

**MINUTES  
ST. CLAIR SHORES CITY COUNCIL MEETING  
December 5, 2016**

Regular Meeting of the City Council, held in the Council Chambers, located at 27600 Jefferson Circle Dr., St. Clair Shores, Michigan.

Present: Mayor Kip C. Walby, Council Members Peter Accica, John Caron, Ronald Frederick, Peter Rubino, Candice Rusie, and Chris Vitale

Also Present: City Manager Mike Smith, Assistant City Manager Bill Gambill, City Clerk Mary Kotowski, Directors Mary Jane D'Herde, Lt. Pietrzak, Chris Rayes, Chief Woodcox, and City Attorney Robert Ihrie

**1. CALL TO ORDER, ROLL CALL AND PLEDGE OF ALLEGIANCE**

Mayor Walby called the meeting to order at 7:00 p.m. Ms. Kotowski, City Clerk, called roll with a quorum present. The Pledge of Allegiance was recited by those in attendance.

**2. PRESENTATIONS – Police Department New K-9 Officer Axe**

Mayor Walby said Officer Price is our new K-9 Officer and is here with K-9 Officer Axe.

Officer Price introduced K-9 Officer Axe. He is a 2 ½ year old German shepherd from Germany. He explained how he got his name. The gentleman who sponsored the dog was a war veteran and Axe is named after a Navy Seal that was killed in Afghanistan in 2005. He said he has had Axe for 6 weeks. Officer Price said he has been a Police Officer for 20 years and 19 of those years in St. Clair Shores. He said he always wanted to be a K-9 Officer and he got his dream job. Axe came in on a Friday and he picked him up on Sunday. He is in a 12 week training program and then it will be once a week for maintenance.

Mr. Smith said it's a great thing for the community. He thanked the gentleman who helped us get him.

**3. AUDIENCE PARTICIPATION ON AGENDA ITEMS (2 MINUTE TIME LIMIT)**

Jim Goodfellow, St. Clair Shores Resident, spoke on item 4. He complimented the Assistant City Manager, Ms. Rusie, and Mr. Accica for the contract they came up with for Johnson Controls. He said it's the 75<sup>th</sup> anniversary of Pearl Harbor and he thanked the dedication and lives. He said it was the greatest generation.

**4. BIDS/CONTRACTS/PURCHASE ORDERS – Request to Authorize Project Development Agreement with Johnson Controls**

Mr. Smith said this was a long ongoing process.

Mr. Gambill explained that on February 1, 2016, City Council authorized Johnson Controls (JCI) to perform a preliminary audit to determine if a project paid for through energy savings is feasible. The study indicated that an opportunity exists. On April 22, 2016, the City of St. Clair Shores solicited firms registered on the Department of Energy's qualified list of Energy Service Companies (ESCOs) to respond to a Request for Qualifications (RFQ) for energy performance contracting services. The RFQ included twelve months of City owned building gas, electric and water consumption. Vendors were also provided with opportunities to tour city buildings with staff. Five firms responded to the RFQ: Leidos, Honeywell, Siemens, JCI, and Opterra. Leido's experience was primarily working in automotive plants and was disqualified due to a lack of experience working on the range of buildings and uses that exist with local government clients. Honeywell wasn't considered because our experience with them as a vendor has not been positive. Siemens, JCI and Opterra scored well and were interviewed. The selection committee consisted of Michael Smith, Chris Rayes, Terry Compo and himself. There were two rounds of interviews and references were checked. During the first round of interviews vendors were asked a series of questions derived from the Department of Energy's ESCO vendor questionnaire. The second round of interviews focused on ice arena experience. This was an area of focus because the Civic Arena is the building with the largest annual utility spend (\$273,193). During the interview process it was guaranteed savings. Based on experience working on ice rinks and a wide range of other local government projects, Administration recommends that City Council authorize entering into a Project Development Agreement with JCI.

Mr. Gambill explained that one of the items JCI would be expected to accomplish is to replace the Honeywell proprietary control systems in city-owned building with an open source system. The service contract signed with Honeywell in 2003 originally cost \$126,921 annually. Due to rate adjustments allowed by the contract after 5 years, the City currently pays Honeywell approximately \$190,000 a year for this service agreement. Replacing the proprietary system with an open source system will provide cost savings and allow the City the flexibility to perform

**Agenda Item 4 (cont'd)**

this service in-house or bid out the work as deemed necessary.

Mr. Gambill explained that the Project Development Agreement will allow JCI to investigate and engineer improvement measures, that, when rolled together, will pay for themselves over a defined period of time. The Project Development Agreement will provide a not-to-exceed engineering cost of \$154,354. After a scope of work is identified and the City decides to proceed with a performance contract, this engineering cost will be rolled into the performance contract.

Mr. Gambill said JCI's preliminary audit suggests overall improvements should be in the range of \$2 to \$3.5 million. Typically performance contracts are set up to pay for the improvements over 15 years, but legislation allows for them to be as long as 20 years depending on the nature of the improvements. The annual savings that JCI provides is backed by a money-backed guarantee.

Mr. Gambill mentioned that we have issues at the library, such as with humidity and air flow.

Dan Mackie, Johnson Controls, explained the process. They had the opportunity to do a walk through and after discussions with staff they found that a lot of mechanical equipment is aging. In terms of humidity control at the ice arena, there is also an issue at the library that they will look at. The roof at City Hall needs attention. The boiler in the library is past its expected life. It's time to start looking at lighting upgrades. The plumbing is aging. The controls need upgrading. They did look at utility data and they presume that the City will save approximately 28% on energy bills. He mentioned the project funding options. He mentioned some of the projects they've done recently, such as for the City of Monroe and the City of Port Huron.

Mr. Caron stated what he likes about this program. He said the part of the budget that this affects is the part of the budget that department heads don't oversee. If it doesn't have the payback that is promised that difference will get returned back and that is a good reassurance. The nautical lights are almost half our bill and he would like those switched over to LED lights like the rest of the street lights.

Mr. Gambill said they are looking into that.

Ms. Rusie said Johnson Controls did a very thorough preliminary study. She questioned if they had an advantage because they have done work for us.

Mr. Gambill said they did do some work for us and we put out the information in the RFQ, so the information was available to all companies to review. The vendors had time and several opportunities to walk through. They made sure that it was fair to all of them.

Ms. Rusie questioned the contract itself and referred to paragraph 3 in RFP.

Mr. Gambill said they wanted to make sure local vendors could also compete.

Ms. Rusie mentioned that Johnson Controls would be selecting the companies they would be the project manager and contractors would be the sub contractors on the project.

Mr. Gambill said they want to make sure to select qualified companies because ultimately Johnson Controls is responsible for it and if the City does not received the expected savings then they write us a check for the difference.

Mr. Mackie said they wanted to make sure everyone had the opportunity to bid that wanted to bid. They have a way that they vet those responses and they will share with administration the scores and their process.

Ms. Rusie said the RFP will only advertise on MITN for 2 weeks, which seemed like a small window.

Mr. Smith asked Mr. Mackie if they would have a problem extending that period.

Mr. Mackie replied no.

Ms. Rusie asked him to explain to the residents the breakdown that was discussed at the meeting.

Mr. Mackie said the fee is for the engineering fee for doing the studies, the MITN process, developing, the preliminary process, doing drawings, etc. It's the whole engineering phase and it is broken down into different phases. There is the preliminary process, engineering phase, and the development phase and the engineering dollars will be part of the overall project cost.

**Agenda Item 4 (cont'd)**

Ms. Rusie asked if the documents and engineering information will be the property of the City. Mr. Mackie said yes.

Mr. Vitale asked if we are going to do a cost savings on the north fire station water heater. Mr. Gambill said yes.

Mr. Vitale asked if they would consider a drop in to update the LED lighting so we don't have to replace the whole fixture.

Mr. Mackie said they will bring a couple different technologies to staff to make the determination. They will bring the ROI.

Mr. Vitale said he likes the open system and that will be a savings. He asked if we looked at the ability for solar roofs. Mr. Mackie said they will be in the next phase. There is a little more detail to that.

Mr. Vitale asked if putting solar on the roofs and covering up flat roofs extends the life of the roof because it protects it.

Mr. Mackie said he will leave that to the engineers to answer.

Mr. Accica said this is a fantastic idea. He said you are saving energy in every building guaranteed and saving taxpayer's money. He would like to see more solar. You brought in 4 or 5 companies and he thinks that you made the right choice

Mr. Rubino mentioned geo thermal and heat pumps will be some of the things looked at.

Mr. Mackie said yes. They are going to look at that with the ice arena building. They will look at that and do an analysis. They will do different phases to make sure that it makes sense before spending City dollars. He said the ROI (return on investment) is going to fit in with whatever terms made by the City.

Mr. Rubino said the key is the money we spend will not come out of budget dollars.

Mr. Smith said the idea will be to not increase the money coming out of the general budget fund.

Mr. Rubino asked if the savings are not there where does it come from.

Mr. Mackie said Johnson Controls check book. The intent of a performance contract.

Mr. Rubino said he likes that we will be more up to date and be better on savings. It astonishes him how archaic our systems are and this won't cost us more.

Mr. Frederick thanked Mr. Gambill for all his hard work. He thanked Mr. Mackie. He hopes this will stop the emergency repairs, which cost us a lot more money. One thing that came up in the meeting was the circulation and humidity in the library. He is excited to move forward with this.

**Moved by Council Member Frederick, supported by Council Member Accica to approve the request to Authorize Project Development Agreement with Johnson Controls with the increased weeks of 4, as recommended by the City Manager.**

Ayes: All – 7

Mr. Mackie said they can start this week and get information back late February and early March. They would like to schedule a lot of these improvements in the spring as it is a better time.

5. **CONSENT AGENDA** – All items listed on the consent agenda are considered to be routine and will be enacted by one motion and approved by a vote of City Council. There will be no separate discussion of the items unless the Mayor and or a Council Member so requests, in which event the item will be removed from the general order of business and considered under the last item of the Consent Agenda.

**Moved by Council Member Caron, supported by Council Member Frederick to approve the Consent Agenda Items a – f, which include the following:**

a. **Bills**

**November 24, 2016**

**\$2,452,130.84**

**Agenda Item 5 (cont'd)**

Resolved to approve the release of checks in the amount of \$2,452,130.84 for services rendered, of the report that is 24 pages in length, and of the grand total amount of \$2,452,130.84, \$0 went to other taxing authorities.

b. **Fees – None**

c. **Progress Payments**

Resolved that the following Progress Payments be approved as presented:

C & L Enterprizes, Inc.	\$ 72,158.65
C & L Enterprizes, Inc.	\$ 65,726.04
Cipparrone Contracting, Inc.	\$146,299.38
Cipparrone Contracting, Inc.	\$ 24,520.43

d. **Approval of Minutes**

Resolved that the following minutes be approved as presented:

<u>Minutes</u>	<u>Meeting Date</u>
City Council	September 6, 2016
City Council	September 19, 2016
City Council	October 3, 2016
City Council	October 17, 2016
City Council	November 21, 2016

e. **Receive & File Boards, Commissions & Committee Minutes**

Resolved that the following minutes be received and filed:

<u>Minutes</u>	<u>Meeting Date</u>
Fence Arbitration	October 19, 2016
General Employees' Pension Board	August 16, 2016
General Employees' Pension Board	September 27, 2016
General Employees' Pension Board	October 18, 2016
Library Board	October 20, 2016
Police & Fire Civil Service Commission	May 10, 2016

Ayes: All – 7

**6. UPDATES AND FOLLOW-UPS FROM COUNCIL MEETING**

North Firehouse Station Insurance Claim – Mr. Smith said we are waiting for information from our insurance company.

Monica Cleaners – CDI is working with the property owner. Mr. Rayes said it depends on the weather to pull the pavers.

Ambulances – Mr. Smith said that over the last 2 months there was only one day where we weren't able to perform because we were down 2 ambulances.

Civic Arena Gutters - Mr. Smith scheduled a completion date.

**7. COMMENTS BY INDIVIDUAL COUNCILPERSONS**

**Council Member Vitale** said gas line replacement work was done. He asked Chris if they are supposed to cease work at 7 p.m.

Mr. Rayes said they are allowed to work from 7:00 a.m. to 7:00 p.m.

Mr. Vitale asked Mr. Rayes about restoration work regarding lawns and sidewalk work. He said Consumers Energy is required to repair that.

**Agenda Item 7 (cont'd)**

Mr. Rayes said yes.

**Council Member Accica** said he had the pleasure of working with the Goodfellows and had a wonderful experience.

Mayor Walby said it was a good day for the Goodfellows. They raised almost \$22,000.

**Council Member Rusie** thanked the Goodfellows for all their hard work. She thanked all the volunteers and businesses.

Ms. Rusie made Christmas announcements, such as the Women's League will have their Santa Brunch and Lac Ste Claire Dinner with Santa. She thanked Ron Frederick's mother for the cookies. She gave her condolences to the friends and family of Officer Rose.

**Council Member Rubino** asked Mr. Rayes about who to call if there is an issue in the concrete during a project. He gave condolences to Officer Rose's family and friends. He said our Police Department and St. Joan of Arc did a good job of coordinating such an event.

**Council Member Caron** gave his condolences to Officer Rose's family. He appreciates all the work by our Police Department. He thanked the Activities Committee for doing a good job. The Tree Lighting was a nice event. He thanked the Beautification Commission for the wreaths throughout the City.

**Council Member Frederick** gave condolences to Officer Rose's family. He thanked the Fire and Police Departments for assisting and coordinating. He mentioned the anniversary of Pearl Harbor and said that his father was a Navy veteran. He wished his wife a very Happy Birthday coming up this Sunday. He mentioned that the gourmet nuts are still for sale by Lac Ste Clair Kiwanis. The money goes directly to the organization for great events. He thanked the Optimist Club and Activities Committee for all their efforts for the tree lighting. He announced the Optimists Club upcoming events. He thanked the Goodfellows for their hard work. He announced the upcoming Library events.

**8. CITY MANAGER'S REPORT**

Mr. Smith said we've extended yard waste pick up another week, so December 16<sup>th</sup> will be the last day.

Mr. Smith announced that there is a blood draw on December 7<sup>th</sup>.

**9. AUDIENCE PARTICIPATION (5 MINUTE TIME LIMIT)**

Kathy Joerin gave a reminder for the 9<sup>th</sup> Annual World Wide Candle Lighting Event for bereaved parents in honor of their deceased children. The event is at St. Margaret on December 11<sup>th</sup> at 6:30 p.m.

Dave Rubello, St. Clair Shores Resident, and Activities Committee Chairman, thanked John Caron, Ron Frederick, Mayor Walby, Pete Rubino and Pete Accica for attending the Tree lighting. He thanked the organizations and participants for their support. He mentioned the Aqua Freeze Fest will be on February 18<sup>th</sup> and 19<sup>th</sup>.

**10. MAYOR'S COMMENTS**

Mayor Walby said the Tree Lighting concluded the Activities Committee events for the year. It was a very successful year for the Activities Committee. They provide great events for the City.

Mayor Walby gave condolences to Officer Rose's family. He thinks about our St. Clair Shores Police Department all the time and how difficult it must be. We should pray for these people. They are absolutely under assault. It is a tough job and it has gotten much tougher. Pray for their safety.

Mayor Walby said he received letters from some 3<sup>rd</sup> graders from Masonic Heights Elementary about keeping Lake St. Clair clean. We are the stewards and it is our responsibility to do a better job. He appreciated their letters.

**11. REQUEST TO ENTER CLOSED SESSION AS PERMITTED BY STATE STATUTE MCLA 15.268 SECTIONS 8 (a)**

**Motion by Council Member Caron, seconded by Council Member Frederick to enter in closed session as permitted by State Statute MCLA 15.268, Section 8 (a) at 8:28 p.m.**

Roll Call Vote  
Ayes: All – 7

**Motion by Council Member Caron, seconded by Council Member Frederick to return to Open Session at 8:47 p.m.**

Ayes: All – 7

**12. ADJOURNMENT**

**Moved by Council Member Caron, supported by Council Member Frederick to adjourn at 8:47 p.m.**

Ayes: All – 7

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KIP C. WALBY, MAYOR

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MARY A. KOTOWSKI, CITY CLERK

(THE PRECEDING MINUTES ARE A SYNOPSIS OF A CITY COUNCIL MEETING AND DO NOT REPRESENT A VERBATIM RECORD).