

**MINUTES OF THE SPECIAL MEETING OF THE
PUBLIC BUILDING COMMISSION OF ST. CLAIR
COUNTY, ILLINOIS HELD ON WEDNESDAY
MARCH 11, 2015 AT 9:00 A.M. AT THE
ST. CLAIR COUNTY BUILDING, BELLEVILLE, ILLINOIS**

The Special Meeting of the Public Building Commission of St. Clair County, Illinois was called to order by Chairman Richard Sauget, at 8:57 a.m., on Wednesday, March 11, 2015 at the St. Clair County Building, Belleville, Illinois.

The following Commissioners answered present to roll call: Richard Sauget, James Nations, Luther Jackson, Daniel Polites, and Charles Lee. Commissioners Richard Effinger and Thomas Dinges were absent.

Also present for the meeting, or for a portion thereof, were the following: Debra Moore, Interim County Administrator; Daniel Maher, Administrative Advisor; Tim Cantwell, MidAmerica St. Louis Airport Director; James Brede, Director of Buildings; Fred Schreiber, Energy Consultant; Curt Wilson, Sales Manager, Tylex; Joseph Bushos, Belleville News-Democrat; Bernard Ysursa, Attorney (via telephone conference); and Vickie Boydte, Secretary.

James Brede, Director of Buildings, presented an opportunity to go out to a third party supplier for natural gas. Director Brede stated that this change would have to occur by March 16th, 2015, and this deadline was the reason for calling the special meeting. Director Brede stated that the projected savings is about 12% annually. Director Brede stated that the Public Building Commission currently pays about \$241,000.00 for gas each year, with the total potential savings at \$28,992.56 per year. Commissioner Nations inquired regarding the level of risk. Director Brede called upon Curt Wilson, Sales Manager at Tylex, to answer the question. Mr. Wilson stated that there is no more risk

than the current level of risk with Ameren, the current supplier, and that the Public Building Commission would not get "cut". Commissioner Nations asked Mr. Wilson what he meant by "cut". Mr. Wilson indicated that it meant that there would not be an interruption to the Public Building Commission's gas supply. Commissioner Nations stated that he understood that, but wanted to know if the rates could go up. Mr. Wilson responded that the rates could go up, but that is also a risk with Ameren. Mr. Wilson stated that the Public Building Commission will have the option, at any point in the contract, to convert to a fixed price. Commissioner Nations asked what the term "delivery of gas to city gate" means. Mr. Wilson explained that the city gate is the point where the gas comes off the pipeline, in the Public Building Commission's case, the NGPL pipeline, into the Ameren system. At that point, Ameren will take over delivery to the PBC facilities. Commissioner Nations requested confirmation that there would continue to be a local delivery charge from Ameren. Mr. Wilson further explained that the Ameren bills would remain the same, except for the commodity charge which will come from Tylex. Commissioner Nations asked if the approximate 10% savings comes from purchasing the gas directly from the pipeline. Mr. Wilson clarified that Tylex does not own the pipeline. Mr. Wilson elaborated that there was previously minimal cost savings involved but that has changed in recent years since Ameren's rates have been high compared to the open market. Mr. Wilson provided some background that Tylex is a privately held company, which is based in Tyler, Texas, owned by HT Hyde, and has been in business since 1984. Commissioner Nations asked Director Brede if he has checked into the background of the company, to which Director Brede responded that he had not. Director Brede then deferred to Fred Schreiber, Energy Consultant, for more

information. Mr. Schreiber explained that the gas network is similar to the electric grid. Mr. Schreiber added that he has worked with Mr. Wilson in the past, and that timing has been the primary issue that has delayed his attempts at getting the Public Building Commission set up with a third party gas provider. Mr. Schreiber reiterated the deadline of March 16, 2015, by which time a customer must provide notification to the utility that they wish to go on transport. Commissioner Nations asked where the contract states that PBC can go back to standard rates. Mr. Wilson clarified that the notification date is usually January 31st, but Ameren delayed it this year. So, notification to go off gas transport would be similarly held to the deadline. Director Brede and Fred Schreiber clarified that the PBC cannot go back to Ameren at any time but can go from an indexed price to a fixed rate with Tylex at any time. Mr. Wilson furthered explained rate options, recommending a combination approach, with no more than 80% fixed because of fluctuations, especially in winter. Mr. Wilson advised that it is recommended to lock in some amount of fixed prior to the winter months. A general discussion was held. Commissioner Nations asked about the length of the agreement. Mr. Wilson stated it is a three year agreement. Mr. Schreiber stated that he was comfortable with a three year agreement. Commissioner Polites asked Attorney Bernard Ysursa, who was present via conference call, if he had the opportunity to review the contract. Attorney Ysursa responded that he had reviewed the contract and had a couple of questions. Attorney Ysursa asked if the utilities of MidAmerica Airport buildings were paid by Public Building Commission. Secretary Boyde and Director Brede responded that they are paid by the Public Building Commission with St. Clair County funds. Tim Cantwell, MidAmerica Airport Director, explained that utilities come out of the MAA Operating

Budget. Attorney Ysursa stated that he wanted to ensure that MAA utilities were an area that the PBC had authority to enter into a contract. Director Brede asked if the utility bills are in PBC's name. Secretary Boydtte stated that they come to the PBC, but are in MidAmerica Airport's name. Commissioner Nations moved approval on adoption of the Tylex Gas Service Agreement, effective March 11, 2015 for a three year period with the provision that all purchase orders be forwarded to the PBC as they are issued. Second by Commissioner Polites. Roll call as follows:

Commissioner Nations	: Aye
Commissioner Jackson	: Aye
Commissioner Lee	: Aye
Commissioner Polites	: Aye
Commissioner Effinger	: Absent
Commissioner Sauget	: Aye
Commissioner Dinges	: Absent
AYES: 5 ABSENT: 2	NAYS: None

Motion carried.

Administrative Advisor, Dan Maher, entered the meeting at 9:08am.

There being no further business to come before the Public Building Commission, Commissioner Nations moved for adjournment. Second by Commissioner Jackson and carried.

Meeting adjourned at 9:09 a.m.

Respectfully submitted,



Vickie Boydtte
Secretary

APPROVED:


CHAIRMAN