**Agenda – Council – January 30, 2020**

**Report – Standing Policy Committee on Finance – January 10, 2020**

**Item No. 1 Operational and Financial Impacts of the October 2019 Weather Event**

STANDING COMMITTEE RECOMMENDATION:

On January 21, 2020, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Finance and submitted the following to Council:

1. That this report be received as information.

**Report – Standing Policy Committee on Finance – January 10, 2020**

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On January 21, 2020, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Finance and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On January 10, 2020, the Standing Policy Committee on Finance concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

# ADMINISTRATIVE REPORT

**Title:** Operational and Financial Impacts of the October 2019 Weather Event

**Critical Path:** Standing Policy Committee on Finance – Executive Policy Committee - Council

## AUTHORIZATION

| Author | Department Head | CFO | CAO |
|---|---|---|---|
| T. Yanchishyn / L. Gilmour | P. Olafson/R. Drohomereski, acting for J. Lane | P. Olafson, Interim CFO | M. Ruta, Interim CAO |

## EXECUTIVE SUMMARY

An unprecedented storm hit Winnipeg from October 9-13, 2019. The City received significant precipitation throughout the duration of the system, including rain, freezing rain, ice pellets and snow that accumulated up to 35cm in some parts. The Winnipeg Airport recorded wind gusts of 80 km/h. Heavy, wet snow landed on trees that still had leaves, resulting in downed branches and trees, and downed and damaged power lines throughout the City. This resulted in major impacts to Manitoba Hydro service within the City, and over 50,000 residents lost power at some point throughout the event. Estimates indicate up to 10 percent of the tree canopy sustained damage. A local state of emergency was declared on October 13, 2019 in response to the event and to facilitate the response and clean-up activities.

Financial and operational impacts were experienced by many departments, with the Public Works Department being impacted the most as it managed the majority of the tree debris removal and cleanup efforts.

In total, this storm is anticipated to have an incremental cost impact to the City of Winnipeg in the estimated amount of $7.6 million ($10 million when including non-incremental costs). Details of the costs incurred and anticipated to be incurred are detailed in Appendix 1.

On October 28, 2019, The City of Winnipeg submitted its application for Disaster Financial Assistance (DFA) to the Province of Manitoba. To date, no DFA program has been announced by the Province. There is no deadline by when a program must be announced.

## RECOMMENDATIONS

1. That this report be received as information.

## REASON FOR THE REPORT

On October 24, 2019 Council directed that the Chief Administrative Officer report back to Council, through the Standing Policy Committee on Finance by January 2020 on the operational and financial impacts, including detailed accounting of all expenses related to cleanup and recovery, to the City of Winnipeg from this extreme weather event, including any requests to continue the measures contained in the above-noted resolutions.

## IMPLICATIONS OF THE RECOMMENDATIONS

There are no implications associated with receiving this report as information.

## HISTORY/DISCUSSION

An unprecedented storm hit Winnipeg from October 9-13, 2019. The City received significant precipitation throughout the duration of the system, including rain, freezing rain, ice pellets and snow that accumulated up to 35cm in some parts. The Winnipeg Airport recorded wind gusts of 80 km/h. Heavy, wet snow landed on trees that still had leaves, resulting in downed branches and trees, and downed and damaged power lines throughout the City. This resulted in major impacts to Manitoba Hydro service within the City, and over 50,000 residents lost power at some point throughout the event. Estimates indicate up to 10 percent of the tree canopy sustained damage. A local state of emergency was declared on October 13, 2019 in response to the event and to facilitate the response and clean-up activities.

### Operational Impacts of Storm Response

The Emergency Operations Centre (EOC) opened at a Level 1 on October 10 and moved to a Level 2 activation from October 11 – October 18, including full operations over the Thanksgiving long weekend. Representation included more than 1,000 hours of EOC time, served by members of the following departments and organizations: Winnipeg Fire Paramedic Service, Winnipeg Police Service, Public Works, Winnipeg Transit, Community Services, Water and Waste, Corporate Communications, Legal Services, Corporate Finance, Shared Health, and others. In total, over 800 City staff put in more than 60,000 hours, including large amounts of overtime, to address this event.

Immediately following the storm, priority was assigned to broken trees and branches that presented a risk to life and/or safety of citizens either because the branches blocked critical roadways and access for first responders, or due to the risk of falling branches. At least three citizens were injured, some critically, to the point where paramedic services were required. A number of parks were closed as a result of tree damage and the safety concerns presented, resulting in a number of cancelled event bookings.

Additional wood waste disposal sites were made available and daily visit numbers quadrupled in the week following the storm. Due to the presence of Dutch Elm disease and Emerald Ash Borer in the City, all wood waste must be appropriately disposed of through chipping prior to the spring.

All fallen trees and branches on the boulevards had to be removed prior to the first major snowfall to allow street clearing to safely occur. To address the compressed time for clean-up, Winnipeg brought in resources from out-of-province municipalities to provide assistance. Crews from Regina, Saskatoon, Calgary and Toronto and their equipment were seconded for periods lasting from one week to three weeks. A number of local contractors were procured for debris management.

311 received more than 5,500 calls from citizens relating to tree damage and debris, and the Winnipeg Fire Paramedic Service received 2,600 storm-related 911 calls during the event (double the regular volume).

One slope failure occurred at the Pembina Highway Overpass of Bishop Grandin Boulevard. This repair will occur in 2020.

Public Works

As a result of the storm, it is anticipated that $8.7M (both incremental and non-incremental) will be incurred by the Public Works Department including costs mainly related to:

- Tree-pruning and debris clean-up costs expected to total $6.9M
- Snow removal and ice control costs totaling $1.4M
- Pembina Highway Overpass (Bishop Grandin) embankment slope failure expected to total $0.4M

Tree pruning, removal, and debris clean-up included approximately 450 employees from the Public Works Department utilizing 278 pieces of machinery during clean-up, and 9 local contractors estimated at $2.5M. On October 24, 2019 Council authorized a secondment of other municipalities' employees under the Materials Management Policy. In total, Winnipeg hosted 59 employees, and 49 pieces of machinery from Toronto, Saskatoon, Regina and Calgary. Invoicing for these services has not yet been fully received, but is estimated at a cost of $0.9M. These additional resources enabled a quick and incredibly successful cleanup operation. While the vast majority of cleanup was completed by the end of November, some minor tree work still continues.

Water & Waste

The Water & Waste Department ensured rigorous flood level monitoring and response to power outages at lift stations, flood stations and treatment plants. The 4R Depots hours of operation were extended and the Summit Road landfill opened to the public 7 days per week to provide additional opportunity for tree debris recycling. A 9.5-acre gravel pad was developed at Summit Road landfill to act as the storage area for all storm-related tree debris. The compost pad at Brady Road Resource Management Facility underwent extensive repairs due to increased traffic.

Community Services

All City-managed recreation and library facilities were closed early on Friday, October 11th and remained closed Saturday, October 12th requiring cancellation of all programing, arena ice rentals and facility rentals, and staff scheduling. Community Services supervisory staff contacted all affected staff and initiated facility shutdown procedures. A team of Community Services staff contacted, by phone, all program registrants, ice rental and facility rental contacts to notify them of the facility closures; revised, extended affected program schedules to accommodate for lost program timeslots and rescheduled where practical ice rental and facility rentals and/or credit or refund affected registrants where required.

In addition to the operational impacts, on Friday, October 11th the Department also began implementation of emergency social services measures under its mandate as outlined in the City of Winnipeg Emergency Plan. This included the managing of communication across and between divisions and the Emergency Operations Centre, the identification of potential emergency reception centre sites and the implementation of early-stage measures to activate the Sgt. Tommy Prince recreation facility as a reception centre. Teams were also engaged to conduct citizen wellness checks in designated areas.

Winnipeg Fire Paramedic Service

Winnipeg Fire Paramedic Service experienced a significant increase in call volume, receiving double the regular volume at the height of the storm including structures fires and some serious injuries. The increase resulted from dangerous downed power lines and road accidents from hazardous driving conditions. Over one thousand calls for service regarding downed lines occurred during the duration of the storm. Additional staff were required to address the increase in response requirements.

The Emergency Operations Centre, managed by the Office of Emergency Management, was activated from October 10 – October 25 to coordinate the City of Winnipeg Storm Response resulting in increased operational and staffing costs

Planning, Property & Development

Significant damage to electrical services occurred throughout the city. PP&D inspection teams were mobilized over the Thanksgiving weekend to respond to emergency calls for inspection to residences without power. Fees were waived or refunded for electrical permit fees and emergency call out fees for those affected by the storm. Previously scheduled inspections had to be rescheduled to allow for emergency response.

Golf courses were forced to close two weeks earlier than normal which had an impact on total rounds played. An extensive cleanup is required prior to re-opening the courses in the spring of 2020.

Winnipeg Police Service

The Winnipeg Police Service responded to a number of traffic light outages and reports of live electrical wires where resources were deployed for traffic control and public safety.

Winnipeg Transit

Winnipeg Transit's ability to deliver service to the citizens of Winnipeg was strained on Friday October 11th with the following impacts:

- A total of 112 buses that were either stuck in the snow, or blocked by stuck vehicles. At the peak, (approximately 18:00), we had 22 buses stuck at once.
- Plant and Equipment had all tow trucks (3) on the road for the entire day assisting with stuck vehicles. (Normally they are only called out as needed).
- Numerous service reroutes occurred as a result of fallen trees and heavy snow. Two of the larger areas in which service was at least partially suspended included Wildwood and Waverly West.
- The service experienced delays though-out the entire day. At the peak (approximately 18:00), 65% of our service was running over 20 minutes late, with 20% running over 60 minutes late.
- Transit Plus experienced 5 vehicles that were stuck, service delays ranging from 0-60 minutes on 22% of its service and numerous service cancellations.

Fleet Management Agency

Fleet Management Agency provided support services during regular business hours and also after hours to the departments involved throughout the storm clean-up operation. Repair and maintenance support was provided to all internal department fleet vehicles and equipment via either Fleet's internal repair facilities or through the use of external service providers. Additionally, stand by support was also available to the out of province entities that requested this service. Fleet Management Agency also obtained and provided specialty external rentals for added support in the clean-up operation. Fleet Management Agency also provided fuel support for internal and out of province entities through the use of our City-owned fuel site. The Agency ensured that the fuel site tanks were topped up at all times including all backup generators, which were in use during events of power outages.

## Financial Impacts of Storm Response

All departments involved in the storm response have submitted costs incurred both to November 30, 2019, anticipated to the end of 2019, as well as any anticipated costs in 2020. The details of these costs by department are presented in Appendix 1.

In total, the October 2019 storm is expected to cost the City of Winnipeg $7.6 million of incremental costs, or $10 million when non-incremental costs are included.

In some cases, the storm clean-up costs have contributed to a department exceeding their approved expenditure budget. On October 24, 2019 Council authorized departments to over-expend budgeted amounts as necessary for clean-up efforts on public spaces and to seek retroactive approval from Council for any over-expenditure. Departments that were anticipating over-expenditures have brought forward requests for approval to the Standing Policy Committee on Finance – Council has authorized a transfer from the Financial Stabilization Reserve Fund in the event the General Revenue Fund reports a deficit at the end of 2019.

Provincial Disaster Financial Assistance

Council approved that the City of Winnipeg apply to the Province of Manitoba for disaster financial assistance in accordance with the Emergency Measures Act, and the Disaster Financial Assistance Policies and Guidelines (Public Sector) Regulations.

On October 28, 2019, The City of Winnipeg submitted its application for Disaster Financial Assistance to the Province of Manitoba. To date, no DFA program has been announced by the Province. There is no deadline by when a program must be announced.

Not all costs incurred related to the storm will be eligible for DFA assistance. All expenditures are subject to audit including a justification for each expenditure. The cost-sharing formula that applies to the Disaster Financial Assistance program is as follows:

| Expenditures Per Capita of the Municipal Population | Provincial Share | Municipal Share |
|---|---|---|
| $0 to $1 (first $0.75M) | 0% | 100% |
| $1 to $3 (next $1.5M) | 50% | 50% |
| $3 to $5 (next $1.5M) | 75% | 25% |
| Over $5 (over $3.75M) | 100% | 0% |

**FINANCIAL IMPACT**

# Financial Impact Statement

**Date:** December 20, 2019

## Project Name:
## Operational and Financial Impacts of the October 2019 Weather Event

**COMMENTS:**

There is no financial impact associated with receiving this report as information. The financial implications of the storm event have been detailed in this report, and departments have brought forward any requests for over-expenditure approvals as needed.

*original signed by*

Tanis Yanchishyn, CPA, CA
Manager of Finance (Campus)
Corporate Finance Department

## CONSULTATION

This Report has been prepared in consultation with:

Office of Emergency Management

## OURWINNIPEG POLICY ALIGNMENT

01-2 Safety and Security - Ensure that emergency preparedness, response and recovery support and services are available.

## WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Corporate Leadership – Understand and integrate business and economic implications of climate action into decision making processes.

## SUBMITTED BY

Department: Corporate Finance / Winnipeg Fire Paramedic Service
Division: Campus Finance / Office of Emergency Management
Prepared by: T. Yanchishyn and L. Gilmour
Date: December 20, 2019

**APPENDIX 1**

**City of Winnipeg**
**2019 Fall Storm Event**
**Summary of Expenses**

| Department | Actuals to November 30, 2019 | | | Forecast for Decembr 31, 2019 | | | Forecast for 2020 | | | Total Event Costs | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Incremental | Non-incremental | Total | Incremental | Non-incremental | Total | Incremental | Non-incremental | Total | Incremental | Non-incremental | Total |
| **Tax Supported** | | | | | | | | | | | | |
| CAO Office | $ 995 | $ 355 | $ 1,350 | $ - | $ - | $ - | $ - | $ - | $ - | $ 995 | $ 355 | $ 1,350 |
| Community Services | 10,186 | 8,069 | 18,256 | 5,342 | | 5,342 | | | - | 15,529 | 8,069 | 23,598 |
| Corporate Finance | 3,980 | 1,943 | 5,923 | 8,020 | | 8,020 | | | - | 12,000 | 1,943 | 13,943 |
| Customer Service and Communications | 32,497 | 7,987 | 40,484 | 594 | | 594 | | | - | 33,091 | 7,987 | 41,078 |
| Fire Paramedic Service | 10,922 | 16,620 | 27,542 | | | - | | | - | 10,922 | 16,620 | 27,542 |
| Human Resources | 140 | - | 140 | | | - | | | - | 140 | - | 140 |
| Innovation, Transformation and Technology | - | 3,328 | 3,328 | | | - | | | - | - | 3,328 | 3,328 |
| Legal Services | 4,221 | 4,063 | 8,284 | | | - | | | - | 4,221 | 4,063 | 8,284 |
| Police Service | 15,672 | - | 15,672 | | | - | | | - | 15,672 | - | 15,672 |
| Property, Planning and Development | 169,109 | 10,209 | 179,319 | 32,000 | | 32,000 | | | - | 201,109 | 10,209 | 211,319 |
| Public Works | 3,742,540 | 1,285,966 | 5,028,506 | 2,398,320 | 958,423 | 3,356,742 | 398,000 | | 398,000 | 6,538,860 | 2,244,389 | 8,783,249 |
| Water and Waste - Solid Waste Collection | 6,129 | | 6,129 | | | - | | | - | 6,129 | - | 6,129 |
| | | | | | | | | | | | | |
| **Subtotal Tax Supported** | **3,996,392** | **1,338,542** | **5,334,933** | **2,444,276** | **958,423** | **3,402,698** | **398,000** | **-** | **398,000** | **6,838,668** | **2,296,964** | **9,135,632** |
| **Utilities** | | | | | | | | | | | | |
| Municipal Accommodations | 2,414 | 7,976 | 10,390 | 5,422 | | 5,422 | | | - | 7,836 | 7,976 | 15,812 |
| Sewage Disposal System | 57,870 | 24,997 | 82,867 | 25,250 | | 25,250 | 10,000 | | 10,000 | 93,120 | 24,997 | 118,117 |
| Solid Waste Disposal System | 506,809 | 2,512 | 509,321 | 140,643 | | 140,643 | 25,000 | | 25,000 | 672,452 | 2,512 | 674,964 |
| Transit | 2,806 | 4,807 | 7,613 | | | - | | | - | 2,806 | 4,807 | 7,613 |
| Waterworks System | 9,092 | 701 | 9,794 | | | - | | | - | 9,092 | 701 | 9,794 |
| | | | | | | | | | | | | |
| **Subtotal Utilities** | **578,991** | **40,993** | **619,984** | **171,315** | **-** | **171,315** | **35,000** | **-** | **35,000** | **785,306** | **40,993** | **826,299** |
| **Special Operating Agencies** | | | | | | | | | | | | |
| Fleet Management Agency | - | - | - | 15,838 | | 15,838 | | | - | 15,838 | - | 15,838 |
| | | | | | | | | | | | | |
| **Subtotal Special Operating Agencies** | **-** | **-** | **-** | **15,838** | **-** | **15,838** | **-** | **-** | **-** | **15,838** | **-** | **15,838** |
| | | | | | | | | | | | | |
| **Total** | **$ 4,575,383** | **$ 1,379,535** | **$ 5,954,917** | **$ 2,631,429** | **$ 958,423** | **$ 3,589,851** | **$ 433,000** | **$ -** | **$ 433,000** | **$ 7,639,812** | **$ 2,337,957** | **$ 9,977,769** |

See Appendix 2 for a reconciliation of the incremental costs in the table above to the Financial Status Report and Forecast to November 30, 2019.

## Appendix 2

**Reconciliation of Appendix 1 to the November Forecast Report**

*(all numbers are incremental costs)*

| | | (from Appendix 1) |
|---|---|---|
| ***2019 Tax Supported Incremental*** | | |
| Actual to November 30, 2019 | $ | 3,996,392 |
| Forecast for December 2019 | $ | 2,444,276 |
| ***Total incremental 2019 - Tax Supported*** | **$** | **6,440,668** |
| ***2019 Utilities and Other - Incremental*** | | |
| Actual to November 30, 2019 - utility | $ | 578,991 |
| Forecast for December 2019 - utility | $ | 171,315 |
| Forecast for December 2019 - SOA | $ | 15,838 |
| | $ | 766,144 |
| ***Total 2019 Incremental*** | **$** | **7,206,812** |
| ***2020 Incremental*** | | |
| Forecast - tax supported | $ | 398,000 |
| Forecast - utility | $ | 35,000 |
| Total 2020 Incremental | $ | 433,000 |
| ***Total Incremental Storm Cost*** | **$** | **7,639,812** |