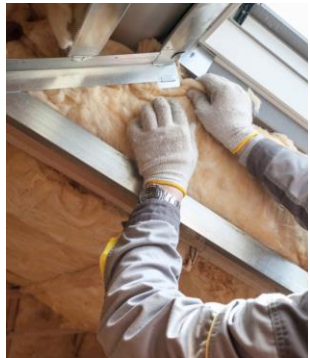


# Grant Agreement Close-Out Report: City of Brampton Grant Agreement 2

Prepared By:  
Centre for Community Energy Transformation

Prepared For:  
City of Brampton

March 4, 2024





## Introduction

Originally identified as a catalytic action in [Brampton's 2040 Vision](#), CCET is now a stand-alone not-for-profit organization operating region-wide, that will advocate for energy investments, secure both private and public funding opportunities and be a hub for municipal energy excellence. It will assist residents, businesses and commercial property owners with improving energy efficiency and lowering carbon emissions region-wide and in collaboration with its municipal partners.

CCET's mandate is focused on convening partners to implement catalytic priorities to accelerate a community transition towards a low-carbon future. CCET's initial focus will be to collaborate with its municipal partners on:

- Advancing Deep Home Retrofits
- District Energy Adoption
- Spurring Institutional, Commercial and Industry (ICI) Energy Efficiency
- Promoting Climate Change Related Outreach and Engagement

The February 2022 Council Resolution CW030-2022 stated "That the City re-allocate existing capital funds from the Environmental Master Plan capital budget in the amount of \$300,000 (the "CCET Budget"), to be applied to the costs to establish the CCET and costs for its first year of operations, including those of the transitional board, either in the form of grants or contractual payments under a Service Level Agreement ("SLA")".

CCET has received grant payments to date as follows:

Amount	Date
\$15,000 (seed money)	June 2022
\$90,000 (signing agreement)	October 2022
\$175,000 (hiring Executive Director)	May 2023
\$20,000 (provision of final report with work completed to date)	Pending

This Project Close-Out Report is provided in accordance with paragraph 2.8 of the CCET Grant Agreement #2 dated the 3rd day of October, 2022. Paragraph 1.1 of the Grant Agreement states that the City will pay any remainder of the Grant Amount upon "receipt, review and satisfaction with the Recipient's Project Close-Out Report for the Project submitted in accordance with Paragraph 2.8".

CCET's short-term focus is to accelerate home energy retrofits across Peel Region and promote district energy in intensification nodes and priority greenfield areas. The milestones achieved to date and the program budget reflect this focus and administrative and operational activities of a start-up organization.

Milestones achieved from the start date of the CCET Grant Agreement include:

- Articles of Incorporation (June 2022)
- Peel Region Contribution Agreement (September 2022)



- Recruitment of Executive Director (February to June 2023)
- Submission of Clean50 application (June 2023) and award (September 2023)
- Development and submission of two grant applications for external funding
- Recruitment of Lead-Home Energy Retrofits position (December 2023)
- Establishment of a Municipal Working Group (October 2023)
- Establishment of an Advisory Group (November 2023)
- Negotiating municipal partner Service Level Agreements and MOUs (August 2023 and ongoing)
- 2024 Work Plan presented to the Board and shared with municipal partners and presented to the Advisory Group (November 2023)
- Draft Business Plan in preparation for completion by Q2 2024, including key performance indicators, and presented to the Advisory Group and Municipal Working Group (February 2024)
- Preliminary Marketing and Outreach Plan (February 2024)
- Community engagement to promote home energy retrofits in preparation to initiate in early 2024, including a 'One-stop Window' for home energy retrofit resources

## **Project Budget**

### Audited Financials for Fiscal Year Ending March 31, 2023

Audited financial statements for the fiscal year ending March 31, 2023 were prepared by Bassi and Karimjee LLP and approved by the CCET Board of Directors in September 2023. The legal fees for Articles of Incorporation (\$14,492) comprise most expenses for the fiscal year ending March 31, 2023, which ended with a cash balance of \$139,084. The audited financial statements are provided under separate cover as an attachment to this Close-Out Report.

### Current Project Budget Fiscal Year 2023/24

The estimated program budget is just under \$900,000 and is provided in Appendix A (Table A-1). The cost breakdown in Appendix A includes anticipated staff of five (5) full time equivalents (FTEs) and operational spending including communications. CCET will need to raise additional revenue to meet this program spending. The program spending breakdown in Table A-1 does not include growth in the two main program areas. For example, program implementation projects not yet budgeted include:

- proposed flow-through funds for homeowners to undertake energy retrofits under a future Local Improvement Charges (LIC) financing mechanism in collaboration with municipal partners, and
- conducting various studies and business cases to support district energy readiness of buildings.

Additional fundraising is required for project implementation in the program areas.

The projected budget for the current fiscal year (April 1, 2023 to March 31, 2024) includes expenses related to the recruitment of the Executive Director and Lead-Home Energy Retrofits position. Forecasted expenses total \$369,380. The projected budget includes an allocation of



\$65,000 for communications and \$48,000 for consultants. CCET is tracking considerably under budget in these areas. With the onboarding of the Lead-Home Energy Retrofits staff, community engagement initiatives will begin in early 2024.

Recruitment of additional staff is dependent on securing additional funding. CCET will submit grant applications and proposals to private foundations to seek funding to support a Climate Action Specialist as a technical lead. This position will primarily support the residential energy retrofit efforts and an energy coach service. CCET will pursue partner funding with corporations to secure funding for the District Energy Lead position.

Forecasted contributions are from Peel Region, the City of Mississauga and Town of Caledon, in addition to those from the City of Brampton. Of the \$681,000 in municipal grant revenue either committed or in progress, it is anticipated that CCET will meet the requirements for disbursements to receive \$345,000 in the current fiscal year (see Table A-3). It is anticipated that \$336,000 will be received in Q2/Q3 2024 (fiscal year ending March 2025) upon approval of a Service Level Agreement with the City of Brampton and a Memorandum of Understanding with the Town and Caledon, and the completion of the CCET Business Plan.

As shown in Table A-4, the forecasted cash balance at fiscal year end (March 31, 2024) is \$163,464.

## **Funding Received, Secured or Pledged**

### Municipal Contribution Agreements

The status of funding contributions from municipal partners is provided in Table 1 below. Further details of grant revenues by anticipated disbursements are provided in Table A-3 in Appendix A.



Table 1 – Funding contributions from municipal partners committed or in progress.

<b>Municipality</b>	<b>Contribution Amount</b>	<b>Status</b>
Peel Region	\$100,000	\$50,000 received November 15, 2022 \$50,000 received January 2024 following submission of audited financial statements
City of Brampton Grant Agreement #2	Up to \$285,000	\$90,000 received January 4, 2023 \$175,000 received June 6, 2023 \$20,000 pending review of Close-Out Report
City of Mississauga 2023 SLA	\$100,000	SLA approved. Funding received January 2024.
Town of Caledon 2023/24 MOU	\$36,000	SLA approval in progress
City of Brampton 2024 SLA	\$300,000	SLA approval in progress

#### Other Funding Opportunities

CCET submitted two applications for additional funding as shown in Table 2 below. The applications were not successful.

Table 2 – External funding opportunities pursued by CCET in 2023.

<b>Funder / Date Submitted</b>	<b>Project Description</b>	<b>Project Budget and Funding Request</b>
Natural Resources Canada 'Deep Retrofit Accelerator Initiative' April 2023	A Replicable Model for Groundbreaking Net-Zero Community Deep Retrofits in Peel	Project Cost = \$10.9 million Funding Request = \$10.9 million
The Atmospheric Fund September 2023	One-stop Window and Energy Coach: Support Services to Scale up Home Energy Retrofits in Peel Region	Project Budget = \$420,000 Funding Request = \$220,000

CCET is evaluating the following foundations for future proposals in 2024 to support our efforts to address energy burden and underserved households, the energy coach service, and dwelling archetype analysis:

- Catherine Donnelly Foundation
- Peter Gilgan Foundation
- Trottier Family Foundation
- J.W. McConnell Family Foundation



## Invoices and Receipts

As itemized in the audited financial statements, the following expense categories comprise most of the costs in the fiscal year ending March 31, 2023 (Table 3). Audit fees of \$5,932.50 are included in the financial statements, but payments were made in 2023 and are included in Table 4.

Table 3 – Main expenditures in fiscal year April 1, 2022 to March 31, 2023.

<b>Account</b>	<b>Amount</b>
Legal Fees	\$14,492.33
Insurance	\$617.12
Office and General	\$721.42

Fees associated with staff recruitment and consulting fees for grant applications are the largest expense items in the current fiscal year (Table 4), other than the salary for the Executive Director. With onboarding of the Lead-Home Energy Retrofits staff person, expenses associated with community engagement and launching an 'energy coach' service will increase.

Table 4 – Main expenditures in current fiscal year from April 1, 2023 to January 31, 2024.

<b>Account</b>	<b>Amount</b>
Recruitment	\$41,468.74
Consulting	\$11,300.00
Web Design	\$1,926.14
Payroll Service Fees	\$1,362.10
Office Equipment	\$985.21
Software	\$26.10
Insurance	\$1,542.56
Accounting Fees	\$6,474.90
Administrative	\$245.00
Bookkeeping	\$2,150.00
Banking Fees	\$1.50
Legal Fees	\$226.00
Communications	\$621.50



## **Incorporating Documents and Organizing By-laws**

The Articles of Incorporation dated May 3, 2022 are provided under separate cover.

CCET's Board of Directors has approved the following organizational by-laws:

- Board Members' Role and Code of Conduct (May 2023)
- Board Members' Meeting Attendance Requirements (October 2023)
- Executive Director Responsibilities and Accountabilities (June 2023)
- Board and Executive Director Collaboration (June 2023)
- Contributor and Partner Role (June 2023)
- Code of Conduct and Intellectual Property Rights Agreement
- Confidentiality and Disclosure of CCET Information (May 2023)
- Conflict of Interest (May 2023)
- Policy – Chair's Role (May 2023)
- Policy – Secretary's Role (May 2023)
- Policy – Treasurer's Role (May 2023)
- Policy – Vice-Chair's Role (May 2023)
- Terms of Reference – CCET Advisory Group (June 2023)
- Terms of Reference – Governance and Human Resources Committee (May 2023)



## Appendix A Centre for Community Energy Transformation – Program Budget 2023 to 2024

Table A-1 – Breakdown of estimated expenses for fiscal year April 1, 2023 to March 31, 2024.

Item	Estimated Costs	Qty	Total Annual Costs	FY April 2023 to March 2024 Projected Costs
Executive Director	\$140,000.00	1	\$140,000.00	\$116,667
Staff Burden Cost (Benefits)	\$32,000.00	1	\$32,000.00	\$29,167
Program Leads	\$110,000.00	2	\$220,000.00	\$27,500
Staff Burden Cost (Benefits)	\$18,750.00	2	\$37,500.00	\$9,375
Program Coordinators	\$90,000.00	2	\$180,000.00	
Staff Burden Cost (Benefits)	\$12,500.00	2	\$25,000.00	
Administration staff salary	\$25,000.00	1	\$25,000.00	\$6,250
Staff Burden Cost (Benefits)	\$3,750.00	1	\$3,750.00	\$938
Office Equipment	\$10,000.00	1	\$10,000.00	\$4,000
Office supplies and subscriptions	\$200.00	12	\$2,400.00	\$110
Employee Recruitment	\$1,000.00	12	\$12,000.00	\$32,978
Accountant fees	\$3,000.00	1	\$3,000.00	\$12,542
Legal Fees	\$5,000.00	1	\$5,000.00	\$5,000
Payroll				\$5,425
Bookkeeping Fees	\$5,000.00	1	\$5,000.00	\$3,600
Insurance Fees	\$5,000.00	1	\$5,000.00	\$1,851
Banking Fees	\$30.00	12	\$360.00	\$360
Office Space Rental	\$2,000.00	12	\$24,000.00	
Communication, Engagement, Marketing Activities	\$7,500.00	12	\$90,000.00	\$65,622
Consulting Fees	\$50,000.00	1	\$ 50,000.00	\$47,995
Utilities Expenses	\$500.00	12	\$6,000.00	
<b>Total Annual Costs</b>			<b>\$ 866,010.00</b>	<b>\$369,380</b>





**CENTRE FOR COMMUNITY ENERGY TRANSFORMATION**  
**Statement of Cash Flows**  
**Eleven Month Period Ended March 31, 2023**

Table A-2 – Statement of Cash Flows

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**OPERATING ACTIVITIES**

Excess of government grants over expenses	\$ -
Changes in non-cash working capital:	
Accounts payable and accrued liabilities	\$ 5,933
Deferred grant revenues	<u>\$133,151</u>
	<u>\$139,084</u>
<b>INCREASE IN CASH FLOW</b>	<b>\$139,084</b>
CASH - BEGINNING OF PERIOD	\$ -
<b>CASH - END OF PERIOD</b>	<b><u>\$ 139,084</u></b>



**CENTRE FOR COMMUNITY ENERGY TRANSFORMATION**  
**Grant Revenues**  
**April 1, 2023 to March 31, 2024**

Table A-3 – Breakdown of grant revenues.

<b>Contribution Agreement</b>	<b>Milestone for Disbursement</b>	<b>Amount</b>	<b>Status</b>	<b>Timing</b>
Peel Region Contribution Agreement	Audited Financial Statements	\$50,000	Received	Q1 2024
Brampton Grant Agreement 2	Recruitment of Executive Director	\$175,000	Received	Q2 2023
Brampton Grant Agreement 2	Submission and Acceptance of Close-Out Report	\$20,000	In review	Q1/Q2 2024
Caledon Memorandum of Understanding (MOU)	Upon signing MOU	\$20,000	In progress	Q2 2024
	Delivery of Business Plan	\$16,000	In progress	Q2 2024
Mississauga Service Level Agreement (SLA)	Upon signing SLA	\$50,000	Received	Q1 2024
	Onboard at least one staff person to support home energy retrofits program, establishment of Municipal Working Group and Advisory Group	\$50,000	Received	Q1 2024
Brampton Service Level Agreement (SLA) <sup>1</sup>	Upon signing SLA	\$150,000	In progress	Q2 2024
	Establishment of Advisory Group	\$75,000	In progress	Q2 2024
	Delivery of Business Plan	\$75,000	In progress	Q2 2024
<b>TOTALS</b>		<b>\$681,000</b>		
<b>TOTALS (anticipated in current fiscal year)</b>		<b>\$345,000</b>		

<sup>1</sup> The Brampton SLA is in review.



## **CENTRE FOR COMMUNITY ENERGY TRANSFORMATION Forecast Balance at Fiscal Year End (March 31, 2024)**

Table A-4 – Forecast cash balance at fiscal year end, March 31, 2024.

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Starting Balance, April 1, 2023	\$139,084
Forecasted Expenses (FY April 2023 to March 2024)	\$369,380
Forecasted Revenues (FY April 2023 to March 2024)	\$345,000
Forecasted Ending Balance, March 31, 2024	\$114,704