



City of Hamilton
GENERAL ISSUES COMMITTEE ADDENDUM

Meeting #: 20-002(i)
Date: February 13, 2020
Time: 9:30 a.m.
Location: Council Chambers, Hamilton City Hall
71 Main Street West

Stephanie Paparella, Legislative Coordinator (905) 546-2424 ext. 3993

Pages

7. DISCUSSION ITEMS

*7.11 Savings Generated From Funded Projects (FCS20015) (City Wide) 2



INFORMATION REPORT

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	February 13, 2020
SUBJECT/REPORT NO:	Savings Generated From Funded Projects (FCS20015) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Simone Patel (905) 546-2424 Ext. 3626 James Dowling (905) 546-2424 Ext. 5598
SUBMITTED BY:	Brian McMullen Director, Financial Planning, Administration and Policy Corporate Service Department
SIGNATURE:	

COUNCIL DIRECTION

Council has requested information with regard to savings for the City on approved funded projects.

INFORMATION

Executive Summary

Report FCS20015 updates Council on the savings generated from approved projects with the expectation that these savings be used to pay back the funds invested and subsequently, direct the savings to increase the reserves or to reduce the operating levy. These projects are funded from a combination of City reserves, the capital budget and various incentive programs.

Report FCS20015 identifies 33 projects approved since 2011 that required investment and had an expected return. In total, the group of projects listed in Appendix "A" to Report FCS20015, "Savings Generated from Funded Projects", have a repayment requirement of \$19.1 M, returning anticipated annual savings of \$5.1 M (\$4.5 M in operating savings and \$613 K in reserve contributions) when completed.

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

**SUBJECT: Savings Generated From Funded Projects (FCS20015) (City Wide) –
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Projects completed as of December 31, 2019 have generated annual savings of approximately \$3.5 M of which \$3.0 M has been used to reduce the levy, \$400 K has been used to offset expenditures in the Rate Budget and \$65 K has been reinvested in the energy reserve.

In addition to the financial savings generated, these projects help to advance Council's strategic initiatives. Many of these projects, embodied in the Corporate Energy Program and the Climate Change Action Plan, result in reduced energy usage and reductions in greenhouse gas emissions, moving the City towards the goal of net-zero.

Savings Generated from Funded Projects

Appendix "A" to Report FCS20015 lists the details of 33 efficiency projects that are currently being tracked. The approximate investment in all these projects is \$30.6 M. After incentives and rebates, the repayment required is \$19.1 M of which \$14.2 M has already been paid back. The balance will be paid within the next twelve years (2020 to 2032).

Chart 1 identifies the seven projects that have been completed to date. These projects have completed their repayments and generate \$3.5 M in annual savings - \$3.0 M in operating savings, \$400 K in rate budget savings and \$65 K reinvested in reserves.

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Chart 1- Savings Generated from Completed Projects

Department	Project	Repayment Required	Savings after Repayment (annual)	Year Savings Begin
Savings to Tax Operating Budget				
Public Works	Energy Retrofit Pilot Program	\$2,637,500	(\$297,040)	2011
CMO/ Corporate Services	Appointment of Managers for former HECFI Facilities	\$2,400,000	(\$1,065,000)	2014
Public Works	Traffic Signal LED Replacement - System Efficiency	\$2,375,500	(\$294,585)	2016
Public Works	LED Street Light Retrofit - Phase I	\$1,144,000	(\$750,000)	2018
Public Works	LED Street Light Retrofit - Phase II	\$0	(\$600,000)	2019
Total Reductions to Tax Operating Budget		\$8,557,000	(\$3,006,625)	
Savings to Rate Budget				
Public Works	High Lift Pumping Station at Woodward Treatment Plant	\$2,518,000	(\$400,000)	2018
REDUCTIONS TO RATE BUDGET		\$2,518,000	(\$400,000)	
Savings Invested in Energy Reserve				
Public Works	Macassa Lodge Water Conservation	\$85,400	(\$28,000)	2016
Public Works	Arena Lighting & Controls	\$137,943	(\$37,152)	2017
INVESTMENTS TO RESERVES		\$223,343	(\$65,152)	
TOTAL SAVINGS AFTER REPAYMENT (ANNUAL)			(\$3,471,777)	

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" to Report FCS20015 – Savings Generated From Funded Projects

SP/JD/dt

SAVINGS GENERATED FROM FUNDED PROJECTS

Lead Department	Project	Repayment Required	Projected Savings after Repayment (Annual)	Year Savings Begin	Comments
Public Works	Energy Retrofit Pilot Program	\$2,637,500	(\$297,040)	2011	Operating Budget
CMO/ Corporate Services	Appointment of Managers for former HECFI Facilities	\$2,400,000	(\$1,065,000)	2014	Operating Budget
Public Works	Macassa Lodge Water Conservation	\$85,377	(\$28,000)	2016	Energy Reserve
Public Works	Traffic Signal LED Replacement - System Efficiency	\$2,375,500	(\$294,585)	2016	Operating Budget
Public Works	Arena Lighting & Controls	\$137,943	(\$37,152)	2017	Energy Reserve
Public Works	High Lift Pumping Station at Woodward Treatment Plant	\$2,518,000	(\$400,000)	2018	Rate Operating Budget
Public Works	LED Street Light Retrofit - Phase I	\$1,144,000	(\$750,000)	2018	Operating Budget
Public Works	Fire Stations Lighting & Controls	\$570,289	(\$140,000)	2019	Energy Reserve
Public Works	LED Street Light Retrofit - Phase II	\$0	(\$600,000)	2019	Operating Budget
Public Works	Wentworth Operating Centre Lighting & Controls	\$147,100	(\$37,000)	2020	Energy Reserve
Public Works	Low Emissivity Ceilings - Arenas	\$76,668	(\$55,900)	2021	Energy Reserve
Public Works	Hamilton Convention Centre Lighting & Controls	\$313,062	(\$51,000)	2021	Energy Reserve
Public Works	EE Lighting Aquatic Centres	\$265,943	(\$52,000)	2021	Energy Reserve
Public Works	Parkdale Arena & Morgan Firestone Arena Low-E Ceilings*	\$96,390	(\$30,000)	2021	Operating Budget
Public Works	Transit Centre EE Lighting	\$340,913	(\$87,000)	2022	Energy Reserve

SAVINGS GENERATED FROM FUNDED PROJECTS

Lead Department	Project	Repayment Required	Projected Savings after Repayment (Annual)	Year Savings Begin	Comments
Healthy and Safe Communities	Power Assisted Ambulance Stretcher Replacement	\$1,556,662	(\$168,000)	2022	Operating Budget
Public Works	Dundas Lion's Memorial Community Centre LED Lighting	\$18,303	(\$8,067)	2022	Operating Budget
Public Works	Sackville Hill Recreation Centre Exterior Lighting	\$23,999	(\$6,000)	2022	Operating Budget
Public Works	Wentworth Operations Centre - LED lighting Systems Upgrade (Interior)*	\$30,000	(\$33,100)	2022	Operating Budget
Public Works	EE Lighting Parking Garage	\$468,129	(\$125,000)	2023	Energy Reserve
Public Works	Olympic Arena Infra-red Heater	\$32,506	(\$9,551)	2023	Operating Budget
Public Works	Traffic Operations Centre - LED Lighting Upgrade*	\$60,000	(\$30,100)	2023	Operating Budget
Public Works	Ice Plant Optimization Arenas - Head Pressure Control*	\$300,000	(\$157,000)	2024	Operating Budget
Public Works	Ice Arena LED Lighting*	\$1,221,000	(\$205,000)	2024	Operating Budget
Public Works	Ancaster Senior Achievement Centre Lighting	\$30,209	(\$6,148)	2024	Operating Budget
Public Works	Wentworth Lodge LED Lights	\$182,504	(\$48,317)	2024	Operating Budget
Public Works	First Ontario Centre LED Lighting	\$396,762	(\$65,000)	2025	Operating Budget
Public Works	Hamilton Place LED Lighting*	\$590,000	(\$75,000)	2026	Operating Budget
Public Works	Valley Park Aquatic Centre LED Lighting*	\$220,000	(\$30,000)	2026	Operating Budget
Public Works	Macassa Lodge LED Lights	\$285,541	(\$60,708)	2026	Operating Budget

SAVINGS GENERATED FROM FUNDED PROJECTS

Lead Department	Project	Repayment Required	Projected Savings after Repayment (Annual)	Year Savings Begin	Comments
Public Works	Lister Block - LED Lighting Upgrade*	\$125,000	(\$21,500)	2027	Operating Budget
Public Works	Aquatic Centres Exterior LED Lighting*	\$106,000	(\$10,000)	2029	Operating Budget
Public Works	Solar Wall - Norman Pinky Lewis Recreation Centre*	\$117,000	(\$10,500)	2033	Operating Budget
Public Works	Fire Stations LED Lighting	\$235,836	(\$69,877)	2022-2031	Operating Budget
TOTAL		\$19,108,138	(\$5,063,544)		

*Capital Works Still In Progress - amounts and year savings begin estimated based on current information available