

The Corporation of the Township of Hamilton



REPORT TO: Mayor Cane & Members of Council

REPORT No: T 2019-22

SUBMITTED BY: Nusrat Ahmed, Treasurer

DATE: December 12, 2019

Subject: 2020 Capital Pre-Approval Budget

RECOMMENDATION: Requires Action For Information Only In Camera

It is recommended:

1. That the Council of the Township of Hamilton receive Staff Report T2019-22, 2020 Capital Pre-Approval Budget, and
2. That Council provide pre-budget approval for the 2020 Capital Budget for the expenditure of \$15,000 for Station #3 Harwood Furnace replacement.

ORIGIN/BACKGROUND:

The current furnace is over 20 years old and has developed a crack in the heating tubes of the boiler. There is no contamination concerns but the issue is catastrophic and cannot be repaired. The furnace has been leaking for some time and has gone undetected until now as it has worsened. There are obvious signs that water is now leaking on to the floor from the furnace. We have been experiencing exceptionally high heating costs at the station over the past two years, the crack is the suspected reason for the high costs. It is recommended we replace the furnace with a propane system verses the current oil fired furnace. The fuel change is estimated to give a 20 to 30% efficiency increase.

DISCUSSION:

The attached Appendix "A" includes the Budget Enhancement Sheet for Station #3 Harwood Furnace replacement request.



STRATEGIC PLAN:

Ensure high financial performance standards are in place for planning and implementation of capital infrastructure and development projects.

CONCLUSIONS:

It is recommended:

1. That the Council of the Township of Hamilton receive Staff Report T2019-22, 2020 Capital Pre-Approval Budget, and
2. That Council provide pre-budget approval for the 2020 Capital Budget for the expenditure of \$15,000 for Station #3 Harwood Furnace replacement.

Title	Official	Signature	Date
Treasurer	Nusrat Ahmed		Dec. 6, 19
Chief Administrative Officer	Arthur Anderson		2019.12.06

FIRE CAPITAL PROJECT SHEET				
Department:	Fire Department			
Project Name:	Station #3 Harwood Furnace replacement			
Asset Name:	Building Repairs	Import ID:		
Project Description	Replace the furnace for the Harwood station #3 fire station			
Project Justification	The current furnace is over 20 years old and has developed a crack in the heating tubes of the boiler. The issue is catastrophic and cannot be repaired. The furnace has been leaking for some time and has gone undetected until now as it has worsened. There are obvious signs that water is now leaking on to the floor from the furnace. We have been experiencing exceptionally high heating costs at the station over the past two years, the crack is the suspected reason for the high costs. It is recommended we replace the furnace with a propane system verses the current oil fired furnace. The fuel change is estimated to give a 20 to 30% efficiency increase.			
PROJECT MATRIX				
Criteria	Low	Medium	High	Comments
Safety Issues, Risk Management			x	<ul style="list-style-type: none"> Currently there is no heat.
Legislative Requirement	x			<ul style="list-style-type: none"> N/A
Operational Saving, Short Payback			x	<ul style="list-style-type: none"> The new furnace will have operational cost savings
Routine Replacement, Asset beyond lifecycle, Impact of delaying replacement			X	<ul style="list-style-type: none"> The current furnace will continue to degrade and fail at some point.
Growth related	x			<ul style="list-style-type: none"> N/A
Service enhancements			X	<ul style="list-style-type: none"> It is recommended that the furnace heating source be switched to propane, this heating source will be more efficient and environmentally friendly.
CAPITAL/OPERATING PROJECT COSTING AND FUNDING				
Costs	2020			
Station #3 Harwood Furnace replacement	\$15,000			
Total Fees	\$15,000			
Funding				
Fire Vehicle/Equipment Reserve	\$15,000			
Taxation (Transfers to Capital)				
Gas Tax				
Ontario Community Infrastructure Fund				
Funding Application				
Donation				
User Fees				
Development Charge				
Other:				
Total Funding	\$15,000			

Net Operating Cost
Estimated Completion Date: 2020
Projected New Operating Costs per year: \$5,500.00
Previous Operating Costs: \$7,000.00
Submitted By: Department Head: Kelly Serson
Date Prepared: November 20, 2019
Reviewed by Treasurer: Nusrat Ahmed