

ADDENDUM

REGULAR MEETING OF CITY COUNCIL

2009 10 26

4:30 P.M.

PART ONE – CONSENT AGENDA

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

- (a) Further correspondence from AMO is attached for the information of Council.
- (b) Correspondence from the City of North Bay (concerning Mayor to Mayor Campaign launched in Buy American Battle) is attached for the information of Council.

PART TWO – REGULAR AGENDA

10. CONSIDERATION AND PASSING OF BY-LAWS

AGREEMENT

- (h) 2009-179 A by-law to authorize an agreement between FedNor and the City of Sault Ste. Marie for the purpose of funding for upgrades to the Huron Central Line between Sudbury and Sault Ste. Marie.



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Toronto, ON M5H 3C6
Tel.: (416) 971-9856 | Fax: (416) 971-6191
E-mail: amo@amo.on.ca

5(a)
ALERT

MEMBER COMMUNICATION

ALERT N°: 09/071

To the attention of the Clerk and Council
October 22, 2009

FOR MORE INFORMATION CONTACT:
Darcy Higgins, Policy Advisor
(416) 971-9856 ext 315

Bill 168, Violence & Harassment in the Workplace

Issue:

Bill 168, the Occupational Health & Safety Amendment Act (Violence & Harassment in the Workplace), was debated and passed second reading on October 20 by the Legislative Assembly of Ontario. It has been deferred to the Standing Committee on Social Policy.

Background:

The Bill will require all employers in Ontario with five employees or more to develop policies regarding workplace violence and harassment in order to reduce their occurrence.

The Bill's intention is to clarify the *Occupational Health and Safety Act* and to add more certainty to it, by mandating that employers take every reasonable precaution to protect a worker from health and safety issues in the workplace, including violence. The Ministry of Labour will provide employers with templates, guidelines and checklists that will assist them in understanding obligations and expectations with regards to policies and programs.

The Bill provides for the right of an employee to refuse work on the basis of workplace violence. It does however, limit this ability in the case of police, fire, corrections, ambulance, homes for the aged and health sectors, if there are inherent risks to the job, or, for example, if leaving a situation could put someone else in danger. The transit sector is not included in this limitation.

Action:

AMO will monitor the progress of the Bill and notify members when it is brought to the Standing Committee on Social Policy, for those municipalities interested in submitting comment. AMO will make a formal submission to the Committee as well.

This information is available in the Policy Issues section of the AMO website at www.amo.on.ca.





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5(a)
ALERT

MEMBER COMMUNICATION

ALERT N°: 09-070

To the attention of the Clerk and Council
October 22, 2009

FOR MORE INFORMATION CONTACT:
Milena Avramovic, AMO Senior Policy Advisor
(416) 971-9856 ext 342

Waste Diversion Act Review

Issue:

The Minister of the Environment gives an update on the Waste Diversion Act Review during the kick-off of Waste Reduction Week.

Background:

At the Recycling Council of Ontario's kick-off of Waste Reduction Week, Minister Gerretsen revealed what municipalities can expect in the provinces soon to be released diversion strategy - "*Report on the Waste Diversion Act Review*". Some of the key aspects of the strategy are highlighted below:

- The waste diversion strategy will be based on 100% Extended Producer Responsibility (EPR) and will identify the materials, targets and timelines to meet the targets.
- Individual producers will be responsible for diverting the waste and provided the flexibility in how they meet this responsibility. There will be requirements for regular reporting and accountability measures such as penalties for those who fail to meet their requirements.
- The framework will also recognize broader range processes and technologies, existing, new and emerging, on material recovery that can be reused or recycled.
- The government will clarify roles and responsibilities of all participants and will be looking to the governance structure and mandate of Waste Diversion Ontario (WDO) as a model for robust and accountable governance.
- The Minister also addressed the review of the Blue Box and the need to plan for the transition to full EPR, including municipal investments, consumer accessibility and service standards.

AMO will advise members of the release of the "*Report on the Waste Diversion Act Review*" as soon as it is available, and will provide information on the consultation sessions which the Ministry is planning to conduct. You can access the [speech here](#).

Action:

FYI

This information is available in the Policy Issues section of the AMO website at www.amo.on.ca.





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5(a)
ALERT

MEMBER COMMUNICATION

ALERT N°: 09/072

To the attention of the Clerk and Council
October 22, 2009

FOR MORE INFORMATION CONTACT:
Matthew Wilson, AMO Senior Policy Advisor
(416) 971-9856 ext. 323

Minister of Finance Delivers Fall Economic Statement

Issue:

Today the Honourable Dwight Duncan, Minister of Finance delivered the 2009 Ontario Economic Outlook and Fiscal Review.

Quick Summary:

The provincial government is now projecting a \$24.7 billion deficit for 2009-10. This is a significant increase over previous government estimates including one issued just last month at \$18.5 billion. This highlights the significant economic challenges Ontario currently faces. In future years, deficits of \$24.7 billion in 2010-11 and \$19.4 billion in 2011-12 are projected.

The Minister announced that the government would be conducting, "a rigorous strategic spending review" focusing on government programs and services. The spending review will be conducted in the coming months with a detailed plan announced as part of the 2010 Budget. The review will include all provincial agencies, boards, and commissions. In addition, the government will work with broader public sector partners to improve efficiency and effectiveness. The priorities of the government will remain the sustainability of job creation, health care and education.

This economic outlook underscores the importance of the outcomes achieved for municipalities during the Provincial-Municipal Fiscal and Service Delivery Review announced last year. Ontario Drug Benefits were fully uploaded by the province in 2008. Administration costs for the Ontario Disability Support Program (ODSP) were fully uploaded this year and in 2010, 90% of ODSP benefits will be provincially funded and the Ontario Works benefit upload (3%) will commence. In addition, the Ontario Municipal Partnership Fund (OMPF) social programs component will continue to respond to changing social assistance costs throughout this period. These uploads will benefit municipalities and local property taxpayers for years to come.

This information is available in the Policy Issues section of the AMO website at www.amo.on.ca.



Town Hall Sessions

2009-2010

Whether you are municipal staff or an elected official, join us to learn about existing and new program/service offerings from AMO/LAS. These no-cost sessions are your chance to learn how to leverage our experience, programs, and leadership so you can do more for your municipality.

Session Schedule:

9am - 10:15 – Monitor Energy and Plan to Succeed with LAS' EMT and Energy Management Planning Tool

We will introduce our new Energy Planning Tool (EPT) and outline how it will help your organization meet the regular reporting requirements outlined in the *Green Energy Act*. We will also demonstrate our successful Energy Management Tool (EMT) and discuss how this web-based software can help municipalities of all sizes save money through active monitoring and benchmarking of electricity, natural gas, and water accounts. The tool can also help municipalities meet corporate environmental stewardship goals including GHG reductions.

10:30 – 11:15 – Leveraging the Green Energy Act - LAS Solar Photovoltaic Project

LAS now offers a turnkey renewable energy project solution to all interested municipalities. Discover how the installation of solar PV arrays on an existing municipal facility can provide a long-term revenue source for your organization by selling green energy into the Ontario electricity grid. This program also provides a great opportunity to educate your community about the benefits of sustainability and green power.

11:15 – 12:00pm – LAS Natural Gas and Electricity Program

More than 160 municipalities take part in the LAS Electricity and Natural Gas Procurement Programs. This session will provide current members with an update of both programs (including program savings), and will also provide an overview of program benefits and the enrollment process for municipalities that do not yet participate.

Networking lunch provided!

1:00 – 2:00pm - Municipal Information & Data Analysis System (MIDAS)

Learn about recent upgrade to MIDAS, including the integration of the graphic/reports and mapping sections, and the incorporation of Microsoft's Virtual Earth into the GIS software. MIDAS is a web-based query and analysis tool that converts raw Financial Information Return (FIR) data into meaningful reports, graphic presentations, thematic mapping, and cartographic printing. MIDAS is a tool that can benefit all municipalities as it makes municipal benchmarking convenient and fast.

2:00 – 3:00pm - Federal Gas Tax Program Update

This update will advise you of the relevant changes to the Federal Gas Tax funding arrangement for the period of 2010 to 2014, and will provide an update on the focus and purpose of the program going forward. Hear about some progressive projects that are helping municipalities undertake solid, informed infrastructure financial planning.

2009-10 Town Hall Information/Update Sessions

These sessions are no-cost but we require pre-registration for all attendees.

Times: 9:00am – 12:00 noon and 1:00pm – 3:00pm – lunch will be provided

Date	City	Location/Address	Sessions – you can attend both	
			AM LAS	PM MIDAS & Fed Gas Tax
Thursday, October 8, 2009	City of Dryden	Dryden City Hall 30 Van Horne Ave Dryden P8N 2A7 (807) 223-1147	<input type="checkbox"/> AM	<input type="checkbox"/> PM
REVISED DATE! Wednesday, November 4, 2009	City of Sault Ste. Marie	City Hall - Council Chambers 99 Foster Drive - Level 3 Sault Ste. Marie P6A 5N1 (705) 759-2500	<input type="checkbox"/> AM	<input type="checkbox"/> PM
Friday, November 20, 2009	Town of Bracebridge	Town Hall – Council Chambers 1000 Taylor Court Bracebridge P1L 1R6 (705) 645-5264	<input type="checkbox"/> AM	<input type="checkbox"/> PM
Thursday, January 14, 2010	City of Kingston	Invista Centre 1350 Gardiners Road Kingston K7P 0E6 (613) 544-4442	<input type="checkbox"/> AM	<input type="checkbox"/> PM
Thursday, February 4, 2010	Municipality of Southwest Middlesex	Glencoe Arena Auditorium 138 Mill St. Glencoe N0L 1M0 (519) 287-2015	<input type="checkbox"/> AM	<input type="checkbox"/> PM
Thursday, February 11, 2010	Town of Grimsby	Elizabeth St. Pumphouse 447 Elizabeth St. Grimsby L3M 3K9 (905) 945-9634	<input type="checkbox"/> AM	<input type="checkbox"/> PM
Wednesday, December 9, 2009	Via Webinar	<i>Session details will be provided to registrants closer to the date</i>	<input type="checkbox"/> AM	<input type="checkbox"/> PM

REGISTRATION DETAILS:

Name:	Title:
Municipality:	
Phone:	Email:
<p><i>Please FAX registration form to AMO/LAS at (416) 971-6191 or email to Susan at sallardyce@amo.on.ca</i></p>	



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www.amo.on.ca -- Visit the AMO and LAS websites -- www.las.on.ca



The Corporation of the
City of North Bay
200 McIntyre St. East
P.O. Box 360
North Bay, Ontario
Canada P1B 8H8

Office of the Mayor
Direct Line: (705) 474-0626, extension 2517
Direct Fax: (705) 474-4925
Toll Free: 1-800-465-1882
Email: mayor@cityofnorthbay.ca

5(b)

Mayor to Mayor Campaign launched in Buy American Battle

The City of North Bay is asking Mayors across Ontario to take the Buy American battle directly to their U.S. counterparts.

The Government of the United States, in its effort to provide an infrastructure stimulus package, has placed Buy American requirements for contracts using stimulus funds, which undermines the intent and spirit of free trade that has existed between Canada and the United States for decades.

The City of North Bay would like to thank all the Mayors across Canada, especially Mayor Rick Bonnette of Halton Hills, for their leadership in this battle.

Now, North Bay Mayor Victor Fedeli is asking fellow Ontario Mayors to join him in taking the issue directly to the Mayors of U.S. cities where they are making large purchases. The thrust of the campaign is to remind U.S. Mayors that the purchases made by Canadian municipalities have helped their cities survive through the recession. Unfortunately, the same U.S. cities can't purchase Canadian goods and services with their stimulus money, due to the Buy American provision.

Mayor Fedeli has been writing to U.S. Mayors and receiving great response from them – they all seem to feel that the Buy American provision was meant for China and India, not Canada. They are passing Council motions to write to their Senators and Members of Congress to exclude Canada from the restrictions.

Our own Embassy in Washington wrote "I commend your letters ... your effort is most powerful ... I hope other Canadian Mayors will emulate you and tell their story".

Please join in our letter-writing campaign.

Go to <http://www.cityofnorthbay.ca/cityhall/otm/buyamericancampaign.asp> for everything you need to get your letters underway. Please feel free to contact me if you want a little experienced help!

Thanks in advance to all who are joining us by writing letter.

Regards,

Mayor Victor Fedeli
City of North Bay

10(h)

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2009-179

AGREEMENT: (C.3.1.1.) A by-law to authorize an agreement between FedNor and the City of Sault Ste. Marie for the purpose of funding for upgrades to the Huron Central Line between Sudbury and Sault Ste. Marie.

THE COUNCIL of The Corporation of the City of Sault Ste. Marie, ENACTS as follows:

1. EXECUTION OF DOCUMENTS

The Mayor and City Clerk are hereby authorized for and in the name of the Corporation to execute and to affix the seal of the Corporation to an agreement dated October 26, 2009, in the form of Schedule "A" between FedNor and the City of Sault Ste. Marie for the purpose of funding for upgrades to the Huron Central Line between Sudbury and Sault Ste. Marie.

2. SCHEDULE "A"

Schedule "A" hereto forms a part of this by-law.

3. EFFECTIVE DATE

This by-law takes effect on the day of its final passing.

Read THREE times and PASSED in open Council this 26th day of October, 2009.

MAYOR – JOHN ROWSWELL

DEPUTY CITY CLERK – MALCOLM WHITE

Bylaws\2009\2009-179\HuronCentralRailway-FedNorAgrt-/on

NOTICE

THIS IS A DRAFT DOCUMENT. This document has not been enacted by City Council. It may not be enacted at all AND if enacted, it may not be in the form of the DRAFT copy.

CITY SOLICITOR



10(h)

Roberta Bondar Place
70 Foster Drive, Suite 600
Sault Ste. Marie, ON P6A 6V4
Tel.: 705 941-2014
1 877 333-6673
Fax: 705 941-2085
Web Site: fednor.ic.gc.ca

Place Roberta Bondar
70, promenade Foster, bureau 600
Sault Ste. Marie, ON P6A 6V4
Tél.: 705 941-2014
1 877 333-6673
Télééc.: 705 941-2085
Site Web: fednor.ic.gc.ca

OCT 20 2009

Project Number: 842-505012

Mr. John Rowsell
Mayor
The Corporation of the
City of Sault Ste. Marie
99 Foster Drive, PO Box 580
Sault Ste. Marie ON P6A 5N1

Dear Mr. Rowsell:

John
Re: The Corporation of the City of Sault Ste. Marie (the "Recipient")

In response to your application dated August 10, 2009, Her Majesty the Queen in Right of Canada, as represented by the Minister of Industry (the "Minister") hereby offers to make a contribution under the Northern Ontario Development Program Infrastructure - Industrial/Commercial component to The Corporation of the City of Sault Ste. Marie (the "Recipient") for the purposes of the Project described in Annex 1, upon the following terms and conditions.

1.0 The Agreement

- 1.1 This Letter of Offer including Annex 1 - The Project - Statement of Work, Annex 2 - FedNor News Release Summary, Annex 3 - Costing Memorandum, and Annex 4 - Applicant Charter upon being unconditionally accepted by the Recipient and duly executed by the Recipient and the Minister, forms a legally binding agreement between the parties (this "Agreement") and supersedes all previous documents and negotiations related to its subject matter.

2.0 The Project

- 2.1 The Recipient shall ensure that the Project (the "Project") commences on or before September 30, 2009 (the "Commencement Date") and is completed on or before August 15, 2010 (the "Completion Date").

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- 2.2 The Recipient shall not alter the Consultant or the scope of the Project without the prior written consent of the Minister.

3.0 The Contribution

- 3.1 The Minister will make a Contribution (the "Contribution") to the Recipient in respect of the Project in an amount not exceeding the lesser of:

- (a) 50% of the Eligible & Supported Costs of \$3,000,000 of the Project, and
- (b) \$1,500,000.

4.0 Payments

- 4.1 The Minister will pay the Contribution to the Recipient in respect of Eligible Costs incurred, on the basis of itemized claims, which claims shall be:

- (a) submitted not more frequently than monthly;
- (b) certified by an officer of the Recipient or other person satisfactory to the Minister;
- (c) accompanied by a report of work completed to date, details of all costs in respect of which payment is claimed, and substantiating documentation as may be required by the Minister.
- (d) prior to the disbursement of the Contribution, the Recipient shall provide evidence satisfactory to the Minister of property damage and public liability insurance in the amount of \$2,000,000 which policy of insurance names as a beneficiary Her Majesty the Queen in right of Canada as an additional insured.

- 4.2 Claims may be submitted once eligible costs have been incurred.

- 4.3 The Minister shall not contribute to the cost of the services of any consultant that is not, in the opinion of the Minister, at arm's length from the Recipient.

- 4.4 The Minister shall not make any payment of the Contribution in respect of costs for which the Recipient has entered into a legal commitment prior to August 10, 2009.

- 4.5 The Minister will not have any obligation to pay more than 90% of the Contribution prior to:
- (a) the Completion Date or prior to the date on which the Project is completed to the satisfaction of the Minister, whichever is the earlier; and
 - (b) the Minister's approval of the final claim described in subsection 4.6.
- 4.6 The Recipient shall submit a final claim for payment accompanied by a final itemized statement of all Eligible Costs incurred and paid by the Recipient, and a final report on the Project, within six months of the Completion Date or of the date the Project is completed to the satisfaction of the Minister, whichever is the earlier.
- 4.7 The Minister may require that any claim submitted for payment of the Contribution be certified by the Recipient's external auditor or by an auditor approved by the Minister.
- 4.8 The Recipient shall repay to the Minister any amount by which the Contribution disbursed to the Recipient exceeds the amount determined pursuant to subsection 3.1, together with all interest earned by such excess, promptly, and in any event within thirty days of notice to do so by the Minister. Interest on overdue repayments will be calculated at the Bank rate as defined in the *Interest and Administrative Charges Regulations*, in effect on the due date, plus 3% compounded monthly on overdue balances payable, from the date on which the payment is due, until payment in full is received by the Minister. Any such amount is a debt due to Her Majesty in Right of Canada and is recoverable as such.
- 4.9 If the Recipient earns any interest as a consequence of the advance payment of the Contribution or earns any revenue as a result of the Project or if it receives any revenue from another level of government, the Minister may in its absolute discretion reduce its Contribution by all or by such portion of the revenue (including the interest) as it deems appropriate.
- 4.10 Without limiting the scope of the Set-off Rights provided for under the *Financial Administration Act*, it is understood that the Minister may set off against the Contribution, any amounts owed by the Recipient to Her Majesty in Right of Canada under legislation or contribution agreements and the Recipient shall declare to the Minister all amounts outstanding in that regard when making any claim under this Agreement.

5.0 Results of the Project

- 5.1 The Recipient shall be the owner of the intellectual property in respect of any works created as a result of the Project. However, the Recipient hereby grants the Minister a free, non-exclusive perpetual and irrevocable licence to use, reproduce, and publish the works.

5.2 For evaluation purposes, the Recipient shall describe how the project met intended results for improved community capacity for socio-economic development by reporting on all the following that apply:

- (a) the number of community plans developed and accepted,
- (b) the number of businesses that benefited from community plans, studies and infrastructure projects,
- (c) the number of temporary jobs created and the number of permanent jobs created and maintained by the businesses or communities as a result this project, including those jobs created and maintained for Aboriginal people, Francophones, youth and women (indicate all groups that apply),
- (d) other project outcomes or results.

5.3 The Recipient shall submit to the Minister:

- (a) Written confirmation of the key private sector stakeholder commitments contributing to the Huron Central Railway (HCR) recovery package;
- (b) Receipt of evidence that appropriate regional stakeholder(s) have made application to and requested financial assistance from either the Building Canada Fund or Infrastructure Stimulus Fund for the required long-term infrastructure improvements to the HCR rail line;
- (c) Written confirmation that a Memorandum of Understanding was developed between key stakeholders describing how they will proceed in developing and implementing a long-term commercially viable solution for the future operation of a short-line railway between Sault Ste. Marie and Sudbury;
- (d) A detailed work plan identifying what specific sections of the line will be repaired and the timing of such repairs;
- (e) Evidence that all contracts are issued in accordance with the City of Sault Ste. Marie's procurement guidelines;
- (f) Quarterly claims, meeting minutes and progress reports; and,
- (g) A final project report which summarizes infrastructure repair activities and addresses the long-term sustainability of the rail line between Sudbury and Sault Ste. Marie. The final report will identify ownership options, operational plans, and sources of infrastructure financing.

5.4 As required, the Recipient will make the necessary arrangements for a representative of the Minister to perform site visit(s) to the HCR line in order to validate the scope of work being performed.

Prior to the disbursement of funds, the Recipient will provide written confirmation of the Northern Ontario Heritage Fund Corporation \$1.5 million contribution toward the project.

6.0 Other Government Assistance

- 6.1 The Recipient hereby acknowledges that for the purposes of this Agreement, the following federal, provincial, and municipal assistance has been taken into consideration:

Northern Ontario Heritage Fund Corporation, \$1,500,000

- 6.2 The Recipient hereby agrees to inform the Minister promptly in writing of any federal, provincial or municipal government assistance to be received for the Project, other than as may be noted in subsection 6.1, and the Minister shall have the right to reduce the Contribution to take into account the amount of any such assistance that is to be received.

7.0 Monitoring

- 7.1 The Recipient shall submit to the Minister progress reports, including a final report, satisfactory to the Minister in scope and detail.
- 7.2 The reports referred to in subsection 7.1 shall contain information sufficient to allow the Minister to assess the progress of the Project. Upon request of the Minister and at no cost to him, the Recipient will promptly elaborate upon any report submitted.
- 7.3 The Minister may request that the Recipient submit to him a copy of its financial statements, within 120 days of each Recipient fiscal year end or within such longer period as may be authorized by the Minister.
- 7.4 The Recipient shall provide to the Minister a copy of any report or publication produced as a result of this Agreement, whether interim or final, as soon as the same becomes available.
- 7.5 The Recipient shall for a period of 24 months after the Completion Date of the Project, at its own expense:
- (a) preserve and make available for audit and examination by the Minister's representatives, proper books, accounts and records of the costs of the Project, wherever such books, and records may be located, and permit any authorized representative of the Minister to conduct such independent audits and evaluations as the Minister in his discretion may require;
 - (b) permit any authorized representatives of the Minister reasonable access to the Recipient's premises to inspect and assess the progress and results of the Project; and
 - (c) supply promptly, on request, such data in respect of the Project and their results as the Minister may require for purposes of this Agreement and for statistical purposes.

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- 7.6 The Minister may require that his authorized representative be granted the right to attend as an observer at such meetings as the Minister may deem necessary.

8.0 Representations

8.1 The Recipient represents and warrants that:

- (a) it is a corporation duly incorporated and validly existing and in good standing under the laws of Ontario and has the power and authority to carry on its business, to hold its property and to enter into this Agreement. The Recipient warrants that it shall remain as such for the duration of this Agreement;
- (b) the execution, delivery and performance of this Agreement have been duly and validly authorized by the necessary corporate actions of the Recipient and when executed and delivered by the Recipient, this Agreement constitutes a legal, valid and binding obligation of the Recipient enforceable in accordance with its terms. The relevant by-laws and/or resolutions that authorize the same will be attached to this Agreement by the Recipient as Annex 4;
- (c) it is under no obligation or prohibition, nor is it subject to, or threatened by any actions, suits or proceedings, which could or would prevent compliance by the Recipient with this Agreement;
- (d) the signatories to this Agreement, on behalf of the Recipient, have been duly authorized to execute and deliver this Agreement;
- (e) it has not directly promised or offered to any official or employee of the Minister, any bribe, gift, or other inducement, nor has it authorized any person to do so on its behalf, for or with a view to obtaining this Agreement;
- (f) it has not, nor has any person authorized to act on its behalf, employed any person to solicit this Agreement for a commission, brokerage or contingency fee, or any other consideration dependant upon the execution of the Agreement; and,
- (g) it has not engaged an unregistered lobbyist or a consultant or other paid advisor who is required to be registered as a lobbyist but has not done so, in order to assist in securing this contribution Agreement.

9.0 Announcements, Events and other Communications Activities

- 9.1 The Recipient hereby consents to a public announcement of the Project by or on behalf of the Minister in the form of a news release.
- 9.2 The Minister, through Industry Canada/FedNor, shall inform the Recipient of the date the public announcement is to be made, and the Recipient shall maintain the confidentiality of this Agreement until such date.
- 9.3 The Recipient hereby consents to the participation by the Minister or the Minister's representatives at the announcement event of the Project, and to have the event take place on a day mutually agreed upon by the Recipient and the Minister or the Minister's representatives.
- 9.4 The Recipient hereby agrees to display promotional material provided by Industry Canada/FedNor at the event.
- 9.5 The Recipient hereby agrees to place Industry Canada/FedNor logos recognizing the Government of Canada's financial assistance on all Project-related promotional or advertising materials (unless prior exemption is obtained from Industry Canada/FedNor), including, but not limited to, electronic media (web, television, video), and print media (signs, print advertising, brochures, magazines, maps, posters).

This does not apply to advertising related to recruitment or the tendering process, with the exception of recruitment ads placed for Youth Internships.

The appropriate Industry Canada/FedNor logos can be found in various electronic formats at <http://ic.gc.ca/FedNor> as part of the Logos and Advertising Templates section.

For assistance with logo placement or inquiries related to communications activities, please contact the FedNor Communications Team at 1-877-333-6673.

10.0 Official Languages

10.1 Where:

- (a) any notice, advertisement or other matter relating to the Recipient's activities is to be printed in a publication for the information primarily of members of the public who are residents in the community, or
- (b) any services are to be provided or made available by the Recipient to members of the public who are residents in the community,

the Recipient shall make such publications and services available in both official languages if, in the opinion of Canada, there is, or is likely to be, a significant demand therefore.

11.0 Default

11.1 The following constitute events of default:

- (a) the Recipient becomes bankrupt or insolvent, goes into receivership, or takes the benefit of any statute from time to time in force relating to bankrupt or insolvent debtors;
- (b) an order is made or resolution passed for the winding up of the Recipient, or the Recipient is dissolved;
- (c) in the opinion of the Minister, the Recipient ceases to operate;
- (d) the Recipient has submitted incomplete, false or misleading information to the Minister, or makes a false representation in this Agreement;
- (e) in the opinion of the Minister, there is a material adverse change in risk;
- (f) in the opinion of the Minister, the Recipient fails to meet a term or condition of this Agreement; and
- (g) in the opinion of the Minister, the Recipient has failed to proceed diligently with the Project including, but not limited to, failure to meet deadlines stipulated in this Agreement except where such failure is due to causes which, in the opinion of the Minister, are beyond the control of the Recipient.

11.2 If an event of default has occurred, or in the opinion of the Minister, is likely to occur, the Minister may exercise any or all of the following remedies:

- (a) terminate any obligation by the Minister to contribute or continue to contribute to the Eligible Costs of the Project including any obligation to pay an amount owing prior to such termination;
- (b) suspend any obligation by the Minister to contribute or continue to contribute to the costs of the Project including any obligation to pay an amount owing prior to such suspension; and
- (c) require the Recipient to repay forthwith to the Minister all or part of the Contribution and that amount is a debt due to Her Majesty.

12.0 Notice

12.1 Any notice, information or document required under this Agreement shall be effectively given if delivered or sent by letter, telex or facsimile (postage or other charges prepaid). Any notice that is delivered shall be deemed to have been received on delivery; any notice sent by telex or facsimile shall be deemed to have been received one working day after being sent, any notice that is mailed shall be deemed to have been received eight (8) calendar days after being mailed.

12.2 Any notice or correspondence to the Minister shall be addressed to:

Industry Canada/FedNor
70 Foster Drive, Suite 600
Sault Ste. Marie ON P6A 6V4

Attention: Northern Ontario Development Program
Infrastructure - Industrial/Commercial component

or to such other address as is designated by the Minister in writing.

12.3 Any notice or correspondence to the Recipient shall be sent to the address indicated on the face of the present Agreement.

12.4 Either of the parties may change the address which they have stipulated in this Agreement by notifying the other party of the new address, and such change shall be deemed to take effect 15 days after receipt of such notice.

13.0 Canadian Goods and Services

13.1 The Recipient in purchasing goods and services for the performance of the Project, shall provide a full and fair opportunity for use of Canadian carriers, suppliers and sub-contractors to the extent that they are competitive and available.

13.2 Whenever appropriate, giving due consideration to price, quality, service, and cost efficiencies, the Recipient is strongly encouraged to acquire products and services from Northern Ontario suppliers.

14.0 General

14.1 No member of Parliament shall be admitted to any share or part of this Agreement or to any benefit to arise therefrom.

- 14.2 The Recipient confirms that no individual for whom the post-employment provisions of the *Conflict of Interest and Post-Employment Code for Public Office Holders* or the *Conflict of Interest and Post-Employment Code for the Public Service* apply, will derive a direct benefit from this Agreement unless that individual is in compliance with the applicable post-employment provisions.
- 14.3 Neither this Agreement nor any part thereof shall be assigned by the Recipient without the prior written consent of the Minister.
- 14.4 Any payment by the Minister under this Agreement is subject to there being an appropriation for the Fiscal Year in which the payment is to be made; and to cancellation or reduction in the event that departmental funding levels are changed by Parliament.
- 14.5 This Agreement is binding upon the Recipient, its successors and permitted assigns.
- 14.6 This Agreement is a contribution agreement only, not a contract for services or a contract of service or employment, and nothing in this Agreement, or the parties' relationship or actions is intended to create, nor shall be construed as creating, a partnership, employment or agency relationship between them. The Recipient is not in any way authorized to make a promise, agreement or contract or to incur any liability on behalf of the Minister, nor shall the Recipient make a promise, agreement or contract and incur any liability on behalf of the Minister, and the Recipient shall be solely responsible for any and all payments and deductions required by applicable laws. The Recipient shall indemnify and save harmless the Minister in respect of any claims arising from failure to comply with the foregoing.
- 14.7 Subject to the Access to Information Act (Canada), to section 9.0 of this Agreement and to Annex 2, the parties shall keep confidential and shall not disclose the contents of this Agreement or the transactions contemplated hereby without the consent of all parties.
- 14.8 The Recipient shall comply with all federal, provincial, territorial, municipal and other applicable laws governing the Recipient or the Project, or both, including but not limited to, statutes, regulations, by-laws, rules, ordinances and decrees. This includes legal requirements and regulations relating to environmental protection.
- 14.9 This Agreement shall be subject to and construed in accordance with the laws of Canada and of Ontario and the parties hereto acknowledge the jurisdiction of the superior court of such province or territory, as defined in the *Interpretation Act* R.S., c. I-23, as amended from time to time.
- 14.10 This Agreement constitutes the entire contract between the parties to this Agreement with respect to its subject matter, and supersedes all previous documents and negotiations relating to its subject matter.

14.11 This Agreement shall terminate:

- (a) twelve (12) months after the completion of the Project to the satisfaction of the Minister, or the Completion Date, or
- (b) upon the date on which all amounts due by the Recipient to Her Majesty under this Agreement, have been paid in full, whichever is the latter.

14.12 All payments to be made by the Minister to the Recipient, pursuant to this Agreement, on or after June 30, 2011 are subject to the required Governmental approvals, including Treasury Board. In the event that the Minister is prevented from disbursing the full amount of the Contribution, the Parties agree to review the effects of such a shortfall in the Contribution on the implementation of the Agreement and to adjust, as appropriate, the mutual obligations specified therein.


14.13 This Agreement may be terminated at any time and for any reason on 30 days written notice.

10(h)

This offer is open for acceptance for 60 days from the date that appears on its face after which time it will become null and void. The date of acceptance shall be the date the duplicate copy of this offer, unconditionally accepted and duly executed by the Recipient, is received by the Minister.

If further information is required, please contact Mr. Marc Barrette at (705) 941-2056 or toll-free at 1-877-333-6673 in our Sault Ste. Marie office.

Yours truly,


Louise C. Paquette
Director General
FedNor

The Corporation of the City of Sault Ste. Marie
Project No.: 842-505012

Per: _____
(Signature of Recipient's Representative)

(Title) MAYOR - JOHN ROWSWELL

Per: _____
(Signature of Recipient's Representative)

(Title) DEPUTY CITY CLERK - MALCOLM WHITE

The foregoing is hereby accepted on this 26th day of October, 2009.

THE PROJECT - STATEMENT OF WORK

10(h)

Recipient: The Corporation of the City of Sault Ste. Marie

Project No.: 842-505012

Project Location: Sault Ste. Marie

Purpose/Results: Repairs to the Huron Central Railway infrastructure.

Timing: Project to commence on or before September 30, 2009 and be completed on or before August 15, 2010.

Program and Financing:

<u>Project Costs:</u>		<u>Financing:</u>	
Eligible Costs		FedNor	\$1,500,000
-Supported	\$3,000,000	Provincial	\$1,500,000
-Not Supported	\$250,000	Municipal	\$250,000
Ineligible Costs	\$5,300,000	Bank	
		Proponent	
		Others	\$5,300,000
	<u>\$8,550,000</u>		<u>\$8,550,000</u>

	<u>Supported</u>	<u>Not Supported</u>	<u>Total</u>
<u>Eligible Costs:</u>			
Railway Infrastructure Repairs*	\$3,000,000		\$3,000,000
Carrying costs and long-term strategic planning		\$250,000	\$250,000
TOTAL ELIGIBLE COSTS			<u>\$3,250,000</u>
<u>Ineligible Costs:</u>			
Operating costs			\$5,300,000
TOTAL INELIGIBLE COSTS			<u>\$5,300,000</u>
TOTAL PROJECT COSTS			<u>\$8,550,000</u>

*Railway Infrastructure Repairs may include the purchase and installation of rail, ties, tie plates, ballast and roadbed improvements and other costs related to the scope of work of this project.

Please Note: Eligible Costs include the amount of federal goods and services tax, (GST), net of any refund or eligible credits due from the Canada Revenue Agency.

FEDNOR NEWS RELEASE SUMMARY

Northern Ontario Development Program
Infrastructure - Industrial/Commercial component

Project No.: 842-505012

Name & Address of Recipient:

Recipient Contact:

The Corporation of the City of Sault Ste. Marie
99 Foster Drive, PO Box 580
Sault Ste. Marie ON P6A 5N1

Joseph Fratesi, Chief Administrative
Officer
705-759-5347

John Rowswell, Mayor
705-759-5344

Project Location:

Project Type:

Sault Ste. Marie

Implementation

Supported Sector:

Strategic Objective:

Transportation and Warehousing

Community Economic Development

Project Description:

Repairs to the Huron Central Railway infrastructure.

FedNor Funding
(Authorized Assistance)

\$1,500,000

10(h)

COSTING MEMORANDUM
NORTHERN ONTARIO DEVELOPMENT PROGRAM
INFRASTRUCTURE - INDUSTRIAL/COMMERCIAL COMPONENT

1.0 General Conditions

- 1.1** Costs are Eligible Costs for the purposes of this Agreement only if they are, in the opinion of the Minister,
- (a) directly related to the intent of the Project,
 - (b) reasonable,
 - (c) appear in the "Statement of Work",
 - (d) incurred in respect of activities which are incremental to the usual activities of the Recipient, and
 - (e) incurred between August 10, 2009 and the Completion Date.
- 1.2** Costs incurred by way of the exercise of an option to purchase or hire are eligible only if the exercise of the option is at the sole discretion of the Recipient and the option has been exercised between August 10, 2009 and the Completion Date.
- 1.3** Costs of all goods and services (including labour) acquired from an entity which is, in the opinion of the Minister related to the Recipient, shall be valued at the cost which, in the opinion of the Minister, represents the fair market value of such goods or services, which cost shall not include any mark up for profit or return on investment.
- 1.4** No cost described in section 2.0 shall be eligible for inclusion in Eligible Costs unless the Recipient causes the supplying entity to maintain proper books, accounts and records of the costs related to the Project, and to provide to any representative of the Minister access to such books, accounts and records.

2.0 Eligible Costs

Where consistent with the approved Eligible and Supported costs, as defined in Annex 1 - The Project - Statement of Work, the following criteria will be used in determining eligibility of costs:

2.1 Travel Costs - Prime Transportation

Eligible travel costs are those which are deemed necessary to the performance of the Project. To be eligible, travel costs must be clearly documented as to the purpose of each trip. Travel expenses, at economy rates, shall be charged as at actual costs, but only to the extent that they are considered reasonable by the Department.

Necessary return airfare, train fare or bus fare at economy rates for participation personnel. Where a personal automobile is to be used, kilometre (mileage) allowance will be based on current Treasury Board of Canada Travel Directives. Eligible Costs shall be limited to the cost that would have been incurred and paid had normal public transportation at economy rates been used.

Actual costs at the destination will be allowed for food, accommodation and surface transportation (i.e., taxis, etc.). Meal rates will be based on current Treasury Board of Canada Travel Directives. Please note receipts are required for all items except meals. Entertainment (hospitality) costs are not eligible.

2.2 Audit of Project Costs

If expressly approved in writing by the Department, Eligible Costs may include the cost of professional accountants certifying the accuracy of any costs claimed.

2.3 Consultants

The direct costs of studies and/or services carried out by a private contractor or consultant are eligible.

Where a contractor or consultant other than those specified in the Agreement is to be used, prior consultation with the Project officer is advised to ensure eligibility.

The Minister shall not contribute to the cost of the services of any consultant that is not, in the opinion of the Minister, at arm's length from the Recipient.

2.4 Calculation of Direct Labour

The Recipient may claim only that time worked directly on the Project and excludes indirect time, non-project related time, holidays, vacation, paid sickness, etc. Paid overtime, where considered reasonable in the opinion of the Department, may be claimed. Time off in lieu of payment is not eligible. Time claimed will normally be expressed in hours.

The payroll rate is the actual gross pay rate for each employee (normal periodic remuneration before deductions). The payroll rate excludes all premiums (e.g., overtime), shift differentials and any reimbursement or benefit conferred in lieu of salaries or wages except as noted in the last paragraph.

Fringe benefits (CPP, EI, holidays, and vacations, etc.) of up to an allowance not exceeding 20% of direct labour may be claimed (supporting documentation not required).

10(h)

2.5 Goods & Service Tax (GST)

Eligible Costs include the amount of federal goods and services tax, (GST), net of any refund or eligible credits due from the Canada Revenue Agency.

In order to have the GST approved as an eligible cost on future claims, the Recipient may be required to provide documentation verifying the organization's status under GST legislation.

3.0 Ineligible Costs

For greater certainty, any costs not specifically described as Eligible Costs in accordance with section 2.0, shall be ineligible for inclusion in the Eligible Costs. By way of example only, ineligible costs include the following:

- (a) costs of capital acquisitions; for the purpose of this Agreement, capital acquisitions include land, building and related construction;
- (b) costs of intangible assets such as goodwill, whether capitalized or expensed;
- (c) depreciation or amortization expenses;
- (d) interest on invested capital, bonds, debentures, or mortgages;
- (e) bond discount;
- (f) losses on investments, bad debts;
- (g) fines or penalties;
- (h) costs related to litigation;
- (i) payments to any member or officer of the Recipient's Board of Directors;
- (j) opportunity costs;
- (k) entertainment costs; and
- (l) fees and expenses of consultants who are not, in the opinion of the Minister, at arms length to the Recipient.