



May 28, 2015

MINUTES OF MEETING

MEETING DATE: May 21, 2015

LOCATION: Town of Westport

RE: Westport EPC Meeting

PREPARED BY: Dewey Loselle, John B. Rice, PE

PURPOSE: To discuss the financing options for energy performance contracts.

ATTENDEES:

Town of Westport

Dewey Loselle (DL) – dloselle@westport.gov
Joe Renzulli(JR) – jrenzulli55@optonline.net
Joe Fuller (JF) - josephfjr@fullerdangelo.com
Lois Robert (LR) – lrobertsengineers.com
Jay Keenan (JK) – cjayk3rd@optonline.net
Jennifer Tooker (JT) – Jenniferstooker@gmail.com
Vanessa Valadres (AV) – leovan@gmail.com
Gary Conrad (GC) – gconrad@westport.gov
Steve Edwards (SE) – sedwards@westport.gov
Elio Longo (EL) – elongo@westport.k12.ct.us
Ted Hunyadi (TH) – thunyadi@westport.k12.ct.us

AKF Group, LLP - (AKF)

John B. Rice (JBR) - jrice@akfgroup.com
Charlie Marino (CM) – cmarino@akfgroup.com

Banc of America (BoA)

Holly Andreozzi (HA) - hollyand@verizon.net

Phoenix Advisors (PA)

Matthew Spoerndle (MS) - mspoerndle@muniadvisors.com



| The following items were discussed: | | Action By | Open | Due | Closed |
|--|---|------------------|-------------|------------|---------------|
| 1.0 | Introductions | | | | |
| 1.1 | DL Introduced guests Holly Andreozzi, Matt Spoerndle | | | | |
| 2.0 | AKF gave a brief presentation updating their progress status to date | | | | |
| 2.1 | Committee requested the following data presented | | | | |
| 2.1.1 | Separate electric vs. fuel Energy Star median values | AKF | | | |
| 2.1.2 | Data normalized for Weather Data 2013& 2014 | AKF | | | |
| 2.2 | Discussed topics for next meetings, ECM's/Capital projects will be the topic of the next meeting; discussing the draft RFP will be for the following meeting. | AKF | | | |
| 3.0 | Holly Andreozzi discussed BoA Energy Program Financing | | | | |
| 3.1 | Program financing | | | | |
| 3.1.1 | Westport has great credit rating and has many financing options available. | | | | |
| 3.1.2 | Most energy performance contract projects are financed with tax exempt leases, but can also be financed with tax exempt bonds. The Energy Services Group at BAPCC (Banc of America Public Capital Corp) won the contract from State of CT to provide their lease financing program. | | | | |
| 3.1.3 | A lease does not pledge a general obligation of the town but rather the Town pledges the installed energy equipment as collateral. | | | | |
| 3.1.4 | Most contract terms are for 15 years, however, some are for 20 years. Equipment life must be equal or longer than contract term. | | | | |
| 3.1.5 | A tax-exempt lease is a considered a capital lease; it sits on books in footnotes but not as a capital debt. | | | | |
| 3.1.6 | Leases offer maximum flexibility, can be level payments or escalating payments, can also pre-pay. | | | | |

May 28, 2015



RE: Town of Westport – Energy Performance Contract
EPC Committee Meeting 2

| The following items were discussed: | Action By | Open | Due | Closed |
|---|------------------|-------------|------------|---------------|
| 3.1.7 Lease vs bonding rates are not that far off right now | | | | |
| 3.1.8 Lease includes soft costs but no underwriter fees | | | | |
| 3.1.9 BoA is administrator of CT Public Utility Regulatory Authority (PURA) buydown program, a 1% buydown for electricity reduction. Utility company approves the actual amount. | | | | |
| 3.1.10 The process takes a long time, BoA offers an interest rate lock, this is different as opposed to in the public market. | | | | |
| 3.1.11 Payouts can begin during construction but typically begin after construction when energy savings are realized. | | | | |
| 3.1.12 Westport has potential to pay out of general fund during construction then take out lease or bond after construction. However, this runs risk of higher rate at that time. | | | | |
| 3.1.13 BoA has done this type of financing for many of the Towns in CT including Stafford, Stratford, & Danbury. | | | | |
| 3.1.14 EPC committee requested HA to provide a list of the typical building project measures that are lease eligible. | BoA | | | |
| 4.0 Matt/Phoenix presented benefits of bond vs lease financing | | | | |
| 4.1.1 Bond financing has to go through a town referendum; | | | | |
| 4.1.2 Lease offers flexibility of payments, amortization of payments | | | | |
| 4.1.3 There is less administrative cost with a lease | | | | |
| 4.1.4 All leans more toward lease | | | | |

cc: All Attendees