



MEMORANDUM

DATE: November 18, 2019
TO: Honorable Mayor and City Councilmembers
FROM: Dave Perrault, City Administrator
SUBJECT: HVAC Discussion

Budgeted Amount: \$180,000	Actual Amount: \$243,000 - \$354,000	Funding Source: Building/Equipment Fund
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For Council Consideration

The City Council may consider giving staff direction on moving forward with HVAC replacement for City Hall with Johnson Controls.

Background

The City Council directed staff to begin the process to replace our current cooling system. Staff met with Johnson Controls, the City’s current maintenance provider for HVAC related systems, and requested they review our current system and put together a proposal to replace our cooling system.

The current system is original to the building, and is approaching end of life. Johnson Controls did not design the current system, but has been maintaining it. City Hall has had numerous issues over the last few years that have resulted in the building not being cooled properly. To date in 2019, Johnson Controls has been out to the City numerous times to address cooling issues (not including the normal maintenance visits), which resulted in \$7,264 in additional maintenance costs.

Johnson Controls will be in attendance to present their proposal to the City at the work session, and will be able to answer Council questions. Their presentation is attached (see Attachment A), which outlines background information and a number of options for Council to consider. As requested, Johnson Controls also includes information regarding potential solar viability at City Hall. The three options, for cooling, that Council will want to choose from are replacing the units with similar units in their current location (there are some design concerns associated with this option, which Johnson Controls will address), replacing the units with similar units and moving the units to the rear of City Hall, and the final choice would be to replace all three cooling units with a single Chiller in the same location as the current units. Johnson Controls

will lay out the pros and cons of each solution. Johnson Controls will also present Council with an option to replace the buildings boilers.

Note, Johnson Controls is a vendor with Sourcewell, which is a joint purchasing cooperative formally known as the National Joint Powers Alliance (NJPA). This means that all of the vendors with Sourcewell have been through a competitive solicitation process and have pre-negotiated costs, which is similar to buying off of the State contract.

Staff will be seeking direction on which solution the City Council would like to move forward with. Once Council has given the necessary direction, Johnson Controls will have an execution ready proposal at a future Council meeting.

Budget Impact

The City currently has \$180,000 budgeted for this project in the Equipment Building Replacement Fund; however, depending on the solution the Council moves forward with, the project may range between \$243,000 to \$354,000. The anticipated balance of the Equipment Building Replacement Fund at the end of 2020 is \$140,445 (this includes the \$180,000 budgeted for HVAC replacement), and the projected ending balance of the fund in 2024 is \$669,445. The fund could absorb additional expenditures for this project based on current projections. The main source of revenue for this fund is transfers from the General and Utility Funds.

Attachment

Attachment A: Johnson Controls Proposal