



Hamilton

INFORMATION REPORT

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	February 25, 2022
SUBJECT/REPORT NO:	Savings Generated from Funded Projects (FCS22012) (City Wide)
WARD(S) AFFECTED:	City Wide
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SIGNATURE:	

COUNCIL DIRECTION

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

INFORMATION

Report FCS22012 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 reserve balances or to reduce the Tax or Rate operating budgets. These projects are funded from a combination of City reserves, the capital budget and incentive programs from various government and utility agencies (i.e. Ontario Power Authority incentive program and SaveONenergy rebate).

Report FCS22012 identifies 42 projects approved since 2011 that required investment and had an expected return. In total, the group of projects listed in Appendix "A" to Report FCS22012 "Savings Generated from Funded Projects" have a repayment requirement of \$43.9 M, returning anticipated annual savings of \$8.7 M (\$8.0 M in operating savings and \$0.7 M in reserve contributions) when completed.

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Projects completed as of December 31, 2021 have generated annual savings of approximately \$4.2 M of which \$3.2 M has been used to reduce the Tax Operating Budget levy, \$0.4 M has been used to offset expenditures in the Rate Budget and \$0.6 M has been reinvested in the energy reserve (112272).

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.

One of the largest investments so far is the Enterprise Asset Management (EAM) program with anticipated capital expenditure of \$13.0 M. This project focuses on implementing an optimized number of asset management system(s) for use by all divisions within Public Works. The project has just completed the design phase and is not expected to be completed for another three years. Implementation of this project will generate cost savings of approximately \$2.8 M per year once completed.

Appendix "A" to Report FCS22012 lists the details of 42 efficiency projects, of which seven were added in 2021, that are currently being tracked. The approximate investment in all these projects is \$65.0 M. After incentives and rebates, the repayment required is \$43.9 M of which \$17.5 M has already been paid back. The balance will be paid within the next 21 years (2022 to 2043).

Table 1 identifies the 18 projects that have been completed to date. These projects have completed their repayments and generate \$4.2 M in annual savings – \$3.2 M in operating savings, \$0.4 M in rate budget savings and \$0.6 M reinvested in reserves. For 2022, a total savings of approximately \$0.4 M (\$0.2 M from operating and \$0.2 M reinvested in reserves) was included in departmental budget submission to help offset the 2022 budget pressures.

**SUBJECT: Savings Generated from Funded Projects (FCS22012) (City Wide) –
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TABLE 1 – Project 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
Healthy and Safe Communities	Power Assisted Ambulance Stretcher Replacement	\$1,556,662	(\$168,000)	2022
Public Works	Dundas Lion's Memorial Community Centre LED Lighting	\$18,303	(\$6,101)	2022
Public Works	Sackville Hill Recreation Centre Exterior Lighting	\$23,999	(\$6,000)	2022
REDUCTIONS TO TAX OPERATING BUDGET		\$10,155,964	(\$3,186,726)	
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)	
Department	Project	Repayment Required	Savings after Repayment	Year Savings Begin
Savings Invested in Energy Reserve				
Public Works	Macassa Lodge Water Conservation	\$85,377	(\$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	Low Emissivity Ceilings - Arenas	\$76,668	(\$55,900)	2021
Public Works	Wentworth Operating Centre Lighting & Controls	\$147,100	(\$37,000)	2020
Public Works	Hamilton Convention Centre Lighting & Controls	\$313,062	(\$51,000)	2021
Public Works	EE Lighting Aquatic Centres	\$263,970	(\$52,000)	2021
Public Works	Transit Centre EE Lighting	\$340,913	(\$85,228)	2022
Public Works	EE Lighting Parking Garage	\$468,129	(\$93,626)	2022
INVESTMENTS TO RESERVES		\$2,403,451	\$579,906	
TOTAL SAVINGS AFTER REPAYMENT (ANNUAL)			(\$4,166,632)	

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APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report FCS22012 – Savings Generated from Funded Projects

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