



Toronto Civic Employees' Union, Local 416

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LOCAL 416

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November 1, 2011

**Mayor Rob Ford (Chair), and
Members of the Executive Committee**

Dear Mayor Ford and members of the Executive Committee,

**RE: EXECUTIVE COMMITTEE 12, NOVEMBER 1ST, 2011
AGENDA Item: EX. 12.3
Monetization of City Assets**

On behalf of Local 416, I want you to be aware that we do not support the sale of City assets. The proposed monetization of the Enwave Energy Corporation and Toronto Hydro is no fix for the City's revenue problems.

Local 416 represents 18 employees of Enwave.

We think it's a really bad idea for the City to be selling off assets – Enwave as well as Toronto Hydro.

Instead of selling off our assets, we need to look at how to make the best use of them for the people who paid for them. There are public assets that the residents of Toronto have paid for. The public should continue to get the greatest benefits from them rather than somebody else taking over the public investment that has been made for private profits.

Selling off Enwave is the kind of thinking that is going to take Toronto from being a leader in tackling environmental and social issues to being at the back of the pack.

Using public support to develop the deep-lake water cooling and heating corporation has paid off big time for the people of Toronto – and even all of southern Ontario. The reduction of electricity use for heating and cooling dozens of large buildings in Toronto has led to a reduction of coal-fire power production at peak times, the reduction of green-house gases by 79,000 tonnes/year, a reduction of the amount of ozone going into the atmosphere from air-conditioning units as well as reductions in outputs of nitrous oxide and sulphur oxide in the City.

The report in front of you does not tell you what that's worth – and whether we could make more environmental progress if the City held on to the corporation.

Replacing electricity use through this kind of local project is exactly what cities have to be looking at for the future in building an energy system for the 21st century. Keeping an asset like Enwave is a critical part of meeting our targets on green house gas reduction.

The report in front of you also doesn't tell you what impact selling off Enwave is likely to be on heating and cooling costs for the City. City Hall and Metro Hall are both heated and cooled by Enwave. Are we going to contract out cleaning so that employees earning minimum wage clean city buildings while cooling and heating costs go sky-high for private profits?

If the sale is likely to increase the cost of heating and cooling through privatization, what will the impact be on maintenance costs of the other buildings that are cooled and heated by Enwave? What do all of those downtown companies think about this sale? Do they have any information about it?

Last May the big real estate company Avison Young announced they would be locating their global headquarters in one of the buildings cooled and heated by Enwave as part of their commitment to reducing green house gas emissions. Could the City be using Enwave better as a way to attract international corporations to Toronto?

Speaking of that, last June the Economic Development Committee asked staff to bring back a report on the implications of monetizing assets for this fall. That hasn't happened yet. We wonder what the big hurry is. Why is this report about selling Enwave and part of Toronto Hydro coming to the Executive Committee today? Why couldn't the Economic Development Committee and the public have the opportunity to have a thorough discussion about the best use of these assets before this recommendation came to the Executive Committee. What's the rush?

Has someone already been lobbying to buy it? Is it like the waterfront development? The zoo? We would like to know who has already expressed interest in taking over Enwave.

I sure hope that the Councillors are getting better information from the confidential report than they are from the public report. The report in front of you says that if you sell Enwave, 10% of Hydro and a bunch of property you will get up to \$65 million annually in savings. But it doesn't say how much the sale of Enwave would contribute.

According to the newspapers it might be worth \$60m or it might be more than \$100m. That's a big difference.

We believe that Enwave was and is a very good deal for the people of Toronto who have already paid for it. The City should continue to own and control the corporation for the benefit of everyone in the city – both for revenue and for achieving environmental and economic goals – rather than settling it off to someone to use for private profit.

Thank you.

A handwritten signature in black ink that reads "Dave Hewitt". The signature is written in a cursive style with a large, stylized "H".

Yours truly,

Dave Hewitt
Vice-President
TORONTO CIVIC EMPLOYEES UNION
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