



CITY OF KINGSTON
REPORT TO COUNCIL

Report No.: 10-216

TO: Mayor and Council
FROM: Denis Leger, Commissioner, Transportation, Properties & Emergency Services
RESOURCE STAFF: Speros Kanellos, Director, Real Estate & Construction Services
DATE OF MEETING: August 24, 2010
SUBJECT: Energy Retrofit Project – Green Municipal Fund Grant

EXECUTIVE SUMMARY:

The Federation of Canadian Municipalities, as Trustee of the Green Municipal Fund, has offered the City of Kingston a grant of up to \$112,725 to cover some of the costs associated with the feasibility study and training components of the Energy Retrofit Project. This report asks for Council's authorization to enter into an agreement with FCM to receive the grant. The agreement sets out the obligations of both parties. The City's obligations are to complete the study and training, and to make the knowledge that results from the study available to other municipalities.

RECOMMENDATION:

THAT Council be presented with a by-law authorizing the Mayor and Clerk to enter into a grant agreement in a form satisfactory to the Director of Legal Services with the Federation of Canadian Municipalities (FCM), as Trustee of the Green Municipal Fund, to receive a feasibility study grant of up to \$112,725.

AUTHORIZING SIGNATURES:

<u>ORIGINAL SIGNED BY COMMISSIONER</u> Denis Leger, Commissioner, Transportation, Properties & Emergency Services
<u>ORIGINAL SIGNED BY CHIEF ADMINISTRATIVE OFFICER</u> Gerard Hunt, Chief Administrative Officer

CONSULTATION WITH THE FOLLOWING COMMISSIONERS:

Cynthia Beach, <i>Sustainability & Growth</i>	N/A
Terry Willing, <i>Community Services</i>	N/A
Denis Leger, <i>Transportation, Properties & Emergency Services</i>	N/A
Jim Keech, <i>President and CEO, Utilities Kingston</i>	N/A

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OPTIONS/DISCUSSION:

Background

The Energy Retrofit Project includes energy-saving upgrades to lighting, heating, ventilation, air-conditioning, plumbing and building control systems in 38 municipal buildings. The \$4.2M project was approved by Council in the fall of 2009, and is now well under way. The construction phase is expected to be completed by the end of 2010.

The status of grant applications in connection with the project is as follows:

Agency	Grant Program	Requested	Approved	Received
Federation of Canadian Municipalities (FCM)	Green Municipal Fund Feasibility Study Grant	\$123,365	\$112,725	\$0
Ontario Ministry of Energy and Infrastructure	Municipal Eco Challenge Fund	\$100,000	\$100,000	\$100,000
Natural Resources Canada	ecoEnergy Retrofit Incentives for Buildings	\$136,150	\$100,710	\$0
Ontario Power Authority (OPA) through Hydro One & Kingston Hydro	Energy Retrofit Incentive Program	\$72,000	pending	\$0
Union Gas	Various financial incentives	pending	pending	\$0

Green Municipal Fund Grant

The Green Municipal Fund (GMF) is a long-term source of financing for municipalities and their partners to develop communities that are more environmentally, socially and economically sustainable. The Government of Canada endowed the FCM with \$550 million to establish the GMF. The GMF has three funding streams: plans, studies and projects. For feasibility studies, GMF grants can reimburse up to 50% of the total eligible costs, up to a maximum grant amount of \$350,000. Only municipalities and their partners may apply.

As a prerequisite to apply for a grant for a corporate project in the energy sector, the municipality must have a plan demonstrating energy conservation goals or targets for the municipal corporation. To be eligible, the municipality must have a current sustainable community plan, with one or more sustainability goals or targets demonstrating the need for the proposed study. The study must have the potential to lead to the implementation of a project that will result in significant environmental improvements to air, water or soil quality, and/or reduce greenhouse gas emissions. The project must have the potential to achieve verifiable reductions in energy use. The applicant must commit to completing key milestones and activities, and to providing progress and completion reports on the results of the study and lessons learned.

For the energy retrofit project, eligible costs under this grant program include most of the activities under the engineering feasibility study, the LEED for Existing Buildings feasibility study, the operator training and the energy awareness training for building occupants. A portion of the staff time directly related to the project is also eligible.

The City's application has passed through all stages of the GMF review process and has been approved by the FCM National Board of Directors. The FCM, as trustee of the GMF, has offered the City of Kingston a grant of \$112,725, subject to the City signing the final contract.

Once the agreement is signed, the GMF will oversee a public announcement of the funding, in partnership with the FCM, the Government of Canada and the City of Kingston.

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Timing

This report is time sensitive since the FCM requires the grant agreement to be signed and returned no later than September 10, 2010. The grant will be disbursed in two payments: the first, upon signing the contract, and the second, upon final completion of the study and training. Final completion is scheduled for late fall 2010. In order to receive the disbursements, the City will be required to provide a progress report, a completion report and the consultant's study report.

Recommendations

Staff recommends that Council pass a by-law authorizing the Mayor and Clerk to enter into a grant agreement in a form satisfactory to the Director of Legal Services with the Federation of Canadian Municipalities (FCM), as Trustee of the Green Municipal Fund, to receive a feasibility study grant of \$112,725. The grant agreement requires a by-law authorizing the study and the agreement.

EXISTING POLICY/BY LAW:

There is no existing policy or by-law with this report.

NOTICE PROVISIONS:

There are no notice provisions required for this report.

ACCESSIBILITY CONSIDERATIONS:

N/A

FINANCIAL CONSIDERATIONS:

The grant will be used to pay down the loan on the project, thereby reducing the payback time for the energy retrofits.

CONTACTS:

Speros Kanellos, Director, Real Estate & Construction Services	613- 546-4291 ext. 3133
Debra Krakow, Project Manager, Real Estate & Construction Services	613-546-4291 ext. 3120

OTHER CITY OF KINGSTON STAFF CONSULTED:

Stephen Dickey, Deputy Treasurer
Alan McLeod, Senior Legal Counsel

EXHIBITS ATTACHED:

Exhibit A – Bylaw - FCM Green Municipal Fund Grant for the Energy Retrofit Feasibility Study

BY-LAW NO. 2010-

A BY-LAW AUTHORIZING THE MAYOR AND CLERK TO ENTER INTO A GRANT AGREEMENT IN A FORM SATISFACTORY TO THE DIRECTOR OF LEGAL SERVICES WITH THE FEDERATION OF CANADIAN MUNICIPALITIES (FCM), AS TRUSTEE OF THE GREEN MUNICIPAL FUND (GMF), TO RECEIVE A FEASIBILITY STUDY GRANT OF UP TO \$112,725.

PASSED:

WHEREAS the Council of The Corporation of the City of Kingston, on May 5, 2009, approved a contract with MCW Custom Energy Solutions Ltd. for a detailed engineering study and energy retrofits in a number of the City's municipal buildings,

AND WHEREAS the Green Municipal Fund (GMF) Council and the Federation of Canadian Municipalities' (FCM) National Board of Directors has approved the award of a grant in the amount of up to \$112,475 for the City's Energy Retrofit Feasibility Study,

NOW THEREFORE the Council of The Corporation of the City of Kingston ENACTS AS FOLLOWS:

1. That the Mayor and Clerk be authorized to enter into a grant agreement in a form satisfactory to the Director of Legal Services with the FCM, as trustee of the GMF, to receive a feasibility study grant of up to \$112,725.
2. This by-law shall come into force and take effect on its passing.

GIVEN FIRST AND SECOND READINGS -

GIVEN THIRD READING AND FINALLY PASSED

CITY CLERK

MAYOR