

## FINANCE COMMITTEE REPORT

Report Date	March 17, 2022
Meeting Date	March 23, 2022
Service Area	Transportation and Environment Services

Chairman Sullivan and Members of Finance Committee

***SUBJECT: Application to Zero Emission Transit Fund***

***OPEN OR CLOSED SESSION***

This matter is to be discussed in Finance Committee Open Session.

***AUTHORIZATION***

Primary Author	Commissioner/Dept. Head	City Manager
<b><i>Ian Fogan</i></b>	<b><i>Michael Hugenholtz</i></b>	<b><i>John Collin</i></b>

***RECOMMENDATION***

Direct staff to submit application to Federal Zero Emission Transit Fund and refer the purchase and funding opportunity to the Capital Budgeting process.

***EXECUTIVE SUMMARY***

The City of Saint John is completing a study on decarbonization of the City fleet including transit towards a goal of being carbon neutral by 2040 in line with the City's Climate Change Action Plan. An early opportunity identified is to leverage a recently announced Federal program where grant funding is available to help switch transit vehicles to zero emission vehicles. The program can provide a 50% grant and 50% financing for the purchase of zero emission vehicles.

The City is in the process of redefining the transit service and electric vehicles can reduce maintenance and operating costs which would help to modernize the transit service in the City of Saint John. This report seeks direction to proceed with the application process in order to provide clarity on the impact to the Capital Budget for transit purchases.

***PREVIOUS RESOLUTION***

N/A



Using the current model and current fleet replacement schedule replacing GHG vehicles would have a cost of \$13.5 million to the City over the next five years. The ZETF provides 50% funding which, under the new Transit model, would reduce the cost to the City to \$9.3 million for a direct fleet comparison savings of \$4.2 million.

The table above also demonstrates a one-time investment in facilities and technology cost of just under \$4 million. Those costs are also eligible for funding reducing the City cost to just under \$2 million. The one-time cost would support the fleet transition past the five-year program but even including the one-time cost would still produce a savings to the City of over \$2 million in the next five years.

***SERVICE AND FINANCIAL OUTCOMES***

None at this point. If approved, any outcome of applications and funding of the capital purchases would be considered during the Capital Budgeting process. Submitting an application does not obligate the City to spend the funds, but it does create additional options and will reduce overall costs should Council commit to these purchases as part of the budget process.

***INPUT FROM OTHER SERVICE AREAS AND STAKEHOLDERS***

Input into the report has been sought from Finance and Utilities and Infrastructure.

***ATTACHMENTS***

None