City of Las Vegas

Agenda Item No.: **50.**

AGENDA SUMMARY PAGE

CITY COUNCIL MEETING OF: SEPTEMBER 2, 2009

DEPARTMENT: FINANCE AND BUSINESS SERVICES
DIRECTOR: MARK R. VINCENT ☐Consent ☒ Discussion

SUBJECT:
RESOLUTIONS:

R-68-2009 - Public hearing and possible action regarding a Resolution authorizing an installment purchase agreement in amount not to exceed $5,845,921 for the purpose of financing energy conservation projects and authorizing the officers of the City to execute documents related thereto and forward materials to the Department of Taxation - All Wards

Fiscal Impact

☐ **No Impact** ☐ **Augmentation Required**
☐ **Budget Funds Available**

Amount: $5,845,921
Funding Source: General Government CPF
Dept./Division: Finance and Business Services

PURPOSE/BACKGROUND:
The City, in accordance with NRS 350.800, requests approval for arranging an installment-purchase agreement to finance energy conservation projects to be secured by a security interest in the property. Repayment will be made with legally available funds of the City anticipated from cost savings generated from the projects.

RECOMMENDATION:
Approval

BACKUP DOCUMENTATION:
Resolution No. R-68-2009

Motion made by GARY REESE to Approve

Passed For: 6; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 1
RICKI Y. BARLOW, STEVE WOLFSON, OSCAR B. GOODMAN, GARY REESE, STEVEN D. ROSS, STAVROS S. ANTHONY; (Against-None); (Abstain-None); (Did Not Vote-None); (Excused-LOIS TARKANIAN)

Minutes:
See Item 13 for related backup and Item 22 for related discussion.

MARK VINCENT, Director of Finance and Business Services, stated that as part of the Citys Sustainability Initiative, streetlights throughout the City would be upgraded through funding from the American Recover and Reinvestment Act of 2009 (ARRA). Through this program, the

City can issue its allocation of $5.8 million in Qualified Energy Conservation Bonds to pay for the upgraded streetlights. The energy savings from this program are estimated to be $750,000 to $1 million a year and the debt service will be well within projected energy savings. He recommended approval.

JUANITA CLARK, Charleston Neighborhood Preservation, expressed her opposition. She stated this proposal is very vague and will obligate taxpayers for debt that cannot be afforded in this economic climate. MR. VINCENT informed MS. CLARK that the City has contracts with two different financial advisors and had obtained an opinion from one financial advisor regarding this matter. MAYOR GOODMAN added that approval from the Debt Management Commission would be needed before the City would be allowed to move forward with this project. He also confirmed that these bonds would only be issued once.

MR. VINCENT added that the Debt Management Commission had approved a similar request by the City of Henderson at a higher interest rate and suggested the Citys energy savings will be twice the amount of the debt service. In response to COUNCILMAN REESE'S questions, he explained that the City is allowed to modify its five-year Capital Improvement Plan (CIP) once during a 12-month period. Item 24 modified the CIP to include the sustainability programs, which is required for consideration by the Debt Management Commission. Item 50 is the Resolution that will allow the City Council to consider the proposed debt obligation.