
HALDIMAND COUNTY

Report CAO-01-2020 Storm Event Update

For Consideration by Council in Committee on January 14, 2020



OBJECTIVE:

To provide an update on the October 31, 2019 storm event relative to Provincial Financial Assistance pursuant to the Municipal Disaster Recovery Assistance Program (MDRA).

RECOMMENDATIONS:

1. THAT Report CAO-01-2020 Storm Event Update be received;
2. AND THAT the following resolution be sent to the Minister of Municipal Affairs and Housing:

WHEREAS Haldimand County recently experienced a significant flooding event on October 31, 2019 and has experienced incremental operating and capital costs, the Council of Haldimand County hereby requests the Minister of Municipal Affairs and Housing to activate the Municipal Disaster Recovery Assistance program;

AND FURTHER THAT the Treasurer is given delegated authority to submit, verify and attest to the accuracy of the claim when submitted.

Approved: Craig Manley, MCIP, RPP, Chief Administrative Officer

EXECUTIVE SUMMARY:

The County experienced a significant sudden, unexpected and extraordinary flooding event along the Lake Erie lakeshore on October 31, 2019 that impacted both private property and municipal infrastructure. On November 4, 2019 the County requested the Province activate the Disaster Recovery Assistance for Ontarians (DRAO) program to assist private property owners with the costs of cleaning, repairing or replacing essential private property. At this point the Province has had its adjusters view the damage, however, there has been no information provided about whether the program will be activated for residents.

Council is now being requested to ask the Province to activate the Municipal Disaster Recovery Assistance (MDRA) program as the eligible costs to repair damaged public infrastructure will reach the financial threshold of three percent (3%) of the municipality's own purpose taxation levy (\$2,016,232). The cut-off date to request the activation of the MDRA program is February 28, 2020.

BACKGROUND:

The County experienced a significant sudden, unexpected and extraordinary storm event along the Lake Erie lakeshore on October 31, 2019. The combination of high lake water levels and high winds resulted in 35 sites that incurred damage to County infrastructure. Staff investigated the work required to address the damage to bring the infrastructure back to its pre-storm condition. The repair work involves varying degrees of road repair, bank stabilization, repair of retaining and block walls,

installation of armor stone/rip rap stone/gabion baskets, culvert repair/replacement and may include guide rail systems.

In addition to these needed repairs, three bridges (Gates Bridge, Wardell Bridge and Hickory Creek Bridge) had undermining of the approaches and abutment foundations that required repairs, as well as a one kilometre stretch of Lakeshore Road, from 1499 Lakeshore to Reicheld Road, was damaged. The asphalt was stripped off and the road base was damaged. This resulted in the need to undertake emergency reconstruction of this stretch of road as it provided the only means of access to permanent residences in the vicinity. Given the time of year the County was only able to restore the 1 kilometre stretch of Lakeshore Road to a granular condition rather than its previous asphalt condition. In the Spring 2020 the County will complete unbudgeted asphalt work to bring this road back to its pre-storm condition.

ANALYSIS:

In the intervening timeframe the County has been tracking its costs through a separate ledger to capture incremental capital and operating costs required to address the response to the storm event. Staff have also been in contact with the appropriate Provincial Staff to discuss the eligibility of the County's expenditures under the MDRA program and based on this discussion Staff are recommending that Council request the Province to activate the program.

To date the County has expended unbudgeted funds in the amount of approximately \$1,200,000 to recover from the disaster. This amount includes costs such as Lakeshore Road granular repairs, incremental costs for clean-up, consulting costs for bridge inspections (engineering appraisals) and staff overtime costs. Additional costs of approximately \$3,663,000 is required to address the damage to the 35 sites for County infrastructure assets. The on-going repair work associated with the event involves varying degrees of road repair including bank stabilization, repair of retaining and block walls, installation of armor stone/rip rap stone/gabion baskets, culvert repair/replacement and may include guide rail systems. It should be noted, that these future cost estimates only reflect the Ministry requirement to return the County's infrastructure to pre-storm condition and do not include any enhancements.

Cumulatively, the costs to respond to the event and bring municipal infrastructure back to its previous condition are estimated at \$4,863,000 which exceeds the program threshold of 3% of the municipality's own purpose taxation levy.

FINANCIAL/LEGAL IMPLICATIONS:

In keeping with the principle of shared responsibility for disaster management, the Municipal Disaster Recovery Assistance program is based on a sliding scale cost-sharing formula. The formula is applied when eligible costs are at least equal to three per cent (3%) of the municipality's own purpose taxation levy or \$2,016,232. For the purpose of this program, the \$2,016,232 is based on the information included on the 2018 Financial Information Return submitted by the municipality.

If the eligible municipal costs reach the 3% threshold and the program is activated, the province will reimburse the municipality 75% for expenses up to the first 3% of the municipality's own purpose taxation levy. The municipality would be responsible for the remaining 25% of these expenses. For eligible expenses incurred beyond 3% of a municipality's own purpose taxation levy, the province will reimburse the municipality at 95% and the municipality would be responsible for the remaining 5%.

Cost Sharing Summary:

Cost Sharing Formula Applied (if eligible costs meet 3% threshold)	Provincial Contribution	Municipal Contribution
Eligible costs up to 3% of Taxation levy	75%	25%
Eligible costs exceeding 3% of Taxation levy	95%	5%

The following illustrates the program's cost sharing based on the preliminary cost estimates:

Provincial and Municipal Cost-sharing Scenario			
Eligible Municipal Costs	Estimated Storm Damage	Maximum Provincial Funding	Municipal Funding
Eligible costs up to 3% of Taxation levy	\$2,016,232	\$1,512,174 (75%)	\$504,058 (25%)
Eligible costs exceeding 3%	\$2,846,768	\$2,704,430 (95%)	\$142,338 (5%)
Total	\$4,863,000	\$4,216,604 (87%)	\$646,396 (13%)

The 2019 tax supported operating budget did not include a budget for these unforeseen expenditures. If Haldimand County is successful in obtaining funding from the Province, a further report will be required for approval to enter into a Transfer Payment Agreement. Staff will also provide a recommended funding source for the remaining Haldimand County share, currently estimated at approximately \$646,000. If unsuccessful, a further report will be presented to Council on the status, and a recommended funding source for the total estimated storm damage costs not covered by the Provincial program. The use of Haldimand County funding sources to this extent (i.e. reserves) would impact the County's existing long range funding plan.

STAKEHOLDER IMPACTS:

Not applicable.

REPORT IMPACTS:

Agreement: No

By-law: No

Budget Amendment: Yes

Policy: No

ATTACHMENTS:

1. October 31, 2019 Storm Damage Map A – West
2. October 31, 2019 Storm Damage Map B – East