

Town of Franklin

Town Administrator
Tel: (508) 520-4949



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355 East Central Street
Franklin, Massachusetts 02038-1352

Memorandum

To: Town Council

From: Jamie Hellen

RE: Conversion of Streetlights to LED on Public Ways

The proposal before the Council this evening is to authorize a \$650,000 borrowing for the conversion of all streetlights on public ways to LED. This will save the taxpayers approximately \$75,000 a year in operating costs on electricity for lighting our public ways.

By way of background, the Town has considered many proposals before to convert streetlights, but was determined to not offer a short enough payback on the investment. Past proposals have showed, on average, an eight to ten year payback at best.

This past winter, Governor Baker announced a new grant program through the Department of Energy Resources (DOER) to help assist cities and town on getting a shorter payback on conversion. The state is offering a 30% discount on all labor and materials costs to a city or town. Considering labor and materials make up for the substantial cost of conversion, this is a great opportunity worth pursuing.

We anticipate the Town will receive a payback on the program in approximately four to five years -- half of what we have seen in previous proposals. The Town currently spends \$115,000 annually on electricity for streetlights. With all LED lights, we anticipate the costs to be about \$40,000 annually; a savings of nearly \$75,000 a year in the town's operating costs. After the state grant and utility incentive, it is estimated the Town of Franklin could be reimbursed \$250,000. Here is the proposed program budget:

<u>Category/Service</u>	<u>Cost</u>
Audit/Design/Project Management	\$41,365
Materials	\$370,000
Labor	\$136,000
Contingency (20%)	\$102,000
Total Project Cost (Borrowing)	\$649,365
Utility Incentive Estimate	(\$107,148)
State Grant Estimate (30% of cost)	(\$134,887)

Final Cost to Town	\$407,330
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Project timeline target goals:

- September 1, 2017 - Complete Full Street Audit w/ GIS Location Mapping.
- September 30, 2017 - Solicit procurement for materials and labor.
- November 15, 2017 - Select replacement equipment & Design.
- December 1, 2017 - Sign contract with installation vendor.
- March 1, 2018 - Complete retrofit.

Other important notes:

- The Town owns all of its 1,649 streetlights. Only two small pockets, totaling 31 lights, of underground lights and parking lot flood lights do we not own.
- By the conclusion of this project all public streetlights and town buildings lights will be 100% all LED lights.
- LED street lights last about 15 years versus the current high pressure sodium lamp street lights, which last 3-4 years.
- The town will simply be using far less energy consumption and paying much less for the same public service.
- We will also not have to maintain the operating cost of \$16,000 a year for a vendor to replace all lights that go out. The Town will also have a new baseline of GIS location data to be able to use when replacing and identifying the lifespan of each light. With better data, comes better public service.
- We anticipate to apply for “Green Community” status with the state later this year, which will give the Town additional grant opportunities in 2018 and subsequent years to offset the total cost for this project.



TOWN OF FRANKLIN

RESOLUTION 17- 36

UPGRADING STREETLIGHTING SYSTEM

WHEREAS The Town of Franklin desires to upgrade its streetlighting system to LED lighting

NOW THEREFORE BE IT ORDERED by the Town Council of the Town of Franklin that:

- (i) the sum of \$650,000 is appropriated to pay costs of making energy efficiency improvements to the town's streetlighting system, including associated design and engineering services, the conversion of standard lighting devices to LED devices, fixture upgrades and the payment of all other costs incidental and related thereto, and that to meet this appropriation, the Town Treasurer, with the approval of the Town Administrator, is authorized to borrow said amount under and pursuant to M.G.L. c. 44, §7(1), or pursuant to any other enabling authority, and to issue bonds or notes of the town therefor. Any premium received upon the sale of any bonds or notes approved by this vote, less any such premium applied to the payment of the costs of issuance of such bonds or notes, may be applied to the payment of costs approved by this vote in accordance with Chapter 44, Section 20 of the General Laws, thereby reducing the amount authorized to be borrowed to pay such costs by a like amount.
- (ii) the Town Administrator is authorized to take any other action necessary or convenient to carry out the project and this Order; and
- (iii) this Resolution shall become effective according to the rules and regulations of the Town of Franklin Home Rule Charter.

DATED: _____, 2017

VOTED:

UNANIMOUS _____

YES _____ **NO** _____

ABSTAIN _____

ABSENT _____

A True Record Attest:

Teresa M. Burr
Town Clerk

Judith Pond Pfeffer, Clerk
Franklin Town Council