

COUNCIL ACTION FORM

SUBJECT: APPROVING REAPPROPRIATION OF IOWA EECBG FUNDING

BACKGROUND:

In 2009, the City of Ames applied for and received \$63,000 in grant funding from the Iowa Office of Energy Independence (OEI) for installation of LED traffic signals, a pilot LED streetlight project, a pilot LED parking lot lighting project, and energy efficiency improvements to the Animal Shelter. This grant funding was matched 1:1 with City funds.

The LED lighting projects have been completed with all expenses paid and appropriate reimbursements made by OEI. These projects were completed under budget. In June, the City received only one bid for an amount above the budget for the Animal Shelter project. Re-bidding the project will take longer than the grant timeline will allow, so staff contacted OEI to determine possible alternative uses of our grant award.

The unused portion of the Animal Shelter project funds and the cost savings from the other three projects leaves the City with \$25,815 in unused grant funds. Staff has met with OEI and identified projects that would be an acceptable use of these funds from the list developed during Alliant Energy's 2010 energy audit of City facilities. These projects were originally to be funded using the Cool Cities CIP. The following projects were deemed acceptable by OEI and staff believes they can be accomplished under the conditions of the grant:

Building	Project	Est. Cost	Payback (yrs.)
Ice Arena	Replace metal halide lights	\$18,000	8.7
Fire 3	Retro-commission temperature controls	\$24,000	3.7
Parks Maint.	Convert T12 lights to T8	\$4,100	10.8
City Hall	Replace gym lights and install occupancy sensors	\$3,900	4.2
Parks Office	Convert T12 lights to T8	\$3,300	9.7
TOTAL		\$53,300	7.4

The funds in the Cool Cities CIP can be used as a matching source. Therefore, \$25,815 would come from grant funds and \$27,485 would come from the Cool Cities CIP to fund these projects. This would allow needed improvements to occur to City facilities and will fully utilize the remainder of our grant award. Additionally, any energy rebates that these projects would be eligible for would return to the Cool Cities CIP fund, helping to fund additional projects.

ALTERNATIVES:

1. Authorize staff to work with the Office of Energy Independence to amend our existing grant contract to fund the projects listed above, using Cool Cities CIP funds as a match source.
2. Do not authorize the contract change, forfeiting the \$25,815 remaining in our grant award.

MANAGER'S RECOMMENDED ACTION:

The projects in the Cool Cities CIP are needed improvements to City facilities. Authorizing the use of these funds as a matching source will allow more projects to be completed than originally planned, saving the City money and reducing our use of energy. Choosing to not authorize this action would forfeit the remainder of the grant award already made to the City. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby authorizing staff to work with the Office of Energy Independence to amend our existing grant contract to fund the projects listed above, using Cool Cities CIP funds as a match source.