



City of Hamilton

HAMILTON RENEWABLE POWER INC. SHAREHOLDER

Meeting #: Meeting#-xx-xxxx
Date: December 12, 2018
Time: IMMEDIATELY FOLLOWING GIC
Location: Council Chambers, Hamilton City Hall
71 Main Street West

Stephanie Paparella, Legislative Coordinator (905) 546-2424 ext. 3993

	Pages
1. APPROVAL OF AGENDA	
(Added Items, if applicable, will be noted with *)	
2. DECLARATIONS OF INTEREST	
3. APPROVAL OF MINUTES OF PREVIOUS MEETING	
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4. CONSENT ITEMS	
5. PRESENTATIONS	
5.1 Operational Update (HRPI 18-001) (City Wide)	5
6. SHAREHOLDER RESOLUTIONS	
6.1 Hamilton Renewable Power Inc. - Resolutions of the Shareholder	25
7. ADJOURNMENT	



**City of Hamilton
HAMILTON RENEWABLE POWER INC.
SHAREHOLDER ANNUAL GENERAL MEETING
MINUTES 17-001
11:42 a.m.
October 20, 2017**

Council Chambers, Hamilton City Hall, 71 Main Street West
Stephanie Paparella, Legislative Coordinator 905 546-2424 x3993

Present: Mayor F. Eisenberger, Deputy Mayor M. Green (Chair)
Councillors D. Skelly, C. Collins, S. Merulla, A. Johnson, D. Conley,
M. Pearson, B. Johnson, A. VanderBeek, R. Pasuta

**Absent
with Regrets:** Councillor J. Partridge, L. Ferguson – Other City Business
Councillor J. Farr, T. Whitehead, T. Jackson – Personal

Mayor F. Eisenberger called the meeting to order.

1. Operational Update (HRPI 17-001) (City Wide) (Item 5.1)

(Merulla/Pearson)

That the Report HPRI 17-002, respecting the Operational Update for Hamilton Renewable Power Inc., be received.

CARRIED

2. Hamilton Renewable Power Inc. Shareholder Resolution (Item 6.1)

(Green/VanderBeek)

WHEREAS, the Council of the City of Hamilton are sitting as representatives of the beneficial Shareholder (City of Hamilton) for Hamilton Renewable Power Inc. (the "Corporation");

WHEREAS, by Section 203 (1) of the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended, the City of Hamilton is authorized to hold the shares in the Corporation and to exercise the rights attributed thereto;

NOW THEREFORE the Council of the City of Hamilton, acting in its capacity as representative of the beneficial Shareholder (City of Hamilton) of the Corporation, RESOLVES AS FOLLOWS:

1. That, in accordance with the provisions of the *Business Corporations Act*, R.S.O. 1990, c.B.16 and Section 12.07 of By-law no. 1 of the Corporation, the Shareholder hereby waives any notice requirement for the manner or time of notice required to be given under any provision of any Act, any regulations thereunder, the articles, the by-laws or otherwise and such waiver shall cure any default in the manner or time of such notice, as the case may be;
2. That all by-laws, resolutions, contracts, acts, and proceedings of the Board of Directors, Shareholder and Officers of the Corporation enacted, passed, made, done or taken since the last meeting of the Shareholder as the same are set forth or referred to in the minutes of the Corporation or in the financial statements submitted to the Shareholder of the Corporation are hereby approved, ratified, sanctioned and confirmed;
3. That the auditors for the Corporation for the 2017 Financial Year shall be same auditors as appointed by the City of Hamilton and said auditors shall continue as auditors for the Corporation until such time as their successors are appointed by a resolution of the Shareholder; and,
4. That the President and Secretary of the Corporation are hereby authorized and directed to sign this Resolution of the Shareholder in writing formalizing the items contained herein.

CARRIED

FOR THE INFORMATION OF THE SHAREHOLDER:

(a) APPROVAL OF THE AGENDA (Item 1)

There were no changes to the agenda.

(Collins/A. Johnson)

That the agenda for the October 20, 2017 Hamilton Renewable Power Inc. Shareholder Annual General Meeting, be approved.

CARRIED

(b) DECLARATIONS OF INTEREST (Item 2)

There were no declarations of interest.

(c) APPROVAL OF MINUTES OF PREVIOUS MEETING (Item 3)

(i) December 5, 2016 (Item 3.1)

(Merulla/Pearson)

That the December 5, 2016 Minutes of the Hamilton Renewable Power Inc. Shareholder Annual General Meeting be approved, as presented.

CARRIED

(d) PRESENTATIONS (Item 5)

(i) Operational Update (HRPI 17-001) (City Wide) (Item 5.1)

(Merulla/Pearson)

That the presentation regarding Report HPRI 17-002, respecting the Operational Update for Hamilton Renewable Power Inc., be waived.

CARRIED

(e) ADJOURNMENT (Item 7)

(Pearson/Pasuta)

That, there being no further business, the Hamilton Renewable Power Inc. Shareholder Annual General Meeting, be adjourned at 11:49 a.m.

CARRIED

Respectfully submitted,

Mayor Fred Eisenberger

Stephanie Paparella
Legislative Coordinator
Office of the City Clerk



HRPI INFORMATION REPORT

TO:	Mayor and Members of the Hamilton Renewable Power Inc. Shareholder
COMMITTEE DATE:	December 12, 2018
SUBJECT/REPORT NO:	Operational Update (HRPI 18-001) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Tom Chessman (905) 546-2424, Extension 2494
SUBMITTED BY:	Rom D'Angelo, C.E.T.; CFM President, Hamilton Renewable Power Inc (HRPI)
SIGNATURE:	

Council Direction:

Not applicable.

Information:

The purpose of this Information Report is to advise and inform on the operational and financial status Hamilton Renewable Power Inc. (HRPI) business. Attached in Appendix A is an update of the operations for the Woodward cogeneration unit and the Glanbrook landfill site as well as a financial update and summary.

Operational Update:

For the period of January 1, 2018 to September 30, 2018 the operational highlights include:

- Overall kilowatt hour combined production for Woodward & Glanbrook: is lower by 15.6%:
 - Glanbrook production is up +8.2% relative to last year (2017);
 - Woodward production is down from 2016 by 50.7%.
- Prime reason for decrease in production is the three (3) month period for which Woodward was offline as a result of the methane storage sphere coating project:
 - Woodward engine run hours is therefore lower by 2,548 hrs of run time year to date;

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

SUBJECT: Operational Update (HRPI 18-001) (City Wide) ~ Page 2 of 2

- Glanbrook on the other hand had slightly higher engine run hours. A 1.0% increase yet by optimizing generator performance the electricity output at Glanbrook is 8.2% greater than the same period in 2017.

Financial Update:

The third quarter financial results for the period ending September 30, 2018 have exceeded budget expectations with a net profit of \$55,061 being realized, translating into a favourable YTD variance of \$113,116. Based on past revenue performance, a budgeted net loss of \$58,055 for this 9 month period was anticipated due to the temporary shutdown of the Woodward cogeneration facility. Improved production by the two Glanbrook engines has enabled 2018 revenues to surpass the \$2.051 million YTD budget target by \$166K or 8.1%. On the expenditure side of the ledger, a small positive variance of \$19K is being reported year-to-date, representing 1.2% of the total \$1.570 million budget.

Using best judgement and known facts, a net profit of approximately \$72K is being projected by year-end. This forecast assumes engine run hours and hourly production rates will be within budget targets for the remainder of the year. Although the 2018 year-end net profit forecast is lower than the \$129K amount achieved in 2017, it is similar to what was earned in the year 2015 and 2016, which ended up in the \$76K to \$77K range respectively.

The profitability of HRPI from the commencement of operations in the year 2006, as well as the net benefits realized by the City can be found in the accompanying appendices that provide an historical perspective on these and other key financial indicators.

If you require further information on this matter, please contact Frank Gazzola, Vice President at Extension 7518.

Appendices and Schedules Attached

Not applicable.

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HAMILTON RENEWABLE POWER INC. ANNUAL GENERAL MEETING



HRPI

**Background,
Operational &
Financial Update**

December 12, 2018



Hamilton Renewable Power Inc.

Agenda:

1. Background – Rom D'Angelo
2. Operational Update – Frank Gazzola
3. Financial Update – David Oak



HRPI Corporate Structure





Purpose of Key Meetings

To provide information/updates on:

- Overview
- Previous year audited financial statements
- Current year financial update

To approve resolutions

- Appointment of the auditor
- Confirming the actions of the Corporation



How HRPI Benefits to the City

- The City of Hamilton as a municipal leader in producing renewable energy or “green” power.
- As of the year end 2018, HRPI had generated in excess of \$3.697 million in cumulative shareholder value.
- Combined renewable energy generating capacity of 4.8 megawatts or enough capacity to power 3,400 homes.
- Improvements to the environment through annual CO₂ emission reductions of approximately 100,000 tonnes (or 22,188 cars equivalent emissions).



Background- Woodward

- **Staff:**
 - Outsourced operations and maintenance
 - Administration through City staff
- **Facility:**
 - 1.6 MW generator
 - Methane gas from the WWTP digesters
 - Heat harvested from the engine
- **Services:**
 - Electricity generation
 - Facilities heating





Background - Glanbrook

- **Staff:**
 - Outsourced operation and maintenance
 - Administration through City staff
- **Facility:**
 - 2 combustion engines generating 3.2 MW of Energy
 - Runs on methane gas
 - horizontal and vertical collectors
 - 3 condensate traps
 - Perimeter header that conveys methane to engines
- **Services:**
 - Power Generation of enough electricity to power 2,100 homes



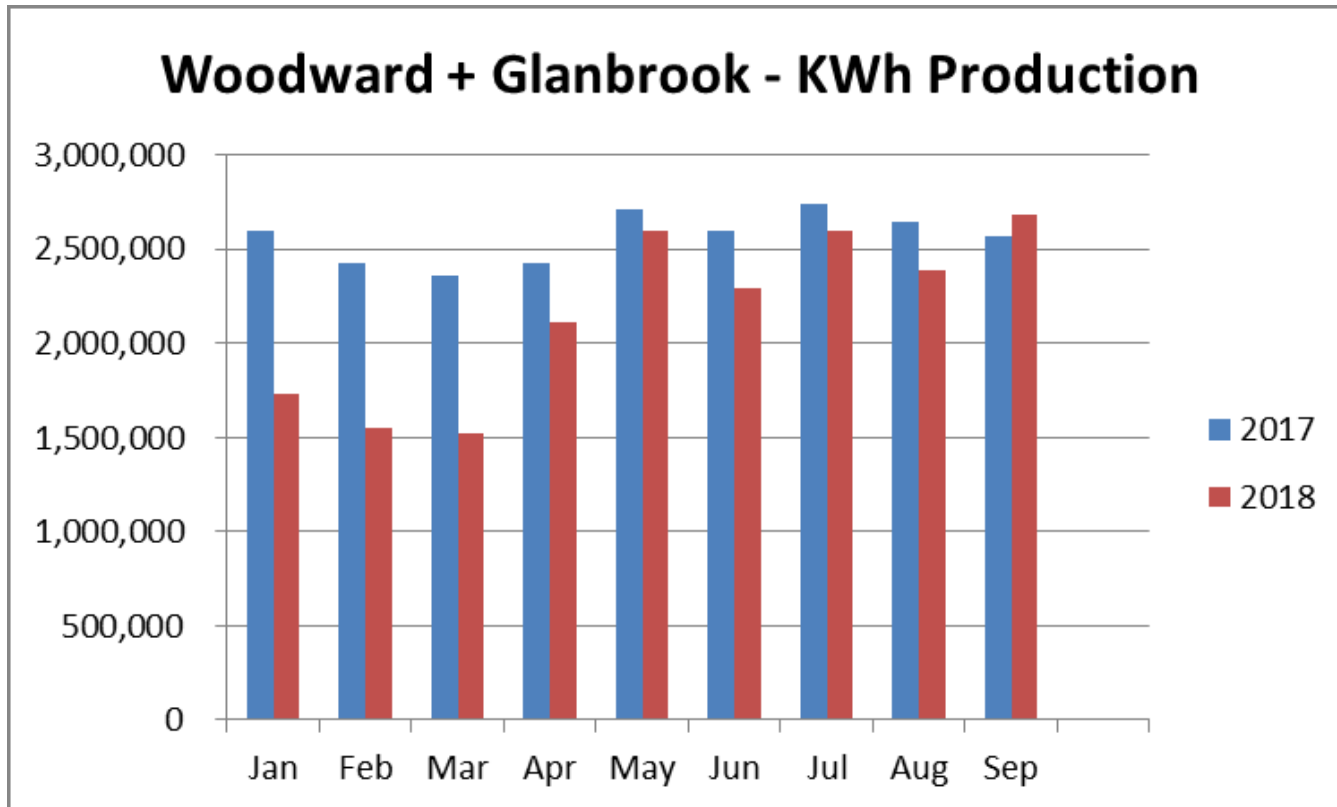


Hamilton Renewable Power Inc.

Operational Update 2018

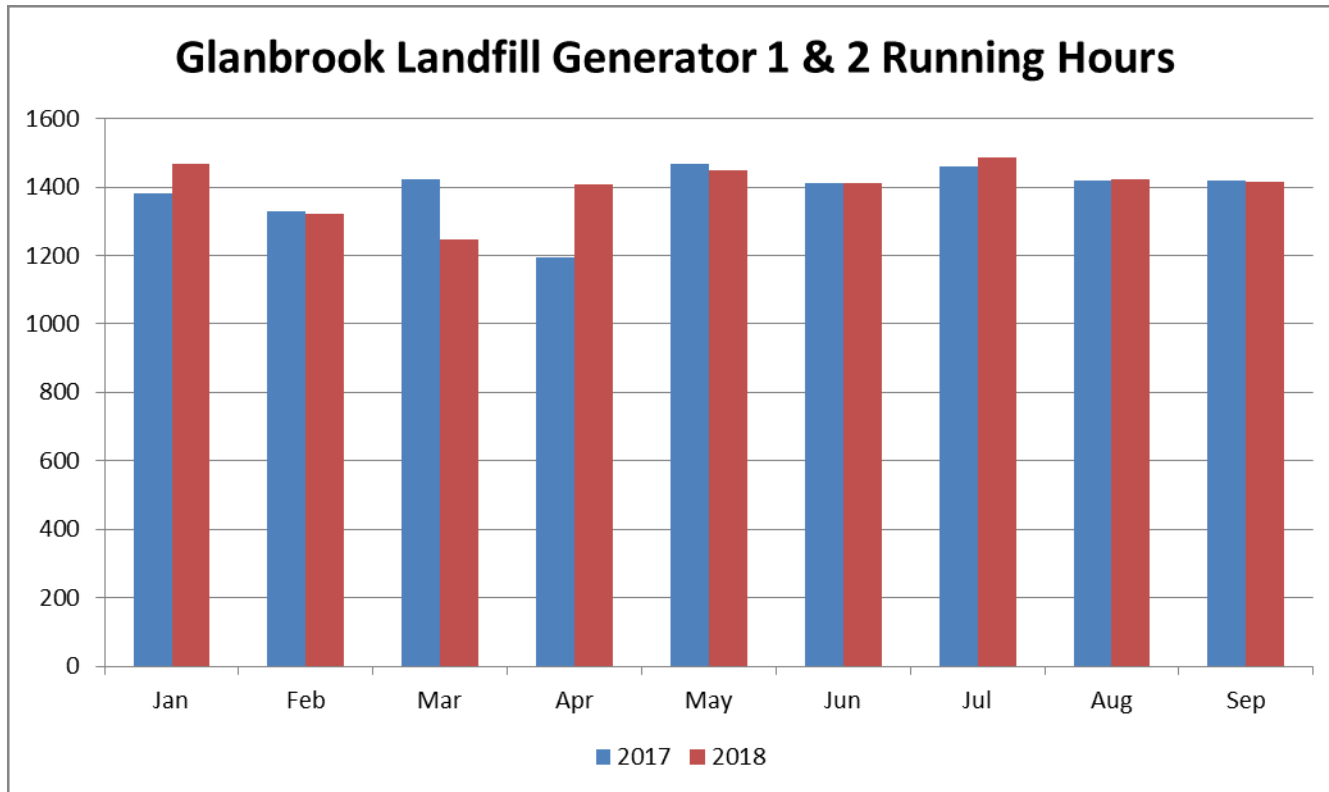


Monthly kilowatt hour (kWh) Production



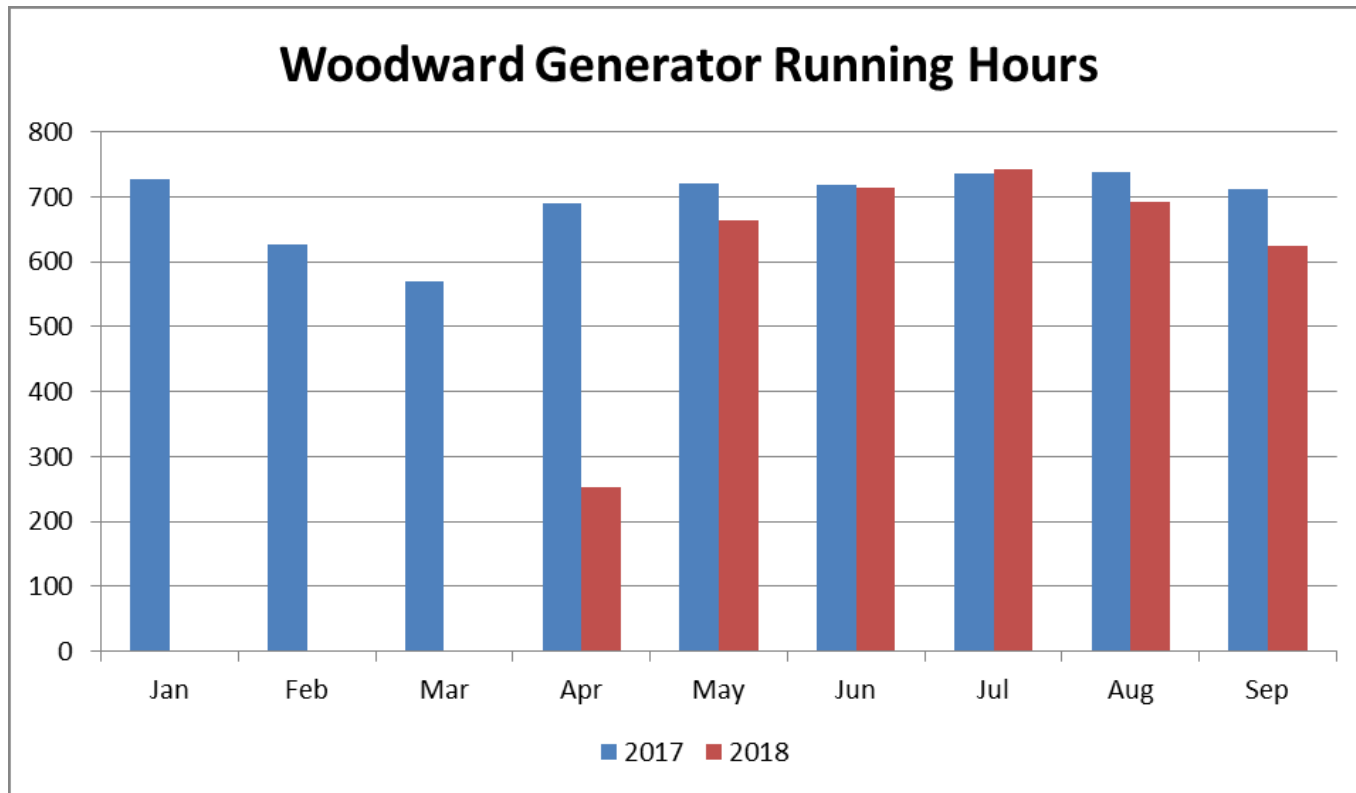


Glanbrook Engine Operating Hours





Woodward Engine Operating Hours





Hamilton Renewable Power Inc.

Financial Update 2018



2018 Year-To-Date Actuals

Income Statement – period ending September 30

	YTD Budget	YTD Actuals	Variance
Revenues	\$2,051,131	\$2,217,313	\$166,182
Cost of Methane	\$573,835	\$568,941	\$4,894
Expenses	\$1,569,969	\$1,551,311	\$18,658
PILs	(\$34,618)	\$42,000	(\$76,618)
Net Income	(\$58,055)	\$55,061	\$113,116



2018 Full Year Forecast

Income Statement – period ending December 31

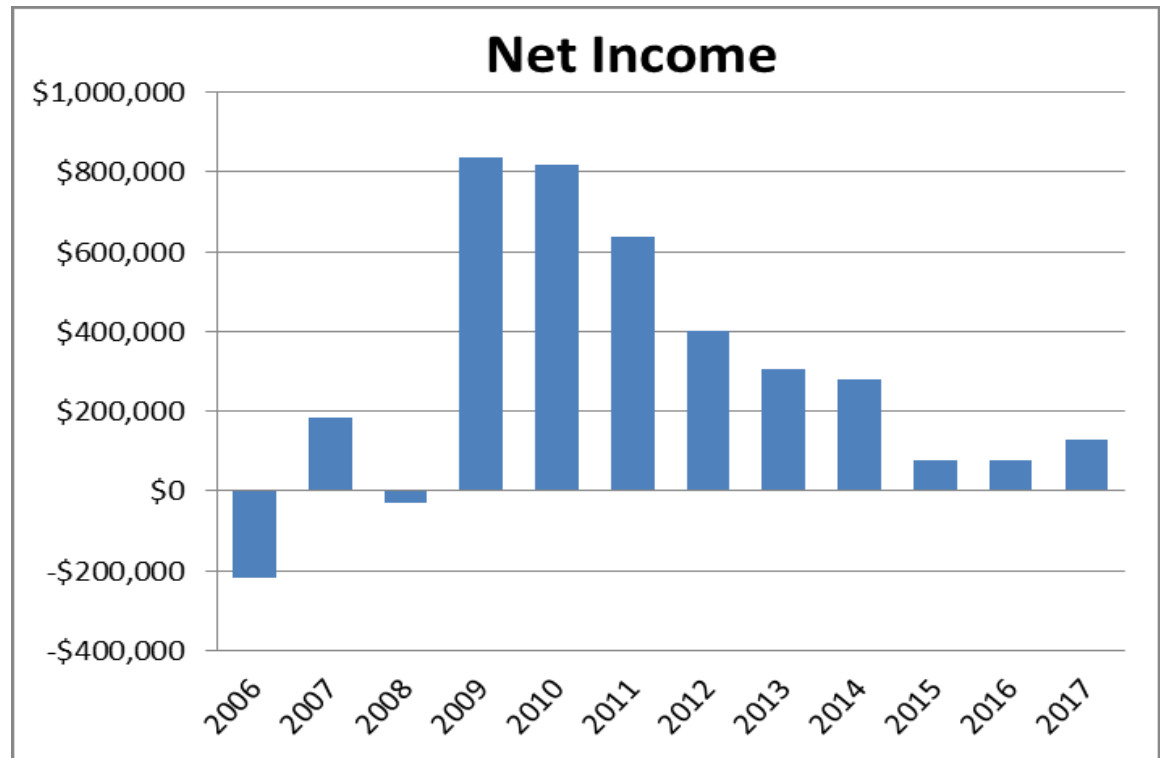
	FY Budget	FY Forecast	Variance
Revenues	\$2,814,399	\$2,980,581	\$166,182
Cost of Methane	\$786,541	\$781,646	\$4,895
Expenses	\$2,127,720	\$2,115,311	\$12,409
PILs	(\$35,278)	\$11,433	(\$46,711)
Net Income	(\$64,584)	\$72,191	\$136,775



FINANCIAL TRENDS

Net Income Earned

Year	Net Income
2006	-\$ 218,363
2007	\$ 184,301
2008	-\$ 28,544
2009	\$ 834,850
2010	\$ 816,973
2011	\$ 635,185
2012	\$ 399,710
2013	\$ 306,585
2014	\$ 279,202
2015	\$ 75,935
2016	\$ 76,892
2017	\$ 128,821



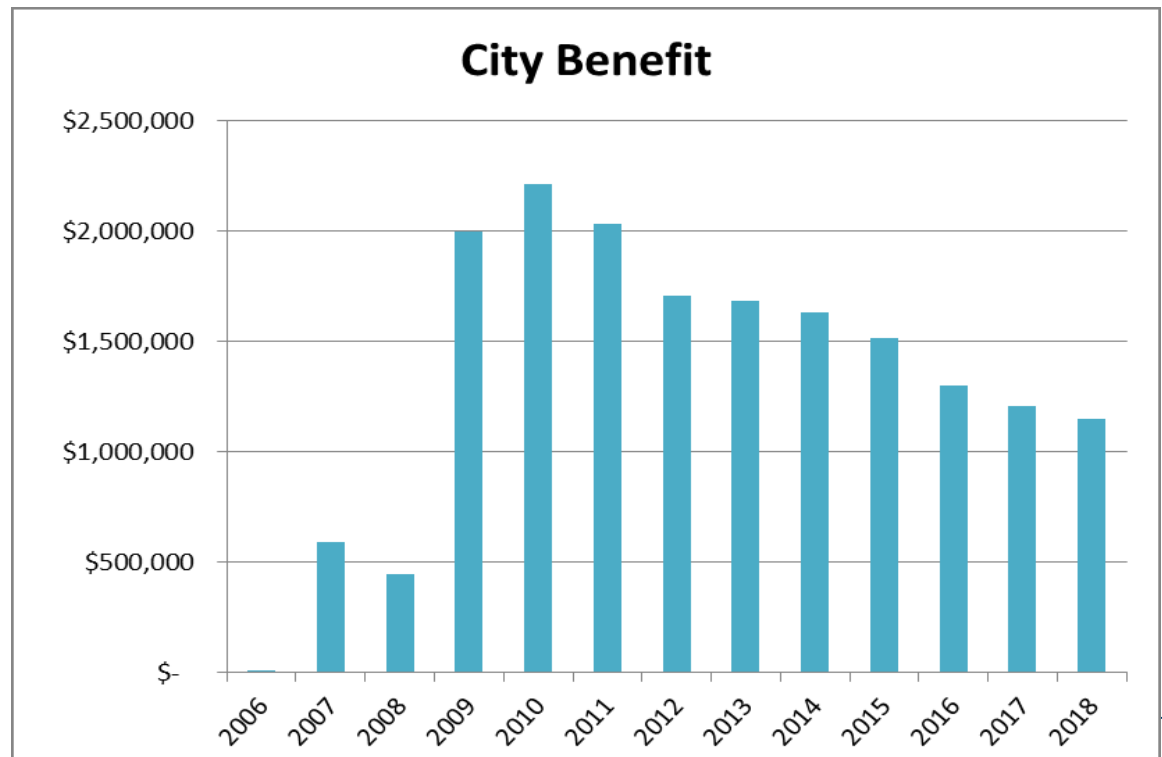


FINANCIAL TRENDS

Net Benefit to City

From Commencement of Commercial Operations in 2006 including 2018 Budget

Year	Net Benefit to the City
2006	\$ 11,257
2007	\$ 591,719
2008	\$ 447,373
2009	\$ 2,000,345
2010	\$ 2,213,378
2011	\$ 2,033,743
2012	\$ 1,708,212
2013	\$ 1,686,137
2014	\$ 1,633,667
2015	\$ 1,517,245
2016	\$ 1,301,246
2017	\$ 1,210,308
2018	\$ 1,150,017
Total	\$ 17,504,647

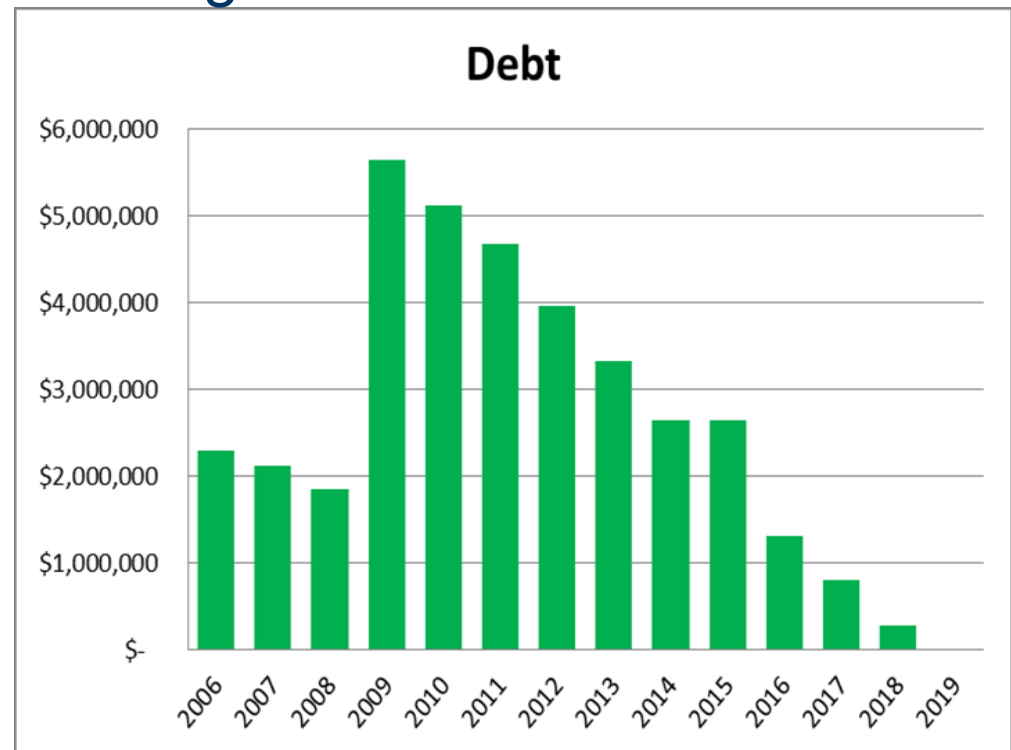




FINANCIAL TRENDS

Outstanding Debt

Year	Actual Debt	Equity Forecast	D/E Ratio
2006	\$ 2,290,483	\$ 1,705,705	1.34
2007	\$ 2,123,635	\$ 5,690,006	0.37
2008	\$ 1,851,646	\$ 5,661,462	0.33
2009	\$ 5,642,071	\$ 6,496,312	0.87
2010	\$ 5,120,167	\$ 6,101,198	0.84
2011	\$ 4,676,774	\$ 6,000,666	0.78
2012	\$ 3,966,430	\$ 5,773,734	0.69
2013	\$ 3,329,511	\$ 5,774,197	0.58
2014	\$ 2,648,875	\$ 5,757,583	0.46
2015	\$ 2,648,875	\$ 5,584,368	0.47
2016	\$ 1,303,584	\$ 5,600,906	0.23
2017	\$ 807,954	\$ 5,667,819	0.14
2018	\$ 278,305	\$ 5,709,545	0.05
2019	\$ -	\$ 5,751,270	0.00

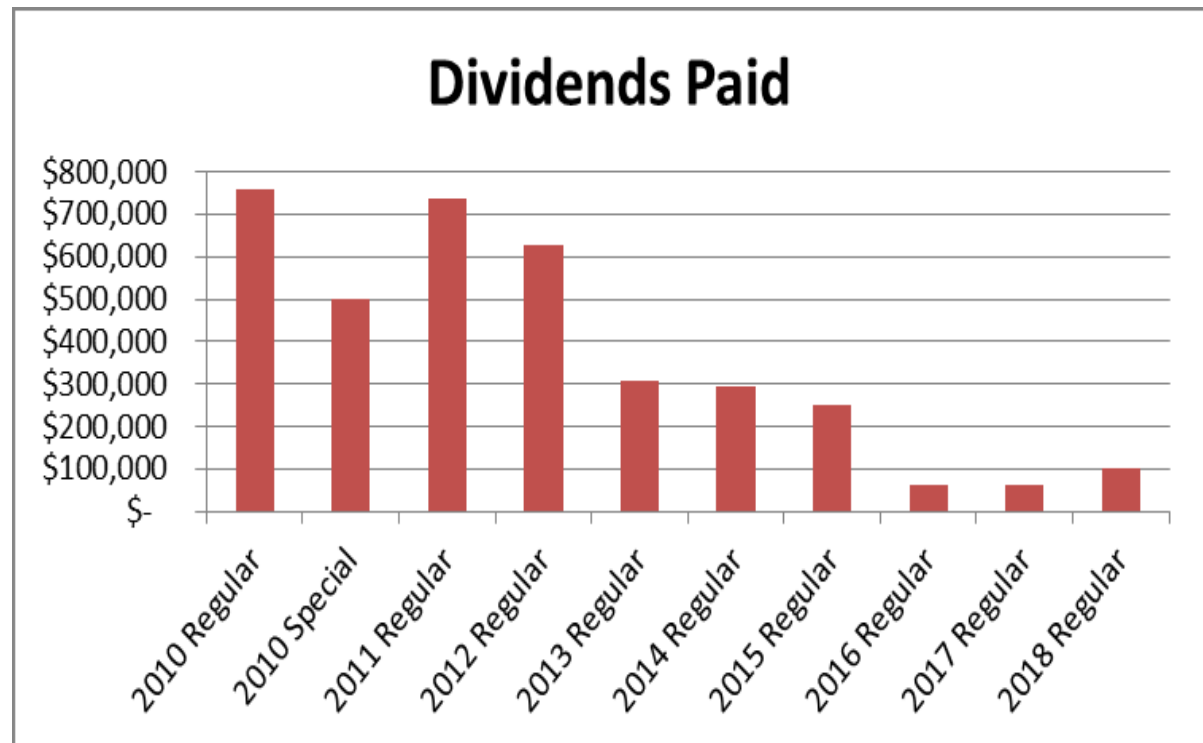




FINANCIAL TRENDS

Dividend Amounts Paid to the City including 2018 Declaration

2010 Regular	\$ 757,963
2010 Special	\$ 500,000
2011 Regular	\$ 736,920
2012 Regular	\$ 626,642
2013 Regular	\$ 306,122
2014 Regular	\$ 295,816
2015 Regular	\$ 249,150
2016 Regular	\$ 60,748
2017 Regular	\$ 61,514
2018 Regular	\$ 103,057
Total	\$ 3,697,932



HAMILTON RENEWABLE POWER INC.

RESOLUTIONS OF THE SOLE SHAREHOLDER

WHEREAS the Council of the City of Hamilton are sitting as representatives of the sole Shareholder (City of Hamilton) for Hamilton Renewable Power Inc. (the “**Corporation**”);

AND WHEREAS by Section 203 (1) of the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended, the City of Hamilton is authorized to hold the shares in the Corporation and to exercise the rights attributed thereto;

NOW THEREFORE the Council of the City of Hamilton, acting in its capacity as representative of the sole Shareholder (City of Hamilton) of the Corporation, **RESOLVES AS FOLLOWS:**

1. BE IT RESOLVED that, in accordance with the provisions of the *Business Corporations Act*, R.S.O. 1990, c.B.16 and Section 12.07 of By-law no. 1 of the Corporation, the Shareholder hereby waives any notice requirement for the manner or time of notice required to be given under any provision of any Act, any regulations thereunder, the articles, the by-laws or otherwise and such waiver shall cure any default in the manner or time of such notice, as the case may be.
2. BE IT RESOLVED that all by-laws, resolutions, contracts, acts, and proceedings of the Board of Directors, Shareholder and Officers of the Corporation enacted, passed, made, done or taken since the last meeting of the Shareholder as the same are set forth or referred to in the minutes of the Corporation or in the financial statements submitted to the Shareholder of the Corporation are hereby approved, ratified, sanctioned and confirmed.
3. BE IT RESOLVED that the auditors for the Corporation for the 2018 Financial Year shall be same auditors as appointed by the City of Hamilton and said auditors shall continue as auditors for the Corporation until such time as their successors are appointed by a resolution of the Shareholder.
4. BE IT RESOLVED that the President and Secretary of the Corporation are hereby authorized and directed to sign this Resolution of the Shareholder in writing formalizing the items contained herein.

RESOLVED at Hamilton, this 12th day of December 2018.

Rom D'Angelo
President

Janet Pilon
Secretary