

## STREETLIGHT REPLACEMENT PROJECT COMPARISON (PURCHASE vs. LEASE OPTION)

11-22-2022

ATTRIBUTE	EXISTING STREETLIGHTS	NEW STREETLIGHTS		COMMENTS
		PURCHASE <i>(Kilowatt)</i>	LEASE <i>(FP&amp;L)</i>	
<b>AESTHETIC / TECHNICAL</b>				
Number of Streetlights	28	26	21	
<i>(Front Entrances - single lights)</i>	-	<i>(12)</i>	<i>(12)</i>	
<i>(Front Entrances - double lights)</i>	<i>(20)</i>	<i>(6)</i>	-	Lease Option does not include lights in median <i>(per FPL, not needed)</i> .
<i>(Inside Gates - single lights)</i>	<i>(8)</i>	<i>(8)</i>	<i>(9)</i>	Lease Option includes Georgian Circle cul-de-sac <i>(replace light on tree)</i> .
Pole Height	8	8	14	Height is feet up from ground level. Lease Option pole is direct-burial; Purchase Option pole is mounted to existing concrete footings.
Pole Construction	Cast Aluminum	Cast Aluminum	Concrete	
Pole Style	Washington	Washington	Washington	See photo.
Pole Color	Black	Black	Black	
Lamp Style	Victorian	Holphane Granville	Holphane Granville	See photo.
Bulb Type	Incandescent	LED	LED	Bulb brightness is adjustable on Purchase Option lamp.
Equipment Ownership	North Fork	North Fork	FP&L	Lease term is 10-year initial with 5-year renewals <i>(with no stated end date)</i> . Early termination fee for cancellation would apply.
Maintenance Responsibility	North Fork	North Fork	FP&L	
Underground Wiring / Conduit <sup>(5)</sup>	Existing	Existing	New	Assumes current wiring is good; to be validated once old poles are removed.
<b>FINANCIAL</b>				
<i>Project Cost:</i>				
Equipment	<i>n/a</i>	\$116,949	\$212,499	Expected useful life is 25 years <i>(as quoted by equipment manufacturer)</i> .
Installation	<i>n/a</i>	<i>Included in Equipment Cost</i>	\$31,378	One-time upfront cost.
<b>Total Project Cost</b> <sup>(1) &amp; (2)</sup>	<i>n/a</i>	<b>\$116,949</b>	<b>\$243,877</b>	Over a 25-year period.
<i>Project Funding Plan:</i>				
Reserves	<i>n/a</i>	\$116,949	\$31,378	Purchase Option is for full project cost. Lease Option is for installation only.
Operating Account	<i>n/a</i>	\$0	\$212,499	Lease cost is reflected over a 25-year period.
<b>Reserves Budgeted for Project</b> <sup>(3)</sup>	<i>n/a</i>	<b>\$89,100</b>		<b>Based on 2019 MacKenzie Reserve Study: \$66K for new streetlights and \$23.1K for new mailbox stanchions (not needed since design is not changing) .</b>
Net Funding "Deficit"	<i>n/a</i>	<b>(\$27,849)</b>	<b>(\$154,777)</b>	Combined Reserves plus Operating Budget accounts.
<b>Assessment Impact</b> <sup>(4)</sup>	<i>n/a</i>	<b>\$2.11</b>	<b>\$11.73</b>	Increase per Homeowner per Quarter for unfunded costs <i>(over 25-year period)</i> .

**Notes:**

(1) "Total Project Cost" **excludes:**

- a) bulb & driver replacements (*bulbs = 27-year life expectancy; drivers = 10 to 12-year life @\$200/driver installed*), which is the responsibility of Association (Purchase) or FP&L (Lease) .
- b) ongoing maintenance for periodic pole touch-up painting and cleaning of lamp globes (*funding is already provided for in the operating budget each year; no incremental cost expected*) .
- c) cost of electricity, which would be roughly the same for either option (*funding is provided for in the operating budget each year; no incremental cost expected other than normal rate increases*) .
- d) responsibility to replace a streetlight pole/lamp due to damage (*i.e., storm, etc.*) belongs to either Association (Purchase) or FP&L (Lease) .
- e) Purchase Option does not include any contingency funds should any unexpected issues arise during installation.

(2) Effective cost per streetlight = \$4,498 (Purchase) vs. \$11,613 (Lease) .

(3) Latest Reserves projection (*from the Board, based on Oct. '22 Financials*) reflects \$117K for Streetlight Project funding.

(4) "Assessment Impact" is based on "Net Funding "Deficit"" amortized over a 25-year period (*combined Reserves + Operating account spending vs. Reserves budgeted in 2019 MacKenzie Study*) .

"Assessment Impact" either replenishes Reserve account (*\$27.8K on Purchase option*) or funds Operating account (*\$154.8K on Lease option , after contribution reduction to Reserve account of \$57.7K*) .

(5) Purchase option uses existing wiring (*two contractors stated that they believe existing wiring to be good*) . Lease Option entails hand-trenching to install new wiring/conduit to each new streetlight.