SUBJECT: Reallocation of Funding to Support City Hall Building Automation Systems (FCS08064) (City Wide)

RECOMMENDATION:

That the existing funding of $349,446.69 to support Building Automation Systems relating to City Hall be transferred to the City Hall project 3540441442 to support similar investments.

Peter A. Barkwell, Acting General Manager
Finance and Corporate Services

EXECUTIVE SUMMARY:

In 2001, Council supported a 10-year service level agreement which incorporated the replacement of obsolete building automation system and control systems in eight (8) downtown buildings, including City Hall. The replacement of obsolete building automation systems was to occur over a 10-year period, beginning in 2002. Corporate Facilities staff made the judgment to delay the replacement of City Hall systems as Council were deliberating the future status of the facility. As the decision to restore the facility has been determined, it is recommended that the unutilized funding related to building automations and control systems for City Hall be transferred to the City Hall capital project to be utilized for similar purposes, as per Council’s original intent.

The current unallocated financing relating to the outstanding City Hall building automations and control systems is $349,446.69 which is comprised of outstanding principal of $264,768 plus accrued interest from April, 2002, to April, 2008, of $84,678.69.
BACKGROUND:

In 2002, Council approved report CS01074 “Modernization & Maintenance of Building Automation Systems (BAS) – Downtown Hamilton Facilities”. The contract to replace obsolete systems was debt financed through an outside financial institution (Bank of Nova Scotia Commercial Banking & Scotia Leasing).

City staff, with the assistance of the consulting firm, Giffels Associates Limited, Consulting Engineers and Architects, conducted an independent and comprehensive review of the Building Automation System (BAS) in place for eight downtown buildings:

- Central Utilities Plant
- Hamilton Place
- Hamilton Convention Centre
- Hamilton Central Library
- Copps Coliseum
- Hamilton City Hall
- Hamilton Art Gallery
- Hamilton Parking Garage

The study concluded that, with few exceptions, the existing systems were obsolete and should be replaced or the City risk complete outages of critical fire, security and heating, ventilation and air conditioning systems.

ANALYSIS/RATIONALE:

The current unallocated financing relating to the outstanding City Hall building automations and control systems is $349,446.69 which is comprised of outstanding principal of $264,768, plus accrued interest, from April, 2002, to April, 2008, of $84,678.69.

ALTERNATIVES FOR CONSIDERATION:

Transfer of the unutilized balance of $349,446.69 to:

- 2009 Capital block funding for Corporate Facilities. In 2008, the Capital block funding for Corporate Facilities was $3.5 million.
- Energy Conservation Initiatives reserve in support of energy management initiatives in Corporate and Community Facilities. The Energy Conservation Initiatives reserve is forecast to have a balance in 2008 of approximately $2 million.
FINANCIAL/STAFFING/LEGAL IMPLICATIONS:

The transfer of funding to the City Hall project provides the project greater means of achieving potential system capabilities, especially relating to environmental and efficiency goals.

POLICIES AFFECTING PROPOSAL:

N/A

RELEVANT CONSULTATION:

Public Works – Facilities Management Section

CITY STRATEGIC COMMITMENT:

By evaluating the “Triple Bottom Line”, (community, environment, economic implications) we can make choices that create value across all three bottom lines, moving us closer to our vision for a sustainable community, and Provincial interests.

Community Well-Being is enhanced. ☑Yes ☐No

Public services and programs are delivered in an equitable manner, coordinated, efficient, effective and easily accessible to all citizens.

Environmental Well-Being is enhanced. ☑Yes ☐No

The allocation of funding to support Building Automation Systems will result in greater energy efficiency with all the associated environmental benefits.

Economic Well-Being is enhanced. ☑Yes ☐No

The investment in Building Automation Systems will result in greater energy efficiency, resulting in operating savings.

Does the option you are recommending create value across all three bottom lines? ☑Yes ☐No

Do the options you are recommending make Hamilton a City of choice for high performance public servants? ☑Yes ☐No

Investments in Building Automation Systems will benefit working conditions for staff.