



Report
Staff Report
The Corporation of the City of Brampton
1/13/2025

Date: 2025-01-08

Subject: **Proposed 2025 Stormwater Charge Increase**

Contact: Michael Heralall, Director, Environment & Development Engineering

Report number: Planning, Bld & Growth Mgt-2025-047

RECOMMENDATIONS:

1. That the report from Michael Heralall, Director, Environment & Development Engineering to the Special Council Meeting of January 13, 2025, re: **Proposed 2025 Stormwater Charge Increase**, be received;
2. That the stormwater charge rate increase as proposed in Schedule H and I of the 2025 User Fees – Community Services, Corporate Support Services, Legislative Services, Public Works & Engineering, Planning, Building & Growth Management, and the Office of the CAO report be approved.

OVERVIEW:

- As requested by Council at the November 27, 2024 Committee of Council meeting, this report provides information on the proposed increase to the stormwater charge rate as proposed in the 2025 User Fees – Community Services, Corporate Support Services, Legislative Services, Public Works & Engineering, Planning, Building & Growth Management, and the Office of the CAO.
- Staff have recommended a stormwater charge rate of increase of 3.4% effective April 1, 2025, aligning with general inflation adjustments. This would increase the stormwater charge rate per billing unit from \$92.03 to \$95.16 per year. This equates to \$1.4M increase in revenue to fund the stormwater program and associated reserve fund.
- The stormwater charge rate increase is in alignment with general inflation adjustments, is consistent with the 2024 stormwater charge increase, and contributes to decreasing the projected funding gap for stormwater.

BACKGROUND:

At Committee of Council on November 27, 2024 a motion was passed to defer approval of the Stormwater Management fee increase, Schedule H and I, of Staff Report 2025 User Fees – Community Services, Corporate Support Services, Legislative Services, Public Works & Engineering, Planning, Building & Growth Management, and the Office of the CAO. Staff were directed to provide a report on the consequences of deferring the fee increase. This report provides a review of the implications of deferring the fee increase.

In June 2019, City Council approved a new stormwater charge to provide dedicated, sustainable funding for the City's stormwater infrastructure. The recommendation to implement this charge came out of a two-year study on sustainable funding options for this vital service, referred to as the Stormwater Management Financing Study¹. The stormwater charge was implemented through By-law 82-20202 and billing began June 1, 2020.

The City's current approach to funding stormwater services through the stormwater charge reflects an equitable approach where the higher the impervious cover the higher the stormwater charge. Prior to the introduction of the stormwater rate the City relied on the general tax levy which did not fairly distribute costs between the residential and non-residential property classes (producing most of the stormwater runoff) which meant residential properties were effectively subsidizing non-residential properties.

The City's stormwater assets are currently evaluated at a replacement value of \$1.8 Billion in the 2023 State of Local Infrastructure Report³. The City's stormwater infrastructure assets include storm sewers, catchbasins, manholes, stormwater management ponds, road-side ditches, watercourses and flood channels. Keeping the stormwater system in a state of good repair is essential to ensure the public, property, and the environment are protected from flooding and other the adverse effects of uncontrolled stormwater runoff.

Stormwater Program Update

Stormwater charges collected to end of 2024 total \$112M, and have been utilized as follows:

Operating costs (sewer maintenance, catchbasin flushing etc):	\$21.4 M
Capital projects (storm pond dredging, watercourse protection, CCTV, Riverwalk)	\$112.6 M

Future stormwater expenditures to be funded from stormwater charges over the next 10 years include:

¹ <https://www.brampton.ca/EN/residents/Stormwater/Documents/Stormwater-Infrastructure-Financing-Study.pdf>

² <https://www.brampton.ca/EN/residents/Stormwater/Documents/By-law-82-2020.pdf>

³ https://www.brampton.ca/EN/City-Hall/Corporate-Asset-Management/Documents/2023-SOLI_Report.pdf

- City-wide CCTV program (\$20M) – ongoing program to collect camera and inspection data and assess the physical condition of assets as required for asset management and life-cycle planning.
- Stormwater pond maintenance – (\$3.5M per year) annual program to dredge and restore stormwater ponds across the City to full functionality as required by Provincial certificates of approval.
- City-wide storm sewer maintenance (\$2.5M per year) - annual budget for catchbasin cleaning and flushing, underground locates, water quality unit maintenance, and storm sewer repairs associated with road maintenance.
- Stormwater retrofits (\$84M - \$145M) – 10-year program to implement stormwater quality control ponds in areas of Brampton where there are no stormwater controls. These are the recommendations of the City’s 2015 Stormwater Retrofit plan and water quality studies. Locations are as shown on Attachment 1 and show new stormwater ponds required to provide water quality controls in existing developed areas. Each new pond will require completion of an Environmental Assessment, and these are underway for these new ponds. Timing of construction will be dictated by completion of the EAs and subsequent detailed design for each, as well as complexity of issues (e.g. land acquisition).
- City-wide watercourse erosion protection and restoration (\$1M per year) – annual program to implement bank stabilization works and erosion protection within watercourses to protect infrastructure and environment. An illustrative list of candidate sites across the City and within the Toronto and Region Conservation Authority’s area are included as Attachment 2, a similar list is being developed for Credit Valley Conservation areas).

Stormwater charges are collected for the express purpose of maintaining, restoring, and expanding the stormwater system. It is not used for non-stormwater purposes such as funding other types of infrastructure (i.e. lighting). Stormwater charge revenue that is not committed to operating and capital programs is placed into a Stormwater Charge reserve fund designed to address the long-term replacement costs of the entire stormwater system.

CURRENT SITUATION:

Funding Gap

The City is currently in the process of updating the Stormwater Asset Management Plan to meet the next legislated timeline (July 2025) for municipal asset management plans for core services (stormwater is a core service). Based on work done to date, which considers the stormwater assets, their conditions and regulatory requirements, **a funding gap has been identified due to increase in replacement value of stormwater assets from \$1.2B to \$1.7B.** Revenue targets for 2025 and future years are being updated in the Stormwater Asset Management Plan which will be presented to Council later this year. The work being done shows the proposed 2025 revenue

target should be \$30.1M. In turn, the 2025 annual stormwater charge required to support this level of revenue would be \$100.03 per billing unit.

Proposed Stormwater Charge Increase for 2025

The stormwater charge rate increase of 3.4%, which would be effective April 1, 2025, in alignment with general inflation adjustments, is consistent with the magnitude of the 2024 rate increase and continues to decrease the projected funding gap. This would increase the stormwater charge rate per billing unit from \$92.03 to \$95.16 per year, which still falls short of what the projected 2025 revenue target should be. This equates to \$1.4M increase in revenue to fund the stormwater program and reserve. The proposed increase continues to ensure the stormwater charge remains low compared to other municipalities.

CORPORATE IMPLICATIONS:

Financial Implications:

Increasing the stormwater charge rate by 3.4% effective April 1, 2025, aligning with general inflation adjustments, is consistent with the 2024 rate increase approach and continues to decrease the projected funding gap. This would increase the stormwater charge rate per billing unit from \$92.03 to \$95.16 per year and equate to \$1.4M increase in revenue to fund the stormwater program and reserve. If the City does not increase the stormwater charge for 2025, future adjustments to the stormwater charge will need to be of larger magnitude to restore sustainability of stormwater funding.

Communications Implications:

City staff have worked with the Region of Peel to include a notice that will accompany the next billing cycle to make property owners aware of the pending increase in May 2025.

STRATEGIC FOCUS AREA:

Increasing the stormwater rate continues to ensure the City's stormwater system in a state of good repair which is essential to ensuring the public, property, and the environment are protected from flooding and other the adverse effects of uncontrolled stormwater runoff. Environmental Resilience & Sustainability strategic focus areas.

CONCLUSION:

Increase in the replacement value of the City's extensive stormwater system results in a funding gap to be fully addressed in the 2025 update to the Stormwater Asset Management Plan. It is important to continue keeping pace with general inflationary increases to decrease the magnitude of future adjustments to the stormwater charge.

The risk from deferring an increase to the stormwater charge is widening of the annual lifecycle funding gap and higher rate increases in the coming years.

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Attachments:

1. Required Stormwater Retrofits
2. TRCA Erosion Priority Locations
3. Schedule H – Stormwater Charges (June 1, 2024 to March 31, 2025) (for By-Law)
4. Schedule I – Stormwater Charges (April 1, 2025 to March 31, 2026) (for By-Law)