



LED STREET LIGHT IMPLEMENTATION

September 14, 2020

LED STREET LIGHT IMPLEMENTATION



AGENDA

- Project Background
- Implementation Plan
- Summary of Costs and Savings
- Finance
- Recommendation

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PROJECT BACKGROUND

- October 2010 – Purchase of street light system
- August 2017 – Required LED fixtures for all new street lights
- January 2018 – Council approved street light audit and pilot project



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PROJECT BACKGROUND (CONTINUED)

- July 2018 – Council reviewed Audit and project added to the CIP
- July 2020 – LED Street Light Implementation Project approved as part of the FY2021-2025 CIP



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IMPLEMENTATION PLAN

- September 2020 to October 2020 – Purchase Fixtures
- October 2020 to February 2021 – Install Fixtures
- March 2021 – Complete Project, Begin Warranty



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PROJECT AREA



- All public, developed streets
 - Excludes Decorative Lights in Estrella
 - Excludes North Subdivision
 - Separate CIP project created

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SUMMARY OF COSTS AND SAVINGS

Project Costs:

LED Lights and Installation: \$3,000,000

Construction Administration: \$100,000

Total: \$3,100,000

Annual Savings (Energy & Maintenance): \$401,600

Payback: 7.7 years

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TOTAL PROJECT BUDGET

Cost Items	Adopted	Proposed
- LED Conversion	\$ 3,372,000	\$ 3,100,000
- Debt issue costs	20,000	-
Total Project Budget	\$ 3,392,000	\$ 3,100,000

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PROJECT BUDGET - FINANCED

	Financed	Cash Funded
Project Construction	\$3,000,000	\$3,000,000
Construction Administration	\$100,000	\$100,000
Bond Issuance Cost	\$40,000	\$0
Interest Cost (2.5% for 10 years)	\$400,000	\$0
Total Cost	\$3,540,000	\$3,100,000
Electricity/Maintenance Savings	\$401,600	\$401,600
Pay Back (years)	8.8	7.7

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FY2020 PRE-AUDIT RESULTS

FY2020-Month Actual General Fund Revenues Compared to Estimate (in millions)

Revenue	12-Month Actual*	Estimate	Increase/ (Decrease)
Construction Sales Tax	\$ 23.6	\$ 18.3	\$ 5.3
Non-Construction Sales Tax	56.1	51.3	4.8
Stated Shared Taxes	22.8	21.6	1.2
Development User Fees	17.9	12.5	5.4
All Others	34.2	31.5	2.7
Total	\$ 154.6	\$ 135.2	\$ 19.4

*Pre-audit. Sales tax is based on sales tax reports others are revenues booked through August 17,2020.

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STAFF RECOMMENDATION

- Approve budget transfers utilizing \$3.1 million in one-time General Fund resources from increased beginning balance
- Approve expenditures of \$3,100,000 for installing 9,160 new LED streetlights.