



Report to: General Committee

Date Report: May 26, 2014

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**SUBJECT:** Stormwater Fee Implementation & Communication Plans

**PREPARED BY:** Robert Muir, ext. 2894

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**RECOMMENDATION:**

- 1) **THAT** the report “Stormwater Fee Implementation & Communication Plans” be received;
- 2) **AND THAT** staff be authorized and directed to do all things necessary to give effect to this resolution.

**PURPOSE:**

The purpose of this report is to present the implementation and communication plans for the City-wide stormwater fee.

**BACKGROUND:**

The City’s water management strategies and funding requirements have been explored through a series of workshops and a Special General Committee meeting held on November 8, 2012. Meetings have focused on funding of various components of the City’s Stormwater Management Strategy and have highlighted the need for a flood control strategy supported by a sustainable source of funding. Such funding is required to support the implementation of approved flood remediation projects.

On November 26, 2013, Council approved the structure of the stormwater fee and associated rates in order to meet the annual fee revenue target for the first five year cycle of the Program. Also, staff was directed to report back on an implementation plan and communication strategy for implementation of the City-wide fee.

**OPTIONS/ DISCUSSION:**

Implementation Plan

The plan to implement the Stormwater Fee is illustrated below:

- Planning
  - Internal Billing Procedures
  - External Requirements (PowerStream billing software)
- Set-up
  - Fee Bylaw (Q4 2014)
  - PowerStream Contract (Q4 2014)
  - System Programming / Testing ( Q1 2015)
- Billing
  - Customer Service Training (Q1 2015)
  - Stormwater Fee on water bill (Q2 2015)

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### Roles & Responsibilities

The implementation plan will involve staff from several departments responsible for the various technical, financial and communications aspects of the plan. These departments include:

- 1) Financial Services staff responsible for managing revenue collection, financial planning and reporting, account management, fee calculations, and contract negotiation and liaison with PowerStream on an on-going basis,
- 2) Corporate Communications and Community Engagement staff responsible for development and implementation of the communications plan,
- 3) Environmental Services staff for support in the integration of billing systems with water and wastewater billing and updating classification of accounts,
- 4) Legal Services staff responsible for drafting the stormwater fee bylaw,
- 5) Asset Management staff for support on technical aspects of the fee structure related to stormwater management, updating of flood control strategy costs, and reporting on capital project implementation.

Staff from Finance and Asset Management are continuing to meet with PowerStream to define the scope of work for the billing. Legal Services and Finance staff will develop a Fee Bylaw by Q4 2014 to define fees and billing details. Staff will negotiate a contract with PowerStream for account management, billing, revenue collection and customer support for stormwater fee billing. Based on the completion of the PowerStream's new Customer Information System (CIS) in late 2014, stormwater fee billing could be implemented by Q2, 2015.

### Communication Plan (See Attachment "A" - Presentation)

Corporate Communications and Community Engagement staff have developed a Communications Plan, which supports the strategic and business objectives, and provides the overall approach for the organizational communication of the Stormwater Fee implementation. This plan serves as a guiding map for all communication to target audiences regarding the planning, development and implementation of the project. It outlines strategic and business objectives, key messages, key stakeholders, communication objectives and tactics, schedule and responsibility assignments.

Public education will be carried out using numerous tactics to target various stakeholders including public information meetings. A "graphic identifier" has been developed which will be used throughout the communication roll-out. The key products developed to support the implementation are: pamphlets, message section on PowerStream bills and construction job site signage.

The key timelines of communication will align with the overall implementation plan with the key message noted below:

Timeline	Key Message	Tactics
Q3 2014	Message: "Stormwater Fee	• Portal

	Established"	<ul style="list-style-type: none"> <li>• Tax Bill Inserts</li> </ul>
Q1 2015	Message: "First Stormwater Fee on your upcoming bill"	<ul style="list-style-type: none"> <li>• Portal</li> <li>• PowerStream Bill Message Area</li> <li>• Radio &amp; Newspaper Ads</li> </ul>
Q2 – Q3 2015	Message: "Here is the first bill"	<ul style="list-style-type: none"> <li>• Portal</li> <li>• PowerStream Bill inserts</li> <li>• Radio &amp; Newspaper Ads</li> <li>• MBOT Voice Magazine</li> <li>• Rate Payers Association/ BIA/Events</li> <li>• Markham Life Magazine</li> <li>• Customer Contact Centre</li> </ul>

### Stormwater Fees Details

Section 11 of the *Municipal Act, 2001* (the "Act") gives the City authority over drainage and flood control matters, which includes stormwater management. Section 391 of the Act authorizes the City to pass bylaws imposing fees or charges on persons. Legal Services and Finance will develop a Stormwater Fee Bylaw by Q4 2014 providing details of billing rates and methods. The proposed Bylaw will allow the implementation of the City's Flood Control Program and the levy of a fee to support the Program for purposes of the safety and well-being of persons, and the City's economic and environmental well-being. Communication material will advise that the stormwater fee will fund capital projects of the Program and the billing system. The current fees do not contemplate additional resources and may be refined in the Bylaw or Bylaw updates.

Canada Gas Tax funding in the amount of \$2,000,000 per year for the Program has been previously approved through 2018 and will be supplemented by funds collected through the Stormwater Fee. The public will be advised that the proposed Stormwater Fee will be billed on the same invoice as water bills, except where consolidated billing to property owners on a separate invoice is required. Billing is expected to commence in 2015. The first year billing will be retroactive to January 1<sup>st</sup> to ensure adequate funding for initial phases of the flood control program.

Annual billing rates used to set the Stormwater Fee for individual properties are as follows and will identified in communication material:

- Residential - \$36 / unit
- Non-residential - \$21 / \$100,000 current value assessment

For the purpose of calculating a Stormwater Fee for the individual properties, the public will be advised that Finance staff will utilize the same classification of properties that is used for property tax purposes.

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Residential Property: refers to all real property classified as residential, which includes but is not limited to the following examples:

- Single Family Detached
- Townhome
- Residential Condominium
- Semi Detached
- Any other single family residence, duplex or triplex not used for commercial purposes.

Non-Residential Property: refers to all real property not classified as residential and includes property in the commercial, industrial and institutional sectors, which includes but is not limited to the following examples:

- Office Building
- Retail Mall
- Car Dealership
- Restaurant

Rates will be fixed for the first 5-year cycle (2015 to 2019) and shall be updated in 2020 based on a review of refined Program costs and collected fees. Individual fees for non-residential properties will be revised on an annual or more frequent basis considering updated current value assessments.

#### **FINANCIAL CONSIDERATIONS:**

The Flood Control Program is funded for the next four years (2015 – 2018) utilizing \$2,000,000 of Canada Gas Tax funding and Stormwater Fees. Canada Gas Tax funding beyond 2018 will be addressed at a future date.

#### **HUMAN RESOURCES CONSIDERATIONS**

Not Applicable.

#### **ALIGNMENT WITH STRATEGIC PRIORITIES:**

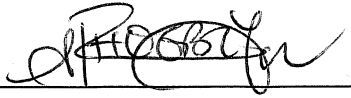
This report is consistent with the Building Markham's Future Together strategic priority on the "Growth Management" and "Environment" as it considers sustainability on the built environment.

#### **BUSINESS UNITS CONSULTED AND AFFECTED:**

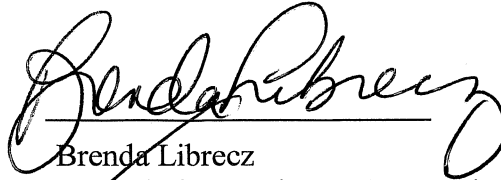
Finance, Corporate Communications and Community Engagement departments have reviewed this report and their comments have been incorporated.

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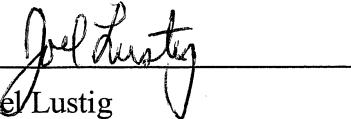
**RECOMMENDED BY:**



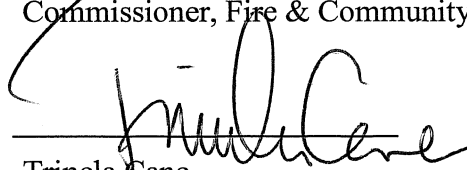
Phoebe Fu  
Director, Asset Management



Brenda Librecz  
Commissioner, Fire & Community Services



Joel Lustig  
Treasurer



Trinela Cane  
Commissioner, Corporate Services

**Attachments:**

Attachment "A" – Stormwater Fee Implementation and Communication Plans - Presentation