



City of Milwaukee Fiscal Impact Statement

A	Date	2/3/2025	File Number	241509	<input checked="" type="checkbox"/> Original	<input type="checkbox"/> Substitute
	Subject	Resolution authorizing a tax-exempt lease purchase agreement to finance energy efficiency and solar energy projects at various city facilities				

B	Submitted By (Name/Title/Dept./Ext.)	Erick Shambarger/Environmental Sustainability Director/Environmental Collaboration Office/Dept. of Administration
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C	This File	<input type="checkbox"/> Increases or decreases previously authorized expenditures.
	<input type="checkbox"/> Suspends expenditure authority.	
	<input type="checkbox"/> Increases or decreases city services.	
	<input checked="" type="checkbox"/> Authorizes a department to administer a program affecting the city's fiscal liability.	
	<input checked="" type="checkbox"/> Increases or decreases revenue.	
	<input type="checkbox"/> Requests an amendment to the salary or positions ordinance.	
	<input type="checkbox"/> Authorizes borrowing and related debt service.	
	<input type="checkbox"/> Authorizes contingent borrowing (authority only).	
	<input checked="" type="checkbox"/> Authorizes the expenditure of funds not authorized in adopted City Budget.	

D	Charge To	<input type="checkbox"/> Department Account	<input type="checkbox"/> Contingent Fund
	<input checked="" type="checkbox"/> Capital Projects Fund	<input type="checkbox"/> Special Purpose Accounts	
	<input type="checkbox"/> Debt Service	<input checked="" type="checkbox"/> Grant & Aid Accounts	
	<input checked="" type="checkbox"/> Other (Specify)	\$1.8 million funded through a Tax-exempt Lease purchase, repaid as an annual lease payment in affected department's operating budget, with off-setting energy and operational savings.	

E	Purpose	Specify Type/Use	Expenditure	Revenue
	Salaries/Wages		\$0.00	\$0.00
			\$0.00	\$0.00
	Supplies/Materials		\$0.00	\$0.00
			\$0.00	\$0.00
	Equipment		\$0.00	\$0.00
			\$0.00	\$0.00
	Services	Contract with Johnson Controls, Inc. for various energy efficiency and solar energy projects on City buildings	\$2,605,746.00	\$0.00
				\$0.00
	Other	One time tax credits	\$0.00	\$575,270.00

		20 year energy operating savings	(\$3,047,151.00)	\$0.00
	TOTALS		(\$441,405.00)	\$575,270.00

F	Assumptions used in arriving at fiscal estimate.	Assumes implementation and financing expenses at a rate of 5%-to 5.5% for 20 years.

G	For expenditures and revenues which will occur on an annual basis over several years check the appropriate box below and then list each item and dollar amount separately.		
	<input checked="" type="checkbox"/> 1-3 Years	<input type="checkbox"/> 3-5 Years	One time Solar direct-pay tax credits and incentives of approximately 75,277
	<input type="checkbox"/> 1-3 Years	<input checked="" type="checkbox"/> 3-5 Years	20 Annual lease payments of \$140, 791-\$153,437 depending on interest rate and whether tax credits are used to pre-pay the lease principal
	<input type="checkbox"/> 1-3 Years	<input checked="" type="checkbox"/> 3-5 Years	\$152,357 in electrical and operating savings, including energy price escalation

H	List any costs not included in Sections D and E above.	E excludes interest payments
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I	Additional information.	See cashflow estimates in file 241332. Per Comptroller estimates, using 4% interest rate for contingent borrowing over 15 years has \$20,000-\$40,000 higher annual payments but is \$635,106 cheaper overall, compared to a 5.5% lease over 20 years, without using the tax credit to pre-pay the debt. The Net Present Value of contingent borrowing at a 5% discount rate is \$191,442 less than the lease..
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J	This Note	<input type="checkbox"/> Was requested by committee chair.
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