



HOWARD COUNTY DEPARTMENT OF FINANCE

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TO: Lonnie Robbins
Chief Administrative Officer

FROM: Sharon Greisz, Director
Finance Department

SUBJECT: Testimony on Amendment to Bill No. 16
Energy Performance Lease Financing

In April of 2009, the Council passed Bill No. 16 that approved a lease financing agreement to fund the energy conservation initiatives authorized in Capital Project C-0264. This amendment is to add Phase II of the project to the Master Lease Agreement, which was not included in the initial bill due to the lack of budget appropriation in FY 2009. The lease payments in future years will be offset by reductions in the cost of energy. The contractor has already commenced the construction and installation of the energy saving equipment. The lease funds are needed to pay the contractor as work is completed. The lease will be repaid over the life of the energy savings equipment.

Initially, the County "piggybacked" on a State contract for the lease financing. In August 2007 the State of Maryland issued a request for proposal for Energy Performance Contract Master Lease-Purchasing Financing. Grant Capital Management, Inc. (Grant Capital) was selected by the State. Grant Capital has assigned its rights under the initial lease financing agreement to Capital One Public Funding, LLC. All terms and conditions remain the same as the original Master Lease Agreement; the lease financing will be amortized over 14 year, plus one year construction period.

cc: Jim Irvin/Dave Laudermilk

t:/director/testimony/2009/bill16-Amend