

LRB - FISCAL SECTION ANALYSIS

NOVEMBER 20, 2002

ITEM 11, FILE 021059

FINANCE & PERSONNEL COMMITTEE

JAMES CARROLL

File #021059 is a resolution authorizing the issuance of short-term general obligation notes for funding the City's matching share of We Energies and Milwaukee School of Engineering Grants for the installation and study of a microturbine.

Background

1. On July 16, 2002, the Common Council adopted a resolution (#020412) that authorized the application, acceptance and funding of We Energies and Focus on Energy/Milwaukee School of Engineering (MSOE) grants for the installation and study of a microturbine at the Anderson Municipal Building.
2. 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.
3. The total cost of the project is \$150,000. The We Energies and Focus on Energy/MSOE grants will provide \$100,000 and \$50,000 will be provided by the City.
4. 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

The resolution authorizes borrowing up to \$50,000 to provide the City's 33% share of We Energies and MSOE grants for the installation and study of the microturbine.

Fiscal Impact

If the notes are sold prior to July 1, 2003, there will be a fiscal impact equal to one-half year's interest on that borrowing in 2003. If sold after July 1, 2003 there will be no fiscal impact. In either case, principal and interest would become due in 2004 and subsequent years.

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