



Report to: Council

Date Report Authored: June 11, 2014

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**SUBJECT:** Ontario Ice Storm Assistance Program – Expression of Interest  
**PREPARED BY:** Andrea Tang, Manager of Financial Planning

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**RECOMMENDATION:**

- 1) THAT the report dated June 11<sup>th</sup>, 2014 entitled “Ontario Ice Storm Assistance Program – Expression of Interest” be received; and,
- 2) AND THAT the City submit an expression of interest for assistance under the Ontario Ice Storm Assistance Program with evidence to support ice damage and estimates of ice storm costs by June 16, 2014; and
- 3) AND THAT the Treasurer or his delegate be authorized to submit claims on behalf of the City; and,
- 4) AND THAT Staff be authorized and directed to do all things necessary to give effect to this resolution.

**PURPOSE:**

To obtain Council approval to pursue ice storm assistance from the Ministry of Municipal Affairs (MMAH) “Ontario Ice Storm Assistance Program.”

**BACKGROUND:**

The City of Markham endured an extreme winter storm from December 21-22, 2013. Freezing rain and ice pellets led to ice accumulation of approximately 1 inch, resulting in power outages due to trees falling on powerlines, damage to the tree canopy and the requirement for intensive clean-up efforts. On January 14, 2014 Staff submitted a report to Council to obtain approval to submit to MMAH a declaration that the City of Markham was a “disaster area” under the Ontario Disaster Relief Assistance Program (ODRAP) and that the City be considered for future ice storm funding other than ODRAP from the Province.

A comprehensive presentation from City Staff and PowerStream Staff was made to General Committee on January 8, 2014. A subsequent presentation was made to General Committee on April 28, 2014 providing an update with respect to the ice storm response and recovery plan.

**DISCUSSION:**

The Ice Storm Assistance Program is a one-time special program established by MMAH to assist municipalities affected by the December 2013 ice storm; therefore potential ice storm funding from the Province will no longer be considered under ODRAP.

Below outlines the key dates and the expression of interest submission process:

1. Deadline for Expression of Interest (June 16, 2014)

An expression of interest must be submitted to the Province by June 16, 2014 with evidence to support ice damage and estimates of eligible costs; notwithstanding the request for assistance which was previously made under ODRAP.

Evidence to support ice damage can include media reports, photos, reports submitted to Council outlining response, evidence of power outages, weather data, etc.

Council passed a resolution seeking provincial assistance under ODRAP for the ice storm on January 14<sup>th</sup>, 2014. The resolution will be accepted for the Ontario Ice Storm Assistance Program, and a new resolution is not required.

As part of the June 16<sup>th</sup>, 2014 submission, the City must include a Council resolution to confirm that authority is delegated to the Treasurer or his delegate to submit claims on behalf of the City to meet the final deadline of October 31, 2014 for claim submissions to the Province. This requirement is to ensure there is no delay in claim submissions during the summer recess and into the Fall.

2. Target Date for Incurring Eligible Program Costs (June 22, 2014)

Ice Storm related expenses incurred by June 22<sup>nd</sup> 2014, six months after the storm, can be considered eligible expenses. The list below provides examples of eligible and ineligible costs under the Ontario Ice Storm Assistance Program.

| Eligible Costs  | Ineligible Costs  |
|---|---|
| <ul style="list-style-type: none"> <li>✓ Incremental costs of immediate emergency response, such as setting up warming centres.</li> <li>✓ Clean-up of debris including fallen trees and broken branches on roads, sidewalks and frequently travelled routes to protect public health and safety.</li> <li>✓ Incremental costs incurred to provide the essential services, equipment, material and labour required to sustain the operability of public infrastructure.</li> <li>✓ Incremental costs of staff for overtime work and for temporary contract staff to manage ice storm response and clean-up.</li> <li>✓ Repairs or replacement to pre-disaster condition of municipal and conservation authority infrastructure and related equipment damaged as a result of the ice storm.</li> <li>✓ Incremental costs of appraising and estimating damage.</li> </ul> | <ul style="list-style-type: none"> <li>✗ Regular public sector salaries.</li> <li>✗ Normal operating expenses, including maintenance budgets of those involved in the response.</li> <li>✗ Emergency service costs related to routine incident management functions, as opposed to incremental costs of responding to broader disaster consequences.</li> <li>✗ Tree replacement or tree canopy restoration.</li> <li>✗ Costs of restoring or replacing items that were insured or insurable. Under the program, "insurable" means that insurance coverage for a specific hazard for the municipality or conservation authority was available in the area at reasonable cost.</li> <li>✗ Loss of income, wages, profits and/or revenue, loss of opportunity or inconvenience.</li> <li>✗ Costs incurred by local electricity distribution companies.</li> </ul> |

Due to the long winter, late spring thaw and a shortage of skilled labour in some areas the Ministry will consider costs that incurred after June 22, 2014 on a case-by-case basis. Applicants will need to demonstrate that the recovery work could not be completed within the six-month time frame and that work is demonstrably linked to the December 2013 storm.

3. Release of Program Guidelines and Claim Forms (Summer 2014)  
Detailed program guidelines and claim forms will be distributed in summer 2014.
4. Deadline for Claim Submissions (October 31, 2014)  
Full claims must be supported by detailed documentation such as copies of damage reports, invoices, time sheets demonstrating paid overtime, proof of payment and proof of completed work.

All claims must be verified and signed by the individual with the appropriate delegation of authority.

#### FINANCIAL CONSIDERATIONS AND TEMPLATE:

The total estimated cost of \$9,802,935 will be included in the expression of interest application submitted to the Ontario Ice Storm Assistance Program. This is an estimated cost that will be refined for the final claim submission on October 31, 2014 based on actual costs.

Breakdown of the costs as required by the Province are outlined below:

| <b>RESPONSE COSTS</b> |                                   |                              |
|-----------------------|-----------------------------------|------------------------------|
|                       | <b>Category of Costs</b>          | <b>Estimated Amount (\$)</b> |
| 1                     | Goods and Services                | \$ 6,539,197.00              |
| 2                     | Employee Costs                    | \$ 717,419.00                |
| 3                     | Claimant-Owned Equipment          | \$ 44,819.00                 |
| 4                     | Other                             | \$ 1,500.00                  |
|                       | <i>Subtotal of Response Costs</i> | <i>\$ 7,302,935.00</i>       |
| <b>RECOVERY COSTS</b> |                                   |                              |
|                       | <b>Category of Costs</b>          | <b>Estimated Amount (\$)</b> |
| 1                     | Goods and Services                | \$ 2,500,000.00              |
| 2                     | Employee Costs                    |                              |
| 3                     | Claimant-Owned Equipment          |                              |
| 4                     | Other                             |                              |
|                       | <i>Subtotal of Recovery Costs</i> | <i>\$ 2,500,000.00</i>       |
|                       | <b>TOTAL ESTIMATED COSTS</b>      | <b>\$ 9,802,935.00</b>       |

On April 28<sup>th</sup>, 2014, Director of Operations made a presentation to General Committee providing a status update on the ice storm response and recovery plan. The presentation outlined the estimated Operations cleanup costs to be in the range of \$7.5M - \$8M which included response cleanup costs for tree debris for roads, parks, facilities, cemeteries and watercourses, and recovery costs for tree replanting.

Additional costs of \$1.1M for contract crews and salt were incurred to address the residual ice build-up resulting from the ice storm that could not be addressed immediately after the storm due to downed trees and hydro wires. A further \$0.7M has since been expended for labour, fleet and other miscellaneous expenses including warming centres.

**HUMAN RESOURCES CONSIDERATIONS**


Not applicable

**ALIGNMENT WITH STRATEGIC PRIORITIES:**

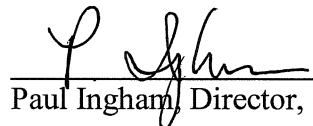
Not applicable

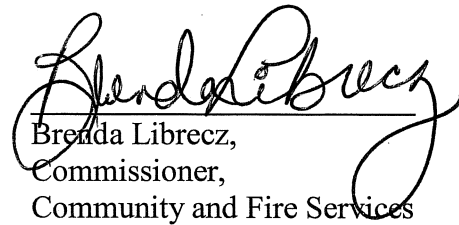
**BUSINESS UNITS CONSULTED AND AFFECTED:**

**RECOMMENDED BY:**

  
Joel Lustig, Treasurer

  
Trinela Cane, Commissioner,  
Corporate Services

  
Paul Ingham, Director, Operations

  
Brenda Librecz,  
Commissioner,  
Community and Fire Services

**ATTACHMENTS:**

ATTACHMENT A - Ice Storm Presentation, January 8, 2014

ATTACHMENT B - Ice Storm Response and Recovery Plan Update Presentation,  
April 28, 2014

ATTACHMENT C – Resolution of Markham City Council – January 14, 2014

ATTACHMENT D – Request a Disaster Declaration for the Public Assistance of Ontario  
Disaster Relief Assistance Program, January 14, 2014

ATTACHMENT E – Ontario Ice Storm Assistance Program