Final Consolidated Corporate Services Standing Committee Meeting

**Date:** Monday, July 29, 2019  
**Time:** 6:00 o’clock p.m.  
**Location:** Council Chambers, 1st Floor, Windsor City Hall

**MEMBERS:**
Mayor Drew Dilkens
Ward 1 – Councillor Fred Francis
Ward 2 – Councillor Fabio Costante
Ward 3 – Councillor Rino Bortolin
Ward 4 – Councillor Chris Holt
Ward 5 – Councillor Ed Sleiman
Ward 6 – Councillor Jo-Anne Gignac
Ward 7 – Councillor Irek Kusmierczyk
Ward 8 – Councillor Gary Kaschak
Ward 9 – Councillor Kieran McKenzie
Ward 10 - Councillor Jim Morrison
ORDER OF BUSINESS

<table>
<thead>
<tr>
<th>Item #</th>
<th>Item Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>CALL TO ORDER</td>
</tr>
<tr>
<td>2.</td>
<td>DISCLOSURE OF PECUNIARY INTEREST</td>
</tr>
<tr>
<td>3.</td>
<td>ADOPTION OF THE MINUTES</td>
</tr>
<tr>
<td>3.1.</td>
<td>Minutes of the Executive Committee meeting held January 29, 2018 (SCM 60/20189)</td>
</tr>
<tr>
<td>4.</td>
<td>REQUEST FOR DEFERRALS, REFERRALS OR WITHDRAWALS</td>
</tr>
<tr>
<td>5.</td>
<td>PRESENTATIONS AND DELEGATIONS</td>
</tr>
<tr>
<td>5.1.</td>
<td>PwC Internal Audit Quarterly Summary Report April 1 to June 30, 2019 (SCM 244/2019)</td>
</tr>
<tr>
<td></td>
<td>a) Suk Bedi, Director Risk Assurance Services; and Christopher O’Connor, Partner, PricewaterhouseCoopers LLP</td>
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<td>Clerk’s Note: Administration submitting the attached additional information memo dated July 22, 2019 providing a revised recommendation.</td>
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<td>5.2.</td>
<td>PwC Internal Audit Year in Review 2018-2019 (SCM 245/2019)</td>
</tr>
<tr>
<td>5.4.</td>
<td>Summary of Hotline Issues Referred to Management by PwC - 2019 Q2 - City Wide (S 127/2019)</td>
</tr>
<tr>
<td>5.5.</td>
<td>Corporate Asset Management Plan (S 129/2019)</td>
</tr>
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<td>Clerk’s Note: Appendix printed in colour and previously distributed to Mayor &amp; Members of Council. Also available at <a href="http://www.citywindsor.ca">www.citywindsor.ca</a></td>
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<td></td>
<td>a) Melissa Osborne, Senior Manager Asset Planning; and Roop Lutchman, GHD Market Leader (20 minute presentation)</td>
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<td></td>
<td>b) Dave Colle, President; and Jamie Dilaudo, Vice President, Heavy Construction Association (5 minutes)</td>
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DELEGATIONS: (5 minute maximum)

6.5. Windsor Essex Community Housing Corporation - Annual General Meeting - City Wide (C 140/2019)
   a) Ami Patel, Chief Financial Officer & Director of Finance, Windsor Essex Community Housing Corporation (available for questions)

6. BUSINESS ITEMS

6.1. The Corporation of the City of Windsor 2018 Consolidated Financial Statements (S 133/2019)

6.2. Compliance with Applicable Laws & Regulations, 2019 Q2 - City Wide (S 130/2019)

6.3. 2019 Second Quarter Operating Budget Variance Report (S 131/2019)


6.6. Disaster Mitigation and Adaptation Fund (Special Intake) (C 145/2019) (attached)

7. COMMITTEE REPORTS

8. ADJOURNMENT
Subject: Disaster Mitigation and Adaptation Fund (Special Intake)

Reference:
Date to Council:
Author: Melissa Osborne
Senior Manager Asset Planning
519-255-6100 x6111
mosborne@citywindsor.ca

Luigi Congi
Asset Coordinator
519 255 6100 ext. 6136
lcongi@citywindsor.ca

Asset Planning
Report Date: 7/23/2019
Clerk’s File #: EI/13569

To: Mayor and Members of City Council

Recommendation:
That in order to undertake a major project aimed at reducing the likelihood of future flooding, City Council approve the following recommendations:

1. THAT City Council APPROVE the Chief Administrative Officer to submit an Expression of Interest, and Full Application for the $80,484,001 project identified in this report, to Infrastructure Canada (INFC) for the Disaster Mitigation and Adaptation Fund (DMAF) subject to the documents being satisfactory in technical content by the City Engineer and financial content by the City Treasurer; and,

2. THAT City Council SUPPORT the matching funding for the City’s portion of the project, as $5,000,000 each year from 2020 to 2030 from the Sewer Master Plan Implementation Project (ENG-002-19); and,

3. THAT in the event the City receives written confirmation of the Grant funding being awarded to the City, then City Council APPROVES the following:
   
   a) THAT City Council APPROVE the use of funding identified in the Sewer Master Plan Implementation Project (ENG-002-19) as the City’s matching portion for the DMAF grant, with funding specifically identified as follows:
1. **PRECOMMITMENT** of $5,000,000 each year from 2020 to 2023 so that these funds are available for immediate use; and,

2. Placeholder funding of $5,000,000 each year from 2024 to 2030 be **APPROVED** and that once funding for each year is within 5 years it **BE DEEMED** precommited and available for immediate use.

   b) THAT the Chief Administrative Officer and City Clerk **BE AUTHORIZED** to execute any agreements, declarations or approvals required resulting from receiving grant funding approval for the DMAF program and being satisfactory in technical content to the City Engineer, in financial content to the City Treasurer, and in form to the City Solicitor; and,

   a) The Chief Administrative Officer **BE AUTHORIZED** to delegate signing of all claims and applicable schedules and other such documents required as part of the request for payment to the City Engineer or designate, subject to financial content approval from the area’s Financial Planning Administrator or their manager; and,

   b) The Chief Administrative Officer and City Clerk **BE AUTHORIZED** to sign agreements or contracts with successful vendors/proponent/bidder satisfactory in technical content to the City Engineer, in financial content to the City Treasurer, and in form to the City Solicitor; and,

   c) The Purchasing Manager **BE AUTHORIZED** to issue Purchase Orders as may be required to affect the recommendation noted above, subject to all specification being satisfactory in technical content to the City Solicitor for legal content and in financial content to the City Treasurer.

**Executive Summary:**

N/A

**Background:**

On July 5, 2019 the City of Windsor received a letter from the Province of Ontario Ministry of Infrastructure advising that a limited expedited intake for proposals under the Disaster Mitigation and Adaptation Fund was now open. The focus of this special intake is in response to the Spring 2019 flooding events which occurred across Ontario, Quebec and New Brunswick. The special intake is open solely for these Provinces, the impact of the Spring 2019 flooding on the community must be identified, and the project recommended must be able to demonstrate that it can mitigate this risk in the future. The grant timelines require both the Expression of Interest and Full Applications to be submitted by August 1, 2019.
The grant program recognized the need to provide opportunities for projects which are less than $20M to be considered. As such the Ministry of Municipal Affairs and Housing and Ministry of Natural Resources and Forestry in Ontario was granted permission to submit a bundled set of projects from various municipalities to achieve the $20M minimum project cost required in the DMAF programs. To participate in the bundling of projects through the Provincial ministries, an expression of interest and a full application would have to be completed and given to the Province by July 19, 2019. This would allow the Ministry time to compile all proposals and meet an August 1st, 2019 deadline to the grant provider. If a municipality identified a project in access of the $20M minimum requirement they were to apply directly to the grant provider, Infrastructure Canada, by August 1, 2019.

By way of comparison to the 2018 DMAF grant program, which the City was awarded funding of $32.1M, Infrastructure Canada provided notification of the grant on June 4, 2018, with the Expression of Interests (EOI) due July 31, 2018, notification of an invitation to submit a full application was received October 12, 2018 and the full application was due January 11, 2019, 7 months in total. This special intake is drastically shorter providing 2 weeks for small projects to be submitted via the Provincial ministry or just over 3 weeks for projects over $20M to be submitted individually. In addition, both the EOI and detailed application are required at the same time. This report provides Administration’s recommended projects based on current data, plan details, costs, funding options and relationship to the requirements of the grant program which could be identified in this compressed timeframe.

Discussion:

The City has put forward several initiatives from the 8-point flooding plan to help reduce the risk of flooding in our City. Previous flooding related incidents were a result of significant rain events overwhelming our systems. In 2019 these challenges were further complicated by the higher than normal waterway levels. The implications of this have been reported frequently over the past several months and include but are not limited to: closure of the marinas, replacing the docks damaged by the flooding, temporary closure of Peche Island, changes to boating requirements to reduce wakes and sand bag program for residents.

ERCA has reported “Area waterways are now 1 meter above the norm for this time of year and 6 inches above ERCA’s worst case scenario for testing purposes.” Furthermore one of the areas identified as being part of the 10,000 plus homes at risk runs along Windsor’s shoreline. Flood advisories in 2019 exceed 2018 numbers by 62% and ERCA anticipates waterway levels may rise further. Given how flat our area is ERCA cautions even increases by inches can be very challenging for the area. ERCA is now planning special workshops in August to provide residents with more information and ways to help manage the risk.

The guidelines from the 2018 DMAF grant apply to this special intake, with exception of the following changes:

- Focus is solely on impacts related to Spring 2019 flooding events
- Both the EOI and full application are required at the same time
- City Council approval is not required at time of submission
- Special intake is available only in Ontario, Quebec and New Brunswick
- Projects under $20M can be bundled through the Provincial ministry.

While City Council approval is not required at time of submission for grant purposes, given the significant cost and matching funding associated with the submission, Administration is bringing forward this report for City Council’s information and support of the application submission.

Key eligibility requirements which remain the same are:
- Definition of eligible and ineligible costs
- Grant funding is up to a maximum of 40% of eligible costs
- City funding is 60% of eligible costs and 100% of ineligible costs
- Projects must be completed by March 31, 2028

Emergency Services

With the recent rise in regional water levels, Lake St. Clair, the Detroit River, and Little River have all risen to an alarming level. Consequently, the City of Windsor’s Community Control Group, the Community Emergency Management Coordinator, and their alternates have been in Enhanced Monitoring State – the first of three levels of response above normal operations. If water levels continue to rise to the point of overland flooding, the level of response will be escalated. The City of Windsor and surrounding municipalities in Essex County, most of which have experienced overland flooding and shoreline erosion, have been monitoring the water levels closely since April. Although many measures of mitigation, preparedness, and response have been implemented, the approval of this project to build additional pumping stations and to provide upgrades to specific sewers would enhance the city’s capability to manage heavy volumes of water in order to protect residents.

The berm system in Riverside and East Riverside is designed to protect most residents in the event of overland flooding, but residents on Riverside Dr. E., particularly the north side, remain vulnerable. This could cause parts of the road to be impassible; residents could find themselves unable to access their homes and vehicles, whether from their driveways or from parking garages in apartment building complexes. Additionally, should the city experience significant rainfall, not only could this cause the water levels to rise, but it could also cause surface flooding to occur, specifically in the most vulnerable parts of the city due to land elevation in Riverside, East Riverside, and East Windsor. All of which would increase the need for utility services for power and water restoration and city services such as garbage collection and debris cleanup. The addition of a pumping station and the upgrades to current pumping stations would reduce the effects of moderate to severe flooding on the residents.

From an emergency management perspective, this project enhances the ability of the City to deal with flooding and addresses the main tenets of emergency management theory. The project provides a measure of preparedness, mitigation, and will benefit both response and recovery phases as the additional pumping capacity will aid in reducing the risk of flooding and should flooding occur the capacity to remove water will
be enhanced. The approval of this project is recommended by emergency services as flooding slows response times to emergencies particularly along sections of Riverside Dr. E. Parts of Riverside, East Riverside, and East Windsor could be negatively affected if surface flooding occurs from significant rainfall as the current historically high water levels reduce the efficiency of the current system to pump the water out of the area. For these reasons, the City of Windsor’s Community Control Group views this project as a necessary step needed to be taken to better protect our residents and their homes.

**Recommended Projects**

Administration met on several occasions to discuss the various projects which might qualify for this special intake of DMAF. Dillon Consulting was also contacted to determine if the Sewer Master Plan, currently being developed, might provide project options. While several projects throughout the City were identified which could relate to flooding in general, the grant requires the project to be related to Spring 2019 flooding.

The City of Windsor’s Spring 2019 flooding is tied to the rising waterway levels which become further complicated by rain and wind events. As a result, events which related to the grant are focused in the East area of Windsor. Any project not directly tied to resolving issues in that area were eliminated from the list. Projects already started also do not qualify for funding which further reduce the options. It was also determined that the City did not have any projects within the area which are less than $20M to meet with the required criteria for the Provincial bundling project option.

Below is a summary of the 5 major projects recommended as one submission to DMAF. The projects recommended are also priority projects being identified in the Sewer Master Plan.

**Storm Pump Station Improvements - St. Rose and Ford Pump Stations**

Current high-water levels in the Detroit River are compromising the capacity of the storm drainage network along the Detroit River for the project site. This storm sewer system was designed with a gravity outlet, which does not function well under these high-water levels. The interconnection to adjacent drainage areas is insufficient and has resulted in surface flooding under minor rainfall events.

Replacement of existing gravity storm sewer outlets with a new stormwater pumping station at St. Rose will provide hydraulic separation from the high-water level in the receiving stream and a significantly upgraded stormwater pumping station at Ford will provide benefit to the upstream drainage area which has experienced high hydraulic grade line due to tail water condition from the receiving stream. The new design will be more resilient and have additional capacity to offset the effects of climate change and reduce the risk of flooding.
**Storm Sewer Improvements - Riverside Drive and St. Rose**

Construction of a new storm trunk sewer along Riverside Drive from Ford Boulevard to St Rose Avenue will alleviate significant flooding that occurs along Riverside Drive, and from the intersection of Edgar and Homedale north-easterly to the new pump station at St Rose will provide relief to the subject area.

**Flood Protection Barrier Landform**

Implementation of a flood protection barrier landform along Riverside Drive, as identified in the East Riverside Flood Protection Risk Assessment Study (in progress) using the 1:100 year Lake St Clair and Detroit River instantaneous water level factored for climate change scenario to 2050 will protect low lying lands to the south from the effects of riverine surface flooding.

**Risk Analysis:**

Any project deficits associated with the project will be the responsibility of the City. The limited time for submission to this grant and that the project is not shovel ready creates a risk that the cost estimates associated with this project will be lower than actual costs. Administration has mitigated this risk by increasing initial estimates with a contingency to reduce this risk, however there remains a possibility that additional City funding will be requested.

The Sewer Master Plan is due in December and while these projects are identified as priority, use of funding for the matching City portion for this project will reduce options on how many other projects may be able to be started. To mitigate this risk Administration has left $1,000,000 annually in the Sewer Master Plan Implementation project as well as the full amount of $4.8M in 2019. In addition, the Storm Water Financing study may further reduce this risk, however that plan is still in development. There is also an Investing in Canada Infrastructure – GHG funding stream expected in late 2019 which may be able to be leveraged to help fund other projects in the Sewer Master Plan.

There is a risk that the City may not be awarded grant funding for this project. Should this occur the project will be revisited as part of the Sewer Master Plan and the recommendations associated with the implementation of that plan.

The location of the pump stations is currently identified within existing parks. This will reduce space at those parks and while the structures will be designed to visually appealing there is a risk that the location is not well received by residents.

**Financial Matters:**

During the 2019 budget deliberations and in advance of the expected demands of the Sewer Master Plan, City Council elected to increase the Sanitary Sewer Surcharge
funding. This increase resulted in annual funding of $6M for the implementation of the Sewer Master Plan, project ENG-002-19. This portion of the increased funding is to assist with implementing priority projects in the Sewer Master Plan and affords the City an ability to have matching funding for any grant opportunities which can be leveraged to implement projects in the Sewer Master Plan.

The introduction of this increase has allowed Administration to provide a recommendation on how to fund the City’s portion of approximately $53.3M of this DMAF grant, without impacting other projects currently identified in the 2019 7-year capital budget. Administration is recommending $5,000,000 of the $6,000,000 each year from 2020 to 2030 from the Sewer Master Plan Implementation Project (ENG-002-19), be approved to fund the $53.3M, plus funding for any financing costs which may be related to the project. Further, any funding currently within the 5-year timeframe, 2020 to 2023 is being requested to be precommitted for immediate use. Funding outside of the 5-year timeframe, 2024 to 2030 is recommended to be identified as a placeholder and that when the funding is within the 5-year timeframe it be deemed precommitted for immediate use.

It is noted that notwithstanding the significant commitment of funds recommended in this report that the Sewer Master Plan Implementation project will still have 2019 funding of $4,812,249, as well as $1,000,000 each year from 2020 to 2030 available for use on other projects identified in the Sewer Master Plan. In addition, the Investing in Canadian Infrastructure Program – GHG stream, is expected to be released in 2019. If projects in the Sewer Master Plan qualify for this grant the remaining funding can be leveraged as the City’s matching portion to increase the number of projects which can be completed.

The table below outlines the eligible and ineligible costs for the various projects recommended for the grant submission.

<table>
<thead>
<tr>
<th>Task</th>
<th>Total Costs</th>
<th>Eligible Costs</th>
<th>Ineligible Costs</th>
<th>DMAF Funding (40% of Eligible Costs)</th>
<th>City Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>St Rose Pump Station</td>
<td>30,459,908</td>
<td>27,859,908</td>
<td>2,600,000</td>
<td>11,143,963</td>
<td>19,315,945</td>
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<tr>
<td>Ford Pump Station</td>
<td>21,173,272</td>
<td>18,573,272</td>
<td>2,600,000</td>
<td>7,429,309</td>
<td>13,743,963</td>
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<tr>
<td>Sewer Infrastructure</td>
<td>5,789,100</td>
<td>4,895,081</td>
<td>894,019</td>
<td>1,958,032</td>
<td>3,831,068</td>
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<tr>
<td>St Rose Sewer</td>
<td>15,151,500</td>
<td>15,151,500</td>
<td>-</td>
<td>6,060,600</td>
<td>9,090,900</td>
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<tr>
<td>Landform Barrier</td>
<td>5,421,572</td>
<td>1,261,114</td>
<td>4,160,458</td>
<td>504,446</td>
<td>4,917,126</td>
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<td>Internal Costs</td>
<td>2,488,649</td>
<td>-</td>
<td>2,488,649</td>
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<td>2,488,649</td>
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<tr>
<td>Total</td>
<td>80,484,001</td>
<td>67,740,874</td>
<td>12,743,127</td>
<td>27,096,350</td>
<td>53,387,651</td>
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**Notes on Ineligible Costs:**
1. These are all land acquisition costs and are therefore considered ineligible.
2. Dillon was awarded the original engineering work for the Riverside Vista project. The scope for this project has been expanded and as a result, additional engineering work is needed. Due to Dillon’s prior experience with the area, Administration recommends that this work be sole sourced to Dillon. The guidelines of the DMAF program require that tenders be awarded on a competitive basis, so these costs are considered ineligible.
3. This is a combination of land acquisition costs ($3.975M) and engineering work ($185k) also being sole sourced to Dillon. These expenses are all considered ineligible.
4. All internal staffing costs are considered ineligible.
As indicated above, Administration estimates the works submitted as part of the grant to cost a total of $80,484,001. Of these costs, $67,740,874 is considered eligible for up to 40% in DMAF funding, or $27,096,350. This means that the City would need to contribute the balance, or $53,387,651.

**Consultations:**
Wes Hicks - Senior Manager Infrastructure & Geomatics / Deputy City Engineer
Anna Godo – Engineer III
Jake Renaud – Senior Manager Pollution Control / Deputy City Engineer
Michael Dennis – Financial Planning Administrator

**Conclusion:**
It is recommended City Council approve the submission of these projects as an opportunity to leverage up to an additional $27M in grant funding to help address projects which will assist in addressing our flooding challenges.

**Planning Act Matters:**
N/A

**Approvals:**

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<tr>
<th>Name</th>
<th>Title</th>
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<tr>
<td>Melissa Osborne</td>
<td>Senior Manager Asset Planning</td>
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<tr>
<td>Mark Winterton</td>
<td>City Engineer</td>
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<tr>
<td>Joe Mancina</td>
<td>Chief Financial Officer / City Treasurer</td>
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<tr>
<td>Onorio Colucci</td>
<td>Chief Administrative Officer</td>
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**Notifications:**

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**Appendices:**
TO: Mayor and Members of City Council

FROM: Joe Mancina, Chief Financial Officer & City Treasurer

DATE: July 22, 2019

SUBJECT: Revised Recommendation for Report #SCM 244/2019 Item # 5.1

Upon further review of the recommendation of the PwC Internal Audit Quarterly Summary Report April 1, 2019 to June 30, 2019 (report number SCM 244/2019), it has been determined that an amendment to the recommendation is required. Administration is asking that City Council approve the following recommendation to Committee Matters Report SCM 244/2019 - PwC Internal Audit Quarterly Summary Report April 1, 2019 to June 30, 2019:

THAT the attached report provided by PricewaterhouseCoopers LLP (PwC) for the period April 1, 2019 to June 30, 2019 comprised of the following:

a) Internal Audit Performance Dashboard 2018-19
b) Concerned Citizen and Employee Hotline Status
c) CHC Asset Management Housing Portfolio Internal Audit Report
d) Hotline Investigation Report NTS-002-2018

BE RECEIVED for information; and further,

THAT City Council AUTHORIZE administration to proceed to implement the Management Action Plan as prescribed in the Hotline Investigation Report NTS-002-2018; and,

THAT City Council DIRECT administration to report on the progress of the implementation of the Management Action Plans and that such reports should coincide with PricewaterhouseCoopers LLP’s quarterly updates to Council.

Onorio Colucci
Chief Administrative Officer

Joe Mancina
Chief Financial Officer & City Treasurer - Corporate Leader of Finance & Technology