

Stormwater Funding Feasibility Study

City of Greater Sudbury Presentation to Council

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2019-2027 Strategic Plan Priorities



Presentation Purpose

- Present study objectives
- Develop a common understanding of the value of stormwater management
- Present study findings
- Obtain your feedback
- Confirm next steps
 - public consultation and confirm recommended rate structure
 - proceed with implementation planning



Mountain Street - 2009



Study Objectives

- Leverage the the recent Stormwater Asset Management Plan to identify funding required to meet the City's stormwater management objectives:
 - Protect life and property - flooding and erosion
 - Protect the natural environment - water quality and flows (erosion)
 - Protect infrastructure – renew deteriorating assets *before catastrophic failure*
- Review the City's current stormwater funding model
- Identify funding options that provide a sustainable and reliable source of funding (*Ontario Regulation 588/17: Asset Management Planning for Municipal Infrastructure* requires municipalities to have sustainable funding mechanisms for key assets in place by 2025)
- Actively solicit feedback from staff, Council and the community
- Recommend a preferred funding option



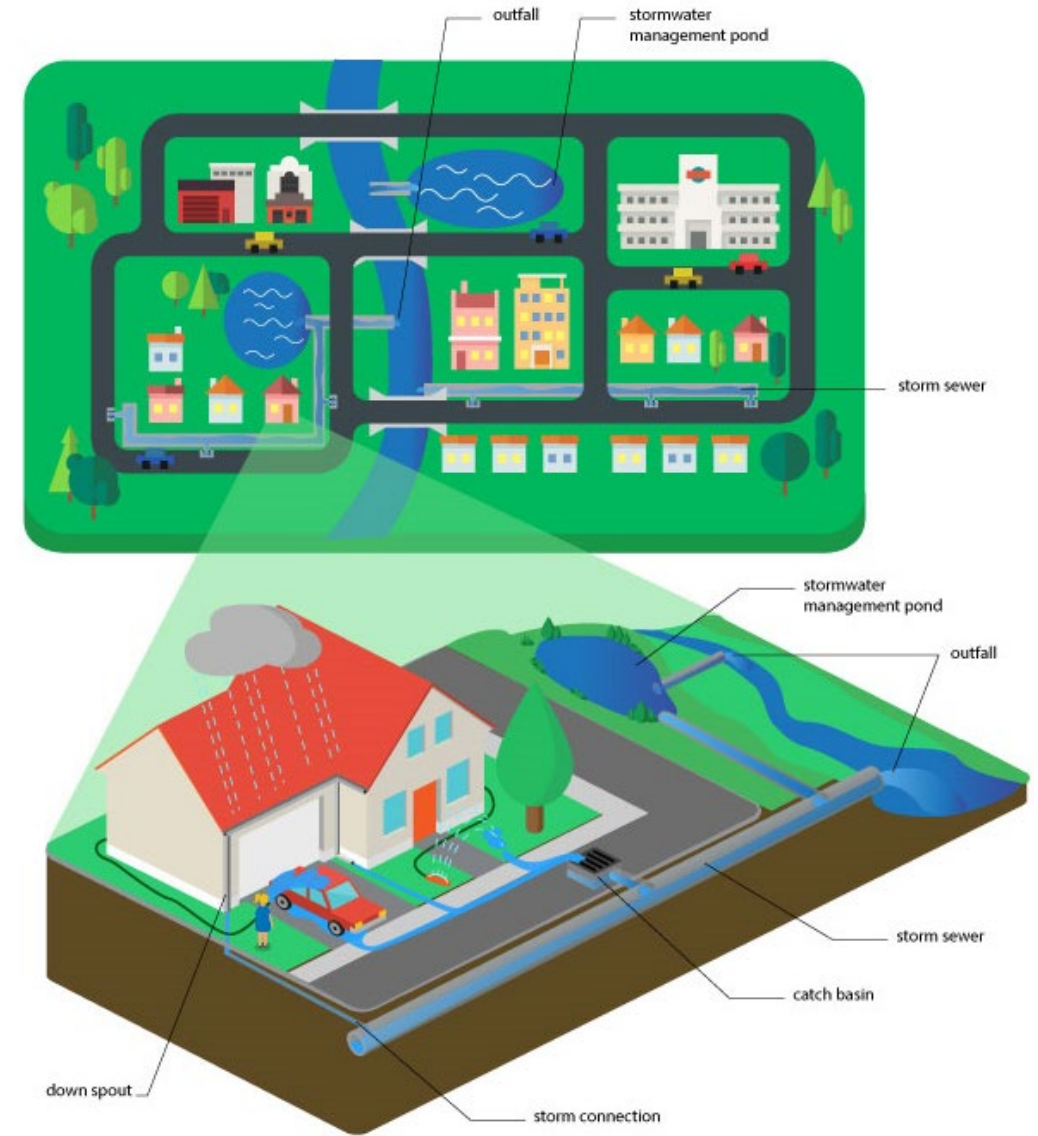
What is Stormwater?

Stormwater refers to rainwater, melted snow or water that runs off our roofs, driveways and roads rather than soaking into the ground.

It either flows into rivers and waterways or is channeled into storm sewers.

Impervious Area

A hard area that does not absorb water. Water runs off the impervious surface, collects pollutants, and flows into our local rivers and other waterways.



Defining Levels of Service

Step	Level of Service	TOTAL
1	Current program	\$14.7M
2	Increased CB cleaning in sensitive areas	\$14.8M
3	Biannual CB cleaning in all areas + annual sensitive areas	\$15.4M
4	Fully funded O&M	\$16.7M
5	Fully funded O&M and capital renewal	\$18.4M
6	Fully funded (O&M, renewal and upgrades*)	\$19.9M

* Upgrades identified in Ramsey Lake and Junction Creek Watershed Plans to be completed over 20 years. Not a comprehensive review of all natural assets.



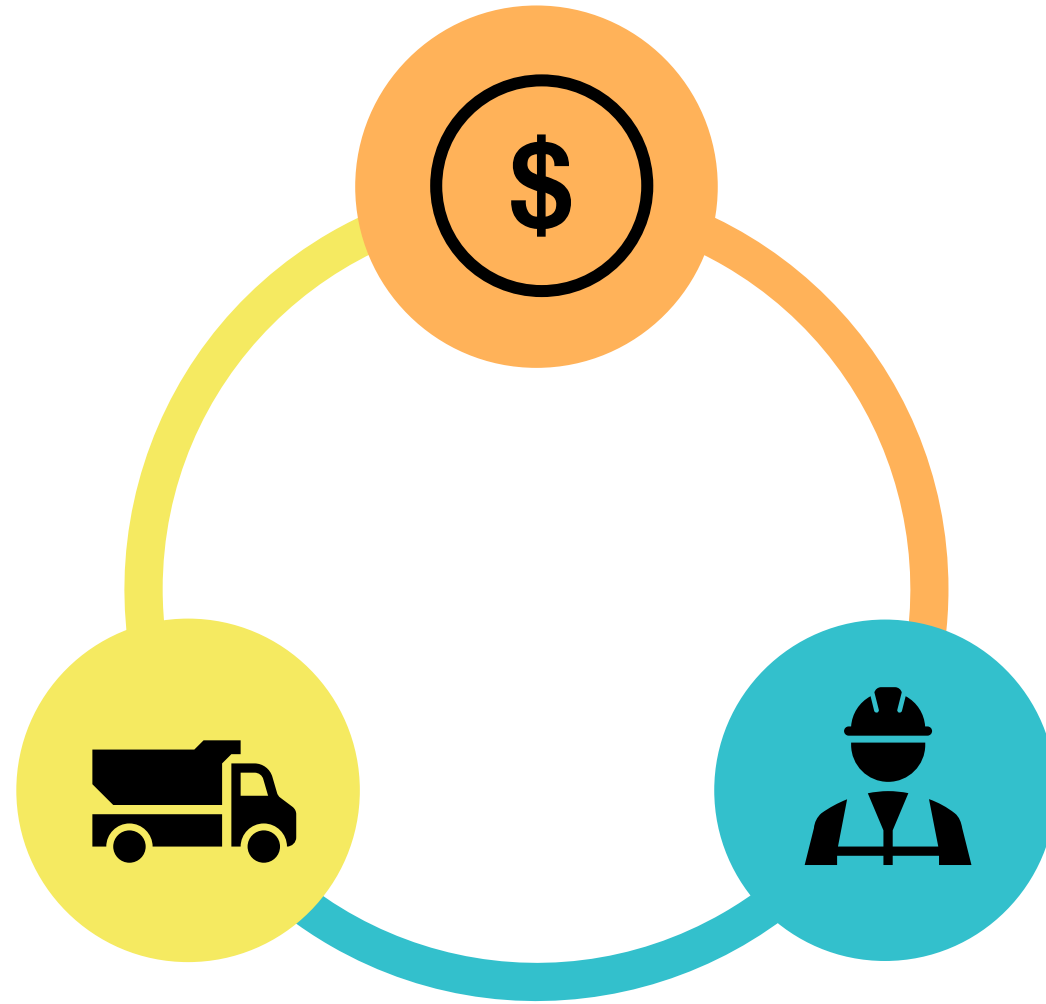
Challenges of Increasing Stormwater Funding

- Municipal governments have limited flexibility/autonomy in generating revenue
- Annual stormwater budgets have to compete with other vital public services. So... **the implementation of capital projects and the extent/frequency of maintenance activities often becomes dependent on the availability of funds, rather than based on need**
- It is expected that competing demands for limited public funds will continue, forcing municipalities to pursue alternative financing in order to provide a sustainable program
- Stormwater management is a service that keeps a low profile, but... **without adequate funding can lead to serious problems that will only get worse unless steps are taken now**



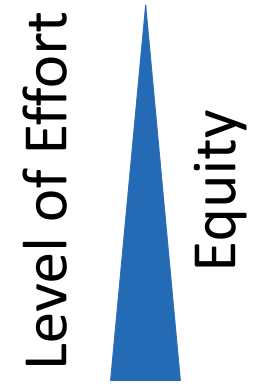
Dell Street 2009 or 2010

It's Not Just About Funding....



Shortlisted Funding Options Evaluated

1. Dedicated Tax Levy (assessed value)
2. Stormwater Rate – Land Use (flat fee - property type)
3. Stormwater Rate – ERU* (average/actual imperviousness)

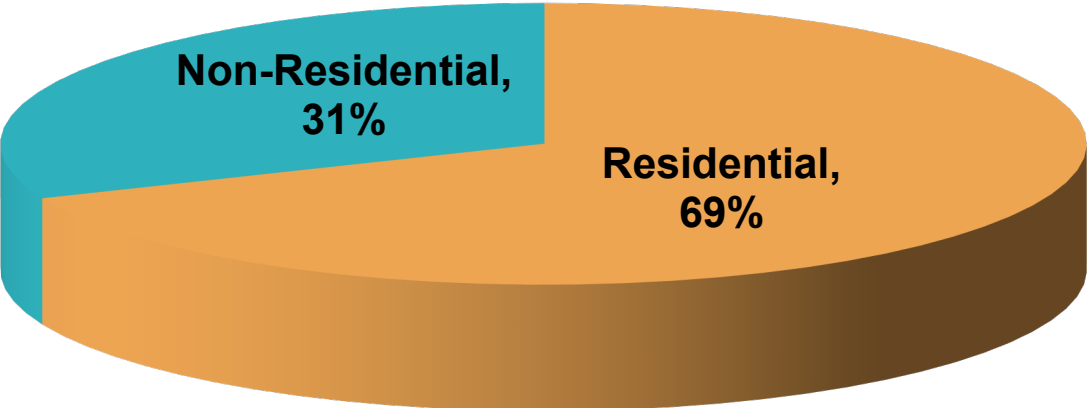


*ERU = equivalent residential unit where all residential units pay the same based on average impervious area and non-residential properties pay based on measured imperviousness.

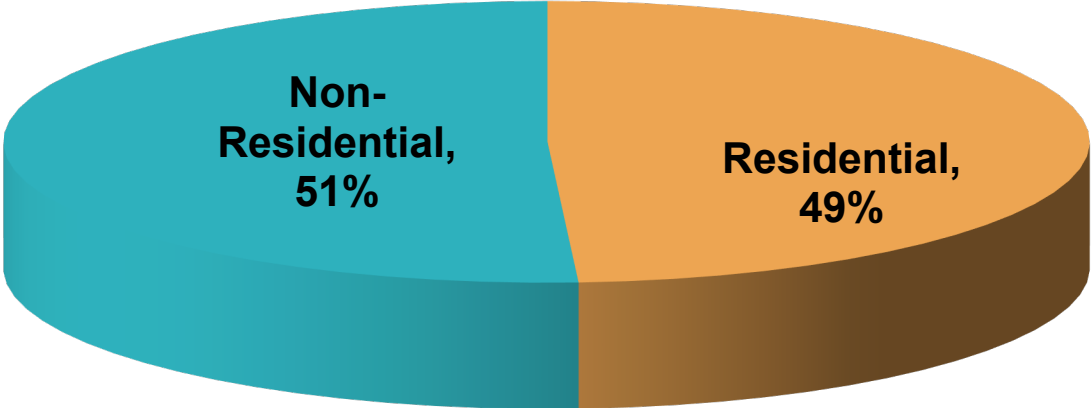


Assessment vs Impervious Comparison

Estimated General Levy Contribution



Imperviousness/ERU



Credits and Rebates



Credits (For non-residential properties)

- Incentivizes green infrastructure, and reduction of load on the system
- Annual reduction in fees (usually up to 50%) for on-site management of stormwater
- Volume (infiltration), rate (detention), quality (treatment), education (outreach)
- More popular for non-residential properties
- Can require proof of maintenance





















Rebates (For residential properties)

- One-time rebate to help with purchase/installation (i.e., rain barrel or rain garden)
- Popular for residential properties



Preliminary Evaluation

Criteria	Dedicated Tax Levy (assessed value)	Stormwater Rate – Land Use	Stormwater Rate – ERU (imperviousness)
A. Fair and Equitable: Will it be viewed as fair and equitable?			
B. Dedicated/Transparent: Will funds only be used for stormwater?			
C. Effort to Administrate: What will it take to implement and maintain?			
D. Environmental Benefits: Will it promote environmental protection?			
E. Public Acceptance: Will it be accepted by the general public?			
F. Sustainable Funding: Will it provide sustainable funding levels?			
Summary	3.0/6	4.0/6	4.5/6

Annual Rate Comparison

Current Funding (\$14.7M)

Property Type	Dedicated Tax Levy	Rate – Land Use	Rate - Imperviousness
Detached Home	\$185 (avg)	\$212	\$113
Commercial	\$1,024 (avg)	\$1,158	\$1,433 (avg)
Industrial	\$1,024 (avg)	\$1,283	\$1,433 (avg)
Tax Exempt	\$0	\$2,094	\$1,433 (avg)

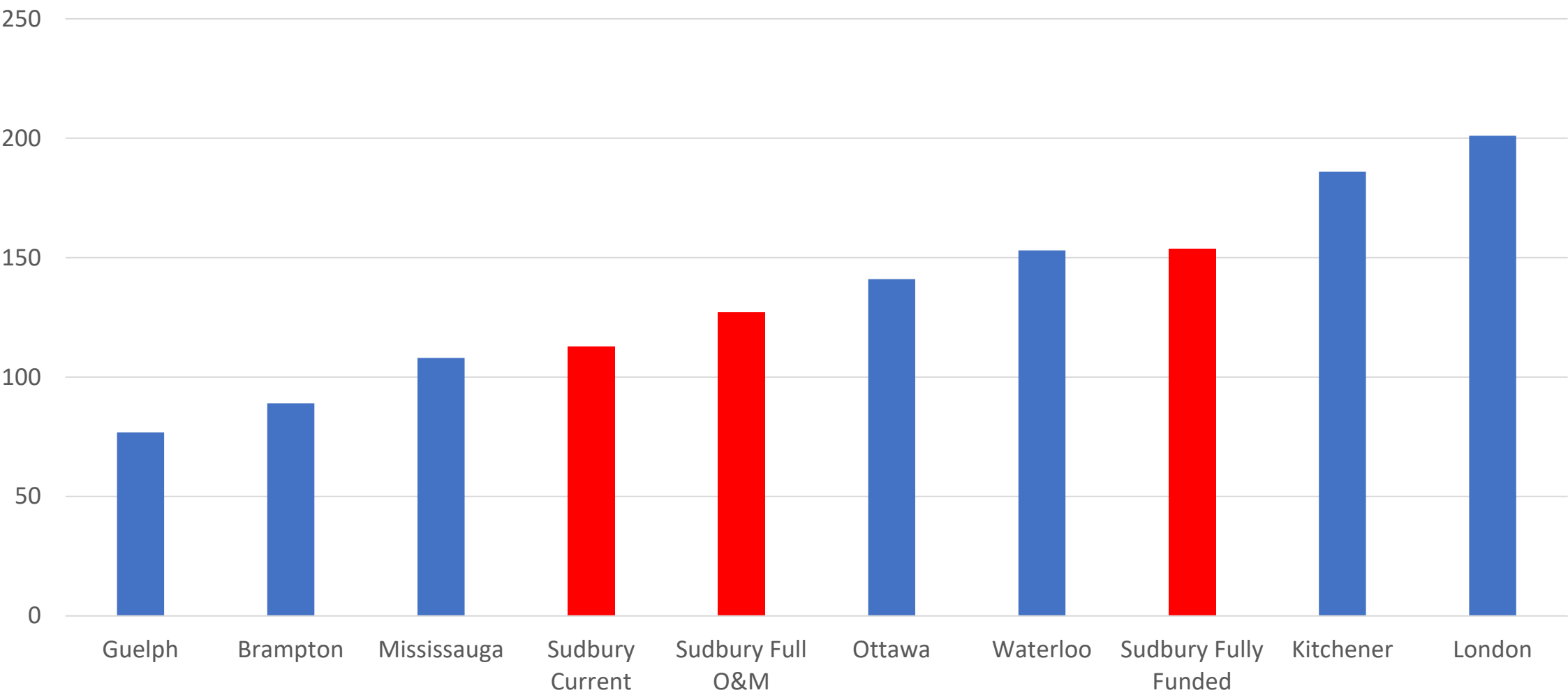
Fully Funded (\$19.9M)

Property Type	Dedicated Tax Levy	Rate – Land Use	Rate - Imperviousness
Detached Home	\$251 (avg)	\$288	\$154
Commercial	\$1,386 (avg)	\$1,576	\$1,951 (avg)
Industrial	\$1,386 (avg)	\$1,747	\$1,951 (avg)
Tax Exempt	\$0	\$2,851	\$1,951 (avg)



Rate Comparison – annual average detached home

Sudbury – ERU rate



Recommendations

- Consult external stakeholders (key property owners, organizations and general public) on the implementation of an ERU Stormwater Rate with non-residential credit program
- Consider stakeholder input to confirm recommended funding model
- Gradually work towards a fully funded stormwater program

The ERU Stormwater Rate is:

- Equitable and good for the environment
 - Allows for a reduction in the tax levy
 - Helps with our maintenance needs



Stakeholder Consultation and Engagement Plan



Individualized Meetings

- Targeted one-on-one consultation with key stakeholders (school boards, non-profits, property owners with large paved areas, etc.)
- Goal is to explain preferred funding option, how they may be impacted directly and collect key feedback



Public Meeting

- On-line or in-person public information session with survey
- Goal is to educate, share recommendation for preferred funding option and collect feedback

Information will also be posted on City website



Today's Request



1. Approve, in principle, a plan for applying a stormwater rate beginning no sooner than 2024 based on a sustainable, equitable, and reliable source of dedicated stormwater funding
2. Direct staff to begin public engagement and stakeholder consultation on a potential stormwater rate plan
3. Direct staff to prepare a report regarding the public and stakeholder consultation with an implementation plan for consideration by Council in the first quarter of 2023.



Proposed Next Steps



- Conduct stakeholder consultation (Q2 2022)
- Develop recommendations (2022-2023)
- Return to Council with stakeholder consultation summary, recommendations and implementation plan (Q2 2023)



Feedback? Questions?



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