



City of Foley, AL

407 E. Laurel Avenue
Foley, AL 36535

Meeting Minutes – Draft

City Council

Monday, October 29, 2012

4:00 PM

Council Chambers

Call to Order / Roll Call

Mayor Koniar called the Council meeting to order at 4:00 p.m. Council members present: Wayne Trawick, Ralph Hellmich, Rick Blackwell, and Charles Ebert, III. Absent: Vera Quaites. Others present: City Administrator Mike Thompson, City Clerk Vickey Southern, Sandra Pate, Jeff Rouzie, LaDonna Hinesley, Butch Stokes, Todd Smith, Chris Reynolds, Keith David, Marcus Craig, and press representative Cathy Higgins.

New Business

[13-0235](#) APPROVING SCHNEIDER ELECTRIC'S ENERGY SERVICES CONTRACT

Attachments: [Foley Energy Services Contract Schneider Electric-FINAL.10.29.12.pdf](#)

Todd Smith, Schneider Electric, thanked the Council for calling the special meeting today to discuss this project. There have been a couple of things that transpired since the Council approved the last contract. The meeting in Montgomery at ADECA with the Alabama Energy Bond Allocation Committee was incredible. The meeting attendees were Jeff Rouzie, Todd Smith, Young Boozer (Finance), Kathy Hornsby, Jim Byrd's staff. They all had the opportunity to look at Schneider's previous projects and they have been successful. SMD Smith is looking forward to having this project as an example of what municipalities in the State of Alabama can do. They have saved other municipalities, i.e. Chicago, money. They hope to attend the Alabama League of Municipalities meetings and showcase Foley by presenting how this will help cities throughout the State.

Mr. Smith further explained this project does not constitute a debt against the City's debt limit. Since the last meeting Schneider has worked with Jessica Middleton and found out that a fiber optic network would not be included in the original contract, however, it could be added to expand the wireless network in the City. The project would include maintenance, and they looked at different type megs 30-20. The change would reflect \$120,000 and the flexibility to expand the wireless network in the City. The impact to the City for the last contract was \$162,000 and with the amendment to the contract the impact to the City is \$166,000. This will bring a positive cash flow of \$134,000.

The City was awarded a \$3.1 million Qualified Energy Conservation Bond (QECB) through ADECA, as the agency appointed by the Governor. This was reviewed by Heyward Hosch and he gave his blessings on the paperwork. Foley is the first City to be awarded this competitive allocation. Mr. Smith reviewed the items that the project would cover.

Councilman Hellmich stated that the project is made up of various components; each of which stands alone. He felt it would be good for the City to do a project like this. However, finance is a concern and the Council is a very conservative Board. The worst case scenario would be that

the City would break even. Mr. Smith reported that they have anticipated increased utility costs, which would still bring in an average of 3% savings.

Mayor Koniar asked if the City would receive a monthly, quarterly or annual report on the project. Mr. Smith stated the company would create a website unique to the City of Foley that would host monthly reports and a third party will input the information. For example, it will include events such as the retirement parties, like the one held today in the Civic Center, to track the expense of utilities, and then after the event it would return to normal operations. Mayor Koniar asked, "In terms of estimates, how do you work with vendors?" Mr. Smith stated they work with internal staff and outside companies local to the area. The project will be very specialized and they will work nights, weekends, and holidays so that shut down time is minimal. The timeline for the project is nine to ten months for completion.

Councilman Trawick questioned the solar panels. Mr. Smith stated that it would be electrical cost savings and that was part of the EBAC meeting that the Committee reviewed and liked. Councilman Hellmich asked if they felt comfortable with the solar or that it might run the City over the top and what about a storm event. Mr. Reynolds stated yes they were comfortable with the solar panels. They must be hurricane wind rated to withstand a typical storm. Mr. Smith stated from a maintenance standpoint they just need cleaning.

Councilman Hellmich asked about training staff. Mr. Smith stated their staff really works hard in getting staff trained and there are stop gaps in place. We ensure that City staff is heavily involved in training and they will know how thermostats function, etc. It's a work in progress and by the time the project is done City staff will be really informed. We will be your partner throughout the term of the contract and we ensure your key personnel are trained.

Mayor Koniar asked for confirmation on the difference in the cost amount on the contract (\$3,134,754) and the \$3 million bond. Mr. Smith stated the \$3 million bond issue includes interest and the contract reflects the interest.

Councilman Ebert asked if they considered using the water feature at the sportsplex instead of digging an irrigation well. Mr. Smith stated the cost was greater if they used the existing feature and installing pipe than the cost of drilling a new well.

Councilman Blackwell enquired about taking over the maintenance. Mr. Keith David stated things like the lighting and water start first but the fiber and automation is key in getting this done early and training and commissioning of startup is key. It has to all synchronize when it's all done and they have to implement key operating strategies.

Councilman Hellmich enquired about how the timeline on financing versus savings work out. Mr. Smith stated after the contract is signed the loans are completed within 30-45 days and then they start construction. The payments can be set up however the City wants them to be set up for the greater impact of savings and Schneider will work with the City. Schneider has a one time 3% management fee and for the first ten years there is an annual \$35,000 payment. The QECB bond awarded was \$1.3 million and the project approved was \$3 million.

Mr. Smith also stated that not only do they work with the City on the project but in future years they work with the City to continue to keep everything current. If software upgrades are needed through the partnership with Schneider they guarantee everything is kept current and will also present further investment opportunities.

After further discussion Mr. David stated they will ask for a temporary office on site for the construction manager. They work with local contractors to keep the business done on a local level.

Hearing no further discussion Councilman Hellmich made a motion to approve moving forward on the project based on the amended contract as presented. Councilman Ebert seconded the motion. Councilman Trawick asked prior to approving he would like to see an amendment to

the motion to approve subject to legal review. Councilman Hellmich stated he had no problem with that amendment and amended his motion to include, subject to legal review.

City Administrator Mike Thompson reported that Casey Pipes and Heyward Hosch have reviewed the original contracts and they saw no problems with it.

Councilman Ebert seconded the motion that included the amendment subject to legal review and the vote passed unanimously.

City Administrator Mike Thompson will set up a conference call between Casey Pipes, Heyward Hosch and himself tomorrow to bring them up to speed. Mr. Smith stated that Heyward Hosch has already issued his opinion regarding the ADECA funding that this will qualify as this is very straight forward. Mr. Thompson will get back with the Council at the next Council meeting, November 5th.

[13-0240](#) DECLARING PRIDE DRIVE AS A COLLECTOR ROAD

Attachments: [10-26-12 D.E. Phillips-1.pdf](#)
[pride drive reclassification.pdf](#)
[pride drive justification letter-2.pdf](#)

A resolution declaring Pride Drive as a collector road passed unanimously on motion by Councilman Hellmich and was seconded by Councilman Trawick.

[13-0243](#) ALM Quality of Life Award Application

Attachments: [2013QualityOfLifeAwardsInfo -Application](#)

A resolution approving an Alabama League of Municipalities' "Quality of Life Award" application passed unanimously on motion by Councilman Hellmich and seconded by Councilman Blackwell.

Visitor Comments

There were no visitor comments to report.

Adjourn

Hearing no further comments the meeting adjourned at 4:54 p.m.

John E. Koniar, Mayor

ATTEST:

Victoria Southern, CMC
City Clerk