



City of Abilene Special City Council Meeting

Shane Price, Mayor Pro-tem
Bruce Kreitler, Council
Member
Kyle McAlister, Council
Member
Robert Hanna, City Manager

Anthony Williams,
Mayor

Donna Albus, Council Member
Weldon Hurt, Council Member
Steve Savage, Council Member
Stanley Smith, City Attorney
Tiffni Herrera, Assistant City
Secretary

Notice is hereby given of a meeting of the City Council of City of Abilene to be held on Tuesday, October 24, 2017 at 5:30 PM at 555 Walnut Street, 2nd Floor - Council Chambers, for the purpose of considering the following agenda items.

1. CALL TO ORDER

2. INVOCATION

1. Councilman Weldon Hurt

3. AGENDA ITEMS

1. **Presentation & Discussion:** Effective use of Performance Contracting to deliver energy efficiency and facility improvement projects. (**Howdy Wayne Lisenbee**).
2. **Presentation & Discussion:** OpenGov (**Mike Rains**)
3. **Public Comment:** There will be no votes or any formal actions taken on subjects presented during public comment. The public comment period will only allow members of the public to present ideas and information to city officials and staff.

4. ADJOURNMENT

In compliance with the Americans with Disabilities Act, the City of Abilene will provide for reasonable accommodations for persons attending City Council meetings. To better serve you, requests should be received 48 hours prior to the meetings. Please contact Tiffni Herrera, Assistant City Secretary, at 325-676-6208.

CERTIFICATION

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I hereby certify that the above notice of meeting was posted on the bulletin board at the City

Hall of the City of Abilene, Texas, on the _____ day of October, 2017, at _____.

Tiffni Herrera, TRMC
Interim City Secretary



**City Council
Agenda Memo**

City Council Meeting Date: 10/24/2017

TO: Robert Hanna, City Manager

FROM: Howdy Wayne Lisenbee, Director of Facilities & Capital Improvements

SUBJECT: Presentation & Discussion: Effective use of Performance Contracting to deliver energy efficiency and facility improvement projects. (*Howdy Wayne Lisenbee*).

GENERAL INFORMATION

Performance Contracting is an industry practice in which the capital investment needed to improve efficiency of facilities and replace aging systems is financed through the guaranteed savings from the improvements. The “performance” piece requires the contracting firm to pay any portion of the debt service payment out of their pocket if the realized savings aren’t enough to cover. This lowers the risk of the project to the City.

There have been significant technological advances that were not available to the City during the last two projects. There may be value in looking at the application of this new technology in our aging facilities.

SPECIAL CONSIDERATIONS

In 2008, the City of Abilene entered into a Performance Contract with TAC/Schneider Electric to provide energy efficiency upgrades to 34 facilities. The project focused primarily on building automation systems for HVAC as well as lighting system upgrades. There was also some mechanical system replacements. Phase I of the project cost \$9,064,417. The City then came back and performed a Phase II project at the Convention Center in 2012 at a cost of \$1,507,985.

Schneider has projected that annual savings from the Phase I work is \$692,372 from reduced spend on utilities, primarily energy.

FUNDING/FISCAL IMPACT

If the City is to initiate a Phase III project, it would begin with an Investment Grade Audit to be performed by a selected Performance Contracting firm. This audit provides an in-depth analysis of selected buildings and/or systems and presents a detailed business case for projects that can be guaranteed to perform and cover the cost of investment. If the City elects to move forward with a capital improvement project, the cost of the audit is absorbed into the project funding. If the City chooses to walk away and not perform a project, the cost of the audit is paid to the firm for their time and efforts.

STAFF RECOMMENDATION

Performance Contracting is an effective method to REDUCE the money the City already spends on utilities by funding capital improvement projects from the guaranteed efficiency gains that result from the improvements. If the City Council supports the concept of Performance Contracting, staff will add this tool to the CIP tool chest and begin to explore the feasibility of bringing forward Facility Improvement projects.

BOARD OR COMMISSION RECOMMENDATION

N/A

ATTACHMENTS:

	Description	Type
▣	Project Summary	Backup Material
▣	Presentation	Presentation

City of Abilene, Texas



Project at a Glance

Project Location:

Abilene, TX

Project Cost:

Phase I: \$9,064,417

Phase II: \$1,507,985

Annual Savings:

Phase I: \$692,372

Scope of Work:

- Mechanical Replacements
- Building automation system
- High efficiency lighting technologies
- Intensive capital upgrades
- Boiler, air handler, and other HVAC renovations
- On-going training during project implementation and beyond
- Long-term plan for renewable energy

Role of the Responder:

Energy Services Company

Construction Dates:

Phase I: Sep. 2008 – May 2010

Phase II: Oct. 2012 – June 2013

Project Term:

Phase I: 15 Years

Project Beginning and End dates:

Phase I: 2008-2023

Contact Information:

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Comprehensive Utility Conservation Project

To improve operations, security, comfort and energy efficiency, the City of Abilene implemented \$9 million in facility enhancements at 34 buildings comprising approximately 860,000 square feet. As a part of a performance contract, Schneider Electric guarantees that the City of Abilene will reduce its utility costs enough to save more than \$12 million during the next 15 years. The City followed up with this project with a second phase of work encompassing their City Civic and Convention Center.

Through this partnership, the City has propelled green initiatives, in part by implementing numerous energy conservation measures (ECMs) at its facilities, taking a significant step toward sustainability.

Environmental Impact:

Throughout the 15-year guarantee period, the reduction in electricity usage will:

- prevent 2.8 million pounds of carbon from entering the atmosphere
- avoid 10 million pounds of CO2 pollution
- reduce SO pollution by 88,000 pounds
- lower NO gas emissions by 38,000 pounds

This is equivalent to planting almost 129,000 trees, enough to cover 1,200 acres, or removing 871 cars from area roads.



Capital Improvement and Reinvestment Program

Leveraging energy efficiency to improve our community



Solution Overview

Create a Revenue Stream: Reinvest 10-30% of energy operational costs into needed infrastructure improvements

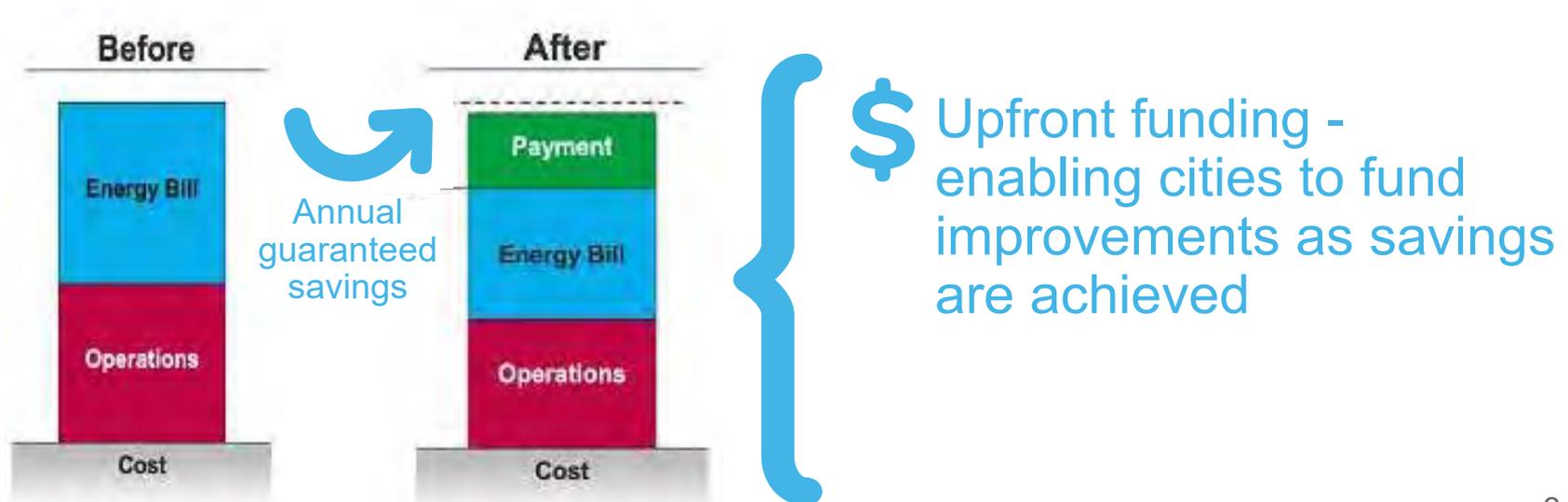
Comprehensive Solution: Designed around specific business goals & sustainable cost savings

One Partner: Energy audit, design, implementation, fund sourcing & performance guarantee



Enabling
Legislation

Local Government
Code 302



City of Abilene Phase I



Project Cost:

\$9,064,417

Annual Guaranteed Savings:

\$692,372

Project Benefits:

- Facility enhancements at 34 buildings
- Centralized control of city facilities
- Improved lighting quality
- Addressed major needs in a budget neutral way
- On-going training during project implementation and beyond

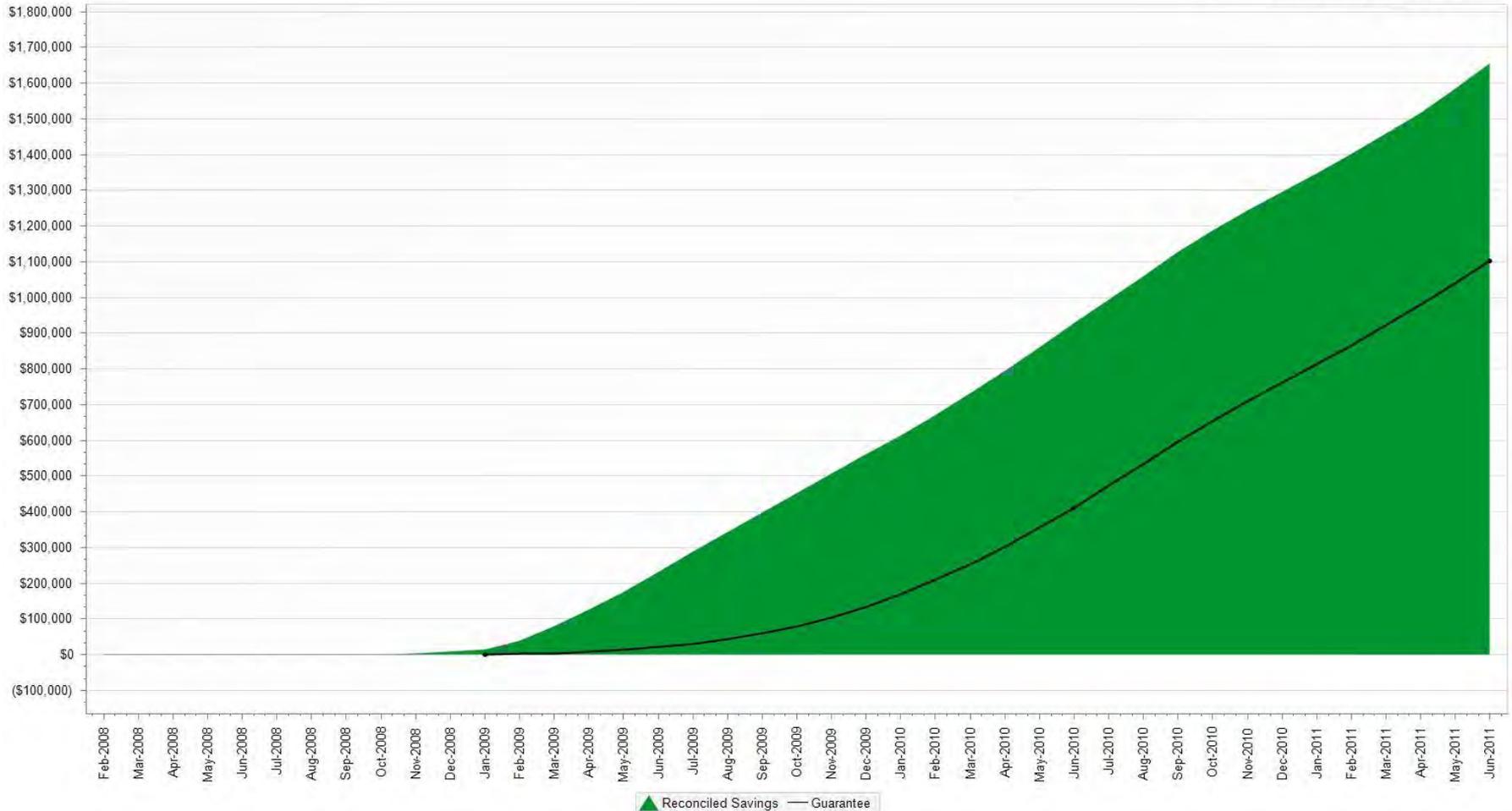


The City of Abilene captured \$9,064,417 and invested it back into infrastructure improvements.

Phase I Project Performance

City of Abilene
Savings vs. Guarantee

Annual Guarantee : \$692,372
Guarantee through **Jun-2011** : \$1,103,335
Reconciled Savings through **Jun-2011** : \$1,655,515

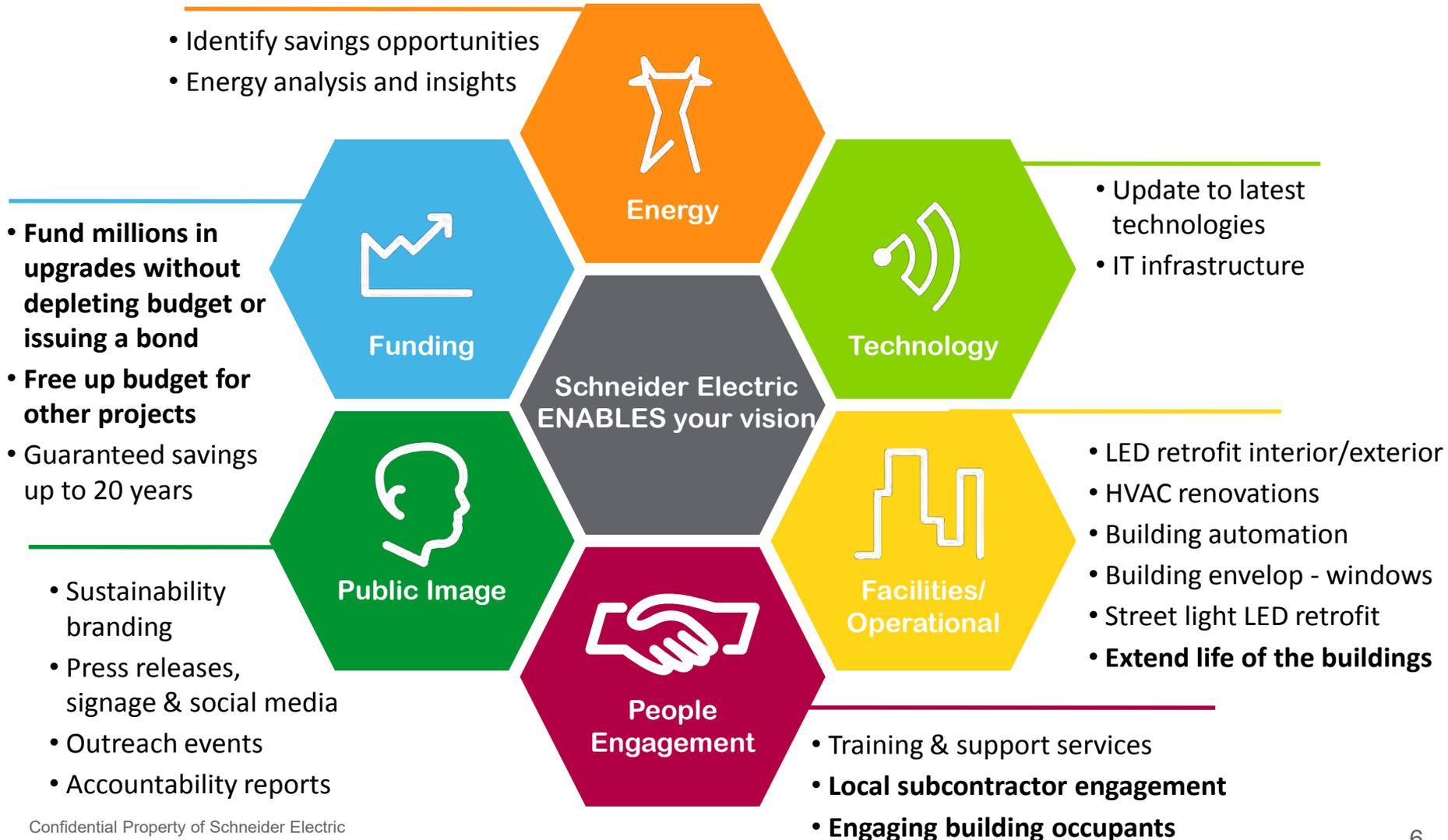


What's Next?

Maintain our existing facilities, by using dollars we already spend, to reinvest in the City of Abilene.



A Comprehensive Solution



Reinvesting Dollars Back into Abilene

- Project benefits will include:

- Reduce utility spend and repurpose dollars
- Utilize energy savings to address maintenance needs
- Update/Upgrade current facilities and infrastructure
- Extend the useful life of the facilities
- Free up dollars to spend on other projects
- Modernize City buildings



Next Step: Investment Grade Audit



Questions





**City Council
Agenda Memo**

City Council Meeting Date: 10/24/2017

TO:

FROM:

SUBJECT: Presentation & Discussion: OpenGov (*Mike Rains*)

GENERAL INFORMATION

SPECIAL CONSIDERATIONS

FUNDING/FISCAL IMPACT

STAFF RECOMMENDATION

BOARD OR COMMISSION RECOMMENDATION