

## FISCAL IMPACT REPORT

**General Information:**


 (Check) Bill:   X   Resolution: \_\_\_\_\_

**Short Title:** Dalkia Energy Solutions Construction and Maintenance Agreement

 Sponsor(s): Mayor Alan Webber, Councilors Lindell and Rivera

 Reviewing Department(s): Public Works, Finance

 Staff Completing FIR: Bradley Fluetsch, CFA Date: 1/15/2021 Phone: 955-6885

 Reviewed by City Attorney:  Date: Jan 22, 2021

 Reviewed by Finance Director:  Date: Feb 2, 2021
**Summary:**

This bill involving Dalkia Energy Solutions, LLC improves the City owned streetlights and provides for long-term maintenance of them. In a separate financing transaction, subject to approval by the governing body, the City would pledge energy savings to finance the contract.

**Departments Affected:**
Public Works, Finance
**Consequences of Not Enacting Legislation:**

This project has four key areas of benefit: safety, environmental, night sky and cost. The LED street lights will have much greater reliability than our current street lights. The LED lamps themselves have less failures and the City owned street lights will now be connected to a central software system that will provide real time reporting of failures. Currently, inoperable street lights are mainly detected by complaints and safety incidents. The LED street lights focus light onto the roadway and sidewalk better and generate less fugitive light, which will improve the darkness in our night skies while improving safety. The LED street lights use less energy and the conversion eliminates 2,315 metric tons per year of CO2 emissions which is equal to the energy used in 267 homes or by 500 cars per year. All of this saves money and the savings pays for the conversion. Not enacting this legislation will not improve the streetlights and the benefits will not accrue to the citizens of Santa Fe.

**Conflict, Duplication, Companionship, or Relationship to Other Legislation:**

This legislation has two companion pieces of legislation, an Ordinance accepting the investment-grade audit report and approving the energy savings performance contract with Yearout Energy Services Company, LLC and an ordinance authorizing the execution of a lease-purchase agreement between the City and a "TBD" counter-party to finance both projects. PNM owns approximately 40% of the street lights in the City of Santa Fe and a separate contract and funding will be brought forth for the conversion of these lights at the same time as Dalkia will convert the City's lights.

**Performance and Administrative Implications:**

Dalkia will measure the savings and provides a guarantee of savings. The measured or calculated monthly savings will be transferred to a special revenue fund that accumulates the savings to meet the semi-annual debt

service payment for this project. The Finance Department will develop the accounting process to fund the special revenue fund and allocate the debt service.

**Fiscal Implications:**

The likely case is that the City will save enough from its current contract with PNM that will pay for the streetlight upgrade in six years and the continued savings will continue to contribute to the special revenue fund that covers the debt service of this contract and the Yearout Energy Solutions Company, LLC contract.

---

**Fiscal Impact:**

The fiscal impact of the streetlight upgrade and the maintenance will generate savings over the current contract with PNM that will pay for capital expense in six years, yet the City will be financing the purchase 15 – 18 years. The long-term savings from the streetlight upgrade will improve the overall financial performance of the Energy Savings Special Revenue Fund that covers the debt service payments over the financings' life.

The benefits from improved public safety are difficult to measure, but inoperative streetlights have been the subject of tort claims against the City. The environmental benefits can be measured in CO2 and the number of cars taken off the highway or houses off the grid.

\_\_\_\_\_ Check here if no fiscal impact

**Expenditures**

<b>Expenditure Type</b>	<b>FYE __</b>	<b>FYE __</b>	<b>FYE __</b>	<b>Require BAR (Y/N)</b>	<b>Recurring (R) or Non-recurring (NR)</b>	<b>Fund</b>	<b>3-Year Total Cost</b>
<u>Personnel and</u>	\$ _____	\$ _____	\$ _____	_____	_____	_____	
<u>Benefits*</u>							
<u>Capital Outlay</u>	\$ _____	\$ _____	\$ _____	_____	_____	_____	
<u>Contractual/</u>	\$ _____	\$ _____	\$ _____		_____	_____	
<u>Professional Services</u>							
<u>Operating</u>	\$ _____	\$ _____	\$ _____		_____	_____	\$ _____
<u>Total:</u>	\$ _____	\$ _____	\$ _____				\$ _____

\* This includes all staff time associated with executing the job functions of the proposed legislation.

**Expenditure Narrative:**

---

---

---

**Revenue**

<b>Revenue Type</b>	<b>FYE __</b>	<b>FYE __</b>	<b>FYE __</b>	<b>Recurring (R) or Non-recurring (NR)</b>	<b>Fund</b>
General Fund	\$ _____	\$ _____	\$ _____	_____	_____
Special Revenue	\$ _____	\$ _____	\$ _____	_____	_____
CIP	\$ _____	\$ _____	\$ _____	_____	_____
Enterprise	\$ _____	\$ _____	\$ _____	_____	_____
Internal Service	\$ _____	\$ _____	\$ _____	_____	_____
Trust and Agency	\$ _____	\$ _____	\$ _____	_____	_____
Federal	\$ _____	\$ _____	\$ _____	_____	
Other	\$ _____	\$ _____	\$ _____	_____	_____
Total	\$ _____	\$ _____	\$ _____		

**Revenue Narrative:**

---

---

---