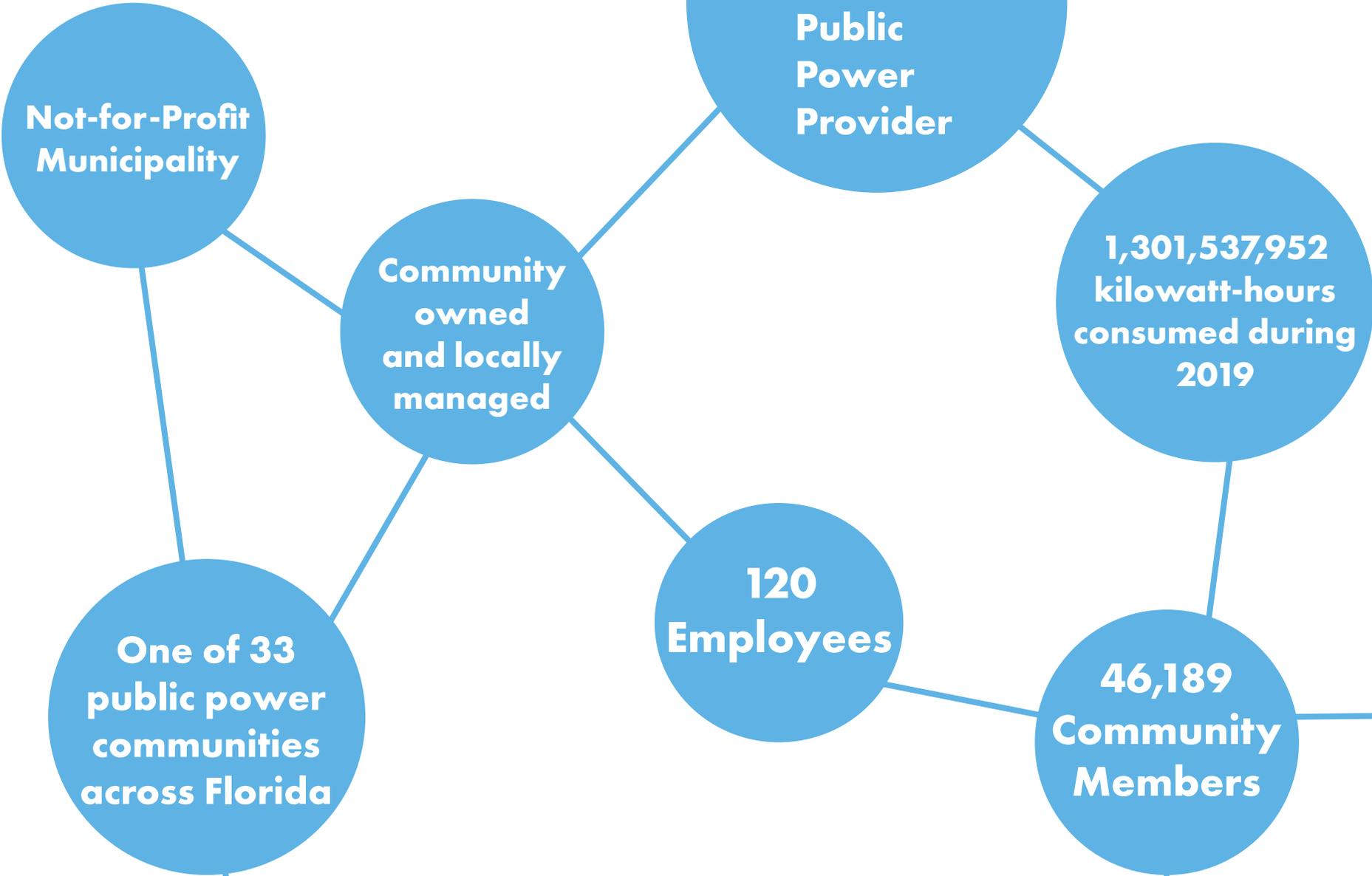
The City of Ocala provides fiscally responsible services consistent with the community's current and future expectations.

## Employee Standards

- Customer Focus
- Innovation
- Efficiency
- Quality of Work
- Integrity
- Safety
- Teamwork
- Job Knowledge



# About Us



## Powering A Strong Community!

At Ocala Electric Utility (OEU) We C.A.R.E. (Communities are the Responsibility of Everyone). We connect employees with programs, projects and organizations serving the needs and making a difference within our community. This is accomplished by responding to important community needs and demonstrating community commitment. OEU supports non-profit organizations projecting a positive image and advances a public purpose such as promotion of public health, safety, education, environmental, economic and/or youth development programs.

OEU has earned a Diamond Reliable Public Power Provider (RP3<sup>®</sup>) designation for the second time from the American Public Power Association for providing reliable and safe electric service. The Diamond RP3<sup>®</sup> designation, which lasts for three years, recognizes public power utilities that demonstrate proficiency in four key disciplines: reliability, safety, workforce development, and system improvement. Criteria include sound business practices and a utility-wide commitment to safe and reliable delivery of electricity. OEU joins more than 220 public power utilities nationwide that hold the RP3<sup>®</sup> designation.

As a locally owned and operated utility, we provide safe, reliable and affordable power to you and your family. Our service area is 160 square miles. We maintain 1,136 miles of power lines and have over 40,000 power poles. There are 23 substations located within our service territory, servicing over 50,000 homes and businesses. We are delighted to be your hometown public power provider and look forward to serving you 24 hours a day, seven days a week!



# Connect with us

Report outages, get the latest information, view your energy consumption and more!



[www.ocalaelectric.org](http://www.ocalaelectric.org)



@ocalaelectricutility



@OEUinfo



Text "Out" to 352-877-2211

\*must be signed up for outage notifications



Download the free MYUSAGE app



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# Leadership



Sandra Wilson currently serves as the Interim City Manager for the City of Ocala. In that role, she is responsible

for the entire City organization, except the Police Department. Before her Interim City Manager role, Sandra served as the Deputy City Manager, with oversight for the Electric Utility, Fleet Management, Water Resources & Engineering, and Human Resources & Risk Management. Sandra served as the Assistant City Manager for Support Services for three years. Prior to serving as Assistant City Manager for Support Services, Sandra was the Human Resources and Risk Management Director. She has been employed by the City of Ocala for 20 years.

Prior to working for the City of Ocala, Sandra held management level positions with the City of Lauderdale Lakes and the Town of Lady Lake, Florida. She has an Associate of Science Degree in Office Systems Technology, a Bachelor of Arts in Business Administration, a Master of Arts in Human Resources Development, and a Master of Business Administration. Sandra holds the designation as a Senior Professional in Human Resources, and as an ICMA Credentialed City Manager.

In her time away from work, Sandra enjoys traveling with her family.



Eric Weaver is currently the Interim Director of Ocala Electric Utility for the City of Ocala. In that role, he

oversees the Electric Utility. This includes Transmission and Distribution construction, Automated Meter Infrastructure (AMI) Operations, Public Education and Outreach, Resource Management, Substations, Engineering, System Operations, and Power Compliance. Before his promotion to Interim Director, Eric served as the Deputy Director for the Utility, overseeing Engineering, Resource Management and Public Education and Outreach. Prior to serving as Deputy Director, Eric was the Planning Engineer for Electric Engineering, playing a large role in the growth and design of our electrical system. Eric has been employed by the City of Ocala for nine years.

Prior to working for the City of Ocala, Eric worked for Gulf Power in Panama City Beach, Florida, and with Florida Power and Light as an Engineer. Eric has a Bachelor of Science Degree in Mechanical Engineering from Florida Atlantic University and holds a Professional Engineer License in Power Engineering.

In his time away from work, Eric enjoys golfing and spending time with his family.

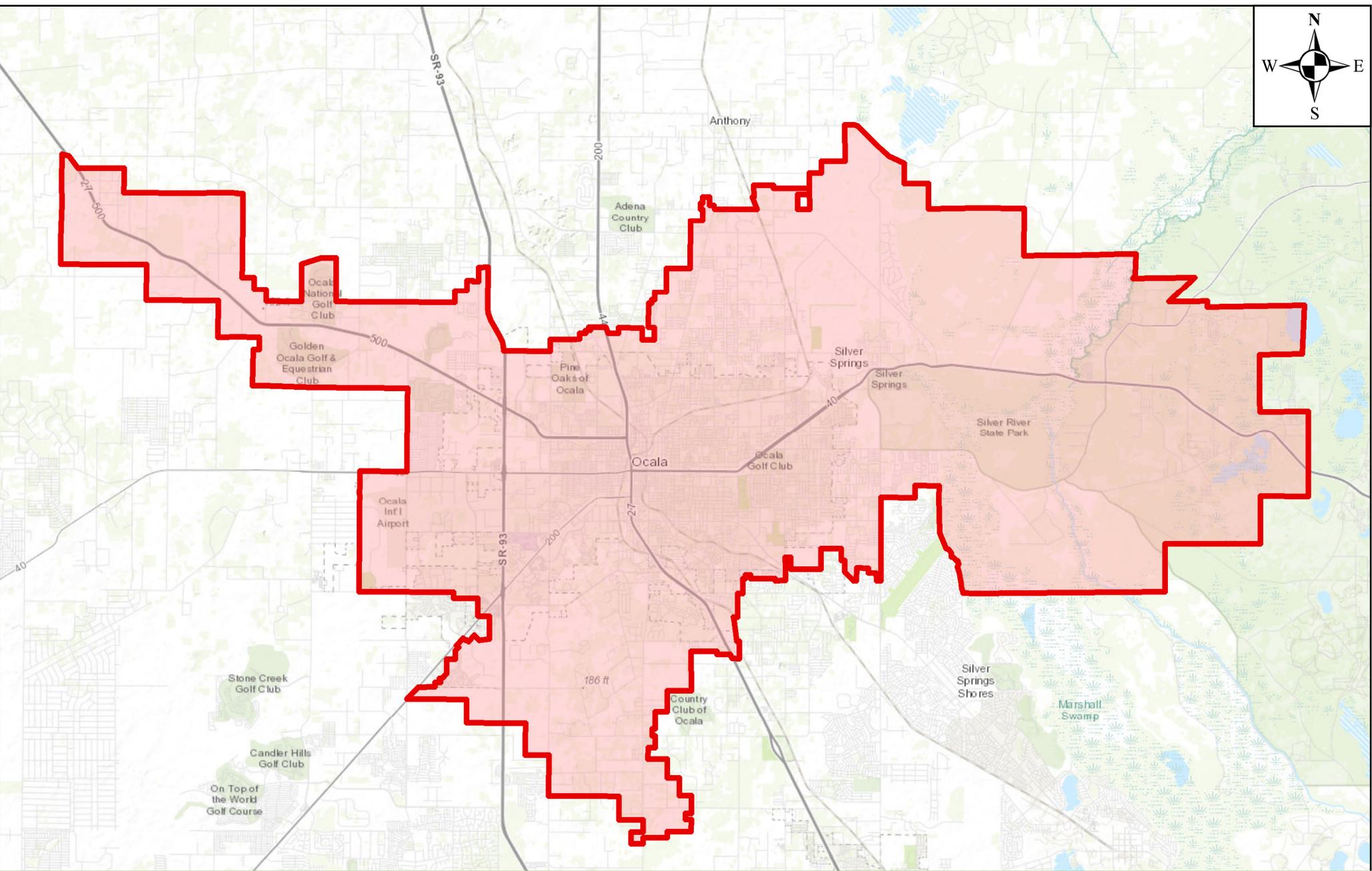


Marvin Ayala is currently the Deputy Director of Ocala Electric Utility. In this role, he oversees the system's Operation Center, transmission

and distribution, AMI Operations, and substations. Before taking on his current role, Marvin served as the Deputy Director of Engineering, where he was responsible for overseeing Resource Management, Engineering, and AMI Operations. He began working with Ocala Electric Utility in August 2018 and spent the last year-and-a-half progressing through a series of Electric Utility positions, each of which required increasing levels of responsibility. Prior work experience consists of the following positions:

- Director of Electric Operations for South Norwalk Electric and Water in Norwalk, CT.
- Manager of Electric Field Operations for Eversource Energy in Norwalk, CT.
- Supervisor of Standard Field Operations for The United Illuminating Company in Orange, CT.

Marvin received a Bachelor's Degree in Organizational Leadership from Manhattan College. Before that, he received a vocational diploma in Electric Theory from Burke Technical School. Marvin will be graduating from the Malcolm Baldrige School of Business in June 2020 with a Master of Business Administration.



# Ocala Electric Utility Service Territory

# Community Outreach

Ocala Electric Utility invests in public education and outreach to effectively communicate the benefits of public power to our diverse community. Ocala Electric Utility is driven by public service and is committed to building a stronger community by supporting essential services such as parks, public safety, roads and more. The mission of Ocala Electric Utility's We C.A.R.E. (Communities are the Responsibility of Everyone) program is to connect citizens with programs, projects and organizations serving the needs and making a difference within our community.

For fiscal year 2018-2019, Ocala Electric Utility sponsored the following community organizations and events:

## Organizations

Ocala Police Department  
Ocala Fire Department  
Pace Center for Girls  
The Reilly Arts Center  
Marion County Children's Alliance  
The Discovery Center  
Young Professionals Organization  
Southeastern Youth Ambassadors  
Appleton Museum of Art  
Marion Cultural Alliance  
Kiwanis Club

## Community Events

Cattle Drive & Cowboy Roundup  
Earthfest  
Light Up Ocala  
Spooktacular

Fight for Freedom  
Harvest Fest  
Levitt AMP Concert Series  
Interfaith Ladies Tea  
Interfaith Florida Feast  
ARC of Marion County's King of the Wing  
Southeastern Pro Rodeo  
Kiwanis Club of Ocala Golf Tournament  
Symphony under the Stars  
American Heart Association - Go Red  
Habitat for Humanity Strawberry Festival  
United Way St. Paddy's 5K  
CEP Exceptional Mornings  
CEP Business After Hours  
IHMC Lecture Series  
HITS Ocala Winter Circuit  
Youth Energy Academy  
Lions Golf Tournament  
Rotary Golf Tournament

Over The Edge  
Leadership Ocala Marion Graduation  
Crittter Trail  
Brown & Brown Insurance Bowling Event  
*benefitting Marion Senior Services*  
Feeding the Fearless  
Florida Electrical Association Inc. Tri-County  
Apprenticeship  
Boys & Girls Club Great Futures Luncheon  
Arnette House Regatta Boat Race  
A Family Night Under the Stars  
Junior League Heart in the Park  
Ocala Christmas Parade  
Parade of Senior Services  
Marion County 175th Anniversary  
Celebration  
Habitat House Blessings  
Wall Raisings Habitat Humanities  
Public Power Week - Customer  
Appreciation Day

**By sharing resources and bringing awareness to the community, Ocala Electric Utility helps customers with their daily choices in conserving energy, preserving natural resources, and, most importantly, teaching the youth of today to become informed citizens of tomorrow!**



In addition to sponsoring community events, we also invest in outreach events aimed at education:

School Career Days at Emerald Shores, Oakcrest, Evergreen and Hammett Bowen elementary schools and Howard Middle School

Kiwanis "Reading is Fundamental" event at College Park, Wyominia and Evergreen elementary schools

Mock Interviews at North Marion, Forest, Vanguard and West Port high schools

Backstage Orchestra at the Reilly Arts Center

Engineering Day

Ready, Set, Safe

Voices of Pace

Master Gardeners

Poinciana Heights block parties

Vehicle Day at Legacy Elementary School

Florida Municipal Electric Association Communicators, Key Accounts and Energy Auditors Round Tables

Ocala Electric Utility Summer Camp

Citizens Academy

Martial Arts Summer Camp

Cops, Kids and Firefighters

IHMC Robotics Camp & Science Saturday

Early Learning Coalition "Fall in Love with Reading" event

# CITY OF OCALA UTILITY ADVISORY BOARD

## **ESTABLISHED**

Ordinances 2014-43 adding a New Division 4 to Chapter 2, Article 3; adding a Utility Advisory Board, Sections 2-161 through 2-190.

## **MEMBERSHIP**

Twelve (12) uncompensated volunteer members to be appointed by Ocala City Council.

## **QUALIFICATIONS**

Whenever possible, the membership of the Utility Advisory Board shall include a representative member from the following areas: electric residential customer, electric commercial customer, electric large commercial customer, water residential customer, water small commercial customer, water large commercial customer, Ocala City Council person who is a customer, education/medical customer, non-profit/governmental, finance customer, two (2) at large members. Board members shall reside within Ocala Electric Utility's service territory or own a business within our electric service territory.

## **TERM**

Initially, half of the board members will be appointed for a term of two (2) years and a half for four (4) year terms.

Thereafter, all members will be appointed for four (4) year terms. Members may be re-appointed for subsequent terms. Vacancies shall be filled by qualified members for the unexpired term of the member whose post becomes vacant.

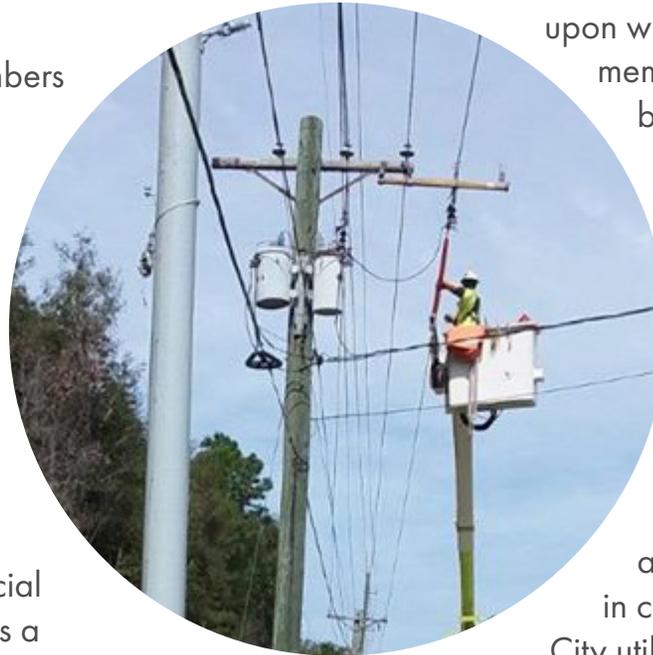
A member may be removed for cause by the City Council upon written charges and after a public hearing. Any member missing three (3) consecutive meetings may be removed from office without a public hearing. Appointments shall be made by City Council on the basis of experience and interest in the City's utilities at the sole discretion of City Council. A minimum of six (6) board members will constitute a quorum for the board to advance a recommendation.

## **DUTIES**

The Utility Advisory Board shall act in an advisory capacity to the city government in connection with the management of the City utilities. The City officials, officers and City departmental staff may consult with the board from time to time on matters coming within the scope of this division, and the board shall advise and consult with such officials, officers and staff of city departments in connection with the operation and management of city utilities.

## **MEETINGS**

Bi-Monthly



# UTILITY ADVISORY BOARD MEMBERS

## APPOINTEES

**Pete Beasley**, Education Customer

**John Blackstock**, Electric & Water Residential Customer

**Celeste Forsythe**, Electric Residential Customer

**Alan Garri**, Engineer/Electric Residential Customer

**Thomas James**, CEP/Non-Profit

**Casius Pealer**, Electric Residential Customer

**Michael L. Savage Sr.**, Building Official/Electric & Water Residential Customer

**Gregory Steen**, Electrician/Electric & Water Residential Customer

**David Tillman**, Engineer/Electric & Water Commercial Customer

**Justin Grabelle**, City Council President Pro-Tem

**Vacant**

**Vacant**

## STAFF ADVISORS

**Sandra Wilson**, City of Ocala Interim City Manager

**Bill Kauffman**, City of Ocala Assistant City Manager/Chief Financial Officer

**Eric Weaver**, City of Ocala Interim Director of Electric Utility

**Sean Lanier**, City of Ocala Engineer/Director of Water Resources

**Emory Roberts, Jr.**, City of Ocala Director of Customer Service Office and Finance

**Mel Poole**, City of Ocala Director of Ocala Fiber Network

**Marie Brooks**, City of Ocala Utilities Finance Manager

**Tyler Puckett, MS, CAP**, City of Ocala Office Administrator/Manager, Electric Dept /Board Liaison

**Vacant**, City of Ocala Admin Specialist III Electric Dept/Co-Liaison

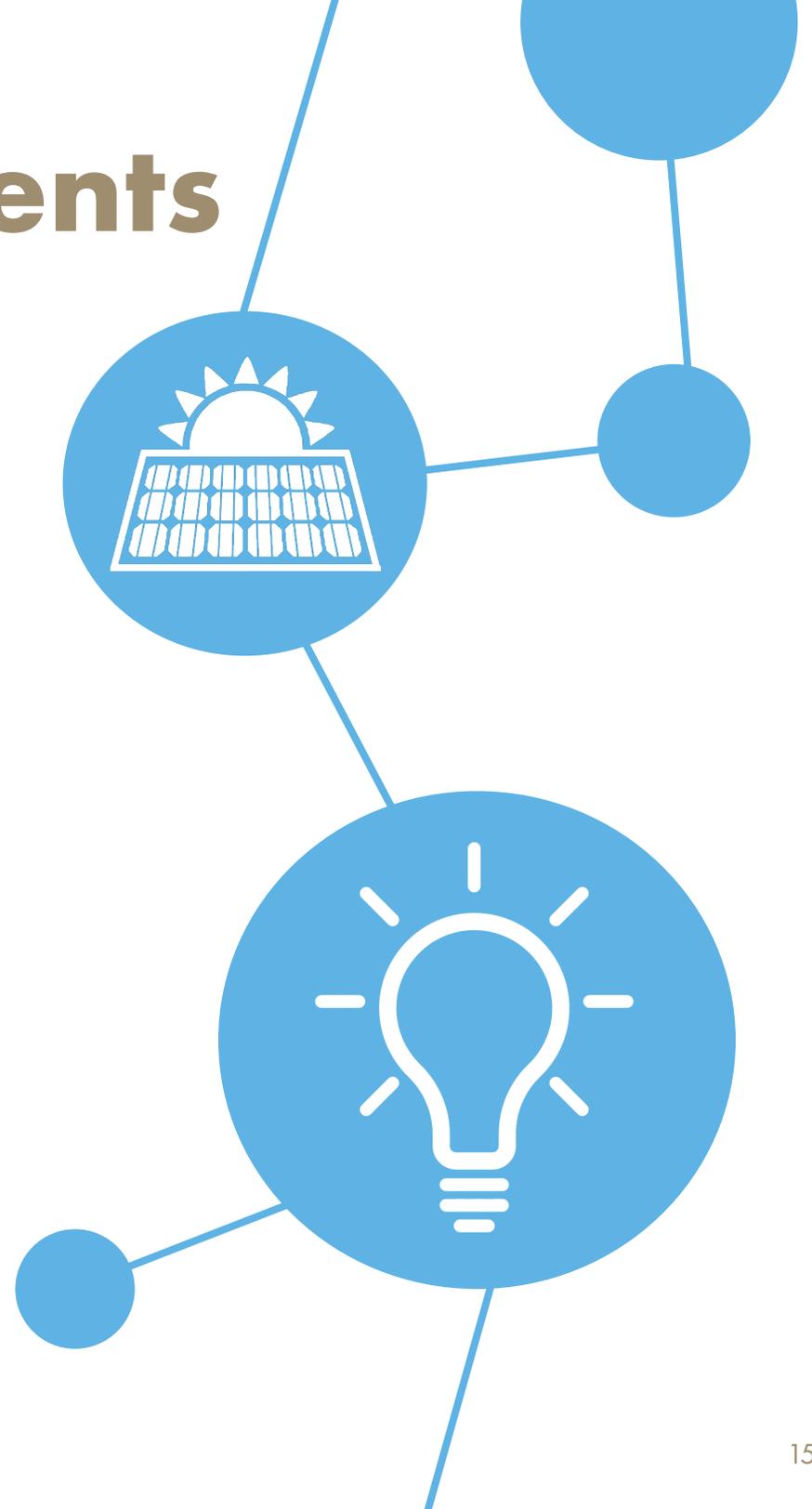


# Financial Statements

## STATEMENT OF NET POSITION

Assets	2019	2018
<b>Current Assets</b>		
Cash and investments	\$ 2,899	\$ 2,900
Equity in pooled cash and investment fund	12,881,487	29,006,879
Restricted assets available for current liabilities	4,106,324	3,583,010
Receivables (net, where applicable, of allowances for uncollectibles):		
Accounts and notes	11,603,562	11,698,954
Accrued interest	191,122	234,970
Unbilled revenues	7,909,532	8,353,968
Due from other funds	924,926	761,178
Prepays	302,291	316,661
Inventories	7,314,600	6,938,042
Due from other governments	2,089,054	2,089,054
<b>Total current assets</b>	<b>47,325,797</b>	<b>62,985,616</b>

The notes to the financial statements are an integral part of the financial statements. [Click here](#) to access the City's Annual Financial Statements for a more comprehensive review.



# STATEMENT OF NET POSITION (CONT'D.)

	2019	2018
<b>Noncurrent Assets</b>		
Restricted Assets:		
Equity in pooled cash and investment fund:		
Construction accounts	7,386,539	5,350,689
Debt service accounts	3,590,185	3,520,434
Impact fee accounts	2,118,588	2,418,140
Rate stabilization	30,036,256	25,838,467
Accrued interest receivable:		
Less: Portion classified as current	(4,106,324)	(3,583,010)
Non restricted assets:		
Interfund Receivable	3,790,535	1,480,983
Total Restricted Assets	<u>42,815,779</u>	<u>35,025,703</u>
Capital assets, net:		
Land	6,486,665	6,481,665
Buildings	3,237,494	3,384,612
Improvements other than buildings	97,378,632	99,890,523
Machinery and equipment	5,491,710	3,596,015
Intangible assets	848,630	1,162,993
Construction in process	1,400,803	262,700
Total capital assets (net)	<u>114,843,934</u>	<u>114,778,508</u>
<b>Total Noncurrent Assets</b>	<u>157,659,713</u>	<u>149,804,211</u>

	2019	2018
<b>Total Assets</b>	<u>\$204,985,510</u>	<u>\$212,789,827</u>
<b>Deferred outflows of resources:</b>		
Deferred amount on debt refunding	1,777,852	1,909,766
Deferred amount pension related	7,420,568	7,694,534
Deferred amount OPEB related	113,400	122,157
<b>Total deferred outflows of resources</b>	<u>\$ 9,311,820</u>	<u>\$ 9,726,457</u>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Payable from unrestricted assets:		
Accounts payable and accrued liabilities	\$ 10,668,822	\$ 14,782,007
Contract retainage	12,200	10,283
Compensated absences payable	937,633	1,347,666
OPEB obligation payable	99,757	–
Customer deposits	9,392,702	9,024,950
Unearned revenue	1,429,035	1,183,207
Total current liabilities payable from unrestricted assets	<u>22,540,149</u>	<u>26,348,113</u>

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# STATEMENT OF NET POSITION (CONT'D.)

	2019	2018
Payable from restricted assets:		
Accounts payable and accrued liabilities	516,137	62,576
Accrued interest payable	820,187	831,034
Revenue bonds payable within one year	2,770,000	2,689,400
Total current liabilities payable from restricted assets	4,106,324	3,593,010
<b>Total current liabilities</b>	<b>26,646,473</b>	<b>29,931,123</b>

## Noncurrent Liabilities

Compensated absences payable	165,017	290,869
OPEB obligation payable	2,256,674	2,401,756
Net pension liability	23,825,961	24,797,008
Revenue bonds and notes payable after one year	46,398,300	49,168,300
<b>Total noncurrent liabilities</b>	<b>72,645,952</b>	<b>76,657,933</b>
<b>Total liabilities</b>	<b>\$ 99,292,425</b>	<b>\$ 106,589,056</b>

## Deferred Inflows of Resources

Deferred inflows pension related	1,005,081	1,945,800
Deferred inflows OPEB related	94,669	—

## Deferred Inflows of Resources (Cont'd.)

	2019	2018
Regulatory liability-rate stabilization	30,036,256	25,838,467
<b>Total deferred inflows of resources</b>	<b>31,136,006</b>	<b>27,784,267</b>

## Net Position

Net investment in capital assets	67,441,286	64,830,574
Restricted for debt service	2,769,998	2,689,400
Restricted for capital projects	9,505,127	7,768,829
Unrestricted (accumulated deficit)	4,152,488	12,854,158
<b>Total net position</b>	<b>\$ 83,868,899</b>	<b>\$ 88,142,961</b>

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# STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

	2019	2018
<b>Operating Revenues</b>		
Charges for services	\$ 149,451,936	\$ 142,470,472
Other	1,283,668	8,930,081
<b>Total operating revenues</b>	<u>150,735,604</u>	<u>151,400,553</u>
<b>Operating Expenses</b>		
Purchase of electricity	100,796,220	97,606,008
Distribution	12,349,723	15,819,058
Operation and maintenance	4,283,099	4,905,732
Administration	13,538,664	10,917,996
Depreciation	8,774,281	8,352,533
<b>Total operating expenses</b>	<u>139,741,987</u>	<u>137,601,327</u>
<b>Operating income (loss)</b>	<u>10,993,617</u>	<u>13,799,226</u>
<b>Non-Operating Revenues (Expenses):</b>		
Investment income	3,347,156	37,990
Interest expense	(1,820,522)	(1,776,449)
Other non-operating revenue (loss)	34,486	-
<b>Total non-operating revenues (expenses)</b>	<u>1,561,120</u>	<u>(1,738,459)</u>

	2019	2018
<b>Income (loss) before capital contributions and transfers</b>	<u>12,554,737</u>	<u>12,060,767</u>
<b>Capital Contributions</b>	<u>418,896</u>	<u>521,302</u>
<b>Transfers</b>		
Transfers in	-	183,342
Transfers out	(17,627,695)	(13,792,598)
<b>Total transfers</b>	<u>(17,627,695)</u>	<u>(13,609,256)</u>
<b>Change in net position</b>	<u>(4,654,062)</u>	<u>(1,027,187)</u>
<b>Net position:</b>		
<b>October 1, restated</b>	<u>\$ 88,522,961</u>	<u>\$ 89,170,148</u>
<b>Net position:</b>		
<b>September 30</b>	<u>\$ 83,868,899</u>	<u>\$ 88,142,961</u>

# STATEMENT OF CASH FLOWS

	2019	2018
<b>Cash Flows</b>		
<b>Cash Flows from Operating Activities</b>		
Cash received from customers	\$ 154,832,237	\$ 143,366,033
Cash paid to suppliers for goods and services	(118,634,604)	(112,121,375)
Cash paid to other funds	–	(2,242,161)
Cash paid to employees for services	(17,214,016)	(17,908,065)
Net cash provided by (used in) operating activities	<u>18,983,617</u>	<u>11,094,432</u>

## Cash Flows from Non-Capital Financing Activities

Transfers in	–	183,342
Transfers out	(17,627,695)	(13,792,598)
Cash receipts from other funds	34,486	–
Cash paid to other funds	(2,093,299)	–
Net cash provided by (used in) non-capital financing activities	<u>(19,686,508)</u>	<u>(13,609,256)</u>

## Cash Flows from Capital and Related Financing Activities

	2019	2018
Principal paid on bonds and notes	(2,689,400)	(2,518,150)
Interest paid on bonds and notes	(1,699,457)	(1,651,094)
Acquisition and construction of capital assets	(8,839,707)	(7,326,449)
Contributions received from other governments and developers	418,896	521,302
Net cash provided by (used in) capital and related financing activities	<u>(12,809,668)</u>	<u>(10,974,391)</u>

## Cash Flows from Investing Activities

Investment income	<u>3,391,004</u>	<u>22,459</u>
Net cash provided by investing activities	<u>3,391,004</u>	<u>22,459</u>

## Net increase (decrease) in cash and cash equivalents

	<u>(10,121,555)</u>	<u>(13,466,756)</u>
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## Cash and cash equivalents, beginning

	<u>\$ 66,137,509</u>	<u>\$ 79,604,265</u>
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# STATEMENT OF CASH FLOWS (CONT'D.)

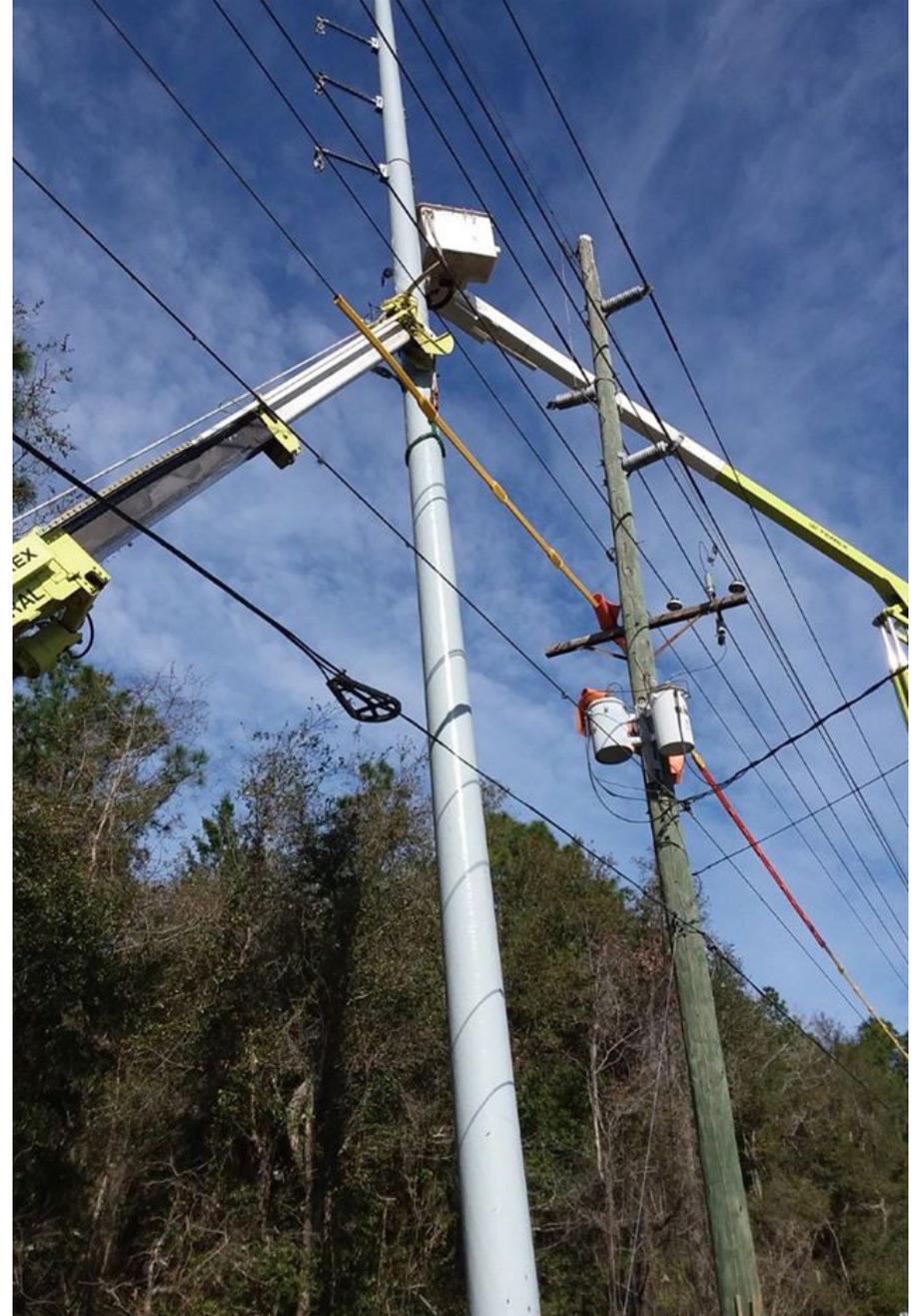
	2019	2018
Cash and cash equivalents, ending	\$ 56,015,954	\$ 66,137,509
<b>Reconciliation of Cash and Cash Equivalents to Balance Sheet</b>		
Total current cash and investments per the balance sheet	\$ 12,884,386	\$ 29,009,779
Total noncurrent cash and investments per the balance sheet	43,131,568	37,127,730
Cash and cash equivalents, end of year	56,015,954	66,137,509
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</b>		
Operating income (loss)	10,993,617	13,799,226
Adjustments to reconcile operating income (loss) to cash provided by operating activities:		
Depreciation & amortization	8,774,281	8,352,533
(Increase) decrease in assets and deferred outflow of resources:		
Accounts and notes receivable	95,392	(669,703)

	2019	2018
<b>Reconciliation of Operating Income (Loss) (Cont'd.)</b>		
Accrued unbilled revenue	444,436	(892,986)
Due from other funds	-	(2,242,161)
Inventories	(376,558)	(799,923)
Due from other governments	-	151,142
Other current assets	14,370	(93,629)
Deferred Outflows Pension	273,966	967,840
Deferred outflow OPEB	8,757	(122,157)
Increase (decrease) in liabilities and deferred inflow of resources:		
Accounts payable	(3,659,855)	1,318,016
Compensated absences payable	(535,885)	(126,237)
OPEB obligation payable	(45,325)	158,559
Net pension liability	(971,047)	(2,969,035)
Deferred inflow of resources	3,257,070	(6,114,079)
Customer deposits	369,901	371,832
Deferred inflows OPEB	94,669	-
Unearned revenue	245,828	5,194
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 18,983,617</b>	<b>\$ 11,094,432</b>

The notes to the financial statements are an integral part of the financial statements. [Click here](#) to access the City's Annual Financial Statements for a more comprehensive review.

# STATEMENT OF CASH FLOWS (CONT'D.)

	2019	2018
<b>Noncash Capital and Related Financing Activities</b>		
Plant and equipment contributed by developers	\$ 418,896	\$ 521,302



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