



TO: Mayor and Council

FROM: Milton Dohoney Jr., City Administrator

CC: John Fournier, Deputy City Administrator
Marti Praschan, CFO
Missy Stults, Sustainability and Innovations Director

SUBJECT: December 19, 2022 Council Agenda Responses

DATE: December 15, 2022

CA-10 – Resolution to Rescind Resolution R-22-214 for a Power Purchase Agreement with Enerlogics Networks, Inc., Approve a Construction Contract with Enerlogics Networks, Inc. for the Purchase and Installation of Solar at City Facilities, to Reallocate Funding for Solar Projects Previously Approved, and to Appropriate Necessary Funds (\$8,133,255.00) (8 Votes Required)

Question: If I'm comparing the two resolutions correctly, this revised budget request significantly increases the portion of funding County Mental Health rebate funding (\$1,339,172 vs. \$319,000) and the General Fund (\$785k after IRA rebate vs. \$0). Is that correct? (Councilmember Briggs)

Response: We are pulling from the fund balance on the Public Safety Rebate to cover the increased portion from the Rebate and the portion from the general fund reserve is only being pulled temporarily until the Inflation Reduction Act rebate comes in and/or the state's zero interest loan is received.

Question: Can you please provide a table that more clearly compares the sources of funding between this funding proposal and the previous Enerlogics proposal. (Councilmember Briggs)

Response: Please see table below.

Project	ARPA	General Fund	General Fund Fund Balance	Public Safety Rebate FY23	Public Safety Rebate Fund Balance	Zero Interest Loan	IRA REBATES
Homeland Solar Contract	\$1,350,000		\$1,700,000				\$915,000
Enerlogics Battery Project			\$520,172				\$156,052
Enerlogics Direct Buy	\$3,043,246		\$239,808	\$319,000	\$1,020,172	\$3,511,029	\$2,439,977
EV Chargers (charge point)	\$98,306						
TOTAL	\$4,491,552	\$0	\$2,459,980	\$319,000	\$1,020,172	\$3,511,029	\$3,511,028

TOTAL for Enerlogics Solar \$8,133,255

Question: Can you please share what the total amount the City received from the County Mental Health millage this year? (Councilmember Briggs)

Response: \$1,080,000. In total there is \$3,528,969 budgeted for the County Mental Health Millage this year; \$1,080,000 is the share allocated to Sustainability.

Question: What is the impact on the General Fund balance if we have approved this expenditure? How does the City have an additional \$785k available at this point in the year while protecting our fund balance? (Councilmember Briggs)

Response: The portion pulled from the General Fund fund balance will be repaid once the Inflation Reduction Act's 30% rebate is received.

Question: Can you more fully explain the cost savings to the City of this proposal? (Councilmember Briggs)

Response: By owning these systems, it means that all the energy savings accrued from use of the solar (as opposed to having to pay our utility bill) will be available in future budgets to handle things such as operational cost increases, new programmatic needs, or one time budget requests. Because the solar systems are warrantied for 25 years, that means these are long-term savings the City will accrue from owning the system. After we subtract replacement costs, which will be amortized over time, we project \$300,000 - \$400,000 per year in energy savings (which will grow as energy costs increase).