

CITY OF HOOVER
CITY COUNCIL
WORK SESSION
MINUTES
FEBRUARY 13, 2020

The City Council of the City of Hoover met in a regular work session on this date at 5:00 PM, in the Theater at Spain Park High School, following publication and posting pursuant to Alabama Law. Council President Gene Smith called the meeting to order.

Members Present: Gene Smith, Council President
John Greene, Council Pro-Tem
Curt Posey, Council Member
John Lyda, Council Member
Casey Middlebrooks, Council Member*
Left at 7:40 p.m.
Mike Shaw, Council Member*
Left at 6:20 p.m.

Members Absent: Derick Murphy, Council Member

Other Officials Present: Mayor Frank V. Brocato
Phillip Corley, City Attorney
April Danielson, City Attorney
Nick Derzis, Police Chief
Jehad Al-Dakka, Executive Officer, Police Department
Clay Bentley, Fire Chief
Amanda Borden, Library Director
Jason Cope, Technology Director
Tommy Daniel, Public Works Director
Wendy Dickerson, City Clerk
Mike Lewis, Human Resources Director
Melinda Lopez, PhD, Chief Financial & Information Officer
Frank Lopez, Revenue and Taxation Director
Mac Martin, City Planner
Dustin Moore, Fleet Manager
Ben Powell, City Treasurer
Chris Reeves, Assistant City Engineer
Allan Rice, City Administrator
Mindy Wyatt, Applications Systems Specialist
Nick Derzis, Police Chief
Greg Knighton, Economic Development Director

Jim Wyatt, Director of Building Inspections
Marty Gilbert, Acting Director of Building Inspections
Tina Bolt, Finance Director
Dee Nance, Community Services Officer
Angela Roper, Fleet
Craig Moss, Park and Recreation Director

SNIDER ELECTRIC PRESENTATION

Mr. Lyda stated that about 2 years ago the concept of the Energy Savings Consultant Company was introduced to him. He consulted with people that had already gone through this with their municipality or Boards of Education across the state. It is also becoming more common in private enterprise. It is simply a consulting service that they wanted to look into to take care of some deferred maintenance that the City has been incurring over the last several years. Finance and pay for that deferred improvement through savings they get on their energy bills going forward. There are not many ESCO companies on the market. They put an RFQ out a couple of years ago asking for interest. He believes they had three responses. All three were capable companies. There was a panel of City employees who went through some due diligence and now they are down to two. Those two companies have spent the last several months working with representatives. He stated that tonight they have asked those two companies to come in and give a 15-20 minute presentation to the Council. He stated that he has made a commitment and he hopes that his colleagues will help him and honor that commitment to have a decision made on whom the City should hire in the next 20 days. He told Mr. Smith that would like to see that done by the first meeting in March if that is possible.

Mr. Smith stated yes sir.

Mr. Lyda invited the representatives from Snider electric to speak.

Mr. Todd Smith stated that he is a Sales Team Leader for the Southeast. He has been with this company for 15 years and was responsible for opening this office. Over the last 15 years, they have been able to do over \$300-million worth of construction in the state of Alabama. They have partnered with many municipalities, County Governments, school systems, state agencies, and higher education. They feel like they have processes and procedures to deliver the Council excellence. He stated that in talking with the City of Hoover, it has been about an 8 or 9 year conversation. His first conversation with the City of Hoover was in 2010. They have many employees that live and work in Hoover and they were coming to them discussing some of the needs in the facilities. They stated that there has to be something that they can do for the places that they take their kids to play ball, workout, and go to the library. They started these conversations and it really was not until 2017 where things started to get a little more serious. They began looking at operational costs, how they operate what they do and how they could do better. It originally stemmed from was when they decided to break the City facilities and the water waste system apart and work with the two different opportunities. They usually spend about \$3.2-million on City facilities with utilities, operations, telecommunications, etc. Water waste is separate from this. In their analyses for the City facilities, they believe that they can drive anywhere from around \$730,000 up to around \$1-million just focusing on what they call their traditional core concepts which is upgrading technologies and services. Things that they

are going to need to do anyways taking out of their capital budget would be LED lighting, replacing some of the issues that they have at the Hoover Met, taking care of some of their sports field lighting. They are doing great renovations when they have the money available, but this is a way for them to be able to use their capital in the future. When going through their analysis, it is easy for them to benchmark some of the things that they have seen across the state. As a City, they are probably running it around \$4.30 a square foot, which is high. There is a ton of room for potential and that is why he thinks everyone in his office is excited about what they can accomplish. They have delivered excellence in places around the state. All of the major entities across the state has partnered with them successfully. They have been able to systematically reduce operational costs and deliver that back into facilities from investments that they would have to do in the first place. The solution overview for them is that they want to come in and look at that deferred capital maintenance list that they are continuing to push back because there is never enough money to accomplish everything. They are in that reactive mode to where as things break, they are replacing them but they are not replacing them in the most new or innovative way. He thinks that they can bring a lot of that experience to the table. They have the time to tackle it, the expertise, and they can bring the money to the forefront. He knows many of the questions early on revolved around the financial flexibility. He thinks one of the things that actually sets them apart is that they have funded projects in dozens of different ways across the state. It is definitely not a one size fits all. As they look at these solutions for the City, there will be a collaborative design process where they will meet each of the Council Members to understand their agenda, their needs, and what they would like to see happen in the City. They will put together a plan. They will come to them at 30% and ask how they like it. They will also start formulating financial options. Some of them can involve them funding all the money for the City and they can repay them through savings. There are all sorts of grants out there like Federal and State funding. Their team has secured all of these things successfully. He thinks that within the state of Alabama they have secured almost \$40-million worth of grants and low interest funds for their clients. Putting all of that together not only gives the best technological solution, but also the best financial solution. He thinks that they would get more bang for their buck that way. The other thing to think about is as these projects go, it is not just the design and the construction, but it is also the post program support. All of their offices are off Lakeshore. All of their employees support all of their references right there in the state. The biggest thing is making sure they continue to hit the benchmark that they have set for them. The whole purpose of the program is to ensure that they do not achieve that million-dollar reduction in their operational cost for the City and they want to be financially reliable for them. They have done over 800 of these projects across the U.S.; just over \$3-billion of construction, they have written checks to 40 of those clients. Some of them are small, some of them are large, but they wear it as a badge of honor because they feel like they stay true to their word. They have been doing this for over 30 years. He stated that the City of Hoover needs to think about themselves being the leader of the state. People are looking at them and looking to see that they are doing things the right way, being a good steward to their taxpayer dollars, and that they are making smart decisions on things. He stated that if they look at the various companies in this industry and third party research they would see that in 2017 they were ranked the number 1 service company in the United States. In 2018, they were ranked the number 1 energy as a service company in the United States, over all their peers, not just in Alabama. He stated that he they should not take that gamble with someone who does not have that track record, experience, processes, and

procedures in place. They have all of their engineers, construction management, support services, and they help arrange all funding in house. They are not subbing any of this work out. If something goes wrong, they will know exactly who to contact. He added that some of the challenges that the City is facing is that the facilities are complex, for example, the MET. It is going to take a comprehensive construction effort. He can think of different places where they have tackled these issues across the state, whether it is Walter B. Jones at the University of Alabama or various K-12 campuses. It is a unique situation that they are going to have to design and construction manage. They cannot just trust anybody to do that. They have the track record and have proven the ability to be able to do that time and time again. He would also look at not only what they have been able to do within the state of Alabama, but a lot of their team also works in Mississippi, Georgia, Tennessee. In Williamson Tennessee, they are currently doing an \$18-million renovation on the County Headquarters. They have just finished 8 months ahead of schedule on the \$16-million jail renovation for Etowah County Commission. They have houses put together in a \$23-million project for The City of Macon-Bibb, Georgia in their first phases. The City of Atlanta, The City of Tupelo just did a massive sports lighting complex project with them for thriving sustainable sports tourism. When he thinks about the key reasons why Snider Electrics would be the smartest solution to go with it comes down to a few things. Number 1 is their capabilities. Those capabilities that they take responsibility for, they take seriously. They have built a team over the last 16 years starting with him. Howell was one of the very first five employees. Now they have 100 people dedicated to the State of Alabama, only doing this in-house. Number 2 is the experience that they talked about a little bit and some of those things that even third party reviewers of their work have given them accolades and awards for what they have accomplished over the years. Number 3 is the financial flexibility that they talked about. They not only have the capability to bring them a wide variety of financing at the cheapest cost. It is not a one size fits all, so they have to figure out what fits best for them. They have to figure out that collaboration. Lastly, it has been a year since they did the original report. They have expanded their services and they have incredible, contract negotiation services. They were able to drive some costs down. Howell came up with \$700,000 a year with the Macon-Bibb County government by just driving renegotiations and contracts, whether it was IT, telecommunications, utilities, etc. They have all of these things that they can now bring to the table. None of that is reflected in the cost savings in that report because that is somewhat of a newer offering. Additionally, they have been through the school system. They school system has a massive potential here, in fact they were at Spain Park High School a couple of years ago. It had a huge impact. They partnered with a third of the school systems in the state, and he would be happy to share that information with them as well. He added that on the water waste side, they did not include those numbers. They have over 100 people that are fully dedicated. They cannot only help on some of the deficiencies but they can also help on billing systems and other things that they may be able to involve. He thinks that their opportunity here is fantastic. Not every City Council that they present to has the same opportunities. Sometimes they are only able to do a few things, but right now, today, they can make that decision that Councilman Lyda was talking about and they can make a difference for the City of Hoover and they are ready to do it for them. He asked if they had any questions for them.

Mr. Smith asked what did he insist that the all-in cost be to the City.

Mr. Todd Smith stated that what they have currently done in that analysis is looked at what they can produce. They translate that to what they think they can fund in terms of Revenue. If they take those numbers and extrapolate them over the legislation, which they are allowed to do for 20 years, they would generate between \$20-25-million to the City. They take that back and invest it. That is what he feels like their potential could be for reinvestment, but it does not mean that they have to use all of it. He thinks part of the next step is them designing and collaborating on exactly what they want their investment to be.

Mr. Smith stated that what he is asking is that if they take the grant money and funding out, what would be the cost of the project from beginning to end. Then they will look at the other opportunities that will take away from that.

Mr. Todd Smith stated that there has been no design by either firm and what they have done is an analysis of what they can do based upon benchmarks of other cities. They know what they have and that they can provide a project that can fully fund itself. It would be irresponsible for him to present the scope and the cost because it usually takes 3 to 6 months to put that together.

Mr. Smith asked if it would be \$300-million, \$30-million

Mr. Todd Smith stated that they could generate between \$20 and \$25-million in costs savings.

Mr. Smith stated that he understands that he mentioned that the costs savings would in turn be used to pay off whatever capital costs that he has brought to the table on behalf of the City. He asked how many years he anticipates. Would it be 100% of those savings, 50% of the savings? He asked how many years does he anticipate it would be for those obligations to complete.

Mr. Todd Smith stated that all they know right now is what they can generate and that savings can be used however, they would like to utilize it. He has had clients who have done 10, 12, 15, and 20-year programs. It ultimately depends on what they want them to tackle for the City. If they want to do the heavy mechanical and heavy roofing, windows, doors, security, IT, it would take a longer payback. If they want to focus on equipment for payback items like lighting, safety, telecommunications, IT, etc., then they can do a shorter payback. He thinks that the message to them is that they select them, they will go through systematically and list them to each of their goals and agendas and design that program around it. One of the things about the next phase is that they cannot bring back a project that does not fully fund itself or end with positive cash flow or they walk away without payment for the design. That is the safety net for them as a Council knowing that they would not select them and they would bring back something that is unaffordable to the City.

Mr. Smith stated that one of the concerns that he has is that they repay, whether it is 100%, 50%, or 75%, by the time they get it repaid, that equipment is starting to fail and they would have to start all over again. He asked what the true savings are at that point.

Mr. Todd Smith stated that he looks at it in a couple of ways. That is assuming using that they have used all of the savings to fund the program. That is what they would consider a budget neutral approach. Each project that they have done in this state has exceeded their engineering savings. All of those savings, each year, goes directly back to the operating budgets of their clients. In regards to the real savings, he thinks the real question is on what they design upfront.

They have just taken all of those capital items off their capital plan. There is bot energy savings and operational savings that they are bringing to the table. They are freeing up cash flow in the capital budget that they would have to spend anyway to do these things over time. They are just doing them today in a more efficient way and getting it done at a cheaper cost. There is kind of two ways to look at it. He agrees with Mr. Smith, that if they take all of their savings and fund it towards the program, they get to the end of the program and the technology is ready to be renewed. He thinks the deeper they can get into the capital improvement needs and deferred maintenance needs, which they all know exists, that is the power of the program.

Mr. Smith asked if there were any further questions from the Council.

Dr. Middlebrooks stated that he wanted to follow up with Mr. Todd Smith's statement that so far they have exceeded expectations with their clients. He asked by what percentage.

Mr. Todd Smith stated that each client operates differently. They keep track of each of these things every month on how they are achieving and when they are achieving. The goal is to find if there is ever a short fall. He has a project that comes in mind that typically they have \$10 million dollars guarantee with the client. It is not uncommon for them to deliver \$12 or \$13-million in savings. That money is an excess of what they have guaranteed or designed to the client. There are those situations where they have to fill that gap if they miss something, but they generally come back and fix the problem at their own cost so that they can meet and exceed that savings over time. In the state of Alabama, the vast majority of their projects are not just meeting the minimum guarantee; they are exceeding their expectations for what their original investment was for.

Dr. Middlebrooks asked if he has an average percentage of how much.

Dr. Middlebrooks asked if overall, the clients have exceeded those expectations.

Mr. Todd Smith stated that he could get that answer for them. He does not want to quote it because he did not want to be wrong. He stated that he would find out the exact data on how much they have exceeded the guarantee.

Mr. Greene asked how long it takes to start one of these projects and see the savings. He asked if it would be in a year or several years.

Mr. Todd Smith stated that when selected and they have the agreement in place and the design, it can go one of two ways. They can go down the traditional path, which generally takes 3-6 months to come up with the construction program design and everything to implement. That generally takes 6 months to a year to implement those measures. He would say that within a year or a year and a half they are producing those savings and seeing the fruit of their investment and benefit. Many of the clients that they engage with have what they call a critical need or something that has to be addressed. They can deploy a critical response that while they are developing the rest of the project they can address some key things for them. They have some things in mind for the City of Hoover that they would recommend almost instantaneous implementation. It would be interviews with each of the administration to see where they would want to put those resources.

Mr. Posey stated that he appreciates Mr. Smith taking to him about this in more detail; he thinks that helped him understand a little more. There are many things to consider and obviously once they sign the contract, there is even more work to do. One of the things that they talked about was renegotiating the contract in savings, which being a City, they have a relationship with many people that they would be talking to and in some cases they would have franchise agreements with them. He asked how he would go about that. He asked him to talk more in detail about how he can get to that negotiation and why they should go on with their agreement when they can do it themselves.

Mr. Todd Smith stated that the first thing is that he understands the relationships that they have with their providers. There are definitely certain providers that they would want to keep a good relationship with and would not want to have any cost discussions on what may be able to be done more effectively. They understand that there are good community partners. Outside of that, there are ones that have good services and costs. The reason that they may have a little more expertise is because they hold national relationships with large-scale providers and instead of going to the local office for these negotiations; they go up at a higher level. Because of what they are procuring at a higher level for all of their clients, he thinks that they have access to different discussions than an individual city would have. He had seen it across their portfolio. Right now, he is going through it with the University of Alabama. They reduce their original project \$1-million dollars a year. They funded a \$17-million project, they are still in construction, and they are bringing them back financially. Whether it is telecommunications, IT systems, utilities, it is almost like an added layer of bearing no costs benefits to their client.

Mr. Posey stated that it is kind of the same question that Mr. Smith asked regarding the MET. He has been out there and looked at the MET and has identified things that need to be replaced. He asked him what type of costs they are looking at there.

Mr. Todd Smith stated that they would need to go back to their team to look at what that scope of investment would be. He stated that it would be very easy to get because half of those examples were either implemented in the same system. They have replaced the same building envelope, the same windows, different things that they plan to address there. That is not hard. They would like to be engaged with them while they are doing that, because they do not want to make assumptions on what they or their operations team would be ok with. It is not a one size fits all. One operations team would be very comfortable with this certain system, while another operations team would say that they would not want that due to a bad experience with this one supplier. It is very collaborative but they could work on that if they that is something that they think is necessary.

Mr. Posey stated that he would like to have an example project in there. He knows that they can sign a contract and come back with 20 projects and then would not know if they could do any of them. He wants an example so that he can understand the costs. You know they finance some infrastructure that they did not do back there that have sat because of cash flow, and now they are financing that infrastructure moving forward. Now they have to understand how much that is going cost and how much the next round is going to cost. In a few years, they will probably be replacing it again. They have to get their mechanisms in place to cover that.

Mr. Todd Smith agreed. He stated that he knows the world that they are coming in, they are used to having a project budget in mind. They are used to looking at their options and they are used to saying either it fits the scope or you value engineering back until it does. He came from that world. He did general construction and this is different. He knows one comes up here and tells them that it is different, but he truly believes that and that is why they have been here their whole careers. This is their one chance to have a construction project where they have that full input and flexibility upfront on the design side. They can put options out there for them, but until they sit down and talk with them about what they want to do and where they want to go, it is just a number and a scope. He feels like the value in it- whether it was a school system or whomever. He stated that he would give an example of a municipality. They were desperate to separate themselves from the other 17 municipalities that was not on the Gulf Coast. It was just one of 17 that had to do something to attract tourism and people to live there. They wanted to become the most sustainable city on the coast and they wanted to build sports tourism. They built a program around sustainability, dropped their costs by 33%, put renewable energy solar panels across their city hall, put kiosks signage, solar panel charging stations for phones throughout complex, and got the complete sports complex off water, drilled wells for everything. They now can say that they are the most sustainable city on that Gulf Coastal area. They put it in their marketing and advertising. They have used their resources to put in their news. They are attracting businesses and people to live there, because of what they did as a Council. It is all collaborative. That was not a prescriptive scope of them needing to replace City Hall HVAC. There was no tunnel vision. They hired Snider because they have the most experience and they can understand what they need and build a plan around it. They will do whatever they need for them, but he just highly encourages them to have an open mind on this and know that there is that safety. If they are in design and they do not have anything that meets their financial parameters, then they walk away without costs.

Mr. Smith asked if there were any further questions from the Council.

Mr. Smith stated that he is a little concerned. In his 15 ½ years that he has been on the Council, he has never been asked to make a decision on based on a promise. Not knowing how much it is going to cost, but they are going to make sure they save. He asked how he could be assured to know what they are actually talking about. He stated that he has heard him dodge everyone's question including his own. He stated that he talks about how good it is going to be and that they will save a certain amount of money, but there are no numbers. Everything is not even a guess. Mr. Smith asked him to help him through this.

Mr. Todd Smith stated that right now they are running at \$4.30 a square foot, which is extremely high for a city even though they are constantly operating. They have over 7,000 square feet that needs to be addressed. He stated that even if they had every measure across those facilities for lighting, automation, or roofing, they would be in a situation where their savings will far exceed their investment. Their \$20-25 million right now will self-fund somewhere between \$15-18-million of investment. He stated that he is by no means saying that is what they have to do to receive those savings; he is just telling them what they could potentially fund with what they have already assumed. From his analysis, no company will be able to come in after a couple of weeks and give them a quote for a million dollar project. He can just go off a past record when he was working with the Montgomery County Commission or when he the Etowah County

Commissioner down in Enterprise. Those buildings are the same cost parameters as their buildings are. Montgomery County Commissioners spent \$9-million, saving them \$12-million. Blount County Schools were doing \$15-million of improvement. They are going to say that they were in excess of \$16-million. They are getting into situations where they want to fully fund those investments. He can go back, pull the investments from all of their clients, and show them how they were funded. He does not feel like he is dodging questions, but they would need several months of design to be able to give them accurate answers. He stated that he does not want to over promise. He wants to tell them what they can achieve, let them know what their opportunity is, and he wants to be able to collaborate with them over the design.

Mr. Smith stated that in the last 18 months they just spent \$4-million on work for City Hall. He asked if that was a wasted \$4-million.

Mr. Todd Smith stated that he does not think that it was wasted at all. He stated that it could have been a scope item that could have been addressed in this project.

Mr. Smith asked if there were any further questions from the Council.

No further questions were asked.

ALABAMA POWER PRESENTATION

The Representative from Alabama Power stated that they were at a Council Meeting in October and were asked to go back and do a Preliminary Audit on a select number of facilities in the City of Hoover. He stated that he would now present their findings from the audit. They started in November and they were asked to look at 10 different facilities from the Public Safety Center to about 10 fire stations. Their total was about 730,000 square feet that they have audited over the past couple of months. Because it was a preliminary audit, there was a limited scope. It was limited to those 10 facilities. They did a review of all of the utility bills; they also included some irrigations on the water, lighting, and HVAC. Things that they did not look at in the Preliminary Audit included their envelope or opportunities for renewals. Of 10 facilities they have, it has the total kilowatt hourly usage for those facilities; it has there 1,000 cubic feet of natural gas and the cost for those. The Energy Utilization Index per building ranges from 134.9, 175.8, and 102.9 that is a thousand BTU is per square foot per year. The Energy Cost Index is in dollars per square foot per year. In their case \$4.35, 3.83, the myth is somewhat deflated. The square footage that they got on that was just for the facilities. Obviously, with lining on everything, it included a lot more so they are going to ignore that, but there was still a high utilization. Comparing that to the national averages. The CBECS, special commercial building energy consumption survey, is for the Southeast and compares their buildings to other buildings in the Southeast based on the type of usage. If it exceeds that average, especially by how far it exceeds that average that really shows their greater opportunities for savings. City Hall is one of those and 175.8 against that has a Southeast average of 77.46, 134.9 for the Public Safety Center. Conversely, the Finley Center is beautiful and brand new and they are performing at 67.3 against an average of the Southeast of 88.6. It is great that they have many facilities that they have invested in, but they do have some opportunities. The Energy Star Score does not have as much information because the building types are not as readily available for comparison. It gives them a comparison of buildings in the

Southeast where they are. Police Operations building is running in the top 50% of buildings of that type in the Southeast. Conversely, the Public Safety Center is in the bottom 10%. There are many opportunities there. That tells a little bit about where the City is ranked with other comparable buildings in the Southeast. These are their recommendations from the Preliminary Audit. They identified six ECM's they vary as far as the applicability per facility. The first one is ECM1 is HVAC controls. It includes BFDs and valve replacements, for example, the Public Safety Center has no valves at the cords so the water gets pre frozen and they are constantly pumping whether it is calling or not. There is a huge opportunity there for savings. It includes outdoor air resets. Now the new technology tries to match outdoor air to actual usage. When it is not occupied, it makes sure the building is not being over conditioned. It will maintain certain conditions for humidity control, so they do not have mold growth. They do not get into the temperature setbacks. The reason because the higher they raise the temperature now, they are going to save energy. That becomes a contract point for them and they do not want to get into that. The way the temperature is at the Senior Center is operated will not be the same as the Public Safety Center. They will come in and see how the City is operating that and dictate the way it is operated. That is how they will set their savings for that. ECM2 is chillers upgrades, which is the City Hall and Library. The chillers are at the end of their life. They are 15-20 years old and are running off R-22 refrigerant, which is hard to come by and expensive. He would recommend that they upgrade and replace those. There is savings in the new technology for chillers. ECM3 is heat recovery. The Recreation Center has constant heating and cooling year round. With a heat recovery chiller, they will take that waste heat from chilled water; place it into a water system that provides essentially free heat. It will reduce their gas bill and their boiler load. ECM4 is HVAC upgrades. The equipment is near the end of life at the Senior Center, Police Operations, the Met, and the fire stations. It is a maintenance burden, inefficient, and is something that the City is going to have to address in the near future, if not proactively then it is going to fail and it is going to be an emergency situation. ECM5 is lighting upgrades. He stated that they might be a little surprised that they found that in all of the facilities. There is a small opportunity at the Finley Center. There are 25 florescent lamps in the kitchen. He is sure it was a valued engineering thing because the kitchen is not visible, so if they have the opportunity to save money that is a good time. If they do replace it, there is savings there. ECM 6 is water conservation. It is limited right now due to the plumbing system. Particularly regarding water conservation, the Hoover Met has a sub meter on its irrigation system. Because of the sewer prices that they have in Jefferson County, they can take credit for anything that does not go to the sewer. They have the capability there. They were only provided 9 months of data and have not seen where the City has taken advantage of that credit. They estimate that to be about \$150,000. They should go back to the Jefferson County Sewer Board and suppress that amount. That is a recommendation to the City to do immediately. He presented a summary of the savings. They anticipate that all \$600,000 stays purely in utility bills. They did not get into what is considered their soft cost, maintenance costs, or operational cost because it requires a dialogue with them. For example, maintenance is very easy to identify things that you outsource maintenance. The thing that is more difficult is the in-house maintenance. Chances are the maintenance department is already over-worked as it is. If they eliminate this problem it is not going to save them dollars, it is just going to give them something else to address.

They still need to have a dialogue of where they are comfortable with claiming what that credit is. They can point to their total utility spend across their water bill, sewer bill, gas bill, and electric bill. This is what they are estimating they can save. Based on these ECMs, they have been doing project and construction management for a while so they can estimate costs on what they anticipate those being. Of all of these ECM's, they estimate that total cost to be about \$4.3-million if they were to implement right now. That is based on an estimate of a 2-month investigation that can shift one way or the other, but they do not let a lack of information stop them from making assumptions. The pay back can be a max of 20 years. That savings can go further if they just implemented these it would be a 7.2-year payment. What that reflects to in utility savings is about a 30% reduction and their total kilowatt-hour consumption. 38% reduction in their natural gas consumption. 6 % reduction in the water usage. Regarding their financial offering, if they want to go to a third party finance or however they want to finance it. They have uniquely had the opportunity to provide them these ECM's with it not impacting their capital budget. They will fund the entire cost of construction, design. The City will not see a payment until their Energy Service Agreement is executed, which is going to be one of the savings at the end of the project. Once the City starts seeing savings, they will start seeing that payment of their bill. It is truly offset by the savings from their total utilities spent. It does not affect their capital budget, their borrowing capability, and it is completely funded by utility bill savings. Since there are additional fees for this project, they recommend a 120-month term at \$49,950, which would bring them below the threshold there for their savings and will get them to their project. He stated that he wanted to discuss what separates Alabama Power from other companies. They have been operating in Energy Services for a little over two decades, primarily in the federal arena. They have gotten into the prime sector of the municipality market at the request of their customers. They have had customers come to them that have had an ESCO come in that have made promises. They would advise them on why they should not use them and why it would not give them the savings that they have asked for. They would ask if Alabama Power could do it for them and the answer was yes. They have a very easy contract mechanism with the Federal Government because they have a regulating utility. Their profits are set, so it puts the burden of competition on them and saves the government money. They did go on a hiatus in the early 2000's due to conflicts between Enron and September 11. Utility ESCOs at the beginning of 2001 were about 47. At the beginning of 2002, there were seven, so everyone had gotten back to their core business and were starting to grow again. They were one of those companies. They were hot and heavy and had gotten millions of dollars for development and projects. They had gotten out of that for about 6 years until the request of their DOD partners in the State of Alabama. They talked a little bit about financial advantages and the opportunity that they have with their Energy Services Agreement. There is a long-standing relationship that Alabama Power has with the City of Hoover. In the last 20 years all the ECMs, we are recommending to the City of Hoover and they have recommended it in other facilities, for example, Fort Rucker in Dothan, AL; Army Depot; National Air Force Base; they have hospitals. He stated that he wants to get a more into what their portfolio is. There are two hospitals in Mobile. These were smaller properties. Some of their customers are not comfortable with jumping into a million dollar project. They came up with a limited scope of \$1.7-million for this project and \$1.3-million for the next one. There was about \$200,000 savings and they

exceeded that. On average, they over performed about 20 % on the projects that they have recommended on their savings. They over performed \$320,000 was guaranteed and \$378,000 was saved by the hospital. Since they wanted to start small, both of these hospitals were happy with the results. They are engaged again with doing a Phase 2 for these projects. They are actively working at the University Hospital and are working on a contract with the other. The Department of Defense has been of importance for the past two decades. They installed over \$100-million between Fort Rucker, Maxwell and Anniston Army Depot. They have everything from LED lighting, renewables, water conservation, retro commissioning upgrades. He would relate the challenges of the City mostly to their DOD work, because the bases operate like a city. They have hospitals, police departments, fire stations, libraries and the same types of facilities that they would be working on with the City of Hoover. Between those three facilities, they currently have \$83-million in development that they are working with. They are doing a significant amount of work with them as well. The BJCC is their largest project to date. They are in the process of working with the BJCC now. That is a \$40-million project. One of the keys in that that they will talk about is letting that savings pay for capital improvements. They do not look at that savings to invest in the infrastructure of the City. The approach is based on how they want to take it. If the goal is savings, then they are going to get those quick payback projects and will utilize those savings. If it is a renewal for the City, then they are going to let that savings go as far as it can to take care of these things. Their unique structure does not impact the City at all capitally. In instance, they have about \$8-million switchgear replacements that they have to do at the BJCC. That facility was built in the 1950's. They have not replaced that switchgear since the 1950's. They have a significant leave there and the savings is paying for that. They had a coordination issue. They gave them a list of shows booked 12 months in advance and so far, that was about 30% complete. They had to generate revenue there and they respond to that. If they need to get out of an area then they get out of an area to protect the public. They are safe and make sure that it is operational for them. The BJCC had a concert in January, and the threat of failed switchgear was in danger of taking down their show. Because they had been in there for months, they investigated their electrical problem and were able to get them operational within 48 hours and they did not have to cancel their show. That is one thing that he wants to talk to them about a little more in the future. Anytime Alabama Power is given a challenge the rise to the occasion. Often times they go beyond for their customers. Lastly, he wanted to discuss their Infirmary Health System in Mobile. They got about a \$22.3-million project. They are just starting investment on it. Another facility values what Alabama Power brings and the relationship that they have with them and the trust to liberate on what they say that they can. They do talk about what they can do on the Federal side, hospital experience; they have many things. They do like the municipal experience. They ask what challenges are going to be for the City of Hoover that they need to address to make sure that they can handle it. They narrow it down to three things. First is Public Engagement. The public is going to be there at every place that they operate in the City of Hoover. They are going to see what the housekeeping is like, they will be concerned about the appearance, and their safety because they cannot operate in an unsafe condition. Another big situation is that Alabama Power's customers are shared with the City. No one is going to be more invested in the safety and the appearance of the public than they are because it is a reflection on them and their relationship with

their customers. The types of ECMs, again he relates the bases to the cities. They have a variety of services. This Energy Service Agreement is a service to their customers. Their rates are from the RFP through the first request of clarification to the second request for clarification. They provided their markups and rates every time and they never change. They have a low profit margin at 5%. The heart of their relationship is and will always remain at that meter. They are their electric service provider. That is the relationship that they will maintain. They are not going to over commit, over promise, or over perform at the risk of that relationship. This is a service to be provided because their customers have requested it. They have come to them and said that they have a bad situation and asked if they can help. They can. As for coordination, it is going to be important for them to know where they are going to operate and it is going to be important to them to know where they cannot operate. There are going to be times when they are going to have no debts to take place that they do not need construction going on. They will have a two-week meeting with a two week look ahead. They will discuss where they are going to be a change comes up then they will adjust. They will make sure that the City is protected, the public is protected, and the interest of the City is protected. Alabama power will fund the design and the construction. The City will not see payment until savings are being realized as one agreement. Other ESCOs will have to go out and recommend a third party finance interview. Some of them will have multiple opportunities, multiple relationships, and multiple contracts that they will have to make. With them, one contract, one interaction, and one relationship have already been established with Alabama Power. They bring that strength with their financial offering. They can be flexible. If the City wants to go out and feels like they have a better opportunity with another finance here and bring them to the table, then Alabama Power will work with them as well. If they want to fund half of the project one way and half the other, they will do that as well. This is not a revenue generator for them. That is simply another service that they offer for their customers. If they choose not to go with them, it does not affect them at all. It will be additional time based on what financial decision is best for them. They are only making the best recommendations for the interests of the City. Finally the relationship that the City has with Alabama Power. He does not think that there is another entity that will stand before them with a strong relationship with the business of the City of Hoover. They would not be able to describe the strong partnership that they have between the smart neighborhoods in Ross Bridge, some of the other many things that they work on as their electric service provider. As long as they been accepting this electric service, they are going to provide it. He stated that hopefully for as long as the City does accept their service, they will be the provider. They are dealing with 50 plus years of relationships and experience. This is a natural progression in their relationship. They are their energy providers and experts and they want to remain that way. He stated that he wanted to point their direction to his handout. When they met Tuesday, they walked away with a challenge. They mentioned that the MET was a concern. They know that there is a need to put on the best front that they can for the SEC. For the last two days, they have been coming up with a path to where they can provide them with upgrades prior to May 15 of this year and that is what they are presenting right now. From the HVAC replacement, they have split systems and self-containing units. Many things are going to have to go right. It is going to take a lot of collaboration and a mutual commitment. They feel that there is a path where they can get these things implemented. The believe that they can get the

HVAC replacement, lighting, and their irrigation prior to the SEC tournament. He asked if there were any questions.

Mr. Greene stated that he mentioned that there would be no payment until the energy savings on this project would begin to return.

Alabama Power Representative stated that that is correct.

Mr. Greene asked what percentage of the savings the power company could collect.

Alabama Power Representative stated that they do not really get into a shared savings. It is based entirely on the cost of the installed project. They do have their ready return that they look for and he will share that if they get to that. They are bound by state law to be under the savings. If they want to see a large personal saving then they are going to have to cut scope and provide everything in this ECM. If they want it to be right up to the edge, then they can do that as well. They recommend going in at about 80%. They would take 80% of their savings and put it towards infrastructure, and 20% of their savings would be reinvested to the City. It really depends on what their goals are and what they need to do.

Mr. Smith stated how many years does he estimate before the City's obligations are repaid.

Alabama Power Representative stated that if they look at the proposal that they laid out based on their lowest estimate, with 80% savings he would estimate approximately 13 years.

Mr. Smith stated 13 years.

Alabama Power Representative stated yes. To answer his previous question, they talked about if the City maxed it out to 20 years what they would do. They see that in another 20 years they are at the end of another technology cycle. 20 years ago, they were installing T-8 lights and auditing how great they were and how much energy they saved. Now they are replacing T-8 lights with LEDs. In 20 years, they are not sure what the technology is going to be. They anticipate that they might be right back here in 20 years proposing another energy project for the City to replace what has worn out.

Mr. Smith stated that the Snider Company mentioned telecommunications. He asked if they had any telecommunications component.

Alabama Power Representative stated that they did not look at that, but they can look at it during the investment grade audit. Some of the things that they have considered is that Alabama Power is offering security cameras as well. These are some things that may not save as much money. They have to identify the things that reduce those savings. They can use everything else to improve the infrastructure. He knows that there is some concern with the ballfield parks with some of the lighting. They want to try to alleviate that problem.

Mr. Smith asked Mr. Cope if he feels that their telecommunications system needs to be replaced, based on energy savings.

Mr. Cope recommended that Dr. Lopez speak on this subject.

Mr. Smith stated that on top of the telecommunications would they replace all of their computer screens.

Dr. Lopez stated that as far as telecommunications goes, they actually did that last year with Logista. They went through a complete review of bills and what they had. They actually went through and canceled quite a few services that they found they no longer needed and documented what those were. That work has been done and they are realizing the savings now.

Mr. Smith asked Dr. Lopez about the computers.

Dr. Lopez stated that right now she is anticipating her computer screen so she is not sure about doing away with computer screens.

Mr. Smith asked if there are any savings involved since this is the first municipality that he has worked with as a whole.

Alabama Power Representative stated that they will take that under advisement and will explore every opportunity to provide that.

Mr. Smith asked if Alabama Power would hold the debt.

Alabama Power Representative stated that they do from time to time. Assigned debt is one of their business practices. That does not have to do with the relationship that they do have with the City. The payment that they made with Alabama Power will remain on their power bill.

Mr. Smith asked if they also have access to the same grants that Snider spoke on.

Alabama Power Representative stated that many of those grants were done away with by the current Administration. A lot of them were implemented with the Affordable Care Act. Those have expired as of 2008. They look for other opportunities but a lot of them did expire with this current Administration.

Mr. Smith asked what the anticipated cost of this project is.

Alabama Power Representative stated that from what they have investigated so far, they have anticipated that this project will be \$4.3-million.

Mr. Smith asked if it was \$4.3-million total.

Alabama Power Representative stated yes.

Mr. Smith asked if there were any further questions from the Council.

Mr. Posey stated that he knows how they talked about the grants and how a lot of them expired, but there are certain funds that municipalities get from the state every year and if they wanted to use that to pay a chunk of this off would that be acceptable.

Alabama Power Representative stated if they get the agreement, there would be a termination schedule. If at any time they want to buy it down and want to get out of it, they would just pay the amount on the termination schedule and they would part ways.

Mr. Smith asked if there were any further questions from the Council.

No further questions were asked.

FRESH WATER LAND TRUST PRESENTATION

Ms. Russia Smith, director over the Fresh Water Land Trust, stated that they really wanted to come speak to the Council about one particular product that they have been talking to a number of municipalities about. It is called a “Litter Bitter” device. She stated that in their handouts, they would see some pictures of it and a description of what it does. In the simplest of terms, it is a device that they put in small water bodies to collect litter. In other words, it gets trash out of the water. They have had a lot of trash in the water this week with the amount of rain. They have had many companies from South Alabama called Osprey Initiative and they really developed this device. They would take the trash out of the device so the City does not have to do it. Under a pilot project, the City of Birmingham has installed their first device in Valley Creek. It was just put in in December. After about less than a month, the collected about 40 pounds of trash. Osprey has recycled half of that and they hope to apply for an EPA grant to have five more put in various locations throughout the County. She stated that they could see in the map of the materials where that has been. They have spoken with other municipalities and some of them are going to do this on their own. She would encourage the City to do it and stated that she wants to tell them a little more about it. The installation in the first year of maintenance is approximately \$25,000 for one device. After that on a monthly basis, it is \$2,000 a month. As she mentioned, Osprey will come and clean out the device. They can also do an inventory of the device, which they can provide to the City so they know what they are collecting. For example, it would show where the water bottles are from and where the Styrofoam cups were. They think that it is a great way to clean out their creeks and water bodies. They wanted to let the Council know about it and talk to them further to see if Hoover would want one. They think that it is wonderful and they would hope that Hoover does too.

Mr. Smith stated that he knows that Hoover has a strong history with the Fresh Water Land Trust and thanked her for being there.

PERSONNEL REVISION POLICY

Mr. Rice stated that they had Phase two of the Personnel Policy proposed changes. They came to the Council in 2018 with reports of these but they had to wait on the Gallagher’s Study and to adopt it. They are back with several things, not as much in volume. Mr. Lewis will go over in detail on what is proposed. Tonight they just want to have an open conversation. They know that there will be discussion about several of these issues. They are very likely issues that the Council may want to contribute to. He was literally approached at the gas pumps the other day by a supervisor that has been struggling with an issue with an employee with illness. He has been trying

to work with her and make sure he does the right thing as an employer. He asked about a sick leave bank. He stated that he was ashamed of himself because he was a member of a sick leave bank at his last employment and they do not have one here. When he brought that up, he talked to Mr. Lewis to see about adding that concept. It is a no cost option to the City; they will just be able to transfer. Sick leave days are already in the books and they can get to where the employee can take advantage of them and donate them to someone else. They have a leave donation process, but this is a better way to handle them. They will be coming to the Council prior to final adoption with some additions to what they are going to see tonight. Lastly, they did meet with Mr. Smith, Mr. Lyda, and Mr. Posey to preview a few things from a financial standpoint and the somewhat potential of some of these changes. He stated that they are aware of the supervisor subordinate pay initiative has had a lot of conversation. It remains under discussion. Mr. Lewis will present that due to the financial considerations that have to be achieved there. Also, there is a subsequent agenda item that will go with some proposed changes to the retiree insurance program. That is under a separate City Council Resolution so it will not be presented with what the following presentation. The Tier 3 retirement option will be in a separate resolution. Those are all of the issues that are on the table, but they are not all part of this document that Mr. Lewis will present.

Mr. Smith asked Mr. Lewis to talk about the RSA program first because he had a comment that he wanted to make on that.

Mr. Lewis asked if Mr. Smith was talking about Tier III.

Mr. Smith stated yes.

Mr. Lewis stated that for those who do not know what it is; it is a legislation that was passed by the Retirement Systems to allow municipalities only to have a Tier I benefit. It would only apply to the Tier II personnel. It is a local option for employers to opt into. He knows that Finance has done a cost analysis on it, so he will refer to them on the cost of it. He thinks that the fairly well sums it up.

Mr. Smith asked Dr. Lopez what she anticipates the increase would be. He knows that the employee cost would increase by one percent, if he remembers right.

Dr. Lopez stated that there are actually different options that they could undertake. Assuming that it is only Tier II that would change, she thinks that it would be 1.5%. Additional would be withheld. She stated that as far as the costs, she was not prepared to throw a number out, but she can certainly get the correct number.

Mr. Smith asked her to pass along the correct number to them when she gets it. He stated that the reason he brought this up is because they have a number of other things that can be talked about and thought of in these Personnel Policy changes. He does not want the RSA corrections, where the Tier IIs become Tier Is or Tier IIIs, get bogged down in all the other discussion. He is asking this Body to think about separating it from the other Personnel Policies issues as soon as possible. Rather than waiting until such a time where all the other issues worked out. That is his request.

Mr. Lewis stated that Mr. Rice told him the cost estimates on that conversion process was about \$450,000 to \$500,000 for future reference. He stated that his intent is not to through every single item in this revision he just wanted to hit some of the major points and discuss those changes and how they got there at this time.

Mr. Smith asked if this document has been emailed out to all of the Council Members.

Mr. Lewis stated that this has some of changes from the document that was emailed out about a month ago. He stated that the first item that he wanted to talk about was adding a prohibition to City buildings to deal with nicotine products. They will especially see that the inhaled nicotine products, which is the vaping, they had no issues to address that. That would apply to City buildings only. It does not apply to buildings outside of the City or City cars or anything like that. He stated that they could stop him if they have any questions.

Dr. Middlebrooks asked if he stated that it does not apply in City vehicles.

Mr. Lewis stated no, this does not. This item just addresses City buildings. He stated that he thinks that some departments may have regulations regarding that. The second item, which is in a new section, is that the City has been benefiting over the past few years with bringing back retiree personnel and part-time capacity. They have several examples where they are getting that transfer of knowledge rather than just having it completely walk out of the door. Sometimes these are short-term, sometimes they are long-term, and sometimes they turn into a long-term part-time arrangement. They wanted to establish a policy that addressed those situations and make it easier to bring back these individuals. With this policy, anybody that retires from the City can come back in a similar position at a part-time capacity at a rate of pay that is either at or below what they were making. That has been somewhat of a hindrance due to the current policy for part-time personnel only allowing a Step 1. It is not as enticing to have someone come back that retired at the top of the pay scale and come back in at a Step 1. The other thing that this would do in item 3 is if the person comes back within three months of having separated employment, they would be able to bypass the normal employment process. They can just put them back on the payroll, as long as it is in the same, similar job. A good definition for similar would be that they have a good Police Sergeant who wants to come back as a reserve Police Officer. The other thing is that it also gives the departments the flexibility to establish a fixed rate to a particular classification. The very good and probably only example for this would be the reserve program. That is currently in effect so the departments can just set everyone that is in that particular classification at one rate of pay.

Mr. Smith asked Mr. Lewis if the individual department heads would set those dollar values.

Mr. Lewis stated yes.

Mr. Rice stated when in budget.

Mr. Smith stated that either one person can get it all or 50 people can get their portion. He is concerned because typically the Council is the Body that identifies the rate of pay.

Mr. Rice stated that the rate of pay would be set for the job class, not for the individual employees. An example would be for the of the Reserve Police Officer. When that program was started, it was fixed at Step 1. The timing has changed. The RSA capital earnings after the retirement has gone up. They are still working at that Step 1 dollar figure. It would allow the Department Head to go through the process of getting that increase but it would be for every employee in that job class.

Mr. Smith asked under the current rules the Department Head can bring someone in Step 1, 2, or 3, it would be similar to that.

Mr. Rice stated that it could work very similar. It would be a little more competitive for part-time.

Mr. Lewis stated that the way the current policy reads is with the probationary employment evaluations. Probationary employees are going to get an evaluation every 3 months. That is quite cumbersome and it is not getting done. They are proposing that every probationary employee gets a 6-month evaluation and filter it through their normal evaluation notification process. He moved forward to the disciplinary section. He stated that they are not really changing anything but he does want to bring a little clarity. The section has verbiage with former counseling. They want to establish a more clear chain of progressive discipline. It will cut out confusion as far as supervisors on what is formal or informal counseling. They just want to consolidate that counseling. The current language just does not match across the entire policy. They have a verbal counseling and formal counseling that is not mentioned above in the section. They consider this as a cleanup of this section. He asked if there were any questions on that.

Mr. Smith stated that he has run a number of corporations and one of the things that he has dealt with in the past is when they have to discipline someone even into termination. In order to deal with any issues that come back against that termination or against that discipline is documentation. By making it verbal, how would they prove that it ever occurred? By having only a 6-month evaluation and they have a problematic employee. If they had it every 3 months, they would have a paper trail.

Mr. Lewis stated that that is correct. There is a point in the section that stated that a supervisor must document when a verbal counseling has occurred, so they would have a paper trail. He would reassure that the supervisor tells them how their probationary period is working out.

Mr. Smith asked if an employee would get a copy if they received verbal counseling.

Mr. Lewis stated no. That would just be a document of the verbal discussion between the employee and the supervisor.

Mr. Smith asked if the employee is not in the position to defend their actions because they do not know what was actually said about them.

Mr. Lewis stated that that is one way to look at it.

Mr. Smith stated that he had a coworker at the Fire Department. His Captain stated that he was running behind on evaluations, so just sign this. He signed it and got the worst one of his career.

He stated that he questioned whether this is appropriate, because the employee does not get to know what is being communicated to their supervisors. In a written documentation, not only do they get a copy, but also they have to sign it and they are given an option to counter with their own explanations.

Mr. Lewis stated that the verbal counseling is intended just to be a report of the discussion between the supervisor and the subordinate in place. He stated that it is just documented for record. They want to be able to employ supervisors to have that tool. He knows it is scary sometimes when an employee receives a sheet of paper of something in their face. It is ultimately just a minor issue to document that discussion if the issue continues to be a problem. Currently the City's Holiday Pay Policy is that all employees get the Holiday Pay whether they work the holiday or not, with the exception of the Fire Department. The Fire Department has always had to carve out of that policy so that only those employees that work on that holiday receive the pay. When they mentioned the policies, they got input from Department Heads and the EAC (Employee Advisory Council) and they have some representatives present. They also submitted it to the members of their Personnel Review Board. One item that the EAC requested is that instead of Fire Personnel being paid on Good Friday, they would be paid for the holiday on Easter Sunday. By the nature of the fire cycle, working every third day, every year, those that work on Good Friday are going to get the benefit of the Holiday, also being off on Easter Sunday and be home with their families. They put out a ballot for the Fire Department. They gave it a couple of weeks for them to vote on whether they want to keep it the way it is or to move the holiday pay to Easter Sunday. The votes came back overwhelmingly that the Fire Department wanted to be paid on Easter Sunday instead of Good Friday.

Mr. Smith asked how that would impact other Public Safety Personnel in Law Enforcement and in the 911 Center. They may have had an off day on Good Friday, so they would not have gotten that, or they may have their off day on Easter Friday. Why aren't those other departments under this consideration as well?

Mr. Lewis stated that currently every other employee gets paid the Holiday, whether they worked it or not.

Mr. Smith asked if a Fire Inspector is off because his department is closed for the holiday, he is getting paid for that holiday and he is staying home.

Mr. Lewis stated that that is correct.

Mr. Smith asked if he is being paid again for the same amount of time because it is a holiday.

Mr. Lewis stated not. The Holiday Pay is assuming they are not at work. It is substituting the eight hours of what would be regular.

Mr. Smith asked if they were going to get the same eight hours if it is on a Sunday if the Holiday falls on a Sunday or Saturday.

Mr. Lewis stated that for regular 40-hour week Personnel, if a holiday falls on a Monday, Saturday, or Sunday, it is going to fall to a Monday or Friday.

Mr. Smith asked if it falls on a Monday and they are off, they are going to be paid because City Hall is closed.

Mr. Lewis stated that that is correct.

Mr. Smith asked if they would get additional time.

Mr. Lewis stated no.

Mr. Smith asked if they would just be paid straight time.

Mr. Lewis stated that the eight hours is going to substitute as the eight hours that they were scheduled to work that day.

Mr. Smith stated that he remembers in the past when if they worked it they got paid. He asked if something happened to where that is no longer legal.

Mr. Lewis stated that he could not answer that. He knows that since he has been employed with the City, the Fire Department has always had that carve out.

Mr. Smith stated that he is talking about across the board. He stated that Dispatch may have a 40-hour week, but depending on the number of Personnel available, they may not have their off days. They may be working a 44-hour week.

Mr. Lewis stated that if they work that, they would get the regular pay plus the Holiday.

Mr. Smith stated that Mr. Rice knows what he is talking about, because he worked back in those days.

Mr. Lewis stated that the next policy deals with Leave maximums and payouts for Annual Leave, which is what they call their vacation time. They are in their review process and they were approached by department that asked if there could be any consideration for increasing the amount of Leave that someone is paid out upon separation or retirement. It is currently capped at 500 hours. They looked at it from a few different angles. There are situations where someone has an excessive amount of leave because they do not cap it each year. They may not have been able to take their leave for one reason or another. They are proposing two changes. The first of which is in the Leave Maximum section. They can see that the current policy allows for employees that are retiring. In that year of retirement, they can take a maximum of 320 hours of annual leave. They can see that those numbers are adjusted from Fire Department shift Personnel. They are proposing to allow employees to choose if they want to get paid out for that time. They would not only get paid out for that time, but they are adding in a bit of an incentive for if they choose not to take the time to get paid out for it and they have it on the books all of this is dependent on that. They can get up to 480 hours. Again, they have to have enough to do that and then the number would substitute for Fire Department Personnel. If someone is taking out the vacation time and still wants to do this, then they would just take out the calculation to make sure that they can take some and

they can get paid out some, but they cannot do both to the max. The biggest thing to note here is that this is in addition to, not in place of the current separation payout, which is the 500 hours. If the person has the leave in the system, when it is time to separate, they could get paid out for both, which would be 500 and 480 if they had it. The other thing that they are proposing to do to address this situation is selling Annual Leave. This is in the policy now that each calendar year, if they have a balance of 200 hours of Annual Leave, they can sell up to 40 hours. That means that they can get paid out for that amount every year. They are proposing to keep that in place, but they also want to increase it. If someone has 400 hours of Annual Leave, they can sell up to 80. That will afford employees in that situation ore opportunity to shed some of that Leave, especially if they know that they are going to be retiring within the next few years. That is a lot to digest and that is probably one of the major changes here.

Mr. Smith asked how many employees would qualify in having over 750 hours of Compensated Leave.

Mr. Lewis stated that he looked at this to see who has over the 500, which is where the cap is now.

Mr. Smith stated that that would work.

Mr. Lewis stated that it was right under 100 employees. About 15% of the full-time employee population. Not to say that there may have been some on the cusp and may have been able to move up. They cannot predict who is going to use it and he hope that gives him some picture.

Mr. Smith asked in the past year, how many people have had to leave money on the table.

Mr. Lewis stated that he cannot answer that but he can get that information.

Mr. Posey asked if in the case that someone retires and comes back at a part-time capacity, would they have to sell their leave or can they roll it over to the part-time position that they get.

Mr. Lewis stated that they would liquidate that and they would get paid for that at the end. He stated that they do have part-time leave. It is a very small accrual amount, but they would start picking up as a regular part-time employee.

Mr. Smith asked if someone leaves or retires, do they forfeit whatever unsold sick leave that they have.

Mr. Lewis stated that they have allowed them what they had.

Mr. Smith asked if that was 100%.

Mr. Lewis stated that upon separation they have liquidated a certain percentage.

Mr. Smith asked if they left some and they came back, like he was talking about one of those reserve officers, and he was scheduled to work a day but he or she was sick and could not. Are they able to bring any of that sick leave back with them as well?

Mr. Lewis stated not if they are part-time.

Mr. Smith asked what if they were full-time.

Mr. Lewis stated full-time would have that benefit.

Mr. Smith asked how many employees did they have come back. He knows that they had one woman that went to the FBI and then came back to the Police Department.

Mr. Lewis stated that that was before his time.

Mr. Smith asked if she got her time back.

Mr. Lewis stated that he is not positive.

Mr. Smith stated that they might need to get it for her.

Mr. Lewis stated that it is a state requirement that employers get 168 hours of Military Leave to their Personnel. This is another request from the EAC to apply that same factor they used to convert their Fire Department Leave that balances. This would strictly be Fire Department 52 hour Leave Personnel. They are going to be granting them an additional Leave Commencer with their schedule and make it consistent with the Annual Leave. He mentioned that in the document, they could see where they have struck through language referring to the 43-hour workweek for Law Enforcement Personnel. They probably remember January of last year the City passed a resolution to pay time and a half over-time after 40 hours, so that just gets them consistent with that language and those references to 43 hour workweeks. This is not the only place that is in this policy, he just wanted to point that out and they will see that throughout. With the Gallagher Study that was implemented in October 2018 and improvised the concept of premium incentives for certain assignments. They just wanted to stick a statement here to clarify that any future premium are incentives since those were approved through Council as far a part of that study. They require the approval of the Council before becoming effective. Lastly, they have an entire new section on technology usage. They may recall when they had revisions a couple of year ago. They had a policy on email usage and it was a little tight so they pulled it back out and had a general technology usage policy. Mr. Shaw can take a good look at this and tell them if it is a reasonable approach. There are still several insertions and mostly technical corrections, but that is the big picture of where they stand now. As Mr. Rice mentioned, this is not a complete document. There are still a couple of issues simmering, but they did want to go ahead and get it to them in a formal capacity.

Mr. Smith asked if there were any questions for Mr. Lewis. That was a lot of information in a short period of time. He knows that they are probably going to take a minimum of four weeks digesting this, sending questions to Mr. Rice and Mr. Lewis to confirm or reaffirm thoughts, ideas, and maybe bringing something new to the table. There are a few things that he hoped would be included. One is the Supervisor Subordinate rule. He would like to talk about a possible pay equity rule for those employees that were hired a year or 18 months before the salary changed or one day before or after the change. The second person was making more than the first person and he thinks that needs to be addressed. He understands that there are over-time issues for on-call personnel, to where if they can take care of it without leaving their home, but they get a dozen calls in a night, that they cannot claim any over-time because they did not leave their house and

go to the office. He thought that there was a two-hour rule that they could earn without leaving their residence because they dealt with business at their home. Does this in fact currently exist or does it need to be considered?

Mr. Lewis stated that he is not aware of some of that, maybe it is handled departmentally. They have preached to their managers that if they are working from their home or not it needs to be compensated.

Mr. Rice stated that he thinks that he is aware of the situation that Mr. Smith is thinking about. He thinks that that is at a departmental level interpretation by a layer of supervision. He stated that he probably needs to clarify that. Mr. Lewis is correct. If they are working then they are legally required to be paid. He thinks that it is probably all in good faith and it is supervisors trying to do what they think is correct and be budget conscious. They love that, but they cannot create a FLSA situation or a situation where there is just unfair treatment among people in the same department throughout the City. He stated that they need to make sure that they are addressing this because there may be a couple of those that they may need to clean up.

Mr. Smith asked if there were any further questions for Mr. Rice or Mr. Lewis.

Lieutenant Mike Dunn with the Police Department stated that he and Mike Berry from the Fire Department would like to speak about the Superior Subordinate issue. They are members of the Employee Advisory Commission committee. As it was explained to them, the Superior Subordinate discussion has somewhat stalled at this point. If that were the case, they would like to keep the discussion going with some possible options and suggestions or maybe forming some type of a working group where they can discuss it and keep it as a possibility. There is a lot of disparity right now. Without going into many different numbers, one is about to jump out is a projected promotion that is going to happen on March 1. They are going to have one of their Lieutenants retire from the Police Department. When he retires, they are going to have a 12-year employee who is a Sergeant right now that will get promoted into the position of a Lieutenant. This is just talking at the Police department but it exists as well in the Fire Department. When this person is promoted, as the rules state, there will be a minimum of a 12% Step increase. That 12% increase will raise them to a level where they are \$16,000 below the highest paid subordinate they are supervising, as far as their pay goes. The top out of where they are going to make it into the pay scale is going to be so low into that pay band that a topped out Sergeant is going to make \$16,000 a year more than a person that is supervising. It is a little bit more profound in the jump from Police Officer to Sergeant or Firefighter to Lieutenant because that only goes from a Grade 8 to a Grade 9. By the way the rules are setup now that calls for a 6% pay increase. He suggests that the step from Line Officer to Supervisor is probably one of the larger steps that they are going to take in their career. They are going from being told what to do to being the person that has to learn to tell what to do, learn all the Human Resources things, Risk Management things, Fleet Management, and all of the different responsibilities and liabilities that come up with being a supervisor. That is for the smallest raise, which is 6%. Take into account that each step itself is 5%. They are going to get 5% of that 6% just by getting a stepping increase without taking on that additional responsibility. Realistically, they are losing their seniority. If they are assigned to a

special unit like the crime lab, detectives, motor squad or anything like that, because of the work that they have achieved, that goes away because they become the Jr. person that is a supervisor that gets the worst off days and shift. There are certain people that being a supervisor appeals to and they will do that anyway. They have a number of truly good people that are not willing to give up their position for that small of an increase in pay and that much loss or affect that can have in their family life. He would like there to be some discussion about changing it. He understands that just bumping everybody up to where they are above every subordinate is probably very expensive. Any type of step that they can take to help, they are willing to compromise. Maybe they need to think about the people that will be taking that first step to the line of supervision, where there is only one pay grade. Why don't they make the percentage difference match what it is going from Sergeant to Lieutenant to Captain, which is 12%? They are not having to switch any pay grades. They are saying that the promotion. It is going to give them the same difference in pay percentage wise as it does for the others that take place. He stated that he is suggesting a working group that will discuss it or that maybe there can be some discussion of their being some changes to the Public Safety pay scale. The Fire Department and the Police Department have the largest footprint in the City. Obviously, they have a more intricate chain of command that needs to be considered than other departments that may have one or two supervisors. The Police Department itself has 25 Sergeants, 12 Lieutenants, 4 Captains, an Executive Officer, and the Chief of Police. It is a very significant chain of command. It would be appreciated if some of these disparities that are happening were corrected.

Mr. Marc Berry, Fire Lieutenant at the Ross Bridge Station, stated that he wanted to mirror what Lieutenant Dunn had to say about the Supervisor Subordinate pay. He knows that there has been some inequities on the pay between the grades of Firefighter, Lieutenant, as opposed to Police Officer, Sergeant, etc. A lot of that stems from the pay scale revisions that they have had over the course of a few years. Overlapping pay scales, different points in individual's careers is going to lead to inequities to pay along one path or another. He thinks that some of that can be remedied by looking at the way that they possibly promote and move them up to the next grade, as well as the raise that they receive on their anniversary date as opposed to their promotional date. There are still things that can be looked at. He is fortunate to be a member of the EAC and this will be his third year. He served as President last year and he is Vice President this year. He was fortunate to work with the Personnel, Mr. Lewis, Mr. Rice, and the Mayor to discuss this policy and its revisions. Throughout the process, this has been one of the standouts that they here from their coworkers. That they really wish that they could address this. He knows that there is a large sum associated with it. He also knows that they have many other financial obligations coming up down the road. The Tier I and Tier II revision is a big thing by all means, he hopes that they take serious consideration into making that happen. That would be a huge deal going forward. He knows from the Firefighter's standpoint, it will prevent a lot of them from working late into their careers and will increase the liability of the City by having them remain for that large amount of time. He definitely wants that addressed. He knows that there is another large cost associated with the Supervisor Subordinate pay, but from an EAC perspective, they would be open to any move that can be made to possibly remedy this in the future. If it is too big of a pill to swallow this year, they should sit down and form a plan going forward or maybe they can phase it in multiple steps

and catch up a few steps in time to bring those supervisors a little more in line with what they should be making versus a subordinate.

Mr. Smith stated one issue that they have had this year is that the people sitting here this time next year may be many new faces. He does not know if they have done anything in steps so they can obligate the next Council. With that being said, he is in agreement that something needs to happen and he would not mind sitting down with any number of them.

Lieutenant Berry stated yes sir. If it were possible for them to fix with a snap of a finger, everybody would be in agreement with that. He realizes that a City this large has many financial obligations and they have to look out for the best and benefits for the employees. The employees are the greatest asset to the City of Hoover and he still maintains that. They are going to continue to do the job that they expect them to going forward but any movement that they can make to possibly remedy that issue would be greatly appreciated.

Dr. Middlebrooks stated that he realizes that the EAC is a large group and they cannot have too many cooks in the kitchen to get this done. He stated that Lieutenant Berry mentioned a small working group out of the larger group. Has that already been discussed or has it been formed?

Lieutenant Berry stated that he does not have the initial proposal that Mr. Lewis has prepared, so he does not have those numbers in front of him. They have seen all the policy and procedures revisions, but they have not seen the separate Tier I and Tier II conversion documents, nor have they seen the Supervisor Subordinate documents. He is willing to sit down with a group of individuals or however they want to do it and see how they can move forward to correcting this.

Dr. Middlebrooks recommended a small working group out of the Employee Advisory Council. He stated that they should make sure to include more than just Public Safety because they need those other perceptions as well. The only type of subordinate rule- carve that is out separate from the Tier I and Tier II. Have a plan in place as President Smith mentioned; they are going to have some new faces next year. He stated that he would have multiple plans in place, maybe a step increase and present that as a plan for the next pledging cycle or the next Council. With a small working group with Mr. Lewis, Mr. Rice, and see if they can get something worked out before the next budgeting cycle.

Lieutenant Berry stated that by all means the Tier II issue should take priority over this. This has been an ongoing discussion issue for the last three years. It has been postponed due to Gallagher Study and some of the other things that were going on. He does not want it to go away or a case where they do not have the money for it. He would like to at least keep the discussion open as they try to move forward to do service to the employees and to take a look and see if they can phase that in.

Dr. Middlebrooks stated that he is in agreement with him and the reason he mentioned that they should separate the two issues is because both issues are so important and he does not want one to get bogged down over the other.

Lieutenant Berry stated that he agrees 100%.

Mr. Greene stated that his question might be for Mr. Lewis. He asked if the Gallagher Study addresses this.

Mr. Lewis stated that it was included in the survey information that Gallagher requested for other cities, which did not yield anything. It was not part of their final recommendation. The question was examined with their consultant and their answer was that the ranges that they were implementing were so big that it should accommodate that.

Mr. Greene asked if he is saying that the Gallagher Study did not recommend making any changes.

Mr. Lewis stated no.

Lieutenant Dunn stated that as far as the Gallagher Study goes, he spoke with Gayle about it. None of the other municipality's survey had a Superior Subordinate rule. It is addressed in their pay scale. It is unnecessary to have a specific rule about Superior Subordinate because they did not have a huge overlap in the pay bands that we had. They are not getting into the Grade 8 and the Grade 9. It would be a three-step grade to go above what the top out is for Grade 8. There would only be three steps of an increase in that grade. If there were two steps in between the line officer and the first line of supervision on these, there would be less overlap. There would not be such a big problem. There would be some overlap especially from Grade 8 to Grade 9. It is just huge and is only these three steps separation between the two.

Mr. Greene asked if he said that he did point that out to her.

Lieutenant Dunn stated yes.

Mr. Greene asked what her reply was.

Lieutenant Dunn stated it was agreeable.

Mr. Smith asked if there were any further questions from the Council.

Mr. Smith thanked them for coming up. He would like to promise them, as the Head of the Council, he would like to meet with their group. He is going to go through Mr. Rice and the Mayor's Office. They have to go through that to obtain permission to be able to work with them. Hopefully that will come pretty quick. He knows that they cannot have more than three.

Consent Agenda

The Consent Agenda is presented by the Council President at the beginning of a Council Meeting. Items presented on the Consent Agenda are considered routine and non-controversial. They are adopted by general consent without debate. Items may be removed from the Consent Agenda by the request of any one member. If an item is removed it may be considered either immediately after the Consent Agenda is approved or considered later on the agenda at the discretion of the Council President and City Council.

PAYMENT OF BILLS

RESOLUTION NUMBER 6188-20

A RESOLUTION APPROVING AN ALCOHOL LICENSE, J AND P FOOD SERVICES, INC. D/B/A COSTAS MEDITERRANEAN CAFE, REZA JAHADIAFOOSHTEH, EXECUTIVE(S).

Mr. Smith read the summary of the Resolution.

Mr. Smith asked if this was a change in licensing.

Mrs. Dickerson stated that this is a transfer.

Mr. Smith stated that there were no issues from that Police Department.

Mrs. Dickerson stated that that is correct.

RESOLUTION NUMBER 6189-20

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT WITH VERIZON WIRELESS

Mr. Smith read the summary of the Resolution.

Mr. Cope stated that this is basically an agreement that allows Verizon to put a cell on a light truck at the SEC tower. They currently have AT&T coverage out there, so that would make sure that they did have that additional coverage. There is no cost to the City for that.

Mr. Smith asked if they want to put up a pole too.

Mr. Cope stated no, they do not.

Mr. Smith asked if there were any further questions for Mr. Cope.

No further questions were asked.

RESOLUTION NUMBER 6190-20

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT WITH BOLD GROUP FOR THE UPGRADE OF THE HOOVER ALARM MONITORING SYSTEM

Mr. Smith read the summary of the Resolution.

Mr. Cope stated that they already budgeted to replace the Alarm Monitoring service so this is a budget item. This is a discussion that they would be able to move those two optimal services. They will actually see a cost of about \$6,000, which was what was budgeted by moving the virtual servers and updating those.

Mr. Smith asked if this is for the medical alert devices that people will have in their homes.

Mr. Cope stated that that is correct.

Mr. Smith stated that for those who do not know about it, there is a deposit, not a monthly fee and they get a deposit in fact, whenever they turn in the device.

Mr. Cope stated that he could not speak to that.

Mr. Smith stated that he saw Dr. Lopez shaking yes, so that is good. He asked if there were any further questions for this item.

RESOLUTION NUMBER 6191-20

A RESOLUTION AMENDING THE RESOLUTION FOR RETIREMENT INSURANCE

Mr. Rice stated that Mr. Lewis would give them the details on this. This essentially would make three modifications to the extremely benefit that the City provides. Individuals are eligible to obtain their health care coverage after certain milestones upon their retirement. The first and probably simplest to contemplate, the resolution has some changes and arrangements of dates and it would have provided a little bit of a reach back to allow employees who would have qualified when they retired if the program had been in place. They left with those qualifications and the program had not been adopted. It was later adopted to allow that group to avail themselves of the coverage. They will share that that is an extremely small group of one employee that would now qualify it to become under the provision. It is just unfortunate that there is an outlier that who left and met the qualification once it was adoption and not long after that the individual retired, which allowed that person to be included. This is not a very wide window.

Mr. Smith asked if he had full coverage.

Mr. Rice stated that he does not know.

Mr. Smith how many years are they reaching back to give this to him.

Mr. Rice stated that he would have to verify that.

Mr. Lewis stated that it would just be strictly limited to those who are on the Health Insurance Plan. The plan changed in 2013 to make it a little more economical for the retirees. The reach back that Mr. Rice is talking about would just apply to those individuals who are still on the retiree health plan; they are just paying it differently.

Mr. Smith asked if this would work into their Compassionate Care program.

Mr. Rice stated no because they would already be retirees. Creating a provision under the current program where an individual who is retirement eligible from the City but not yet at the benchmark to maintain their coverage, who experiences a catastrophic medical diagnosis. Mr. Lewis will explain how that will be defined and what the criteria will be. They could retire with less than 30 years, go ahead, and remain all on the program that they are already on. The list of diagnosis is very specific. This medical review is essentially someone who has a terminal diagnosis. This would be an individual who needs to retire for medical reasons and is eligible to retire, but does not yet have the 30 years to stay on the insurance. It is very important to note that this does not

add someone with catastrophic claims to their coverage. This is a person that they already cover and they have to leave for very serious and specific medical reasons. This just prevents them from having to give up the insurance that they have, even if they fall slightly short of the 30 years. This is extremely rare, thankfully. There are very few employees that would ever fall into this category, thankfully, but for those who do, this is very significant.

Mr. Smith stated that he knows that they do not need to mention the person's name or job description for a number of reasons. There was a gentleman before Allen Pate that had his position, he had cancer, and he passed. What did the City do for him?

Mr. Rice stated that they would do the research. He stated that he remembers that situation because he was employed with the City just as that was occurring. He had already taken his leave. He stated that they would see what they could find out about that.

Mr. Smith stated that he was wondering if it worked then if it would work now and can it be called a policy.

Mr. Rice stated absolutely.

Mr. Rice stated that of course at that time, they did not have retiree health insurance but they do have that benefit now. He stated that the third change would involve credit for time worked as a part-time employee. They have a significant number of employees that may have started part-time and then later became full-time. They have a small number that while part-time, years ago were worked a lot. They were worked to fill in vacancies and in some cases they were accrued a substantial amount of full-time equivalent credit while in a part-time status. The largest example is about two or two and a half year's full-time equivalent over about a 5-year period of part-time employment. Therefore, in that case, that employee has 30 years of credit under RSA, but they do not have 30 years full-time with the City of Hoover. He is eligible to retire now, but he cannot leave now and keep the insurance because he is in that gap where so much of his RSA occurred when he was in part-time status with them and the part-time does not count toward insurance. This is not tailored for this one individual; this is a change that would apply to everybody. Anybody that worked part-time will take all the hours that they have worked, divide it by 40 hours, figure out how many weeks and months full-time credit they have, and they can count that time toward their 30 years for the purposes of retaining insurance after retirement.

Mr. Smith stated that there are a number of part-time positions at the Library, the Fire Department, and seasonal help at Public Works.

Mr. Rice stated that he thinks this would only apply to regular positions. They have seasonal, temporary, and regular part-time. This would be limited to regular part-time. In the past, they had people that were part-time Detention Officer and in Telecommunications. That is where they see some people that were in part-time status and worked many hours during those years.

Mr. Shaw stated that they heard about the unfortunate situation where somebody has worked with them for so long, right before they qualify for the insurance. They had some kind of gap in the disability policy or something. He feels a lot more comfortable if moving forward; they found some way to amend the disability program or these other things. It is a narrow scope. He knows that in private companies they have things like that. They can get a purchase addition or something

like in certain instances like cancer, they can actually put things on there. They will address them moving forward so that they do not end up with that lurk. He gets uncomfortable with something that is carefully tailored to these types of things. When there is another one that is the same but a little different but they do not have a policy. He thinks that there is a better insurance way to cover this.

Mr. Rice stated that he wants Mr. Lewis to correct him if he is wrong, but their disability is prescribed by RSA. There is some cancer riders and other things are available to employees from a Life Insurance standpoint. In terms of being able to achieve disability in retirement, they really do not have a lot of control in that. They have been trying to find a way to scope this. He stated to Mr. Shaw that the criteria for this compassionate component actually are based on Social Security Administration, who has a similar compassion approval process where an individual can petition, if they are on that list, to be added to SSA. It is not Social Security Disability, but regular Social Security by medical review of their documentation of diagnosis. They would propose that they adopt this same process so that there is a table, medical review, external from the City. It is not three or four of them trying to decide if this individual can provide documentation from their position and it is on that chart, Social Security Administration, they would recognize it and they could just remain on the insurance program for that.

Mr. Shaw stated that that makes him feel a lot better.

Mr. Rice stated that they spent a great deal of time trying to make sure that it was not a custom provision, but something that was limited, but durable going forward for anybody who might be situated.

Mr. Smith asked Mr. Rice if he could get someone to obtain that Federal Policy so that they can see how that reads.

Mr. Rice stated that they have it and will send them a web link.

Mr. Smith asked if there were any further questions for Mr. Lewis and Mr. Rice.

No further questions were asked.

REGULAR AGENDA

RESOLUTION NUMBER 6193-20

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE THE ENTERPRISE RESOURCE PLANNING AGREEMENT

Mr. Rice stated that this is strictly the funding request. He stated that Dr. Lopez is going to talk about the last slide from the previous presentation, just to kind of pick back up. They are going to talk to them about three things. One is the cost information, both the one-time fees and the annual maintenance fees that are required. Second is the timeline of implementation of all of the modules that they are proposing at this point in time. Third is how the cost is distributed along that timeline. They will get a couple of big numbers, a timeline of what they want to do and then they will see the money scattered across that timeline.

Mr. Smith asked if this is the ERP.

Mr. Rice stated yes.

Dr. Lopez stated that as Mr. Rice said, this first slide, one of three slides is the last slide that they ended that last presentation with. She stated that they could see that they were going to have an on-site visit to the City of Auburn. They did that. They had 19 employees attend that and she thinks that it went very well, overall. She thinks that everyone came away from that feeling good about the direction that they are recommending. They talked about contract negotiations. This item on the agenda is actually the contract that they have negotiated. Where they ended last time, they had an initial estimate of what they thought their cost would be. As she stated at the last meeting, this could include the specific request that the Fire Department is making on this initial request. On the next slide, there is an updated statement of the cost of this project. She stated that they would see two columns of annual occurring cost. It shows it by phase how much they will have to pay ongoing for a total, eventually upon full implementation of \$546,000. They will also have the one-time costs that are a total of \$2.1-million. She stated that she did put below the line \$300,000 of one-time costs, with an estimate of \$30,000 ongoing. She thinks this will be a Fire Department request in Fiscal 2021. The two highlighted items on the slide- the \$234,000 annual occurring, will be seen on the Annual Budget Amendment that Ms. Bolt is going to cover. \$234,000 would be due immediately on the signing of the contract for those items that they are agreeing to. The \$2.1-million would represent them being able to move forward with the project as a whole. The final slide as Mr. Rice stated, represents a timeline is an estimated timeline and outlays, but they feel confident on what they have. The \$200,000 for Fiscal 20, the \$840,000 for the 21, \$825,000 for Fiscal 22, \$250,00 for 23 and \$42,000 for 24. Those represent the one-time fees. From the previous slide, the \$2.1-million is the actual payments for those one-time payments; however, they would need to encumber funds sooner than these payments. For instance, phase 1 would probably would be about \$1-million to issue the purchase orders. Those numbers added to the \$2.1-million. Upon full implementation, the cost is estimated around \$546,000. This first year they are only requesting the \$234,000 because they are not going to pay for more than what they have been getting. They have arranged it to where they can minimize those annual costs and they will add on as they add the applications.

Mr. Smith asked Dr. Lopez if she was asking for \$200,000 or \$1.1-million or \$2.1 million. The budget amendment, the request of \$234,000 is the request for ongoing costs, but they are also asking to pay for all of the implementation and date of conversion, the one-time fees, and the whole project of \$2.1-million. That would come back to the capital projects fund.

Mr. Smith asked if it was \$2.7-million earlier or has it always been at \$2.1-million.

Dr. Lopez stated that initially when the budget request started last year, the estimate was \$3-million based on some numbers when Police had done this a few years ago. They were able to bring that number down and this has been reduced a little bit, leaving the presentation that they gave in January.

Mr. Shaw asked what would be the minimum cost that would leave their accounts with this plan in Fiscal Year 2020.

Dr. Lopez asked if he was asking about the payment or encumbrance.

Mr. Shaw stated the payment.

Dr. Lopez stated that the \$234,000 is immediately due in May. They estimate another \$200,000 in payments in Fiscal 20. In May they will have to enter encumbrance closer to \$1-million and \$1.1-million, which will be a purchase order.

Mr. Shaw asked if by purchase order she meant the money would be leaving the account.

Dr. Lopez stated that the purchase order means having a budget in place to approve the purchase order.

Mr. Smith stated that he knows how much she likes to fund projects and he knows how much this Council loves to save money. He knows how important this project is. If they could fund everything that was payable due in 2021, knowing that they should have contracted the City for the balance, it would allow for the next Council or Administration to be able to take 2022 to finishing. They may all choose to pay for it all at once or they may choose to break it up over a couple of years. Would it get things off the ground if they were to do \$1.1-million or \$1.25-million? He stated that he knows how she likes to do things.

Dr. Lopez stated that she wanted to point out stated that this is not something that she personally likes to do; it is something that they have done for 20 years that is financially sustainable. Typically, when they have an agreement of contract, they make sure that the money is in place so that they are not caught short; however, she thinks his question is if that would get them moving and the answer would be yes.

Mr. Smith asked if this is coming from the capital fund.

Dr. Lopez stated that the \$2.1-million would be from there because it is just one-time. The \$234,000 is from the general fund, because it is ongoing.

Mr. Smith asked how much is available on the capital fund because this is not a budgeted project.

Dr. Lopez asked how much is available before this amendment.

Mr. Smith stated before and after.

Dr. Lopez stated that before would be a little over \$3.5-million and that is not counting the additional \$1-million for the economic development fund. Afterwards would be about \$1.4-million.

Mr. Shaw stated that obviously, everyone did a great job presenting. He thinks that it is a no brainer that they have to have this. After seeing different aspects of it and just knowing that the current system is not really a system, it is only kind of a system. Something modern has to be put in place. There is no telling what kind of inefficiencies have been hiding so long; however, they went through a process where they tried to be as conservative as possible. They left many things out and many decisions and they have added some things back in. He stated that he cannot support allocating the whole fund for the whole project. He knows that that is the conservative way to do it, but he knows that there is another conservative way to do it, which is wait until there is a budget process and wait until there was a need for putting that here. He stated that there is lots of support that everyone has done a great job, but he cannot support the full allocation right now. He stated

that if they sign a contract they make a commitment, but that was the source of his question. In his opinion, they can allocate the minimum to get started, but the real function of it is that they are doing that to get it stated because it is needed. Otherwise, they could just wait until next year and allocate the full amount as a major project alongside all the other projects they know that they will be looking at next year.

Mr. Posey stated that he is looking at it from a different standpoint. He knows that they will be negotiating with this company. His opinion would be when they buy equipment and a full redo of something, if they could do a check for getting the one-time licensing fee out. That brings that down to \$1.8-million. To him it is a better way to show them that they are serious about the long-term and that they are encumbering it in a way. Negotiating with that company to get it to where it is affordable right now as opposed to trying to pay the \$234,000 there and then dealing with these module costs, he would rather handle the one-time cost with a discount from them and be done.

Dr. Lopez stated that maybe she did not think that she was clear. The \$234,000 is not part of the \$2.1-million, so it would not make that come to \$1.8-million. She stated that she thinks that she does not think she would be in favor of paying \$2.1-million because those costs are what they sign off to say that their expectation was met.

Mr. Posey stated he would only do that if they could drop it down to a lower rate. To him there is a benefit, they are only going to pay it to them one-time, and then they are going to have these ongoing costs to cut those ongoing costs at the all set. They are halfway through a Fiscal Year now. Cut those and get some savings on that so that they can pay the one-time cost and have that paid ahead and put everything in place. Dr. Lopez stated keep in mind that if they paid for everything now, then the next Fiscal Year, even if they save \$234,000 this year, they would owe \$546,000. They would already be behind in year 2 than what they would be under the proposal.

Mr. Posey asked if it would be better for them to hold this off until next year since they are in the middle of the year. This way they are not spending the \$234,000 and not getting much of the benefit. If they are going to have to pay more next year.

Dr. Lopez stated that the \$234,000 is an annual fee so it would not be due again for another year.

Mr. Posey stated that if that is in addition to and there is no way to get the cost of the equipment down by putting something in sooner, then he is kind of with Mr. Shaw. They can pay what they have to now and push the rest off until later. He would like to have everything for the project, but if there was a discount, the one-time cost of the equipment.

Mr. Smith stated that he knows that previous apparatus with Fire Operations, the expense would be wrapped over 2 Fiscal Years, because of the price. If they were buying an \$800,000 fire engine or a \$1-million ladder truck. He remembers seeing in the 5-year projection a \$2.3-million ladder truck that is over 3 years: 2021, 22, and 23.

Mr. Rice stated that he thinks that that was two or three different pieces of apparatus.

Mr. Smith stated that he has seen it in the past and asked why it is not feasible now.

Mr. Rice stated that the absolute priority is to get started. They feel like they are on borrowed time. Yes, they have had a long-term policy of doing things a certain way. The economies in certain points in history. It is their threshold is to bring them the information and request that they fund it. How they fund it is completely at their discretion. If the discussion becomes about putting it off, Mr. Posey with all due respect, please do not. They prefer that they find a way that they can get started. He knows that a lot of individual conversations that he has had with each of them that they all understand clearly that this is a contractual agreement under the City. This just talks about how they would pay for it.

Mr. Smith stated that he does not know how they worked it out.

Mr. Posey stated that he thinks what he was saying was is there any way to get any of the additional savings and costs lower, so that they could encumber all of it.

Mr. Rice stated that he would assure Mr. Posey that they have some of the shrewdest people that he has ever seen. He would not want to be a venter coming into this, so they will concentrate their energy into this. He stated that he could not make any promises because he is sure that a lot of that has already taken place. He stated that they would continue to work on that. They are not sure that they will be able to achieve any of that again. They would like to move forward in this Fiscal Year. They have to start with the finances and then move to the HR component so that everything else works.

Dr. Middlebrooks stated that he would like to fund this minimally to get this started. They could break it up over two years or however they need to. Rather they need to make an amendment on Monday night to get that done or they go back over it and work on it over the weekend and present the new budget amendment them on Monday night.

Mr. Rice stated that procedurally, he thinks that it would be Mr. Smith's decision to provide them with a new exhibit as a budget amendment, or they can simply state in their motion a dollar figure for line item "X".

Mr. Posey stated he thinks they are thinking in the same way, which is to get it as cheap as they can. He just wants to make sure that there is not another opportunity to get it lower if they tell them that they are at decision time and ask what they can take off.

Mr. Rice stated absolutely. They will make those conversations happen.

Mr. Smith asked if there were any other questions from the Council. There were no further questions

RESOLUTION NUMBER 6194-20

A RESOLUTION AMENDING THE BUDGET FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2020.

Ms. Bolt stated that she is just going to present as they have given to them through the Budget Amendment. Item 1 is for the ERP sign as they were requesting in the presentation, \$2.1-million. Again, they just mentioned that they would change that to their discretion if they need them to present something different on Monday. Item number 2, the \$234,000 that they talked about as the annual reoccurring cost that they pay upon implementation of that contract. Number

3 is the holster devices for the cameras. . They are reversing how they previously budgeted and moving to the capital projects fund. Item 4 is the budget revenue to balance back to the \$500,000 that is for the \$234,000 for the annual cost for the ERP software.

Mr. Smith asked if there were any questions for Ms. Bolt. He stated that he thinks information that occurs between now and Monday evening would probably play into their numbers a little bit, but he thinks it will not be anything that they cannot deal with.

2nd Reading (*Items to be considered on February 17, 2020*)

ORDINANCE NUMBER 20-2472

AN ORDINANCE AUTHORIZING THE LEASE OF UNNEEDED MUNICIPAL REAL PROPERTY OF THE CITY OF HOOVER, ALABAMA

Mr. Smith read the summary of the Ordinance.

Mr. Smith stated that this is the property at the Public Safety Center, where the NASRO organization is housed. He thinks that they will be doing \$100,000 worth of work. They just wanted to make sure that they have another 5-year lease in order to compensate the amount of money that they are putting in. He asked if that was correct.

Mr. Smith asked how close they are to the maturity of the current lease.

Mr. Rice stated close.

Mr. Smith stated that is good. He has talked before about whether or not the City can do anything to save them with the taxes that they pay on construction material. He asked if there has been any talk at City Hall.

Mr. Rice stated that it is his understanding that Bo Kennedy was going to send some information to them. They will find out where that went and what the potential savings might have been.

Mr. Smith stated that it is a good program and he is happy to have it in Hoover and asked if there is anything that they can do to help.

Mr. Rice stated yes.

Mr. Smith asked if there were any questions for Mr. Rice.

There were no further questions

2nd Reading and Setting Public Hearings For February 17, 2020 (*No Action To Be Taken At This Meeting*)

RESOLUTION NUMBER 6181-20

A RESOLUTION GRANTING CONDITIONAL USE APPROVAL FOR THE PATTON CREEK ART FESTIVAL FOR THE PROPERTY LOCATED AT 4445 CREEKSIDE AVENUE, HOOVER, ALABAMA.

Mr. Smith read the summary of the Resolution.

Mr. Smith stated that he knows Ms. Linda Chastain with that organization is going to be there on Monday. He asked Mr. Martin to speak on any updates.

Mr. Martin stated that there is no new information to offer at this time.

Mr. Smith asked if there were any questions for Mr. Martin.

No further questions were asked.

2nd Reading and Setting Public Hearings For February 17, 2020 (No Action To Be Taken At This Meeting)

RESOLUTION NUMBER 6182-20

A RESOLUTION GRANTING CONDITIONAL USE APPROVAL FOR A MODULAR BUILDING TO BE USED FOR SUNDAY SCHOOL CLASSES FOR THE PROPERTY LOCATED AT 560 LAKE CREST DRIVE, HOOVER, ALABAMA.

Mr. Smith read the summary of the Resolution.

Mr. Smith stated that this is for the church that started in a similar classroom and now they have a sanctuary. He asked if that was correct.

Mr. Martin stated that that is correct.

Mr. Smith asked if now they need a classroom for their Sunday school because it is a growing church.

Mr. Martin stated that that is correct.

Mr. Smith asked if there were any further questions for Mr. Martin.

No further questions were asked

2nd Reading and Setting Public Hearings For February 17, 2020 (No Action To Be Taken At This Meeting)

ORDINANCE NUMBER 2471-20

AN ORDINANCE AMENDING VARIOUS SECTIONS OF THE ZONING ORDINANCE OF HOOVER, ALABAMA.

Mr. Smith read the summary of the Resolution

Mr. Martin stated that this amendment is to create a zoning district. The Legacy Single Family Residential or LSF. This zoning district will be beneficial to the City's development, prior to their current zoning regulations. This is not only to take care of some nonconforming issues related to provide additional flexibility to front setbacks.

Mr. Smith asked if there were any questions for Mr. Martin.

No questions were asked.

1st Reading and Setting Public Hearings For March 2, 2020 (No Action To Be Taken At This Meeting)

ORDINANCE NUMBER 20-2474

AN ORDINANCE OF THE CITY OF HOOVER TO MODIFY CHAPTER 9, MOTOR VEHICLES AND TRAFFIC AND TO REPEAL ALL ORDINANCES AND PARTS OF THE ORDINANCES OF THE CITY OF HOOVER IN CONFLICT THEREWITH.

Mr. Smith read the summary of the Ordinance.

Mr. Smith stated that this is what they call their horse-drawn carriage ordinance. They have a vendor that is here in the City and they have enjoyed a great relationship with the Hoover community. They found one day that there really was not a way to properly license this individual. They have been working on this for too long but they are going to get their first reading on Monday.

Mr. Smith asked if there were any questions.

No questions were asked.

1st Reading and Setting Public Hearings For March 2, 2020 (No Action To Be Taken At This Meeting)

ORDINANCE NUMBER 20-2473

ANNEXATION – 1921 SHANNON ROAD, VERNON AND KIMBERLY STERLING.

Mr. Smith read the summary of the Ordinance.

Mr. Smith stated that this is a commercial building that used to be the site for the Shannon Volunteer Fire Department. They bought it and he does not know what they are going to do with it. He knows that the City looked at it for a temporary Station 10 and it is going to need a lot of assistance.

Mr. Shaw asked what are they intending to do.

Mr. Smith stated that he does not know, but he will find out.

Mr. Posey stated that they asked them to go to a zoning and pre-zoning commercial in the motion.

Mr. Smith stated ok. He asked if it expects to pre-zone prior to the vote date.

Mr. Shaw asked if this was pre-zoned.

Mr. Martin stated no, he had not received an application for pre-zoning.

Mr. Posey stated that the motion that was made was pre-zoned commercial.

Mr. Martin stated that was his understanding from the Annexation Committee that it was a pre-zoning.

Mr. Smith stated that if that was the requirements for it then they need to notify the applicant that they need to continue this until such time if they do receive the pre-zoning or have it before the second reading and vote.

Mr. Shaw stated that he assumes that this will be C-2.

Mr. Martin stated that he believes that is what was discussed at the annexation committee meeting.

Mr. Smith asked if he would notify the applicant.

Mr. Smith asked if there were any other questions from the Council prior to Monday.

There being no further business, the meeting adjourned at 7:46 p.m.

Gene Smith
Council President

Frank V. Brocato
Mayor

ATTESTED BY:

Wendy Dickerson
City Clerk