

STAFF REPORT

City of Lancaster

CC 7
10/26/10
MVB

Date: October 26, 2010

To: Mayor Parris and City Council Members

From: Barbara Boswell, Finance Director

Subject: **Resolution Authorizing Equipment Lease for Energy Efficiency Project**

Recommendations:

Adopt **Resolution No. 10-69**, approving certain energy conservation measures, authorizing the execution of agreements, signatories and making other determinations in connection therewith related to equipment lease financing of the Johnson Controls mechanical retrofit and energy management project.

Fiscal Impact:

The total financed amount of \$1,600,000 will be repaid from savings realized by the energy efficiency projects. Equipment lease is for 15 years, at an interest rate of 4.35%. Annual payments will be included in the annual budget.

Background:

At its regular meeting on December 8, 2009 the City Council approved a contract with Johnson Controls, Inc. to facilitate energy savings projects throughout many City facilities and parks. This project includes: renovation / replacement of the HV AC System at Lancaster City Hall and various projects at City facilities and parks including: interior & exterior lighting upgrades; water conserving low flow plumbing devices and fixtures; irrigation weather station installations; and solar water heating. The total project cost is \$5.71 million, to be funded as follows:

American Recovery and Reinvestment Act Grant	\$1,358,800
California Energy Commission Loan	\$1,469,146
Equipment Lease	\$1,600,000
Incentives	<u>\$ 208,571</u>
TOTAL PROJECT COST	<u>\$4,636,517</u>

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Attachment:

Resolution No. 10-69