

COMMITTEE OF THE WHOLE - APRIL 3, 2006

ASIAN LONG-HORNED BEETLE INFESTATION IDENTIFICATION OF COSTS ASSOCIATED WITH THE INFESTATION AND STRATEGY DEVELOPMENT

Recommendation

The City Manager, the Commissioner of Community Services and the Commissioner of Engineering and Public Works and the Commissioner of Economic/Technology Development and Communications recommend:

1. That the following report be received for information;
2. That Staff continue to pursue all available avenues to maximize cost recovery from the Canadian Food Inspection Agency for funds expended by the City of Vaughan in response to the Asian Long-Horned Beetle Infestation;
3. That Staff commence all necessary Applications for Compensation under the federal *Plant Protection Act*, S.C. 1990, c. 22 and/or *Introduced Forest Pest Compensation Regulations*, P.C. 2004-608, 10 May 2004, as amended by SOR/2005-255, to recover all costs incurred by the City for tree replanting and, if possible, all costs associated with the removal and disposition of trees and the removal of contaminated or potentially contaminated yard waste in the Regulated Area, and further, if any decisions or orders for compensation made on such applications are unsatisfactory or inadequate, to commence any available appeals to an Assessor under the *Plant Protection Act* and *Compensation Regulations*; and
4. That all other funding sources, previously identified, continue to be pursued.

Economic Impact

There are no economic impacts associated with the preparation of this report. The report has identified significant costs that the City has accrued to-date along with the potential for future costs in the fight against the Asian Long-Horned Beetle (ALHB) infestation. The City will be financially responsible for such costs unless full compensation or alternative funding sources can be secured.

Purpose

The purpose of this report is to: provide an update on the costs that have been incurred to-date by the City of Vaughan in the fight against the Asian Long Horned Beetle infestation; provide an update on the potential for future cost liabilities associated with the infestation; and recommend a strategy for dealing with and/or recovering such costs.

Background – Analysis and Options

a) Overview

In the autumn of 2003 the Asian Long Horned Beetle was discovered in the Woodbridge area of Vaughan and in the northwest section of Toronto. Its larvae feed on certain species of hardwood trees, ultimately killing them. The ALHB is an invasive species and there are no natural predators in North America or biological treatments available to control their spread. The beetles represent a serious threat to our hardwood forests,

which if left unchecked, could have negative aesthetic, economic and environmental consequences on a local, provincial and national scale.

Further infestations were discovered in the fall of 2004 and the summer of 2005. Eliminating the beetle involves finding and severing the pathways of introduction and finding and eradicating all known infestations. The eradication measures adopted in Vaughan and Toronto are partially based on the experience of other North American cities that are suffering infestations. The Canadian Food Inspection Agency ("CFIA"), which is the responsible agency, has also brought together scientists who specialize in the eradication of invasive quarantine insects to provide advice and assistance.

Under the Federal *Plant Protection Act* the CFIA is responsible for preventing the entry and spread of invasive species. As such, the CFIA has the authority to control and eradicate infestations. In February 2004 it established the Asian Long Horned Beetle Regulated Area. The Vaughan portion of the regulated area is encompassed by Steeles Avenue on the south; Highway 27 on the west; Rutherford Road on the north; and Dufferin Street on the east. As such, the infested areas discovered in 2004 and 2005 are within the Regulated Area.

The CFIA issued the *Asian Long Horned Beetle Infested Places Order*. It restricts the movement of any tree materials (including nursery stock, trees, leaves, logs, lumber, wood, wood chips and bark chips from susceptible species of trees as well as firewood from all species) out of the Regulated Area, unless authorized by the CFIA by its issuance of a movement certificate.

The means of control of the ALHB is time consuming and labour intensive. Visual inspections are undertaken on all host trees within 1200 m of an ova position (i.e. egg laying site) or infestation. All trees that show signs of infection are removed along with potential host trees that are within 400 m of an infected tree. The resulting plant material is then ground into mulch in order to destroy the beetles as part of the preventive measures required to prevent the spread of the beetle. Similarly, all leaf and yard waste from within the regulated area must be ground as this material has the potential to harbour the beetle.

The City of Vaughan has been an active and willing participant in the CFIA eradication program. The City's participation and financial and in-kind contributions have included: sitting on the Intergovernmental Task Force and various sub-committees; supporting public notification and outreach; assisting the CFIA in the identification and removal of affected trees; and adjusting garbage collection practices in order to meet the CFIA's requirements for the Regulated Area.

It is noted that Ontario-Federal Council presented the City of Vaughan with a Leadership Through Collaboration Award 2004 for its contribution to the ALHB control and eradication program

All of these measures have had financial implications for the City. Some federal compensation has been received for various aspects of the work done to-date. However, full cost recovery has not been possible with respect to all work done and costs incurred by the City, including removal of trees and disposition costs, etc.

The replacement of City street trees commenced in November 2005 and will continue in May 2006. Thereafter the replacement of woodlot trees will commence. Despite the fact that some compensation will be available from the federal government through the CFIA for the replanting program, the compensation will be only partial compensation in accordance with the *Introduced Forest Pest Compensation Regulations* under the *Plant Protection Act*. It has the potential to have significant financial implications for the City. If

city-standards are applied to the replacement trees, the financial implications will be even greater. The level of compensation available will not provide for the size of tree (50 mm caliper, balled and burlapped) that would normally be planted by the City. Instead, a 40 mm calliper potted tree is being used to replace street trees and, even in this case, the level of compensation available in accordance with the Regulations will be less than half of the total costs of replanting street trees to the City.

b) Council Direction

On October 31, 2005, Council adopted a resolution directing that “Staff identify all costs associated with the Asian Long Horned Beetle Infestation and develop a strategy on the issue”. This report will compile the costs to-date, the compensation received to date or available and the potential for future costs. The report will conclude with a discussion of the strategy options available to the City, should Council wish to pursue additional funding or compensation.

c) City of Vaughan Expenditures by Department

i. Public Works Department (Waste Management Section)

Role: Providing for the collection of contaminated/potentially contaminated yard waste within the Asian Long Horned Beetle Regulated Area, advertising of pick-up schedules and assisting York Region in the operation of the Dufferin Street receiving yard on an occasional basis.

The Waste Management Section’s expenses were largely incurred during 2004 and are mostly attributable to the curbside collection of contaminated/potentially contaminated leaf and yard waste material. Given that clear plastic bags were acceptable for leaf and yard waste in 2004, collection crews were able to ascertain at point of pick up whether the material was host ALHB material or non-host ALHB material.

From April to November the City was required to run a second fleet (referred to as a “second pass”) of leaf and yard waste collection vehicles, which were designated only to pick up contaminated/potentially contaminated leaf and yard waste. The contaminated/potentially contaminated material was taken to a York Region facility for grinding and disposal in accordance with Canadian Food Inspection Agency (CFIA) requirements.

The initial pass, which was a standard city service, collected the non-host material and hauled it to a facility in the Region of York.

The Region of York banned the use of clear plastic bags for leaf and yard waste as of January 1, 2005. Collection requirements only permitted leaf and yard waste material to be set out in kraft paper bags or open top rigid containers. As a result, the nature/type of leaf and yard waste could not be determined by visual inspection.

In 2005 all of the yard waste was collected in the regular pick up but the material from within the Regulated Area was sent to the city-owned yard off of Dufferin Street for processing. The processing operations are conducted by the Region of York. This resulted in the termination of the City’s “second pass” program at the end of 2004.

Summary of Expenditures by Year:

2003

No expenditures.

2004

Advertising in Local Newspapers:	\$ 6,529.68
Advertising on Mobile Signs:	\$ 4,370.00
Leaf and Yard Collection "Second Pass" in Regulated Area:	\$238,134.71
Equipment and Labour Costs:	<u>\$ 2,689.67</u>
SUB TOTAL 2004	\$251,724.06

2005

Equipment and Labour Costs	\$ 5,656.58
SUB TOTAL 2005	<u>\$ 5,656.58</u>
TOTAL	\$257,380.64

Recovery of Costs to Date:

By letter dated September 20, 2004, a request was made to the CFIA for reimbursement for the costs incurred by the Vaughan Public Works Department (Waste Management Section) in eradicating the Asian Long Horned Beetle infestation. Compensation was requested for the ALHB advertisements and for the "second pass" of yard waste collection, which was solely dedicated to the pick up of contaminated or potentially contaminated leaf and yard waste material in the ALHB Regulated Area.

By letter dated October 27, 2004 the request for reimbursement was denied by the CFIA's Inspection Manager for the Toronto Region. The denial of compensation was based on a provision of the *Plant Protection Act*, which states that federal government is not liable for any costs, losses or damages for any actions. The letter went on to state, ". . . that Vaughan should not expect reimbursement from the CFIA in the coming years and should plan its operations accordingly."

On October 12, 2004 Council ratified a resolution (Resolution 7) adopted by the Intergovernmental Task Force that requested that the CFIA be requested to reimburse the City of Vaughan, Region of York and the City of Toronto for all extra costs incurred for waste collection as a result of the Asian Long Horned Beetle infestation. A response to this request, dated February 10, 2005, was received from the federal Minister of Agriculture. The Minister reiterated the earlier response from the CFIA (October 27, 2004) and advised that, ". . . the CFIA is not in a position to pay any additional costs associated with the control and eradication of this pest as related to Resolution 7".

On May 24, 2005 Council adopted the following motion: "That the Canadian Food Inspection Agency be requested to reimburse the costs associated with the collection of the ALHB yard and leaf waste in the amount of \$249,034.40 for the year 2004 and for each subsequent year until such time as the ministerial order is removed by the Minister of Agriculture and Agri-Food Canada".

Future Costs and Liabilities:

Based on current operations there appears to be limited exposure to future costs. It is expected that City staff and equipment will continue to assist York Region in the operation of the Dufferin Street Yard on an occasional basis. This is largely confined to equipment and labour costs and they are not expected to exceed the expenditures incurred in 2005.

ii. Parks and Forestry Operations

Role: Assisting the Canadian Food Inspection Agency in the inspection of trees for infestation, assisting the CFIA in the cutting and disposal of affected or potential host trees and the planting of replacement trees on city-owned lands.

Parks and Forestry Operations have been assisting the Canadian Food Inspection Agency in its efforts to eliminate the Asian Long Horned Beetle since 2003 and the discovery of the infestation. Costs accruing to Parks and Forestry Operations relate mainly to the use of staff time and city equipment. The annual breakdown is set out below.

Summary of Expenditures by Year:

2003

Equipment and Labour Costs \$ 49,684.99

2004

Equipment and Labour Costs \$126,739.82

2005

Equipment and Labour Costs \$ 42,746.40

Sub-Total \$219,171.21

Related Costs

Hiring a contractor to tub grind large logs in the Regulated Zone. \$ 3,500.00

Free Mulch Giveaways (November 2004 and October, 2005)
Staff, Equipment and Advertising Costs \$ 2,000.00

TOTAL \$224,671.21

Compensation To-date from the CFIA \$211,791.02

Recovery of Costs to Date:

The CFIA has been compensating the City for the staff time and equipment that is being used in the eradication program. The City has been issuing monthly invoices to the CFIA. Full compensation for 2003 (\$49,684.99) and 2004 (\$126,739.82) has been paid. For 2005 a total of \$35,366.21 of the \$42,746.40 cost has been remitted to the City to-date. A total of \$7,380.19 remains outstanding. These invoices will now be paid as a result of the submission of a Partnership Agreement between the City and the CFIA covering the role and responsibilities of each partner in the ongoing surveying and inspection work. In February, 2006, Council approved this partnership agreement, which allows the CFIA to reimburse the City for the outstanding invoices (currently at \$7,380.19)

for the year April 1, 2005 to March 31, 2006. The last invoice for work done was sent in December 2005 and two invoices remain unpaid.

Future Costs and Liabilities:

Eradication and Control

Future costs will depend on the duration and extent of the infestation and any subsequent monitoring program that the City may participate in. Costs peaked in 2004 and later discoveries of beetle activity have encompassed smaller areas. New areas of infestation were discovered in the summer of 2005. Therefore, additional costs for inspection and eradication can be expected for 2006. However, it is anticipated that any costs contemplated in the existing arrangements with the CFIA will continue to be compensated as in the past.

The City has been hiring a contractor to tub grind large diameter logs in the Regulated Zone. They are of different size that they cannot be handled with the City's equipment. The annual cost is estimated at \$3,500 and this cost is expected to continue into the immediate future.

Tree Replacement-Replanting

Compensation for the replacement or replanting of trees on municipal land will be affected by federal regulations. Under the *Plant Protection Act*, the *Compensation Regulations* (the *Introduced Forest Pest Compensation Regulations* introduced in May 2004) provide that the Minister may order the payment of compensation for the loss of a host tree in an amount equivalent to the direct costs incurred to acquire and plant the replacement tree. This is subject to the following additional limits on compensation:

- On lands zoned for residential, commercial or industrial use or for an educational institution or a hospital – **Maximum \$300.00/host tree disposed of;**
- On “public land” including public land that is used as a park, sports field, recreation trail or other similar recreational area - **Maximum \$150.00/host tree disposed of;**
- On lands within a woodlot if it is zoned for commercial, industrial or livestock or vegetation-based agricultural uses – **Maximum of \$40.00/host tree disposed of;**

As such the compensation available to the City is capped at a maximum of \$150.00 per street tree (and a maximum of \$40.00 per woodlot tree). The City recognized that this amount is inadequate. Therefore, at the July 14, 2004 meeting of the Intergovernmental Task Force the following Resolution 4 was adopted:

WHEREAS the Canadian Food Inspection Agency (CFIA) has allocated \$150 dollars per tree for replacement of Municipal Trees.

AND WHEREAS the cost to municipalities for replacement trees, planting, plant warranties and maintenance exceeds the funding allocated.

AND WHEREAS there is considerable evidence that the original cost of trees was considerably higher.

THEREFORE LET IT BE RESOLVED THAT The Asian Long Horned Beetle Intergovernmental Task Force request that the Canadian Food Inspection Agency (CFIA) increase the funding allocation for municipal trees to \$300 consistent with the funds allocated for tree replacement on private lands.

This resolution (among others) was ratified by Vaughan Council on October 12, 2004 and was forwarded to the federal Ministry of Agriculture. By letter dated February 10, 2005, the Minister advised, "With regard to Resolution 4, there are no plans to amend the regulations to review the dollar amounts allocated for each tree category".

On May 24, 2005 a report entitled "Asian Long-Horned Beetle and Tree Replacement Strategy for Public Lands" proceeded to Council. Council adopted a motion reiterating its position on the funding shortfall. It stated that, "approval be requested from the Canadian Food Inspection Agency regarding the previous motion sent out by the Intergovernmental Task Force requesting that \$300 per tree be approved for public lands in the City of Vaughan".

The May 24, 2005 report identified the potential cost implications surrounding the replacement trees. The City of Vaughan standard for street trees requires that they be 50 mm in caliper and be balled and burlapped. The cheaper alternatives are to plant bare root trees or potted trees. The balled and burlapped trees are initially more expensive but have a better survival rate. The other alternatives tend to be shorter, frailer, prone to vandalism and needing more frequent watering.

With the funding limited to \$150.00 for municipal trees, the money is only sufficient for the purchase and planting of less expensive stock (i.e. bare root trees). Typically, balled and burlapped trees cost more than \$300.00 each, purchased and planted.

As such, the City standard cannot be maintained unless the municipality makes up the cost difference between the two standards. Based on the early 2005 estimates, the cost implications were as follows:

Standard	Number of Street¹ Trees	Cost per Tree	Total
Vaughan	958	\$300	\$287,400
CFIA	958	\$150	\$143,700
Funding Shortfall to Replant as per Vaughan Standard			\$143,700

¹ A total of 1903 woodlot trees are affected and their replacement would cost \$76,120, based on \$40/tree.

To replace the trees in accordance with the Vaughan standard it was projected that an additional \$143,700 would be required for the street trees. As this is based on earlier cost estimates, several variables had to be adjusted to project to 2006 and beyond. First, because of the discovery of new infestations, the number of tree removals and replacements will increase. Second, the costs of replacing the trees would need to reflect the prices from contractors resulting from the actual tenders issued by the City.

Based on the responses to the tenders issued last summer, the costs will substantially exceed the amount the CFIA is willing to pay for the replacement of trees. The cost quoted from the initial tender in 2005 (May 30 closing) averaged \$500.00/tree for 50 mm caliper, balled and burlapped stock including installation, guarantee and two years of maintenance.

In order to reduce costs the tender was redone (closing July 11, 2005) specifying potted trees with a 40 mm caliper. The winning bid submission provided for a price of \$381,472 based on 958 - 40 mm potted trees.

Another letter dated August 25, 2005 was sent by the Director of Parks and Forestry Operations to the Regional Director of the CFIA for the Toronto Region, which asked for a smaller increase in compensation for each boulevard tree from \$150 to \$250. This would bring the total federal contribution to \$315,620 ($\$250.00 \times 958 + \$76,120.00 = \$315,620$). This request was made to show the CFIA that the City was making every attempt to work out a reasonable solution.

By letter dated September 2, 2005 the Regional Director of the CFIA advised that, "the Honourable Andy Mitchell, Minister of Agriculture and Agri-Food Canada, informed the City of Vaughan that there were no plans to amend the figures allocated to each replacement tree category in the *Introduced Forest Pest Compensation Regulations*. In absence of an amendment to this effect, the Agency is not at liberty to deviate from same."

It is noted that \$100,000 was allocated in the 2006 Capital Budget for ALHB tree replacement, in the event that additional funding was not approved by the CFIA.

The following table summarizes the costs to the City of proceeding with the replanting on the basis of 40 mm caliper potted trees. The calculation is based on 958 street trees and 1903 woodlot trees and the prices obtained in the July 11, 2005 tender for 40 mm caliper potted trees. These trees were removed as a result of the initial discovery of the infestation in 2003. Further replanting will take place because of the tree removal that took place as a result of later discoveries. The CFIA has not confirmed as yet the number of trees that will need to be replaced beyond those affected by the first discovery in 2003.

Tree Type	Number Of Trees	Average Cost/Tree	Cost to replant	Compensation/Tree From CFIA	Total confirmed CFIA Compensation	Net Cost to City
Street Tree	958	\$398.20	\$381,472	\$150/tree	\$143,700	\$237,772
Woodlot Tree	1903	\$40	\$76,120	\$40/tree	\$76,120	\$0
TOTAL SHORTFALL – FIRST REPLANTING, WITH CFIA FUNDING						\$237,772

The result is a total shortfall of \$237,772, which will have to be assumed by the City of Vaughan.

Funding Opportunities for Future Work

The Invasive Alien Species Partnership Program

The Invasive Alien Species Partnership Program is run by Environment Canada. Its goal is to prevent, detect and manage Invasive Alien Species in order to minimize their risk to the environment, economy and society. Program funding is available to eligible organizations, including municipalities, to address the threat of aquatic invasive alien species, terrestrial invasive alien plants and plant pests and invasive alien animals.

The program has two funding timeframes. The first allocation was for projects that would be completed by March 31, 2006. The last date for the submission of applications was December 16, 2005. This initial release of funding will be focusing on education and outreach initiatives that address the priority pathways of invasion.

The second allocation is available to support projects that will be initiated April 1, 2006 and completed by March 31, 2007. Funding for the second release will be directed to a wider range of potential projects. Examples include:

- Developing and implementing initiatives that target stakeholders or activities that contribute to the spread of invasive alien species;
- Providing information to assist stakeholders in identifying invasive alien species;
- Developing educational material for distribution to secondary schools;
- Developing and conducting early detection and monitoring programs designed to detect invasive alien species;
- Developing and implementing targeted eradication, containment and control projects for high-profile invaders, where management techniques have a high probability of success.

Up to \$50,000 per year will be available for individual projects. Multi-year projects, up to a maximum of three years, will be considered. Multi-year projects will be required to submit annual progress reports.

The City has submitted an application to Environment Canada for funding for the first release under this program. The project is entitled the *Invasive Alien Species Awareness and Monitoring Program*. The application is proposing a three year program commencing in the spring of 2006 and running to December 30, 2009. The purpose of the project is to target invasive species that may enter the municipality in the future as well as manage the ones that are already present. This will be achieved through the development of educational material to inform and educate residents in order to reduce the risk of invasive alien species to the environment.

The program will be conducted in five phases as follows:

- Phase 1:** Develop a code of conduct and job description for the project coordinator. Stakeholders and greatest threats will be identified.
- Phase 2:** Project co-ordinator will research, present and conduct seminars. An invasive species data base will be developed along with links to partner agencies and governments. This will provide a portal for the public and other stakeholders to report and confirm the presence of invasive species and to allow for timely feedback.
- Phase 3:** Expansion of educational data into DVD or video presentations for distribution to larger audiences, with outreach to community

groups and business leaders. This will allow for the expansion of the outreach program through the use of staff or volunteers.

Phase 4: Monitoring the effectiveness of the educational and outreach programs through surveys and other feedback methods.

Phase 5: Development of ongoing programs and guidelines for high risk invasive species control and monitoring, through a series of action plans and preventive strategies and policies, with containment being a strong focus for the program. A networking strategy will also be put in place to ensure awareness amongst the governmental stakeholders.

The City is applying for \$50,000 per year from the Invasive Alien Species Partnership Program. Total annual project cost is estimated at \$66,500 from the following sources:

Alien Species Partnership Program	\$50,000
City of Vaughan	\$10,500
Toronto and Region Conservation Authority	\$ 3,000
Canadian Food Inspection Agency	<u>\$ 3,000</u>

TOTAL \$66,500

The City of Vaughan contributions are in-kind and include staff support, advertising on the City Page and tools and equipment. The TRCA and the CFIA would provide technical and professional support.

Presently, Council approval for the funding of this project has not been approved. Council approval would be required prior to the project proceeding.

Status of Other Funding Sources

Other sources of potential funding have been identified, which can be used to offset some of the costs of tree replacement. They are identified below.

The Tree Canada Foundation

On May 25, 2005 Council requested that the Tree Canada Foundation provide Vaughan's share of the \$8,000 it has allocated to the replacement of trees that have been destroyed by the Asian Long Horned Beetle within the ALHB regulated area. Under cover of correspondence dated January 12, 2006, the Foundation provided \$3,200 to assist the city in the replanting program.

The Region of York

On March 25, 2004 Regional Council committed \$50,000 to the replacement of regionally affected trees on properties within the ALHB regulated area, streetscaping and natural heritage plantings. At the time, the staff report indicated that the funds should be held until the re-vegetation strategy has been developed. On May 24, 2005 Council adopted a motion requesting the allocation of the \$50,000 committed by the Region for tree enhancements/replacements in the regulated zone. The City has yet to receive these funds but is continuing to work with Regional Staff.

The Ministry of Natural Resources

In February 2005 the Ministry of Natural Resources announced that a fund of \$1 million would be made available to replace forest cover to mitigate the impact of invasive

species, such as the Emerald Ash Borer and the Asian Long Horned Beetle. MNR proposed that the \$350,000 of the \$1 million dollar fund be allocated to address forest cover and habitat loss in the ALHB Regulated Area. The City of Vaughan was allocated \$100,000. On June 15, 2005 Council enacted By-law 184-2005 to authorize the execution of an agreement between the City and the Ministry. The City agreed to following measures:

- The planting and establishment of 3,726 trees native to southern Ontario as follows:
 - 595 trees at Marco Park, south of Langstaff, east of Pine Valley Drive;
 - 2,969 trees at the Weston Downs storm water management pond;
 - 162 trees in roadway corridors between Pine Valley Drive, Weston Road, Rutherford Road and Regional Road 7.

The agreement further provides that the plantings are for the expansion of the urban forest canopy and are not for the direct replacement of trees ordered removed by the Canadian Food Inspection Agency.

iii. Corporate Communications

Role: Providing communications support to city departments, the Intergovernmental Task Force and related committees to ensure that the public is kept apprised of the Asian Long Horned Beetle infestation, including the risks involved, the eradication measures and their implications for the public.

Summary of Expenditures by Year:

2003

Staff Costs (245.5 hrs. @ \$36.80/hr)	\$ 9,034.40
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2004

Staff Costs (46 hrs. @ \$36.80/hr.)	\$ 1,692.80
Advertising	\$ 316.00

2005

Staff Costs (247.5 hrs. @\$36.80/hr.)	\$ 9,108.00
Advertising	<u>\$ 190.00</u>

TOTAL	\$ 20,341.12
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Recovery of Costs to Date:

There have been no requests for cost recovery in respect of the work done by Corporate Communications on the Asian Long-Horned Beetle file.

Future Costs and Liabilities:

The extent of future work by Corporate Communications will be dependent on a number of variables. These may include, but not be limited to: The emergence of new infestations and the implementation of eradication measures, the level of public information that is deemed to be necessary, the activity of any committees associated

with the Asian Long Horned Beetle situation and the need for distribution of supplementary public information during the monitoring/replanting period.

It is noted that the City's application under the Invasive Alien Species Partnership Program includes an annual in-kind contribution of \$5,000 attributable to the Corporate Communications Department.

Barring extraordinary events, costs attributable to Corporate Communications should not exceed the 2005 expenditure.

d) Summary of Expenditures and Compensation to-date

i. Support Work Exclusive of Tree Replanting by Department

Public Works Department	Expenditure:	\$257,380.64
Waste Management Section	Compensation:	<u>\$ 0.00</u>
	Net Expenditure:	\$257,380.64
Parks and Forestry Operations (Not Including Tree Replanting)	Expenditure:	\$219,171.21
	Compensation (Paid):	\$211,791.02
	Compensation (Pending):	<u>\$ 7,380.19</u>
	Net Expenditure:	\$ 5,500.00
Corporate Communications Department	Expenditure:	\$ 20,341.12
	Compensation:	<u>\$ 0.00</u>
	Net Expenditure:	<u>\$ 20,341.12</u>
	TOTAL NET EXPENDITURE:	\$283,221.76
	(Prior to Replanting)	

**ii. Tree Planting – Cost as Known To-date
Parks and Forestry Operations**

The following summary calculation is based on 958 street trees and 1903 woodlot trees and the prices obtained in the July 11, 2005 tender for 40 mm caliper potted trees. Replanting of the 958 street trees commenced in November 2005, with 62 street trees planted with the remaining 896 street trees scheduled to be planted commencing in May 2006. Upon the receipt of Notices to Dispose from the CFIA in March and November, 2004, both these street trees and the woodlot trees (Aviva Woodlot and Ansley Grove Woodlot) were removed as a result of the initial discovery of the infestation in 2003. Further replanting will be required because of the tree removal that has and will take place as a result of later discoveries. The CFIA has not confirmed as yet the number of trees that will need to be replaced beyond those affected by the first discovery in 2003.

City Cost - 958 Street Trees @ \$398.20/tree:	\$381,472
CFIA Compensation (Reg)– 958 Street Trees @ \$150.00/tree:	<u>\$143,700</u>
Net Cost	\$237,772
City Cost – 1903 Woodlot Trees @ \$40.00/tree:	\$ 76,120
CFIA Compensation (Reg) – 1903 Woodlot Trees @\$40.00/tree:	<u>\$ 76,120</u>
Net Cost	\$ 000

TOTAL COST \$ 237,772

iii. Aggregate of Costs to the City

Based on the information set out above, the financial impact on the City since the on-set of the infestation is as follows:

Support Work Exclusive of Tree Replanting – Total Net Expenditure	\$283,221.76
Tree Replanting (For trees removed from initial first discovery)	<u>\$237,772.00</u>
TOTAL	\$520,993.76¹

¹ This does not include any future expenditures that the Public Works Department and Corporate Communications may incur over the remainder of 2006 or the participation by the City in the Invasive Alien Species Partnership Program, if the City's application is successful. This does not include additional tree replacements since the initial removals in 2003/04.

e) Strategy Options

The City of Vaughan has recognized the Asian Long Horned Beetle as a major threat to Canada's ecosystems and has willingly participated in the CFIA eradication program. This has resulted in a high level of engagement by both Council and staff. Progress has been made. However, infested areas do remain and it is not yet known how long it will take until the pest has been completely eliminated. It can be assumed that the City will continue to play a role in the control and remediation measures for some time into the future.

City staff take the position that the strategy to be followed by the City of Vaughan for the future should be based on the following:

- The City should continue to be fully engaged in the monitoring and eradication program to ensure that the protection of Vaughan's hardwood resources and urban environment remains a priority with all concerned levels of government and agencies;
- The City should continue to be compensated for assisting the CFIA in conducting surveying work and inspections, as under the Partnership Agreement with the CFIA;
- The planting of replacement trees should continue;
- The City should continue to seek full compensation for all outstanding disposition and removal costs, yard waste costs and other related costs, together with full compensation for replacement costs as per the City's standard and contract(s) for tree replacement.

On this basis, Staff will submit the required Applications for Compensation under the federal *Plant Protection Act*, S.C. 1990, c. 22 and/or the *Introduced Forest Pest Compensation Regulations*, P.C. 2004-608, 10 May 2004, as amended by SOR/2005-255, to recover all costs incurred by the City for tree replanting and, if possible, all costs associated with the removal and disposition of trees and the removal of contaminated or potentially contaminated yard waste from the regulated area.

The City has made a number of requests to the federal Minister of Agriculture and the CFIA for funding support for the waste disposal measures and for an increase in the available funding for replacement trees. To-date, all have been denied. While the CFIA has compensated the City for some of the support work, the City has undertaken the uncompensated costs, including the planned and approved tree replanting for 2006, which stand at \$520,993.76.

The City should continue to pursue additional funding. The applications filed under the *Plant Protection Act* and the *Introduced Forest Pest Compensation Regulations* should request full compensation. If any decisions or orders for compensation made on the applications are unsatisfactory or inadequate, Staff should be directed to commence any available appeals to an Assessor under the *Plant Protection Act* and *Compensation Regulations*. This has the potential to provide the City with another venue to advance its case for more compensation.

Relationship to Vaughan Vision 2007

This report is consistent with Vaughan Vision as it strives to provide service excellence to Vaughan citizens, ensure the City-wide protection of the environment and establish a position of “advocacy” for Vaughan priorities with other levels of government.

This report is consistent with the priorities previously set by Council and the necessary resources have not been allocated and approved.

Conclusion

The City has been an active partner in the fight against the Asian Long-Horned Beetle infestation. The resulting costs to the City have been substantial and will continue for some time to come. The level of compensation available from the federal government is insufficient and will have budget impacts and will hamper the ability of the City to replant its boulevards to its standard.

In moving forward, the City should continue to seek improvements in the compensation provided by the federal government. The funding for tree replanting was initially inadequate and as time goes on the City’s level of financial exposure will increase as a result of inflation. In addition, there were a number of other expenses that the City had to absorb.

Therefore, the City should file the Applications for Compensation under the *Plant Protection Act* and the *Introduced Forest Pest Compensation Regulations* requesting full compensation wherever possible. Should full compensation not be granted, all available avenues of appeal under the pertinent legislation should be pursued.

Attachments

N/A

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Respectfully submitted,

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