

**Cuyahoga Falls City Council
Minutes of the Public Affairs Committee Meeting
October 18, 2010**

Members: Mark Ihasz, Chair
Kathy Hummel
Jeff Iula

Mr. Ihasz called the meeting to order at 6:40 p.m. All members were present.

Legislation Discussed:

Temp. Ord. A-127

Discussion

Temp. Ord. A-127 (Public Affairs)

An ordinance authorizing the Parks and Recreation Board to enter into a contract or contracts without competitive bidding with Commercial Fitness Solutions, Inc, for the purchase of fitness equipment for the Natatorium Recreation and Wellness Center, and declaring an emergency.

Bill Lohan stated that each year, they look at improving the equipment and services at the Natatorium. They wait until the end of the year to make sure their numbers are good enough to make the capital investment. This year, they want to add additional AMTs. Those machines have been very popular. They are going to reconfigure the set-up upstairs to help alleviate the congestion that occurs in January and February. They have been very satisfied with Precor. Commercial Fitness is the sole provider of Precor in this area. Mr. Ihasz stated the money is budgeted. He asked whether there was a breakdown. Mr. Lohan stated the AMTs are \$8,595 but the City is getting them for \$4,266 each for a total of \$25,596. The upright bikes are \$3,095 and they are getting them for \$1,498 each for a total of \$7,490. Shipping and handling is \$2,695. Mr. Ihasz asked whether there have been any issues in the past with this equipment. Mr. Lohan stated there was just one bump in the road but it was covered under warranty. They currently have six of them. They have been extremely popular. The biggest complaint they get is how crowded it gets. Mr. Ihasz stated if there were six now, then this will bring the total to 12. Mr. Lohan stated that one of the new machines will go into the functional fitness operation. Mr. Ihasz asked if the service agreement was included. Mr. Lohan stated that is the difference. It is a four-year warranty.

Mrs. Hummel moved to approve bringing A-127 out of Committee with a favorable recommendation, second by Mr. Iula. Motion passed, voice vote (3-0).

Temp. Ord. A-124

An ordinance authorizing the Director of Public Service to enter into an agreement for professional services with American Municipal Power, Inc. for the establishment, operation and management of an energy efficiency program to be known as "Efficiency Smart Power Plant," and declaring an emergency.

Mrs. Carr stated the representatives from AMP-Ohio were present again. There were also three area businesses represented in the audience: the Library, Sheraton and Eagle Elastomer. The City has done past projects with these businesses in the past on energy efficiency and all have been very successful. There is a letter from Eagle Elastomer in the package and also a letter from the Library. She felt that some of Council's questions from the previous week will be answered by tonight's presentation. JOLENE and DAVE gave the presentation. Mr. Ihasz agreed that the City needed to go energy efficient. He stated that the previous week's discussion focused mostly on commercial and industrial customers. He asked about residential input. DAVE stated that 50% of savings come from the residential side. There is tremendous potential in the area of lighting. Appliances also continue to get more efficient.

They would use certain retailers for those items. Those are the areas they would focus on. They would also work with the community. For example, when a housing organization is planning to do renovations to an existing property. Mr. Ihasz asked if the retailers would be local. DAVE said they would. They would also be offering a rebate once they purchase an appliance. They are working on the specific mechanisms for lighting. Mrs. Carr stated because the City has worked in this area in the community, they have data on-hand. They also have money set aside from stimulus funds to use to expand the programs that were talked about tonight as well. JOLENE added there will be a lot of procedures in place to make sure it is City customers getting the benefits and not FirstEnergy customers.

Mrs. Hummel asked for a breakdown of the contract. DAVE stated that within the VEIC budget, incentives represent 20% of the overall budget. For expenditures, they have management, administrative office, and transportation to get to communities to meet with customers. Staff will be serving 52 communities, most in Ohio, one in Michigan and another in Pennsylvania. Within the staff, there are 30 full-time equivalent engineers, and three key account members working with communities directly. There is also staff working on setting the residential retail program. Mrs. Hummel asked if the infrastructure was primarily the staff and experts for 80%. DAVE stated it was and added that those individuals record all of the information. They must be able to document energy savings. It needs to be measurable and verifiable. It also includes the call centers as well as the website. Mrs. Hummel asked if that is part of the space VEIC is renting from AMP-Ohio. DAVE indicated it was. Mailings and marketing are considered to be part of that as well. Mr. Walters stated the average household has 30 bulbs. He asked if the incandescents were being phased out totally. DAVE stated that legislation is in place and will be coming into effect in 2012. Certain types have been banned but not all. The first to go will be the 100 watt but specialty lights, such as those in ceiling fans, flood lights, etc., are three years downstream. It takes a long time to phase things in. There will be a transition and they want to help make it easier. Part of it is the new LED products. Mr. Walters pointed out that the schools did their own energy audit. Mrs. Carr stated the biggest project the City did with the schools was the solar project. That is one area they'd like to focus on because the schools get reduced electricity costs. JOLENE indicated the schools would fall into this program as "commercial."

Mrs. Colavecchio stated she was at a recent Lions Club lunch and heard the Director of the Cuyahoga Falls Library speak on this subject. She was hoping Mr. Rosswurm would share what he was able to achieve. Kevin Rosswurm stated that the Library was all electric. In 2003, he asked for an energy audit. With a grant they received, they had engineers come in and examine the heating and cooling systems, lights and windows, and they received a report with the results--all at no charge to the Library. The report listed eight specific recommendations. Each recommendation had a cost to implement and a return on investment. They started to implement those recommendations. It has taken 2-1/2 years. It is difficult to determine the exact amount of savings because they had a year where there were reduced hours, therefore, very little electricity was needed in the dark evening hours. He felt the recommendations were practical and easy to implement. They are currently renovating the upper level and incorporating things like harvesting natural light and reducing water consumption. They are also putting in the most efficient heating and cooling system. The old system was 40 years old. Mrs. Colavecchio asked how long he felt it would be to get a return on the investment. Mr. Rosswurm stated it would be 8 to 10 years on the heating and cooling system. That does not include savings on lights or on the other items. Mrs. Colavecchio asked how Council members would explain this expense to customers when a business like GO-JO saves. Mrs. Carr stated if the City can reduce the amount of electricity its customers use, that means the City would have to buy less power. In the future, that will be a huge benefit. They have always been an advocate for their electric load. They are aggressively going after grants to help and will continue with this type of grant even though the City is not under any mandates. JOLENE added that this program will allow the City to have matching funds.

Mark Gherkin stated this is the first thing the City should do before looking at other avenues. He considers this a power supply at a cost of \$40.90. It is just different from what everyone is used to. He added that his

company is driven to perform. Mrs. Hummel asked how important this was to future generations. Mr. Gherkin stated this needs to be done before the City looks at any other resource. What he is seeing is the EPA moving toward requiring entities to meet certain energy standards before that entity can qualify for any types of projects. Mrs. Hummel stated that the contract that is presented is \$1.8 million for three years. At the end of 2-1/2 years, she expects the City will be hearing from AMP-Ohio regarding a renewal. She asked what would be expected at that phase. JOLENE stated the City will hear from them as often as it likes. They will do an annual audit. At the end of three years, they will negotiate another contract and bring it back to the subscribing communities to sign up. She added that as a member of the Board, Cuyahoga Falls also has the advantage of monthly oversight. DAVE stated it has taken ten years in Vermont to get to a stage of energy to 10%. It depends on what technology will be there. Not everyone will take advantage of this in the first three years. During that time, new products will be coming into fruition. Mrs. Hummel stated that VEIC is still administering this for a fee. DAVE agreed. It is a partnership with the communities. There are things they can do to make it easier. Mrs. Hummel had asked to have the cost for residential users and it has been indicated it is \$1.12. She asked if this would be passed on to the customers. Mrs. Carr stated this would cost the average customer an additional \$13.50 each year. They are still analyzing things but this would be the worst case scenario. They are looking at this as a chunk of power. She thought that if residential customers got four bulbs out of this program, they would get their money back. The City will take full advantage of any grants they can get. Also, a deferral for three years would be at the timing of the rate study. There could be good news that the City would not need to pass these costs on. It is good for customers in the long run and good for the City. When the electric system saves money, so does the taxpayer. Mrs. Hummel stated she is concerned about passing this onto the customer in January. The City just had the rate study and its rate is good now with a possibility of an increase in 2013 or 2014. Mrs. Carr stated they always have costs going into the PCF. She saw this as something that would be passed on through PCF. Mrs. Hummel stated the analogy used comparing this program to the recycle program was a good one because the City still needs to pay for its recycling to be handled but it is less than what the City would have to pay if that recycling were taken to a landfill, so that is a savings. Mr. Gherkin suggested that the City run numbers to see if a deferral makes sense. Rates are low right now so it is no different for VEIC to cover the City's interest during a deferral.

Mrs. Pyke asked where the money comes from for rebates. JOLENE stated the money would be coming from this program and is included in the \$1.8 million. They are doing it in Vermont. DAVE added that the amount of a rebate could be in the \$50 to \$75 range for a \$1,000 energy efficient refrigerator. They look at models that have the Energy Star. They pick the higher tiers of efficiency. Mr. Rubino asked where the 30 FTE employees would be located. JOLENE stated they would be in their offices in Columbus. Mr. Rubino asked how many of those employees would be attributable to Cuyahoga Falls. DAVE did not have that answer. Mr. Rubino asked if there was a way the City could get a commitment that some FTEs would be based locally. Mrs. Carr stated that the Akron area has quite a few engineering firms. They will be doing everything they can to make sure the local firms bid on this project. Mr. Gherkin added that they will have a lot of customers in the Northeast Ohio area so they will need people here. He said the local firms need to make sure to get their qualifications in to VEIC and, if those qualifications are competitive, they can push to get those firms hired but there are no promises made. Mrs. Klinger agreed with Mr. Rubino. DAVE stated they are looking at getting geographic diversity and will be soliciting firms statewide. Mrs. Klinger felt the City deserved someone close by.

Wayne Giles, 2308 11th Street, asked who would be paying for educating and training City customers. He also asked how much electricity a residential customer uses vs. a retail or commercial customer. DAVE stated that residential customers represent 42% of the total electric. Commercial customers represent 11% and the rest is industrial. It is important to get residential customers energy efficient. Training and education is something that is done over and over again, and not something that is done once. Mr. Giles asked what the level of participation was by residential customers in Vermont. DAVE stated that Vermont is a small state. For each household at 10 CFLs per household, over one-half have taken significant action. Mr. Giles

commented that at 42%, it is important that the City get the residents up to par. JOLENE stated they are working with organizations to get the word out. Mr. Gherkin added that the City staff does a great job in educating its young people in schools who then come home and tell their parents what needs to be done and how to do it. Mr. Ihasz thanked Mrs. Carr and the AMP-Ohio members who came out.

Mrs. Hummel moved to approve bringing A-124 out of Committee with a favorable recommendation, second by Mr. Iula. Motion passed, voice vote (3-0).

Meeting adjourned at 8:10 p.m.