

FISCAL IMPACT REPORT

General Information:

 (Check) Bill: Resolution: _____

Short Title: Solar Lease Purchase 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 Ordinance authorizes the execution and delivery of a lease-purchase agreement between the City and (TBD) counterparty to pay up to \$20,000,000 for acquiring, installing, and equipping the energy efficiency measures throughout the City, providing pledge of energy savings per the contracts with Yearout Energy Solutions Company, LLC and Dalkia Energy Solutions, LLC.

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

Without this financing package, the City would be forced to use its bond capacity to implement these projects and would forego the opportunity to leverage the energy savings to finance the capital expenditures. The other alternative would be to forego the projects and not achieve the energy savings or the safety or environmental benefits as stated in its companion legislation.

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

This legislation has two companion pieces of legislation, an Ordinance approving the Global Management Performance contract with Dalkia Energy Solutions, LLC for upgrades to the City's streetlights and an ordinance accepting the investment grade energy audit and Energy Performance Contract with Yearout Energy Solutions Company, LLC.

Performance and Administrative Implications:

Finance staff will need to insure that the energy savings is budgeted in the special revenue fund where the semi-annual debt service will be made from. Monitoring of the actual energy savings relative to the guarantee of the Yearout agreement will be a necessary administrative burden. The energy savings from the Dalkia Energy Solutions, LLC agreement will also need to be measured and quantified for the special revenue fund as well.

Fiscal Implications:

The City is taking advantage of low interest rates and leveraging the energy savings for this capital expenditure that improves the safety of the citizens and reduces the City's carbon footprint, with the majority of the savings guaranteed. This transaction does not impact the City's GRT or GO bond capacity.

Fiscal Impact:

The City locks in an energy savings that funds the debt service that purchases the capital equipment to generate the savings. With a significant portion of the savings guaranteed, there is little fiscal impact to the City. The impact is the improvement to public safety, reduction of the City's carbon footprint.

_____ Check here if no fiscal impact

Expenditures

Expenditure Type	FYE __	FYE __	FYE __	Require BAR (Y/N)	Recurring (R) or Non-recurring (NR)	Fund	3-Year Total Cost
<u>Personnel and 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

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

Revenue Narrative:
