



Hamilton

# INFORMATION REPORT

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

## 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.

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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.

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.

**SUBJECT: Savings Generated From Funded Projects (FCS20015) (City Wide) –  
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**Chart 1- Savings Generated from Completed Projects**

Department	Project	Repayment Required	Savings after Repayment (annual)	Year Savings Begin
<b>Savings to Tax Operating Budget</b>				
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
<b>Total Reductions to Tax Operating Budget</b>		<b>\$8,557,000</b>	<b>(\$3,006,625)</b>	
<b>Savings to Rate Budget</b>				
Public Works	High Lift Pumping Station at Woodward Treatment Plant	\$2,518,000	(\$400,000)	2018
<b>REDUCTIONS TO RATE BUDGET</b>		<b>\$2,518,000</b>	<b>(\$400,000)</b>	
<b>Savings Invested in Energy Reserve</b>				
Public Works	Macassa Lodge Water Conservation	\$85,400	(\$28,000)	2016
Public Works	Arena Lighting & Controls	\$137,943	(\$37,152)	2017
<b>INVESTMENTS TO RESERVES</b>		<b>\$223,343</b>	<b>(\$65,152)</b>	
<b>TOTAL SAVINGS AFTER REPAYMENT (ANNUAL)</b>			<b>(\$3,471,777)</b>	

**APPENDICES AND SCHEDULES ATTACHED**

Appendix “A” to Report FCS20015 – Savings Generated From Funded Projects

SP/JD/dt