



## STAFF REPORT ACTION REQUIRED

### December 2013 Extreme Winter Storm Event – Provincial Funding Request and Structure of Comprehensive Reviews

<b>Date:</b>	March 7, 2014
<b>To:</b>	Executive Committee
<b>From:</b>	City Manager
<b>Wards:</b>	All
<b>Reference Number:</b>	

#### SUMMARY

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In response to the extreme winter storm event that occurred in the evening of December 21, 2013 through December 22, 2013, a Special City Council meeting was held on January 10 and 13, 2014, at which time a number of resolutions were adopted following Council's consideration of the City Manager's report entitled *Impacts from the December 2013 Extreme Winter Storm Event on the City of Toronto (CC46.1)*.

Amongst the many resolutions adopted by City Council, was a request to seek financial assistance from the Federal and Provincial governments and for the City Manager to report back to the Executive Committee on the "terms of reference, scope and membership for a City led comprehensive review and for the Toronto Hydro Third Party Independent Panel".

The purpose of this report is to update and inform Council regarding:

- the recent Provincial announcement of a one-time Ice Storm Assistance Program;
- scope and structure of the City led comprehensive review of the December 2013 extreme winter storm event; and
- scope and membership of Toronto Hydro's Independent Review Panel.

This report also recommends that Council authorize the City Manager to take any required action to enable the receipt of funds through the Ice Storm Assistance Program.

The City Manager will report back to the July 2, 2014 meeting of the Executive Committee on the outcomes of the comprehensive reviews undertaken by the City and Toronto Hydro. The report will include recommendations and necessary next steps to improve the management and response to future emergencies.

## RECOMMENDATIONS

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The City Manager recommends that:

1. City Council authorize and direct the City Manager to take such action required to enable the City's receipt of funds from the Provincial Government's Ice Storm Assistance Program, including the execution of any required documents, subject to the documents approval as to form by the City Solicitor.

### Financial Impact

Given the recent announcement of a one-time Ice Storm Assistance Program, it is anticipated that virtually all previously identified storm related costs will be eligible for reimbursement by the Province.

The City Manager and Deputy City Manager and Chief Financial Officer will report back to Council through the Executive Committee once the City receives final confirmation of the financial assistance provided through the Province's one-time Ice Storm Assistance Program. The report will include details on how much, if any, of the \$30.1 million approved transfer from the City's extreme weather reserves will be required and any additional impacts on the 2014 Capital and Operating Budgets.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

### DECISION HISTORY

During its consideration of the 2014 Capital and Operating Budgets on January 29 and 30, 2014, City Council adopted a number of recommendations related to the supplementary report entitled *Proposed Funding of 2013 Extreme Weather Events (EX37.1, 1av)*. The report outlined the strategy to fund the City's one-third share of the two extreme weather events in 2013 and requested City staff to report back to Executive Committee once the City receives confirmation of any funding provided by the Provincial and Federal governments.

<http://app.toronto.ca/tmmis/viewPublishedReport.do?function=getCouncilDecisionDocumentReport&meetingId=7848>

At its meeting on January 10 and 13, 2014, Council considered report entitled *Impacts from the December 2013 Extreme Winter Storm Event on the City of Toronto (CC46.1)*. Council approved a series of motions related to the storm, including a request that "the City Manager provide the terms of reference, scope and membership for the City led comprehensive review and for the Toronto Hydro Third Party Independent Panel".

<http://app.toronto.ca/tmmis/viewPublishedReport.do?function=getCouncilDecisionDocumentReport&meetingId=8828>

On January 9, 2014, Anthony Haines, Toronto Hydro President and Chief Executive Officer announced the establishment of a Panel to review Toronto Hydro's storm response, including electricity grid design and emergency response; urban forestry issues, and customer communications.

## **ISSUE BACKGROUND**

On January 10 and 13, 2014, City Council considered the report on the *Impacts from the December 2013 Extreme Weather Event* on the City of Toronto and requested the City Manager, in consultation with Agencies and Corporations, including Toronto Hydro, to review the City's emergency response to the ice storm and develop recommendations to improve the management of future emergency events.

Prior to reporting out on the City's comprehensive review, City Council requested staff to provide the terms of reference, scope and membership for the City led comprehensive review and for the Toronto Hydro Third Party Independent Panel. Council also authorized the City Manager to hire an independent third party consultant for the City led review.

Additionally, on January 29, 2014, as part of its consideration of the 2014 Capital and Operating Budgets, City Council approved a number of resolutions pertaining to the funding of the July 8, 2013 extreme rain event/flooding and the December 2013 ice storm. Council approved a strategy to fund one-third of total costs related to both storms and requested the Provincial and Federal governments to each contribute a matching one-third share.

## **COMMENTS**

Outlined below is an update on the City's request to the Provincial and Federal governments for assistance with costs incurred related to the December 2013 Ice Storm. Additionally, details have been provided on the City's approach for the comprehensive review of the City's emergency response and Toronto Hydro's Independent Review Panel, which is assessing Toronto Hydro's emergency response.

### **1. Update on City Request for Financial Assistance**

On February 26, 2014, the Province of Ontario announced a one-time Ice Storm Assistance Program to help municipalities fund storm related costs for tree debris removal, providing emergency response, shelter and food for residents who could not stay in their homes, immediate and long-term cleanup, and repairs to sidewalks and roadways.

Program details are still being finalized, however, it is anticipated that Ice Storm Assistance Program will address virtually all of the City's storm related costs. The City's initial request to the Province was \$107 million and was most recently revised to \$86.5 million. This reduction is due to the exclusion of Hydro related costs and revenue losses (\$14.5 million), as identified by the Province, as well as revised storm cost estimates from City divisions, Agencies and Corporations (\$5.9 million).

**Table 1: Initial Ice Storm Assistance Request**

City of Toronto Services	Emergency Response / Hazard Clean-up	Post Clean-up	Revenue Losses	Total
Parks, Forestry and Recreation	33,280,000	18,330,000	350,000	51,960,000
Solid Waste Management Services	24,468,797		6,000	24,474,797
Transportation Services	4,876,084	3,926,877		8,802,961
Other City Divisions	3,214,363	1,164,215	4,657	4,383,235
<b>TOTAL CITY DIVISIONS</b>	<b>65,839,244</b>	<b>23,421,092</b>	<b>360,657</b>	<b>89,620,993</b>
Toronto Community Housing	1,525,337	620,000		2,145,337
Toronto Transit Commission	533,163		1,000,000	1,533,163
Other Agencies and Corporations	394,947	103,000	127,667	625,614
<b>TOTAL AGENCIES AND CORPORATIONS</b>	<b>2,453,447</b>	<b>723,000</b>	<b>1,127,667</b>	<b>4,304,114</b>
<b>SUB-TOTAL</b>	<b>68,292,691</b>	<b>24,144,092</b>	<b>1,488,324</b>	<b>93,925,107</b>
Toronto Hydro	12,000,000		1,000,000	13,000,000
<b>GRAND TOTAL</b>	<b>80,292,691</b>	<b>24,144,092</b>	<b>2,488,324</b>	<b>106,925,107</b>

**Table 2: Revised Ice Storm Assistance Request**

City of Toronto Services	Emergency Response	Immediate Clean-up / Hazard Abatement	Hidden Hazard Clean-up	Total
Parks, Forestry and Recreation	2,213,947	30,022,850	16,360,220	48,597,017
Solid Waste Management Services	32,087	20,331,801		20,363,888
Transportation Services	2,802,522	5,392,774	577,935	8,773,231
Other City Divisions	2,688,567	2,801,950	20,000	5,510,517
<b>TOTAL CITY DIVISIONS</b>	<b>7,737,123</b>	<b>58,549,375</b>	<b>16,958,155</b>	<b>83,244,653</b>
Toronto Community Housing	1,001,269	568,845	620,000	2,190,114
Toronto Transit Commission	533,163			533,163
Other Agencies and Corporations	286,447	108,500	103,000	497,947
<b>TOTAL AGENCIES AND CORPORATIONS</b>	<b>1,820,879</b>	<b>677,345</b>	<b>723,000</b>	<b>3,221,224</b>
<b>TOTAL RECOVERABLE</b>	<b>9,558,002</b>	<b>59,226,720</b>	<b>17,681,155</b>	<b>86,465,877</b>

**Note:** The Ice Storm Assistance Program excludes Toronto Hydro costs, revenue losses and tree replacement.

Given the magnitude of the damage caused by the storm, City efforts related to hazard abatement and cleanup for the storm, particularly within our ravines, parks and forests, will continue through the spring and into the summer months. City staff will continue to work with the Province to determine and finalize the full extent of ice storm related costs.

While the City's costs will be reimbursed by the Province, the Minister of Municipal Affairs and Housing has advised that the Province will be seeking reimbursement for ice storm costs through the Federal Disaster Financial Assistance Arrangements program.

The City requested that the Federal and Provincial governments each provide a one-third share of the costs incurred as a result of the ice storm. The recent provincial announcement, subject to review, should cover virtually all City costs with the exception of Toronto Hydro costs, revenue losses and tree replacement, which are excluded under the one-time Provincial Ice Storm Assistance Program. Table 3 below compares the proposed funding of storm related costs based on Council's approval on January 29, 2014 of the report entitled *Proposed Funding of 2013 Extreme Weather Events*, and based on the City's best understanding of the impact of the new Provincial Program.

**Table 3: Funding of Ice Storm Costs – Initial vs. Revised Costs Estimates**

<b>Funding Source</b>	<b>Proposed Funding Approved by Council (\$M)</b>	<b>Anticipated Funding per Provincial Program (\$M)</b>	<b>Difference (\$M)</b>
Other Levels of Government	61.6	86.5	24.9
2013 Toronto Water Surplus	1.5	-	(1.5)
Extreme Weather Reserve Funds	30.1	-	(30.1)
2013 Tax-supported Operating Surplus	0.7	-	(0.7)
<b>Eligible Reimbursement Costs</b>	<b>93.9</b>	<b>86.5</b>	<b>(7.4)</b>
Toronto Hydro Funded	13.0	13.0	-
Lost Revenue – Tax Supported Operating Surplus	-	1.5	1.5
<b>Ineligible Reimbursement Costs</b>	<b>13.0</b>	<b>14.5</b>	<b>1.5</b>
<b>Total Estimated Ice Storm Costs</b>	<b>106.9</b>	<b>101.0</b>	<b>(5.9)</b>

The reductions in estimated storm costs noted above are due to refined cost estimates from City divisions, Agencies and Corporations primarily from the Solid Waste Services and Parks Forestry and Recreation divisions.

Staff anticipate that virtually all submitted City storm related costs will be eligible for funding under the Ice Storm Assistance Program. As a result, the City should continue to have the majority of its \$30.1 million in its extreme weather reserve funds available to respond to future events.

The City's submission did not include funding required for the replacement of trees, which are excluded under the Provincial Program. The full costs of tree replacement are not known as assessment of damage within the City's parks, forests and ravines is on-going. Once costs are finalized, staff will report back to Council with a proposed funding option.

Storm related costs identified by the City will likely need to withstand a Provincial, and potentially a Federal review and/or audit, prior to reimbursement. As invoices have not been received for certain costs incurred to-date, and as work will continue to address hidden hazards and storm clean-up, it may be determined that some costs do not qualify and will need to be funded by the City. City staff continue to review all costs and post-storm action plans, to ensure that costs are well managed and those incurred will be eligible for reimbursement.

## **2. City of Toronto Comprehensive Review**

A review has been initiated by City staff to evaluate the City's response to the December 2013 ice storm including co-ordination between City divisions, Agencies and Corporations. The City's process is separate and distinct from the review process that has been initiated by Toronto Hydro.

### ***Emergency Plan – After Action Report***

The City's Emergency Plan is the policy document that outlines the City's response to emergencies. The Plan outlines how the City will respond to, recover from, and mitigate the impact of an emergency or disaster. Underpinning the Emergency Plan are sixteen Operational Support Functions (OSFs) and three Risk-Specific Plans, which are supporting documents that outline the structure and framework for integrated support by lead and supporting City divisions, Agencies and Corporations.

After each emergency event, the Office of Emergency Management (OEM) performs a review and prepares an After Action Report. The After Action Report includes an executive summary, recommendations, incident summary and actions taken to improve response to future emergency events. These components represent a comprehensive review of the activities undertaken through the Emergency Operations Centre, which is the City's centralized command during an emergency. Included in the review are the activities of the Toronto Emergency Management Program Committee (TEMPC), which is responsible for managing the strategic response to an emergency, providing support to the site operations, and intergovernmental and agency co-ordination.

### ***Scope of the City's Comprehensive Review***

The City's comprehensive review will include the preparation of an After Action Report and will also include an assessment and review of the OSFs and Risk-Specific Plans that were initiated in response to the ice storm. Additionally, staff will evaluate and respond to any motions adopted by Council that fall outside of the OSFs and Risk-Specific Plans under evaluation but relate specifically to the City efforts and co-ordination of the emergency response. Details on the Scope of the City's comprehensive review are outlined below:

**Table 4: Scope of City of Toronto Comprehensive Review**

No.	Category	Components
1.	After Action Report	Incident Summary
		Severe Storm Protocols
		Emergency Operation Centre – Activation & Operations
		Communications – Internal & External
		Planning, Logistics, Documentation and Site Support
		Recovery Co-ordination
2.	Operational Support Functions (OSFs)	Damage Assessment
		Debris Management
		Emergency Donations Management
		Emergency Human Services
		Emergency Information and Media Relations
		Emergency Operations Centre
		Traffic Management
		Volunteer Management
3.	Risk-Specific Plans	Power Disruption (Electricity)
4.	Related Council Motions	311 and Toronto Hydro Call Centre Integration
		Consumer Protection Information
		Emergency Building Systems
		Emergency Preparedness and Education
		Burying Utility and Hydro Lines
		Forestry Management, Maintenance and Standards
		Vulnerable Persons Registry

The City's comprehensive review of the storm event has been initiated and will address all motions approved by Council. Senior Management and Division Head leads have been assigned and, in consultation with other City divisions, Agencies and Corporations, are tasked with the following:

- detailing the related actions taken under each OSF/Risk-Specific Plan during the ice storm response;
- defining the extent to which each OSF/Risk-Specific Plan was followed during the response and reasons for any actions taken that were not consistent;
- assessing the relevant strengths and weaknesses of the current OSF/Risk-Specific Plan in the context of the ice storm and on potential future emergency events; and
- recommending changes to the OSF/Risk-Specific Plan to improve the City's response to future emergencies.

Staff leads have also been assigned work initiated in response to any motions adopted by Council that fall outside of the OSFs/Risk-Specific Plans under evaluation.

These combined activities will provide Council with an in depth analysis of the co-ordinated efforts of the City's response to the emergency, identify where systems and processes worked well, where they did not, and what actions will be taken to improve the City's response to future emergency events.

### ***Independent Third Party "Peer Review"***

The City's After Action Report and the reviews of applicable OSFs will be subject to a "Peer Review" by an independent third party consultant. The consultant will be tasked with reviewing the City's response to the ice storm, evaluating the effectiveness of the City's Emergency Plans, including OSFs and Risk-Specific Plans, and assessing the adequacy and effectiveness of staff recommendations for improving the City's overall response to future emergencies.

### ***Consultations***

The City Manager will be initiating a series of public meetings in April/May to seek feedback from residents on the City's response to the December 2013 ice storm. The City-led consultations will be a robust community consultation process that will include public meetings, online opportunities and outreach through social media in order to provide affected residents with an opportunity to identify issues and concerns and propose recommendations to improve the City's response to future emergency events. Further information on the City-led consultations will be made available to Members of Council and the public in late March/early April.

### ***Comprehensive Review Report***

The City Manager will report back to the July 2, 2014 meeting of the Executive Committee on the outcomes of City's comprehensive review along with the findings of the independent third party "Peer Review". The City Manager's report will include recommendations and identify any further work required by staff to improve the City's response to future emergency events.

Note that any "resiliency" motions approved by Council that do not relate specifically to the emergency response will be incorporated into a Resilient City report that will be brought forward to the June 23, 2014 Parks and Environment Committee.

## **3. Toronto Hydro Independent Review Panel**

As identified to Council in January 2014, Toronto Hydro has established an Independent Review Panel to assess, evaluate and make recommendations related to Toronto Hydro's emergency planning and power restoration response to the December 2013 ice storm.



### ***Membership of Independent Review Panel***

The four members of the Independent Review Panel are identified below and their efforts are supported by Davies Consulting LLC, a leading management consulting firm with extensive experience in utility emergency response throughout North America.

**Table 5: Toronto Hydro Independent Review Panel - Membership**

<b>Membership</b>	<b>Name</b>	<b>Title</b>
Chair	David McFadden	Partner, Gowlings
Member	Joe Pennachetti	City Manager, City of Toronto
Member	Sean Conway	Visiting Fellow, Centre for Urban Energy, Ryerson University
Industry Expert	Carlos Torres	Vice President of Emergency Management, Consolidated Edison of New York, Inc. – Industry Expert

### ***Scope of the Independent Review Panel***

The scope of the Panel and Consultant's review of Toronto Hydro's preparation and response to the December 2013 ice storm will address all aspects of emergency management as summarized below:

**Table 6: Toronto Hydro Independent Review Panel – Scope of Review**

<b>No.</b>	<b>Category</b>	<b>Components</b>
1.	Preparedness	Organization and responsibility for Emergency Management
		Emergency Response Plan structure and completeness
		Emergency Management training program and exercise
2.	Response and Recovery	Mobilization and level declaration
		Resource acquisition
		Logistics
		Restoration strategy and execution
		Situational awareness and damage assessment
		Wires down and make safe processes
		Work planning and prioritization
		Demobilization
3.	Incident Communication	Communications strategy
		Estimated Time of Restoration (ETR) development, dissemination and tracking
		Key message development
		Social media
		Liaison program

No.	Category	Components
		Customer call centre
4.	Distribution Infrastructure Maintenance and Improvement	Tree trimming Pole inspection Storm hardening
5.	Information Technology	Use of supporting technology and systems

### *Consultations*

The Consultants will seek input from a cross section of stakeholders through interviews with utility personnel (management and union), contractors and mutual assistance providers, elected officials and key City staff. In addition, the Independent Review Panel received input from the public through three concurrent town hall meetings on Thursday, March 6, 2014, that were hosted at North York, Etobicoke and Scarborough Civic Centres. Toronto Hydro customers and residents who were unable to attend one of these meetings can provide feedback to Davies Consulting LLC by email at [torontoicestorm@daviescon.com](mailto:torontoicestorm@daviescon.com).

### *Independent Review Panel Report*

The results of the work undertaken by the Independent Review Panel are anticipated to be completed by May/June 2014. As requested by Council, Toronto Hydro has committed to providing the City Manager with a copy the findings of the Independent Review Panel for inclusion in the City Manager's report to the Executive Committee on July 2, 2014.

## **CONTACTS**

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## **SIGNATURE**

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