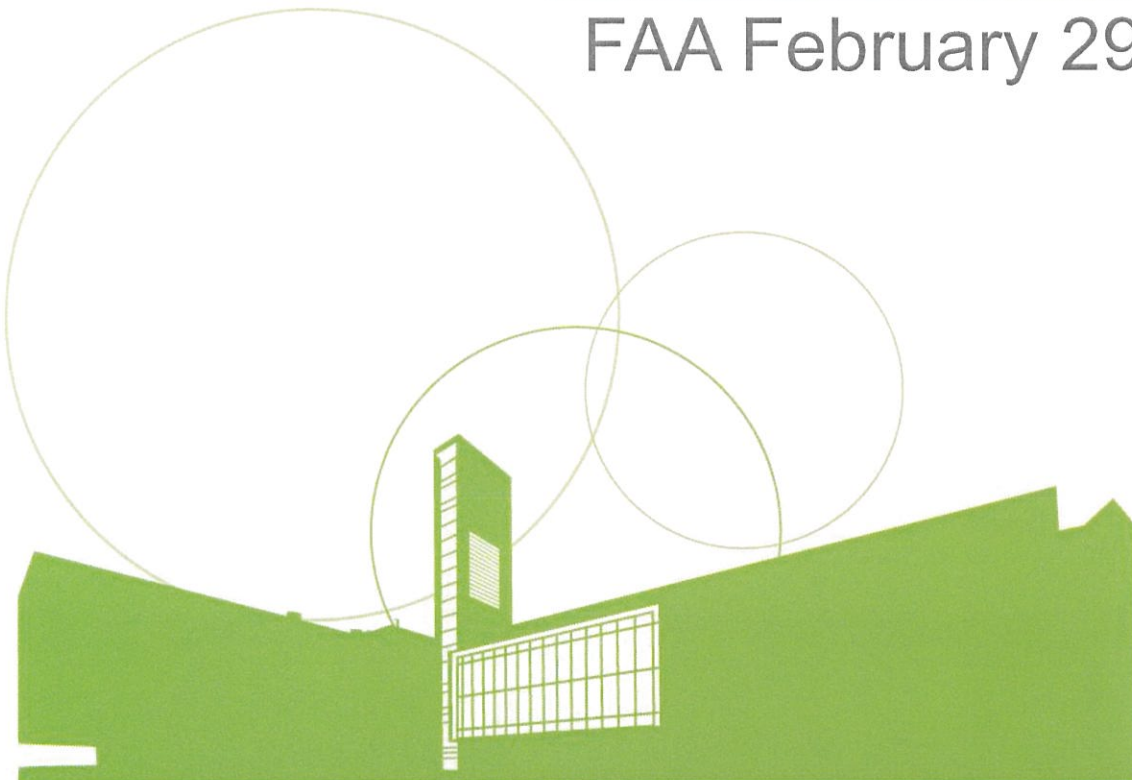


C2
FAA - February 29/16
Item # 4

Proposed Stormwater Services Funding Model

FAA February 29, 2016



Purpose

- Obtain Council approval to:
 - Apply a variable stormwater charge to properties in the City
 - Stormwater charge be calculated based on typical stormwater run-off
 - Government agencies, schools, places of worship and non-profits be exempt based on the same criteria and legislation for exempting property through the Assessment Act
 - Implement processes and plans to support the stormwater charge

Background

- Presented to Finance, Administration and Audit Committee in:
 - March 2014
 - May 2015
- In May 2015, staff asked to take into consideration exemptions, institutions and non-profits

Stormwater services are intended to protect property and the environment



“Canadian cities not ready for ‘weather whiplash’” Toronto Star, August 22, 2015

- More frequent severe weather causing stormwater systems to take more of a beating
- Supported by the Insurance Bureau of Canada reporting that the insurance claim payouts from severe weather events average \$ 1 billion annually over the last several years
- Canadian municipalities are in an excellent position to build resilience to climate change as improvements to assets such as stormwater systems are implemented

Proposed Stormwater Charge funds Comprehensive Stormwater Program

- Stormwater services will be clearly funded from the proposed stormwater charge
- Comprehensive stormwater program costs spread over approximately 100,000 properties
 - Approximately 80,000 properties currently paying for stormwater services in wastewater rate
 - Moving to the stormwater charge results in majority of property owners paying less for stormwater services

Current stormwater funding model: Wastewater Rate, Property Tax

Property Type	Forecasted Annual Cost (2017)
Residential	\$100.47*
Industrial	\$1,457.58*
Commercial	\$1,298.21*
Institutional	\$1,000.27*
Vacant	

* Typical costs – actual costs based on water usage and property value

Stormwater funds will be removed from the wastewater rate

- \$0.21 of Wastewater rate currently (2016) collected for stormwater services
- The stormwater amount will be removed from the wastewater rate and is included in the stormwater charge
- Wastewater rate will be calculated solely for wastewater purposes
- Stormwater funds currently collected based on water usage per cubic metre

Proposed Stormwater charge is based on typical stormwater run-off

- Stormwater run-off is calculated and used for the design of stormwater systems
- Stormwater run-off is calculated differently for different properties
 - I/C/I run-off coefficient is 0.75
 - Residential run-off coefficient is 0.45 for low density and 0.55 for medium and high density
 - Vacant land run-off coefficient is 0.10

Proposed Funding Model

Property Type		Draft Annual Cost Under Proposed Funding Model (2017)	
Residential	Density	Low	\$47.41
		Medium	\$29.03
		High	\$174.46
Non-residential	Size	Small (less than one acre)	\$44.12
		Medium (between one and 10 acres)	\$1,139.58
		Large (more than 10 acres)	\$17,809.10
Vacant			\$658.61

Comparison of Current vs. Proposed Funding Model

Property Type	Forecasted Annual Cost under Current Funding Model (2017)	Draft Annual Cost under Proposed Funding Model (2017)		
Residential	\$100.47	Density	Low	\$47.41
			Med	\$29.03
			High	\$174.46
Industrial	\$1,457.58	Non-residential	Small	\$44.12
Commercial	\$1,298.21		Med	\$1,139.58
Institutional	\$1,000.27		Large	\$17,809.10
Vacant				\$658.61

Proposed Stormwater Charge: Exemptions

Property Type	Draft Stormwater Charge – no exemptions (2017)	Draft Stormwater Charge – exemptions applied (2017)
Residential – Low Density	\$41.00	\$47.41
Residential – Med Density	\$25.30	\$29.03
Residential – High Density	\$150.54	\$174.46
Non-Res – Small (< 1 ac)	\$38.53	\$44.12
Non-Res – Med (1-10 ac)	\$994.89	\$1,139.58
Non-Res – Large (>10 ac)	\$15,370.67	\$17,809.10
Vacant	\$477.92	\$658.61

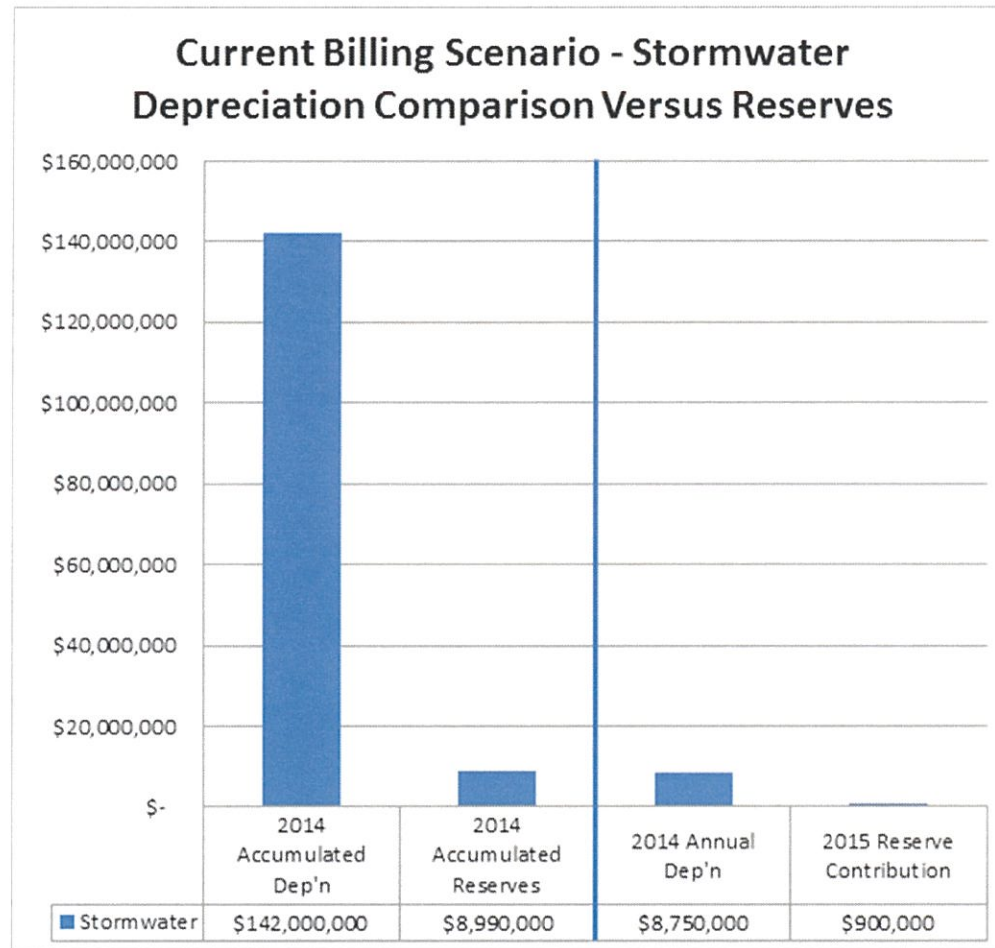
Municipal Comparison – Typical Annual Stormwater Charges

Municipality	Residential (single detached)	Non-Residential (Small)	Non-Residential (Large: < 10 acres)
Vaughan (Draft 2017)	\$47.41	\$44.12	\$17,809.10
Aurora	\$57.34	\$755.57	\$755.57
Markham	\$47.00		
Richmond Hill (2016)	\$57.10	\$165.89	\$165.89
Kitchener	\$137.28	\$262.68	\$13,020.36
Waterloo	\$80.88	\$207.60	\$7,915.08
Mississauga	\$100.00	\$262.17	\$11,367.57
London	\$179.04	\$179.04	\$14,902.80
St. Thomas	\$90.72	\$90.96	\$12,568.80

Building resilience with an increased level of service to better protect property

- Proactive inspection and cleaning program for stormwater infrastructure
- Proactive inspection and woody debris removal for rivers and streams
- Capital projects will be proposed for budget considerations to address flood prone areas
- Citizen programs to manage stormwater on private property

Future Infrastructure Needs



Communication Plan – Key Messages

Lessen impacts of climate change by protecting property and the environment

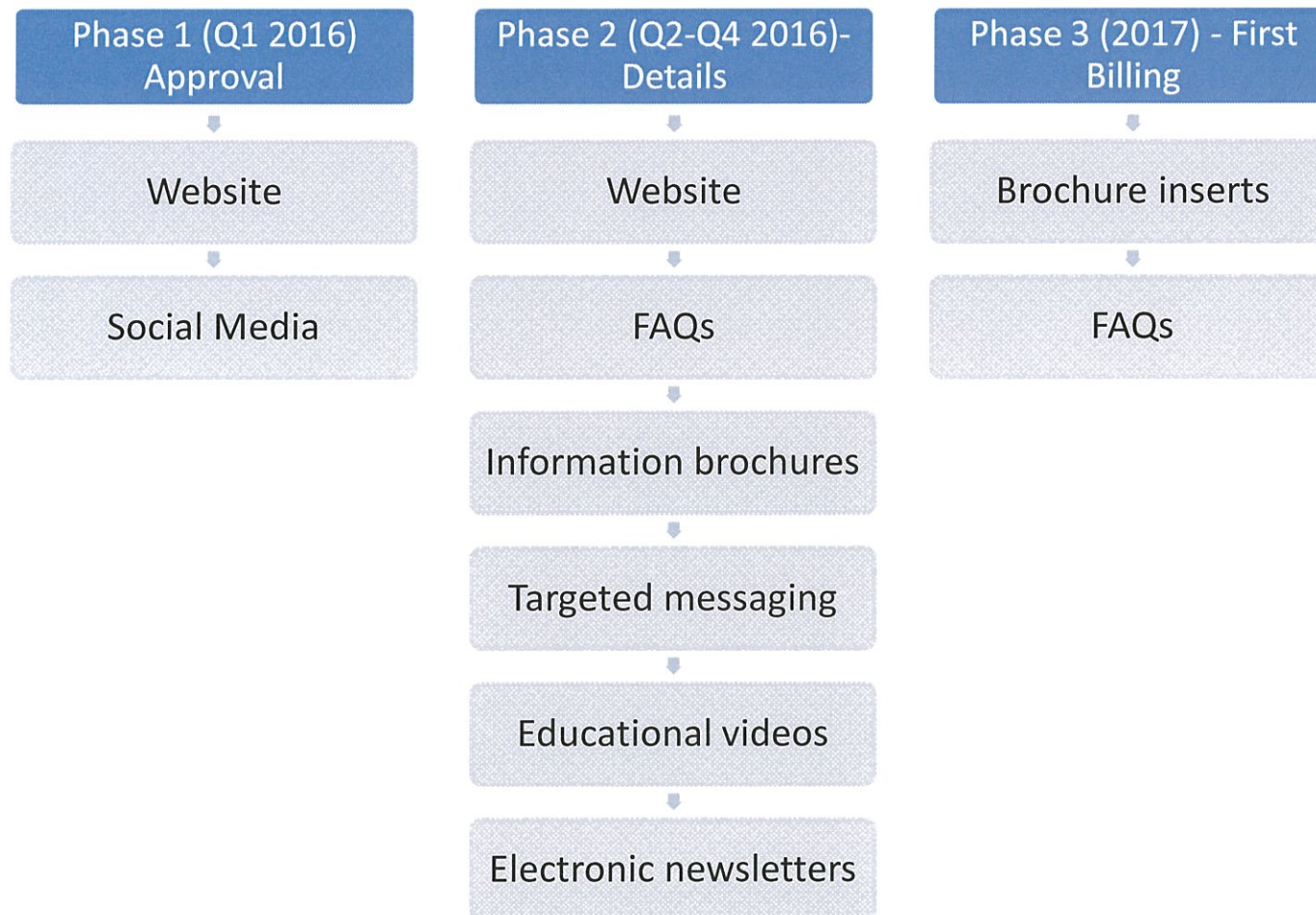
Mitigate overland and basement flooding

Stormwater charge calculated based on typical stormwater run-off for property types

Not a new charge as previously collected from wastewater rate and property tax

Stormwater charge now shown as a separate charge on the water bill

Stormwater Charge Communication Plan



Billing

- Stormwater Charge will appear as a separate charge on the Water and Wastewater bill
 - Consistent with utility charges of water and wastewater

Summary

Build Resiliency

- Comprehensive stormwater program
- Protect property
- Protect environment

Transparent

- Separate funding model
- Separate charge on water bill

User Fee

- Based on typical run-off by property type
- All properties responsible for stormwater services

Questions?