

APPENDIX 'A'

#18162

Chair and Members
Civic Works Committee

September 25, 2018
(Financing Revision)

**RE: Switching to Compressed Natural Gas (CNG) Waste Collection Vehicles
Capital Project ME1208 - Fuel Switching Project - Diesel to Compressed Natural Gas (CNG)**

FINANCE & CORPORATE SERVICES REPORT ON THE SOURCES OF FINANCING:

Finance & Corporate Services confirms that the cost of this project can be accommodated with a drawdown from the Efficiency, Effectiveness & Economy Reserve, and that, subject to the adoption of the recommendations of the Managing Director, Environmental & Engineering Services & City Engineer, the detailed source of financing for this project is:

<u>ESTIMATED EXPENDITURES</u>	<u>Approved Budget</u>	<u>Financing Adjustment</u>	<u>Revised Budget</u>
Engineering	\$280,000		\$280,000
Construction	1,102,625		1,102,625
NET ESTIMATED EXPENDITURES	<u>\$1,382,625</u>	<u>\$0</u> 1)	<u>\$1,382,625</u>
 <u>SOURCE OF FINANCING:</u>			
Drawdown from the Efficiency, Effectiveness & Economy Reserve	\$691,313		\$691,313
Additional drawdown from the Efficiency, Effectiveness & Economy Reserve	1)	\$691,312	\$691,312
Ontario Municipal Greenhouse Gas Challenge Fund	691,312	(691,312)	0
TOTAL FINANCING	<u>\$1,382,625</u>	<u>\$0</u>	<u>\$1,382,625</u>

- 1) The funding of \$691,312 is available as a drawdown from the Efficiency, Effectiveness & Economy Reserve. The uncommitted balance will be approximately \$9.3 million after the approval of this project.
- 2) 100% of the amount borrowed from this reserve will be paid back with interest (assuming an internal borrowing rate of 2.32%) through annual savings realized in fuel and maintenance costs. The estimated payback period for this project is 8 years assuming annual savings materialize as forecasted.

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Anna Lisa Barbon
Managing Director, Corporate Services and
City Treasurer, Chief Financial Officer