



# AUDITOR GENERAL'S REPORT ACTION REQUIRED

## Review of the Energy Retrofit Program at Community Centres and Arenas

<b>Date:</b>	March 26, 2012
<b>To:</b>	Audit Committee
<b>From:</b>	Auditor General
<b>Wards:</b>	All
<b>Reference Number:</b>	

### SUMMARY

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The Auditor General's 2011 Work Plan included a review of the City's Energy Retrofit Program. The Energy Retrofit Program is one step in the City's Environmental Plan.

The objective of this review was to evaluate the management of the energy retrofit program and processes with respect to the monitoring and measuring of energy savings with a view to confirming that anticipated savings were achieved and the related loans will be repaid as planned.

### RECOMMENDATIONS

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**The Auditor General recommends that:**

1. City Council request the Director, Energy and Strategic Initiatives to address the deficiencies relating to the energy management system with the objective of:
  - a. Ensuring that energy savings are appropriately quantified;
  - b. Ensuring that Phase IV performance guarantees have been met and appropriate adjustments, if any, are made in payment to the Contractor.
  
2. City Council request the Director, Energy and Strategic Initiatives to report to Council on the financial results of the program.

3. City Council request the Director, Energy and Strategic Initiatives, to provide appropriate operations staff with detailed facility by facility reporting of energy savings achieved as a result of the Energy Retrofit Program. Where such savings have not met objectives, appropriate remedial action, where feasible, be taken to maximize energy savings.
4. City Council request the Deputy City Manager and Chief Financial Officer in consultation with the Director, Energy and Strategic Initiatives and General Manager, Parks, Forestry and Recreation to report to Council on remedial steps that can be taken to alleviate unintended negative financial impacts of the Energy Retrofit Program on individual recreational facilities.
5. City Council request the Director, Energy and Strategic Initiatives, in consultation with the General Manager, Parks, Forestry and Recreation to review alternatives and implement effective support and maintenance of building automation systems. The alternatives should include:
  - a. Centralized monitoring of building automation systems;
  - b. Establishing in house building automation system expertise;
  - c. Additional and ongoing training for staff responsible for monitoring and maintaining building automation systems; and
  - d. Reviewing equipment not currently connected to each building automation system to determine if it would be advantageous to control the equipment through the building automation system.
6. City Council request the Director, Energy and Strategic Initiatives in consultation with the General Manager, Parks, Forestry and Recreation to track costs specifically attributable to support and maintenance of building automation systems, where feasible, and include this information in any analysis of the net benefits achieved.

## **Financial Impact**

The recommendations in this report will assist in maximizing energy savings from the Energy Retrofit Program. The financial impact of implementing these recommendations is not known at this time.

## **ISSUE BACKGROUND**

Consistent with the City's Environmental Plan, Council approved \$36 million for 13 energy retrofit projects at arenas, community centres and pools. The intent of the program is that costs would be funded from energy savings generated by the retrofit initiatives.

## **COMMENTS**

This report provides the results of the Auditor General's review of the Energy Retrofit Program. This review was conducted as part of the Auditor General's Work Plan.

The Auditor General's report entitled "Review of the Energy Retrofit Program at Community Centres and Arenas" is attached as Appendix 1. Management's response to each of the recommendations contained in the report is attached as Appendix 2.

## **CONTACT**

Jerry Shaubel, Director, Auditor General's Office  
Tel: 416-392-8462, Fax: 416-392-3754, E-mail: [jshaubel@toronto.ca](mailto:jshaubel@toronto.ca)

Claire Fang Mu, Audit Manager, Auditor General's Office  
Tel: 416-392-0887, Fax: 416-392-3754, E-mail: [cmu@toronto.ca](mailto:cmu@toronto.ca)

## **SIGNATURE**

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Jeff Griffiths, Auditor General

11-CCA-01

## **ATTACHMENTS**

Appendix 1: Review of the Energy Retrofit Program at Community Centres and Arenas

Appendix 2: Management's Response to the Auditor General's Review of the Energy Retrofit Program at Community Centres and Arenas