

3



CITY OF SACRAMENTO

DEPARTMENT OF GENERAL SERVICES

OFFICE OF THE DIRECTOR

FACILITY MAINTENANCE DIVISION
FLEET MANAGEMENT DIVISION
RISK MANAGEMENT & INS. DIVISION
SUPPORT SERVICES DIVISION

May 27, 1986
GS:86049:FM:RP

Budget & Finance Committee
Sacramento, California

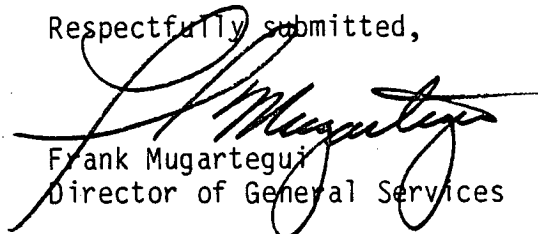
Honorable Members in Session:

SUBJECT: ENERGY CONSERVATION ASSISTANCE LOAN PROGRAM
INTEREST RATE INCREASE

The attached report is being submitted to the Budget and Finance Committee for review and consideration prior to consideration by the City Council at their regular meeting on June 10, 1986.

It is requested that the Committee recommend approval of the attached report to the City Council.

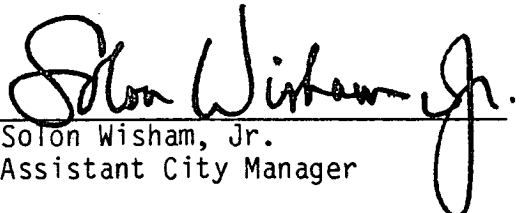
Respectfully submitted,



Frank Mugartegui
Director of General Services

RECOMMENDATION APPROVED:

June 4, 1986



Solon Wisham, Jr.
Assistant City Manager



CITY OF SACRAMENTO

DEPARTMENT OF GENERAL SERVICES

OFFICE OF THE DIRECTOR

FACILITY MAINTENANCE DIVISION
FLEET MANAGEMENT DIVISION
RISK MANAGEMENT & INS. DIVISION
SUPPORT SERVICES DIVISION

May 27, 1986
GS:86050:FM:RP

City Council
Sacramento, California

Honorable Members in Session:

**SUBJECT: ENERGY CONSERVATION ASSISTANCE LOAN PROGRAM
INTEREST RATE INCREASE**

SUMMARY

This report recommends that the City advise the California Energy Commission that it wishes to continue with its loan request at the higher interest rate, from 7½% to 8.89%.

BACKGROUND

On March 25, 1986, by Resolution #86-219 (Exhibit I), City Council authorized and directed the City Manager to execute a loan application between the State of California Energy Commission and the City of Sacramento for a 5-year term loan in the amount of \$76,765 at 7½% interest rate for the Parking Lot K High Pressure Sodium (HPS) Conversion Project.

On May 15, 1986, the California Energy Commission advised all loan applicants that the interest rate will increase from 7½% to 8.89% and apologized for any inconvenience the increase might cause.

The higher interest rate adds \$5,034 to the total loan repayment (see Exhibit II). The City's payback on the loan still remains below 5.0 years (payback @ 7½% - 4.5 years, payback @ 8.89% - 4.8 years) at the current energy rates.

FINANCIAL DATA

The semi-annual loan payment will remain at \$10,027; however, the final payment will be increased from \$681 to \$5,715, or \$5,034 for the additional interest cost.

The loan payments will be made from the Parking Lots' Operating Budget which will have generated available funds as a result of reduced utility costs because of the HPS Conversion Project.

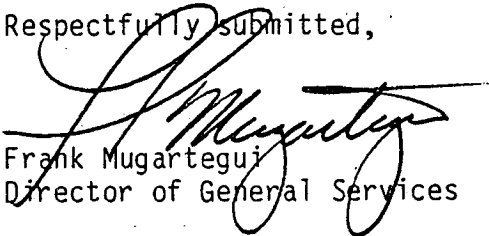
City Council

May 27, 1986

RECOMMENDATION

It is recommended that the City Council adopt the attached resolution, authorizing the City Manager to advise the California Energy Commission that the City wishes to continue with its loan request at the increased interest rate of 8.89%.

Respectfully submitted,


Frank Mugartegui
Director of General Services

RECOMMENDATION APPROVED:

June 10, 1986
District No. 1

Walter J. Slipe, City Manager

cc: Rick Codina, SMUD
Mark Morgan, Parking Manager
W. B. Bakken, CEC

RESOLUTION NO. 86-219

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

MARCH 25, 1986

RESOLUTION AUTHORIZING THE CITY MANAGER
TO EXECUTE A LOAN APPLICATION
AND AMEND THE FY 1986-87 PARKING FUND CIP BUDGET
FOR HPS CONVERSION.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

1. The City Manager is hereby authorized and directed to execute a loan application between the State of California Energy Commission and the City of Sacramento in the amount of \$76,765 for the HPS conversion project in Parking Lot K;
2. That the City budget for FY 1985-86 is hereby amended by increasing the Parking Fund Capital Improvement Project No. 85-1900-001 by \$76,765;
3. That the appropriation increase is to be supported by funds forthcoming from the State of California Energy Commission Assistance State Loan Program; and
4. That the 5-year loan repayment will be made with semi-annual payments of \$10,027 from the Parking Lot Operating Budget 4-12-3183-5037-45XX with funds generated from energy savings.

ANNE RUDIN

MAYOR

ATTEST:

LORRAINE MAGANA
CITY CLERK

CERTIFIED AS TRUE COPY
of Resolution No. 86-219

MAR 28 1986

DATE CERTIFIED

Anne Rudin
Deputy CITY CLERK, CITY OF SACRAMENTO

RESOLUTION No. 86-219

MAR 25 1986

REVISED DEBT SERVICE SCHEDULE @ 8.89% INTEREST:

LOAN REPAYMENT SCHEDULE
HPS CONVERSION PROJECT: CITY PARKING LOT K

SEMIANNUAL ENERGY \$10,027
PROJECT COST: 76,766

PERIOD	PRINCIPAL	INTEREST	BALANCE
0.0 YEARS	--	--	\$76,766
0.5 YEARS	\$ 6,615	\$ 3,412	70,151
1.0 YEARS	6,909	3,118	63,242
1.5 YEARS	7,216	2,811	56,026
2.0 YEARS	7,537	2,490	48,489
2.5 YEARS	7,872	2,155	40,617
3.0 YEARS	8,222	1,805	32,396
3.5 YEARS	8,587	1,440	23,809
4.0 YEARS	8,969	1,058	14,840
4.5 YEARS	9,367	660	5,472
5.0 YEARS	<u>5,472</u>	<u>243</u>	<u>-0-</u>
TOTALS:	<u>\$76,765</u>	<u>\$19,194</u>	<u>\$95,959</u>

ORIGINAL DEBT SERVICE SCHEDULE @ 7½% INTEREST:

LOAN REPAYMENT SCHEDULE
HPS CONVERSION PROJECT: CITY PARKING LOT K

SEMIANNUAL ENERGY \$10,027
PROJECT COST: 76,766

PERIOD	PRINCIPAL	INTEREST	BALANCE
0.0 YEARS	--	--	\$76,766
0.5 YEARS	\$ 7,340	\$ 2,687	69,425
1.0 YEARS	7,597	2,430	61,828
1.5 YEARS	7,863	2,164	53,965
2.0 YEARS	8,138	1,889	45,827
2.5 YEARS	8,423	1,604	37,404
3.0 YEARS	8,718	1,309	28,686
3.5 YEARS	9,023	1,004	19,662
4.0 YEARS	9,339	688	10,324
4.5 YEARS	9,666	361	658
5.0 YEARS	<u>658</u>	<u>23</u>	<u>-0-</u>
TOTALS	\$76,766	\$14,159	\$90,925

DIFFERENCE: -0- +\$ 5,034 +\$ 5,034

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

RESOLUTION AUTHORIZING INTEREST RATE INCREASE ON CITY'S ENERGY CONSERVATION ASSISTANCE LOAN APPLICATION

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

That the City Manager is hereby authorized and directed to advise the California Energy Commission that the City wishes to continue with its loan request at the increased interest rate, from 7½% to 8.89%, which will increase the 5-year loan repayment by \$5,034, from \$90,925 to \$95,959.

MAYOR

ATTEST:

CITY CLERK