

LRB-FISCAL REVIEW SECTION ANALYSIS

FEBRUARY 26, 2003 AGENDA

ITEM 12, FILE 021582

FINANCE & PERSONNEL COMMITTEE

JAMES CARROLL

File #021582 is a resolution authorizing the issuance of short-term general obligation notes for funding the City's matching share of: 1) a Federal National Recreational Trails grant that will be administered through the Wisconsin Department of Natural Resources for providing improvements to the Hawthorne Glen Outdoor Educational Center; and 2) We Energies and Focus on Energy/Milwaukee School of Engineering Grants for the installation and study of a microturbine.

Background

1. In 2002, the Common Council authorized borrowing for the City's share of the We Energies and Focus on Energy/Milwaukee School of Engineering Grants for the installation and study of a microturbine (File#020781) and a Federal National Recreational Trails grant for the Hawthorn Glen Outdoor Education Center File (#021059). The borrowing authorization for these grants was not included in the borrowing carryover resolution (File #021058). In order for these projects to proceed, the Common Council has to adopt a new resolution that authorizes the borrowing.
2. The purpose of the grant for the Hawthorn Glen Outdoor Education Center is to renovate the existing nature trails to provide improved access and meet current ADA requirements. Additionally, this project will remediate and stabilize numerous slope erosion problems that have been identified. The total of this grant is \$134,600 with \$67,300 provided by the grantor and a City share of \$67,300.
3. The We Energies and Focus on Energy/Milwaukee School of Engineering (MSOE) grants are for the installation and study of a microturbine at the Anderson Municipal Building. The microturbine is a small gas-fired combustion turbine that will run during daytime hours to decrease the building's peak electric demand and save on its energy bill, as well as serve as an emergency standby generator.

The total cost of the project is \$150,000. The We Energies and Focus on Energy/MSOE grant will provide \$100,000 and \$50,000 will be provided by the City. Funds for the installation of the microturbine at the Anderson Municipal Building were allocated in the 2002 Budget. The We Energies and Focus on Energy/MSOE grants will reduce the total expense to the City.

Discussion

1. This resolution authorizes borrowing up to \$117,300 to provide the City's share for the Federal National Recreational Trails grant for the Hawthorn Glen Outdoor Education Center (\$67,300) and the We Energies and Focus on Energy/MSOE grants (\$50,000) for the installation and study of the microturbine at the Anderson Building.
2. This resolution also rescinds the previous resolutions, adopted by the Common Council, that authorized borrowing for the Federal National Recreational Trails grant (File#020781) and the We Energies and Milwaukee School of Engineering Grants File (File#021058).

Fiscal Impact

1. Until the actual structuring of the debt issue is determined by the Public Debt Commission, details relating to the long-term fiscal impact are not known. Depending on actual sale date in 2003, a maximum of 6 months interest would be incurred during the current year. If sold after July 1, 2003, there would be no fiscal impact in 2003.

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LRB-Fiscal Review
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