

Reply to Common Council File No. 080766
From DOA-Budget and Management Division

September 29, 2008

Ref: 08024

Common Council File 080766 contains a resolution authorizing the use of \$2,336,322 in contingent borrowing to finance energy savings capital projects as contemplated in Council File 080398.

The Common Council adopted File Number 080398 on July 30, 2008, which authorized the award of a guaranteed energy savings performance contract to Johnson Controls, Inc. for energy saving improvements to the Milwaukee Safety Academy and the city's traffic signal system. The total cost of implementation of the defined energy savings improvements at the Milwaukee Safety Academy is \$724,869 and for the city's traffic signal system is \$1,611,453, or a total cost of \$2,336,322 for project implementation. The 2009 budget reflects a half year savings of \$200,000 from these projects.

Since funding was not included in the 2008 budget, the department used other capital improvement funds on an interim basis. It is important to replenish these accounts to avoid delays in street and building projects.

**RECOMMENDATION: ADOPT COMMON COUNCIL RESOLUTION
080766 THAT AUTHORIZES THE USE OF \$2,336,322 IN CONTINGENT
BORROWING TO FINANCE ENERGY SAVING CAPITAL PROJECTS.**


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