

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: May 10, 2010
	Agenda Item No. 59 Roll Call No. Communication No. <u>10-266</u> Submitted by: Randy Wetmore, Assistant City Manager

AGENDA HEADING:

Acceptance of Department of Energy (DOE), Energy Efficiency and Conservation Block Grant (EECBG) Amendment Number 3 in the amount of \$275,000 for the purchase of the incremental cost differential for hybrid fleet vehicles and electrical charging stations.

SYNOPSIS:

An application was submitted in June of 2009 for the formula funded EECBG, along with an Energy Strategy plan, in the amount of \$1,982,300. The grant will fund a number of energy projects including new windows for City Hall and the Police Station, an internal revolving loan program for energy efficiency vehicles and projects, trail work, mortgage buy down program and others. The \$57,300 is the first installment of EECBG funds from DOE. A total of \$87,000 is required in matching funds. Included in the grant is \$168,000 for administration.

FISCAL IMPACT:

Amount: \$275,000

Funding Source: FY2011 Operating Budget – New Grant Program SP029 CDD0499900 EECBG00004. \$25,000 of City Leveraged City funds from FY2011 Operating Budget – IS201 CMO010407 – Equipment Replacement Fund – Page 55. (Grant was shown as part of CIP – BLD117 - Energy Conservation Page - Municipal Building Improvements – 6).

ADDITIONAL INFORMATION:

The EECBG is a part of the American Resource and Recovery Act (ARRA). The primary purposes of the program are to reduce fossil fuel emissions, maximize benefits to local and regional communities, reduce total energy use of eligible entities and improve energy efficiencies in the building and transportation sectors and others. DOE has made it a priority for cities to work together to provide information about energy efficiency, on a regional basis.

In June of 2009 an application was submitted to the DOE for funding from the formula EECBG program. In that application a number of projects and programs were included as part of the energy strategy for DOE review, such as the replacement of windows in City Hall and the Police Station, an internal revolving loan program for building projects and hybrid vehicles, mortgage buy-down, benchmarking, outreach and trails were included.

Originally, the City had submitted a request to fund a revolving loan program for public building retrofits and incremental cost differential for the purchase of hybrid vehicles for the City fleet. In discussions with DOE they indicated the revolving loan program would not be acceptable. However, use of grant funds for the purchase of hybrid vehicles using the funds to cover the cost differential between a standard gasoline vehicle and a hybrid would be acceptable. Therefore, a new activity was submitted to DOE to reallocate the revolving loan program to the purchase of the incremental differential cost of hybrids and electrical charging stations. DOE was specific in that the charging stations shall only be used for City hybrid vehicles. Depending on the type of hybrid specified for bid and the actual bids received, it is estimated perhaps 15 hybrid vehicles can be purchased to replace standard gasoline vehicles.

PREVIOUS COUNCIL ACTION(S):

Date: April 12, 2010

Roll Call: 10-530

Action: [Acceptance](#) of third grant payment of \$1,095,000 for replacement of windows in City Hall and Police Headquarters from Department of Energy (DOE) Energy Efficiency and Conservation Block Grant (EECBG) and approving Assistance Agreement, Amendment No. 2 for same. ([Council Communication No. 10-199](#)) Moved by Coleman to adopt. Motion Carried 7-0.

Date: February 22, 2010

Roll Call Number: 10-322

Action: [Assistance](#) Agreement for second grant payment of \$555,000 for a Mortgage Buy-Down Program for Energy – Efficient Residential Buildings as part of Department of Energy (DOE) Energy Efficiency and Conservation Block Grant (EECBG). ([Council Communication No. 10-075](#)) Moved by Mahaffey to adopt. Motion Carried 6-1. Pass: Hensley.

Date: January 25, 2010

Roll Call Number: 10-118

Action: [Assistance](#) Agreement for second grant payment of \$555,000 for a Mortgage Buy-Down Program for Energy – Efficient Residential Buildings as part of Department of Energy (DOE) Energy Efficiency and Conservation Block Grant (EECBG). ([Council Communication No. 10-075](#)) Moved by Mahaffey to adopt. Motion Carried 6-1. Pass: Hensley.

Date: June 22, 2009

Roll Call Number: 09-1150

Action: [Application](#) for Energy Efficiency and Conservation Block Grant from the Department of Energy, \$1,982,300. ([Council Communication No. 09-437](#)) Moved by Vlassis to approve. Motion Carried 6-1. Absent: Mahaffey.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Accept future grant installments and approve grant related projects as they come forward.

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