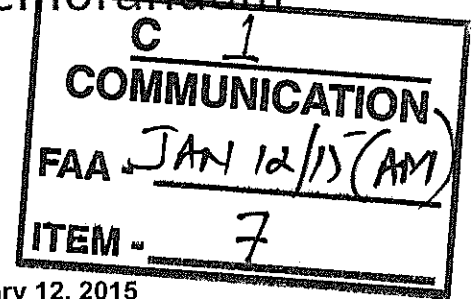




**VAUGHAN**

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memorandum



**DATE:** January 9, 2015

**TO:** Mayor and Members of Council

**FROM:** Laura Mirabella-Siddall, Director Financial Planning & Analytics  
John Henry, Commissioner of Finance & City Treasurer

**RE:** Item #7 Finance, Administration and Audit Committee – January 12, 2015

**2013 Ice Storm Status Update**

### **Purpose**

To provide Council with additional information related to Item #7 on the agenda of Finance, Audit and Administration committee meeting January 12, 2015 9:30AM.

### **Background**

The City of Vaughan sustained significant damages during the ice storm of December 2013. The total cost of the ice storm is estimated at \$17.8M which includes initial emergency response, the clean-up of damage to City property and future tree canopy replacement. There have been a number of reports back to Council detailing the progress of the clean-up, the financial impact to the City and the status of the Ontario Ice Storm Assistance Program rules and guidelines. Previous reports have included a presentation to a Special Council meeting (January 14, 2014), Ice Storm Update items to FAA on June 16, 2014 and January 12, 2015, in addition to financial updates provided with Consolidated Quarterly Reports.

### **Ontario Ice Storm Assistance Program Application has been submitted:**

The application for financial assistance to reimburse a portion of the total cost of the ice storm was submitted to the Ontario Ice Storm, Assistance Program on December 21, 2014. Costs incurred by the province for a natural disaster of this size qualify for federal government assistance under the Disaster Financial Assistance Arrangements program. Ontario will pay eligible claims and then seek federal cost sharing under this program. The total value of the application was \$10.2M. The Province has allowed a 2 year window to review applications and at this time there has been no update on the status other than official acknowledgement that the application was received.

### **Majority of Ice Storm Spending Through Contracted External Service Providers**

Of the total estimated \$17.8M cost of the Ice Storm, \$10.6M has already been incurred, with the remaining \$7.2M related to future tree canopy replacement. The \$10.6M incurred has primarily been through the use of external contracted service providers (\$9.7M), with smaller amounts related to internal labour (\$0.5M) and other expenses, including purchases of materials (\$0.4M).

The use of external suppliers in both the emergency portion of the ice storm clean up and in the subsequent clean up and debris removal phases has been done in accordance with emergency purchases as described within Section 10 of the Procurement Policy. All local available contractors were used to the full extent of their capacities whether or not they have had previous dealings with the City. Due to the limitations in the capacity of local Companies, contractors from a broader region (province wide) were required and the work was distributed based on availability of resources, reasonableness of cost and proof of proper certification. The City was also competing with many other GTA municipalities for the services of

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suitable Companies. In addition to this, the Province imposed a deadline of June 22, 2014 for the guarantee of inclusion in the Ice Storm Assistance Program which required a larger workforce be contracted over a shorter period of time.

There were 11 contractors whose total billings to the City related to the ice storm clean up were over \$100K each. These contractors are listed in the following table, in order of total expense. These contractors make up a total of \$9.4M or approximately 97% of the total expense. The majority of these expenses were due to the multiple phase emergency clean up and removal of damaged trees as well as emergency road plowing and salting in the immediate aftermath of the storm.

| Contractor Name                              | Ice Storm<br>Related<br>Charges<br>(\$M) |
|--|--|
| Wilderness Environmental Services            | \$ 5.8                                   |
| Davey Tree Expert Co. of Canada <sup>1</sup> | 0.7                                      |
| Timberlane Tree Service <sup>1</sup>         | 0.5                                      |
| Defina & Di Benedetto                        | 0.4                                      |
| Mirabelli Corporation                        | 0.4                                      |
| Wes Tree Service                             | 0.4                                      |
| Armking Contracting Limited <sup>2</sup>     | 0.4                                      |
| Forest Contractors Ltd. <sup>2</sup>         | 0.3                                      |
| Cohen & Master                               | 0.2                                      |
| Gazzola Paving Limited <sup>2</sup>          | 0.2                                      |
| Maple Hill Tree Services <sup>1</sup>        | 0.1                                      |
| <b>Total</b>                                 | <b>\$ 9.4</b>                            |

1 Vendor of records through current or previous contracts with the City.

2 Existing contractors in PW Winter Maintenance

In addition to this, there were 8 contractors who performed work valued in the range \$10K-\$100K. The total expenditure for these contractors was \$0.2M. The remaining \$0.1M of expense was paid to over 25 other suppliers, with no individual supplier invoicing over \$10K. Most of this work was related to emergency response, equipment rental, electrical and mechanical repair and other expenses.

### Conclusion

The City of Vaughan has submitted an application to the Ontario Ice Storm Assistance Program in the amount of \$10.2M. The total financial impact to the City due to the ice storm is expected to be \$17.8M of which \$10.6M has been incurred and the remainder will be required for replacement of the damaged tree canopy. The majority of the spending to date has been through contracted external service providers initiated by the department under the emergency provisions of the Procurement Policy.

Respectfully submitted,



Laura Mirabella-Siddall, CPA, CA  
Director, Financial Planning & Analytics



John Henry, CMA  
Commissioner of Finance & City Treasurer