

## CITY OF VAUGHAN

### **EXTRACT FROM COUNCIL MEETING MINUTES OF NOVEMBER 21, 2017**

Item 1, Report No. 10, of the Finance, Administration and Audit Committee, which was adopted, as amended, by the Council of the City of Vaughan on November 21, 2017, as follows:

***By receiving Communication C6 from the Deputy City Manager, Public Works and the Director of Environmental Services, dated November 20, 2017.***

#### **1      STORMWATER CHARGE IN RURAL AREAS AND FEEDBACK FROM STORMWATER CHARGE IMPLEMENTATION**

The Finance, Administration and Audit Committee recommends:

- 1) That the recommendation contained in the following report of the Deputy City Manager of Public Works and the Director of Environmental Services, dated November 6, 2017, be approved;
- 2) That staff review the application of the stormwater charge as implemented for commercial and agricultural properties in rural areas and bring forward recommendations for refinements as part of the 2018 Budget process, including the necessary off-setting adjustments to other property categories;
- 3) That Communication C2, presentation material entitled, “*Stormwater Charge*”, be received;
- 4) That the following deputations be received:
  1. Mr. Richard Lorello, Treelawn Boulevard, Kleinburg;
  2. Ms. Lucy Raffaele, on behalf of Mr. Riccardo Bozzo, Hwy 27, Kleinburg, who submitted a video deputation;
  3. Mr. Antonio DiBenedetto;
  4. Mr. Bob Moore, Direct Services Limited, Chester Avenue, Newmarket, on behalf of YRCC 1123; and
- 5) That Communication C1 from Ms. Heidi Kreiner-Ley, Bathurst Street, Richmond Hill, dated November 2, 2017, be received.

#### **Recommendation**

The Deputy City Manager of Public Works and the Director of Environmental Services, in consultation with Director of Financial Services/Deputy City Treasurer, recommends:

1. That Council receives this report for information.

#### **Contribution to Sustainability**

The stormwater charge directly supports *Green Directions Vaughan* Goal 1: To significantly reduce our use of natural resources and the amount of waste we generate. Furthermore, it directly adds resolution to the following objective:

- Objective 1.3: To support enhanced standards of stormwater management at the City and work with others to care for Vaughan’s watersheds

#### **Economic Impact**

There is no economic impact with the adoption of this report.

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##### **Communications Plan**

Not applicable

##### **Purpose**

To respond to New Business at the Finance, Administration and Audit Committee on September 20, 2017, and inform Council of the property categories used to assign the stormwater charge for rural properties, how these were developed and the resident feedback to the stormwater charge in the first year of implementation.

##### **Background - Analysis and Options**

**Climate change is having an effect on the frequency and intensity of storms.**

Under a changing climate, scientists have indicated that meteorological conditions across Ontario are expected to change, in specific the frequency of small extreme precipitation events is anticipated to increase. Scientists have used Intensity Duration Frequency (IDF) curves which are meteorological based tools used to design drainage infrastructure to show that storms are increasing. Studies such as the 2011 SENES report 'Toronto's Future Weather and Climate Driver Study' showed that the extreme daily rainfall is expected to rise to 155.4 mm in 2040-2049 from 80 mm in 2000-2009 in Vaughan.

**The City's existing stormwater infrastructure is being challenged at managing the different storm event patterns.**

The City of Vaughan has experienced flooding, most notably in the Thornhill area (Blocks 1, 8, 9 and 16) with ten or more flood calls in the past ten (10) years within each block. Extensive flooding also occurred on August 9, 2005 and on August 21, 2012 City-wide which resulted in road closures. In addition, open space areas and river valleys are becoming more susceptible to erosion as weather patterns change and the intensity of storm water moving through these areas increases.

**Council approved implementation of a stormwater charge to fund a new stormwater program, displaying leadership in proactively mitigating the effects of climate change.**

Prior to the implementation of the stormwater charge, the stormwater program had been funded by wastewater rates, property taxes and the gas tax. The funds were inadequate to provide a level of service which could help mitigate the effects of climate change and long term asset management.

**The stormwater charge is being used to fund new capital projects to reduce flooding and erosion risks**

With the implementation of the stormwater charge and a stable revenue stream, staff are implementing the stormwater program. The City is starting capital projects to help mitigate the risk of flooding and erosion in known problem areas in the City. In the 2017 Budget, Council approved the retrofit of the Rainbow creek outfall and Ashbridge Pond operational enhancement. These projects will address a low-lying area in Woodbridge (Block 43). The stormwater charge has also allowed for the number of stormwater pond cleanouts to double, increased monitoring of storm ponds and increased cleaning and inspection of stormwater pipes and other infrastructure. The stormwater charge is also funding a portion of the Edgely Pond project in the VMC. Other stormwater capital improvement projects initiated in 2017 include: the Clarence Street stormwater

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infrastructure improvements, Pine Valley outfall improvement, and King-Vaughan Road culvert replacements. Review and monitoring of erosion prone sites and development of a program to proactively mitigate and manage the City's risk and liability is under development.

#### **The stormwater charge is applied to properties based on the estimated amount of run-off of stormwater**

The City of Vaughan uses the following categories for the application of the stormwater charge:

- Residential – low (single detached), medium (townhouse) and high (multi-res)
- Non-residential – small (less than one acre), medium (between one and 10 acres) and large (more than 10 acres)
- Agricultural/Vacant

These categories were chosen as they are representative of the City's land use and are typical of what other municipalities have done. The 2015 MPAC data was used to put the properties into the categories above. From the MPAC data, the City could calculate the number of properties in each category and determine the land mass assigned to each category. This information is critical for determining the amount of the stormwater charge for each category.

The stormwater run-off used for each category above was taken from the City's Engineering Design Standards. As land is developed in Vaughan, the developer must meet the engineering design criteria for stormwater run-off for each property type. City staff determined that using stormwater run-off was the most equitable and consistent factor for determining the charge as the engineering design standards are used consistently across the City.

Notwithstanding the above, City Council directed staff to exempt certain property types including government agencies, places of worship, schools and owned by non-profit organizations. These exemptions are consistent with the exemptions for the application of the tax levy.

#### **The calculations of the stormwater charge consider property type, stormwater run-off, land mass for each category and number of properties in each category.**

The property types described above were determined by examining all property types in the MPAC data and grouping them into broader categories. The non-residential or Industrial/Commercial/Institutional (I/C/I) were divided into small, medium and large to more equitably distribute the stormwater charge among these properties. Also, the establishment of a large category of more than 10 acres is consistent with other municipalities.

Once the number of categories was determined, the number of properties and the land area was compiled and calculated. Using the stormwater run-off coefficient for each property category, the impervious area was calculated. The share of impervious area was applied to the budget needed for the stormwater program and a dollar value was assigned to each property type. The stormwater charge was developed by dividing the number of properties in each category by the dollar value assigned to each property category.

#### **Rural Properties in the City of Vaughan fall into three of the Property Categories: Agricultural/Vacant, Residential and Industrial/Commercial/Institutional (I/C/I).**

City Council was particularly interested in the application of the annual charge for rural areas, as identified in the New Business at FAA on September 20, 2017. Properties located in the rural areas in Vaughan tend to fall into one of three categories on the assessment roll – agriculture/farm, residential and/or I/C/I. While possibly still zoned as agricultural, properties that

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are assessed and classified in the I/C/I category are those where the use of the land is a non-res/non-farm use and will be assessed as such. Consequently, the I/C/I stormwater charge will be charged as a result in line with the assessment roll.

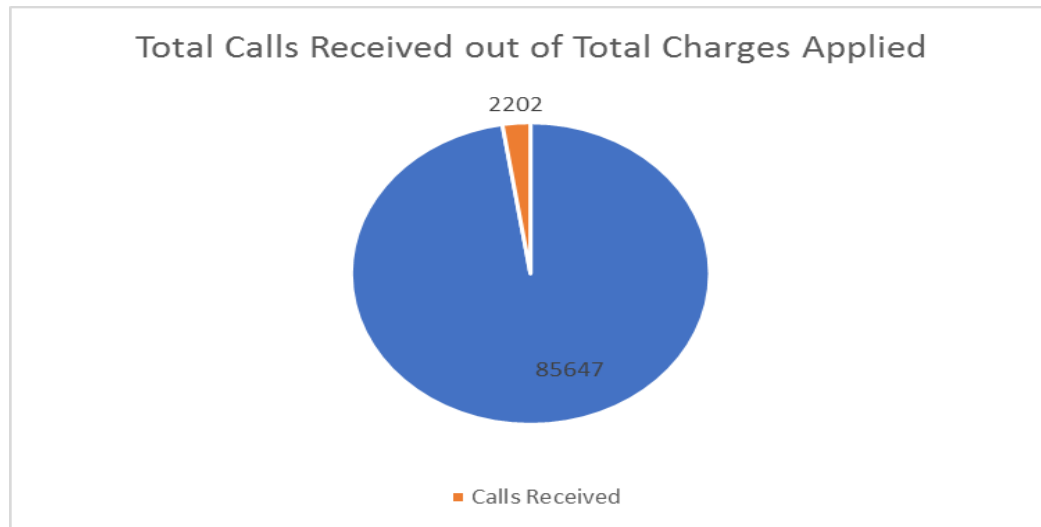
**The implementation of the stormwater charge in 2017 has been successful, with few inquiries and/or complaints.**

The stormwater charge appears on an Alectra bill (water/wastewater, electric and/or stormwater) and is an annual charge which appeared between June and September.

Environmental Services worked with Finance, Access Vaughan and Alectra to establish three tiers of customer service to respond to inquiries about the Stormwater charge. Frequently asked questions were developed with the assistance of Corporate Communications to ensure consistent messaging was delivered at all levels of customer service.

Tier 1 consisted of Access Vaughan and Alectra customer service representatives handling routine inquiries. Tier 2 consisted of Environmental Service subject matter experts who addressed more technical questions or questions that were unable to be addressed by the tier one representatives. Individuals who were dissatisfied with the second tier customer service response were asked to document their concern in writing for review by the third tier. Tier 3 consisted of management staff from Finance and Environmental Services who reviewed each request individually and provided a follow-up letter back to the individual.

The following chart illustrates the total calls received out of the total charges which were applied:

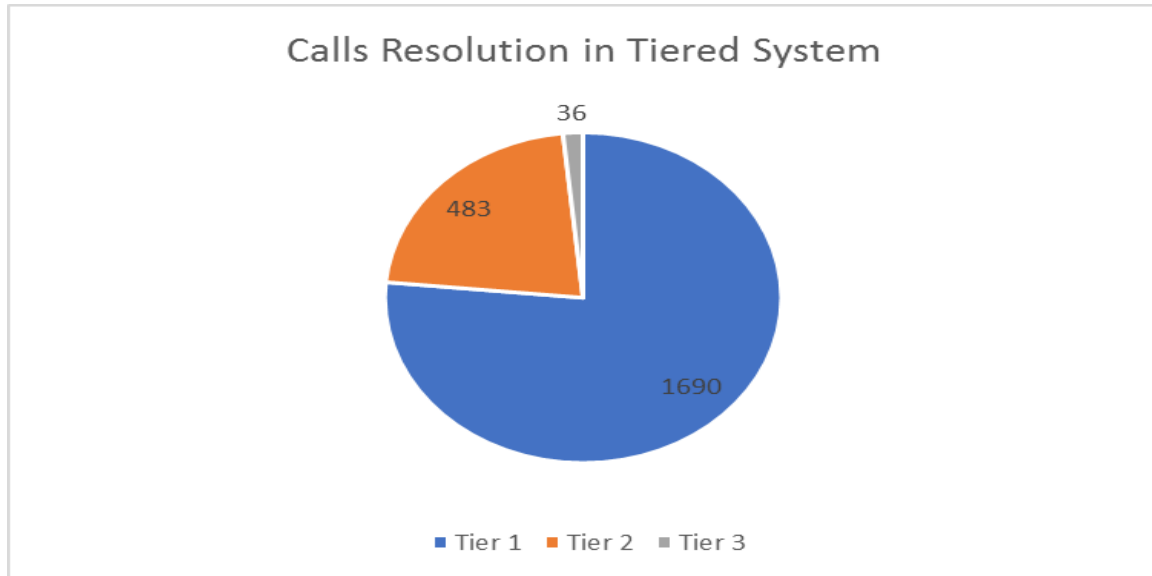


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The following chart illustrates the total number of calls received broken into Tier 1, 2 and 3:



Alectra, Access Vaughan and Councillor offices received 2,202 calls related to the 85,647 accounts that received a stormwater charge. This represents 2.57% of all charges applied across the City. Of the 2,202 calls received, 483 went to Tier 2. Most of the calls were requests for information about the charge and were satisfied with the answer, some calls were confused about the messaging regarding the charge and needed further explanation, and 36 of the calls escalated to Tier 3 review of the charge. Of the 36 calls which were examined at Tier 3, two of the charges were determined to have been incorrectly applied and 34 were determined to have been correctly applied.

The following chart shows the number of complaints by property type which reached Tier 3:

Property Type	Number of complaints
Non-residential – large	7
Non-residential – medium	2
Agricultural/Vacant	25
Residential – Low	2
Total	36

The number of complaints that escalated to Tier 3 review represents 1.6% of all calls made to the City.

#### **Relationship to Term of Council Service Excellence Strategy Map (2014-2018)**

The stormwater charge supports the Term of Council Priorities:

- Continue to cultivate an environmentally sustainable city
- Meet Council tax rate targets (no more than 3%)
- Invest, renew and manage infrastructure and assets

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**Regional Implications**

There are no Regional implications with the adoption of this report.

**Conclusion**

The stormwater charge is a dedicated funding source applied to seven property categories across the City of Vaughan. These charges are based on the stormwater run-off expected from the properties. The stormwater charge was implemented between June and September 2017 with few calls and/or complaints from residents and businesses.

**Attachments**

None

**Report prepared by:**

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