Minutes – Executive Policy Committee – July 13, 2022

Report – Standing Policy Committee on Protection, Community Services and Parks – July 12, 2022

Item No. 1 Successful Application to the Two Billion Trees (2BT) Program (Natural Resources Canada) Urban/Suburban Tree Planting Stream – "Home Grown" Winnipeg Tree Planting Program

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Protection, Community Services and Parks and submitted the following to Council:

1. That the receipt of a contribution from the Government of Canada (Natural Resources Canada) in the amount of up to $7,329,800 for the planting of 70,000 additional trees under the City's tree-planting ("Home Grown") program, and improved access to trees and resources in under-treed communities, be approved.

2. That the City enter into, execute and deliver a Cost-Sharing Agreement with the Government of Canada (Natural Resources Canada) and such other agreements as determined necessary by the City Solicitor / Director of Legal Services to implement the intent of the foregoing (the "Ancillary Agreements").

3. That authority be delegated to the Chief Financial Officer to negotiate and approve the terms and conditions of the Cost-Sharing Agreement and the Ancillary Agreements, in accordance with this report and such other terms and conditions deemed necessary by the City Solicitor / Director of Legal Services to protect the interests of the City.

4. That Council approve increases to the 2022 adopted budget and forecasts for the Urban Forest Renewal Program capital project (project # 1850000322) in the following amounts:

2022 Adopted Budget:	$139,800.00
2023 Forecast Budget:	$548,750.00
2024 Forecast Budget:	$2,048,750.00
2025 Forecast Budget:	$1,988,750.00
2026 Forecast Budget:	$2,603,750.00

conditional upon the successful negotiation and approval of the Cost-Sharing Agreement and the Ancillary Agreements.

5. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Report – Standing Policy Committee on Protection, Community Services and Parks – July 12, 2022

DECISION MAKING HISTORY:

Moved by Councillor Rollins,

That Rule 10(3) of The Procedure By-law No. 50/2007 be suspended in order that the following item, which was received less than four business days preceding the committee meeting, be considered by Committee.

Carried

Moved by Councillor Rollins,

That the recommendation of the Standing Policy Committee on Protection, Community Services and Parks be concurred in and forwarded to Council.

Yea:	Bowman, Allard, Browaty, Chambers, Gilroy, Mayes, Rollins	7
Nay:		0

Carried

STANDING COMMITTEE RECOMMENDATION:

On July 12, 2022, the Standing Policy Committee on Protection, Community Services and Parks concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

Title: Successful Application to the Two Billion Trees (2BT) Program (Natural Resources Canada) Urban/Suburban Tree Planting Stream – "Home Grown" Winnipeg Tree Planting Program

Critical Path: Standing Policy Committee on Protection, Community Services and Parks – Executive Policy Committee – Council

AUTHORIZATION

Author	Department Head	CFO	CAO
D. Domke	J. Berezowsky	J. Hall, Acting CFO	M. Jack

EXECUTIVE SUMMARY

On February 16, 2022, the City of Winnipeg Public Service applied to the Natural Resources Canada's Two Billion Trees Program ("2BT") Urban/Suburban Tree Planting Stream for a 5-year enhanced planting program tentatively branded *Home Grown*. On June 20, 2022, the Public Service received notification from Natural Resources Canada that the City's application is conditionally approved. Final approval is subject to the successful negotiation and execution of a written Cost-Sharing Agreement between the Government of Canada and the City of Winnipeg.

The total estimated cost of the *Home Grown* program is $17.2 million over five years, with the City contributing approximately $9.9 million within approved and forecasted budgets from 2022 to 2026. A maximum 50 percent of eligible expenditures is covered by federal contributions. This stream of the 2BT Program is designed to support planting in and around population centers with an objective of planting a minimum of 10,000 trees per year on average. Funding received from the 2BT Program would be twofold. First, it would allow the Public Service to increase capacity to plant approximately 70,000 additional trees on public property from 2022 to 2026. These additional plantings would include replacement trees and net-new trees along boulevards and active transportation pathways, in parks, and in native woodlands and riverbank forests. Second, it would fund a community-based program to increase equitable access to trees and hands-on support as a means of enabling community groups, businesses, and non-profit organizations to plant in their often under-treed communities.

Distribution of funds to community groups and other organizations would be determined on a grant application process. Applications would be accepted for review and approval by Council in keeping with appropriate deadlines that align with the tree planting season. Successful applicants would receive mentorship from staff to ensure project approval, completion, and long-term success.

Council approval is required to enter into the Cost-Sharing Agreement with the Government of Canada. This agreement would obligate the City to cover all up-front program expenses for reimbursement by the Federal government. Council approval is also required to increase the capital budget and forecasts for the Urban Forest Renewal program for 2022 through 2026 in

order to budget for the incremental expenditures/Federal funding of $7.3 million that is anticipated to be received under this program.

If the 2BT Cost-Sharing Agreement were to be rescinded by Natural Resources Canada at any time throughout the project and no alternate funding is identified, planting capacity would align with the currently approved capital budget and no community-based program would occur.

RECOMMENDATIONS

1. That the receipt of a contribution from the Government of Canada (Natural Resources Canada) in the amount of up to $7,329,800 for the planting of 70,000 additional trees under the City's tree-planting ("*Home Grown*") program, and improved access to trees and resources in under-treed communities, be approved.

2. That the City enter into, execute and deliver a Cost-Sharing Agreement with the Government of Canada (Natural Resources Canada) and such other agreements as determined necessary by the City Solicitor / Director of Legal Services to implement the intent of the foregoing (the "Ancillary Agreements").

3. That authority be delegated to the Chief Financial Officer to negotiate and approve the terms and conditions of the Cost-Sharing Agreement and the Ancillary Agreements**,** in accordance with this report and such other terms and conditions deemed necessary by the City Solicitor / Director of Legal Services to protect the interests of the City.

4. That Council approve increases to the 2022 adopted budget and forecasts for the Urban Forest Renewal Program capital project (project # 1850000322) in the following amounts:

2022 Adopted Budget:	$139,800.00
2023 Forecast Budget:	$548,750.00
2024 Forecast Budget:	$2,048,750.00
2025:Forecast Budget:	$1,988,750.00
2026 Forecast Budget:	$2,603,750.00

   conditional upon the successful negotiation and approval of the Cost-Sharing Agreement and the Ancillary Agreements.

5. That the proper officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

On February 16, 2022, the City of Winnipeg Public Service applied to the Natural Resources Canada's Two Billion Trees Program (2BT) Urban/Suburban Tree Planting Stream for a 5-year enhanced planting program tentatively branded *Home Grown*. On June 20, 2022, the Public Service received notification from Natural Resources Canada that the City's application is conditionally approved. Final approval is subject to the successful negotiation and execution of a written contribution agreement between the Government of Canada and the City of Winnipeg.

Council approval is required to enter into the Cost-Sharing Agreement with the Government of Canada. This agreement would obligate the City to cover all up-front program expenses for reimbursement by the federal government.

Council approval is also required to increase the capital budget and forecasts for the Urban Forest Renewal program for 2022 through 2026 in order to budget for the incremental expenditures/Federal funding of $7,329,800 that is anticipated to be received under this program.

IMPLICATIONS OF THE RECOMMENDATIONS

The City's contribution to this program is within approved and forecasted budgets.

The City would be required to incur project costs in advance of reimbursement by the federal government which requires Council approval. Total federal contribution to the proposed 5-year project is estimated to be $7,329,800. To budget for the incremental expenditures that are being funded by the Federal contribution, the Urban Forest Renewal Program capital project is to be increased by a total of $7,329,800 as follows:

2022 Adopted Budget:	$139,800.00
2023 Forecast Budget:	$548,750.00
2024 Forecast Budget:	$2,048,750.00
2025 Forecast Budget:	$1,988,750.00
2026 Forecast Budget:	$2,603,750.00

If the 2BT Cost-Sharing Agreement were to be rescinded by Natural Resources Canada at any time throughout the project and no alternate funding is identified, planting capacity would align with the currently approved capital budget and no community-based program would occur.

HISTORY/DISCUSSION

Natural Resources Canada's Two Billion Trees Program (2BT) is a financial assistance program available to municipalities, non-profit and for-profit organizations, and Indigenous organizations. The program is offered as part of the Government of Canada's commitment to planting two billion new trees over the next ten years as part of a broader approach to nature-based climate solutions, with the goal of achieving significant carbon sequestration in addition to other environmental and social benefits.

Dutch Elm Disease (DED) and other invasive pests have threatened Winnipeg's urban canopy for decades, and Winnipeg has suffered the loss of thousands of mature American elms on public property, natural areas, and private yards every year since the arrival of DED in 1975. The detection of Emerald Ash Borer and Cottony Ash Psyllid in 2017, and the destructive ice storm in 2019 galvanized the City of Winnipeg and the public's concerns regarding tree preservation and planting to recover the trees lost over decades of disease and damage and to ensure a diverse, resilient urban forest for future generations.

In 2019, City of Winnipeg Mayor Brian Bowman, issued the Million Tree Challenge as a call to action for Winnipeg residents, non-profit organizations, and private businesses to help plant one million trees by the time the city's population grows to one million people by 2040. With support

from the non-profit sector and corporate partners, the challenge increased public interest in planting trees on private and public property.

Funding received from the 2BT Program would be twofold. First, it would allow the Public Service to increase both internal and contractor capacity to plant approximately 70,000 additional trees on public property from 2022 to 2026. This increase would include replacement trees and net-new trees along boulevards and active transportation pathways, in parks, and in native woodlands and riverbank forests.

Second, it would fund a community-based program to increase equitable access to trees and hands-on support as a means of enabling community groups, businesses, and non-profit organizations to plant in their often under-treed communities. This is important as, despite renewed public enthusiasm and interest in tree planting, equitable access to trees, education, and planting services remains an obstacle for many Winnipeg residents and organizations who wish to participate in tree planting within their communities. This program is collectively called *Home Grown*.

Application information

Eligibility criteria

The 2BT application process specified a series of eligibility criteria, specifically that submitted activities be directly related to tree planting, managing trees and forests, and monitoring the health and growth of planted trees – and not where planting, management and monitoring is legally required following commercial activity or as a condition for impact assessment approval. As part of eligible tree planting projects, applicants could also include capacity-building activities to encourage and facilitate community and organizational involvement in planting and managing trees and forests.

The criteria required projects to:

- Contribute to incremental planting and associated management of trees and forests
- Contribute clear benefits in terms of net carbon sequestration and greenhouse gas (GHG) emission reductions in the period up to 2050, and seek to minimize GHG emissions in the early years (for example, by selecting planting sites where no or minimal vegetation removal is required)
- Seek to achieve human well-being and environmental co-benefits
- Contribute to planting that is ecologically suitable or otherwise appropriate for its location, given site conditions (this includes not planting on sites that naturally would be non-forest ecosystems, such as natural grasslands or wetlands)
- Result in permanent additions to forests, improve existing forests, or allow for permanent protection of forests.

It also indicated only costs directly related to implementing the proposed project would be eligible for funding. This included:

- Salaries and benefits, and employee recruitment and training
- Professional, technical, and capacity building services
- Community and landowner engagement
- Purchase or lease of land for nurseries to grow seedlings
- Translation, production, printing, publication and distribution, and media services
- Contractors, such as for tree planting and silviculture

- Materials and supplies, such as seeds and trees for planting
- Transportation
- Facilities
- Machinery and equipment
- Travel expenses including accommodation and venue expenses
- Honoraria and ceremonial costs where Indigenous recipients or Indigenous partners are involved
- Overhead expenditures, provided that they are directly related and essential to the conduct of the project, up to 15% of eligible expenditures

Cost Sharing

Applicants were also required to provide cost-sharing information, as the maximum Natural Resources Canada contribution for eligible project costs is 50 percent of eligible expenditures. The cost share is not required to be fulfilled solely by the applicant; rather, additional supports from other federal and provincial programs could be applied to the project (up to a maximum of 100 percent of the proposed project budget).

Project Description

The *Home Grown* tree planting program was proposed to achieve the following goals.

1) Make tree planting activities more accessible to all Winnipeg residents, including those in geographic areas of higher poverty, by removing financial barriers to tree planting for organizations and community groups with fewer resources and facilitating partnerships between community groups who may be able to share resources and volunteers.

2) Support the unique environmental and social goals of neighbourhoods by helping to identify tree planting priorities with community input at the ground level where families live, increasing public awareness of urban forest benefits and fostering greater community pride, sense of belonging, and environmental stewardship.

3) Expanding riverbank forests and restoring native woodland habitat to support urban wildlife species, and to offset the damage of natural and human-caused erosion and the degradation of these areas from invasive species.

4) Increase tree cover and species diversity of Winnipeg’s urban forest as a whole, including that of parks and green spaces, shifting away from the City's past reliance on Elm and Ash species, increasing the potential for carbon sequestration, and building resiliency against the impacts of climate change as well as against current and future invasive forest pests.

Projects would take place across a variety of sites, including maintained boulevards, manicured parks and green spaces, naturalized woodland areas, and riverbank areas. The project is based on the "right tree, right place, for the right reasons" approach, with trained arborists and habitat restoration specialists overseeing municipal-led projects, and assisting residents with the coordination, technical expertise and guidance for selecting appropriate trees and planting sites for community-driven projects.

Native tree species that are suited to Winnipeg's climate, floodplain soils, and river fluctuations would be used for naturalized area plantings and riverbank restoration projects to maintain the integrity of those ecosystems. Diversity would be enhanced by planting a combination of native and non-native hardy shade trees and ornamental cultivars on boulevards, in parks, and other green spaces, and with trees of various shapes and sizes to accommodate the unique needs and planting limitations in developed urban settings.

The Public Service has been planting trees since 1904, and urban forest protection and stewardship has historically been a collaborative partnership between the City, the Province of Manitoba, and Winnipeg residents. The Public Service has already received significant interest from prospective community partners who are willing to provide in-kind volunteer support which will contribute to the success of this project. It is important to the Public Service's customer-driven focus that residents view their participation in this program as a positive, inclusive experience.

Distribution of funds to community groups and other organizations would be determined on a grant application process. Applications would be accepted for review and approval by Council in keeping with appropriate deadlines that align with the tree planting season. Successful applicants would receive mentorship from staff to ensure project approval, completion, and long-term success.

The total estimated cost of the *Home Grown* program is $17.2 million over five years, with the City contributing approximately $9.9 million with adopted and forecasted budgets from 2022 to 2026. A maximum 50 percent of eligible expenditures is covered by federal contributions.

This report serves to inform Council of the City's proposed program and successful application, and to seek Council approval to enter into the Cost-Sharing Agreement with the Government of Canada. This agreement would obligate the City to cover all up-front program expenses for reimbursement by the federal government; requiring Council to approve a capital budget increase to 2026 to offset costs incurred in advance of reimbursement.

If the 2BT Cost-Sharing Agreement were to be rescinded by Natural Resources Canada at any time throughout the project and no alternate funding is identified, planting capacity would align with the currently approved capital budget and no community-based program would occur.

The Public Service has not identified any other projects at this time that could be completed under the terms of the 2BT application guidelines.

Financial Implications

If approved, the City would incur approximately $17.2 million in expenditures over the 5 years of the program beginning in 2022. The City's share would total $9.9 million and the Federal share would total $7.3 million.

The City's share of funding ($9.9 million) will come from existing budgets and forecasts, with $6.7 million coming from operating and $3.1 million coming from capital. The Federal funding of $7.3 million represents incremental expenditures/funding and if approved, the Urban Forest Renewal Program capital project will be increased by $7.3 million over the next 5 years.

The multi-year budget is balanced through to the end of 2023 and not fully balanced thereafter. Entering into this agreement with the Federal Government will commit the City to the planned

expenditures of $17.2 million over the next 5 years and may reduce the City's options for balancing the 2024 through 2026 operating and capital budgets.

Additional information is provided in Appendix A, which reconciles the planned program expenditures to the incremental increases in the Urban Forest Renewal Program capital project. Increases to the Urban Forest Renewal Program were planned on an operational basis and this has created a timing difference between when the Federal Funding will be earned under the program and when the incremental expenditures have been budgeted in the City's capital budget (Urban Forest Renewal Program).

Additional information is provided in Appendix B, which details planned program expenditures, funding sources (operating vs. capital), City share vs. Federal share, as well as a reconciliation of planned program expenditures to the Financial Impact Statement. As existing capital budgets and forecasts for the Urban Forest Renewal program are financed with external debt and internal financing, this results in debt and finance charges in the Public Works department's operating budget, which creates a reconciling item between planned program expenditures and the Financial Impact Statement.

Appendix C is the revised capital project detail sheet for the Urban Forest Renewal program, which reflects the impact of the approval of the recommendations of this report on the capital project.

FINANCIAL IMPACT

Financial Impact Statement **Date:** July 5, 2022

Project Name: **First Year of Program** **2022**

Successful Application to the Two Billion Trees (2BT) Program (Natural Resources Canada) Urban/Suburban Tree Planting Stream - "Home Grown" Winnipeg Tree Planting Program

	2022	2023	2024	2025	2026
Capital					
Capital Expenditures Required	$ 1,551,314	$ 1,930,064	$ 2,084,564	$ 2,024,564	$ 2,910,023
Less: Existing Budgeted Costs	1,411,514	1,381,314	35,814	35,814	306,273
Additional Capital Budget Required	$ 139,800	$ 548,750	$ 2,048,750	$ 1,988,750	$ 2,603,750
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Federal 2BT Funding	139,800	548,750	2,048,750	1,988,750	2,603,750
Total Funding	$ 139,800	$ 548,750	$ 2,048,750	$ 1,988,750	$ 2,603,750
Total Additional Capital Budget Required	$ 7,329,800				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 1,731,500	$ 2,305,500	$ 2,508,000	$ 2,589,000	$ 1,624,791
Less: Incremental Revenue/Recovery	172,539	234,902	160,537	204,737	272,301
Net Cost/(Benefit)	$ 1,558,961	$ 2,070,598	$ 2,347,463	$ 2,384,263	$ 1,352,490
Less: Existing Budget Amounts	1,558,961	2,070,598	2,347,463	2,384,263	1,352,490
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: The City's contribution of the Cost-Sharing agreement will be funded by both the City's Capital and Operating Budgets. The total estimated capital costs include the City's capital contribution towards the 2BT Program and the Federal Governments contribution. A capital budget increase of $7,329,800 is requested to be funded by the contribution with the Federal Government for the 2BT program. The total estimated direct costs include the City's Operating Budget contribution towards the program along with the debt and finance charges attributed to the external debt and interim financing portions of funding in the Urban Forest Renewal Program capital budget. Incremental Revenue/recovery represents the Departmental and Corporate interest and administration overheads. See Appendix B for further detail.

07-05-2022

J. Ruby, CPA, CA
Manager of Finance and Administration

CONSULTATION

This Report has been prepared in consultation with: Legal Services (as to legal issues)

OURWINNIPEG POLICY ALIGNMENT

The report is in accordance with the OurWinnipeg policy to Protect and Enhance the urban forest. 02-2 Environment.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

The Report is in accordance with Strategic Opportunity #7:

- 7.2 Increase and Preserve Tree Canopy (Primary Responsibility: Public Works Department).
- 7.3 Preserve and Manage Parks and Natural Areas to Support Climate Change Mitigation (Primary Responsibility: Public Works - Parks).

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

The Report is in accordance with the following Poverty Reduction Goals:

- Goal 6: All City Services are Equitable, Inclusive, and Accessible

SUBMITTED BY

Department: Public Works
Division: Parks and Open Space
Prepared by: Kerienne La France, Supervisor of Urban Forestry Technical Services
Martha Barwinsky, City Forester
Rodney Penner, City Naturalist
Date: July 5, 2022

Attachments:
Appendix A: Reconciliation of Planned Program Expenditures to Capital Budget

Appendix B: Reconciliation of Planned Program Expenditures to Financial Impact Statement

Appendix C: Urban Forest Renewal Program – revised 2022 capital project detail sheet