



## REQUEST FOR COUNCIL ACTION

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**MEETING DATE:** February 7, 2022

**PREPARED BY:** Greg Sticha, Finance Director

**AGENDA ITEM:** Final transfers & creation of interfund loan for APEX project

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**PREVIOUS ACTIONS:**

- On October 7, 2019, the City Council authorized staff to enter into a contract with Apex Facilities Solutions to perform a directed engineering study.
  - On December 16, 2019, the City Council executed a letter intent between the City of Maple Grove and Cedar Creek Energy for a Power Purchase Agreement (PPA) for onsite solar at the Maple Grove Public Works Facility and the Maple Grove Water Treatment Plant.
  - On April 20, 2020, the City Council approved a guaranteed energy savings agreement with Apex Facility Solutions.
  - On September 8, 2020, the City Council approved a change order for the Maple Grove Sports Dome lighting.
  - On November 2, 2020, the City Council approved a change order for the street light poles.
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**RECOMMENDED COUNCIL ACTION:**

The City Council approves the transfers, to be dated December 31, 2021 for financial statement purposes, in the attached staff memo and the creation of the attached loan repayment schedule.

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**COMMENTS:**

Over the past couple of years, the City Council has acted on building and energy improvements completed by APEX Facility Solutions. These improvements included lighting changes on our street lights, sports dome and at middle school park. It also included energy and maintenance improvements to the community center, fire stations, PUPS building, government center building, water treatment plant and the public works building.

The total cost of all improvements was \$7.2M, of which a portion was intended to be paid in cash (solar panels) with the remaining portions of the project funded by an interfund loan from the utility funds to be repaid by the guaranteed costs savings from the project over the

next twenty years. The first year of guaranteed savings on the project has been calculated and the guaranteed minimum savings has been met and slightly exceeded.

This final action is to complete the transfers for the prepayment of the solar panels and for the transfer from the utility funds for the creation of the interfund loan that will be repaid by the guaranteed savings. That loan is being established at a repayment interest rate of 1.25%, which is slightly above what the utility funds are currently earning in interest on its reserves. The annual repayment amount of \$344,872 will be repaid to the sanitary sewer fund starting in 2022.

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**ATTACHMENTS:**

Attachment A: Staff memo dated January 27, 2022

Attachment B: Loan repayment schedule