



SUBJECT: Options and recommendations on establishing a Burlington Resiliency Fund to support the community during natural disasters or emergencies

TO: Committee of the Whole

FROM: Office of the Chief Administrative Officer

Report Number: CM-09-24

Wards Affected: All

Date to Committee: October 7, 2024

Date to Council: October 15, 2024

Recommendation:

Direct the Chief Administrative Officer and Chief Financial Officer to do further analysis to develop a comprehensive Burlington Resiliency Fund and report back to Committee of the Whole in February 2025 on how the fund would be established including the proposed administration framework, the parameters/triggers of use, a financial analysis and proposed eligibility criteria.

PURPOSE:

Vision to Focus Alignment:

- Designing and delivering complete communities
- Providing the best services and experiences
- Protecting and improving the natural environment and taking action on climate change
- Driving organizational performance

Executive Summary:

At a special meeting of Council held August 7, 2024, the Chief Administrative Officer or designate, in cooperation with the Chief Financial Officer, was directed to report back to the Committee of the Whole on October 7 with options and recommendations on establishing a Burlington Resilience Fund to support the community during natural disasters and emergencies.

This report has been prepared to provide Committee of the Whole with options and recommendations to make an informed decision about whether it should:

1. Establish a no-fault grant or loan program, referred to as the Burlington Resiliency Fund (BRF), and program parameters to assist residents impacted by extreme weather events – managed and administered internally by the City of Burlington;
2. Partner with an external organization to help with adjudication and management of funds;
3. Do not establish a municipal no-fault grant or loan program and keep the current approach

The report highlights practical and equity challenges with a no-fault grant program, and highlights what current programs are in place to address extreme weather events as well as existing regional supports that are used when residents are impacted by these types of situations.

Background and Discussion:

Between July 10 and July 16, 2024, Halton Region experienced a series of intense rainfall events, leading to significant stormwater flooding and wastewater system surcharging, particularly in the northwest and southeast areas of Burlington. The severity of these events was comparable to the 1-in-200-year storm experienced in August 2014, which resulted in over 6,000 flood-related calls.

In response to the 2014 event, the Region implemented the Region-Wide Basement Flooding Mitigation Program, aimed at reducing excessive inflow and infiltration (I/I) into the wastewater system. Despite these measures, the recent storms caused flash flooding and overwhelmed systems, leading to basement backups.

As of August 29, 2024, Access Halton received over 4,400 flood-related inquiries, with the majority (3,128) being reports of general and basement flooding.

This situation highlights the ongoing need for enhanced flood mitigation and infrastructure resilience strategies to manage increasingly frequent and severe weather events.

A breakdown of the number of homes that reported basement flooding by municipality and ward is below, as of September 18th, 2024.

	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Total
Burlington	144	212	641	374	220	29	1,620

Data Courtesy Halton Region Report No. PW-25-24

Of the basements that reported flooding, roughly 54 per cent involved some degree of stormwater-induced wastewater system surcharging. The rest flooded with stormwater from public and private sources.

On July 19, 2024, the City of Burlington approved a Flood Relief grant of \$1,000 to help homeowners and tenants with reported, confirmed in-home flooding on July 15 or July 16, 2024, that were ineligible for the Region's Ex-Gratia grant. To help streamline the application process and expedite residents receiving the grant funds, Halton Region carried out the initial in-home flood assessment and provided the applicable Halton Region or City of Burlington grant application to homeowners and/or tenants, along with instructions on how to fill out and submit the application. Halton Region also communicated with those homeowners who were originally told they were ineligible for Halton Region's Ex-Gratia grant, to let them know they may now be eligible for the City of Burlington Flood Relief grant.

As of September 25, 2024, 628 City of Burlington Flood Relief grant applications have been processed and 559 of those applications have qualified and grants have been distributed to property owners and/or tenants for a total cost of \$559,000. It is estimated that the total staff time in processing the applications has been approximately 1,200 hours.

Existing Supports Available to Residents

To better understand the options available, it is important to acknowledge the existing grant supports available to residents as Halton Region is responsible for providing Emergency Social Services to Halton residents affected by emergencies. While the City of Burlington coordinates with Halton Region during emergency response and recovery, the City does not hold the primary responsibility for leading resident recovery support efforts.

The City of Burlington has invested \$25.5 million over a 10-year capital program for major and minor capital improvements in addition to \$4.3 million that was already in the capital program for other storm sewer, culvert, creek and storm water pond enhancements, and has conducted annual emergency preparedness public education campaigns, which since 2023 have included general emergency preparedness campaigns, hazard specific campaigns and Alert Burlington awareness campaigns. Burlington has the Home Flood Protection Program which offers homeowners up to

50% of the cost of home flood protection assessments which aim to find potential ways that water/sewage can enter your home. These assessments are done by a trained third-party assessor and can be completed in-person or virtually based on homeowner preference.

The City also offers a Plumbing Permit Fee Grant Program to provide residents with financial support for improvements made in homes or businesses to reduce the risk of

basement flooding. Between 2014 and 2023, the City of Burlington refunded \$448,928 in building permit fees.

Additionally, The City's Emergency and Continuity Management Program has enhanced the City's level of preparedness through the completion of the following:

- Delivery of annual compliance training for Emergency Control Group members, and since 2023, in-house delivery of the provincial Incident Management System training for designated staff and Council members
- Delivery of the provincial Senior Elected Officials Workshop and media relations training for Council members
- Conduct of annual Emergency Control Group exercises
- Annual updates, since 2019, to the program bylaw (including but not limited to the City's Emergency Response Plan)

Expansion of public education campaigns, since 2023, conducted each year to include general emergency preparedness, hazard specific and Alert Burlington campaigns. Halton Region's existing Ex-Gratia Grant Program provides \$1,000 to property owners or tenants, who experienced a basement flood due to wastewater surcharging.

The grant is intended to help property owners/tenants offset the cost of an insurance deductible or to help with flooding-related cleanup or repair costs. To be eligible for the grant, homeowners/tenants needed to call Access Halton (311) to report flooding and have an in-home flooding assessment completed to confirm the source of flooding.

As of August 29, 2024, Halton Region has processed 929 Ex-Gratia grant applications for property owners and/or tenants.

In 2015, in response to the August 2014 storm event, Regional Council approved the implementation of the Region-Wide Basement Flooding Mitigation Program. This program was established to:

- Reduce public and private sources of inflow and infiltration (I/I) from entering Halton Region's wastewater collection system; and,
- Build resiliency in the wastewater collection system to reduce the risk of future basement flooding.

Halton Region has also invested over \$78 million to date in the following areas:

- Since 2015, Halton Region has invested \$7.1 million in performance monitoring, installing over 140 sensors to detect inflow and infiltration (I/I) in the wastewater system. Additionally, Halton partnered with Conservation Halton to access 30 more rain gauges for data collection.
- To reduce I/I, the Region has invested \$60.5 million in targeted repairs and replacements, completing 424 spot repairs, 328 pipe linings, and 27 open cut

repairs. Over the past decade, \$63.7 million has been allocated to sanitary sewer replacements under the Capital Replacement Program, ensuring the wastewater system remains efficient and resilient.

- A total of \$10.4 million has been provided to residents through several programs to assist homeowners with disconnecting private sources of stormwater from the wastewater system, as well as protect their home through the installation of backwater valves.

These programs detail various response measures that the City of Burlington and Halton Region already participate in that align with response measures taken by comparator municipalities. While most jurisdictions offer programs to help offset costs for homeowners to help protect their properties from the impacts of severe weather, such as with sump pump installations, there is only one example of a municipality (Ottawa) offering no-fault grants to affected residents and this is unique since they do not have an upper tier municipality.

For a summary of programs and response mechanisms offered by other jurisdictions, please see Appendix A.

Strategy/process/risk

Staff have identified options for a Burlington Resiliency Fund. However, a more detailed analysis would be required to consider the following factors of a potential program:

- Who should administer the program;
- Source of initial seed funding and source of ongoing contributions;
- Criteria for eligibility based on demographic information;
- Types of costs that would be covered, and amounts such as insurance deductibles or backflow valve;
- Types of emergencies or disasters caused by natural hazards covered, including impacts from flooding, windstorms, ice storms and other natural or other severe weather-related events;
- Eligibility by type of property and tenure, including businesses, residential properties (including rental) or all.

Options Considered

Burlington Resiliency Fund Option 1: Managed and Administered Internally by the City of Burlington

The City of Burlington maintains the Severe Weather reserve to address years where winter events or other storm events exceed the annual operating budget. This reserve has a balance of \$5.4 million as of June 30, 2024, which is below the target balance of

\$6 million, The target balance represents one year's operating budget for severe weather events. This reserve has funded the 559 applications that have qualified for a total of \$559,000.

The funding for this reserve comes from the retained savings report at year end. Council could use this reserve again in the future for any extreme weather events to support residents. In which case, the target for this reserve could be increased by \$1 million from \$6 million to \$7 million and funded through the annual retained savings report.

If this option was chosen, clearly defined criteria would be needed for when and how the fund can be accessed. Council would also need to direct the Chief Financial Officer through the 2024 Annual Savings report, to increase the target balance of the Severe weather reserve from \$6 million to \$7 million and allocate funding from the year end retained savings report.

Given the relatively infrequent nature of extreme weather and emergency events, this option is deemed to be of a medium level of administrative burden in that the bulk of the work takes place in determining parameters and processing applications.

Option 1: Benefits and Considerations

Benefits	Considerations
Utilizes existing reserve and funds are already invested through the City's investment program.	Requires some additional staff and resources for management and oversight.
Full autonomy over fund management - can determine parameters for use and release during emergency.	May require significant investment following an emergency event to replenish reserve.
Direct oversight allows for clear reporting and accountability to residents.	Specific criteria would need to exist in order to exclude private business to avoid bonusing.
No dependency on external entities.	

Burlington Resiliency Fund Option 2: Managed and Administered Externally by a Third Party

In response to the severe flooding event that took place in August 2014, Burlington City Council partnered with the Burlington Foundation to establish an emergency response

fund to assist those residents heavily impacted by extreme weather. During this time, the City of Burlington experienced record rainfall in a short period of time causing flooding and damage in parts of the city. Roads, highways and over 3,000 homes were flooded. The Burlington Foundation managed the Burlington Flood Disaster Relief Program on behalf of the City of Burlington. Over 12-months, \$2.7 million was distributed to help individuals and families rebuild and recover.

These dollars were also supported by the Province of Ontario under the Ontario Disaster Relief Assistance Program. At this time, the province provided up to \$3M to support flood recovery efforts in the City of Burlington. Under the private component of the Ontario Disaster Relief Assistance Program, the municipal council had to appoint a disaster relief committee, which reviewed and settled claims as well as led fundraising efforts. All funds were matched by the province up to the amount needed to pay eligible claims, to a maximum of a 2:1 ratio. The private component offered financial assistance to individuals, small businesses, farmers and non-profit organizations that have been impacted by a natural disaster beyond their capacity to manage.

In 2016, the Ontario Disaster Relief Assistance Program was replaced by the Disaster Recovery Assistance for Ontarians and Municipal Disaster Recovery Assistance programs, with DRAO being the public facing program. DRAO does not require the establishment of a disaster relief committee, or require fund-matching.

The Burlington Foundation is an example of one community partner that the municipality can consider working with again, and in preliminary conversations, the Foundation has indicated a willingness to explore opportunities to collaborate on a long-term emergency relief response management fund as part of the City of Burlington's Emergency and Continuity Management Program. However, based on the previous partnership, administrative hurdles and communications expectations would need to be addressed in advance as part of a proactive strategy.

During a qualifying emergency event, the Foundation would serve as an adjudicator of the fund, quickly releasing funds to community support agencies based on fund eligibility parameters previously established by Committee and Council. It is important to note that the Burlington Foundation only provides grants to charitable organizations, so residents would be ineligible to receive funding or support directly from the Foundation, but rather, through one of the agencies that the Burlington Foundation would release funds to.

Based on this information, if the intention for the fund is for residents to be supported directly, the adjudication would have to be fully led by the municipality and a third-party would act as the steward of the fund. If a third-party holds the funds, this increases the strong likelihood of resident participation through donations. The Fund size and plan for growth would need to be established in advance as part of a Fund/Partner Agreement, including who is responsible for growing the assets. It would be prudent to establish a goal for funds growth that would then inform how a stewardship partner should manage the fund.

In preliminary conversations with the Burlington Foundation as a potential third-party partner, the Foundation indicated several considerations pertaining to the administration and design of a program of this variety. These considerations include on-demand internal capacity to administer the Fund at the time of need, ability to release funds in a timely manner, as well as significant front-end design to ensure the program is administered accordingly in the event of an emergency. In conclusion, the Foundation's recommendation is that the establishment of a Fund is one aspect of a robust Emergency and Continuity Management Program, and it should be proactively established, tested, and nurtured in anticipation of its eventual need.

It is important to note that the Burlington Foundation does charge administration and investment management fees when setting up a fund. Additionally, there may be other fees associated depending on the type of fund and services required. These fees range from 1.5%-3%.

If Council wants to proceed with this option, it is not recommended to take any funds from the City's existing reserves as they are already below financial targets. Instead, Council could add an incremental cost in the 2025 operating budget to achieve a target of \$1 million over several years (i.e. \$100,000 a year over 10 years) or allocate funds from the year end retained savings report.

Option 2: Benefits and Considerations

Benefits	Considerations
City would release approved fundings to a third-party organization to hold, adjudicate, and grow the fund.	The City can hold and invest the funds as currently is done with all the City's reserves. Having a third party administer the funds increases the administrative burden of managing and reporting on the funds.

The foundation's strong reputation can encourage more donations and community support.	Municipality would still have to administer the release of funds to affected residents.
Community can donate to grow the fund, as a third-party organization does not have the bonusing concerns that the municipality is restricted by.	May experience a slight delay in activation/responding to events given the additional layer.
Reduces administrative burden on the city by utilizing the foundation's existing infrastructure.	

Burlington Resiliency Fund Option 3: Do not establish a municipal no-fault grant or loan program

The third option for consideration is a continuation of the current lessons learned approach, whereby the City and the Region jointly fund several flood mitigation resources for voluntary utilization by residents. This option would see the city maintain its existing approach of helping support affected residents during and after an emergency event in collaboration with Halton Region and other partners and preserve the authority of Committee to determine if additional resources are required on an ad hoc basis, much like what was seen during the extreme weather event response from July 2024.

No additional reserve funds would need to be created or re-allocated to pursue this option. Given the experiences from this past summer, this option still preserves the option for Committee to evaluate the need for financial relief for affected residents to ensure that they are supported in times of emergency, which may include expanding eligibility of existing flood mitigation programs and ad hoc applications of emergency relief measures.

This approach allows for flexibility in municipal response in the event of future emergencies and permits Council to adapt to circumstances and determine appropriate emergency financial response, as necessary.

Committee may wish to evaluate current emergency response measures considering recent events and assess opportunities to determine a defined framework of emergency response measures beyond the current protocol. This assessment could also include several community stakeholders material to the City of Burlington's emergency

response strategy, including but not limited to, first responders, social service providers, non-governmental organizations, and the philanthropic community. This engagement exercise could help to inform future emergency response tactics and collaboration that the City may wish to adopt as part of its broader emergency management strategy to help support a more holistic response by ensuring residents are connected with the most relevant supports.

Option 3: Benefits and Considerations

Benefits	Considerations
Preserve current flood mitigation investment programs with option to expand investment levels to protect from impacts of flooding.	Limited preparedness due to lack of a dedicated fund may delay response and recovery efforts and the City may struggle to secure adequate resources quickly in a major emergency.
Flexible Response as resources can be directed as needed without predefined limitations to respond to affected residents following emergencies, as determined by Committee and Council.	Reactive rather than proactive as it relies of after-the-fact solutions rather than planning and preparedness.
No immediate financial impact as it avoids the need for new taxes, levies, or reallocation of funds to create a reserve.	May leave room for residents to make interpretations of what they could be entitled to in future events, given the City's most recent response of providing grants, without a defined plan.

Financial Matters:

The recommended motion is to report back to Committee of the Whole and has no direct financial impact.

Total Financial Impact

Not applicable.

Source of Funding

Not applicable.

Other Resource Impacts

Not applicable.

Climate Implications:

Recognizing the severity of a changing climate, City Council declared a climate emergency in 2019 and a year later approved a Climate Action Plan with a target to become a net carbon zero community by 2050.

In 2022, the City released the Climate Resilient Burlington Plan, which states that the City of Burlington is expected to experience warmer, wetter and wilder weather moving forward as a result of climate change, including more frequent high-intensity, short duration rainfall events, as well as more frequent wind and ice storms.

The City of Burlington is taking action to complete the action items within the Climate Action Plan and Climate Resilient Burlington Plan in collaboration with local, regional and national stakeholders.

Along with those actions to protect our natural environment, the City of Burlington also recognizes that climate change brings with it more extreme weather events, and as such, continues to adapt its emergency response and community safety protocols.

The Climate Resilient Burlington Plan has identified 32 actions to build resilience and prepare for a changing climate, with several of those actions relating to flood management.

Other City initiatives related to climate change that were included in the 2018-2022 From Vision to Focus Plan include:

- Climate Action Plan
 - Corporate Energy Management Plan
 - Storm Water Management Plan
 - Urban Forest Management Plan have been prioritized in Burlington's 2018-2022 Plan: From Vision to Focus work plan.
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Engagement Matters:

Not applicable.

Conclusion:

Staff recommend further analysis to develop a comprehensive Burlington Resiliency Fund (Option 1), considering various key factors such as administration, funding sources, eligibility criteria, covered costs, and the types of emergencies to be addressed. This option is deemed the most viable and effective option to support residents during extreme weather events and is based on several key considerations:

- **Leverage Existing Resources:** Utilizing the current Severe Weather Reserve, which already serves as a financial buffer for unexpected storm events, allows the city to build on an established framework without the need to create an entirely new structure. Expanding this reserve provides a streamlined approach to managing similar events in the future, reducing administrative complexity and ensuring quick response capabilities.
- **Financial Sustainability:** By increasing the reserve's target balance from \$6 million to \$7 million, the city can enhance its capacity to address severe weather impacts without significantly straining the budget. This increase can be funded through the annual retained savings report, which is a sustainable and predictable source. This approach ensures that the fund remains adequately resourced while maintaining fiscal responsibility.
- **Clear and Defined Criteria:** Managing the fund internally would allow the city to develop precise guidelines for accessing the fund, ensuring transparency and consistency in its application. This would include establishing eligibility criteria based on property type, demographic information, and specific costs covered, such as insurance deductibles or backflow valve installations. A well-defined framework will minimize ambiguity and streamline the application and approval process, providing residents with clear expectations and timely assistance.
- **Administrative Efficiency:** While there is a medium level of administrative burden associated with setting up and managing the fund internally, this can be mitigated by leveraging the city's existing financial and administrative infrastructure. The bulk of the workload will occur during the initial phase, as the parameters and processes are established. Once these are in place, ongoing management would primarily involve processing applications and distributing funds, which is well within the city's capacity.

- **Strategic Resilience:** Establishing a city-managed fund reflects a proactive approach to community resilience. It enables the city to respond swiftly to emergencies, maintaining public confidence and minimizing the economic and social impacts of natural hazards. This strategic move aligns with the city's broader goals of sustainable development and disaster preparedness.

Overall, managing the fund internally is the most practical and strategic option. It utilizes existing resources, supports financial sustainability, and allows for effective administration, ensuring that the city can provide reliable support to its residents during times of need.

Respectfully submitted,

Hassaan Basit

Chief Administrative Officer

Appendices:

- A. Comparator Jurisdiction Scan

Report Approval:

All reports are reviewed and/or approved by Department Director, the Chief Financial Officer and the Executive Director of Legal Services & Corporation Counsel.