



## The Corporation of the Town of Tecumseh

Public Works & Engineering Services

**To:** Mayor and Members of Council

**From:** Phil Bartnik, Director Public Works & Engineering Services

**Date to Council:** April 11, 2023

**Report Number:** PWES-2023-29

**Subject:** LAS Sewer and Water Line Warranty Program  
Service Line Warranties of Canada Inc.  
Agreement Renewal Term

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### Recommendations

It is recommended:

**That notice be provided** to Service Line Warranties of Canada Inc. that the Town intends to allow the 'Renewal Term' within section 3(a) of the Agreement to commence, whereby the Agreement will automatically renew for one additional year starting September 27, 2023.

### Background

The Local Authority Service (LAS) Sewer and Water Line Warranty Program (Program) offered by Service Line Warranties of Canada Inc. (SLWC) provides residents with the opportunity for a low-cost warranty program that will help repair, replace, or restore this critical infrastructure from the home to the property line, which is often perceived as the municipality's responsibility.

At the July 26, 2016 regular meeting of Council, Council endorsed the Program (Motion: RCM-282/16) and executed a Market Licence Agreement (Agreement) with SLWC on September 27, 2016 to use the Town's name, logo and property information to promote the Program (By-Law 2016-70). Since implementation, Council has extended the

agreement four times from 2019 to 2023 (Motion: RCM-153/19, RCM-140/20, RCM-138/21 and RCM-112/22).

## Comments

The Agreement between the Corporation of the Town of Tecumseh and the SLWC was executed on September 27, 2016. The term of the Agreement is three years from the effective date with an automatic renewal of an additional (one) year term, unless one of the parties gives the other written notice at least 90 days prior to the end of the term or renewal term that it does not intend to renew the agreement.

Exhibit A of the Agreement outline three seasonal marketing campaign to promote SLWC's warranty program. Three campaigns should have been carried out per year (spring, fall and winter) to offer three different warranty programs: water service, sewer septic line and in-house plumbing.

Due to unforeseen internal circumstances, SLWC was delayed in rolling out their marketing campaign in 2016. Their first mail-out, to promote their water service line warranty coverage, was delivered to residential property owners in Tecumseh via regular mail in February 2019.

SLWC intends to continue their marketing campaign primarily for the Water Service Line and Sewer Septic Line as they are seeing greater interest in those policies, but secondarily would also offer In-House Plumbing to those that have already enrolled for the other policies. The anticipated upcoming campaign schedule would see letters being mailed out in the Spring, Fall and Winter 2023 and Spring 2024.

SLWC has provided the following updates (as of February 8, 2023):

- Residents Enrolled: 218
- Total Policies: 359
- In House Plumbing: 23
- Sewer Septic Line: 151
- Water Service Line: 185
- Total Claims to Date: 35 (a 40% increase over 2022)

In order for SLWC to continue their marketing campaigns, SLWC has requested an additional one-year Renewal Term which would commence on September 27, 2023. Town Administration will have an opportunity to review and sign off on all future campaign letters prior to mailing and will also be given advance notice of the date for the mailing to ensure that the Town's customer service representatives are advised should any inquiries from the public be received (see Attachment 1 for a sample letter).

The Town will continue to assist in the marketing campaign by communicating the Program on the Town's website and social media avenues. Frequently Asked Questions and a Quick Start Guide will provide information to residents respecting the warranty program (see Attachments 2 & 3).

## **Consultations**

Financial Services  
Service Line Warranties of Canada Inc.

## **Financial Implications**

The Town executed a Market Licence Agreement with SLWC in 2016 through By-law 2016-70. The Agreement grants SLWC a non-exclusive license to use the Town's name and logo on "letterhead, advertising, billing and marketing materials".

As consideration for the licence to use the Town's name and logo, SLWC pays the Town 5% of the revenue for warranty products collected from residential property owners during the year. This has resulted in a total of \$5,112.08 being collected as outlined below:

- 2019: \$ 1,037.52
- 2020: \$ 1,248.90
- 2021: \$ 1,531.89
- 2022: \$ 1,293.77
- Total: \$ 5,112.08

## Link to Strategic Priorities

| Applicable                          | 2019-22 Strategic Priorities  |
|-------------------------------------|---|
| <input checked="" type="checkbox"/> | Make the Town of Tecumseh an even better place to live, work and invest through a shared vision for our residents and newcomers.  |
| <input type="checkbox"/>            | Ensure that Tecumseh's current and future growth is built upon the principles of sustainability and strategic decision-making.  |
| <input checked="" type="checkbox"/> | Integrate the principles of health and wellness into all of Tecumseh's plans and priorities.  |
| <input checked="" type="checkbox"/> | Steward the Town's "continuous improvement" approach to municipal service delivery to residents and businesses.   |
| <input checked="" type="checkbox"/> | Demonstrate the Town's leadership role in the community by promoting good governance and community engagement, by bringing together organizations serving the Town and the region to pursue common goals. |

## Communications

Not applicable ☒

Website ☐ Social Media ☐ News Release ☐ Local Newspaper ☐

This report has been reviewed by Senior Administration as indicated below and recommended for submission by the Chief Administrative Officer.

Prepared by:

Dana Reid  
Public Works & Engineering Services Assistant

Reviewed by:

Tom Kitsos, CPA, CMA, BComm  
Director Financial Services & Chief Financial Officer

Reviewed by:

Phil Bartnik, P.Eng.  
Director Public Works & Engineering Services

Recommended by:

Margaret Misek-Evans, MCIP, RPP  
Chief Administrative Officer

| <b>Attachment Number</b> | <b>Attachment Name</b>                                |
|--------------------------|---|
| 1                        | Sample Letter of marketing campaign                   |
| 2                        | LAS Sewer and Water Line Warranty - FAQ               |
| 3                        | Service Line Warranties of Canada – Quick Start Guide |
| 4                        | Service Line Warranties of Canada – Council Brochure  |