

City Council Introduction: February 20<sup>th</sup> 2018  
Public Hearing: March 5<sup>th</sup> 2018  
Date Factsheet Prepared: January 12, 2018

BILL NUMBER: 18R-42

## FACTSHEET

**Instructions:** If a question does not apply, just put "NA". Please try to keep it to **ONE** page only. Submit **one original**, with your Request Form, to City Clerk.

**TITLE:** Energy Financing Contracts

**BOARD/COMMITTEE:**

**APPLICANT:** Mayor Beutler

**RECOMMENDATION:** Adopt/Approve

**STAFF RECOMMENDATION:** Approve/Adopt

**OTHER DEPARTMENTS AFFECTED:** All City Departments

**SPONSOR:** Frank Uhlarik

**OPONENTS:**

### REASON FOR LEGISLATION

The State of Nebraska under Nebraska Revised Statutes (NRS) 66-1062 through 66-1066 authorizes municipalities to enter into energy financing contracts for purposes of improving the functionality and efficiency of municipal buildings and operations through guaranteed savings contracts. The City of Lincoln seeks to utilize such state authorized contracting vehicles to implement key upgrades to facilities where appropriate and cost effective. While NRS section 66-1065(1) (d) and (e) authorize energy financing contracts for payback periods up to 30 years, the City of Lincoln wishes to execute contracts with energy service companies that have a payback period on each contract of not more than fifteen years on any building or operation that has a useful life of twenty years or more.

### DISCUSSION / FINDINGS OF FACT:

**POLICY OR PROGRAM CHANGE:**  Yes  No

**OPERATIONAL IMPACT ASSESSMENT:** Energy financing contracts provide an opportunity for the City to capture guaranteed energy, utility and operational savings to contribute towards debt repayment for necessary facility improvements such as critical HVAC systems and controls, lighting upgrades to LED technology, sealing of building envelopes, and other energy, water and maintenance savings technologies and initiatives. Energy financing contracts also allow for a streamlined design/build procurement process with guaranteed cost caps, project performance and operational cost savings which traditional procurement and staffing resources cannot fulfill.

**COST OF TOTAL PROJECT:** To be determined. Projects will be proposed and approved by Mayor and City Council through existing budgetary processes.

**RELATED ANNUAL OPERATING COSTS:** Energy financing contracts are intended to work within normal appropriated annual operating and capital costs by capturing the energy, utility and operational costs savings guaranteed by the projects to put towards capital debt retirement. Existing Capital Improvement Program budgeted dollars will also be utilized when such projects overlap with projects proposed through energy financing contracts leading to a more predictable CIP in future years. After debt retirement, operational budgets are substantially reduced due to the energy and utility savings initiated through the contracts.

**SOURCE OF FUNDS:** Variable

**CITY:** Where applicable - as appropriated and/or approved by the City Council

**NON CITY:** NA

**FACTSHEET PREPARED BY:** Frank Uhlarik

**DATE:** 1/12/18

**REVIEWED BY:** Rick Hoppe

**DATE:** 1/12/18