

Contaminated Sites Strategy



The City owns [properties that are contaminated](#) because of the historic use of the land including landfills that are now closed, and industrial activities prior to City-ownership. Although the contamination at each site is different, it's closely monitored to ensure it doesn't pose health risks and managed according to the Ministry of the Environment and Climate Change's requirements.

As part of the 2015 audited Financial Statements, the City was required to value the [liability related to cleaning up](#) the contamination on these sites. At that time, the City began allocating a portion of the annual capital funding to address this long-term liability over time. The current estimated valuation of this liability is \$26 million, approximately \$4 million better than in 2015 given the work done on those sites through that period.

The capital projects used to monitor and complete the environmental cleanup activities are part of the Contaminated Sites Program of Work in the capital budget. The 2021 capital funding transfer from the tax-supported budget is \$2.5 million and \$500,000 from each of Wastewater and Water Services capital reserve funds, for total annual funding of \$3.5 million.

The outcome of this investment will be sites that are returned to a useable status with risks to the surrounding environment or people minimized or eliminated. In some cases, these sites may be redeveloped for active uses such as residential or Institutional/Commercial/Industrial (ICI). The goal of this strategy is to bring the liability to \$0.

In addition to the sites currently identified as inactive, there are active sites for which there may be contamination issues. The City is currently working to identify its Asset Retirement Obligation (ARO) as defined by the Public Sector Accounting Standard 3280, which will require implementation for the City's 2023 financial statements. Staff will report to Council closer to implementation with more information about the liability impact and any change to the current funding strategy. This new standard applies to both active and in-active land, buildings and equipment, and for this reason, it is likely that the City's liability will increase from the current non-active property disclosure. Work will be done to identify these potential costs as plans to replace existing facilities are completed; the most significant assets known at this time are 45 and 50 Municipal Street (Operations and Parks Operations) and 50 Wyndham Street South (Fire Head Quarters).