

City of Santa Fe, New Mexico

LEGISLATIVE SUMMARY

Resolution No. 2015-____ EMNRD Memorandum of Agreement

SPONSOR(S): Councilor Ives

SUMMARY: The proposed resolution directs the City Manager to enter into a Memorandum of Agreement between the New Mexico Energy, Minerals and Natural Resources Department (EMNRD), Energy Conservation and Management Division and the City of Santa Fe, whose purpose is to provide the city access to services and support provided under EMNRD's Local Energy Efficiency Performance (LEEP) program for development and implementation of guaranteed energy service performance contracts.

PREPARED BY: Rebecca Seligman, Legislative Liaison Assistant

FISCAL IMPACT: No

DATE: April 29, 2015

ATTACHMENTS: Resolution
FIR

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1 conservation measures pursuant to NMSA 1978, § 6-23-5B(2), to meet experience requirements and the
2 guaranteed energy savings from the energy conservation and renewable energy measures proposed in
3 guaranteed utility savings contracts with governmental units appear to be accurately estimated and
4 reasonable; and

5 **WHEREAS**, few local governments have the tools, technical knowledge, and financing to
6 pursue energy efficiency and renewable energy projects; and

7 **WHEREAS**, the US Department of Energy (DOE) has entered into a cooperative agreement
8 with EMNRD to implement a Local Energy Efficiency Performance (LEEP) Program to fill these
9 technical and financial gaps by creating a sustainable state-led program to support successful
10 implementation of energy service performance contracts (ESPCs) throughout all local government
11 facilities in New Mexico; and

12 **WHEREAS**, this MOA's purpose is to provide the City access to the services and support
13 provided under the LEEP Program for development and implementation of guaranteed ESPCs and to
14 help the City follow and adhere to the guidelines of the Program; and

15 **WHEREAS**, EMNRD and the City desire to enter into this MOA for administrative efficiency
16 so that the project can be carried out through a single program; and

17 **WHEREAS**, the Division seeks to use its experience to support implementation of ESPCs
18 throughout local government facilities in New Mexico; apply lessons learned to continually improve
19 the LEEP Program; reduce facility energy use and carbon emissions; and ensure proper level of
20 financing accompanies each Project identified by the Program; and

21 **WHEREAS**, the Governing Body, through the adoption of Resolution 2014-85, the
22 Governing Body declared its intention of having 50 percent of its energy come from renewable
23 sources by 2025 and becoming carbon neutral by the year 2040.

24 **NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE**
25 **CITY OF SANTA FE** that the City Manager is directed to enter into the Memorandum of

1 Agreement to provide the City access to the services and support provided under the LEEP Program
2 for development and implementation of guaranteed energy service performance contracts.

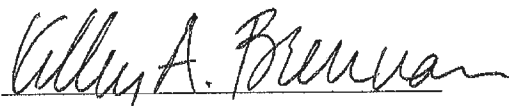
3 PASSED, APPROVED and ADOPTED this _____.

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6 JAVIER M. GONZALES, MAYOR

7 ATTEST:

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9 _____
10 YOLANDA Y. VIGIL, CITY CLERK

11 APPROVED AS TO FORM:

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13 _____
14 KELLEY BRENNAN, CITY ATTORNEY

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25 *M/Legislation/Resolutions 2015/EMNRD MOA*

FIR No. 2659

City of Santa Fe Fiscal Impact Report (FIR)

This Fiscal Impact Report (FIR) shall be completed for each proposed bill or resolution as to its direct impact upon the City's operating budget and is intended for use by any of the standing committees of and the Governing Body of the City of Santa Fe. Bills or resolutions with no fiscal impact still require a completed FIR. Bills or resolutions with a fiscal impact must be reviewed by the Finance Committee. Bills or resolutions without a fiscal impact generally do not require review by the Finance Committee unless the subject of the bill or resolution is financial in nature.

Section A. General Information

(Check) Bill: _____ Resolution: X

(A single FIR may be used for related bills and/or resolutions)

Short Title(s): A RESOLUTION DIRECTING THE CITY MANAGER TO ENTER INTO A MEMORANDUM OF AGREEMENT BETWEEN THE NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT (EMNRD), ENERGY CONSERVATION AND MANAGEMENT DIVISION AND THE CITY OF SANTA FE, WHOSE PURPOSE IS TO PROVIDE THE CITY ACCESS TO SERVICES AND SUPPORT PROVIDED UNDER EMNRD'S LOCAL ENERGY EFFICIENCY PERFORMANCE (LEEP) PROGRAM FOR DEVELOPMENT AND IMPLEMENTATION OF GUARANTEED ENERGY SERVICE PERFORMANCE CONTRACTS.

Sponsor(s): Councilor Peter Ives

Reviewing Department(s): Public Utilities

Persons Completing FIR: John Alejandro Date: 4/27/15 Phone: 955-6236

Reviewed by City Attorney:

Kelly A. Berman
(Signature)

Date:

4/29/15

Reviewed by Finance Director:

Jaeseth Garcia
(Signature)

Date:

4/29/15

Section B. Summary

Briefly explain the purpose and major provisions of the bill/resolution:

The purpose of the Memorandum of Agreement (MOA) is to enable the City to access the services and support provided by EMNRD under its Local Energy Efficiency Performance program, which is designed to assist local governments with the research, development and implementation of an energy service performance contract (ESPC). Energy performance contracting is a tried and proven approach in identifying cost savings associated with energy use and building performance. It has been widely used in federal, state and local government projects across the nation for the past three decades.

The Public Utilities Department staff wishes to further reduce the energy and water used by City buildings and facilities. The MOA enables the City to partner with EMNRD to utilize the department's expertise, knowledge and counsel in the pursuit of a potential performance contract project.

Section C. Fiscal Impact

Note: Financial information on this FIR does not directly translate into a City of Santa Fe budget increase. For a budget increase, the following are required:

- The item must be on the agenda at the Finance Committee and City Council as a "Request for Approval of a City of Santa Fe Budget Increase" with a definitive funding source (could be same item and same time as bill/resolution)
- Detailed budget information must be attached as to fund, business units, and line item, amounts, and explanations (similar to annual requests for budget)
- Detailed personnel forms must be attached as to range, salary, and benefit allocation and signed by Human Resource Department for each new position(s) requested (prorated for period to be employed by fiscal year)*

Finance Director: _____

1. Projected Expenditures:

a. Indicate Fiscal Year(s) affected – usually current fiscal year and following fiscal year (i.e., FY 03/04 and FY 04/05)

b. Indicate: "A" if current budget and level of staffing will absorb the costs
"N" if new, additional, or increased budget or staffing will be required

c. Indicate: "R" – if recurring annual costs
"NR" if one-time, non-recurring costs, such as start-up, contract or equipment costs

d. Attach additional projection schedules if two years does not adequately project revenue and cost patterns

e. Costs may be netted or shown as an offset if some cost savings are projected (explain in Section 3 Narrative)

 X Check here if no fiscal impact

Column #:	1	2	3	4	5	6	7	8
Expenditure Classification	FY _____	"A" Costs Absorbed or "N" New Budget Required	"R" Costs Recurring or "NR" Non-recurring	FY _____	"A" Costs Absorbed or "N" New Budget Required	"R" Costs – Recurring or "NR" Non-recurring	Fund Affected	
Personnel*	\$ _____	_____	_____	\$ _____	_____	_____	_____	
Fringe**	\$ _____	_____	_____	\$ _____	_____	_____	_____	
Capital Outlay	\$ _____	_____	_____	\$ _____	_____	_____	_____	
Land/ Building	\$ _____	_____	_____	\$ _____	_____	_____	_____	
Professional Services	\$ _____	_____	_____	\$ _____	_____	_____	_____	
All Other Operating Costs	\$ _____	_____	_____	\$ _____	_____	_____	_____	
Total:	\$ _____			\$ _____				

* Any indication that additional staffing would be required must be reviewed and approved in advance by the City Manager by attached memo before release of FIR to committees. **For fringe benefits contact the Finance Dept.

2. Revenue Sources:

a. To indicate new revenues and/or

b. Required for costs for which new expenditure budget is proposed above in item 1.

Column #:	1	2	3	4	5	6
Type of Revenue	FY _____	"R" Costs Recurring or "NR" Non-recurring	FY _____	"R" Costs – Recurring or "NR" Non-recurring	Fund Affected	
_____	\$ _____	_____	\$ _____	_____	_____	
_____	\$ _____	_____	\$ _____	_____	_____	
Total:	\$ _____		\$ _____			

3. Expenditure/Revenue Narrative:

Explain revenue source(s). Include revenue calculations, grant(s) available, anticipated date of receipt of revenues/grants, etc. Explain expenditures, grant match(s), justify personnel increase(s), detail capital and operating uses, etc. (Attach supplemental page, if necessary.)

N/A

Section D. General Narrative

1. Conflicts: Does this proposed bill/resolution duplicate/conflict with/companion to/relate to any City code, approved ordinance or resolution, other adopted policies or proposed legislation? Include details of city adopted laws/ordinance/resolutions and dates. Summarize the relationships, conflicts or overlaps.

None identified.

2. Consequences of Not Enacting This Bill/Resolution:

Are there consequences of not enacting this bill/resolution? If so, describe.

Yes. If this resolution is not enacted, the city will have to pursue any potential energy service performance contract by itself, without any third-party expert assistance from EMNRD.

3. Technical Issues:

Are there incorrect citations of law, drafting errors or other problems? Are there any amendments that should be considered? Are there any other alternatives which should be considered? If so, describe.

None identified.

4. Community Impact:

Briefly describe the major positive or negative effects the Bill/Resolution might have on the community including, but not limited to, businesses, neighborhoods, families, children and youth, social service providers and other institutions such as schools, churches, etc.

An energy service performance contract could potentially save Santa Fe taxpayers over \$500,000 in utility costs per year from the energy efficient and/or renewable energy investments used to power its buildings and facilities. An ESPC could also help to reduce carbon emissions in the community through the reduced consumption of fossil fuel-based electricity, create local jobs, and improve the indoor environments of public buildings utilized by the public and City employees.

Form adopted: 01/12/05; revised 8/24/05; revised 4/17/08