



**BUSINESS OF THE CITY COUNCIL  
AGENDA STATEMENT**

Item No. 6h  
For Meeting of 03.03.2016

**ITEM TITLE:** Consideration of Proposed Resolution to enter into an Agreement with Ultra Green Lighting for the installation of Light Emitting Diode (LED) Lighting in the Norwalk Easter Public Library.

**CONTACT PERSON:** Holly Sealine, Library Director  
Tim Hoskins, Public Works Director

**SUMMARY EXPLANATION:** At the August 6, 2015 council meeting, approval was given to enter into agreements for the transition to LED lighting at the Safety Complex, City Hall, and the Public Works Facility. Each of those projects is nearing completion. The proposal for transition to LED at the Public Library provides an estimated annual savings of \$5,225.84 and a 3.18 year pay back after rebates from MidAmerican Energy. The project cost is:

Materials	\$17,248.68
Estimated Install	<u>\$ 7,500.00</u>
Total Cost	\$24,748.68

The funding for this project would come from the fund balance in the library capital fund that also supported the roof project.

<p><input checked="" type="checkbox"/> Resolution    <input type="checkbox"/> Ordinance    <input type="checkbox"/> Contract    <input type="checkbox"/> Other (Specify) _____</p> <p>Funding Source: <u>Library Bond for Roof Replacement</u></p> <p>APPROVED FOR SUBMITTAL _____    Marketa Oliver, City Manager</p>
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**STAFF RECOMMENDATION:** Approval of the resolution.

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION TO ENTER INTO AN AGREEMENT WITH  
ULTRA GREEN LIGHTING FOR THE INSTALLATION OF LIGHT  
EMITTING DIODE LIGHTING WITHIN THE  
NORWALK EASTER PUBLIC LIBRARY**

WHEREAS, light emitting diode (LED) lighting provides lower lighting rates, fewer outages, lower maintenance, and environmental benefits; and

WHEREAS, Ultra Green Lighting is a provider of LED lighting transition programs utilizing MidAmerican Company (MEC) rebate incentives to provide the City with a package for the Norwalk Public Library; and

WHEREAS, Ultra Green Lighting is providing agreements where installation costs are identified as well as transition savings.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORWALK, IOWA:

Section 1. That the City enters into agreements with Ultra Green Lighting for the transition of internal lighting to LED lighting.

PASSED and ADOPTED this 3<sup>rd</sup> day of March, 2016

\_\_\_\_\_  
Erika Isley, Mayor Pro Tem

ATTEST:

\_\_\_\_\_  
Jodi Eddleman, City Clerk

<u>ROLL CALL VOTE:</u>	<u>Aye</u>	<u>Nay</u>	<u>Absent</u>
Isley	___	___	___
Kuhl	___	___	___
Lester	___	___	___
Livingston	___	___	___
Riva	___	___	___

Proposal Prepared For:

DID YOU KNOW?

LED lighting not only reduces operating costs and lasts longer, it uses 80% less energy than traditional lighting and has a higher color rendering than fluorescent.

# Public Library Norwalk

ANNUAL SAVINGS	UPGRADE COST	INSTANT CASH FLOW
\$5,225.84 Annually	\$335.92 Monthly	\$99.57 Monthly
Why are you giving your money away?	One low payment with no money down.	Receive positive cash flow from the savings.

Finance your LED lighting retrofit using a portion of the monthly energy savings as the payments. The remaining savings become immediate cash flow to your business's bottom line.

**Program Benefits:**

- ✓ MONTHLY PAYMENT FROM THE ENERGY SAVINGS
- ✓ NOTHING OUT-OF-POCKET
- ✓ NO ADDITIONAL COLLATERAL
- ✓ FAST AND EASY APPLICATION PROCESS

**TOTAL SAVINGS**  
over estimated life span of the light

**\$124,678.73**

## Crossover Analysis

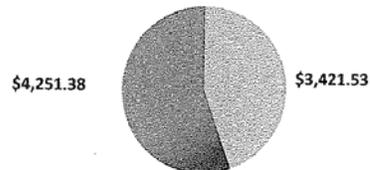
Use existing capital to create cash flow. With this option you can turn the savings into immediate cash flow. The requirement for this option is an initial cash outlay, which give you 100% monthly savings.

### Current Lighting Expense



■ Current Lighting Expense

### Lighting Expense After



■ Proposed Lighting ■ Identified Savings

### Chart Data

Energy	Proposed kWh Use	34,215
	Proposed Energy Cost	\$3,421.53
	Existing kWh Use	71,399
	Existing Energy cost	\$7,672.91
Savings	Annual kWh Savings	37,184
	Annual Energy Savings	\$4,251.38
	Annual Maintenance Savings	\$974.46
	Electric System Load Reduction	50.37%
Return	Total Return Over Each Month	\$435.49
	Total Return Over 1 Year	\$5,225.84
	Total Return Over 5 Years	\$26,129.20
	Total Return Over 10 Years	\$60,400.90
	Total Return Over 20 Years	\$120,801.80

### Rebates and Incentives

Utility Energy Rebate	\$8,142.50
Tax Incentive <small>(Consult your tax advisor.)</small>	\$0.00
Payback Period in Years Before Rebates and Incentives	4.74
Payback Period in Years After Rebates and Incentives	3.18

**DID YOU KNOW?**

LED Lighting consumes 85% less energy than incandescent and 50% less energy than fluorescent and it is one of very few green products that actually produces cost savings

**OPTION 1: DO NOTHING**



**OPTION 2: UPGRADE - CASH**



**OPTION 3: UPGRADE - FINANCED**



*\*\*Figures or percentages indicated in this proposal are considered to be generated on the best efforts basis, based on certain stipulated conditions concerning blended kWh electricity rate; hours of operation; existing lighting system data, and proposed lighting system data. All calculations or figures are estimates or based on estimated information.*

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- Pricing Valid for 30 days
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- HVAC operating hours source: Controlling Energy Consumption in Single Buildings, U.S. Department of the Navy, Naval Civil Engineering Lab, CR82.028, 1982
- HVAC savings calculated using formulas created by Rundquist Associates, using data from ASHARE, validated by DOE-2 Computer modeling. Available at <http://www.lightsearch.com/resources/lightguides/hvac.html>

## PROPOSAL ACCEPTANCE

Investments	
Product, Sales Tax and Shipping	\$17,248.68
Estimated Installation	\$7,500.00
<b>Total Proposed Amount</b>	<b>\$24,748.68</b>

Ultragreen proposes hereby to furnish materials and services as specified herein:

### Cash

Standard cash payment is due with approval and customer purchase order. With regard to miscellaneous project costs and change orders (if any), a final invoice will be issued and due on receipt of invoice. All major credit cards accepted.

### Finance/Lease

Lessee will approve and sign off on payment being made by Leasing Company to Ultragreen upon availability of funds.

*\*Acceptance of proposal: The prices, specifications and terms contained herein are satisfactory and are hereby accepted. I accept and agree to the items selected above. Ultragreen is authorized to proceed with the project and to provide the products and services as specified. Payments will be made as outlined above. I have read and agree to the terms, conditions, and statements contained herein. Ultragreen is not affiliated with, or represent, any utility company. Any and all presented rebate programs and rebate amounts are solely based on information given to Ultragreen from the utility company directly. All rebate matters are handled directly between the customer and the utility company.*

**Customer Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_  
**Name:** \_\_\_\_\_ **Email:** \_\_\_\_\_  
**Title:** \_\_\_\_\_ **Purchase Order#:** \_\_\_\_\_

**Ultragreen Signature:** \_\_\_\_\_  
**Name:** \_\_\_\_\_  
**Date:** \_\_\_\_\_