

STRATEGIC PLANNING

Tuesday, December 7, 2021 – 6:05 p.m.

via Zoom

Present: Members: Vice Chairman Gonzalez, Alderman Witte, Alderman Barnard and Alderman Robinson. Others: Alderman Barnard; Alderman Anastasia; Mayor William Aiello; Bob Ring, Director of Public Works; Brad Camp, Water and Sewer Superintendent; Tim Richardson, Fire Chief; Tiffany Taylor, Managerial Confidential Administrative Secretary; Todd Hansen, Stark Tech Group; Chris Carmody, PlugIn Stations, and Hugo Jule Quintanilla, EVolve NY.

1. Roll Call

Alderman Gonzalez called the meeting to order at 6:05 p.m. and asked that the record show that all committee members were present except Alderman Crawford, who was excused.

2. Approval of Minutes of the Previous Committee Meeting (Tuesday, November 2, 2021)

A motion to approve the minutes of the November 2, 2021 meeting was made by Alderman Gonzalez, seconded by Alderman Robinson. Voice vote, ayes all. Motion carried.

3. Unfinished Business

None

4. New Referrals for Consideration

a. Presentation – Stark Tech – Energy Performance Contract

Mr. Camp explained that this is something that has been in the works for several months. He explained that a fair amount of research has been done on the City's various facilities already for this energy savings project. He explained that this involves HVAC, lighting, boilers, air exchanges, and other things like that. He explained that the last thing that we had this company do was new HVAC controls for the water and sewer plants as well for the Municipal Building, and this has worked very well. He explained that we have a long work history with the company and they are a great company to work with.

Mr. Hansen explained that the City had done an energy performance contract in the past. He explained that the basis of an energy performance contract is that money is taken that is spent on utilities, the maintenance of facilities and planned repairs and replacements, and savings that is earned doing the projects is used to pay for the debt service on the loan to do the projects. He explained that updating the HVAC, boilers, lighting, and planned replacement of

equipment that is already in the budget can be considered for savings to go toward the debt on the loan. He explained that this is cash positive for the City and can be paid back over 20 years.

Mr. Hansen explained that energy performance contracts are legislated by New York State and there is a set of rules and regulations that must be followed. He explained that the company performing the contract must be certified, and Stark Tech has been for 20 years. He explained that there is a process that needs to be followed. Stark Tech would basically take a look at a majority of the buildings that the City has and put together a broad list of things that could be upgraded that have not been. He explained that this contract would consist of anything from renewables to electric vehicles, and that if it saves the City utility or energy dollars then it can be put into the contract. He explained that the next step is to have a Certified Energy Audit (CEA), a contract for which was distributed to Mayor Aiello, Mr. Ring, and Mr. Camp a few weeks ago. He explained that the City had already put out a bid for an energy services company, and Stark Tech is the only company that submitted an actual response to that advertisement.

Mr. Hansen explained that after the certified energy audit, the Council would be able to see a list of facility improvement measures for each thing that makes sense in each building, including the cost, savings, and any incentives involved. He explained that the overall payback for each item would be presented to the Council. The list would be reviewed by the Council would could determine what items the City would want to proceed with. Mr. Hansen explained that the savings presented need to be guaranteed, so the savings presented are generally conservative. He explained that if the savings are not met, then Stark Tech needs to make up the difference. He explained that the benefit of this arrangement is that a lot of work can be done up front and be paid for by savings.

Mr. Hansen explained that he knows that there are some upgrades needed at Central Fire, as well as finishing up lighting and HVAC items at the Municipal Building. He explained that other items like windows generally have a longer payback.

Alderman Witte asked about the EV hookups on North Union Street, and asked if this would be factored into this. Mr. Hansen explained that if the City was to purchase electric vehicles, there is a cost to charge them and the cost would have to be calculated to charge the vehicle versus the cost for gas. He explained that maintenance cost differences would need to be calculated as well and if there is a positive cash flow between the two, it can be factored into the contract. He explained that he is guessing that with the cost savings, there is not going to be a huge difference. HE explained that if there are incentives, tax credits, or incentive dollars, those can be used as a part of the payback calculation.

Alderman Witte asked if replacing windows at the Municipal Building could be factored into this contract, and Mr. Hansen responded that windows, roofs, and exterior items can be included but that the biggest caveat is that they have a long payback period, which is usually around 30-40 years. He explained that there is a savings, but that the savings compared to the cost means that there is generally a very poor payback. He explained that they need to find things with a good payback so that savings can be used to help pay for longer items.

Mr. Hansen explained that the City has a power purchase agreement for Homer Street's solar panels. He explained that they received the information on this and his team is looking over the agreement to see if there is any added savings that can be had. He explained that they are trying to figure out the legalities in the agreement that the City already has. He explained that if solar facilities are added that are directly fed into buildings, there are incentives that help offset the cost of installation and that electricity would come directly off the usage so the savings could be directly used for the payback. He explained that those are the types of things that they are trying to look into ahead of doing an energy audit on the whole City. Mr. Hansen explained that if there is a way to save \$300,000 to \$400,000 per year on utilities, then those savings over twenty years can help pay for windows and other things with poor payback.

Mr. Hansen explained that one thing that his company is doing for a lot of other communities is installing solar along with battery energy storage. He explained that battery storage can be used as a backup source of power and also helps lower the demand on the grid at peak demand times. He explained that this does not change the amount of power that is being used, just how it is used. He explained that renewables such as storage and battery energy storage are things that they would want to take a look at, especially with New York State regulations and incentives being put into place. He explained that battery energy storage is huge in New York City because of the incentives to help keep the grid stabilized.

Mr. Hansen explained that the next step is to look at the power purchase agreement to see what opportunity is on the electric and gas side for actual savings, and then if there is savings there to look into an energy audit. He explained that we will want to stick to items that make sense in terms of a good payback. He explained that hopefully this will be figured out in the next week or so. He explained that the contract that was left with City officials was to hire his company to do the certified energy audit, with a cost not to exceed \$22,000. He explained that if there is a project done of any size, then the cost gets incorporated into the project itself. He noted that if they are going to move forward with the audit, then they know that there are going to be things that the City will want to move forward with, and there are already things that they know that make sense to do. Mr. Hansen explained that the goal is to help find ways to use additional renewables to make it easier to do bigger projects, like the windows at the Municipal Building that are hard to fund with taxpayer dollars.

Alderman Witte asked if solar panels can be put on smaller buildings like the Lincoln Park market, or if they need to be put on a larger surface. Mr. Hansen explained that solar in smaller pieces on sites actually using the power is actually the best and most efficient way to do it. He explained that the City could pay for the entire system and own the system, the City could allow someone else to install the system with the agreement to buy the power, or do this remotely like is currently done with the solar fields. The City could also use a hybrid model of these three methods. He explained that they need to find out what strings are attached to the power purchase agreement the City already has. He noted that if the City chooses to put solar panels on the roof that we will want to make sure that the roof is in good enough shape to last the next 20 years. He explained that ground mounted arrays and canopy covers over parking can also be considered.

Alderman Robinson explained that this is some of the information that he has been looking up over the past couple of months. He explained that he sees that there is an ability to do solar communities as well and he feels that it would be good to tie this idea in somehow, possibly in each ward where the City owns a park. Mr. Hansen explained that community solar project rules and incentives from the State and Federal level change day by day, and the goal would be to try and take some of the new incentives into consideration. He explained that solar communities that can save taxpayers on their own electric bills are becoming very popular.

b. Presentation – EV Charging Site, Tops

Mr. Carmody explained that he is with the company PlugIn Stations out of Albany, and that they do electric vehicle charging station installations. He explained that they have installed about 1,500 level 2 plug in stations at this point throughout the state. He explained that he is working with the New York Power Authority (NYPA) to install faster plug ins through the state. He explained that the Power Authority is funding a project to install fast chargers at the Tops supermarket, and they are looking for the City's permission to install the equipment and use the right-of-way for utility installation. He presented a map of the proposed location to the Council and explained that the site comes equipped with 175-350 kilowatt chargers which can give a vehicle about 200 miles of drive time with a 10-20 minute charge. He explained that most level 2 chargers that are popping up across the state will give 200 miles of drive time with about a 5 hour charge.

Mr. Carmody explained that there are currently forty projects underway by the NYPA. He explained that there is value of the project being undertaken in the community because the NYPA is not only paying for the installation, but also for ongoing power consumption and operational costs. He explained that he would not expect the site to start turning over a profit for 5-7 years and the site will not break even until there are 6 hours of use per charger per day. He explained that he sees this as a draw for the community, and they are footing the bill for the

installation. He explained that in doing this build out across the state, the NYPA has selected different site hosts and there is at least one other Tops site being used. He explained that he believes that they get a small rental fee for the space and then the NYPA builds and owns the site on the land. He explained that the map shows the spaces that Tops has preferred for the project, and they were selected because there is a grassy area where equipment can go so that it doesn't have to take up too many parking spaces. He explained that the NYPA also takes handicapped access to the chargers very seriously.

Alderman Robinson explained that he loves that these are being brought to the area. He explained that he thinks that it would be better though if the handicapped spot was closer to Tops or the sidewalk so that someone can safely exit their vehicle, get to the sidewalk, and go to the shopping center. Mr. Carmody explained that they did not see this station as necessarily just for Tops customer use. He explained that from the construction perspective, the spots can be put on either side.

Alderman Witte explained that she feels that this is a great idea, and she would like to see more of these stations. She explained that the City is looking at a grant to put some of these charging stations up town. Mr. Corcoran explained that he was talking to Mr. Ring about this, and that the grant is for level 2 stations that are a lower power output. He explained that in terms of a destination charger for people passing through, he doesn't think that these have the draws that faster chargers have. He explained that the demand charges on energy usage and paying for total electric output is expensive. Alderman Witte asked if he sees this cost going down in the next five to ten years, and he explained that he cannot say. He explained that he doesn't know which way this will go. He noted that he wants to convey that this is an asset that is not easy to pay for and he sees this as an opportunity.

Alderman Anastasia asked what the cost is to the consumer, and he explained that the cost through the NYPA program is 38 cents per kWh with tax, so about 10 cents per mile (3-4 miles per kWh) which is comparable to gas. He explained that at home charging costs more around 12-15 cents per kWh. He explained that most charging happens at home, and fast charging helps make longer trips. These stations are not designed to be the primary site of charging for all usage but that some early adopters love using them.

Mr. Quintanilla explained that the ADA space is meant for accessibility primarily to the charging station on site and not as much for access to the store. He explained that they appreciate all of the support that they can get from the City of Olean. Mr. Carmody explained that in order to move forward they are looking for something from the City to be okay to pursue the project in terms of permitting. He explained that they would need some sort of letter or something from the City to put equipment in the right of way, like an easement or a right of way permit. Mayor

Aiello explained that he will have a conversation with the City Attorney about usage in the right of way and then a determination would be made after that.

5. Approval of Committee Reports

None

Mayor Aiello noted that he will be bringing forth a request for a cell phone tower in North Olean at the next committee meeting. Alderman Witte asked if this could be an income source, and Mayor Aiello responded that it could be.

6. Adjournment

A motion to adjourn was made by Alderman Witte, seconded by Alderman Panus. Voice vote, ayes all. Motion carried. Meeting adjourned at approximately 6:55 p.m.