

Council rejects loan deal for energy-saving projects

By Jeanne Davant

City officials are reassessing their options for financing a \$371,000 energy savings contract with Ennovate Corp. after Council on Tuesday failed to approve a financing agreement.

Council rejected an emergency ordinance to authorize a lease-purchase agreement at 4.54 percent with All American Investment Group (AAIG). Although the vote on the ordinance was 4-3 in favor, the measure failed because emergency ordinances require a unanimous vote.

Council on Oct. 26 approved the Ennovate contract, which spelled out a package of energy-saving renovations to city buildings.

Ennovate, an Aurora energy services contractor that works with the Governor's Energy Office, guaranteed that the city would recoup enough energy savings to offset the costs of the projects within 10 years. Ennovate is obligated to make up the difference if a specified amount of savings is not realized each year.

Ennovate's role includes hiring contractors to perform the work as well as finding the best financing deal. On Feb. 28, the city received the finance package from All American Investment Group LLC (AAIG), which set a closing date of March 16.

Because it would take a minimum of 21 days for a regular ordinance to be passed and go into effect, it was necessary to bring an emergency ordinance before Council to meet the deadline, Mayor Marc Snyder said.

But the day after Tuesday's 4-3 vote on the emergency ordinance, City Clerk Donna Kast informed Snyder and Council members that it had failed because it would have required unanimous approval. Neither Kast nor City Attorney Jeff Parker was at Tuesday's meeting.

"We so rarely employ the emergency ordinance that we're just not that familiar with it," Snyder said Wednesday morning.

Finance Director Mike Leslie said he is trying to get the bank to extend the closing date to April 4 so a new ordinance approving the financing could be introduced at Council's meeting on Tuesday.

The Ennovate contract was the culmination of a two-year process that originated with a citizens' committee. The committee, working with the Governor's Energy Office, chose Ennovate to perform an energy audit of all city buildings.

The audit found that the Aquatics Center accounted for the lion's share of the city's energy bill and identified a laundry list of energy-saving projects throughout city buildings.

Before approving the contract in October, Council pared down the list of projects to those that appeared to offer the best energy-saving return on the city's investment. The chosen projects included heating, ventilation and lighting improvements and a thermal pool cover at the Aquatics Center, as well as lighting retrofits and other improvements at City Hall, the Fire Department, library and Public Works buildings.

Councilmen Michael Gerbig, Ed Klingman and Rick Barry voted against the emergency financing ordinance Tuesday.

Gerbig said he wanted to see a list of costs and energy savings that would be realized for each of the projects in the contract. Barry and Klingman did not indicate why they were voting against the financing agreement, but Klingman had previously expressed concerns about the financing and said he did not see the urgency of the projects.

Coreen Toll, who headed the citizens committee that worked with Ennovate, said Wednesday she was not surprised with Tuesday's vote.

"I was aware that the three who voted against it... had expressed the fact that they would prefer to keep the work in-house," Toll said Wednesday. "What surprised me was that nobody seemed to know that the vote (on the emergency ordinance) needed to be unanimous."

Toll said it would be possible to come up with a plan for the Public Works Department to perform or subcontract some of the energy saving projects, based on the energy audit.

"Maybe we could save some money in-house," she said. "We might have to get some support from the community for that to happen." The attractiveness of the Ennovate contract, Snyder said, is that the city could get all of the work done within six months and begin realizing energy savings almost immediately, and that the projects would pay for themselves in energy savings by the time the loan was paid off.

"The final product we have now makes sense in many ways," Snyder said. "At the same time, this is a very difficult decision: Are there other ways to accomplish this work without going through this process? Right now, we don't have the money to do these items in-house, but in the last two years, many companies have opened up their business to this type of energy upgrades and financing with their own corporate funds."

Snyder said the bank has "given us a definite maybe on extending the loan commitment. We are reassessing if we're going to bring (the financing agreement) back and how we're going to do that. A lot depends on whether the bank is willing to keep the terms of the agreement and whether we can address the concerns of those council members who voted against it."

[Return to Article Index](#)