



Hamilton

INFORMATION REPORT

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	February 25, 2021
SUBJECT/REPORT NO:	Savings Generated from Funded Projects (FCS21007) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Kayla Petrovsky Fleming (905) 546-2424 Ext. 1310 Tran Trang (905) 546-2424 Ext. 6151
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SIGNATURE:	

COUNCIL DIRECTION

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

INFORMATION

Report FCS21007 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 budget tax levy or operating budget water, wastewater/ storm rates. These projects are funded from a combination of City reserves, the capital budget and various incentive programs.

Report FCS21007 identifies 36 projects approved since 2011 that required investment and had an expected return. In total, the group of projects listed in Appendix "A" to Report FCS21007 "Savings Generated from Funded Projects" have a repayment requirement of \$19.6 M, returning anticipated annual savings of \$5.2 M (\$4.4 M in operating savings and \$770 K in reserve contributions) when completed.

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Projects completed as of December 31, 2020 have generated annual savings of approximately \$3.8 M, of which \$3.0 M has been used to reduce the Tax Operating Budget levy, \$400 K has been used to offset expenditures in the Rate Budget and \$401 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 before 2050 as identified in the 2016-2025 Strategic Plan.

Appendix “A” to Report FCS21007 “Savings Generated from Funded Projects” lists the details of 36 efficiency projects that are currently being tracked. The approximate investment in all these projects is \$31.2 M. After incentives and rebates, the repayment required is \$19.6 M, of which \$14.6 M has already been paid back. The balance will be paid within the next 12 years (2021 to 2033).

Table 1 identifies the 13 projects that have been completed to date. These projects have completed their repayments and generate \$3.8 M in annual savings – \$3.0 M in operating savings, \$400 K in rate budget savings and \$401 K reinvested in reserves.

TABLE 1 – Section 1 Budget Savings

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)	

* LED = Light Emitting Diode

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)	

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TABLE 1 Section 2 – Reserve Investments

Department	Project	Repayment Required	Savings after Repayment (annual)	Year Savings Begin
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
Public Works	Fire Stations Lighting & Controls	\$570,289	(\$140,000)	2019
Public Works	Wentworth Operating Centre Lighting & Controls	\$147,100	(\$37,000)	2020
Public Works	Low Emissivity Ceilings - Arenas	\$76,668	(\$55,900)	2021
Public Works	Hamilton Convention Centre Lighting & Controls	\$313,062	(\$51,000)	2021
Public Works	EE** Lighting Aquatic Centres	\$265,943	(\$52,000)	2021
INVESTMENTS TO RESERVES		\$1,596,406	(\$401,052)	
TOTAL SAVINGS AFTER REPAYMENT (ANNUAL)			(\$3,807,677)	

** EE = Energy Efficient

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report FCS21007 – Savings Generated from Funded Projects

KP/TT/dt

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