

ADDENDUM #1

REGULAR MEETING OF CITY COUNCIL

2007 07 23

4:30 P.M.

PART ONE – CONSENT AGENDA

**5. COMMUNICATIONS AND ROUTINE REPORTS OF
CITY DEPARTMENTS; BOARDS AND COMMITTEES**

(t) Reduction of Polystyrene in the Waste System

A report of the Waste Diversion Supervisor is attached for the consideration of Council.

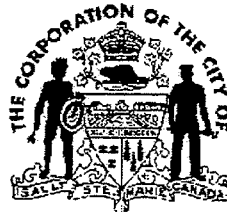
Mover - Councillor S. Butland

Seconder - Councillor F. Manzo

Resolved that the report of the Waste Diversion Supervisor dated 2007 07 23 concerning Reduction of Polystyrene in the Waste System be accepted as information.

- (u)** Correspondence from Ontario Lottery and Gaming advising that the quarterly payment of the 5% allocation from April 1, 2007 to June 30, 2007 is \$386,432.00 is attached for the information of Council.

Randall Roy
Waste Diversion
Supervisor



Public Works &
Transportation
Department

2007 07 23

Mayor John Rowsell
and Members of Council

RE: REDUCTION OF POLYSTYRENE IN THE WASTE SYSTEM

Introduction

City staff are proposing a pilot project to reduce the amount of expanded polystyrene that ends up at our landfill site and to gather information required to make this a permanent project. Staff are now reporting to Council, seeking approval of this pilot project which will start July 26, 2007 and run until the household special waste facility closes at the end of October 2007.

Discussion

Staff has met with a representative from Grace Canada, Inc. to discuss the options available and the logistics of implementing this project. As a result of these discussions, staff has succeeded in finding an inexpensive and environmentally-friendly destination for the expanded polystyrene (Styrofoam). The proposed program would have residents, as well as the business community, bringing expanded polystyrene to the Household Hazardous Waste facility on Industrial Park Crescent. Staff will inspect, sort and package the material according to specifications supplied by Grace Canada, Inc. The material will then be stored in a storage container located on the HSW property but separate from the building. Grace Canada, Inc. will transport the material at no cost to the municipality when there is enough to fill the transport. Staff will be required to monitor the receiving, packaging and shipping for the municipality and the province. A report will be prepared in the 2008 to discuss the continuation and/or expansion of the program. Although the actual tonnage diverted from the landfill will be low, the actual volume will be substantial.

Public Works & Transportation
128 Sackville Road ~ Sault Ste. Marie, ON P6B 4T6
Telephone: (705) 541-7000 ext. 275 ~ Fax: (705) 541-7010
www.cityssm.on.ca


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Costs

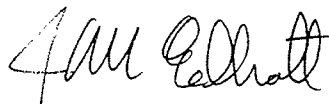
At this time the costs to be incurred by the City are minimal as Grace Canada, Inc. will take the material at no charge, and will arrange for transportation of the expanded polystyrene to their site in Ajax. Future storage space may be required but currently the Household Hazardous Waste site has obtained enough storage space to accommodate this pilot project. Stewardship Ontario will supply space in the local paper to advertise at no cost to the municipality

Respectfully submitted for information,



Randall Roy
Waste Diversion Supervisor

Recommended by,



J. M. Elliott, P.Eng
Deputy Commissioner

RR:cmr

\\Citydata\pwr\Dept Share\Council 2007\Reduction of Polystyrene in the Waste System

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GRACE

Grace Performance Chemicals

Grace Canada, Inc.
294 Clements Road West
Ajax, ON L1S 3C6Tel: (905) 683-8561
Fax: (905) 683-4659
<http://www.gcp-grace.com>

July 16, 2007

**The Corporation of the City of Sault Ste. Marie
Public Works & Transportation
128 Sackville Road
Sault Ste. Marie, Ontario P6B 4T6****Attention: Mr. Steve Butland & Mr. Randall Roy****RE: Municipal EPS recycling**

Gentlemen,

It has been very nice speaking with you regarding our expanded polystyrene recycling program at our Ajax facility.

WR Grace EPS recycling program began in 1997 for our North American plants in Ajax, ON, Irondale, AL and Santa Ana, CA. All three locations have been very successful in the removal of Industrial EPS from the waste stream. As our manufacturing requirements increase throughout the country, there is a need for continuous, good quality, sources of supply.

We are currently able to process, in truck load quantities, white, un-baled, bagged, EPS, approx .5 to 2 lb density of what is best described as consumer cushion packaging. This facility alone used about 4 million plus lbs annually.

The Ajax facility would be very interested in participating in a pilot project with Sault Ste. Marie for the collection and recycling of clean post consumer EPS. The trailers and transportation to Ajax would be at no charge and intern, no monetary compensation is provided to the municipalities for the material.

I look forward to your consideration of the program. I may be reached at 905-686-5349.

Regards,



Debra A. Fearn-Wright, CIM, C.P.M.
Senior Purchasing Manager





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Grace Construction Products has made a commitment to manufacturing fireproofing products that utilize recycled materials wherever possible.

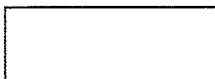
Committed to Using Recycled Materials

- On an annual basis, Monokote® MK-6 and Retro-Guard product lines use approximately 23 million pounds of recycled materials!
- Grace Construction Products manufactures Monokote® MK-6® and Retro-Guard® Replacement Fireproofing using recycled post-industrial expanded polystyrene.
- Utilizing post-industrial polystyrene, instead of virgin expanded polystyrene, avoids the production of pentane emissions - a known contributor to low level smog formation.
- Our use of post-consumer paper saves the equivalent harvesting of more than 120,000 trees per year. By utilizing this reusable material, we spare the production of over 600,000 lbs. of air pollutants, 250,000 lbs. of water pollutants, 1,500,000 lbs. of solid waste and 200 billion BTU's of energy that would be used to manufacture the equivalent amount of virgin paper. *



* Based on statistics provided by the Institute of Scrap Recycling Industries, Inc.

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- Shredded expanded polystyrene is added to provide volume and improved the speed and efficiency of product installation.
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- We purchase raw materials in bulk re-usable containers which saves over 100,000 paper bags per year.
- Our products are packaged in bags printed with water-based inks which minimizes the off-gassing of VOC's, an issue long associated with solvent based inks.
- Each manufacturing facility has a wooden pallet exchange program that facilitates the re-use of wooden pallets from contractors and suppliers.



Monokote® Fireproofing Stays in Place!

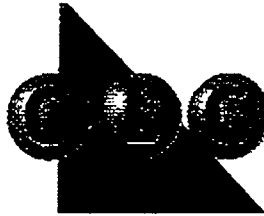
One of Monokote®'s best benefits is its reliable bond strength. This is an important consideration because it stays in place, not just during application, but over the total life cycle of the building including construction, renovation and demolition!

Sustainable Design Becomes Standard Practice

Today's trend becomes tomorrow's standard practice. In city after city, architects incorporate sustainable building practices into their designs and we can now see real-world examples of "Green" architectural design. Both building owners and future tenants recognize the value of environmentally responsible design that improves worker productivity, safety, and maintainability.

If you are interested in avoiding expensive disposal charges by becoming part of our recycling program, please contact me at debra.a.fearn-wright@grace.com or 905-683-8561 ext 349. We have a recycling facility in Ajax, Ontario, Canada and Irondale, Alabama, U.S.A.

www.graceconstruction.com

**NEWS RELEASE****ANOTHER INCREASE IN SLOT PAYMENT TO CITY;
OLG DISTRIBUTES \$386,432 TO SAULT STE. MARIE
TO ASSIST SAULT AREA HOSPITAL AND PHYSICIAN RECRUITMENT**

Issue Date: July 20, 2007

Casino Sault Ste. Marie generated a second-straight increase in its quarterly payment to the city. The first-quarter share of slots revenue paid to the City of Sault Ste. Marie from the OLG casino has increased over the previous year. Today OLG distributed \$386,432 to the City for hosting the Sault gaming site. The first-quarter (April to June 2007) slots revenue payment to the City is 8.72% greater than the payment from the first quarter of the previous year. It's the first increase in first quarter results since 2004. OLG Casino Sault Ste. Marie also achieved an increase in revenue to the City during its fourth quarter results announced earlier this year.

Billed as "Your Hometown Casino", the improved performance at the Sault gaming site is attributed to strong customer service, entertainment and promotions, continued enhancements in the mix of slots available for play, cooperative marketing programs with the Steelback Centre and the Soo Greyhounds, and recognition of the site's ongoing support of the hospital fund-raising campaign.

The City designates its share of slots revenue to support the development of the new hospital and physician recruitment program. The City allocates \$1 million per year from its share of slot revenues towards funding the new hospital – a thirteen year commitment that will benefit the community of Sault Ste. Marie and surrounding area.

To date, Sault Ste. Marie has received more than \$13.1 million in non-tax gaming revenue from the local casino. Payments are made on a quarterly basis according to the government fiscal year, which runs April to March. OLG Casino Sault Ste. Marie opened on May 19, 1999. Since opening, the facility has attracted more than 7.6 million visitors.

In total, OLG issued more than \$18.3 million in first-quarter non-tax gaming revenue payments to 23 host municipalities that host OLG Casinos and OLG Slots-at-racetrack facilities. To date, OLG has distributed \$486 million to these host municipalities.

Each municipality hosting an OLG Casino facility receives five per cent of the gaming facility's gross slot machine from the first 450 slot machines and two per cent from any additional machines over that number. Funds are used at the discretion of the municipality.

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In 2007/2008, the province will allocate \$105 million in gaming revenue to support charities through the Ontario Trillium Foundation (OTF). Government will increase the annual funding to OTF by \$20 million by 2009/2010.

Every year, the Government of Ontario allocates two per cent of gross revenue from slot machines at OLG Casinos and OLG Slots-at-racetrack facilities to the province's problem gambling program for research, treatment and prevention programs. The amount for fiscal 2007/2008 is estimated at \$37 million.

OLG Casino Sault Ste. Marie is owned, operated and managed by OLG.

OLG is a provincial agency responsible for province-wide gaming facilities and lottery games. With revenues of \$6 billion and more than 20,000 employees and associates, OLG is one of North America's leading gaming enterprises. For more information about OLG visit www.OLG.ca.

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OLG CONTACT:

Teresa Roncon (416) 224-7034
OLG Public Affairs (705) 946-6716

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www.OLG.ca

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CASINO REVENUE SUMMARY

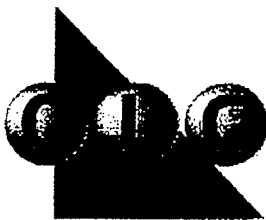
City of Sault Ste. Marie

CITY 5% SLOT REVENUE

	TOTAL	Increase over Previous Year		
Total 1999	783,232			
Total 2000	1,292,709	65.0%		
Total 2001	1,611,235	24.6%		
Total 2002	1,926,143	19.5%		
Total 2003	1,915,935	-0.5%		
2004				
January 1 to March 31/2004	483,157			
April 1 to June 30, 2004	498,329			
July 1 to September 30/2004	464,417			
October 1 to December 31/2004	424,448			
Total 2004	1,870,351	-2.4%		
2005				
January 1 to March 31/2005	393,120			
April 1 to June 30, 2005	403,218			
July 1 to September 30/2005	408,222			
October 1 to December 31/2005	372,518			
Total 2005	1,577,078	-15.7%		
2006				
January 1 to March 31/2006	344,906			
April 1 to June 30, 2006	355,429			
July 1 to September 30/2006	386,201			
October 1 to December 31/2006	369,383			
Total 2006	1,455,919	-7.7%		
2007				
January 1 to March 31/2007	358,727			
April 1 to June 30, 2007	386,432			
Total 2007	745,159			
Total to Date	13,177,761			
	Jan. to March	% Increase	April to June	% Increase
1999	0	0	0	0
2000	287,177	0%	317,240	0%
2001	320,150	11%	392,289	24%
2002	430,587	34%	490,694	25%
2003	445,897	4%	496,830	1%
2004	483,157	8%	498,329	0%
2005	393,120	-19%	403,218	-19%
2006	344,906	-12%	355,429	-12%
2007	358,727	4%	386,432	9%
	July to Sept.	% Increase	Oct. to Dec.	% Increase
1999	475,421	0%	307,811	0%
2000	372,049	-22%	316,243	3%
2001	473,346	27%	425,450	35%
2002	534,131	13%	470,731	11%
2003	480,977	-10%	492,231	5%
2004	464,417	-3%	424,448	-14%
2005	408,222	-12%	372,518	-12%
2006	386,201	-5%	369,383	-1%

Prepared by July 20, 2007

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**CONFIDENTIAL**
FAX COVER SHEET**ONTARIO LOTTERY AND GAMING
CORPORATION (OLG)**4120 Yonge Street, Suite 420, Toronto, Ontario M2P 2B6
Ph: 416-224-7047 Fax: 416-224-7002

Date: July 19, 2007

To: Mayor John Rowsell
City of Sault Ste. Marie

Fax: 705-541-7171

From: Tom Dalton
Chief Operating Officer (I)
Ontario Lottery and Gaming Corporation (OLG)

Message:

Please note that there will be a financial transaction to your Municipality's account today in the amount of \$386,432.

This transaction represents the quarterly payment of the 5% allocation from April 1, 2007 – June 30, 2007 as per your agreement with the Ontario Lottery and Gaming Corporation on the operation of OLG Casino Sault Ste. Marie. This brings the grand total to \$13,177,761.

Should you have any questions regarding this payment, feel free to contact Jake Pastore, Manager, Government and Municipal Relations directly at 416-224-7047.

APPROVED

A handwritten signature in black ink, appearing to read 'Tom Dalton', is written over a horizontal line.