Report to Council

Department:	Infrastructure Services
Division:	Operations
Date:	August 11, 2025
Prepared by:	Norman Nussio, Manager of Operations and Drainage
Report Number:	Operations-2025-10
Subject:	LED Light Conversion Post Budget Approval
Number of Pages:	4

Recommendation(s)

That Operations-2025-10 entitled "LED Light Conversion Post Budget Approval" prepared Norman Nussio, Manager of Operations and Drainage dated August 11, 2025, be received, and

That Council approve the post budget approval request for project number "PW-19-0036 LED Conversion of Street Lights" in the amount $64,050.93 to be funded from the Asset Management Lifecycle Reserve.

Purpose

This report has been drafted to seek approval from council on the attached Post Budget Approval Request with respect the "LED Light Conversion Project" that started in 2019 with ELK and was recently completed in 2024. Following the

closure of this project the town received final Invoices from ELK in 2025 which has resulted in an over expenditure in this capital project.

Background and Discussion

The LED light conversion project commenced in 2019, and the Town of Essex retained ELK Energy to provide services to convert the old high-pressure sodium (HPS) street light fixtures to a more efficient LED fixture to reduce energy costs within the municipality. The original budget was created using data from the Town's GIS system providing the number of light fixtures needing to be upgraded both in the rural and urban areas. This number was provided to ELK Energy so the town could develop a budget for this project in the amount of $680,000.00.

In 2019, this project was anticipated to be completed within 2 years. However, in early 2020 after the start of COVID-19 pandemic, the project paused for some time while contractors, municipalities, and local business struggled to continue with ongoing construction work. During this time, as a non-core function to their operations, ELK fell behind with the towns regular streetlight maintenance program resulting in multiple outages across the municipality for lengthy periods of time and left the LED light conversion project as a low priority. With the town struggling to keep up with maintenance, a decision was made to retain a second contractor who assisted with regular maintenance repairs of streetlights, and in doing so, also completed the rural area of the LED conversion project. When combining the secondary contractor working on lights, inflation of labour, and material increases through and post-COVID, this resulted in higher cost than what was originally expected from the budget put forward in 2019. Within the

timeframe of completing this project materials alone without labour increased approximately 25%.

In 2023, following the pandemic, the Town of Essex and ELK reached a solution to complete this project, and ELK retained an outside contractor to fulfill their obligations to the LED light conversion project which was ultimately completed in 2024. However, after receiving the final bills from ELK several months later in 2025, those expenses were above the allocated budget for the project.

Although there was an additional upfront cost due to unplanned circumstances, since the LED Light Conversion project has been completed the town has seen considerable savings in electricity costs amounting to approximately $100,000 in savings annually compared to the old HPS bulbs that were previously used to light up our right of ways. Therefore, the project has successfully achieved its intended purpose.

Financial Impact

The original project estimate was $680,000.00 in 2019 and after completing the project has resulted in an overall cost of $744,050.93 which leaves a deficit of $64,050.93. Administration is recommending this deficit be funded from the Towns Asset Management Lifecycle Reserve which has sufficient balance to do so.

Consultations

Kevin Girard, Director of Infrastructure Services

Anne Marie Unis, Manager of Finance & Business Services

Kate Giurissevich, Chief Administrative Officer

Link to Strategic Priorities

☒ Embrace asset management best practices to build, maintain, and continuously improve our municipally owned infrastructure.

☐ Leverage our Town's competitive advantages to promote jobs and economic investment.

☐ Take care of our natural environment and strengthen the sense of belonging to everyone who makes Essex "home".

☐ Deliver friendly customer service in an efficient, effective, and transparent manner while providing an exceptional working environment for our employees.

☐ Build corporate-level and community-level climate resilience through community engagement and partnership and corporate objectives.

Report Approval Details

Document Title:	LED Light Conversion Post Budget Approval - Operations-2025-10.docx
Attachments:	
Final Approval Date:	Aug 6, 2025

This report and all of its attachments were approved and signed as outlined below:

No Signature - Task assigned to Kevin Girard, Director, Infrastructure Services was completed by delegate David McBeth, Manager, Capital Works & Asset Management

Kevin Girard, Director, Infrastructure Services - Aug 6, 2025 - 9:26 AM

Kate Giurissevich, Chief Administrative Officer - Aug 6, 2025 - 9:35 AM

No Signature - Task assigned to Ann Marie Unis, Manager, Finance & Business Services was completed by workflow administrator Shelley Brown, Deputy Clerk, Legal and Legislative Services

Ann Marie Unis, Manager, Finance & Business Services - Aug 6, 2025 - 10:43 AM