

ORDINANCE NO. 110, 2019
OF THE COUNCIL OF THE CITY OF FORT COLLINS
INCREASING THE CURRENT LOAN FUND
AVAILABLE FOR THE EPIC LOAN PROGRAM AND
APPROPRIATING FUNDS FOR THE PROGRAM FROM
RESERVES IN THE LIGHT AND POWER FUND

WHEREAS, in 2012, the On-Bill Utility Financing Program, now known as the “Epic Loan Program” or “Program,” was established by Ordinance No. 033, 2012, which amended Chapter 26 of the City Code to enable Fort Collins Utilities (“Utilities”) to offer financing and on-bill servicing of loans to Utilities’ customers for residential energy efficiency, water efficiency, and renewable energy upgrade projects (the “Program”); and

WHEREAS, the Program provides low-cost financing for energy efficiency, solar photovoltaic, and water conservation improvements in an effort to further Utilities’ efficiency and conservation efforts and the City’s other policy goals in Plan Fort Collins, the Climate Action Plan, Energy Policy and Water Conservation Plan; and

WHEREAS, the Program has been a valuable addition to Utilities’ efficiency and renewable energy programs, which foster sustainability through reduced energy and water use, local contractor education and investment in the built environment, and improved home comfort, health, and safety; and

WHEREAS, in 2015, City Council adopted Ordinance No. 012, 2015, which expanded eligibility for participation in the Program to Utilities’ business customers, set the term for new loans at 20 years, and set a range of loan interest rates to be applied under procedures and standards adopted by the City’s Financial Officer under City Code Section 26-720; and

WHEREAS, in 2018, City Council adopted Ordinance No. 162, 2018, to further enhance the incentives and financing options available under the Program; and

WHEREAS, before 2016, City Council authorized the amount of \$800,000 to be used for loans under the Program and to be funded with the Utilities’ Light & Power and Water reserve funds; and

WHEREAS, in 2016, City Council adopted Ordinance No. 035, 2016, to increase the authorized amount available for loans under the Program from the \$800,000 to \$1.6 million, with this increased amount to also be funded with the Light & Power and Water reserve funds (the “Current Loan Program”); and

WHEREAS, since 2016, Utilities has acquired other sources of capital to fund loans under the Program, including a \$200,000 grant from the Colorado Energy Office and a \$688,350 grant from Bloomberg Philanthropies (jointly, the “Grants”); and

WHEREAS, the \$888,350 from the Grants has been received and is now available to be added to the Current Loan Program to increase the total authorized amount from \$1.6 to \$2,488,350 and appropriated for use in the Program; and

WHEREAS, Article V, Section 9 of the City Charter permits the City Council, upon recommendation of the City Manager, to make supplemental appropriations by ordinance at any time during the fiscal year, provided that the total amount of supplemental appropriations, in combination with all previous appropriations of that fiscal year, does not exceed the current estimate of actual and anticipated revenues to be received during the fiscal year; and

WHEREAS, the City Manager has recommended the appropriation described herein and determined that this appropriation is available from reserves in the Light and Power Fund and will not cause the total amount appropriated from the Light and Power Fund to exceed the current estimate of actual and anticipated revenues to be received in this Fund during this fiscal year; and

WHEREAS, Utilities is also proposing that the City's Electric Utility Enterprise (the "Enterprise") borrow from third-party lenders additional capital for the Program, which would be: (i) up to a \$1 million loan from the Colorado Energy Office (the "CEO Loan"), (ii) up to a \$2.5 million loan from U. S. Bank (the "US Bank Loan"), and (iii) up to a \$1.5 million loan from either the Colorado Clean Energy Fund or a bank partnering with it (the "Energy Fund Loan"); and

WHEREAS, the CEO Loan, the US Bank Loan and the Energy Fund Loan shall be referred to herein collectively as the "Enterprise Borrowings"; and

WHEREAS, with the Grants now received and if the City Council, acting as the board of the Enterprise (the "Board"), approves each of the Enterprise Borrowings, the total Program authorization can be increased from \$1.6 million to as much as \$7,488,350; and

WHEREAS, the Council Finance Committee has expressed at its July 15, 2019, and August 19, 2019, meetings support for increasing the current total authorization for the Program by the amount of the Grants and by the amount of each of the Enterprise Borrowings as they are approved by the Board; and

WHEREAS, the City Council has determined that it is desirable to increase the total amount authorized for loans under the Program by the amount of the Grants and by the amount of each of the Enterprise Borrowings as they are approved by the Board and to appropriate the updated total authorized loan amount to ensure that the Program has sufficient funds available in 2019 to achieve the Program's intended benefits and goals; and

WHEREAS, Article XII of the City Charter authorizes City Council to expend net operating revenues of the City's utilities for renewal, replacement, extraordinary repair, extension, improvement, enlargement, and betterment of such utilities, or other specific utility purposes determined by Council to be beneficial to the ratepayers of said utilities; and

WHEREAS, the City Council hereby determines that approving and appropriating the updated total amount authorized for loans under the Program and authorizing its increase as the Enterprise Borrowings are approved by the Board serve the public purposes of fostering sustainability through reduced energy and water use, local contractor education and investment in the built environment, and improving home comfort, health, and safety, all of which are in the City's best interest, beneficial to the Utilities' ratepayers, and necessary for the public's health, safety, and welfare.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

Section 1. That the City Council hereby makes and adopts the determinations and findings contained in the recitals set forth above.

Section 2. That the City Council hereby approves increasing the Current Loan Program of \$1.6 million by \$888,350, the total amount of the Grants, for a total of \$2,488,350 available for use in the Program.


Section 3. That the total amount authorized by the Council for loans under the Program shall hereafter be increased by the maximum principal amount of each of the Enterprise Borrowings as they are each approved by the Board, but in a total amount not to exceed \$7,488,350.

Section 4. That there is hereby appropriated for expenditure in the Epic Loan Program from reserves in the Light and Power Fund the sum of TWO MILLION FOUR HUNDRED EIGHTY-EIGHT THOUSAND THREE HUNDRED FIFTY DOLLARS (\$2,488,350).

Section 5. That notwithstanding the foregoing, the Utilities' use of the funds from the proposed Enterprise Borrowings for the Program shall be subject to the usual appropriation by the City Council either as part of an annual appropriation or as a supplemental appropriation.

Section 6. That it is the City Council's intent that the funds in use for the Program will be available on a revolving basis for future loans under the Program, subject to future appropriation of those funds.

Introduced, considered favorably on first reading, and ordered published this 3rd day of September, A.D. 2019, and to be presented for final passage on the 17th day of September, A.D. 2019.



Mayor

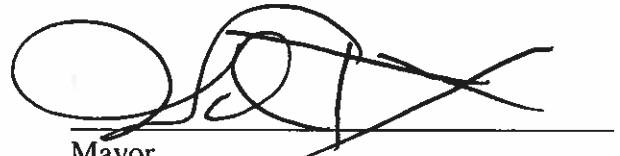
ATTEST:



City Clerk



Passed and adopted on final reading on the 17th day of September, A.D. 2019.



Mayor

ATTEST:



City Clerk

