

**MINUTES
CITY OF LAKE WORTH
CITY COMMISSION
WORK SESSION
MAY 12, 2015 – 6:00 PM**

The meeting was called to order by Mayor Triolo on the above date at 6:00 PM in the City Commission Chamber, located at 7 North Dixie Highway, Lake Worth, Florida.

1. ROLL CALL:

Present were Mayor Pam Triolo, Vice Mayor Scott Maxwell, and Commissioners Christopher McVoy and Ryan Maier. Commissioner Andy Amoroso was absent. Also present were City Manager Michael Bornstein, Assistant City Attorney Christy Goddeau, and City Clerk Pamela Lopez.

2. PLEDGE OF ALLEGIANCE:

The pledge of allegiance was led by Commissioner Ryan Maier.

3. UPDATES/FUTURE ACTION/DIRECTION:

A. Siemens performance contracting project update

Hector Samario, Siemens, provided the history on the performance contracting project process up to this final update. He said this was the third update he provided to the City Commission during a public meeting. He explained in detail the City's financial, technical, and community benefits' objectives; Florida Statutes regarding guaranteed energy, water, and wastewater performance savings contracting; making the most of Energy Savings Performance Contracts (ESPC); and understanding performance contracting. He said the actual cost savings would be 119% of the guaranteed savings on average. He commented that the scope of work included facility upgrades, Leadership in Energy and Environmental Design (LEED) streetlights, renewable solar energy, and Advanced Metering Infrastructure (AMI) for utility and customer enhancements.

He advised that the project was neutral to the City's capital budget. He explained in detail performance contracting for the capital budget and cash flows using tax exempt municipal lease purchases, projected cash flows, and additional savings and revenues. He said the project costs for facility upgrades, streetlights, solar energy, and AMI were \$21,877,582. In Year 1, the savings for all would be \$2,029,159 and the simple payback would be 11.3 years. After the cash flow period of 15 years, the cumulative savings to the City would be \$3,158,490.

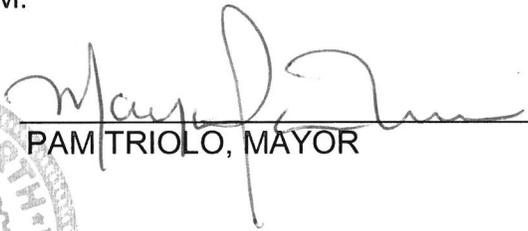
Phase II would be the development of Compressed Natural Gas (CNG) and he said Siemens would approach this using the same process as Phase I.

The cost for a CNG study was \$87,111 for a total project total of \$22,964,693. He said the next steps would be the development of a contract with Siemens and financing agreement, groundbreaking ceremony and construction kick-off in June or July 2015, construction beginning in July 2015, and construction completion in October 2016.

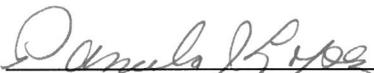
Lengthy discussion ensued regarding savings and costs for the project; cost savings to switch the utilities meters; method used to calculate renewable solar energy savings; why the electrical utility staff could not produce the audit; Siemens doing the audit, the City watching the project to see if the savings were achieved, and Siemens having to make up the difference if the guaranteed savings were not achieved; the Commission needed to decide whether or not they found value in the project if the financial numbers presented were valid; type of meters to be installed; reason for replacing the recently replaced new meters; needing a well, articulated public message for the naysayers; Siemens's projected water rate increases versus the City's projected rate increases; showing the reflected savings through all of the City's funds; implementing a pilot streetlight sample program for public input before the lights were purchased; including a phasing timeline on the City's website for the public; communicating with the public about the possibility that their bills may increase because of the accuracy of the new meters; whether there would be an adverse effect on the City's credit rating or ability to borrow; how the City qualified for a \$23 million loan from Bank of America; who served on an advisory board and who were the three residents who had an opportunity to already comment on this project; the Electric Utility Advisory Board members already commented on the project; wanting to understand the City's need and having the assessment come from either an internal or neutral source; would the City need to hire new staff, could the current existing staff run the project once installed, or would the technology allow for a reduction in City staff; and untrue rumors about Siemens taking over the electric utility.

4. ADJOURNMENT:

Consensus: To adjourn the meeting at 7:19 PM.


PAM TRIOLO, MAYOR

ATTEST:


PAMELA J. LOPEZ, CITY CLERK



Minutes Approved: June 2, 2015

A digital audio recording of this meeting will be available in the Office of the City Clerk.