



Legislation Text

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080766

SUBSTITUTE 1

080398

The Chair

Substitute resolution to authorize up to \$2,336,322 of Contingent Borrowing to finance energy savings capital projects as contemplated in Council File 080398.

The Common Council of the City of Milwaukee 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 initial draft of this performance contract included third party funding for the capital improvements included in this contract, to be repaid through savings realized in reduced energy, operation and maintenance costs. During review of this agreement, it was determined that additional savings could be achieved if these improvements were to be financed by the City. With the adoption of Common Council File Number 080398, Department of Public Works Capital Improvement Funds currently available were transferred on an interim basis to execute the contract for this project, until a Contingent Fund appropriation and borrowing for the project can be subsequently approved by the Common Council. If approved, this resolution would authorize the additional Contingent Fund borrowing for this project.

Whereas, Common Council File Number 080398, adopted on July 30, 2008, 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; and

Whereas, The City will achieve savings associated with reductions in energy, operation and maintenance costs as a result of energy saving improvements to be implemented under this Contract, which are intended to be used to finance these improvements; and

Whereas, The total cost of implementation of the defined energy savings capital improvements included in the Contract for 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; and

Whereas; The total cost of the project would be \$2,350,393 including related services performed by Johnson Controls, Inc. and grants which may be available to offset improvement costs; and

Whereas, The 2008 Budget of the City authorizes \$110,000,000 Contingent Borrowing for purposes not contemplated at the time of adoption of the budget; and

Whereas, Resolution file number 071100 has authorized the issuance of general obligation promissory notes for various public purposes (the "Note Resolution"), not all of which will be needed in the next 12 months; and

Whereas, The City desires to use \$2,336,322 of Contingent Borrowing to finance the energy savings capital projects, to issue the Contingent Borrowing within the amount authorized by the Note Resolution, and for the Contingent Borrowing to replace other purposes in the Note Resolution that will not be needed in the next 12

months; and

Whereas, Funds currently available in the Department of Public Works' 2008 Capital Improvement Program have been utilized on an interim basis to execute the contract until a contingent fund appropriation and borrowing for the project is subsequently approved by the Common Council; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that \$2,336,332 of Contingent Borrowing (the "Borrowing") is authorized to be used for the energy saving capital projects; and, be it

Further Resolved, That the Borrowing is an additional authorized borrowing purpose for the general obligation promissory notes authorized to be issued by resolution file number 071100, and the Borrowing may be issued pursuant to the resolution within the aggregate amount of general obligation promissory notes authorized to be issued therein.

Budget and Policy Division

RWB

September 26, 2008