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Sent: Tuesday, July 09, 2013 3:09 PM
To: *City Council Members (All)
Cc: Higgins, Sara; Hupy, Craig
Subject: Street Lights

There have been questions regarding whether there is a street light moratorium. As part of the FY2005/2006 Budget process General Fund costs were reduced by \$2.0 million, and in order to achieve that reduction one of the service impacts was that a moratorium on new streetlights was put into place. Attached is the page from the Council adopted budget document which put this moratorium in place.

Following this moratorium being put into place, streetlights have only been added to either the City's streetlight system, or to DTE's public streetlight system if there was a net reduction, or at least no net increase, in streetlight costs. A net reduction or no net increase is accomplished through replacing incandescent lamps with lower wattage LED lamps to absorb the cost of the additional light(s) in that system; removing incandescent DTE streetlights, with City-owned and operated LED streetlights, which result in lower annual cost impacts to the General Fund; or in the case of two downtown developments, that contributed funds for the lifetime operation, maintenance and replacement of an additional light/wattage.

Even with this moratorium in place, the matter of streetlight cost impacts to the General Fund arose again during the FY11 budget process when further reductions in streetlight costs (\$120,000) were included in the FY11 General Fund budget. In order to achieve this reduction, several options were explored including special assessment districts, shifting to "dusk to midnight" service for all DTE streetlights(which were all higher wattage, incandescent lights), and de-energizing locations of DTE streetlights where the streetlight spacing was in excess (closer) than the current published City standards for streetlight installations. The de-energizing option was selected and based on the City's GIS data, which identifies streetlightownership and location, a technical pilot was performed in July 2010 in the area generally south of East Stadium Boulevard and east of Packard.

This direction was reversed by Council approval of Resolution R-10-354 on October 4, 2010 which:

- Directed staff to re-energize the streetlights in the technical pilot area
- Suspended any further de-energizing of any additional DTE lights
- Appropriated \$120,000 from the General Fund fund balance to the General Fund Streetlighting Budget for FY11

With this relatively recent background as the context, the matter of adding streetlights that will not result in additional costs to the City becomes a difficult one to move forward.

Some additional background on the streetlights in the City:

- There are approximately 5200 DTE streetlights along the public streets in the City, and approximately 2000 City owned and operated streetlights
- For DTE streetlights, the City is charged for the full operation and maintenance of the system, including energy use, maintenance, repair and replacement at tariff rates established by DTE and approved by the Michigan Public Service Commission
- Prior to the 1980s, all streetlights installed in the City were DTE (then Detroit Edison) lights
- In the early-mid 1980s, the City began its streetlight system which has become the standard for new installations (other than isolated, spot locations within a section of DTE lights) which results in more cost control for the City as only the energy is subject to the DTE tariff rates, and the maintenance, repair and replacement costs are borne by City crews
- Beginning in 2006 in the downtown, and then continuing throughout its entire system, the City began converting its incandescent streetlights to LED, mostly funded through various grant funds
- LED fixtures have approximately five times the life and use less than half of the energy of incandescent lights
- Recent road reconstruction projects which are funded with STP (MDOT/Federal) funds where DTE streetlights exist, have included the replacement of those lights with City LED streetlights; which, with 80% funding for the installation coming from the STP funds and the much reduced operating and maintenance costs with the LED fixtures results in a very short payback period for the City's portion of the installation cost and then greatly reduced costs following the payback.

With the City's streetlight system now converted to LED fixtures, and streetlight rates - - both the City's energy-only rate and the DTE system's full-cost rate - - continuing to increase, that only leaves conversion of DTE fixtures to LED as the offset mechanism for any new additional streetlight installations. At this point in time, DTE is still hesitant to convert their streetlights to LED. In addition, to have DTE perform conversion of their lights currently requires City funding, which increases the payback period, reducing the offset cost savings.

Staff will continue to follow the no-net-increase policy unless directed otherwise by City Council.

SP

