

Service Committee Minutes

Honorable Council
City of Newark, Ohio
January 29, 2013

There was a meeting of the Service Committee in Council Chambers following the Finance Committee, on Monday, January 28, 2013. These members were present:

Jeff Rath, Chair	Ryan Bubb
Ed Houdeshell	Shirley Stare
Duke Frost	

We wish to report:

1. Honeywell Representative to provide an update to the Committee regarding the HVAC system for the City of Newark.

Director Rhodes- thanked Mr. Rath for allowing them to conduct a brief presentation to the Committee. He stated that when he was elected to Council for the first time back in 2004, the Bain administration put forth some initiative to conserve energy within the City. The Service Director at that time, Tim Weisert, discovered that there was a House Bill 300 that allowed cities to go out and borrow money for energy upgrades. House Bill 300 wouldn't raise the cities' debt limit and the energy cost savings would pay for the improvements. There was also a guarantee in House Bill 300 that if it didn't pay for the improvements the cities could get money back from the provider. He stated that Tim went through two companies, Johnson Controls and Honeywell, and settled on the Honeywell Company. Dave Riddle and Duane Dickey from Honeywell were in attendance to conduct the presentation and answer any questions regarding the program that started in 2007.

The presenter stated that they did interior lighting in a number of facilities, the report that he later handed out detailed which buildings were done. They completed weather stripping and the sealing of doors and windows. There were a handful of traffic lights that they converted from incandescent lights to a retro fit LED lighting. They applied an automated set back on the system. They ran a schedule for when the building was in operation and when it was not. In City Hall they replaced boilers, with high efficiency condensing boilers, modified the chiller to get it to perform more efficient. One of the difficulties they faced was working with the existing system, they couldn't wholesale replace it, which is what the City wanted but they couldn't justify it from a financial standpoint. They also replaced some hot water coils.

Mr. Rath- asked what the VAV was

David Riddle- stated that he didn't see one in the report. He further explained that the diffusers either open or close depending on the demand for heating or cooling of the space. He stated that they replaced all of the VAV boxes themselves, unfortunately the type of control system that it is; it is operated of air pressure in the duct work. That is one of the challenges that City Hall has, forcing enough air into the duct work to get them to operate properly.

He stated that they also replaced a water heater, they converted it from electric to gas at a fire station, and at another station they put infra-red heating in. At the Water Treatment Plant a demand control was installed and equipment was replaced.

As Director Rhodes stated there was a guarantee with the Bill, the annual guarantee was \$219,726.00 of that \$109,854.00 was operational savings.

Mr. Rath- asked if the \$219,726.00 was the minimal annual savings that they were guaranteeing the City.

David Riddle- answered that the \$109,872.00, energy savings, was actually what they were guaranteeing. The \$109,854.00 was actually an agreement between the City and Honeywell and that figure predates his time with the company.

Mr. Frost- stated that they borrowed money to improve certain aspects and now we are talking about the savings. He wanted to know how much they borrowed.

David Riddle- stated that figure was not in the report, but he believed it was 1.1 million.

Mr. Frost- asked how long until they have to improve the system again to keep savings up. Is the life expectancy at least 10 years for the City to recoup the money they borrowed. He wanted to know if the City was going to break even, make money or are we going to lose money.

David Riddle- answered that most of the equipment that was installed has a very long life. It is expected that the savings will continue after the pay back. The savings will decline as you get closer to the end of the life of the equipment installed.

Mr. Frost- asked how long it would be until the City would reach payback and start to make money.

David Riddle- stated he thought that it was set up to be a 10 year payback.

Mr. Marmie- stated that the track we are on we would do it in 8 years.

David Riddle- clarified that the lighting improvements had a shorter payback time than the VAV boxes so they could use the lighting savings to pay for the VAV boxes which have a longer payback rate.

Mr. Marmie- further stated that we are just discussing the energy savings; there are additional savings in maintenance costs that are not reflected. The City was paying a lot for maintenance, especially for the boilers.

Mr. Bubb- thanked Mr. Riddle for coming in.

Director Rhodes- stated that there was always the question as to whether this plan worked. He stated that it has and to give credit to Bruce Bain, Tim Weisert and Council at that time.

2. Resolution No. 13-11 approving the renewal application for placement of farmland in an agricultural district was considered.

Motion by Mr. Bubb to send to full Council, second by Mr. Houdeshell

Motion passed by a 5-0 vote.

3. **David Rhodes-** provided an update on the Hollander Pool. He stated that they had been waiting to give such update until they had more news on the two grants that Barbara Gilkes applied for.

Barbara Gilkes- explained that the grant is through the Ohio Department of National Resources. She stated that it is called The Land and Water Conservation Water Grant. It is a 50/50 grant in which case the City would be responsible for 50 percent. The cornerstone of the project is a Spray Park that will be erected at the Hollander Pool. After the design is worked out the next item on the agenda is a piece of legislation that will allow the City to solicit bids for the Spray Park. Other amenities that will be added with the Spray Park are tables, and traffic Control updates, which are a part of a larger project for Hollander St but this grant will pay for the traffic control devices that are associated with making the crossing safer. She stated that right now they are waiting on a release from the Federal Government regarding the grant package. She stated that Director Rhodes has done a lot of planning and as soon as they get the go ahead they will probably precede with the traffic safety updates first.

Mr. Rath- asked how much the grant was for

Barbara Gilkes- \$95, 073.00, half of that is our match.

Director Rhodes- demonstrated by power point the updates to Hollander Pool.

4. Resolution No. 13-12 authorizing and directing the Director of Public Service to advertise bids and enter into contracts, subject to the appropriation of funds, for the Hollander Pool Spray Park was considered.

Motion by Mr. Bubb to send to full Council, second by Ms. Stare

Motion passed by a 5-0 vote.

Jeff Rath, Chair