



INFORMATION REPORT

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	March 2, 2018
SUBJECT/REPORT NO:	Savings Generated from Funded Projects (FCS18012) (City Wide)
WARD(S) AFFECTED:	City Wide
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SIGNATURE:	

Council Direction:

Council has requested information regarding the status of projects that have been approved on the basis of generating savings for the City.

Information:

Executive Summary

Report FCS18012 updates Council on the savings generated from a number of projects that have been previously approved 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 FCS18012 identifies 29 projects approved since 2011 which required investment and an expected return. In total, the group of projects listed in Appendix "A" to Report FCS18012 "Savings Generated from Funded Projects" have a repayment requirement of about \$21.8 M, returning annual savings of about \$4.2 M (\$3.6 M in operating savings and \$600 K in reserve contribution) when completed. Of the projects completed to date, approximately \$2.9 M has been saved of which \$2.4 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.

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.

Other benefits are also derived from many of the projects. For example, many of these projects are part of the Corporate Energy Program and the Climate Change Action Plan that result in reduced energy usage as well as greenhouse emissions reduction. The use of new, efficient technology also brings benefits such as reduced maintenance and operating costs, service improvements, longer lifespan of the City's assets, water usage reduction and the possibility of taking advantage of provincial incentive programs such as "Save on Energy" and the "Demand Response Program" from the Ontario Power Authority.

In addition to the savings generated through the funded projects, the City has realized savings of approximately \$8.1 M through contracts negotiated and managed by the IT Division (network printers, cellular and desktops). Details of these savings can be found in Report FCS17020 "Annual Performance Reporting – Savings Generated from the Management of Information Technology Contracts".

Funded Projects

Appendix "A" to Report FCS18012 "Savings Generated from Funded Projects" lists the details of 29 efficiency projects that are currently being tracked. The approximate investment in all these projects is \$33.0 M. After incentives and rebates, the repayment required is \$21.8 M of which \$12.1 M has already been paid back. The balance will be paid within the next ten years (2019 to 2028).

The chart below identifies the seven projects that have been completed to date. These projects required \$9.3 M in funding and have generated about \$2.9 M in annual savings, \$2.4 M in tax operating budget savings, \$400 K in rate budget savings and \$65 K reinvested in reserves.

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Savings Generated from Completed Projects

A. Savings to Tax Operating Budget

Department	Project	Savings After Repayment Required	Repayment (Annual)	Year Savings Begin
Public Works	Energy Retrofit Pilot Program Pilot Program	\$3,335,000	(\$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	1,144,000	(750,000)	2018
Total Reductions to Tax Operating Budget			(\$2,406,625)	

B. Savings to Rate Budget

Public Works	High Lift Pumping Station at Woodward Treatment Plant	\$2,518,000	(\$400,000)	2018
Total Reductions to Rate Budget			(\$400,000)	

C. Savings Invested in Energy Reserve

Public Works	Macassa Lodge Water Conservation	\$85,400	(\$28,000)	2016
Public Works	Arena Lighting and and Controls	137,943	(37,152)	2017
Total Investments in Reserves			(\$65,152)	

As repayment progresses, additional savings are expected. These are highlighted by projected tax operating budget savings of \$157 K in 2020 and \$480 K ranging from years 2021 to 2029.

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" – Savings Generated From Funded Projects

AB/dt