



REGULAR MEETING OF CITY COUNCIL REVISED AGENDA

Monday, May 26, 2014

4:30 p.m.

Council Chambers

	Pages
1. ADOPTION OF MINUTES	12 - 27
Mover: Councillor F. Fata	
Seconder: Councillor S. Myers	
Resolved that the Minutes of the Regular Council Meeting of 2014 05 12 be approved.	
2. QUESTIONS AND INFORMATION ARISING OUT OF THE MINUTES AND NOT OTHERWISE ON THE AGENDA	
3. DECLARATION OF PECUNIARY INTEREST	
4. APPROVE AGENDA AS PRESENTED	
Mover: Councillor F. Fata	
Seconder: Councillor T. Sheehan	
Resolved that the Agenda for 2014 05 26 City Council Meeting as presented be approved.	
5. PROCLAMATIONS/DELEGATIONS	
5.1 Red Cross – Rescuer Awards	
Diane Lajambe, District Branch Manager, Sault Ste. Marie and District Canadian Red Cross	
5.2 Local Food Week	
David Thompson, RAIN Project Co-ordinator	
5.3 Habitat for Humanity's upcoming fundraiser, HabiCache	

Amie Woods, Affiliate Administrator

a.	<i>Supporting Documentation</i>	28 - 31
5.4	Chamber of Commerce 125th Anniversary	
	Mark Barsanti, President	
5.5	Sault Ste. Marie International Bridge	32 - 40
	Phil Becker, General Manager, Update on the New Bridge Plaza Development	
5.6	Departmental Best Practices	41 - 48
	Engineering and Planning – Road Construction Communication	
6.	COMMUNICATIONS AND ROUTINE REPORTS OF CITY DEPARTMENTS, BOARDS AND COMMITTEES	
	Mover: Councillor M. Bruni	
	Seconder: Councillor S. Myers	
	Resolved that all the items listed under date 2014 05 26 - Part One - Consent Agenda be approved as recommended.	
6.1	Extension of Absence – Councillor F. Manzo	
	Mover: Councillor J. Krmpotich	
	Seconder: Councillor M. Bruni	
	Resolved that Council, pursuant to Section 259 (1) (c) of the <i>Municipal Act</i> , authorize the absence from Council meetings of Councillor Manzo due to illness for a period in excess of three successive months and that such authorization be extended to August 11, 2014 and reviewed again at that time.	
6.2	Street Closing – Eat Algoma – RAIN event	49 - 53
	A letter of request for a temporary street closing in conjunction with "Eat Algoma – RAIN Event" is attached for the consideration of Council.	
	<ul style="list-style-type: none">• Queen Street East from East Street to Brock Street – June 14, 2014 from 2:00 p.m. to 10:00 p.m.	
	The relevant By-law 2014-120 is listed under item 11 of the agenda and will be read with all by-laws under that item.	
6.3	Liquor License Extension Request	54 - 54
	Correspondence requesting permission for private property liquor license extension is attached for the consideration of Council.	
	Mover: Councillor F. Fata	

Seconder: Councillor T. Sheehan

Resolved that City Council has no objection to the proposed extended licensed area as detailed in the written request for a liquor license extension on private property for an outdoor event on the following date and time:

Loplops Gallery~Lounge – Queen Street East – Square 1

- Saturday, June 14, 2014 – 2:00 p.m. to 9:00 p.m. – The Eat Algoma Festival

6.4 Council Travel

Mover: Councillor M. Bruni

Seconder: Councillor T. Sheehan

Resolved that Mayor Amaroso be authorized to travel to the Great Lakes and St. Lawrence Cities Initiative Annual Conference being held in Thunder Bay (3 days in June) at a cost of \$1,300.

6.5 Staff Travel

55 - 55

A report of the Chief Administrative Officer is attached for the consideration of Council.

Mover: Councillor M. Bruni

Seconder: Councillor S. Myers

Resolved that the report of the Chief Administrative Officer dated 2014 05 26 concerning Staff Travel be approved as requested.

6.6 RFP for the Leasing of Space for Development of a Gift Shop – Heritage Discovery Centre (2014CL03P)

56 - 57

A report of the Manager of Purchasing is attached for the consideration of Council.

Mover: Councillor M. Bruni

Seconder: Councillor S. Myers

Resolved that the report of the Manager of Purchasing dated 2014 05 26 be received and that the proposal submitted by The Voyageurs' Lodge and Cookhouse Ltd. for Lease of Space to Operate a Gift Shop in the Heritage Discovery Centre be accepted. The agreement will commence June 16, 2014 and continue for a period of two (2) years allowing for further one (1) year extensions by mutual consent.

6.7 St. Mary's Paper Corp. Assessment Appeal 2009 – 2012

58 - 59

A report of the Commissioner of Finance and Treasurer is attached for the consideration of Council.

Mover: Councillor F. Fata

Seconder: Councillor S. Myers

Resolved that the report of the Commissioner of Finance and Treasurer dated 2014 05 26 be received and the recommendation that City Council accept a proposed property tax assessment settlement regarding the St. Mary's Paper Corp. property at 75 Huron Street be approved.

6.8	Federal Gas Tax Funding Agreement	60 - 61
	A report of the Commissioner of Finance and Treasurer is attached for the consideration of Council.	
	The relevant By-law 2014-106 is listed under item 11 of the Agenda and will be read with all by-laws under that item.	
6.9	Tall Ship "Liana's Ransom" Agreement to Host at Roberta Bondar Pavilion Dock	62 - 63
	A report of the Supervisor of Community Services is attached for the consideration of Council.	
	The relevant By-law 2014-120 is listed under item 11 of the Agenda and will be read with all by-laws under that item.	
6.10	Resurfacing of Great Northern Road (Second Line East to Third Line East) – Contract 2014-9E	64 - 66
	A report of the Design and Construction Engineer is attached for the consideration of Council.	
	The relevant By-law 2014-119 is listed under item 11 of the Agenda and will be read with all by-laws under that item.	
6.11	Reconstruction of March Street from Wellington St. East to Queen St. East	67 - 73
	A report of the Design and Construction Engineer is attached for the consideration of Council.	
	The relevant By-laws 2014-116, authorizing execution of contract and 2014-117, authorizing the road closure of March Street (Wellington Street East to Queen Street East) from May 27, 2014 until October 31, 2014 are listed under item 11 of the Agenda and will be read with all other by-laws under that item.	
6.12	Huron Central Railway Agreement for Laying of Pipe Lines Over Railway Lands – Simpson Street Rail Crossing	74 - 75
	A report of the Design and Construction Engineer is attached for the consideration of Council.	
	The relevant By-law 2014-118 is listed under item 11 of the Agenda and will be read with all by-laws under that item.	
6.13	Biennial Bridge Inspections – Engineering Agreement	76 - 77
	A report of the Director of Engineering Services is attached for the consideration of Council.	

	The relevant By-law 2014-114 is listed under item 11 of the Agenda and will be read with all by-laws under that item.	
6.14	Second Line Widening Phase 2 – Contract 2014-8E	78 - 82
	A report of the Design and Construction Engineer is attached for the consideration of Council.	
	The relevant By-law 2014-115 is listed under item 11 of the Agenda and will be read with all by-laws under that item.	
6.15	Surrender of Lease Agreement Algoma Public Health and Sault College and Offer to Purchase Agreement (294 Willow Avenue)	83 - 85
	A report of the Assistant City Solicitor is attached for the consideration of Council.	
	The relevant By-laws 2014-94 and 2014-95 are listed under item 11 of the Agenda and will be read with all by-laws under that item.	
6.16	Lease Extension 540 Albert Street East	86 - 87
	A report of the City Solicitor is attached for the consideration of Council.	
	The relevant By-law 2014-123 is listed under item 11 of the Agenda and will be read with all other by-laws under that item.	
6.17	Road Closure – The Crescent from Church Street to Forest Avenue	88 - 89
	A report of the Design and Construction Engineer is attached for the consideration of Council.	
	The relevant By-law 2014-126 is listed under item 11 of the Agenda and will be read with all other by-laws under that item.	
6.18	Liquor Licence Extension Request	90 - 90
	Correspondence requesting permission for private property liquor licence extension is attached for the consideration of Council.	
	Mover: Councillor M. Bruni Seconder: Councillor S. Myers	
	Resolved that City Council has no objection to the proposed extended licenced area as detailed in the written request for liquor licence extension on private property for an outdoor event on the following date and time:	
	<ul style="list-style-type: none"> • Saturday June 7, 2014 - Outback Bar & Grill, Sault College (Local Ironworkers Competition) – 443 Northern Avenue East – 11:00 a.m. to 6:00 p.m. 	
6.19	Sale of City Owned Property – Rear of 340 Old Garden River Road	91 - 93

A report of the City Solicitor is attached for the consideration of Council.

Mover: Councillor M. Bruni

Seconder: Councillor T. Sheehan

Resolved that the report of the City Solicitor dated 2014 05 26 concerning Sale of City Owned Property – Rear of 340 Old Garden River Road be received and the City sell the Subject Property to Tony Cavaliere for Forty-Three Thousand Fifty Four (\$43,054.00) Dollars plus GST and the “Daylighting Triangle” to Mr. and Mrs. Pidgen for Four Hundred and Forty-Six (\$446.00) Dollars plus GST.

6.20 Unsafe Order – 124 Andrew Street

94 - 99

A report of the Chief Building Official is attached for the consideration of Council.

Mover: Councillor F. Fata

Seconder: S. Myers

Resolved that the report of the Chief Building Official dated 2014 05 26 concerning the Unsafe Order of 124 Andrew Street be received and the recommendation that any work deemed necessary to make the building safe, including possible demolition costing up to \$20,000 recoverable through municipal taxes, be approved.

6.21 OGRA Correspondence

100 - 101

Correspondence concerning litigation related to Minimum Maintenance Standards (MMS) is attached for the information of Council.

7. REPORTS OF CITY DEPARTMENTS, BOARDS AND COMMITTEES

7.1 ADMINISTRATION

7.2 COMMUNITY SERVICES DEPARTMENT

7.3 ENGINEERING

7.4 FIRE

7.5 LEGAL

7.6 PLANNING

a. RA Severances – A-8-14- OP

102 - 111

A report of the Planning Department is attached for the consideration of Council.

Mover: Councillor M. Bruni

Seconder: Councillor T. Sheehan

Resolved that the report of the Planning Department dated 2014 05 26 be accepted as information and that staff be authorized to provide public notice of the intention to bring this matter to Council for approval at the June 23, 2014 meeting.

- b. **189 Elgin Street – A-10-14-Z** 112 - 123

A report of the Planning Department is attached for the consideration of Council.

Mover: Councillor F. Fata
Seconder: Councillor S. Myers

Resolved that the report of the Planning Department dated 2014 05 26 be received and that Council approve the application and rezone the subject properties from 'Low Density Residential Zone' (R3) to 'Low Density Residential Zone' (R3.S) with a Special Exception to permit an animal shelter to be located upon the ground floor of the existing building, subject to the following conditions:

1. That the animal shelter be limited to housing cats only; and
2. That the total number of cats occupying the shelter at any one time not exceed 25.

7.7 PUBLIC WORKS AND TRANSPORTATION

7.8 BOARDS AND COMMITTEES

- a. **PUC Inc. and PUC Services Inc. – Annual Shareholder Meeting** 124 - 208

The PUC Inc. (PUC Distribution Inc.) and PUC Services Inc. Annual Report to Shareholders; Financial Statements of PUC Distribution Inc. and the Draft Financial Statements of Public Utilities Commission of the City of Sault Ste. Marie, PUC Inc., PUC Services and PUC Telecom are attached for the consideration of Council.

Mover: Councillor M. Bruni
Seconder: Councillor S. Myers

Resolved that City Council is now authorized to meet in open session as the sole shareholder of PUC Inc. and PUC Services Inc.; and Further be it resolved that City Council appoints Mayor Debbie Amaroso as Council's proxy to vote on the resolutions of the shareholder of PUC Inc. and PUC Services Inc.

- b. **PUC Inc. and PUC Services Inc. Quarterly Reports** 209 - 220

The 2013 Fourth Quarter and 2014 First Quarter Shareholder reports are attached for the consideration of Council.

Mover: Councillor M. Bruni
Seconder: Councillor S. Myers

Resolved that the PUC 2013 Fourth Quarter and 2014 First Quarter Shareholder Reports be received as information.

- 8. UNFINISHED BUSINESS, NOTICE OF MOTIONS AND RESOLUTIONS PLACED ON AGENDA BY MEMBERS OF COUNCIL**
- 9. COMMITTEE OF THE WHOLE FOR THE PURPOSE OF SUCH MATTERS AS ARE REFERRED TO IT BY THE COUNCIL BY RESOLUTION**
- 10. ADOPTION OF REPORT OF THE COMMITTEE OF THE WHOLE**
- 11. CONSIDERATION AND PASSING OF BY- LAWS**

Mover: Councillor M. Bruni

Seconder: Councillor T. Sheehan

Resolved that all by-laws under item 11 of the Agenda under date 2014 05 26 be approved.

- 11.1 By-laws before Council TO BE PASSED which do not require more than a simple majority**
 - a. By-law 2014-94 (Agreement) Surrender of Lease Algoma Public Health and Sault College** 221 - 228
A report from the Assistant City Solicitor is on the Agenda.
Resolved that By-law 2014-94 being a by-law to authorize execution of a Surrender of Lease Agreement between The Corporation of the City of Sault Ste. Marie and The Board of Health for The District of Algoma Health Unit Operating as Algoma Public Health and The Sault College of Applied Arts and Technology dated May 26, 2014 be passed in open Council this 26th day of May, 2014.
 - b. By-law 2014-95 (Agreement) Offer to Purchase Algoma Public Health 294 Willow Avenue** 229 - 235
A report from the Assistant City Solicitor will be on the Agenda.
Resolved that By-law 2014-95 being a by-law to authorize execution of an Offer to Purchase between Algoma Public Health and The Corporation of the City of Sault Ste. Marie dated May 26, 2014 for the property at 294 Willow Avenue be passed in open Council this 26th day of May, 2014.
 - c. By-law 2014-101 (Zoning) 365 Maki Road – Frees Johnson** 236 - 237
Resolved that By-law 2014-101 being a by-law to amend Sault Ste. Marie Zoning By-law 2005-150 concerning lands located at 365 Maki Road (Frees Johnson) be passed in open Council this 26th day of May, 2014.
 - d. By-law 2014-106 (Agreement) AMO Federal Gas Tax Funding** 238 - 263
A report from the Commissioner of Finance and Treasurer is on the Agenda.
Resolved that By-law 2014-106 being a by-law to authorize execution of an agreement between the City and the Association of Municipalities of Ontario

(AMO) in order to receive federal gas tax funding for the next ten years be passed in open Council this 26th day of May, 2014.

- e. **By-law 2014-112 (Street Assumption)** 264 - 266
Resolved that By-law 2014-112 being a by-law to assume for public use and establish as public streets various parcels of land within the City of Sault Ste. Marie be passed in open Council this 26th day of May, 2014.
- f. **By-law 2014-113 (Temporary Street Closing) Queen Street East** 267 - 267
Resolved that By-law 2014-113 being a by-law to permit the temporary closing of Queen Street East from East Street to Brock Street to facilitate the Eat Algoma Event be passed in open Council this 26th day of May, 2014.
- g. **By-law 2014-114 (Agreement) Tulloch Engineering Inc. – Biennial Inspection of Bridges** 268 - 278
A report from the Director of Engineering Services is on the Agenda.
Resolved that By-law 2014-114 being a by-law to authorize the execution of an agreement between the City and Tulloch Engineering Inc. for the biennial inspection of bridges and related structures be passed in open Council this 26th day of May, 2014.
- h. **By-law 2014-115 (Agreement) Avery Construction Limited – Second Line Widening** 279 - 282
A report from the Design and Construction Engineer is on the Agenda.
Resolved that By-law 2014-115 being a by-law to authorize the execution of a contract between the City and Avery Construction Limited for the Second Line East widening Phase 2 (Contract 2014-8E) be passed in open Council this 26th day of May, 2014.
- i. **By-law 2014-116 (Agreement) EBC Inc. – Reconstruction of March Street** 283 - 286
A report from the Design and Construction Engineer is on the Agenda.
Resolved that By-law 2014-116 being a by-law to authorize the execution of a contract between the City and EBC Inc. for the reconstruction of March Street from Wellington Street East to Queen Street East (Contract 2014-4E) be passed in open Council this 26th day of May, 2014.
- j. **By-law 2014-117 (Temporary Street Closing) March Street** 287 - 287
Resolved that By-law 2014-117 being a by-law to permit the temporary closing of March Street (Wellington Street East to Queen Street East) from May 27, 2014 until October 31, 2014 be passed in open Council this 26th day of May, 2014.
- k. **By-law 2014-118 (Agreement) Huron Central Railway Company** 288 - 295

A report from the Design and Construction Engineer is on the Agenda.

Resolved that By-law 2014-118 being a by-law to authorize the execution of an agreement between the City and Huron Central Railway Company for the laying of pipe lines over railway lands at the Simpson Street Rail Crossing be passed in open Council this 26th day of May, 2014.

- I. **By-law 2014-119 (Agreement) Ellwood Robinson Limited – Great Northern Road Resurfacing** 296 - 298

A report from the Design and Construction Engineer is on the Agenda.

Resolved that By-law 2014-119 being a by-law to authorize execution of a contract between the City and Ellwood Robinson Limited for Great Northern Road Resurfacing Second Line East to Third Line East (Contract 2014-9E) be passed in open Council this 26th day of May, 2014.

- m. **By-law 2014-120 (Agreement) Ship Appearance – Schooner "Liana's Ransom"** 299 - 304

Resolved that By-law 2014-120 being a by-law to authorize execution of a Ship Appearance Agreement between the City and Joseph Tilley in order to have visitation from Schooner "Liana's Ransom" for sailing excursions, public visitation and hospitality events for the period of July 18 – 20, 2014 be passed in open Council this 26th day of May, 2014.

- n. **By-law 2014-121 (Agreement) Community Policing Partnerships Program** 305 - 325

Resolved that By-law 2014-121 being a by-law to authorize the execution of an agreement between the City, the Province and the Sault Ste. Marie Police Services Board to renew the Community Policing Partnerships (CPP) Program effective April 1, 2014 to March 31, 2016 be passed in open Council this 26th day of May, 2014.

- o. **By-law 2014-122 (Agreement) Safer Communities – 1,000 Officers Partnership Program** 326 - 346

Resolved that By-law 2014-122 being a by-law to authorize the execution of an agreement between the City, the Province and the Sault Ste. Marie Police Services Board to renew the Safer Communities – 1,000 Officers Partnership Program effective April 1, 2014 to March 31, 2016 be passed in open Council this 26th day of May, 2014.

- p. **By-law 2014-123 (Agreement) Lease Extension – 540 Albert Street East** 347 - 353

A report from the City Solicitor is on the Agenda.

Resolved that By-law 2014-123 being a by-law to authorize the execution of a Third Lease Extension and Amending Agreement between the City and Her Majesty the Queen in right of Ontario as represented by the Minister of Infrastructure for the lease of part of 540 Albert Street East for a term commencing July 16, 2014 to July 15, 2019 be passed in open Council this 26th day of May, 2014.

q.	By-law 2014-124 (Parking) Appointment of Municipal By-law Enforcement Officers	354 - 355
-----------	---	-----------

Resolved that By-law 2014-124 being a by-law to appoint by-law enforcement officers to enforce the by-laws of The Corporation of the City of Sault Ste. Marie be passed in open Council this 26th day of May, 2014.

r.	By-law 2014-125 (Parking) Appointment of Municipal Law Enforcement Officers	356 - 359
-----------	--	-----------

Resolved that By-law 2014-125 being a by-law to appoint Municipal Law Enforcement Officers to enforce the by-laws on various private properties and to amend Schedule "A" to By-law 90-305 be passed in open Council this 26th day of May, 2014.

s.	By-law 2014-126 (<i>Temporary Street Closing</i>) The Crescent	360 - 360
-----------	---	-----------

Resolved that By-law 2014-126 being a by-law to permit the temporary closing of The Crescent (Church Street to Forest Avenue) from May 27, 2014 to June 30, 2014 be passed in open Council this 26th day of May, 2014.

11.2 By-laws before Council for FIRST and SECOND reading which do not require more than a simple majority

11.3 By-laws before Council for THIRD reading which do not require more than a simple majority

12. QUESTIONS BY, NEW BUSINESS FROM, OR ADDRESSES BY MEMBERS OF COUNCIL CONCERNING MATTERS NOT OTHERWISE ON THE AGENDA

13. CLOSED SESSION

14. ADJOURNMENT

Mover: Councillor F. Fata

Seconder: Councillor T. Sheehan

Resolved that this Council now adjourn.



REGULAR MEETING OF CITY COUNCIL MINUTES

Monday, May 12, 2014

4:30 p.m.

Council Chambers

Present: Mayor D. Amaroso, Councillor L. Turco, Councillor S. Butland, Councillor S. Myers, Councillor M. Bruni, Councillor J. Krmpotich, Councillor B. Watkins, Councillor R. Niro, Councillor P. Christian, Councillor F. Fata, Councillor P. Mick, Councillor T. Sheehan

Absent: Councillor F. Manzo

Officials: J. Fratesi, M. White, N. Kenny, L. Girardi, N. Apostle, B. Freiburger, J. Dolcetti, D. McConnell, F. Coccimiglio, M. Nadeau, P. Niro, M. Blanchard, C. Ferguson, G. Barnes, C. Fairbrother, D. Scott

1. ADOPTION OF MINUTES

Moved by: Councillor F. Fata

Seconded by: Councillor T. Sheehan

Resolved that the Minutes of the Regular Council Meeting of 2014 04 28 be approved.

Carried

2. QUESTIONS AND INFORMATION ARISING OUT OF THE MINUTES AND NOT OTHERWISE ON THE AGENDA

3. DECLARATION OF PECUNIARY INTEREST

3.1. Councillor T. Sheehan – A-5-14-Z.OP – Graham Simmons and Laura Newman – 19 Summit Avenue

Client of one of the applicants.

3.2. Councillor R. Niro - Sault Star/Sun Media

Employer services areas related directly to printing at the Sault Star.

3.3. Councillor R. Niro – April 28, 2014 Council Meeting

Regarding OLG correspondence – family member is employed by OLG

4. APPROVE AGENDA AS PRESENTED

Moved by: Councillor F. Fata

Seconded by: Councillor S. Myers

Resolved that the Agenda for 2014 05 12 City Council Meeting and the Addendum as presented be approved.

Carried

5. PROCLAMATIONS/DELEGATIONS

5.1. Relay for Life

Judy Cruise, Chair – 2014 Relay for Life was in attendance

5.2. Sault Ste. Marie Public Library

Chris Rous, Chair, was in attendance to introduce Cindy Weir, new CEO Sault Ste. Marie Public Library

5.3. Catherine Meincke Award

Awarded to PUC Inc. by the Accessibility Advisory Committee

5.4. Departmental Best Practices

City Clerk's Department – Electronic agenda

Public Works and Transportation Department – Landfill Pilot Project – Not for Profit Organizations Rebate

5.5. Tourism Sault Ste. Marie

Ian McMillan – activities update

5.6. Smart Energy Strategy Update

Jason Naccarato, Sault Ste. Marie Innovation Centre

6. COMMUNICATIONS AND ROUTINE REPORTS OF CITY DEPARTMENTS, BOARDS AND COMMITTEES

Moved by: Councillor M. Bruni

Seconded by: Councillor T. Sheehan

Resolved that all the items listed under date 2014 05 12 – Part One – Consent Agenda and the Addendum, including the secondary resolution for item 6.21 be approved as recommended, save and except item 6.14.

Carried

6.1. Correspondence for the Consideration of Council

a. Algoma Public Health

A request to amend smoke-free by-law to include restricting the use of waterpipes for the smoking of tobacco or other weeds or substances in public places and workplaces was received by Council.

b. Ministry of Transportation

Origin/Destination Study to determine travel patterns for vehicles entering and exiting Sault Ste. Marie was received by Council.

Moved by: Councillor M. Bruni

Seconded by: Councillor T. Sheehan

Resolved that correspondence from the Regional Director, Ministry of Transportation dated April 28, 2014 concerning origin/destination study determining travel patterns for vehicles entering and exiting Sault Ste. Marie be received as information; and further that the report be referred to the Engineering and Planning Department for review and comment.

Carried

c. Northern Ontario Multimodal Transportation Strategy

Correspondence from the Minister of Infrastructure and of Transportation and the Mayor's correspondence to the Minister of dated December 12, 2013 was received by Council.

d. Juno Beach Centre

Canada's D-Day Tribute Campaign – 70th Anniversary – was received by Council.

6.2. Liquor Licence Extension Requests

Correspondence requesting permission for private property liquor licence extension was received by Council.

Moved by: Councillor M. Bruni

Seconded by: Councillor T. Sheehan

Resolved that City Council has no objection to the proposed extended licenced area as detailed in the written requests for liquor licence extension on private property for an outdoor event on the following dates and times:

- Great Northern Retirement Home – 760 Great Northern Rd. – June 20, 2014 from 3:00 p.m. to 7:00 p.m.
- Portuguese Canadian Association – 5 Cornwall St. – July 12, 2014 from 12:00 p.m. to 8:00 p.m.
- G. Marconi Society - 450 Albert St. W. – July 13, 2014 from 12:00 p.m. to 1:00 a.m.

Carried

6.3. Staff Travel

The report of the Chief Administrative Officer was received by Council.

Moved by: Councillor M. Bruni

Seconded by: Councillor T. Sheehan

Resolved that the report of the Chief Administrative Officer dated 2014 05 12 concerning Staff Travel be approved as requested.

Carried

6.4. Tender for Ready-Mix Concrete

The report of the Manager of Purchasing was received by Council.

Moved by: Councillor F. Fata

Seconded by: Councillor S. Myers

Resolved that the report of the Manager of Purchasing dated 2014 05 12 be received and that the tender for the supply of Ready-Mix Concrete be awarded to Caswell Concrete Products for the 2014 construction season.

Carried

6.5. Tender for Asphalt

The report of the Manager of Purchasing was received by Council.

Moved by: Councillor M. Bruni

Seconded by: Councillor S. Myers

Resolved that the report of the Manager of Purchasing dated 2014 05 12 be received and that the tender for the supply of asphalt be awarded to Palmer Construction for the 2014 construction season.

Carried

6.6. RFP for Security Services – Seasonal

The report of the Manager of Purchasing was received by Council.

Moved by: Councillor F. Fata

Seconded by: Councillor T. Sheehan

Resolved that the report of the Manager of Purchasing dated 2014 05 12 be received and that the proposal submitted by NORPRO Company to provide Seasonal Security Services, as required by various City Departments, be approved. (The contract will commence May 16, 2014 and continue for a period of two (2) years allowing for further one (1) year extensions by mutual agreement.)

Carried

6.7. Cultural Financial Assistance Grants

The report of the Manager of Recreation and Culture was received by Council.

Moved by: Councillor F. Fata

Seconded by: Councillor S. Myers

Resolved that the report of the Manager of Recreation and Culture concerning 2014 Cultural Financial Assistance Grants be received and that the recommendation of the Cultural Advisory Board regarding recipients of the 2014 Cultural Financial Assistance Grants be approved.

Carried

6.8. Youth Friendly Community Recognition Program – 2014

The report of the Commissioner of Community Services was received by Council.

Moved by: Councillor T. Sheehan

Seconded by: Councillor S. Myers

Resolved that the report of the Commissioner of Community Services dated 2014 05 12 concerning Youth Friendly Community be received and that a Mayor's Youth Advisory Council be implemented with a Mayor's Youth Summit to be held on June 10, 2014; further that the \$27,500 previously allotted to the Sault Youth Association not be allocated until the Mayor's Youth Advisory Council reports to Council on its endeavours.

Carried

6.9. Grand Slam of Curling – 2014 National

The report of the Commissioner of Community Services was received by Council.

The relevant By-law 2014-99 is listed under item 11 of the Minutes.

6.10. Purchase of GPS Survey Equipment

The report of the Director of Engineering was received by Council.

Moved by: Councillor F. Fata

Seconded by: Councillor S. Myers

Resolved that the report of the Director of Engineering dated 2014 05 12 concerning the purchase one GPS Smart Antenna, controller and appurtenances from Total Precision Surveying for the price of \$19,600 with funds coming from the Engineering Vehicle and Equipment reserve, be approved.

Carried

6.11. Reconstruction of St. Andrew's Terrace – North Street to John Street - Contract 2014-1E

The report of the Design and Construction Engineer was received by Council.

The relevant By-laws 2014-78, authorizing execution of contract, and 2014-109 authorizing the road closure of St. Andrew's Terrace (North Street to John Street) from May 13, 2014 until October 31, 2014, are listed under item 11 of the Minutes.

6.12. Reconstruction of Forest Avenue – The Crescent to Simpson Street – Contract 2014-2E

The report of the Design and Construction Engineer was received by Council.

The relevant By-laws 2014-102, authorizing execution of contract, and 2014-103 authorizing the road closure of Forest Avenue (The Crescent to Simpson Street) and Simpson Street (Forest Avenue to Wellington Street East) from May 13, 2014 until October 31, 2014, is listed under item 11 of the Minutes.

6.13. Reconstruction of London Street – North Street to Tancred Street – Contract 2014-3E

The report of the Design and Construction Engineer was received by Council.

The relevant By-laws 2014-110, authorizing execution of contract, and 2014-111, authorizing the road closure of London Street (North Street to Tancred Street) from May 13, 2014 until October 31, 2014, are listed under item 11 of the Minutes.

6.15. Property Declared Surplus Greenwood Avenue

The report of the Assistant City Solicitor was received by Council.

The relevant By-law 2014-96 is listed under item 11 of the Minutes.

6.16. Sale of City Owned Property (Vivian Avenue); Parts 1 and 2 1R12405

The report of the Assistant City Solicitor was received by Council.

The relevant By-law 2014-107 is listed under item 11 on the Minutes.

6.17. Bellevue Park Locomotive

The report of the City Solicitor was received by Council.

The relevant By-law 2014-104 is listed under item 11 of the Minutes.

6.18. Landfill Pilot Project – Not for Profit Organizations Rebate

The report of the Deputy Commissioner, Public Works and Transportation was received by Council.

Moved by: Councillor M. Bruni

Seconded by: Councillor S. Myers

Resolved that the report of the Deputy Commissioner of Public Works and Transportation dated 2014 05 12 concerning Landfill Pilot Project – Not for Profit Organizations Rebate be received and that continuation of the landfill tipping fee rebate program be approved; further that the Landfill Reserve be used to offset the rebate to be provided.

Carried

6.19. Public Works New Equipment Needs 2014

The report of the Manager, Equipment/Building Maintenance was received by Council.

Moved by: Councillor F. Fata

Seconded by: Councillor T. Sheehan

Resolved that the report of Manager of Equipment/Building Maintenance dated 2014 05 12 concerning Public Works New Equipment Needs 2014 be received and the recommendation to proceed with preparing specifications and tendering the equipment in accordance with the City's procurement policies and procedures be approved.

Carried

6.20. Policy Change for Para Bus Reservations

The report of the Manager of Transit and Parking was received by Council.

Moved by: Councillor M. Bruni

Seconded by: Councillor T. Sheehan

Resolved that the report of the Manager of Transit and Parking dated 2014 05 12 concerning policy change for para bus reservations be received as information.

Carried

6.21. Advocacy Bus Pass Program Two Year Pilot Project

The report of the Manager of Transit and Parking was received by Council.

Moved by: Councillor M. Bruni

Seconded by: Councillor S. Myers

Resolved that the report of the Manager of Transit and Parking dated 2014 05 12 concerning Advocacy Bus Program Two Year Pilot Project be received as information.

Carried

Moved by: Councillor S. Myers

Seconded by: Councillor T. Sheehan

Resolved that the Advocacy Bus Program Two Year Pilot Project as outlined in the report proceed to implementation.

Carried

6.22. Verdict of Coroner's Jury (Unofficial)

The unofficial verdict of the Coroner's Jury serving on the inquest into the death of James Robert Vecchio was received by Council.

Moved by: Councillor M. Bruni

Seconded by: Councillor T. Sheehan

Resolved that the unofficial Verdict of Coroner's Jury serving on the inquest into the death of James Robert Vecchio be received as information and that appropriate staff be requested to review and report back to Council.

Carried

6.14. Surrender of Lease Agreement and Offer to Purchase Agreement (294 Willow Avenue)

The report of the Assistant City Solicitor was received by Council.

The relevant By-laws 2014-94, authorizing execution of the Surrender of Lease Agreement, and 2014-95, authorizing the Offer to Purchase Agreement, are listed under item 11 of the Minutes. (OFFICIALLY READ NOT DEALT WITH)

7. REPORTS OF CITY DEPARTMENTS, BOARDS AND COMMITTEES

7.1. ADMINISTRATION

7.2. COMMUNITY SERVICES DEPARTMENT

a. Municipal Day Care Services

The report of the Chief Administrative Officer was received by Council.

Moved by: Councillor M. Bruni

Seconded by: Councillor S. Myers

Resolved that the reports of the Chief Administrative Officer, the Commissioner of Community Services, Commissioner of Finance and Commissioner of Human Resources all dated 2014 05 12 concerning Municipal Day Care Services be received and that Council authorize staff to take the initial steps to effect the transfer of the 100 municipal daycare spaces to other licensed daycare providers via the SSMDSSAB, and furthermore, to initiate the appropriate legal wind-down of municipal day care.

Postponed

a. Postponement

Moved by: Councillor S. Butland

Seconded by: Councillor S. Myers

Resolved that this matter be postponed to June 23, 2014 Council meeting in order to allow for community consultation; and

Further that the following information be provided at that item:

1. confirmation from the Sault Ste. Marie DSSAB that the 100 daycare spots can be absorbed by existing licenced daycares in the City
2. what increase in "full fee" is required to make continued municipal daycare operations viable

Carried

7.3. ENGINEERING

7.4. FIRE

7.5. LEGAL

7.6. PLANNING

a. A-5-14-Z.OP – Graham Simmons and Laura Newman – 19 Summit Avenue

Councillor T. Sheehan declared a conflict on this item. (Client of one of the applicants)

Moved by: Councillor M. Bruni

Seconded by: Councillor R. Niro

Resolved that the rules of Procedure By-law 2013-100 with respect to notice of motion to reconsider be waived and that the motion to reconsider Council's decision of April 28, 2014 regarding Application A-15-Z.OP – 19 Summit Avenue – be voted upon immediately.

Carried

Moved by: Councillor P. Mick

Seconded by: Councillor R. Niro

Resolved that Council reconsider its decision of April 28, 2014 with respect to Application A-5-14-Z.OP – Graham Simmons and Laura Newman – 19 Summit Avenue and that the appropriate notices under the *Planning Act* be served immediately.

Carried

b. Planning Application A-9-14-Z – Chris Frees and Candy Johnson – 365 Maki Road

The report of the Planning Department was received by Council.

Moved by: Councillor F. Fata

Seconded by: Councillor S. Myers

Resolved that the report of the Planner dated 2014 05 12 be received as information and that Council rezones the portion of the subject property that is zoned "REX" (Rural Aggregate Extraction Zone) to "RA" (Rural Area Zone).

Carried

7.7. PUBLIC WORKS AND TRANSPORTATION

7.8. BOARDS AND COMMITTEES

8. UNFINISHED BUSINESS, NOTICE OF MOTIONS AND RESOLUTIONS PLACED ON AGENDA BY MEMBERS OF COUNCIL

Mover: Councillor M. Bruni

Seconder: Councillor T. Sheehan

Resolved that Councillor Turco be nominated by the City of Sault Ste. Marie to the Association of Municipalities of Ontario (AMO) Board of Directors - Large Urban Caucus for a two year term (2014 to 2016).

Carried

8.1. Sault Star/Sun Media

Councillor R. Niro declared a conflict on this item. (Employer services areas related directly to printing at the Sault Star)

Moved by: Councillor T. Sheehan

Seconded by: Councillor J. Krmpotich

Whereas local media plays a vital role in communities across Canada; and

Whereas this is especially true in communities that share a border with the USA; and

Whereas the Sault Star plans to shut down its presses at the end of May and shift production to other parts of the province (i.e. paper pressed in North Bay, with flyers inserted in London, Ontario); and

Whereas this move will result in significant job losses in the City of Sault Ste. Marie; and

Whereas this will also negatively affect the communication of timely local news;

Now Therefore Be it Resolved that City Council request that Sun Media reconsider its plan to cut jobs in Sault Ste. Marie and consider the impact of their decisions on local news services; further that a representative of Sun Media be requested to appear before Council to explain the rationale behind these job losses.

Carried

8.2. AMO Board of Directors - Large Urban Caucus

Moved by: Councillor F. Fata

Seconded by: Councillor T. Sheehan

Resolved that Councillor Lou Turco be nominated by the City of Sault Ste. Marie to the Association of Municipalities of Ontario (AMO) Board of Directors – Large Urban Caucus for a two year term (2014 - 2016).

9. COMMITTEE OF THE WHOLE FOR THE PURPOSE OF SUCH MATTERS AS ARE REFERRED TO IT BY THE COUNCIL BY RESOLUTION

10. ADOPTION OF REPORT OF THE COMMITTEE OF THE WHOLE

11. CONSIDERATION AND PASSING OF BY- LAWS

Moved by: Councillor M. Bruni

Seconded by: Councillor S. Myers

Resolved that all by-laws under item 11 of the Agenda under date 2014 05 12 be approved save and except By-laws 2014-94 and 2014-95.

Carried

11.1. By-laws before Council TO BE PASSED which do not require more than a simple majority

a. By-law 2014-78 (Agreement) Palmer Construction Group Inc.

Moved by: Councillor M. Bruni

Seconded by: Councillor S. Myers

Resolved that By-law 2014-78 being a by-law to authorize execution of a contract between the City and Palmer Construction Group Inc. for the reconstruction of St. Andrew's Terrace from North Street to John Street (Contract 2014-1E) be passed in open Council this 12th day of May, 2014.

Carried

b. By-law 2014-89 (Zoning) 69 Elmwood Avenue – Schell, Boniferro

Moved by: Councillor M. Bruni

Seconded by: Councillor S. Myers

Resolved that By-law 2014-89 being a by-law to amend Sault Ste. Marie Zoning By-laws 2005-150 and 2005-151 concerning lands located at 69 Elmwood Avenue and rear of 69 Elmwood Avenue (Schell, Boniferro) be passed in open Council this 12th day of May, 2014.

Carried

e. By-law 2014-96 (Property) Greenwood Avenue

Moved by: Councillor M. Bruni

Seconded by: Councillor S. Myers

Resolved that By-law 2014-96 being a by-law to declare the City owned property legally described as PIN 31511-0177 (LT) Greenwood Av PL H465 Tarentorus; Sault Ste. Marie and PIN 31511-0186 1 FT Reserve E Limit of Greenwood Av PL H465 Tarentorus; Sault Ste. Marie in the Cedar Heights Subdivision as surplus to the City's needs and to authorize the disposition of the said property to abutting owner, Tony Cavaliere and further, to authorize the disposition of the "daylighting triangle" to Mr. and Mrs. Pidgen be passed in open Council this 12th day of May, 2014.

Carried

f. By-law 2014-97 (Official Plan Amendment) 770 Great Northern Road – Lukenda Holdings Inc.

Moved by: Councillor M. Bruni

Seconded by: Councillor S. Myers

Resolved that By-law 2014-97 being a by-law to adopt Amendment No. 202 to the Official Plan for the City of Sault Ste. Marie (Lukenda Holdings Inc. – 770 Great Northern Road) be passed in open Council this 12th day of May, 2014.

Carried

g. By-law 2014-98 (Zoning) 770 Great Northern Road – Lukenda Holdings Inc.

Moved by: Councillor M. Bruni

Seconded by: Councillor S. Myers

Resolved that By-law 2014-98 being a by-law to amend Sault Ste. Marie Zoning By-laws 2005-150 and 2005-151 concerning lands located at 770 Great Northern Road (Lukenda Holdings Inc.) be passed in open Council this 12th day of May, 2014.

Carried

h. By-law 2014-99 (Agreement) Rogers Sportsnet Inc.

Moved by: Councillor M. Bruni

Seconded by: Councillor S. Myers

Resolved that By-law 2014-99 being a by-law to authorize execution of an agreement between the City and Rogers Sportsnet Inc. for the use of the Essar Centre for the 2014 National Grand Slam of Curling Series during the time period of November 15, 2014 to November 23, 2014 be passed in open Council this 12th day of May, 2014.

Carried

i. By-law 2014-102 (Agreement) R.M. Belanger Limited

Moved by: Councillor F. Fata

Seconded by: Councillor S. Myers

Resolved that By-law 2014-102 being a by-law to authorize execution of a contract between the City and R. M. Belanger Limited for the reconstruction of Forest Avenue from The Crescent to Simpson Street and a small section of Simpson Street from Forest Avenue to Wellington Street East. (Contract 2014-2E) be passed in open Council this 12th day of May, 2014.

Carried

j. By-law 2014-103 (Temporary Street Closing) Part Forest Avenue and Part Simpson Street

Moved by: Councillor F. Fata

Seconded by: Councillor T. Sheehan

Resolved that By-law 2014-103 being a by-law to permit the temporary closing of Forest Avenue from The Crescent to Simpson Street and a small section of Simpson Street from Forest Avenue to Wellington Street East from May 13, 2014 until October 31, 2014 be passed in open Council this 12th day of May, 2014.

Carried

k. By-law 2014-104 (Historic Sites) Repeal 2011-38

Moved by: Councillor M. Bruni

Seconded by: Councillor S. Myers

Resolved that By-law 2014-104 being a by-law to repeal By-law 2011-38 (a by-law to designate the Locomotive in Bellevue Park as being of architectural or historic value or interest) be passed in open Council this 12th day of May, 2014.

Carried

I. By-law 2014-105 (Taxes) Amendment to By-law 2014-105 Adoption of Property Tax Rates for 2014

Moved by: Councillor M. Bruni

Seconded by: Councillor S. Myers

Resolved that By-law 2014-105 being a by-law to amend By-law 2014-87 (a by-law to provide for the adoption of property tax rates for 2014) be passed in open Council this 12th day of May, 2014.

Carried

m. By-law 2014-107 (Property Sale) Pt Vivian Ave. – Gervasi

Moved by: Councillor F. Fata

Seconded by: Councillor S. Myers

Resolved that By-law 2014-107 being a by-law to authorize the sale of surplus property described as all of Vivian Av PL M391, being Part 1, PL 1R12405 (PIN 31593-0050) and BLK 29, PL M391, being Part 2 PL 1R12405 (PIN 31593-0042) to Carlo Gervasi, in Trust for a Company to be Incorporated be passed in open Council this 12th day of May, 2014.

Carried

n. By-law 2014-108 (Exemption Certificate) 969 Queen Street East

Moved by: Councillor M. Bruni

Seconded by: Councillor S. Myers

Resolved that By-law 2014-108 being a by-law pursuant to Section 9(10) of the Condominium Act, 1998, S.O. 1998, c.19 exempting a portion of lands having civic address 969 Queen Street East, Sault Ste. Marie, Ontario, former Plummer Hospital Building and consisting solely of the five-story building on the aforesaid lands from Sections 51 and 51.1 of the *Planning Act*, R.S.O. 1990, c.P.13 and pursuant to Section 9(7) of the *Condominium Act* authorizing the Mayor and City Clerk to execute an Exemption Certificate be passed in open Council this 12th day of May, 2014.

Carried

o. By-law 2014-109 (Temporary Street Closing) St. Andrew's Terrace

Moved by: Councillor M. Bruni

Seconded by: Councillor S. Myers

Resolved that By-law 2014-109 being a by-law to permit the temporary closing of St. Andrew's Terrace (North Street to John Street) from May 13, 2014 until October 31, 2014 be passed in open Council this 12th day of May, 2014.

Carried

p. By-law 2014-110 (Agreement) Engineering Palmer Construction Group Inc.

Moved by: Councillor M. Bruni

Seconded by: Councillor S. Myers

Resolved that By-law 2014-110 being a by-law to authorize execution of a contract between the City and Palmer Construction Group Inc. for the reconstruction of London Street from North Street to Tancred Street (Contract 2014-3E) be passed in open Council this 12th day of May, 2014.

Carried

q. By-law 2014-111 (Temporary Street Closing) London Street

Moved by: Councillor M. Bruni

Seconded by: Councillor S. Myers

Resolved that By-law 2014-111 being a by-law to permit the temporary closing of London Street (North Street to Tancred Street) from May 13, 2014 until October 31, 2014 be passed in open Council this 12th day of May, 2014.

Carried

r. By-law 2014-100 (Agreement) Mill Market Inc. Canal Drive

Moved by: Councillor M. Bruni

Seconded by: Councillor S. Myers

Resolved that By-law 2014-100 being a by-law to authorize execution of a Lease Amending Agreement between the City and Mill Market Inc. to permit the temporary operation of the Canal District Community Garden on City property, specifically the Municipal Fish Hatchery Property located at 35 Canal Drive be passed in open Council this 12th day of May, 2014

Carried

c. By-law 2014-94 (Agreement) Surrender of Lease APH

Moved by: Councillor M. Bruni

Seconded by: Councillor S. Myers

Resolved that By-law 2014-94 being a by-law to authorize execution of a Surrender of Lease Agreement between the City and The Board of Health for The District of Algoma Health Unit Operating as Algoma Public Health and The Sault College of Applied Arts and Technology

dated May 12, 2014 be passed in open Council this 12th day of May, 2014.
OFFICIALLY READ NOT DEALT WITH

d. By-law 2014-95 (Agreement) Offer to Purchase re APH

Moved by: Councillor M. Bruni

Seconded by: Councillor S. Myers

Resolved that By-law 2014-95 being a by-law to authorize execution of an Offer to Purchase between Algoma Public Health and The Corporation of the City of Sault Ste. Marie dated May 12, 2014 for the property at 294 Willow Avenue be passed in open Council this 12th day of May, 2014.

OFFICIALLY READ NOT DEALT WITH

11.2. By-laws before Council for FIRST and SECOND reading which do not require more than a simple majority

11.3. By-laws before Council for THIRD reading which do not require more than a simple majority

12. QUESTIONS BY, NEW BUSINESS FROM, OR ADDRESSES BY MEMBERS OF COUNCIL CONCERNING MATTERS NOT OTHERWISE ON THE AGENDA

13. CLOSED SESSION

14. ADJOURNMENT

Moved by: Councillor F. Fata

Seconded by: Councillor S. Myers

Resolved that this Council now adjourn.

Carried

Mayor

City Clerk



Release and Waiver

In consideration for receiving permission to participate in the HABICACHE...THE HUNT THAT BUILDS HOMES! event hosted by Habitat for Humanity Sault Ste Marie and Area, I, for myself and heirs, executors, administrators, successors and assigns, HEREBY RELEASE, WAIVE AND FOREVER DISCHARGE Habitat for Humanity Sault Ste Marie and Area, and all sponsors and contributors to HabiCache...The Hunt That Builds Homes, and all their respective directors, members, trustees, agents and representatives, volunteers, officers, sponsors, licensors, servants, employees, contractors, successors and assigns of and from all claims, demands, damages, costs, expenses, actions and causes of action, whether in law or equity, in respect of death, injury, loss or damage to my person or property howsoever caused, arising or to arise by reason of my preparation for and/or participation in the said event, AND NOTWITHSTANDING that same may have been contributed to, or occasioned by, the negligence of any of the aforesaid persons.

I FURTHER HERBY UNDERTAKE TO HOLD AND SAVE HARMLESS AND AGREE TO INDEMNIFY all of the aforesaid from and against any and all liability incurred by all of them as a result of, or in any way connected with, my preparation for and/or participation in the said event.

I and my next of kin are duly aware of the risks and hazards inherent in the activity of geocaching and I acknowledge that outdoor/wilderness conditions may be hazardous and dangerous and that obstructions may exist, and that such risks are beyond the control of Habitat for Humanity Sault Ste Marie and Area, and I hereby voluntarily assume all risks of loss, damage or injury, including death, that may be sustained by me or to any property in connection with my preparation for and/or participation in the event.

I hereby acknowledge and represent, that I have read the foregoing release, understand it and agree to it voluntarily, that I am:

- 18 years of age or older
- 14 years of age or older prior to June 1st and have parental consent.

Name: _____

Team Name: _____

Phone: _____ Email: _____

Emergency Contact: _____ Phone: _____

Signature

Date

Signature of Parent or Guardian if younger than 18 years of age:

I approve of my child's participation in this year's HabiCache...The Hunt That Builds Homes! event and accept the terms of this waiver on his/her behalf.

Print Name

Signature

Date

NOTE: COMPLETED WAIVERS FOR EACH TEAM MEMBER MUST BE SUBMITTED PRIOR TO PARTICIPATION IN HABICACHE. EMAIL: ADMIN@HABITATSFAULT.CA FAX: 705-941-9100 SNAIL MAIL: 32 WHITE OAK DRIVE EAST, SAULT STE MARIE, ON P6B 4J8

Habitat for Humanity Sault Ste Marie & Area- HabiCache 2014



Rules

Taking into consideration the safety and enjoyment of participants and the public, and respecting global geocaching standards of etiquette, the following rules apply:

Safety & Respect for Community

1. HabiCache is intended to be a fun, family friendly community event. Please respect all rules of the road when travelling between cache coordinates.
 - a. Avoid speeding or aggressive driving or cycling
 - b. Drivers, please do not text/talk/surf and drive
 - c. Team members (not drivers) should read GPS coordinates while car is in motion
2. Be aware of your surroundings! Tree branches in the eyes, water, traffic, etc.
3. Do not approach wildlife - make lots of noise and make yourselves appear 'bigger' than you are to scare it away from you. Don't be afraid to make noise while you're caching to keep it at bay in the first place!
4. Practice good trail etiquette. Cache in, trash out! Leave no trace.
5. Respect other teams and share the trails, roads and sidewalks.

Regarding Cache Contents:

1. First To Find tokens- if you find it, you are the first- yours to keep!
2. Place every cache back exactly as you found it
3. Sign the log
4. Trade evenly
5. If you take a trackable, log it and move it to another cache - do not keep it!
6. Take only one sponsor item from each cache.

Prizes:

1. Teams must raise the minimum pledge amount of \$250 in order to qualify for main prize draws
2. Only teams raising over \$500 will be entered to win Grand Prizes
3. Prizes are based on teams of two. Habitat for Humanity Sault Ste Marie and Area is not responsible for prize division amongst teams.

Have Fun!

HOME SWEET HOME

How Habitat improves family life

As evident to family, friends and those involved with Habitat for Humanity Canada-wide, the lives of families that partner through our program improve across the board. New research led by Canada Mortgage and Housing Corporation (CMHC) substantiates this, showing that Habitat for Humanity families report being happier, healthier and more financially secure after receiving their Habitat home.



89%
say their family
life has improved



86% report being happier
since moving into their
Habitat home



70%

report improved health,
including reduced colds
and flu, allergies, asthma
symptoms and stress



58%
report they are better
off financially now than
before they moved into
their Habitat home



To volunteer or donate, visit:
www.habitat.ca



Habitat for Humanity provides access to a simple, decent home through a no-interest, no down payment mortgage, making affordable homeownership possible for hundreds of low-income Canadian families each year.

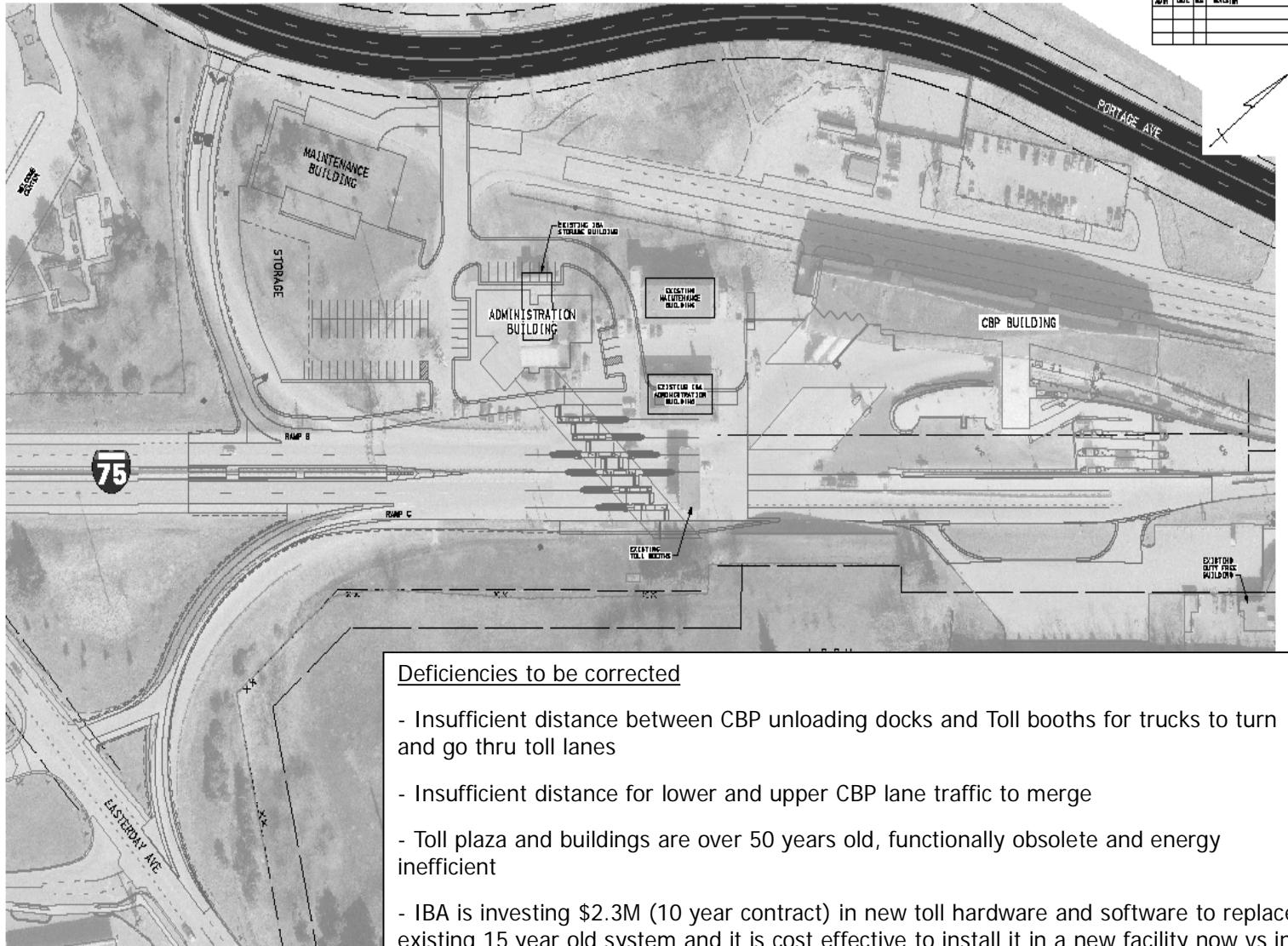


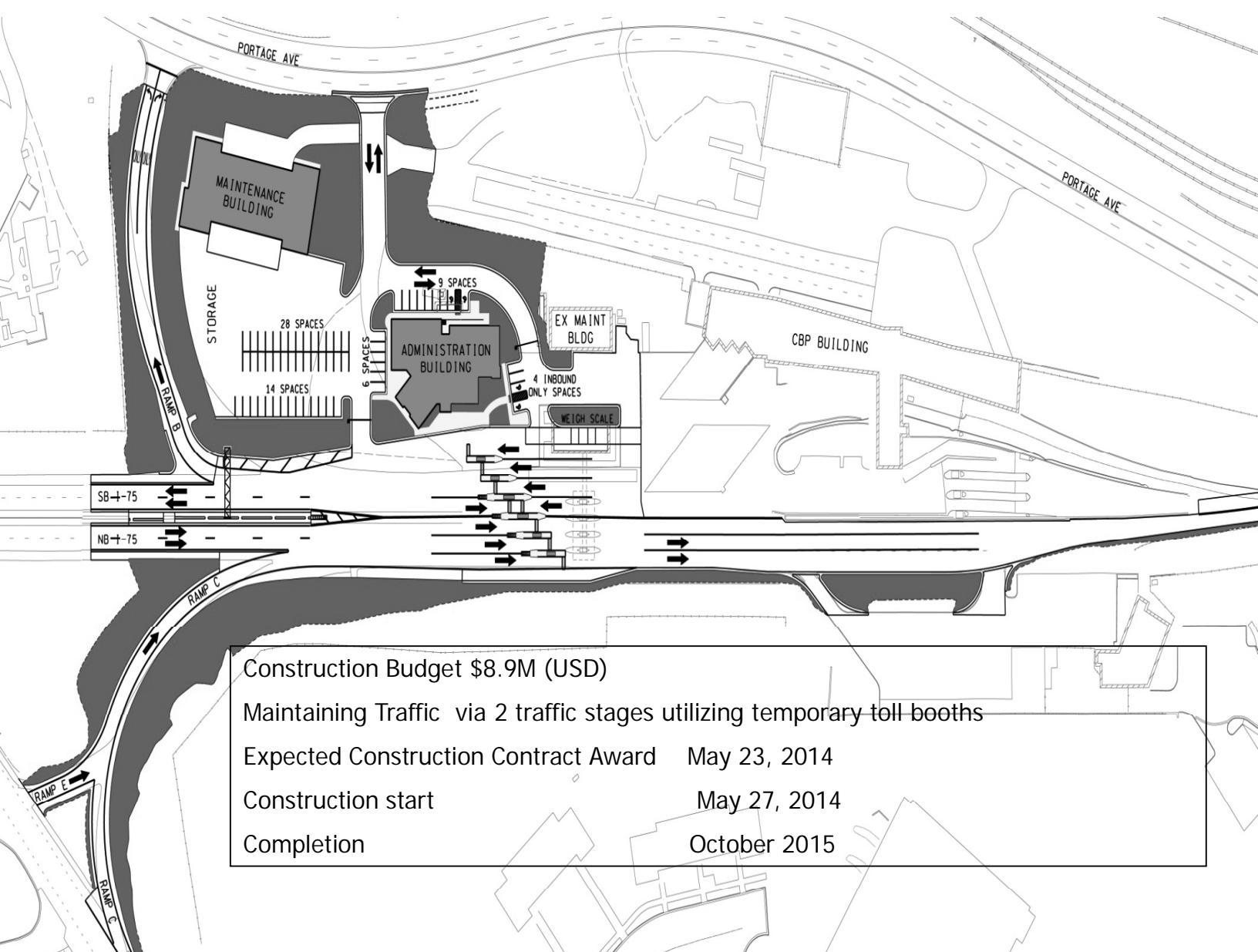
Sault Ste Marie International Bridge Toll Plaza Project Update

**Sault Ste Marie City Council
May 26, 2014**

*The Sault Ste. Marie International Bridge
"Bridging Our Past....Connecting Our Future"*

FONI I.G.T.			
ATTN:	DATE:	MS:	INSTRUM:



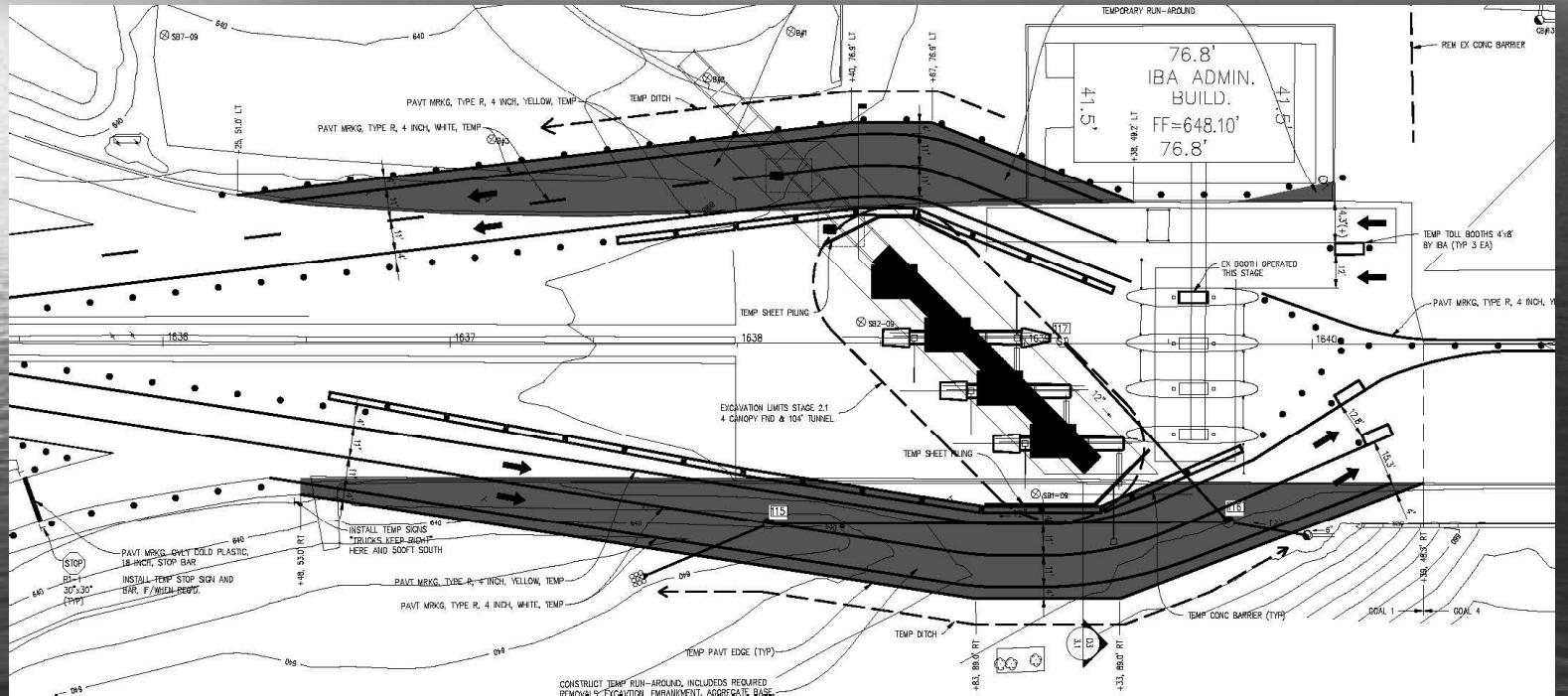


Maintaining Traffic thru Toll Lanes

- ❖ New Toll Booths Constructed Diagonally Across the plaza in 2 stages working east to west.
- ❖ From Monday June 9th until Friday, June 27th , the Northbound I75 on-ramp at Easterday Avenue will be closed while it is reconstructed and temporary toll lanes are constructed around the existing toll booths. Easterday on-ramp traffic will be detoured to 3 mile Rd on-ramp
- ❖ Traffic will be served by existing toll booths until Monday, July 7th
- ❖ From July 7th until October 9th toll traffic will be served by two northbound and two southbound temporary toll booths accessed by temporary lanes constructed around the existing toll booths.
- ❖ Three new permanent toll booths constructed as part of first stage will be used to serve toll traffic during through the 2014/15 winter months

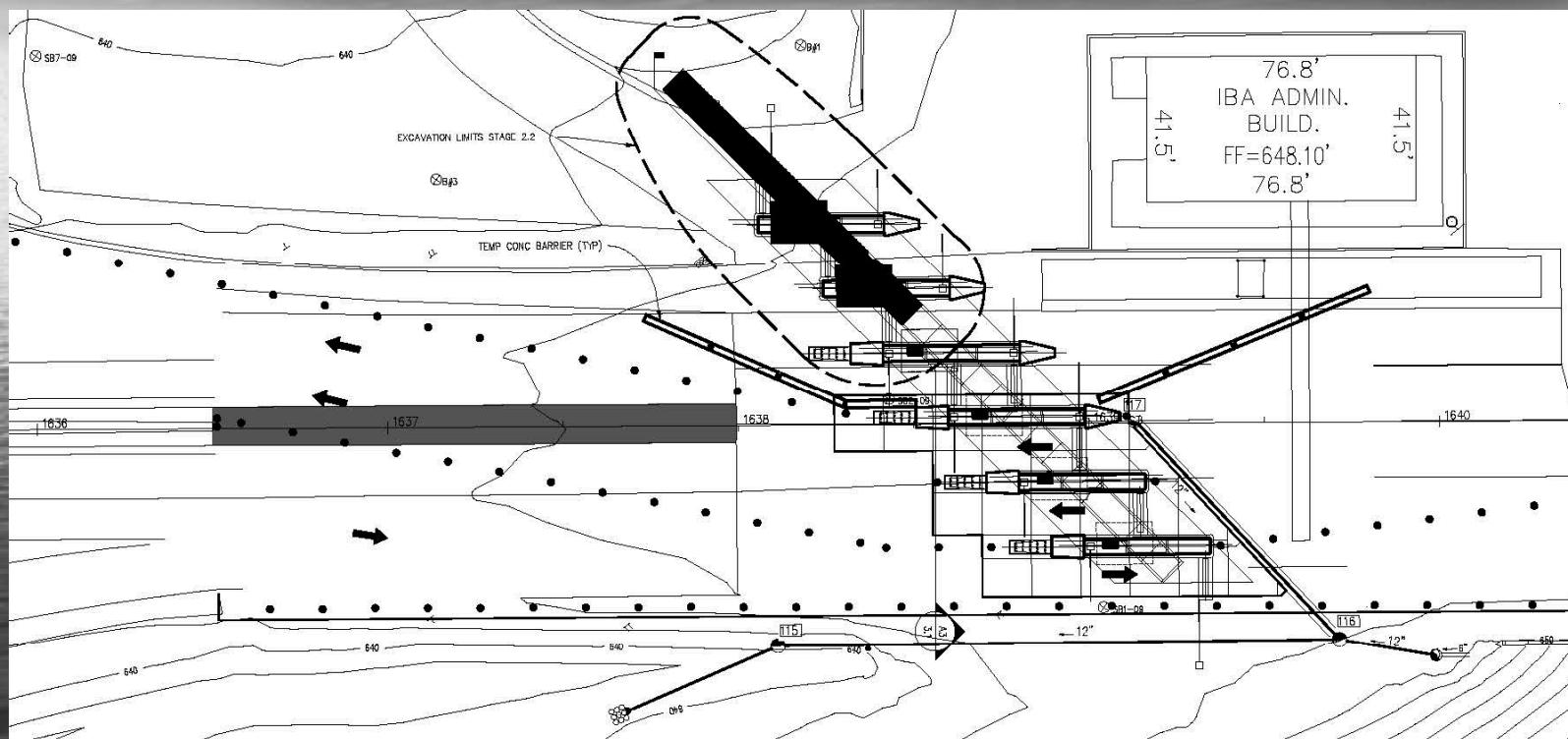
Toll Booth Construction Stage 1: July 7 – October 9

Temporary Toll Lanes and Booths in use while utility tunnel, three toll booths, and canopy installed on eastern side of new toll plaza.



Toll Booth Construction Stage 2: October 10 – Early 2015

Three New Permanent Toll Lanes and Booths in use while utility tunnel, three toll booths, and canopy installed on western side of new toll plaza.



Traffic Management

Public Outreach and Stakeholder Information Initiatives

- Civic organization and service group presentations May & June
- City Commission / City Council presentations May 19th & May 26th
- Public Open-house style meetings
 - Sault Ont, Delta Hotel 4PM-7PM, May 20th
 - Sault MI, Ramada Plaza Hotel 4PM-7PM, May 21st
- Trucking Co Meetings
 - Sault Ont, Delta Hotel 6PM, May 20th
 - Sault MI, Ramada Plaza Hotel 6PM, May 21st
- Easterday on-ramp closure and Detour to 3 mile Rd 6/9 – 6/27
 - Notices issued from toll booths, posted to website June 5th-June 8th
- Temporary toll lanes & booths in use 7/7- 10/9
 - Notices issued from toll booths, posted to website July 3rd-July 6th

Construction Phase

Customer Awareness and Information Initiatives

- Post Project to:
 - Michigan's MIDrive: www.michigan.gov/midrive
 - Bridge Authority's Website and social media:
 - Construction site web camera showing traffic routing at website www.saultbridge.com
 - Update tweets on progress and traffic management @saultbridge
- Press release devoted to traffic management efforts and staging at the beginning of the project along with monthly updates.
- PSA and website posting preceding every change in traffic routing.
- Customer input on construction site traffic management sought thru very brief customer surveys conducted toll attendants once a month.

Any Questions?

For additional information visit our website

www.michigan.gov/iba

Check out our webcams and wait times

www.saultbridge.com

Twitter

[@saultbridge](https://twitter.com/saultbridge)

BEST PRACTICES



COMMUNICATION BETWEEN THE
CITY AND RESIDENTS DURING
ROAD CONSTRUCTION

ROAD CONSTRUCTION

- Typically the City spends between 10 – 12 million dollars per year reconstructing roads. Residents of these roads deal with the inconvenience of not being able to get into their driveways, interruptions to water supply, garbage collection and dealing with noise and dust associated with road construction.

- In the past, residents have been notified through the Local Improvement process by way of Public Information Session held in the winter, Local Improvement Notice and through construction notices delivered to the home.

PROBLEMS ENCOUNTERED DURING CONSTRUCTION

- Residents unaware of construction
- Garbage collection
- Interruptions to driveway access
- Dust from construction
- Mail delivery interruption

ENHANCING COMMUNICATION

- On two pilot projects in 2013, the City created email distribution lists to keep residents better informed during road construction.
- The Reconstruction of Kohler Street and Woodward Avenue were two streets in Ward 2 that were used to test the process.
- In addition to weekly updates, residents were able to directly email the inspector to ask specific questions.

BENEFITS OF ENHANCED COMMUNICATION

- Residents were given a weekly “heads up” to allow them to plan around driveway closures, water outages, and other construction related inconveniences.
- Established a reliable point of contact between the resident inspector and the residents by which they could also email specific questions directly.
- Cut down on residents directly contacting the Councillors and/or Senior City Staff that may not have the information as readily as the inspector.

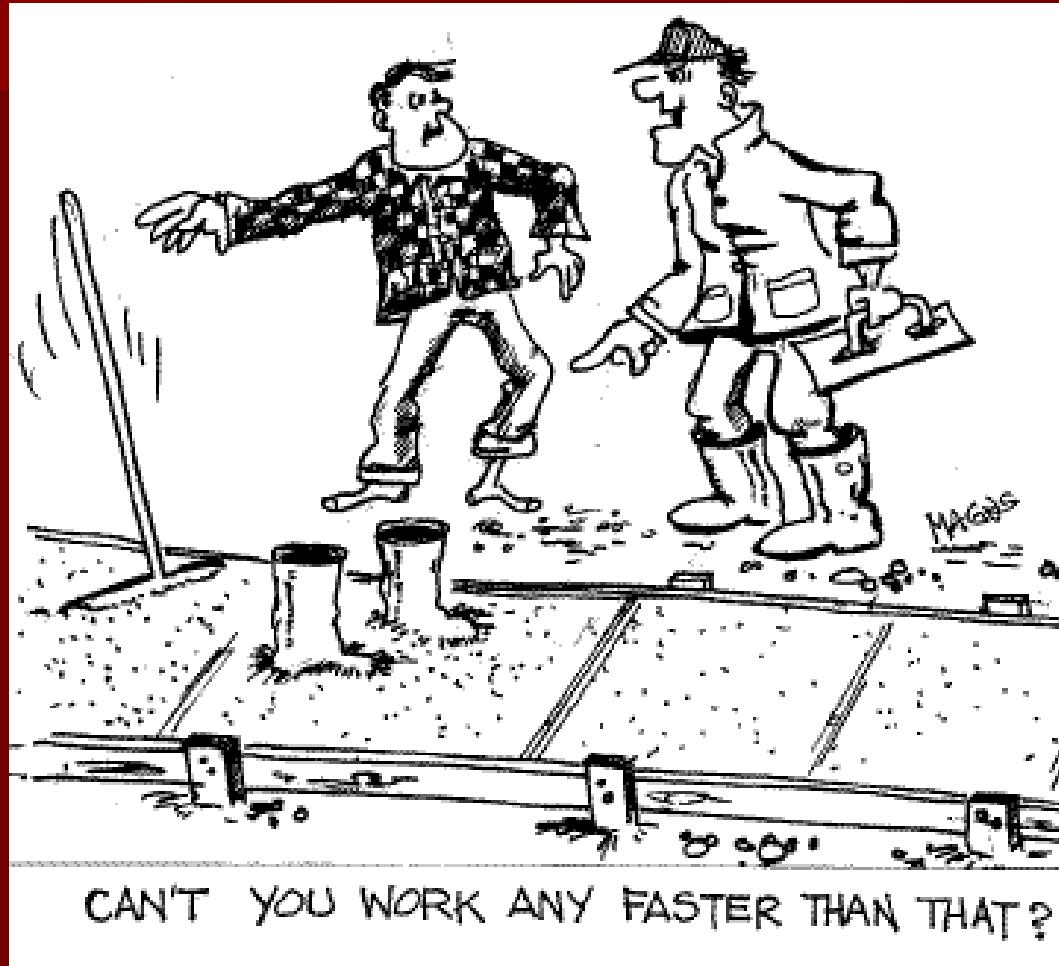
POSITIVE FEEDBACK

- Both Ward Councillors have expressed their desire to have this as standard practice on all City road reconstruction projects.
- Residents have expressed thanks for keeping them well informed through the weekly email updates.
- City inspection staff expressed that the open line of communication has made their job easier as residents are generally more informed and ready to deal with the inconveniences of road construction.

GOING FORWARD

- City staff and our engineering consultants that do the field inspection of our road construction program will set up these distribution lists on all City projects.
- Email distribution lists will be kept confidential.
- There has been some interest in utilizing social media on Construction projects. We may explore this in the future.

QUESTIONS?



TEMPORARY STREET CLOSURE - APPLICATION FORM

CONTACT NAME: Tasha Vappio TELEPHONE: 942-2919
 ADDRESS: 496 Queen St. POSTAL CODE: P6A 1Z8

The above person hereby makes application for the closing of
Queen Street

(Name of street to be closed)

from East Street to Brock Street
 (reference points - street numbers, cross streets, etc.)

on the 14th day of June, 2014 from 2 am/pm to 10 am/pm

for the purpose of Eat Algoma - P-A-I-N event

APPROVALS SECTION:

- | | |
|--|---|
| 1. Police Services, Traffic Dept.
Telephone 949-6300 ext 348
Fax 759-7820
580 Second Line East | 2. Fire Services/Emergency Medical Services (EMS)
Telephone 949-3335/949-3387
Fax 949-2341
72 Tancred Street |
|--|---|

Sgt. Wagner #209 MAY 13 2014

Signature of Official

Signature of Official

- | | |
|--|--|
| 3. Public Works & Transportation Dept.
Telephone 541-7000
Fax 541-7010
128 Sackville Road | 4. Transit/Parking
Telephone 759-5320
Fax 759-5834
111 Huron Street |
|--|--|

Signature of Official

Signature of Official

- | | |
|--|--|
| 5. Central Ambulance Communication Centre (C.A.C.C.)
Telephone 946-1227
Fax 945-6883
65 Old Garden River Road | 6. Downtown Association
Telephone 942-2919
Fax 942-6368
496 Queen Street East
(QUEEN STREET CLOSINGS ONLY) |
|--|--|

Signature of Official

Signature of Official

CITY CLERK SECTION:

City Council approval was received on _____
 (date) _____ (By-law No.) _____

TEMPORARY STREET CLOSURE - APPLICATION FORM

CONTACT NAME: Tasha Vappio TELEPHONE: 942-2919ADDRESS: 496 Queen St. POSTAL CODE: P6A 1Z8

The above person hereby makes application for the closing of

Queen Street

(Name of street to be closed)

from East Street to Brock Street

(reference points - street numbers, cross streets, etc.)

on the 14th day of June, 20 14 from 2 am/pm to 10 am/6 pmfor the purpose of Eat Algoma - P.A.I.N. event

APPROVALS SECTION:

1. Police Services, Traffic Dept.
Telephone 949-6300 ext 348
Fax 759-7820
580 Second Line East

Signature of Official

2. Fire Services/Emergency Medical Services (EMS)
Telephone 949-3335/949-3387
Fax 949-2341
72 Tancred Street

Signature of Official

3. Public Works & Transportation Dept.
Telephone 541-7000
Fax 541-7010
128 Sackville Road

Signature of Official

4. Transit/Parking
Telephone 759-5320
Fax 759-5834
111 Huron Street

Signature of Official

5. Central Ambulance Communication
Centre (C.A.C.C.)
Telephone 946-1227
Fax 945-6883
65 Old Garden River Road

Signature of Official

6. Downtown Association
Telephone 942-2919
Fax 942-6368
496 Queen Street East
(QUEEN STREET CLOSINGS ONLY)

Signature of Official

CITY CLERK SECTION:

City Council approval was received on _____
(date) _____ (By-law No.) _____

TEMPORARY STREET CLOSURE - APPLICATION FORM

CONTACT NAME: Tashi Vampio TELEPHONE: 942-2919
ADDRESS: 496 Queen St. POSTAL CODE: P6A 1Z8

The above person hereby makes application for the closing of

Queen Street

(Name of street to be closed)

from East Street to Brock Street

(reference points - street numbers, cross streets, etc.)

on the 14th day of June, 2014 from 2 am/pm to 10 am/pm)

for the purpose of Eat Algoma - P.A.I.N. event

APPROVALS SECTION:

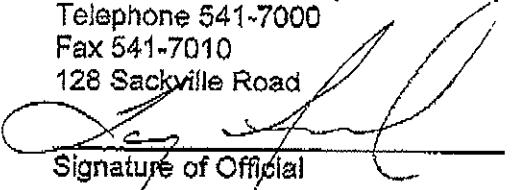
- | | |
|---|---|
| 1. Police Services, Traffic Dept.
Telephone 949-6300 ext 348
Fax 759-7820
580 Second Line East | 2. Fire Services/Emergency Medical Services (EMS)
Telephone 949-3335/949-3387
Fax 949-2341
72 Tancred Street |
|---|---|

Signature of Official

Signature of Official

3. Public Works & Transportation Dept.
Telephone 541-7000
Fax 541-7010
128 Sackville Road

4. Transit/Parking
Telephone 759-5320
Fax 759-5834
111 Huron Street


Signature of Official

5. Central Ambulance Communication
Centre (C.A.C.C.)
Telephone 946-1227
Fax 945-6883
65 Old Garden River Road

6. Downtown Association
Telephone 942-2919
Fax 942-6368
496 Queen Street East
(QUEEN STREET CLOSINGS ONLY)

Signature of Official

Signature of Official

CITY CLERK SECTION:

City Council approval was received on _____, _____
(date) (By-law No.)

TEMPORARY STREET CLOSURE - APPLICATION FORM

CONTACT NAME: Tasha Vappio TELEPHONE: 942-2919ADDRESS: 496 Queen St. POSTAL CODE: P6A 1Z8

The above person hereby makes application for the closing of

Queen Street

(Name of street to be closed)

from East Street to Brock Street

(reference points - street numbers, cross streets, etc.)

on the 14th day of June, 2014 from 9 am/ pm to 10 am/ pmfor the purpose of Eat Algoma - P.A.I.N. event

APPROVALS SECTION:

- | | |
|---|---|
| 1. Police Services, Traffic Dept.
Telephone 949-6300 ext 348
Fax 759-7820
580 Second Line East | 2. Fire Services/Emergency Medical Services (EMS)
Telephone 949-3335/949-3387
Fax 949-2341
72 Tancred Street |
|---|---|

Signature of OfficialSignature of Official

- | | |
|--|--|
| 3. Public Works & Transportation Dept.
Telephone 541-7000
Fax 541-7010
128 Sackville Road | 4. Transit/Parking
Telephone 759-5320
Fax 759-5834
111 Huron Street |
|--|--|

Signature of OfficialSignature of Official

- | | |
|---|---|
| 5. Central Ambulance Communication
Centre (C.A.C.C.)
Telephone 946-1227
Fax 945-6883
65 Old Garden River Road | 6. Downtown Association
Telephone 942-2919
Fax 942-6368
496 Queen Street East
(QUEEN STREET CLOSINGS ONLY) |
|---|---|

Signature of OfficialSignature of Official

CITY CLERK SECTION:

City Council approval was received on _____
(date) _____ (By-law No.) _____

TEMPORARY STREET CLOSURE - APPLICATION FORM

CONTACT NAME: Tasha Vappio TELEPHONE: 942-2919
 ADDRESS: 496 Queen St. POSTAL CODE: _____

The above person hereby makes application for the closing of
Queen Street

(Name of street to be closed)

from East Street to Brock Street

(reference points - street numbers, cross streets, etc.)

on the 14th day of June, 20 14 from _____ am/pm to _____ am/pm

for the purpose of Eat Algoma - P.A.I.N. event

APPROVALS SECTION:

- | | |
|---|---|
| 1. Police Services, Traffic Dept.
Telephone 949-6300 ext 348
Fax 759-7820
580 Second Line East | 2. Fire Services/Emergency Medical Services (EMS)
Telephone 949-3335/949-3387
Fax 949-2341
72 Tancred Street |
|---|---|

Signature of Official

Signature of Official

- | | |
|--|--|
| 3. Public Works & Transportation Dept.
Telephone 541-7000
Fax 541-7010
128 Sackville Road | 4. Transit/Parking
Telephone 759-5320
Fax 759-5834
111 Huron Street |
|--|--|

Signature of Official

Signature of Official

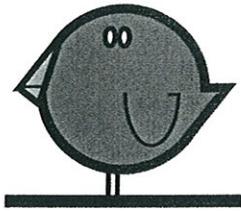
- | | |
|---|--|
| 5. Central Ambulance Communication
Centre (C.A.C.C.)
Telephone 946-1227
Fax 945-6883
85 Old Garden River Road | 6. Downtown Association
Telephone 942-2919
Fax 942-6368
496 Queen Street East
(QUEEN STREET CLOSINGS ONLY) |
|---|--|

Signature of Official

Signature of Official

CITY CLERK SECTION:

City Council approval was received on _____
 (date) _____ (By-law No.)



THE CORPORATION OF THE
CITY OF SAULT STE. MARIE

May 16th, 2014

MAY 20 2014

LEGAL DEPARTMENT

Malcolm White, City Clerk
99 Foster Drive
Sault Ste Marie, On
P6A 5N1

RECEIVED	
CITY CLERK	
MAY 16 2014	
NO.:	52257
DIST:	

Dear Mr. White,

This letter is to inform you that Loplops Gallery~Lounge will be requesting 1 tent along Queen Street East (Square 1) on Saturday June 14th from 2:00pm to 9:00pm for The Eat Algoma Festival. The staff of Loplops will be working at each tent. Security will also be at each tent.

Each tent will be 20 feet x 20 feet with a licensed area of 30 feet x 30 feet which puts the capacity of each tent at 80 people.

Police, Fire, Building and Health have all been notified as well as the City of Sault Ste Marie and none have any objections to this event or licensing.

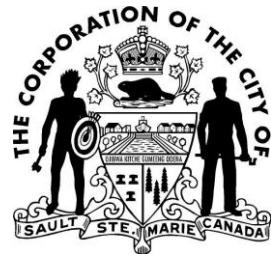
If you require any further information please do not hesitate to contact me at 945.0754 or at 705.297.2814 (text available and preferred) or email at loplops01@gmail.com

Thank you for your consideration,

Sincerely,

Stephen Alexander
Owner – Loplop Gallery Lounge

Joseph M. Fratesi, B.A., J.D. (LL.B.)
Chief Administrative Officer



99 Foster Drive
P.O. Box 580, Civic Centre
Sault Ste. Marie, Ontario
Canada P6A 5N1
(705) 759-5347
(705) 759-5952 (Fax)
E-Mail:
j.fratesi@cityssm.on.ca
b.berlingieri@cityssm.on.ca

2014 05 26

Mayor Debbie Amaroso and
Members of City Council

RE: STAFF TRAVEL REQUESTS

Dear Council:

The following staff travel requests are presented to you for approval:

1. **Ramona McLennan – Social Services – Ontario Works Division**
Addiction Services Advisory Committee Meeting
June 6, 2014
Toronto, Ontario
Estimated total cost to the City - \$ 362.33
Estimated net cost to the City - \$ 362.33

2. **Nick Apostle – Community Services Department**
Parks & Recreation Ontario – Board Meeting
June 26, 2014
Toronto, Ontario
Estimated total cost to the City - \$ 0
Estimated net cost to the City - \$ 0

3. **Nuala Kenny – Legal Department**
Parks & Rec Ontario – Board Meeting
May 29 – 30, 2014
Toronto, Ontario
Estimated total cost to the City - \$1,570.50
Estimated net cost to the City - \$ 1,570.50

Yours truly,

A handwritten signature in black ink, appearing to read "J. Fratesi".

JMF: bb

Joseph M. Fratesi
Chief Administrative Officer



COUNCIL REPORT

May 26, 2014

TO: Mayor Debbie Amaroso and Members of City Council
AUTHOR: Tim Gowans, Manager of Purchasing
DEPARTMENT: Finance Department
RE: RFP for the Leasing of Space for Development of a Gift Shop – Heritage Discovery Centre (2014CL03P)

PURPOSE

Attached hereto for your information and consideration is a report prepared on behalf of the Evaluation Committee concerning proposals received for Leasing of Space for Development of a Gift Shop in the Heritage Discovery Centre as required at the Ermatinger-Clergue National Historic Site.

BACKGROUND

The Request for Proposal was publicly advertised and RFP documents forwarded to all firms on our bidders list. Proposals were required to be submitted for consideration no later than 4:00 p.m. on May 13, 2014.

ANALYSIS

A proposal from one (1) proponent was received prior to the closing date:

The Voyageurs' Lodge and Cookhouse Ltd.

The proposal has been evaluated by a committee comprised of staff from the Ermatinger-Clergue National Historic Site, Community Services Department, Finance Department, and Purchasing Division-Finance Department.

It is the consensus of the Evaluation Committee that the proposal submitted meets the requirements of the RFP and is consistent with the Business Plan prepared for the Ermatinger-Clergue National Historic Site.

The recommendation of the Evaluation Committee has been reviewed by the Historic Sites Board and the Board supports the recommendation. A formal resolution of support will appear on the Agenda for the Board's June meeting.

Report to Council – Leasing of Space for Development of a Gift Shop – Heritage Discovery Centre
2014 05 26
Page 2

IMPACT

The term of the agreement for the Lease of Space for a Gift Shop is for the two (2) year period commencing June 16, 2014.

A Lease with The Voyageurs' Lodge and Cookhouse Ltd. for the operation of a Gift Shop located in the Heritage Discovery Centre will be prepared by the City's Legal Department, and a By-law authorizing signature will appear on a future Council Agenda.

STRATEGIC PLAN

Opening of the Heritage Discovery Centre at the Ermatinger-Clergue National Historic Site is listed as an activity under Strategic Direction 3 – Enhancing Quality of Life; Objective 3A – Recreational/Cultural Infrastructure of the Corporate Strategic Plan.

RECOMMENDATION

Resolved that the report of the Manager of Purchasing dated 2014 05 26 be received and the recommendation that the proposal submitted by The Voyageurs' Lodge and Cookhouse Ltd. for Lease of Space to Operate a Gift Shop in the Heritage Discovery Centre be accepted. The agreement will commence June 16, 2014 and continue for a period of two (2) years allowing for further one (1) year extensions by mutual consent.

Respectfully submitted,

Tim Gowans
Manager of Purchasing

Recommended for approval,

W. Freiburger, CPA, CMA
Commissioner of Finance & Treasurer

Recommended for approval,

Joseph M. Fratesi
Chief Administrative Officer

TG:nt



COUNCIL REPORT

May 26, 2014

TO: Mayor Debbie Amaroso and Members of City Council
AUTHOR: William Freiburger, Commissioner of Finance and Treasurer
DEPARTMENT: Finance Department
RE: St. Mary's Paper Corp. Assessment Appeal 2009 – 2012

PURPOSE

The purpose of the report is to recommend that Council accept a proposed property assessment settlement regarding the St. Mary's Paper Corp. property at 75 Huron Street.

BACKGROUND

On December 29, 2011, the Ontario Superior Court of Justice appointed Ernst & Young Inc. as receiver for St. Mary's Paper Corp.

On March 15, 2012, the assets of St. Mary's Paper Corp. were sold by Ernst & Young to 2319839 Ontario Inc.

Ernst & Young Inc. continued the property tax appeals for 2009 to 2012 that were initially filed by St. Mary's Paper Corp.

On November 28, 2011, the Assessment Review Board (ARB) issued a decision that reduced the assessment for the St. Mary's Paper Corp. property from \$12,935,000 to \$3,780,000 for the years 2006 to 2008 which resulted in a tax refund of \$3.3 million.

ANALYSIS

Based on the 2008 reassessment, the value of the St. Mary's Paper Corp. property was set at \$10,674,000 for the years 2009 to 2012.

MPAC and Ernst & Young have agreed on the following values.

2009	\$3,780,000	Same as 2008 as ordered by the ARB
2010	1,500,000	Mill closed March 12, 2010
2011	1,000,000	Mill closed
2012	1,000,000	Mill closed

The proposed assessment settlement has been recommended by the Municipal Property Assessment Corporation (MPAC) and the receiver, Ernst & Young Inc.

IMPACT

The financial impact of this settlement will result in a municipal cost of \$759,956.54. Provision had been made in previous years for this expense and there will be no impact on the 2014 budget.

STRATEGIC PLAN

Not Applicable.

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the Commissioner of Finance and Treasurer dated 2014 05 26 be received and the recommendation that City Council accept a proposed property tax assessment settlement regarding the St. Mary's Paper Corp. property at 75 Huron Street be approved.

Respectfully submitted,



W. Freiburger, CPA, CMA

Commissioner of Finance & Treasurer

Recommended for approval,

Joseph M. Fratesi

Chief Administrative Officer

WF/kl



COUNCIL REPORT

May 26, 2014

TO: Mayor Debbie Amaroso and Members of City Council
AUTHOR: William Freiburger, Commissioner of Finance and Treasurer
DEPARTMENT: Finance Department
RE: Federal Gas Tax Funding Agreement

PURPOSE

City Council approval is required for a funding agreement with the Association of Municipalities of Ontario in order to receive federal gas tax funds.

BACKGROUND

A new 10 year agreement has been signed for federal gas tax funding and the program continues to be administered by the Association of Municipalities of Ontario.

ANALYSIS

The gas tax will continue to be based on census data and all Ontario municipalities receive the same per capita gas tax allocation.

IMPACT

The 2014 capital budget allocated the federal gas tax allocation to roadway, aqueduct and bridge reconstruction projects.

STRATEGIC PLAN

Not applicable.

RECOMMENDATION

Resolved that the report of the Commissioner of Finance and Treasurer dated 2014 05 26 be received and the recommendation that City Council approve a municipal funding agreement with the Association of Municipalities of Ontario in order to receive federal gas tax funding for the next ten years. By-law 2014-106 appears elsewhere on the Agenda and is recommended for approval.

Report to Council – Federal Gas Tax Funding Agreement

2014 05 26

Page 2.

Respectfully submitted,



W. Freiburger, CPA, CMA
Commissioner of Finance & Treasurer

Recommended for approval,

Joseph M. Fratesi
Chief Administrative Officer

WF/kl



COUNCIL REPORT

May 26, 2014

TO: Mayor Debbie Amaroso and Members of City Council
AUTHOR: Virginia McLeod, Supervisor Community Services
DEPARTMENT: Community Services Department
RE: Tall Ship “Liana’s Ransom” Agreement to Host at Roberta Bondar Pavilion Dock

PURPOSE

The purpose of the report is to request Council approve entering into an agreement to host the Tall Ship “Liana’s Ransom” owned by Joseph Tilley.

BACKGROUND

The Community Services Department wishes to host the Tall Ship “Liana’s Ransom”, an 85 foot schooner, at the Roberta Bondar Dock. “Liana’s Ransom” is a Canadian flagged vessel based out of Halifax, Nova Scotia. The Tall Ship would be in port from July 18th to 20th and during this time would offer five 90 minute sailing excursions each day. Each excursion can accommodate up to 70 passengers.

ANALYSIS

The Legal Department has reviewed the agreement. The services outlined in the agreement are consistent with the services available at the Roberta Bondar Marina. The level of security required by Transport Canada falls within the department’s capabilities as an Occasional Use Marine Facility. A pricing model has been reviewed and is consistent with other ports and provides for reduced pricing for seniors and children.

IMPACT

A revenue sharing model is outlined in the agreement in which the City of Sault Ste. Marie receives 20% of the ticket sales in lieu of dockage fees. Staff will promote and sell the tickets through the Community Services Department.

STRATEGIC PLAN

This is not part of the City’s Corporate Strategic Plan

Tall Ship Agreement

May 26, 2014

Page 2.

RECOMMENDATION

Be it resolved that the report of the Supervisor of Community Services be received. By-law 2014-120 appears elsewhere on the agenda authorizing the agreement with Joseph Tilley and is recommended for approval.

Respectfully submitted,



Virginia McLeod
Supervisor Community Services

Recommended for approval,



Nicholas J. Apostle
Commissioner Community Services



COUNCIL REPORT

May 26, 2014

TO: Mayor Debbie Amaroso and Members of City Council
AUTHOR: Carl Rumiel, P. Eng., Design & Construction Engineer
DEPARTMENT: Engineering and Planning Department
RE: The Resurfacing of Great Northern Road (Second Line East to Third Line East) – Contract 2014-9E

PURPOSE

The purpose of this report is to obtain approval to award Contract 2014-9E. The project includes the resurfacing of Great Northern Road from Second Line East to Third Line East including the construction of a sidewalk on the west side of Great Northern Road.

BACKGROUND

As Council is aware, the Ministry of Transportation has cancelled the Connecting Link Program which has had a detrimental effect on capital works related to the movement of provincial traffic on our major arteries. While the City continues to exert pressure on the Province to fulfil its responsibility for maintaining connecting link roads, the condition of Great Northern Road has deteriorated to the point where the City must act on its own.

Tenders received for Contract 2014-9E were opened at a public meeting Friday, May 16, 2014. Present at the opening was Councillor Pat Mick as well as City staff and contractor representatives.

ANALYSIS

A total of two (2) tenders were received. Both tenders submitted were found to be complete and are summarized on the attached report. The low tender of **\$3,049,302.12** (including HST) was received from Ellwood Robinson Limited. This is above the City's pre-tender estimate of \$2,970,000.

IMPACT

When recoverable HST is removed, the City's cost to complete the Resurfacing of Great Northern Road is projected to be **\$2,698,497.45**. Within this amount, \$278,655 is covered under the 2014 Urban Only budget and is under the

The Resurfacing of Great Northern Road

2014 05 26

Page 2

allowance by \$20,000. The remaining amount comes from the 2014 Overall Budget for resurfacing which is tracking over budget at this time. We still have a Miscellaneous Paving Contract to award, which we can delete portions of to ensure that totals come in on budget for the 2014 Overall (resurfacing) allowance. Staff may be recommending the removal of Fournier Road – Trunk Road to Queen Street East, Base Line Road – Town Line to Carpin Beach Road, Fourth Line West – Civic 887 to Goulais Avenue, and Frontenac Street – Adeline Avenue to the Rankin Reserve, from the Miscellaneous Paving Contract when it comes time to award same.

STRATEGIC PLAN

This is linked to the Strategic Plan through Objective 1B – Transportation Network Improvements.

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the Design & Construction Engineer dated 2014 05 26 be received and the recommendation that Contract 2014-9E be awarded to Ellwood Robinson Limited be approved.

By-law **2014-119** authorizing execution of Contract 2014-9E appears elsewhere on the Agenda and is recommended for approval.

Respectfully submitted,



Carl Rumiell, P. Eng.
Design & Construction Engineer

Recommended for approval,



Jerry Dolcetti, RPP
Commissioner
Engineering & Planning Dept.

/bb



2014 05 26

Our File: Contract 2014-9E

CONTRACT 2014-9E

GREAT NORTHERN ROAD RESURFACING SECOND LINE EAST TO THIRD LINE EAST

LIST OF BIDDERS

CONTRACTOR	TOTAL BID PRICE
Ellwood Robinson Limited	\$3,049,302.12
Pioneer Construction Inc.	\$3,126,267.04



COUNCIL REPORT

May 26, 2014

TO: Mayor Debbie Amaroso and Members of City Council
AUTHOR: Carl Rumiel, P. Eng., Design & Construction Engineer
DEPARTMENT: Engineering and Planning Department
RE: The Reconstruction of March Street from Wellington St. East to Queen St. East Contract 2014-4E

PURPOSE

The purpose of this report is to obtain approval to award Contract 2014-4E. The project includes the complete reconstruction of March Street from Wellington Street to Queen Street including sewers, watermain, road and sidewalk.

BACKGROUND

In the current Five Year Capital Road Reconstruction Plan, the Reconstruction of March Street is planned for the summer of 2014.

Tenders received for Contract 2014-4E were opened at a public meeting Thursday, May 15, 2014. Present at the opening was Councillor Steve Butland as well as City staff and contractor representatives.

ANALYSIS

A total of four (4) tenders were received. All tenders submitted were found to be complete and are summarized on the attached report. The low tender of **\$1,718,183.51** (including HST) was received from EBC Inc. This is below the pre-tender estimate of \$1,752,307.95.

IMPACT

When recoverable HST and PUC costs are removed and allowances for engineering and utility relocates are added, the City's cost to complete the Reconstruction of March Street is projected to be **\$1,452,546**. Within this amount we are over budget on the overall capital budget by \$194,826, under budget on the Urban Only budget by \$83,634 and over budget on the sewer surcharge budget by \$179,231.

The Reconstruction of March Street from Wellington St. East to Queen St. East

2014 05 26

Page 2

When we compare our other reconstruction projects for 2014, there are some under runs in other areas that balance out some of these over runs. On our three accounts we are over budget by approximately \$200,000 on the Overall Capital, over budget by \$80,000 on the Urban Only, and over budget by \$900,000 on the Sewer Surcharge. We have been informed by contractors, that the cost of pipe has increased significantly this year. Reasons could be related to higher oil and gas prices. Our finance department has confirmed that we do have the funds to cover these over-runs. As well, our projects all carry healthy contingency allowances built into the contracts. To date, all the provisional items and Contingencies built into the 2014 Construction Projects totals \$1,135,000. Historically, we have spent very little of these contingency allowances which has usually resulted in a surplus. We will monitor these projects to ensure that the overall 2014 program comes in on or near budget.

STRATEGIC PLAN

This is linked to the Strategic Plan through Objective 1B – Transportation Network Improvements.

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the Design & Construction Engineer dated 2014 05 26 be received and the recommendation that Contract 2014-4E be awarded to EBC Incorporated be approved.

By-law **2014-116** authorizing execution of Contract 2014-4E the Reconstruction of March Street and By-law **2014-117** authorizing the road closure of March Street (Wellington Street East to Queen Street East) from May 27, 2014 until October 31, 2014 appear elsewhere on the Agenda and are recommended for approval.

Respectfully submitted,



Carl Rumiell, P. Eng
Design & Construction Engineer

Recommended for approval,



Jerry Dolcetti, RPP
Commissioner
Engineering & Planning Dept.

/bb
Attach.

May 20, 2014

Mr. C. Rumiel, P. Eng.
City of Sault Ste. Marie
Engineering Department
99 Foster Drive
Sault Ste. Marie, Ontario
P6A 5N1

Dear Mr. Rumiel:

Project No: 60311756

Regarding: **Reconstruction of March Street (Queen Street to Wellington Street)**
Contract No. 2014-4E
Tender Report

We have reviewed the tenders received by the City Clerk's office on Thursday, May 15, 2014 for the above contract and present herewith our Tender Report.

1.0 Introduction

Contract No. 2014-4E – Reconstruction of March Street (Queen Street to Wellington Street) consists of supplying all materials, labour and equipment for the full reconstruction of approximately 300 meters of roadway including removals, grading, geotextile, granular subbase and base, asphalt, concrete, curb and gutter, concrete sidewalk, storm and sanitary sewers, watermains and associated appurtenances.

The tender advertisement was published in the Sault Star on Saturday, April 19, 2014 for notification to prospective bidders of the availability of the tender documents. The tender documents were also available for review by potential bidders at the Sault Ste. Marie Construction Association, Sudbury Construction Association, and the Consultant's office.

A total of eight (8) Contractors picked up tender documents during the tender period following submission of the \$50.00 refundable deposit.

During the tender period, there were a few questions from plan takers relating to the scope of work and the technical specifications. One Addendum was issued by the Consultant to address issues/questions raised by the plan takers and to incorporate a few minor scope related changes.

2.0 Summary of Tenders

Four (4) Contractors submitted sealed tenders for Contract No. 2014-4E to the City Clerk's office prior to the closing time of 3:00 p.m. on Thursday, May 16, 2014. The tenders were publicly opened at 3:15 p.m. on the same day by Councillor Butland in the presence of City and Consultant staff as well as representatives of the bidding Contractors. At the time of the tender opening, the Total Tender Values were read and the tenders were reviewed to ensure they included the required \$100,000 tender deposit and agreement to bond.

The tender deposits, which were in the form of certified cheques, were retained by the City while the balance of the tender submissions were provided to the Consultant for a further review of each tender submitted.

The following were the results of the submitted Total Tender Prices, including HST, in ascending order of bid price:

1.	EBC Inc.	-	\$1,718,183.51
2.	Ellwood Robinson Limited	-	\$1,744,286.66
3.	R.M. Belanger Limited	-	\$1,784,410.69
4.	Palmer Construction	-	\$2,159,585.05

Upon review of the tender submitted by EBC Inc. it was discovered that the Total Tender Value shown on the cover page of the Form of Tender was based on their Total Tender Price excluding HST while it should have included the HST. The above figure represents their Total Tender Value including HST as carried forward from the detailed breakdown under the Schedule of Items and Prices.

The Total Tender Value for each tender includes a contingency allowance of \$60,000 along with various provisional items including proposed streetscape work.

The Engineer's tender estimate for this Contract was \$1,752,307.95 (incl. HST) which was compiled based on prices from previous road construction contracts and other City miscellaneous paving contracts. A General Summary of Tender Prices for each of the above tenders along with the Engineer's tender estimate is attached as Appendix 1. The original copies of all tenders received are attached to this report, for the City's records.

3.0 Review of Tenders Received

The tenders were reviewed to verify all tender submission requirements were complied with as stipulated in the Information to Tenderers. A Summary of the review is attached as Appendix 2. The following specific comments are noted:

1. All tenders were properly signed, sealed and executed.
2. The tender breakdowns were checked for mathematical errors. The tender submitted by EBC Inc. contained two (2) minor errors in carrying their unit price across to the total price

column which resulted in an overall price reduction of \$836.20. The corrections did not change the ranking tenderers and more importantly the low tenderer.

3. The Instructions to Tenderers indicated that all tenders were to include a \$100,000 tender deposit in the form of a certified cheque. All tenders complied with submission of the required certified cheques.
4. The tender document called for submission of Statements 'A' to 'D' which outline the tenderers' related work experience, supervisory staff, available construction equipment and proposed sub-contractors. All tenderers filled in the appropriate statements or attached separate breakdowns.
5. The tender also included Statement 'E' for alternative prices. None of the submissions included alternative pricing.
6. The tenderers were required to provide an Agreement to Bond from a Surety Company certifying that they are able to obtain the required 100% Performance and 50% Labour and Material Payment bonds. An Agreement to Bond was attached to all tenders submitted.
7. The tenderers were to provide a completed Statement of Canadian Content. All tenderers submitted the required form.
8. All tenderers were required to acknowledge any Addenda received during the tender period. All tenderers confirmed receipt of Addendum No. 1.

3.0 Low Bidder Experience

The low tenderer, EBC Inc., is a large Quebec based Construction Company that typically undertake larger building, highway and civil projects in Quebec. They have expanded their operations into Ontario with the recent acquisition of the assets of a Northern Ontario construction firm, formerly known as Chartrand Equipment, located in Timmins. It is our understanding that with this recent acquisition, EBC Inc. has been and will continue to pursue various infrastructure contracts throughout Northern Ontario, including Sault Ste. Marie.

During the tender review we noted that the Statements "A" and "C" provided by EBC did not include much detail and Statement "D" indicated that all work would be done by their own forces. Following our request for additional details, supplementary Statement "A" and "C" submissions were received (included with attachments) and clarification was provided regarding work to be performed by subcontractors.

We have been informed, verbally, that the equipment and manpower for this project will be mobilized from their Timmins and shall include the former Chartrand Equipment work force who have apparently completed similar infrastructure projects in the past. They also noted they will be hiring local labour, where required, and have identified Ellwood Robinson as a subcontractor for the paving work.

While we do not have any experience directly with EBC Inc., we have had some experience with the former Chartrand Equipment including a previous infrastructure project for the Township of Chapleau in 2008. The Chapleau project involved a similar scope as the March Street project (ie. full road reconstruction with underground services) which was completed within the stipulated completion date with no major issues. We are unable to confirm whether the staffing that completed the Chapleau project will be used for March Street.

4.0 Tender Estimate

The low tender amount of \$1,718,183.51 (incl. HST) is lower than the Engineer's tender estimate by \$34,124.44 (incl. HST) or approximately 2%.

The contract includes provisional streetscape work that is being contemplated should the City be successful in obtaining funding through NOHF.

5.0 Conclusions

In summary, based on our detailed review of the tenders submitted, we recommend the following:

1. The City should select a Contractor to complete the March Street construction project;
2. The required by-law should be drafted and passed by Council to facilitate execution of the attached Form of Agreement (Note: the low bidder has been included in the attached agreement at this time); and
3. AECOM should be authorized to issue an award letter to the successful Contractor which will include requirements for the Contractor to submit the required contract documentation (ie: bonds, insurance, etc.) and prepare the related contracts for signing by both parties.

We hope you find this report acceptable, although, please do not hesitate to call should you have any questions regarding the contents of this Tender Report.

Yours very truly,
AECOM Canada Ltd.



Darrell Maahs, C. Tech.
Project Manager

DRM:nm

Encl.

DM:nm
Encl.



COUNCIL REPORT

May 26, 2014

TO: Mayor Debbie Amaroso and Members of City Council
AUTHOR: Carl Rumiel, P. Eng., Design & Construction Engineer
DEPARTMENT: Engineering and Planning Department
RE: Huron Central Railway Agreement for Laying of Pipe Lines Over Railway Lands – Simpson Street Rail Crossing

PURPOSE

The purpose of this report is to obtain approval to enter into an agreement with Huron Central Railway (HCR) for the laying of pipe lines over railway lands.

BACKGROUND

Council is aware that the City is reconstructing a short block of Simpson Street from Forest Avenue to just north of Wellington Street East under the Reconstruction of Forest Avenue contract this summer. Included in this work is the crossing of the HCR rail line with storm sewer, sanitary sewer and watermain by “jack and bore” pipe laying methods. HCR requires an agreement with the City to perform this work.

ANALYSIS

Engineering, Clerk's and Legal staff have reviewed the agreement and determined a By-Law is required for the City to enter into it.

IMPACT

There is no additional impact to capital budgets.

STRATEGIC PLAN

This is linked to the Strategic Plan through Objective 1B – Transportation Network Improvements.

Huron Central Railway Agreement for Laying of Pipe Lines Over Railway Lands –
Simpson Street Rail Crossing
2014 05 16
Page 2

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the Design & Construction Engineer dated 2014 05 26 be received and the recommendation that the City enter into an agreement with Huron Central Railway Company for the laying of pipe lines over railway lands. By-Laws 2014-118 can be found elsewhere on this evening's Agenda.

Respectfully submitted,



Carl Rumiel, P. Eng
Design & Construction Engineer

Recommended for approval,



Jerry Dolcetti, RPP
Commissioner
Engineering & Planning Dept.

/bb



COUNCIL REPORT

May 26, 2014

TO: Mayor Debbie Amaroso and Members of City Council
AUTHOR: Don Elliott, P. Eng., Director of Engineering Services
DEPARTMENT: Engineering and Planning Department
RE: Biennial Bridge Inspections – Engineering Agreement

PURPOSE

The purpose of this report is to recommend that Council authorize an agreement with Tulloch Engineering for the biennial inspection of bridges and related structures.

BACKGROUND

The City is mandated by the province to complete structural evaluations of all bridges every two years. At the 2014 04 28 meeting, Council gave approval to enter into an agreement for engineering services with Tulloch Engineering to fulfil this requirement.

ANALYSIS

It is routine procedure for the Engineering Division to seek Council's approval to authorize agreements for engineering services.

IMPACT

The engineering fee estimate for these services is \$48,300 plus non rebateable HST. Council approved an allowance of \$50,000 in the 2014 miscellaneous construction budget for this work.

STRATEGIC PLAN

Bridge inspections are linked to Objective 1B, Transportation Network Improvements under the Developing Solid Infrastructure strategic direction.

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the Director of Engineering Services dated 2014 05 26 concerning the 2014 biennial bridge inspections be received and that Tulloch

Biennial Bridge Inspections – Engineering Agreement

2014 05 26

Page 2

Engineering be retained to complete the work, be approved. By-law 2014-114 appears elsewhere on the Agenda and is recommended for approval.

Respectfully submitted,



Don Elliott, P. Eng,
Director of Engineering Services

Recommended for approval,



Jerry Dolcetti, RPP
Commissioner
Engineering & Planning Department

/bb



COUNCIL REPORT

May 26, 2014

TO: Mayor Debbie Amaroso and Members of City Council
AUTHOR: Carl Rumiel, P. Eng., Design & Construction Engineer
DEPARTMENT: Engineering and Planning Department
RE: Second Line Widening Phase 2 – Contract 2014-8E

PURPOSE

The purpose of this report is to obtain approval to award Contract 2014-8E. The project includes the widening of Second Line East from approximately 300 metres east of the Pine Street intersection for a length of approximately 800 metres, including new sanitary sewers, storm sewers and sidewalk.

BACKGROUND

Council is aware that funding for the second phase of the Second Line widening was sought through the Ministry of Agriculture and Rural Affairs (OMAFRA) Small, Rural and Northern Municipal Infrastructure Fund (SRN-MIF). We were approved for funding to a maximum of \$2,000,000.

Tenders received for Contract 2014-7E were opened at a public meeting Wednesday, May 14, 2014 at the Civic Centre. Present at the opening was Councillor Marchy Bruni as well as City staff and contractor representatives.

ANALYSIS

A total of four (4) tenders were received. All tenders submitted were found to be complete and are summarized on the attached report. The low tender of **\$4,121,451.02** (including HST) was received from Avery Construction Limited. This is below the pre-tender estimate of \$4,200,000.

IMPACT

When recoverable HST and PUC costs are removed and allowances for engineering and utility relocations are added, the City's cost to complete the Second Line Widening is projected to be **\$4,011,911**. Within this amount we are over budget on the overall capital budget by \$308,060 and under budget on the sewer surcharge budget by \$82,237.

Second Line Widening Phase 2 – Contract 2014-8E

2014 05 26

Page 2

When we compare our other reconstruction projects for 2014, there are some under runs in other areas that balance out some of these over runs. On our three accounts we are over budget by approximately \$200,000 on the Overall Capital, over budget by \$80,000 on the Urban Only, and over budget by \$900,000 on the Sewer Surcharge. We have been informed by contractors, that the cost of pipe has increased significantly this year. Reasons could be related to higher oil and gas prices. Our finance department has confirmed that we do have the funds to cover these over-runs. As well, our projects all carry healthy contingency allowances built into the contracts. To date, all the provisional items and Contingencies built into the 2014 Construction Projects totals \$1,135,000. Historically, we have spent very little of these contingency allowances which has usually resulted in a surplus. We will monitor these projects to ensure that the overall 2014 program comes in on or near budget.

STRATEGIC PLAN

This is linked to the Strategic Plan through Objective 1B – Transportation Network Improvements.

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the Design & Construction Engineer dated 2014 05 26 be received and the recommendation that Contract 2014-8E be awarded to Avery Construction Limited, be approved.

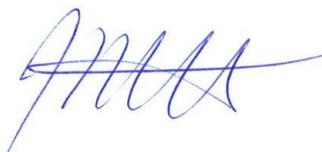
By-law **2014-115** authorizing execution of Contract 2014-8E, the Second Line East Widening Phase 2, appears elsewhere on the Agenda is recommended for approval.

Respectfully submitted,



Carl Rumiell, P. Eng.
Design and Construction Engineer

Recommended for approval,



Jerry D. Dolcetti, RPP
Commissioner
Engineering & Planning Dept.

/bb
Attach.

May 15, 2014

Ref. No. 1385.05

City of Sault Ste. Marie
Civic Centre
P.O. Box 580, 99 Foster Drive
Sault Ste. Marie, ON
P6A 5N1

Attention: **Mr. Carl Rumiel, P. Eng.**
Design and Construction Engineer

Re: **City Contract No. 2014-8E**
Second Line Widening – Phase 2

Dear Mr. Rumiel:

We have reviewed the tenders received at the Sault Ste. Marie Clerk's Office on May 14, 2014 for the above-noted Contract and present herein our Tender Report and Recommendations.

Introduction

The tendered work generally consists of supplying all materials, labour and equipment necessary to widen and reconstruct Second Line East (Highway 17) in Sault Ste. Marie from approximately 300 metres east of the Pine Street intersection for a length of approximately 800 metres, including new sanitary sewers, storm sewers and sidewalk.

The contract was publicly advertised in The Sault Star on Saturday, April 26, 2014. Tender documents were made available to contractors who provided the required refundable deposit of \$50.00 commencing Tuesday, April 29, 2014. There were a total of seven (7) plan takers. Documents were also provided to both the Sault Ste. Marie Construction Association and the Sudbury Construction Association.

During the tender period, various inquiries from plan takers were received regarding the technical specifications and drawings. A total of four (4) Addenda were issued to provide clarification on issues as they arose throughout the tender period.

Summary of Tenders

Four (4) bids were received at the City Clerk's Office prior to the tender closing deadline of 3:00 p.m. on Wednesday, May 14, 2014. The tenders were publicly opened at 3:15 p.m. on the same day in the 5th Floor meeting room at the Civic Centre. At the time of the opening, the tender values were read publicly and bids were reviewed to ensure the submissions were in general compliance with the tender documents including the required tender deposit (ie. \$200,000.00 certified cheque) and an agreement to bond. All tender deposits were retained by the City for return to the bidders at a later date.

The following are the results in ascending order of Tender Value, including HST, as read at the public opening:

Contractor	Total Tender Value
1. Avery Construction Ltd.	\$4,121,451.02
2. Ellwood Robinson Limited	\$4,246,666.79
3. Pioneer Construction Inc.	\$4,568,383.14
4. R.M. Bélanger Limited	\$4,656,488.18

The tender prices include an allowance of \$200,000.00 for contingencies (unforeseen extras). The Engineer's pre-tender estimate for this contract was \$4,207,235.78 including HST.

Following the tender opening, the submissions were brought to KEC's office for a detailed review including checking for any mathematical errors that would result in a change to the tender prices.

The original copies of each Tender Submission are enclosed with this Tender Report.

Tender Review

The tenders were reviewed in detail with respect to requirements set out in the Instructions to Tenderers and the requirements identified in the Form of Tender. The following specific comments were noted from the review of the tenders:

1. The tenders submitted were properly executed with the bidder's signature, witnessed and/or sealed.
2. The submissions were checked for mathematical errors. None were found.
3. The tender documents called for submission of Statements 'A' to 'E' which outline the tenderers' work experience, staff, available construction equipment, proposed sub-contractors and a Statement of Canadian Content. All bidders complied.
4. The tenderers were required to submit an Agreement to Bond certifying the Contractor can obtain the required Performance and Labour and Material Payment bonds. All tenderers complied.
5. All tenderers were required to acknowledge receipt of Addenda. All bidders acknowledged receipt of the four (4) addenda issued.
6. All tenderers included the required \$200,000.00 bid deposit.

Discussion

From our review of the bids received for this contract, we note that all submissions were in compliance with the requirements outlined in the tender documents.

Based on the information provided and KEC's experience with these contractors, we are satisfied that the two low bidders have the necessary experience and background with similar projects to complete

the proposed work. With respect to the low tenderer, Avery Construction Ltd., they have successfully completed many similar contracts in the past within the City of Sault Ste. Marie.

Recommendations

Based on our review of the tenders submitted and specifically the low tender submitted by Avery Construction Ltd., we believe the prices quoted are reasonable for the proposed work under Contract 2014-8E. Furthermore, based on our knowledge of their related experience, it is our opinion that the contractor is capable of carrying out and completing the work under this contract.

We recommend that the tender submitted by Avery Construction Ltd. in the amount of \$3,647,301.79 (excluding HST) be accepted for award.

Attached please find a Draft Form of Agreement for your review.

We further recommend that the Tender Deposits received from Avery Construction Ltd. and Ellwood Robinson Limited be retained until a contract has been properly and full executed. All other deposits should be returned without undue delay.

Please call should you have any questions or require further elaboration / clarification regarding this Tender Report.

Thank you.

Yours very truly,
Kresin Engineering Corporation



Michael Kresin, P. Eng.
Consulting Engineer

Encls.
MK/ew
1385 mk tender report.docx



COUNCIL REPORT

May 26, 2014

TO: Mayor Debbie Amaroso and Members of City Council
AUTHOR: Melanie Borowicz-Sibenik, Assistant City Solicitor
DEPARTMENT: Legal Department
RE: Surrender of Lease Agreement Algoma Public Health and Sault College and Offer to Purchase Agreement (294 Willow Avenue)

PURPOSE

The purpose of this report is to seek Council's approval of a Surrender of Lease Agreement between the City, The Board of Health for the District of Algoma Health Unit, operating as Algoma Public Health ("APH") and Sault College of Applied Arts and Technology ("Sault College") with respect to the lands and premises owned by the City and known municipally as 294 Willow Avenue ("Subject Property"). The report further advises Council of an Offer to Purchase Agreement received from APH for the Subject Property and recommends that Council approve same.

BACKGROUND

In 2009, the Federal Government announced the Infrastructure Stimulus Program. An arrangement was thereafter entered into between the City, Algoma Public Health and Sault College in order to qualify for funding to construct a 70,000 square foot building on the Subject Property to be leased and operated by APH. To facilitate same, on October 14, 2009, Sault College transferred the Subject Property to the City for a nominal value. The City thereafter entered into the Infrastructure Stimulus Fund Contribution Agreement between the City and Her Majesty the Queen in Right of Ontario as represented by the Minister of Energy and Infrastructure and the Minister of Agriculture, Food and Rural Affairs dated September 14, 2009. The Building was constructed and the City has since leased the Subject Property to APH pursuant to a Lease Agreement dated September 28, 2009.

Report to Council – Surrender of Lease Agreement Algoma Public Health and
Sault College and Offer to Purchase Agreement (294 Willow Avenue)
2014 05 26
Page 2.

It was understood that the City would divest itself of its interest in the said Subject Property at the earliest opportunity. APH together with Sault College has approached the City to now effect same in the form of a Surrender of Lease and Offer to Purchase.

ANALYSIS

As it relates to the City, the Surrender of Lease Agreement ("Surrender") confirms that APH surrenders the Lease to the City effective May 30, 2014. APH further agrees to indemnify and save the City harmless from any causes of action that may arise out of the Lease or the Surrender, whether now known or which may arise in the future. The Surrender provides all necessary protections to the City and confirms that the City shall be at no risk, liability or expense from the Surrender and the coinciding transfer of the Subject Lands as discussed below.

With respect to the Offer to Purchase, APH offers to purchase the Subject Property from the City for a nominal amount, with a closing date also of May 30, 2014.

By authorizing these Agreements, Council will effect the divesting of the Subject Property as was contemplated from the outset of this arrangement.

IMPACT

Not Applicable

STRATEGIC PLAN

Not Applicable

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the Assistant City Solicitor dated 2014 05 26 concerning the Surrender of Lease Agreement between the City, The Board of Health for the District of Algoma Health Unit, operating as Algoma Public Health and Sault College of Applied Arts and Technology regarding 294 Willow Avenue and the Offer to Purchase Agreement between Algoma Public Health and the City, also regarding 294 Willow Avenue be received and the recommendation that Council authorize the execution of the Surrender of Lease Agreement and Offer to Purchase Agreement be approved.

Report to Council – Surrender of Lease Agreement Algoma Public Health and
Sault College and Offer to Purchase Agreement (294 Willow Avenue)
2014 05 26
Page 3.

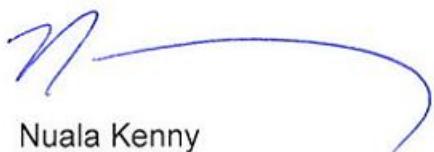
By-law 2014-94 authorizing the execution of the Surrender of Lease Agreement and By-law 2014-95 authorizing the Offer to Purchase Agreement appear elsewhere on the Agenda and are recommended for approval.

Respectfully submitted,



Melanie Borowicz-Sibenik
Assistant City Solicitor

Recommended for approval,



Nuala Kenny
City Solicitor

MBS/da

LEGAL\STAFF\COUNCIL REPORTS\2004\APH LEASE SURRENDER AG84 AND OFFER PR1.52.DOCX



COUNCIL REPORT

May 26, 2014

TO: Mayor Debbie Amaroso and Members of City Council
AUTHOR: Nuala Kenny, City Solicitor
DEPARTMENT: Legal Department
RE: Lease Extension 540 Albert Street East

PURPOSE

The purpose of this report is to recommend Council enter into a lease extension agreement with the provincial Ministry of Health for the lease of office space at a City owned building located at 540 Albert Street East.

BACKGROUND

Since 1999 the Ministry of Health has enjoyed a lease with the City for office space on part of the third and fourth floors of 540 Albert Street East. The original lease allows for an extension of time to lease the property on the mutual consent of the parties. Historically the Ministry of Health has requested the lease be extended twice. Both times extensions were granted by the City. Currently the Ministry of Health is requesting another five year extension of the lease.

ANALYSIS

Through a series of negotiations the City was able to reach an agreement with the Ministry of Health as to an appropriate rent that is more in keeping with market rates. Specifically the first year of lease rent is eighteen (\$18.00) dollars per square foot. The rent will increase annually thereafter to nineteen (\$19.48) dollars and forty-eight cents per square foot in the fifth year of the lease.

IMPACT

The rent will have a positive financial impact for the City.

STRATEGIC PLAN

This is consistent with the corporate value of fiscal responsibility.

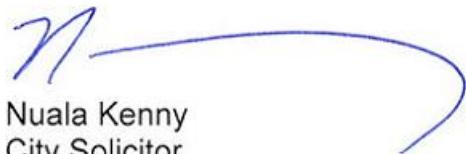
RECOMMENDATION

It is therefore recommended that Council take the following action:

Report to Council – Lease Extension 540 Albert Street East
2014 05 26
Page 2.

Elsewhere on the agenda is By-law 2014-123 which authorizes the execution of the lease extension for part of 540 Albert Street East and is recommended for approval.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Nuala Kenny". A blue curved line starts from the end of the signature and sweeps downwards and to the right.

Nuala Kenny
City Solicitor

NK/cf

Staff/Council Reports/2014/Lease extension 540 Albert St East may26.14



COUNCIL REPORT

May 26, 2014

TO: Mayor Debbie Amaroso and Members of City Council
AUTHOR: Carl Rumiel, P. Eng., Design & Construction Engineer
DEPARTMENT: Engineering and Planning Department
RE: Road Closure – The Crescent from Church Street to Forest Avenue

PURPOSE

The purpose of this report is to obtain Council approval to close The Crescent from Church Street to Forest Avenue for a period of five weeks.

BACKGROUND

At the meeting of 2014 05 12, Council approved awarding the contract for the reconstruction of Forest Avenue to RM Belanger Construction.

ANALYSIS

In order to commission a temporary water system to feed homes on Forest Avenue during construction, the PUC needs to upgrade the watermain on The Crescent. This will require the installation of a new watermain along The Crescent from Church Street to Forest Avenue which cannot be done without closing that section of the road.

Traffic is easily detoured via Ontario Avenue with little inconvenience to the public. Adequate signage will be placed at both ends of the closure advising that the road is closed except to local traffic and residents will be notified by way of a hand delivered letter.

IMPACT

There is no financial impact to the City.

STRATEGIC PLAN

Since this is part of the reconstruction of a road, this is linked to the Strategic Plan through Objective 1B – Transportation Network Improvements.

Road Closure – The Crescent from Church Street to Forest Avenue

2014 05 26

Page 2

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the Design & Construction Engineer dated 2014 05 26 be received and the recommendation that The Crescent be closed from approximately May 27, 2014 to June 30, 2014 be approved.

By-law **2014-126** authorizing the road closure of The Crescent (Church Street to Forest Avenue) from approximately May 27, 2014 to June 30, 2014 appearing elsewhere on the Agenda, is recommended for approval

Respectfully submitted,



Carl Rumiell, P. Eng.
Design & Construction Engineer

Recommended for approval,



Jerry Dolcetti, RPP
Commissioner
Engineering & Planning Dept.

/bb

Kim Vaudry

From: Lua Turcotte <Lua.Turcotte@saultcollege.ca>
Sent: Tuesday, April 29, 2014 3:42 PM
To: City Clerk
Subject: Letter of Non-Objection Request

Good Day,

I am requesting on behalf of the Sault College Students' Union (Licensee #816326) operating as Odeno, a Letter of Non-Objection for an Outdoor Liquor License Extension Application. We have been contracted by the Local Ironworkers to cater a competition they are planning on June 7th 2014. This event has a fairly long history around Northern Ontario and was catered by the Outback the last time it was hosted in Sault Ste. Marie. It will be a private event with professional security hired during the hours of alcohol service, from 11:00a.m. to as late as 6:00p.m. (although the event coordinators expect to be finished by 4:30p.m.) The event will be hosted on Sault College property, directly adjacent to our currently licensed restaurant, Odeno. Should you have any questions or concerns, please feel free to contact me at your earliest convenience. I have included a description from the AGCO's manual of the letter that I am requesting.

(Letter of Non-Objection from the Municipal Clerk
if the event is outdoors, the applicant must obtain a letter from the Municipal Clerk stating that
there is "no objection" to the extension of your proposed extended licensed area.
Note: letters from the municipality that state the event is "municipally significant" will not be considered
acceptable.)

Thank you,
Lua Turcotte
Operations Manager
705-759-2554 ext 2527

S.S. 1



COUNCIL REPORT

May 26, 2014

TO: Mayor Debbie Amaroso and Members of City Council
AUTHOR: Nuala Kenny, City Solicitor
DEPARTMENT: Legal Department
RE: Sale of City Owned Property – Rear of 340 Old Garden River Road

PURPOSE

The purpose of this report is to advise Council of the offers received on the City owned property legally described as Greenwood Av PL H465 Tarentorus; Sault Ste. Marie (PIN 31511-0177) and 1 FT Reserve E Limit of Greenwood Av PL H465 Tarentorus; Sault Ste. Marie (PIN 31511-0186) and the "Daylighting Triangle".

ATTACHMENT

Attached to this report is Schedule "A", a drawing showing the Subject Property and the "Daylighting Triangle".

BACKGROUND

At its meeting of May 12, 2014 City Council passed By-law 2014-96 which declared the property described as Greenwood Av PL H465 Tarentorus; Sault Ste. Marie (PIN 31511-0177) and 1 FT Reserve E Limit of Greenwood Av PL H465 Tarentorus; Sault Ste. Marie (PIN 31511-0186) as surplus to the City's needs and further authorized the sale of the Subject Property and the "Daylighting Triangle" to Tony Cavaliere and Mr. and Mrs. Pidgen respectively.

The Legal Department has received an evaluation of the property valuing it at Forty-Three Thousand Five Hundred (\$43,500.00) Dollars.

Notice was placed in the Sault Star May 17, 2014. The Notice indicated "the City owned property legally described as PIN 31511-0177 (LT) Greenwood Av PL H465 Tarentorus; Sault Ste. Marie and PIN 31511-0186 (LT) 1 FT Reserve E Limit of Greenwood Av PL H465 Tarentorus; Sault Ste. Marie was declared surplus to the City's needs and the said property would be sold to the abutting

Report to Council – Sale of City Owned Property – Rear of 340 Old Garden River Road
2014 05 26
Page 2.

owner, Tony Cavaliere and the “Daylighting Triangle” would be sold to Mr. and Mrs. Pidgen”.

The Legal Department has received an offer for the Subject Property from Mr. Cavaliere in the amount of Forty-Three Thousand Fifty Four (\$43,054.00) Dollars plus GST and an offer for the “Daylighting Triangle” from Mr. and Mrs. Pidgen in the amount of Four Hundred and Forty-Six (\$446.00) Dollars plus GST.

ANALYSIS

Not applicable.

IMPACT

Sale of the subject property will have a positive financial impact. There would also be a tax benefit for the City.

STRATEGIC PLAN

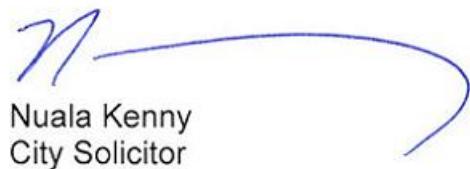
This is consistent with the City’s plan to dispose of surplus property.

RECOMMENDATION

It is therefore recommended that Council take the following action:

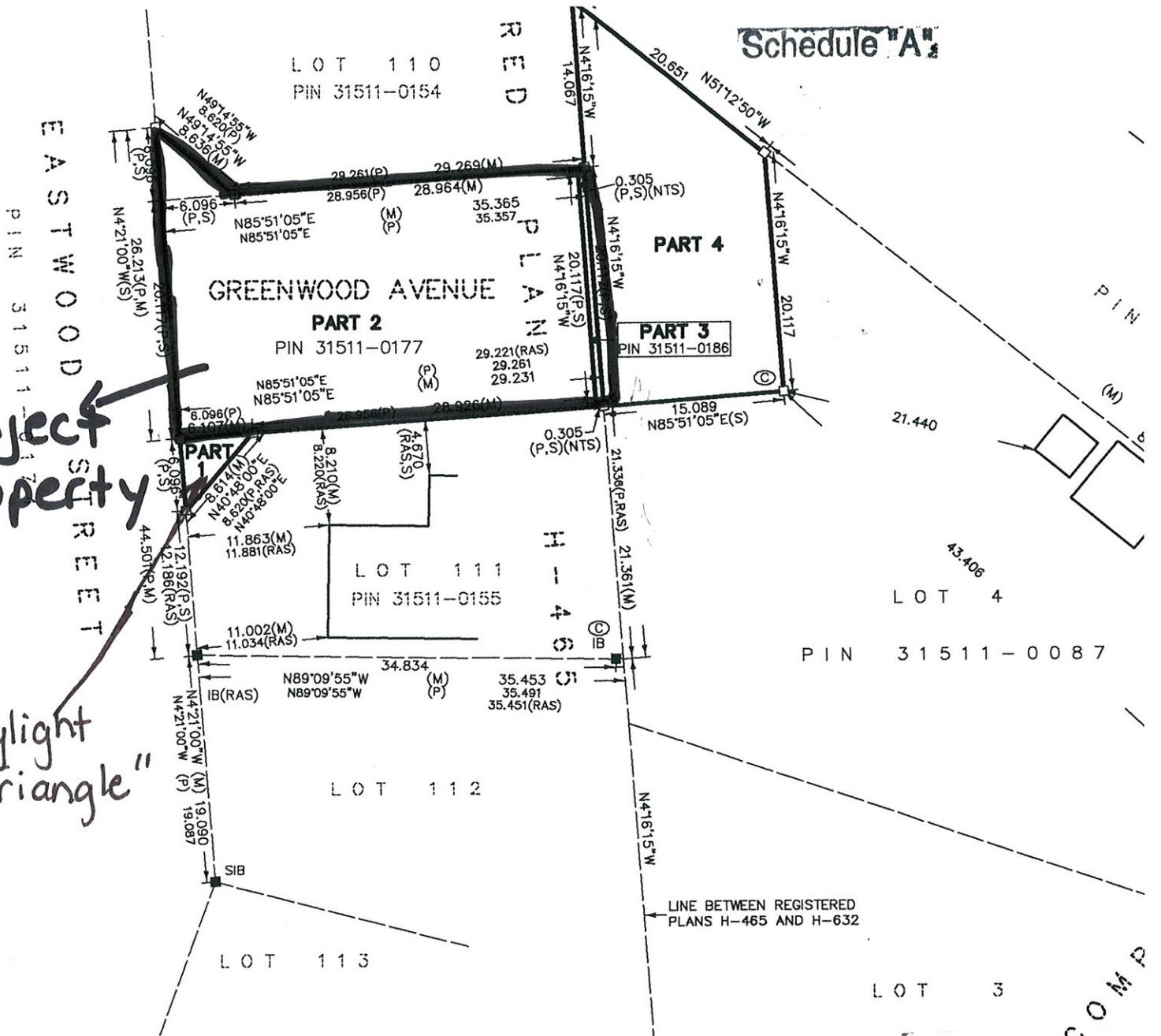
That the City sell the Subject Property to Tony Cavaliere for Forty-Three Thousand Fifty Four (\$43,054.00) Dollars plus GST and the “Daylighting Triangle” to Mr. and Mrs. Pidgen for Four Hundred and Forty-Six (\$446.00) Dollars plus GST.

Respectfully submitted,



Nuala Kenny
City Solicitor

Schedule "A"



INTEGRATION COORDINATE TABLE

OBSERVED REFERENCE POINTS (ORPs) DERIVED FROM REAL TIME KINETIC OBSERVATIONS USING MONUMENTS **(A)** AND **(B)** HAVING A BEARING OF N40°42'55"E UTM ZONE 16 NAD 83 (CSRS)(1997.0) COORDINATES TO URBAN ACCURACY PER SEC. 14(2) OF O.REG. 216/10.

POINT ID	NORTHING	EASTING
ORP A	5157887.391	706351.885
ORP B	5158016.461	706462.963
ORP C	5157998.128	706356.633

COORDINATES CANNOT, IN THEMSELVES, BE USED TO RE-ESTABLISH CORNERS OR BOUNDARIES SHOWN ON THIS PLAN.

SCALE FACTOR NOTE

DISTANCES ON THIS PLAN ARE HORIZONTAL GROUND DISTANCES AND CAN BE CONVERTED TO GRID DISTANCES BY MULTIPLYING BY A SCALE FACTOR OF 1.000107261



COUNCIL REPORT

May 26, 2014

TO: Mayor Debbie Amaroso and Members of City Council
AUTHOR: Don Maki, Chief Building Official
DEPARTMENT: Engineering and Planning Department
RE: Unsafe Order – 124 Andrew Street

PURPOSE

The purpose of this report is to seek approval to spend up to \$20,000 for the necessary work and possible demolition of 124 Andrew Street. This structure is a vacant triplex and considered unsafe.

BACKGROUND

An Unsafe Order under the Building Code Act, dated May 12, 2014 was issued to the property owner (see attached). The order details the steps required to remedy the unsafe condition, including the acquisition of services of a Professional Engineer to review and advise of the repairs necessary to address the unsafe conditions. The deadline for this action was May 23, 2014. Failure to comply would result in the City undertaking any work required to render the building safe including possible demolition of the entire structure.

ANALYSIS

Based on the Building Inspector's report, the foundation system has suffered a structural failure causing the building to be unsafe (see attached photos). Given the condition of the structure and upon further review, the most cost effective solution would be its demolition.

IMPACT

There is no impact to the City as all costs of any action will be added to the property's municipal taxes.

STRATEGIC PLAN

There is no direct link to any strategic plan activity as this is a Building Code Act safety issue.

2014 05 26

Page 2

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the Chief Building Official dated 2014 05 26 concerning the Unsafe Order of 124 Andrew Street be received and the recommendation that any work deemed necessary to make the building safe, including possible demolition costing up to \$20,000 recoverable through municipal taxes, be approved.

Respectfully submitted,



Don Maki, CBO
Chief Building Official
Building Division

Recommended for approval,



Jerry Dolcetti, RPP
Commissioner
Engineering & Planning Dept.

/bb
Attach.





**Corporation of the City of Sault Ste. Marie
Building Division, Level 5, 99 Foster Drive
Sault Ste. Marie, ON P6A 5X6
(705) 759-5410**

Unsafe Order

Pursuant to Subsection 15.9 – (4) of the *Building Code Act, 1992*

Date Order issued: May 12th, 2014

File No.: 14946

Address to which Order applies:	Tracking/Application/Permit Number
124 Andrew Street, Sault Ste. Marie, ON	2014-0371

Order issued to:

<i>Name</i>	<i>Address</i>
1. Perry Raymond Kerns	203 Pine Street, Sault Ste. Marie, ON P6A 3Z1

The inspection on or about May 9th, 2014 at the above-referenced address found that building poses an **immediate** danger to the health and safety of persons or is structurally or faulty for the purpose its being used for.

You are hereby ordered to correct the contraventions itemized below immediately, by the dates listed below, or by May 23rd, 2014.

Item:	Reference	Description and Location	Required action and compliance date
1	15.9 (1) 15.9 (2) 15.9 (4)	The building has sustained structural damage due to a lack of maintenance. The Basement is filled with water up to the sills of the windows, foundation walls are collapsing inward and in some areas are no longer supporting the super structure of the building, multiple cracks and bowing are visible throughout the entire foundation above grade which is evident of structural failure, and due to the movement of the foundation the chimney on the South side of the building has detached from the wall and is in risk of falling towards the neighbouring property.	The owner must immediately remove all water from the Basement in order to reduce further damage to the existing structure, remove the chimney located on the South side of the building that is in danger of collapse and acquire the services of a Professional Engineer certified to practice in the province of Ontario to review the building and advise of the structural repairs that must take place and the method they are to be done in order to make the building safe again. Once this is done the Owner must apply for and obtain all required Building Permits from the City Building Division before any repairs can be carried out. Failure to comply with the above noted requirements may result in legal action and / or the requirement of the building to be demolished in order to resolve the unsafe condition. A Demolition Permit would be required and demolition of the building must be done in accordance with the Ontario Building Code and related By-Laws.

Order issued by:

Name: Frank Bentrovato BCIN 21762

Signature: _____ Telephone no. (705) 759-2750

Note:

- It is illegal to obstruct the visibility of a posted Order. It is also illegal to remove a posted Order unless authorized by an inspector or Chief Building Official (Building Code Act, 1992 s.20).

- An Order may be appealed to the Superior Court of Justice within 20 days of being posted.
(Building Code Act 1992 S.25).
- Failure to comply with an Order is an offence, which could result in a fine.
(Building Code Act, 1992 s.13).
- No construction affected by this Order is to be covered until inspected and approved.
(Building Code Act, 1992 s.13).
- Failure to comply to this order could result in the Chief Building Official prohibiting occupancy and/or undertaking repairs or demolition at your expense
(Building Code Act, 1992, s. 15. – 9 – (6).



Working for Municipalities

**ONTARIO
GOOD ROADS
ASSOCIATION**

1525 CORNWALL ROAD, UNIT 22
OAKVILLE, ONTARIO L6J 0B2
TELEPHONE 289-291-6472
FAX 289-291-6477
www.ogra.org

April 30, 2014

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

Attention: Debbie Amaro, Mayor

Dear Mayor Amaro:

In 2010 an application was filed with the Superior Court of Justice to have the Minimum Maintenance Standards (MMS) declared null and void. In June, 2010 the Ontario Good Roads Association appealed to our members for a contribution to a litigation fund so that OGRA could hire counsel and seek intervener status in the suit. As reported earlier this year, we were successful and the action was dismissed. OGRA once again wishes to thank those municipal and corporate members who contributed to the fund.

In the original appeal we stated that "*any funds not used will be refunded back to contributing municipalities on a pro-rated basis*". Of the \$455,000 raised almost 50% was expended in successfully defending the MMS, with approximately \$228,000 remaining in the fund. OGRA wishes to make good on its promise and is offering to refund back to each contributing organization a share equal to 50.1% of the amount contributed. Based on your original contribution of \$1,000.00, your share of the fund will be \$501.00.

While we are pleased to honour this refund we would also ask that you seriously consider leaving your funds in the reserve. Our past success does not mean that the MMS will not be challenged in the future, and in fact many experts suggest that it is not a matter of "if" another challenge is launched, but "when". If you would prefer to forgo your refund, OGRA will commit to retain all funds in our MMS Litigation Reserve and use those funds solely for the purpose of defending future actions against the MMS.

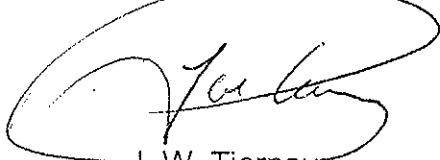
Please let me know how you wish for us to handle your share of the fund. In order for OGRA to resolve this matter expeditiously, I would ask that you advise me of your decision within 90 days or by no later than August 1, 2014. If we do not hear from you by this date we will assume that you do not wish to receive a refund and that OGRA can retain the funds in the reserve; we thank you in advance for your gracious support.

RECEIVED
MAY 6 - 2014

MAYOR'S OFFICE

Regardless of your decision with respect to the fund, be assured that OGRA is committed to defending the protection that the Minimum Maintenance Standards afford our members.

Yours truly,

A handwritten signature in black ink, appearing to read "J. W. Tiernay".

J. W. Tiernay
Executive Director



COUNCIL REPORT

May 26, 2014

TO: Mayor Debbie Amaroso and Members of City Council

AUTHOR: Peter Tonazzo, MCIP, RPP, Planner

DEPARTMENT: Engineering and Planning Department

RE: RA Severances – A-8-14- OP

PURPOSE

The City of Sault Ste. Marie is proposing text amendments to the Rural Area Policies contained within the Official Plan, to increase the allowable rural residential severance limit from 1 to 2 lots.

PROPOSED CHANGE

The Planning Division, supported by the Planning Advisory Committee, is requesting a text amendment to the Rural Area Policies of the Official Plan:

- a. To increase the rural residential severance limit from 1 new lot to 2 new lots plus the remnant.
- b. To increase the minimum rural residential lot size from 0.5ha to 0.8ha.
- c. To amend the date from which the 2-lot limit is counted, from December 2009 to the day on which this Official Plan Amendment is adopted.
- d. To add a new policy noting that new rural residential lot creation is reviewed to ensure that adequate separation distances are maintained, so as not to impact the existing or future industrial development potential of nearby industrially designated properties.

Subject Property:

- Location – The area of the municipality that is both:
 - Designated ‘Rural Area’ on Land Use Schedule ‘C’ of the Official Plan and,
 - Zoned ‘Rural Area’ (RA) or ‘Estate Residential’ (R1) within Zoning By-law 2005-150

- Size – The total area of lands within the community that are designated rural area and zoned either Rural Area or Estate Residential is approximately 5,831ha (14,406 acres)
- Present Use - Various
- Ownership - Various

BACKGROUND

Approved in 1996, the original Official Plan did not permit new rural residential lot creation or new rural estate subdivisions. These rural residential development moratoriums were a result of the declining population being experienced at that time. With modest population increases beginning approximately 10 years ago, demand for rural residential lots increased, and Planning began processing Official Plan Amendments to facilitate Committee of Adjustment applications for rural residential severances.

In recognizing this trend, in December 2009 Council adopted Official Plan Amendment 167, which amended the Official Plan to allow 1 new rural residential lot, plus the remnant. The limit of one new lot was counted from the day on which OPA 167 was adopted (December 2009). Since adopting the 1-lot limit, Council has approved 12 (of 13) multiple rural residential severance applications. One application remains postponed to allow the applicants to explore alternate servicing options.

In recognizing the difficulties in supporting the one-lot limit, on December 2, 2013 Council passed the following resolution:

Resolved that the report of the Planning Division dated 2013 12 02 concerning Potential Rural Area Severance Moratorium be received and that City Council not consider a formal moratorium on multiple lot severances in the rural area and that staff advise potential applicants that new applications will be recommended to be postponed until a comprehensive review of this issue is completed.

This report outlines the review completed by the Planning Advisory Committee and recommends a number of amendments to the Rural Area Policies of the Official Plan.

ANALYSIS

Conformity with the Official Plan

Regardless of the specific approaches taken, there are a number of current Official Plan Policies that will apply on a site specific basis, including but not limited to:

- Ability of proposed lots to support on-site well and septic services – soils, minimum lot size.

- Airport Noise – Development restrictions within the approach and take-off corridors associated with the airport runways.
- Cultural Heritage – Areas of known archaeological sites and/or archaeological potential.
- Ministry of Agriculture Minimum Distance Separations – apply to new residential lot creation in close proximity to existing livestock facilities or lands large enough to support a livestock facility.
- Natural and Built Hazards – Significant slopes, flood areas, mine hazards.
- Natural Heritage Features – wetlands, fish habitat, significant wildlife habitat.
- Protecting Future Urban Development Potential – Special regard for new rural severances in areas that have been identified for future urban serviced expansion, to ensure that the severances do not adversely impact this future development potential.
- Railway noise and safety – Restrictions on the creation of new rural residential lots in close proximity to a railway.
- Zoning – New rural residential lot creation is not permitted in the ‘Rural Area Extraction Zone’ (REX) and the ‘Rural Precambrian Uplands Zone’ (RP).

It is important to note that the ensuing recommendations do not propose any changes to the aforementioned Official Plan Policies, which will continue to apply on a site specific basis. Therefore, the recommended amendments will result in Official Plan Policies which conform to the remainder of the Official Plan.

Conformity with the Provincial Policy Statement 2014 (PPS 2014)

Section 3 of the Planning Act requires Municipalities to make land use decisions in a manner that is ‘consistent with’ Provincial Policy Statements. Put simply, development decisions, including Official Plan Amendments, must conform to the adopted Provincial Policy Statement. On April 30 Provincial Policy Statement 2014 came into effect, replacing PPS 2005. Consequently, the proposed amendments are being assessed under the new PPS 2014.

The PPS contains a number of policies that either directly or indirectly ‘limit development within rural areas. Generally speaking, PPS 2014 (consistent with PPS 2005) notes that Settlement Areas (the urban serviced area) shall be the focus of growth and development, and their vitality and regeneration shall be promoted. Conversely, rural residential development shall be limited.

Locally there exists a great deal of debate as to rural vs. urban development. From a land use planning standpoint, it is generally held that strong healthy communities are characterized by strong viable settlement areas. It is not within the scope of this report to argue for or against rural vs. urban development, but rather, recommend policies which permit rural development in a ‘limited’ manner, consistent with the PPS.

The term ‘limited rural residential development’ is not defined by the province; however other PPS policies provide some guidance by stating that ‘rural development should be appropriate to the level of infrastructure and services, and compatible with the rural landscape.’ Furthermore, the *‘Introduction to the Provincial Policy Statement, 2014: Northern Ontario Draft for Discussion’* document, which has been circulated with the new PPS 2014 notes that ‘limited residential development’ shall be locally defined, and that the local context of such a definition should have regard to:

- Population
- Character
- Land use patterns and density
- Type and availability of infrastructure and public service facilities
- Proximity of settlement areas
- Presence of natural resources; and/or natural heritage features and areas.

The presence of natural resources and/or natural heritage features and areas will be applied, regardless of the overall approach taken, on a site specific basis.

Existing Official Plan polices are also in place to provide direction when reviewing rural development proposals on lands in close proximity to the Urban Settlement Area (USA). These policies are intended to ensure that rural development does not preclude future urban development on these lands. Urban residential development requires large blocks of land to be feasible, and development at rural densities can all but sterilize lands for future development at urban densities, creating a ‘leapfrog’ effect whereby future urban expansions must skip over adjacent lands that have been developed at rural densities. The current Official Plan identifies 4 blocks of land adjacent to the USA, totalling approximately 288 acres. These lands should be protected for future urban development. That is not to say that severance activities would automatically preclude future urban development, however such a review will occur on a case by case basis.

Comments

The Planning Advisory Committee’s process for determining the preferred policy options began with a municipal review of rural area severance policies.

Municipality	Min. Lot Area	Min. Frontage	Max. # of Lots	Other Policies
Sault Ste. Marie	0.5ha	45m	1 – from parent parcel	-Parent parcel based upon Dec. 2009
Greater Sudbury	2ha	90m 60m proposed	3 – from parent parcel	-Parent parcel based upon June 2014 -Planning board recently turned down a proposal to reduce required frontage to 60m but keep same Max. # of lots. - recent proposal to increase number of lots to 6, however this has not received Municipal or Provincial approval.
North Bay Rural Area	2ha	60m	2 - contiguous parcels	-Applicant must own the property for at least 10yrs -Applicant's principal residence must be situated upon subject property at time of application. -Min. lot area of parent parcel must be 16.2ha -Retained and severed parcels shall not be further severed during the lifetime of OP (20yrs)
Rural Area Infill	<2ha – Depending upon site specifics and size of surrounding lots	<60m Depending upon site specifics and frontage of surrounding lots	2	-Above noted policies apply -'infill' is interpreted as the construction of one house/lot between 2 existing homes that are not further than 200m apart on either side of the street. -Smaller lots are permitted and are outlined in zoning by-law.
Timmins	2ha	100m	2	-Maximum of 20 lot granted annually
Thunder Bay Rural Area	2ha	60m	2 –from parent parcel	-Parent parcel based upon Jan. 1978
Rural Residential Area	1ha	60m		

Highlights of Municipal Review

- Although SSM is the most restrictive in terms of allowing only 1 new lot, the local policy framework is far less restrictive as it relates to other policy elements which work together to have the effect of limiting rural severance potential, for example:
 - Sault Ste. Marie has the lowest lot frontage and area requirements; however it is recognized that lot area requirements will increase from 0.5ha to 0.8ha, to conform with new Ministry of the Environment guidelines.
 - The date from which SSM's 1 lot limit is counted from is far less restrictive than other municipalities, excluding Sudbury.
 - Some municipalities place a minimum lot area on the remnant parcel.

- North Bay requires applicants to own the parcel for at least 10 years. This is intended to avoid speculation.
- Timmins utilizes a quota system, whereby only 20 new rural residential lots are permitted on an annual basis.

RURAL AREA SEVERANCE POLICY OPTIONS

Number of New Lots

1. 1 new lot (existing) – potential for the creation of 419 new lots.
2. 2 new lots - potential for the creation of 598 new lots.
3. 3 new lots - potential for the creation of 732 new lots.
4. Quota System – 25 lots per year based upon a maximum of 2 new lots per existing parcel.
5. Unlimited new lots.

The Committee felt that allowing 2 new lots plus the remnant was the most appropriate way of allowing further rural residential severances, while at the same time maintaining the very character which draws those to reside in the rural area. The status quo option of 1-new lot has not been supported by Council, therefore it was not chosen as a preferred option. The committee felt that 3 new lots could result in rural character issues. Unlimited new lots would result in a substantial change to the character of the rural area, and would not be supported by Provincial Policy. Finally, the quota system was discounted as this would create a first come first serve scenario whereby applications could be refused not on individual merit, but rather the timing of the application.

Lot Frontage and Area (45m, 0.8ha)

The Committee felt that maintaining the existing 45m of frontage was most appropriate. For a number of years, 45m has been the standard and an increase would create a number of legal non-conforming parcels. Furthermore, these existing lot frontages have in part created the existing local rural character. Increasing the minimum lot frontage would likely result in numerous minor variance applications.

As it relates to minimum lot area, new MOE guidelines require 0.8 ha, which is recommended to be adopted as the new standard.

Date from which 2-lot limit is counted from

Many municipalities ‘back-date’ the limits from which lots are counted from, which can reduce the total number of lots that can be created, depending upon historic severance activity. The Committee discussed the option of ‘back-dating’ the limit to December 2009, which is when the current policy was developed, however it was felt that the fairest approach is to count the 2-lot limit from the date on which Council adopts a new rural area severance policy.

Rural 'Infill' Policies

Some Municipalities define and include separate criteria for approving severances in rural areas that are primarily 'built up'. Generally speaking, smaller lots are permitted in these areas. Local examples include Fourth Line between Peoples' Road and Great Northern Road, Third Line between Peoples' Road and Black Road, and Old Goulais Bay Road between Third Line and Fifth Line. These areas are generally characterized as exclusively rural residential; whereby previous severance activities and rural residential development has resulted in very few (if any) large intact parcels, and existing lots that do not meet frontage and/or area requirements. Rather than attempt to broadly define 'rural infill' development, the Committee felt that it is more appropriate to continue the current practise of noting that 'smaller lot areas and frontages may be considered, as long as the severed and retained parcels are within the overall character of the surrounding area.'

Other Policy Considerations

The total number of lots permitted, lot frontage and area, and the date from which the lot limit is counted from are the 3 main elements of most rural severance policies. Again, notwithstanding site specific constraints, municipalities also utilize other elements, which work together to limit rural area lot creation. Some of these other elements include minimum size of remnant, requiring applicants to own parcels for a specified period or even requiring an applicant's principle residence to be located upon the property proposed for severance. The committee felt that implementing these types of policies would be unfair, and may be difficult, if not impossible to enforce. Furthermore, these additional elements would represent a drastic change to the basic policy structure which currently exists.

The Planning Advisory Committee has requested that policy be added to specifically note that new rural residential severances shall not be permitted in close proximity to lands which are designated 'Industrial', as the placement of a new residence can impact future industrial development potential. As a result of the Industrial Land Development Strategy 2001, there are a number of blocks of land zoned rural area, but designated 'Industrial' within the OP. Consequently, the future intended use of these lands is industrial, which should be protected. Examples include portions of Base Line between Allen's Side Road and Carpin Beach Road and east side of Black Road north of the Second Line Extension.

RURAL ESTATE SUBDIVISIONS

Rural Estate Subdivisions are currently prohibited, thereby requiring an Official Plan Amendment prior to approval. As part of the rural residential development review, the Planning Advisory Committee also reviewed the following policy options related to permitting rural estate subdivisions:

1. Maintain current prohibition of new rural estate subdivisions

2. Allow new rural estate subdivisions
3. Permit new rural estate subdivisions in conjunction with a resource based recreational use.
 - a. A resource recreational use being defined as a *natural or built recreational facility, which by its very nature is located to capitalize upon natural environmental features and/or landscapes. Examples include ski hills, golf courses, and shoreline/waterfronts. For the purposes of this policy, hiking, walking, cycling or off-road motorized trails alone do not constitute a resource based recreational facility.*

Given the impending Ontario Municipal Board hearing related to the Pointe Estates Subdivision application, the Committee felt that it would be prudent to wait for the outcome of the hearing prior to proposing a new policy framework for rural estate subdivisions. Even though the OMB hearing will review the OP policies as they were when the Pointe Estates application was heard, it was felt that the information contained within the OMB decision might be beneficial in determining whether such a policy framework is worth pursuing. To this end, the Committee will review these matters once the Pointe Estates Subdivision OMB Decision has been released.

Consultation

Open House

On February 6, 2014 the Planning Advisory Committee hosted a public open house. Public notice was published over 2 concurrent weeks in the Sault Star and Sault This Week, and an ad was placed on the City's website. The open house was attended by 7 individuals, including 2 ward Councillors. Although there was a great deal of informal discussions and requests for further information, there was no formal feedback received. Informally, one attendee, who has severed a number of parcels in recent years, requested that the date from which the limit is counted from not be backdated. As previously mentioned, it is recommended that the 2-lot limit be the date on which Council adopts a new policy.

The following departments/agencies commented on the application as part of the consultation process:

- No objections/comments – Building Division, PWT, CSD, Municipal Heritage Committee, Fire Services, Conservation Authority, Engineering Dept.

IMPACT

Approval of this application will not directly impact Municipal finances.

STRATEGIC PLAN

This application is not directly linked to any policies contained within the City's Corporate Strategic Plan

SUMMARY

Given Council's request to review the current 1-new lot rural area severance policy, Planning Staff, with the support of the Planning Advisory Committee, is proposing to increase the limit to 2 new lots plus the remnant. This approach is consistent with Provincial Policy, and will not have any significant impacts upon the form or function of the rural and urban areas of the community. Furthermore, the overwhelming majority of multi-lot rural severance applications since the 1-lot limit was adopted in 2009 were for a second lot. If approved, these applications will no longer require an Official Plan Amendment. Finally, the increase will not have any significant long term impacts to the rural lot inventory.

RECOMMENDATION

Resolved that the report of the Planner dated 2014 05 12 be accepted as information and that Council authorizes staff to provide public notice of the intention to bring this matter back to Council for approval at the June 23rd meeting.

Respectfully submitted,



Peter Tonazzo, MCIP, RPP
Planner

Recommended for approval,



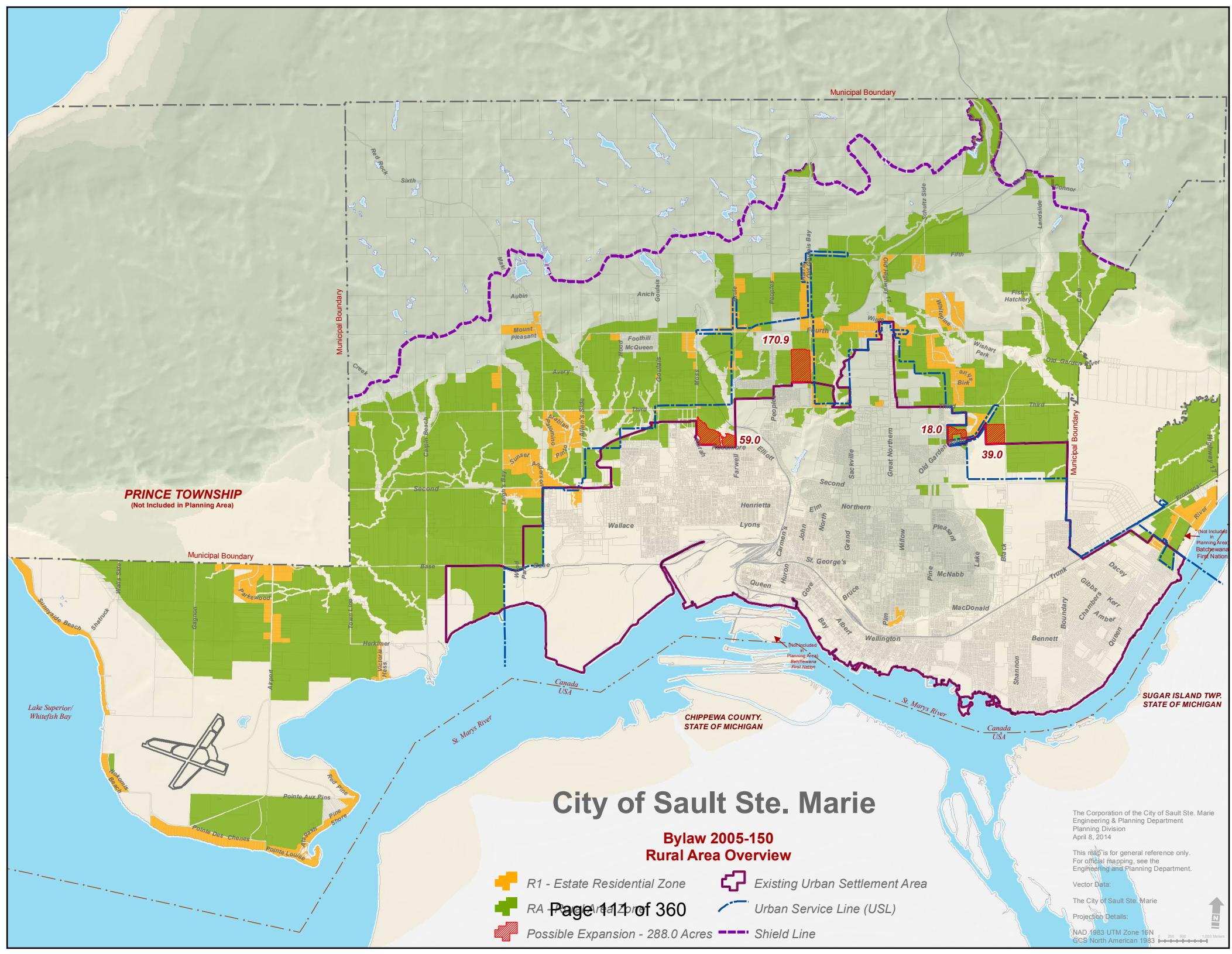
Donald B. McConnell, MCIP, RPP
Planning Director

Recommended for approval,



Jerry Dolcetti, RPP
Commissioner Engineering & Planning

PT/ps
Attachment





COUNCIL REPORT

May 26, 2014

TO: Mayor Debbie Amaroso and Members of City Council
AUTHOR: Peter Tonazzo, MCIP, RPP, Planner
DEPARTMENT: Engineering and Planning Department
RE: 189 Elgin Street – A-10-14-Z

PURPOSE

The applicant is requesting a rezoning of the subject property to permit the main floor of the existing building to be utilized as an animal rescue facility for cats.

PROPOSED CHANGE

The applicant, Joanne Kirkwood is requesting a rezoning from “R3” (Low Density Residential Zone) to “R3.S” (Low Density Residential Zone with a Special Exception) to permit a cat rescue facility upon the subject property, in addition to the uses permitted in an “R3” Zone.

Subject Property:

- Location – Located on the southwest corner of Elgin Street and Wellington Street East. Civic Addresses 189 Elgin St. and 377 Wellington Street East
- Size – Approximately 15m (49') frontage by 25m (82') depth totalling 375m² (4036sq.ft.)
- Present Use – Duplex with attached garage (Attached garage is located on 377 Wellington Street East)
- Owner – Joanne Kirkwood

BACKGROUND

There are no previous rezoning applications.

ANALYSIS

Conformity with the Official Plan

Although the subject property is currently zoned Low Density Residential, it is designated Commercial on Land Use Schedule ‘C’ of the Official Plan. At a glance the proposal to permit a cat shelter appears to be an institutional use;

however there is overlap within the Official Plan descriptions of the Institutional and Commercial land use designations. In most cases, those uses permitted within the Institutional land use designation are also permitted within the Commercial land use designation. Although an animal shelter is not specifically listed as either an Institutional or Commercial use, from a land use perspective, it certainly fits within the overall ‘flavour’ of the current Commercial land use designation.

Consequently, an Official Plan Amendment is not required.

Comments

The applicant, Joanne Kirkwood, on behalf of The Animal Assistance Group (TAAG) is requesting a rezoning to permit a cat shelter on the ground floor of the existing building on the subject property.

Founded 26 years ago, TAAG is a non-profit group operated by volunteers. According to their website, under a strict ‘Low Kill’ policy, TAAG has a 2 part mandate:

1. To help control the pet population by offering financial assistance and a discounted spay/neuter service to those who qualify.
2. To offer rescue foster and ultimately permanent adoption of animals that are lost, homeless, stray or neglected.

The applicant has stated that stays at the cat shelter are intended to be short term, to allow time for medical assessment and identification of a suitable foster home. TAAG has agreements with local pet food stores where foster cats are on display for the purpose of adoption.

The proposed shelter would be operated by volunteers, with a morning shift from roughly 8:30am to 11:00am, and an evening shift from 5:00pm to 9:00pm. During the times when there is no direct supervision, the majority of the cats are crated. It is also noted that a TAAG volunteer will be residing in the second floor apartment.

There is a fairly extensive amount of online literature related to preferred operation characteristics of a cat shelter, including suggestions on total number of animals, animal density and care protocols; however there is also a great deal of debate as to a set of consistent best practises. For the purposes of this rezoning, it is assumed that TAAG will have the animals best interests in mind at all times. Therefore, the scope of this report is intended to deal primarily with the potential for off-site impacts, in this case, odour and traffic.

Referring to the plan attached, the site includes 2 properties, with the dwelling located on 189 Elgin Street, and an attached garage at 377 Wellington Street East. The garage and driveway (Wellington Street) can easily accommodate 2

vehicles. The Elgin Street driveway can accommodate an additional 2 parking spaces. Section 5.4.2 of the Zoning By-law notes that where new uses commence in existing buildings located within the downtown, no additional parking is required beyond that already supplied, provided that the buildings gross floor area is not increased. In this case the subject property is downtown and the gross floor area will not be increased. Consequently, the existing parking spaces are legalized by current zoning provisions, which were designed to facilitate redevelopment within the downtown.

Notwithstanding the ‘grandfathering’ of existing parking, realistically the 4 parking spaces will adequately support the proposed cat shelter and dwelling unit. It is also worth noting that there is additional overflow space available, however it is not anticipated that this space would be required. From a traffic demand standpoint, the applicant has indicated that there will be very little public traffic to and from the site, beyond volunteers caring for cats. Furthermore, there will not be an after-hours ‘drop box’.

While the cats will remain indoors for the duration of their stay, there is the potential for off-site odour impacts, as well as odour impacts to the second floor dwelling unit.

As it relates to off-site odour impacts, it is recommended that as a condition of the rezoning, a maximum number of cats be established at not more than 25 cats residing within the shelter at any one time. It is understood that Building Division staff will **not** be conducting periodic visits to ensure conformity. Rather, the threshold will be very useful for complaint related enforcement purposes.

The 25-cat limit has been determined through conversations with the applicant, and general rule of thumb ‘cat density’ figures. Online literature from the Koret Shelter Medicine Program suggests a maximum cat density of 1 cat per 1.7m^2 (18ft^2) of floor space. The ground floor of the existing building is 83.6m^2 (900ft^2). A maximum of 25 cats would result in an overall density of 1 cat per 3.34m^2 (36ft^2), which is well within the suggested maximum density.

As it relates to odour and public health issues within the building, the shelter and dwelling unit will be serviced by separate heating and ventilation systems, which should minimize air quality issues within the second storey dwelling unit. Having said this, if the rezoning approved, Ontario Building Code compliance will be required prior to the issuance of a final occupancy permit for both the dwelling unit and cat shelter.

Finally, it is also worth noting that TAAG operated a similar facility nearby at 515 Albert Street East. A review of the building file reveals no formal complaint lodged with the City, during the 6 years this shelter was in operation. Having said this, it is also recommended that approvals specifically indicate that the

animal shelter shall be for cats only. Other animals such as dogs require outdoor space/time, which would result in significant off-site impacts to neighbours.

Consultation

The following departments/agencies commented on the application as part of the consultation process:

- See attached letters – Building Division, Accessibility Advisory Committee
- No objections/comments – Engineering Dept., CSD, Municipal Heritage Committee, PWT, Fire Services, PUC Services, Conservation Authority

Correspondence from the Chief Building Official notes that a permit has been issued to renovate the second floor apartment unit only. It is also noted that in October 2013, the previous owner was issued a minimum standards deficiency letter to have minor exterior repairs made to the building. Currently, the applicant is undertaking a number of interior (second floor only) and exterior repairs, which will certainly benefit the entire area.

Correspondence from the Accessibility Advisory Committee speaks to potential concerns related to parking, as well as health concerns related to having a cat shelter occupying the same building as a dwelling unit. These concerns have been adequately addressed previously in this report.

Up to the drafting of this report, one letter of support has been received from Mr. Preston, who owns 335 Wellington Street East, which is approximately 100m (330') west of the subject property. Planning staff has had a discussion with a nearby property owner who stated they are very happy to see exterior building renovations occurring. No letters of objection have been received to date.

IMPACT

Approval of this application will not impact municipal finances.

STRATEGIC PLAN

This application is not linked to any specific policies contained within the Corporate Strategic Plan.

SUMMARY

The applicant has stated that the proposed downtown location is preferred, as the majority of the cats being sheltered, come from this area. From a land use perspective, the proposed cat shelter will have little impact upon surrounding uses. It is however appropriate to limit the total number of cats to not more than 25. While it is recognized that building staff will not be conducting 'spot checks', in the event of a neighbour complaint, such a threshold will be very useful for enforcement purposes. It is also felt that based upon a review of online

189 Elgin Street – A-10-14-Z

2014 05 26

Page 5.

literature, given the floor area of the proposed shelter, the limit of 25 is appropriate.

RECOMMENDATION

Resolved that the report of the Planner, dated 2014 05 26 be received and that Council approve the application and rezone the subject properties from 'Low Density Residential Zone' (R3) to 'Low Density Residential Zone' (R3.S) with a Special Exception to permit an animal shelter to be located upon the ground floor of the existing building, subject to the following conditions:

1. That the animal shelter be limited to housing cats only; and
2. That the total number of cats occupying the shelter at any one time not exceed 25.

Respectfully submitted,



Peter Tonazzo, MCIP, RPP
Planner

Recommended for approval,



Donald B. McConnell, MCIP, RPP
Planning Director

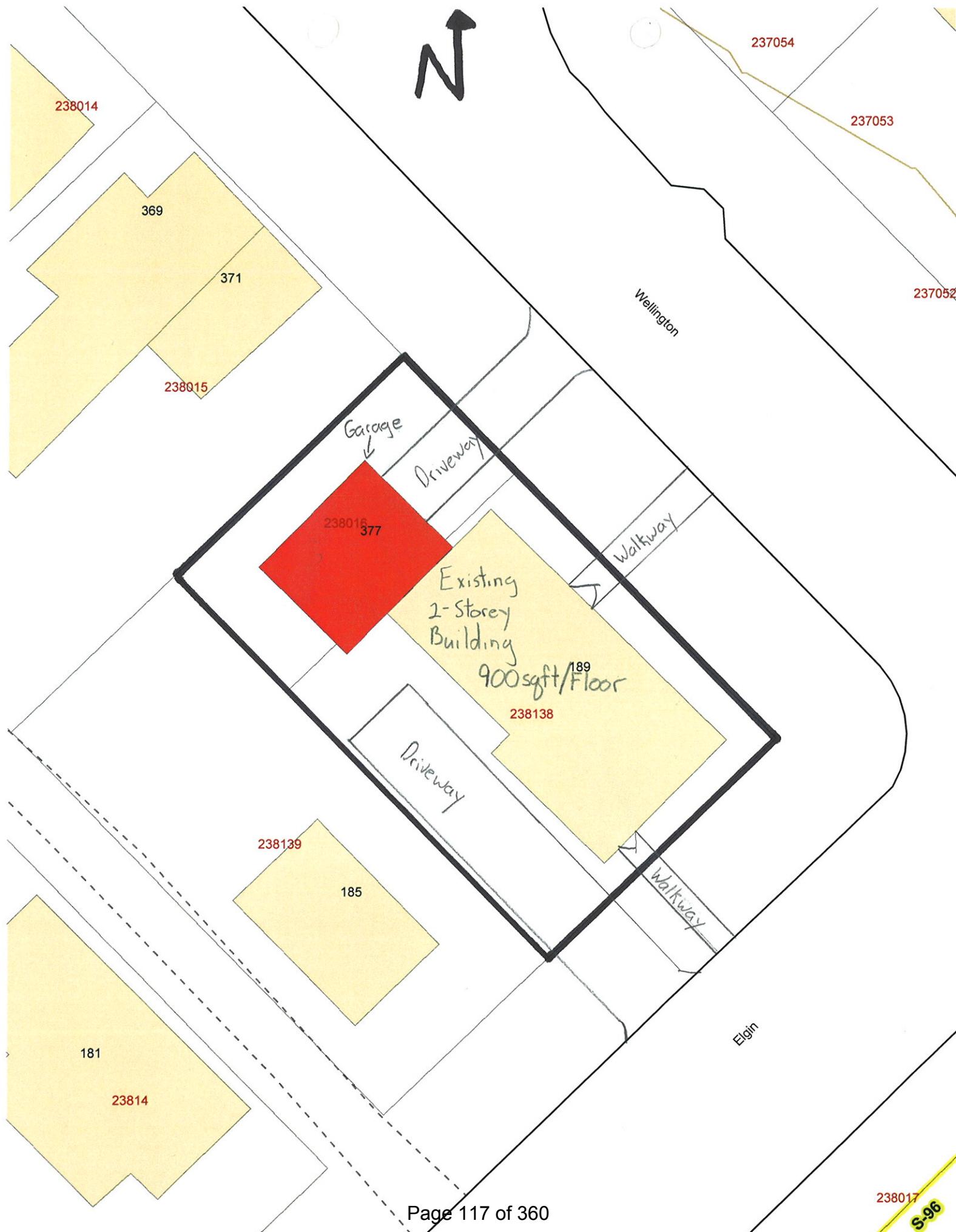
Recommended for approval,



Jerry Dolcetti, RPP
Commissioner Engineering & Planning

PT/ps

Attachment(s)



Pat Schinners

From: Don Maki
Sent: Tuesday, April 29, 2014 4:19 PM
To: Don McConnell; Pat Schinners
Subject: Rezoning Application A-10-14-Z 189 Elgin Street

Hi Don

We have issued a building permit to renovate the second floor apartment only of this duplex. At this time no permits have been issued for the first floor.

In October of 2013 we had issued a minimum standards deficiency letter to the owners to have some minor exterior repairs made to the building. The extended follow-up for these repairs is May 5 2014.

I have no further comments.

Don



April 30, 2014

Don McConnell
Planning Director
City Planning & Engineering Division
Copy Ron MacDonald

SUBJECT: Zoning REVIEW A-10-14 -Z Joanne Kirkwood

Address: 189 Elgin St./377 Wellington Street

Dear Mr. McConnell

The Accessibility Advisory Committee makes the following recommendations in respect of barriers to access for person with disabilities on the subject zoning review.

Remarks/Questions:

1. According to Zoning Bylaw

- ◆ Cat Shelter operated by The Animal Assistance Group (TAAG)

2. Questions if any?

- ◆ Health concerns from Algoma Health?
- ◆ Busy Corner Street, Parking spaces location for volunteers?

3. Site Plan required

- ◆ Only if there are any accessibility concerns

4. Other Number of cats allowed?

Thank you for your attention.

Sincerely

Ann Marie McPhee
Chair, Site Plan Sub Committee,
Accessibility Advisory Committee

Pat Schinners

From: Peter Tonazzo
Sent: Wednesday, May 07, 2014 9:37 AM
To: Pat Schinners
Subject: FW: Response to Application: A-10-14-Z

From: Ken Preston [mailto:kennypreston@live.com]

Sent: Tuesday, May 06, 2014 7:52 PM

To: Peter Tonazzo

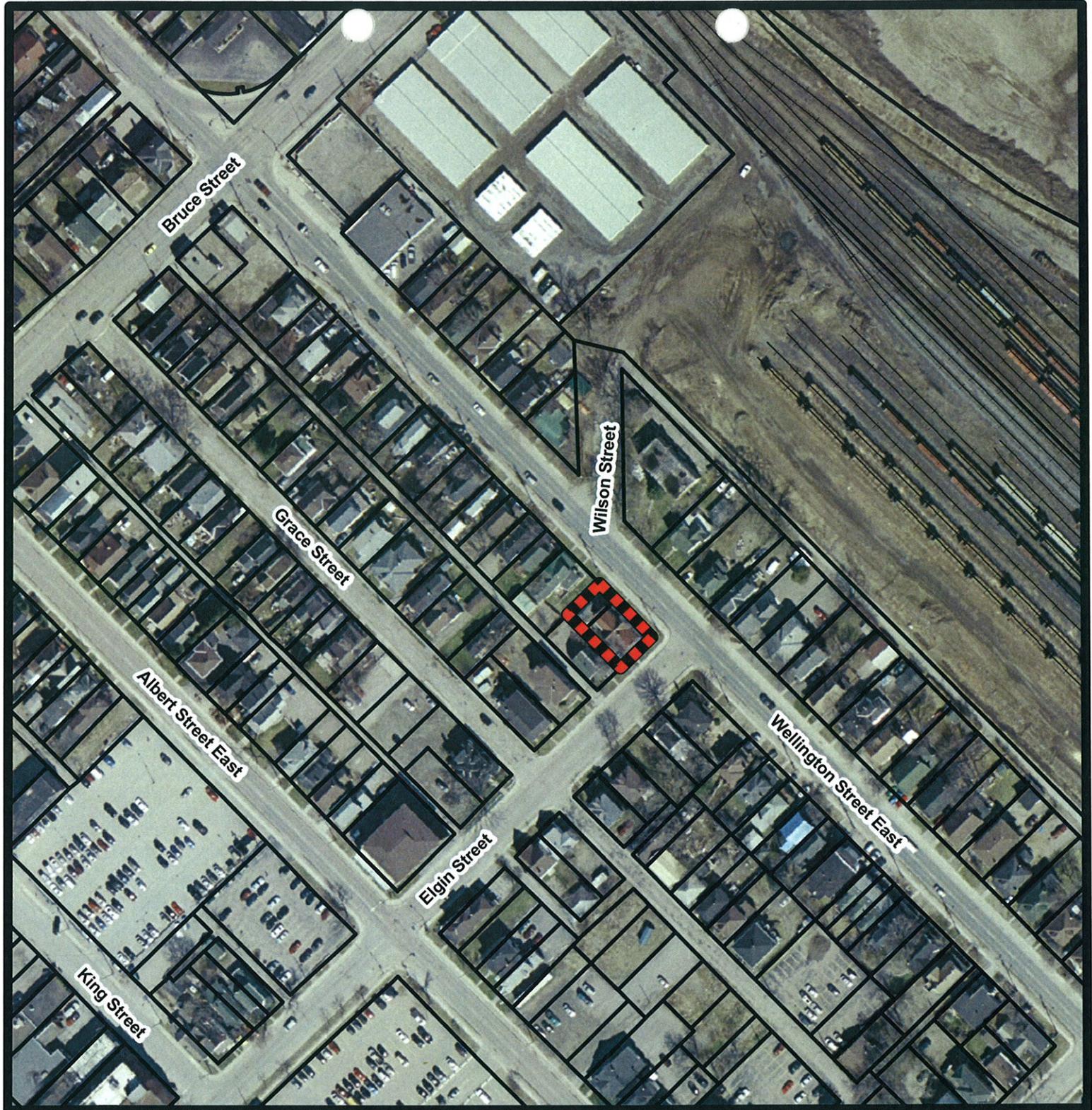
Subject: Response to Application: A-10-14-Z

Application: A-10-14-Z

I am Ken Preston home owner of 335 Wellington St. East. and I approve this application for Joane Kirkwood to rezone from R3 to R3.S

I would like to know if the proposed application is approved, thank you

- Ken Preston



2012 ORTHO PHOTO

APPLICATION A-10-14-Z

189 ELGIN ST & 377 WELLINGTON ST E



METRIC SCALE
1 :1800

Legend



Subject Properties = 189 Elgin & 377 Wellington E

ROLL NUMBER
020-038-138-00

MAP REFERENCE
7 & 1-15

ROLL NUMBER
020-038-016-00

MAIL LABEL ID
A-10-14-Z



SUBJECT PROPERTY MAP

APPLICATION A-10-14-Z



189 ELGIN ST & 377 WELLINGTON ST E

METRIC SCALE
1 :1800

Legend



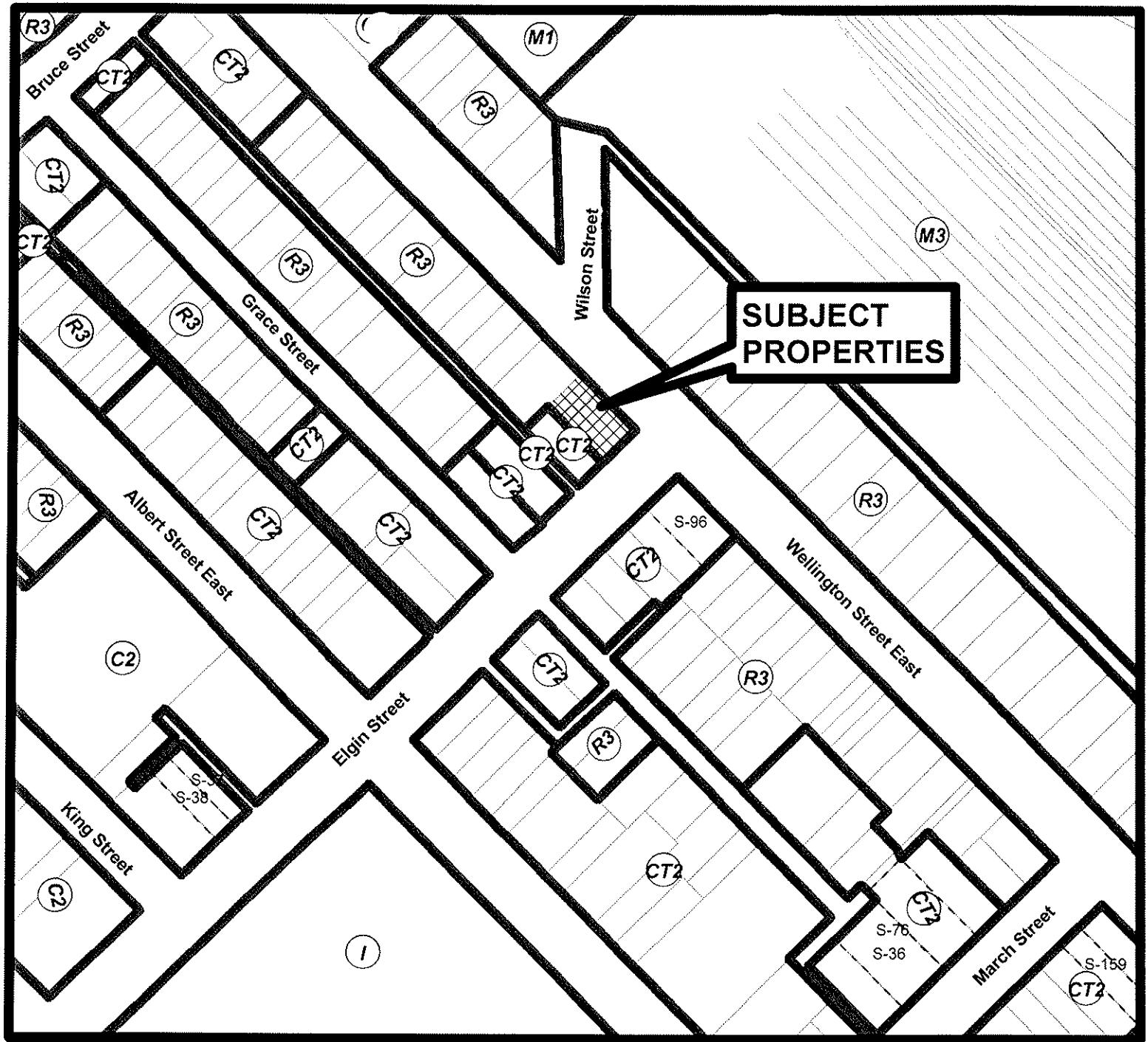
Subject Properties = 189 Elgin & 377 Wellington E

ROLL NUMBER
020-038-138-00

MAP REFERENCE
7 & 1-15

ROLL NUMBER
020-038-016-00

MAIL LABEL ID
A-10-14-Z



EXISTING ZONING MAP

APPLICATION A-10-14-Z



METRIC SCALE
1 : 1800

189 ELGIN ST & 377 WELLINGTON ST E



Subject Properties = 189 Elgin & 377 Wellington E



R3 - Low Density Residential Zone



C2 - Central Commercial Zone



CT2 - Commercial Transitional Zone



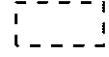
M1 - Light Industrial Zone



M3 - Heavy Industrial Zone



I



S-# = Special Exception Zoning



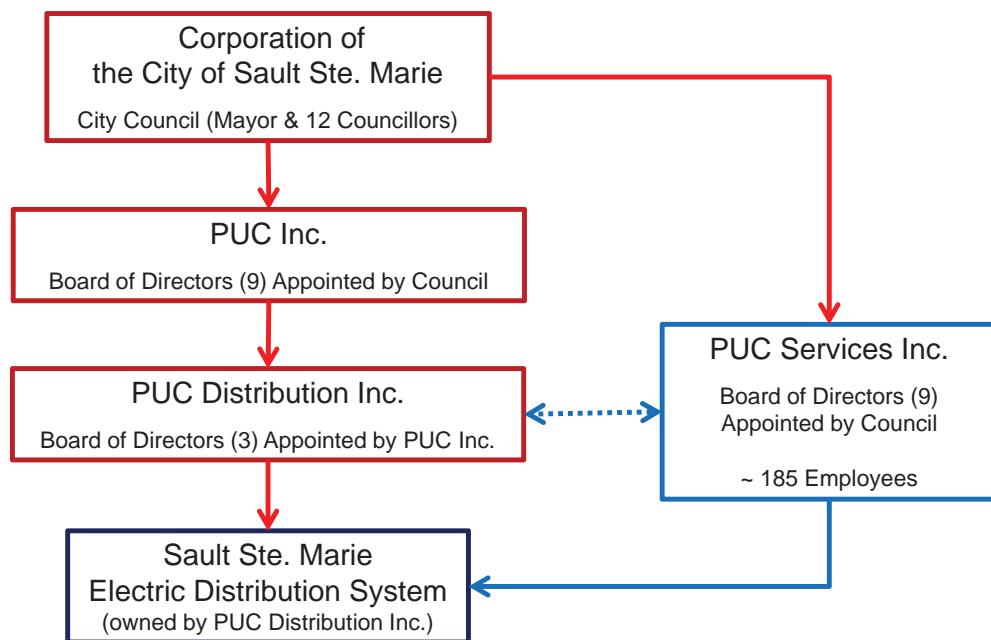
PUC Inc. (PUC Distribution Inc.)

PUC Services Inc. Annual Report to Shareholder

City of Sault Ste. Marie – Council Meeting – May 26, 2014

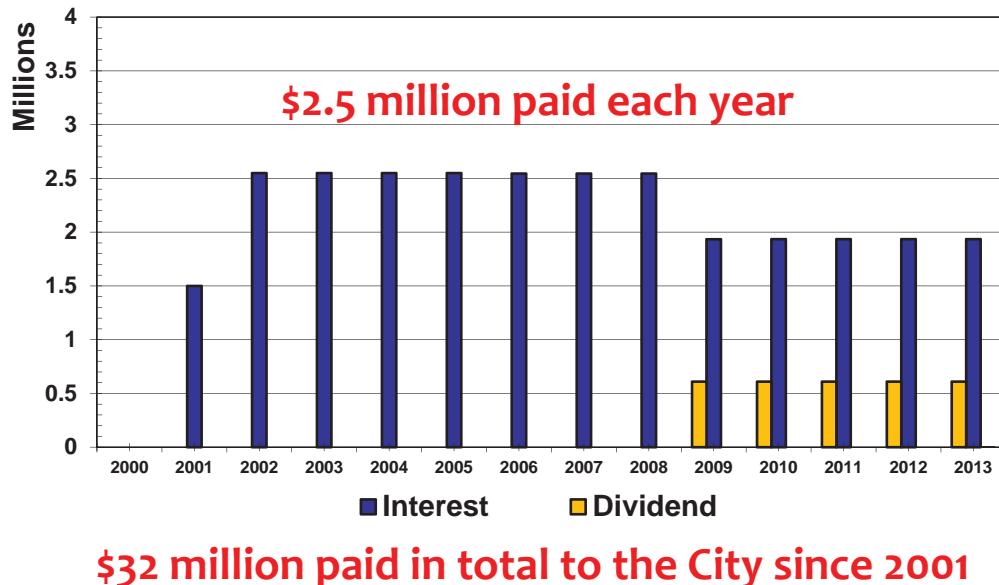


PUC Inc., Distribution Inc. & PUC Services Inc. – Current Structure





Interest and Dividends Paid to Shareholder



\$32 million paid in total to the City since 2001



PUC Distribution: Outlook for 2013 & Results Achieved

- **Outlook:** Bell Aliant FTTP project – anticipated to be most significant impact on PUC electric construction activities
Actual: Considerable time and effort devoted to accommodating the project in 2013
- **Outlook:** Replace 400 suspected defective switches and 1,000 suspected defective porcelain insulators (year 2 of 3 year commitment to Council to address reliability performance)
Actual: 531 switches and 1,300 insulators replaced in 2013 (443 switches and 1,001 insulators replaced in 2012)



PUC Distribution: Outlook for 2013 & Results Achieved

- Achieve third year CDM targets:
 - demand reduction 2.1 MW & energy reduction 4.3 GWh
Actual: reduced demand by 1.5 MW & energy by 8.1 GWh
- \$9.5 million for Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)
Actual: EBITDA = \$8.06 million (OEB Rate Approval impact)
- Outlook: Power Outages - duration (SAIDI) ≤ 2.0 and frequency (SAIFI) ≤ 2.3
Actual: SAIDI = 2.48 and SAIFI = 2.67

May 26, 2014 - City Council Meeting

5



PUC Services Inc. - Income Statement

	2013 (\$millions)	2012
Revenue	17.12	13.23
Expenses	18.07	13.46
Earnings before PILS	(0.95)	(0.23)
Net Income	(0.83)	(0.18)

Paid to Affiliate (PUC Inc.) & Third Parties (IO & FCM)

Interest on Long-Term Debt	0.549	0.533
-----------------------------------	--------------	--------------

May 26, 2014 - City Council Meeting

6



PUC Services – ‘External’ Service Contracts 2013

Espanola Contracts	Espanola Customer Service	Espanola Management Services
WTO Service Contracts	Blind River W/WW Echo Bay W/WW Desbarats W/WW Richards Landing Contract W/WW Pronto East Subdivision W/WW Serpent River Water Supply	Algoma District School Board Huron Superior C. School Board Airport Water Supply Pointe Des Chenes Water Supply Prince Township Community Centre Goulais Recreational Centre
	Algoma District Services Admin Board	Gordon Lake Community Hall
	Northland Trailer Park	

May 26, 2014 - City Council Meeting

7



PUC Inc. & PUC Distribution Inc. Consolidated Income Statement

	2013 (\$millions)	2012
Energy Revenue	85.65	78.18
Cost of Energy	68.77	60.57
Gross Margin	16.88	17.61
Other Revenue	5.50	2.58
Expenses	20.15	17.95
Earnings before PILS	2.23	2.25
Net Income	2.25	1.77

Paid to shareholder (City)

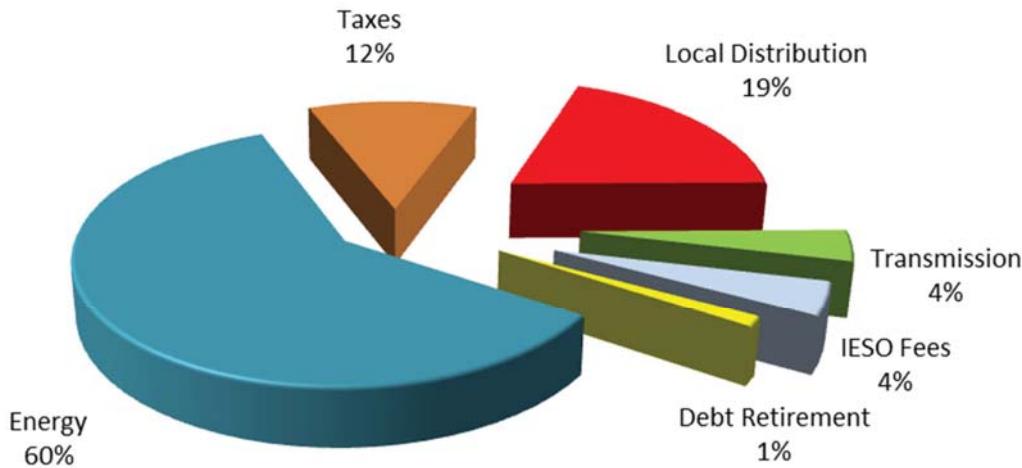
Interest on Long-Term Debt	1.935	1.935
Cash Dividend	0.610	0.610
Total Interest & Cash Paid	2.545	2.545

May 26, 2014 - City Council Meeting

8

PUC Distribution Inc. Application of Revenue

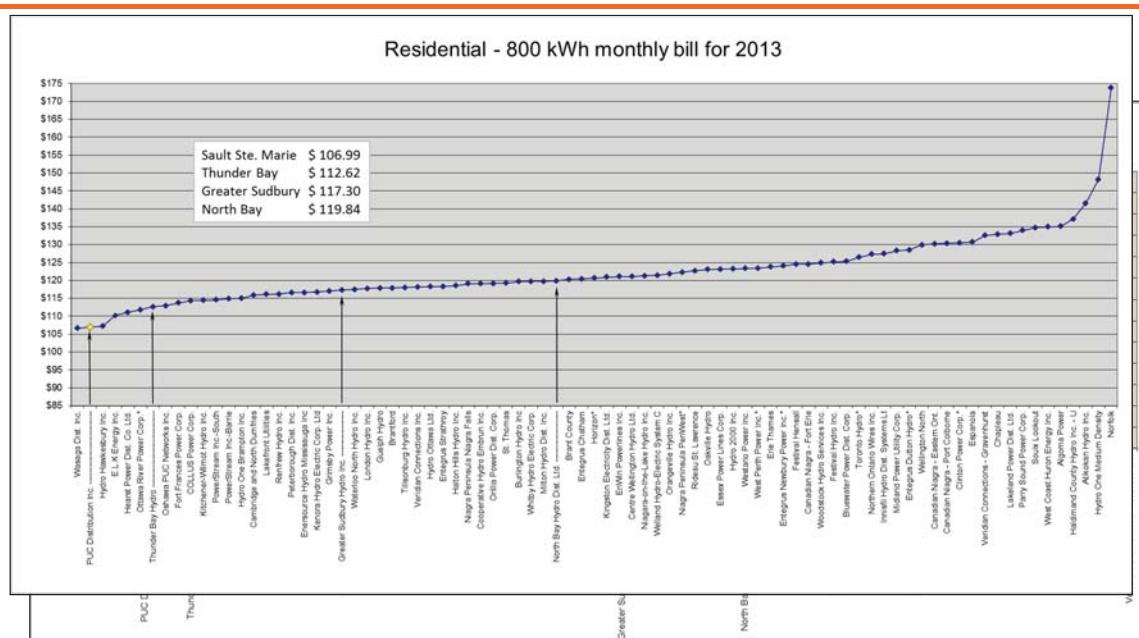
Average Residential Bill 2013 - Sault Ste. Marie



May 26, 2014 - City Council Meeting

9

2013 Provincial Comparison Electric – Residential – Average Monthly Bill



Data published by Ontario Energy Board

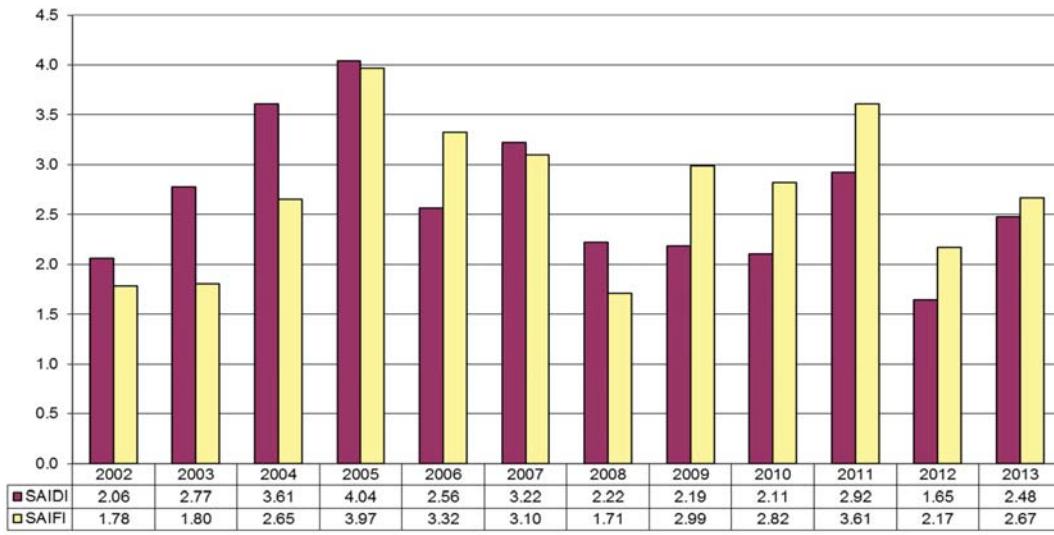
May 26, 2014 - City Council Meeting

10

Electric System Reliability Indices:

SAIDI – outage duration / SAIFI – outage frequency

**Reliability Indices - January 1 to December 31
(excluding Loss of Supply)**

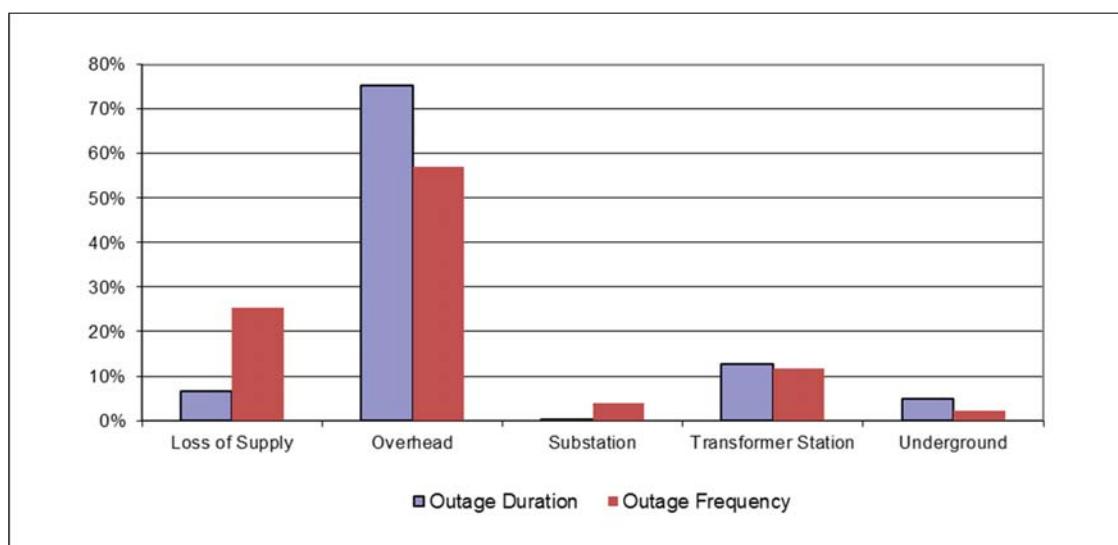


May 26, 2014 - City Council Meeting

■ SAIDI □ SAIFI

11

All Outages 2013 - Duration and Frequency: Contribution by Plant Type



May 26, 2014 - City Council Meeting

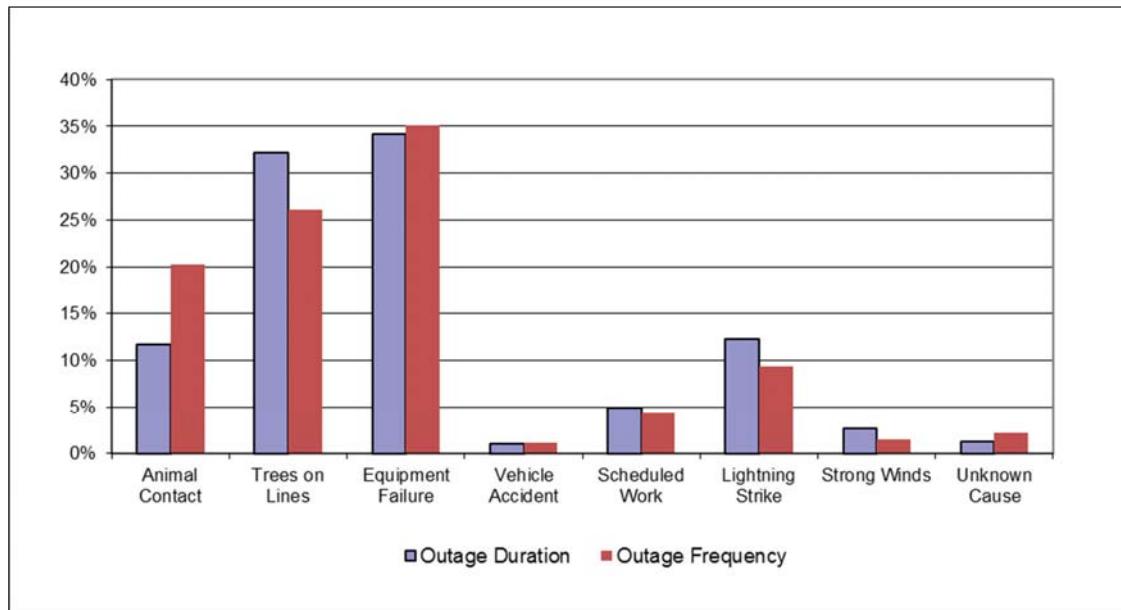
2013 Annual Report Page 120 of 186 Presentation Slides

12

Page 6 of 15



All Outages 2013 - Duration and Frequency: Contribution by Outage Cause

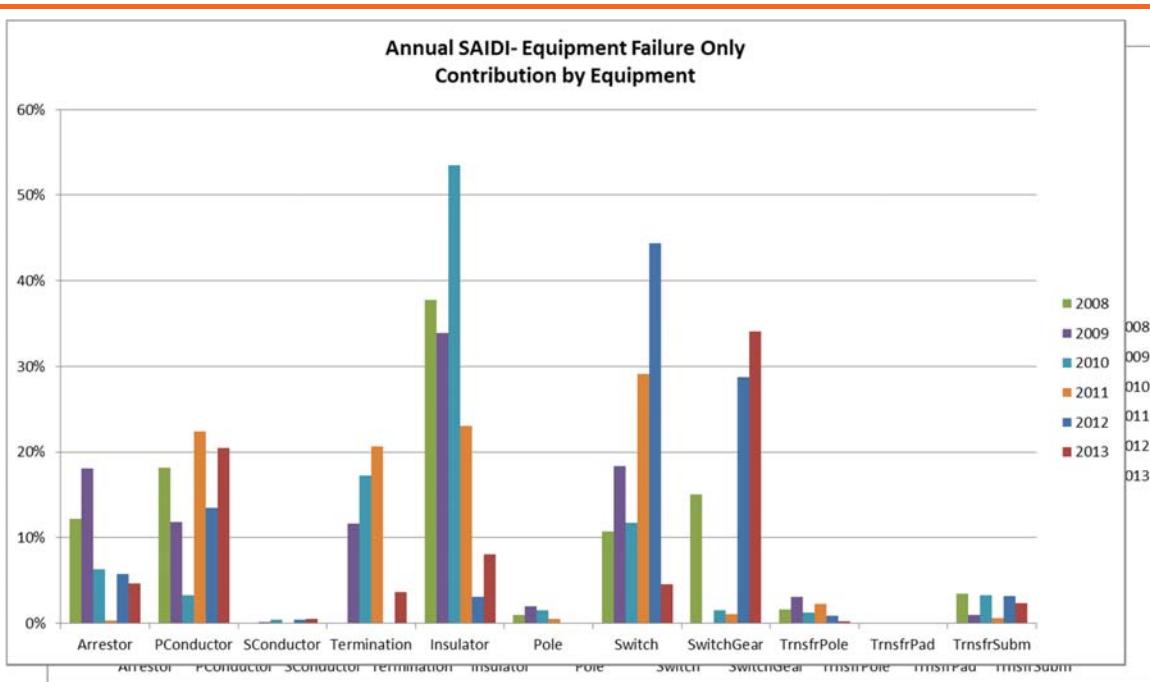


May 26, 2014 - City Council Meeting

13



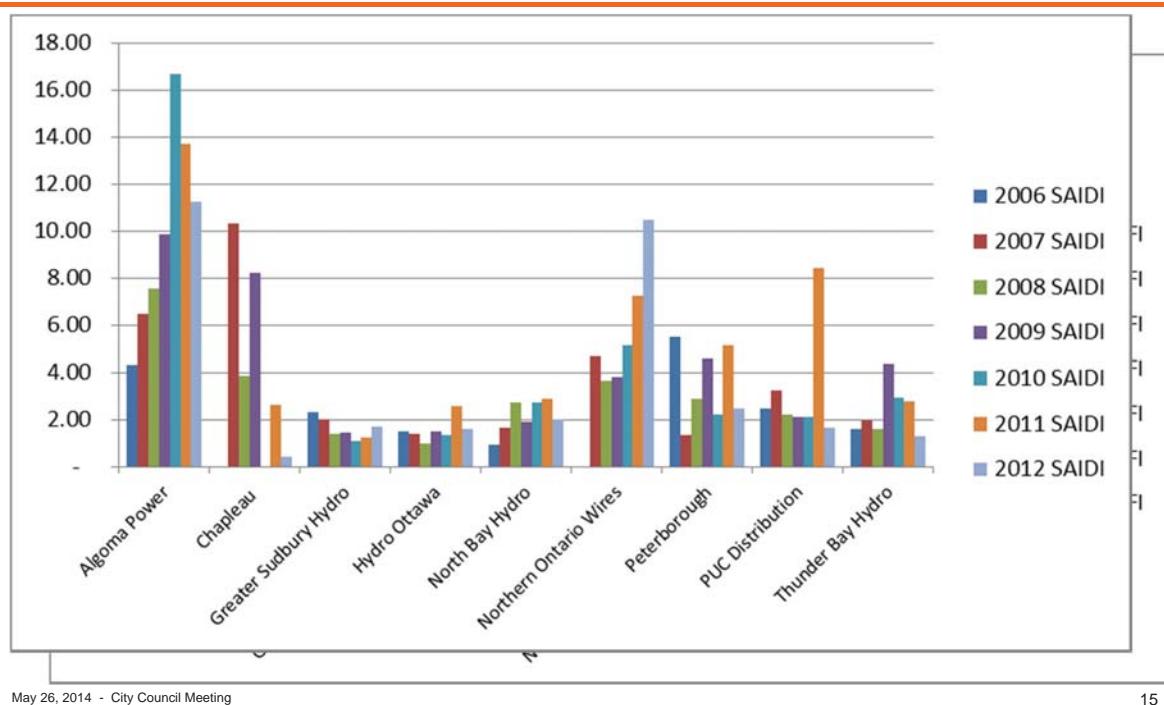
Outage Duration - Equipment Failure only: Contribution by Equipment Type



May 26, 2014 - City Council Meeting

14

Service Reliability – Utility Comparison (published by OEB -- includes Loss of Supply)



May 26, 2014 - City Council Meeting

15

Electric System – Annual Energy and Demand



May 26, 2014 - City Council Meeting

16

- Achieved 187 days with no lost time accidents by year-end
- Completed move of all staff into the new building
- Maintained service contracts with Espanola Regional Hydro
- Managed 17 water & wastewater services contracts excluding the Sault Ste. Marie systems
- Delivered the “Caution and Chance” electrical awareness program to 23 area elementary schools
- approx. 1,514 students



May 26, 2014 - City Council Meeting

17

Electric Utility - Outlook for 2014

- Bell Aliant FTTP project – anticipated to be most significant impact on PUC electric engineering & construction activities
- Replace 400 suspected defective switches and 1,000 suspected defective porcelain insulators (year 3 of 3 year commitment to Council to address reliability performance)
- Achieve third year CDM targets:
 - demand reduction 2.1 MW & energy reduction 4.3 GWh
- Achieve \$9.5 million for Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)
- Reliability indices SAIDI & SAIFI within prior 3 year average

May 26, 2014 - City Council Meeting

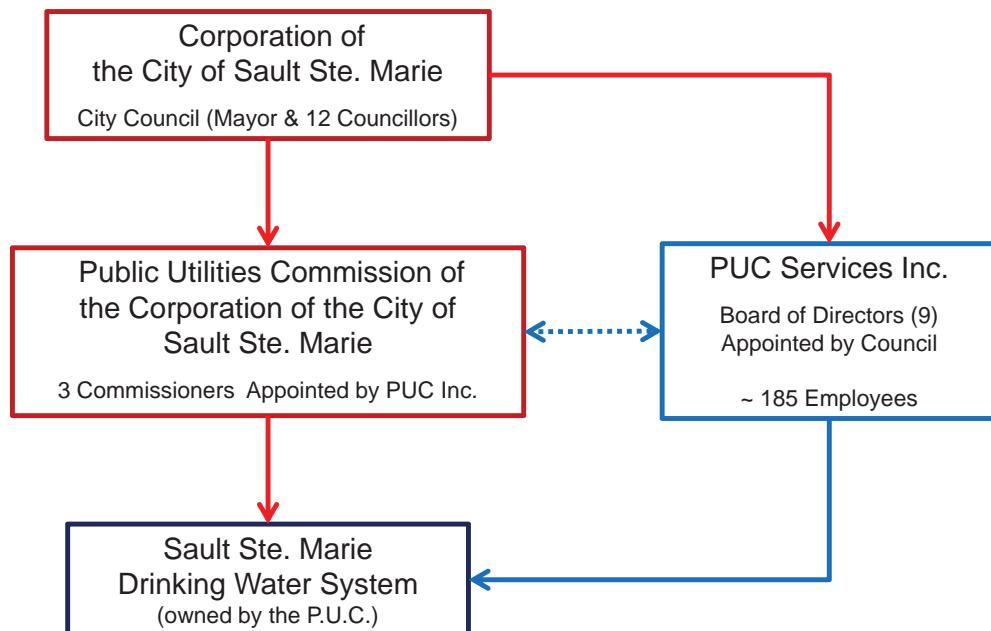
18

Public Utilities Commission of the City of Sault Ste. Marie

Report for 2013

City of Sault Ste. Marie – Council Meeting – May 26, 2014

Water Utility – Current Structure





Outlook for 2013 & Results Achieved

- **Outlook: Water Taste & Odour - Findings and Action Plan**
Actual: Continued progress through 2013 – concluded sampling and analysis, assembled Steering Committee with diverse base for public input, reviewed available solution options, reported in early 2014 with the Preferred Water Quality Improvement Strategy.
- **Backflow Prevention Programme**
Actual: Continued progress with development of support structures. Final implementation dependent on commitment to funding of required resources – continue in 2014
- **Capital Expenditures: \$5.4 million**
Actual: Achieved 76% of target (i.e. \$ 4.1 million)
- **Maintain Accreditation**
Actual: Achieved three year accreditation renewal

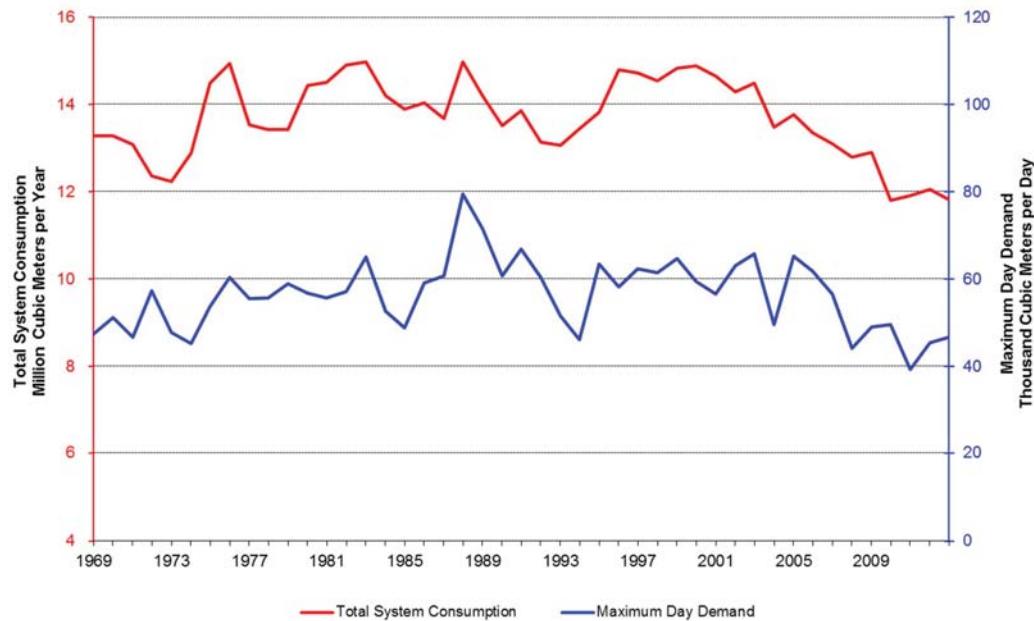


Water Commission – Revenues & Expenditures

	2013 (\$millions)	2012
Service Revenue	15.52	14.47
Other Revenue	0.81	0.80
Total Revenues	16.33	15.27
OM&A	12.28	10.35
Interest on long-term debt	0.11	0.11
Depreciation	2.07	2.01
Total Expenses	14.46	12.47
Net Income	1.87	2.79
Construction of Water Works	4.06	4.42



Water Distribution System: Annual Consumption History

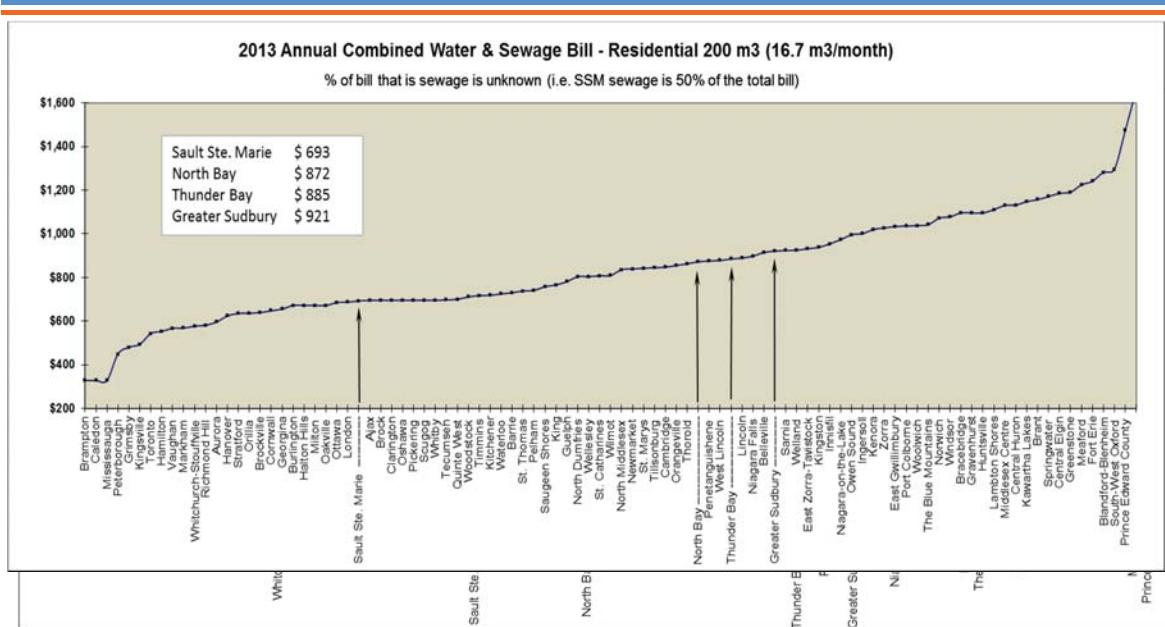


May 26, 2014 - City Council Meeting

23



2013 Provincial Comparison: Annual Combined Water & Sewage Bill



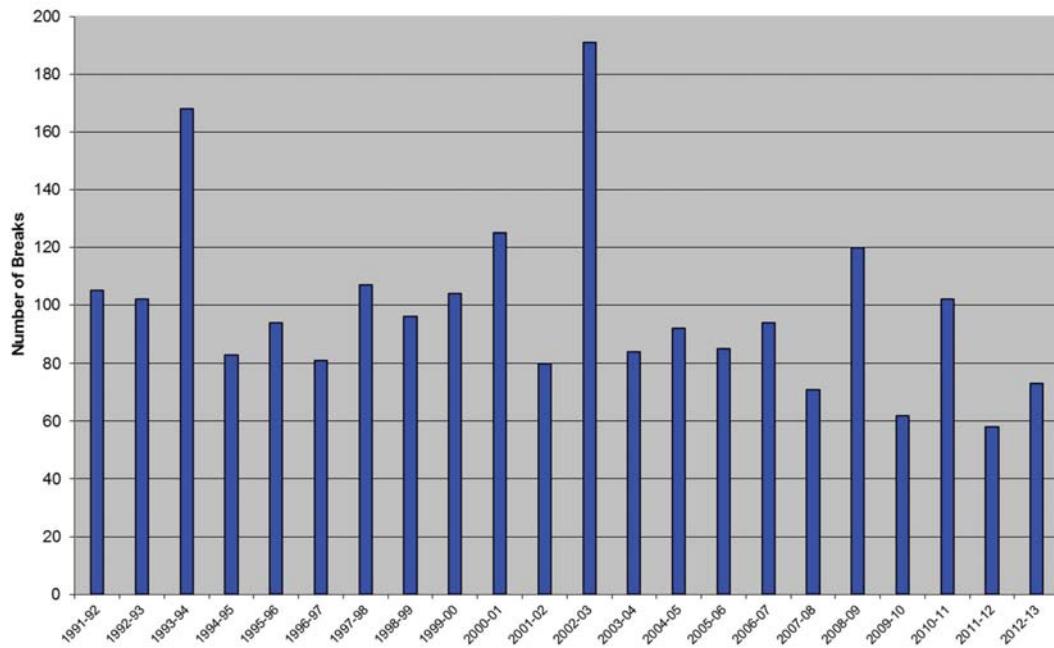
Data published by BMA Management Consultants

May 26, 2014 - City Council Meeting

24



Annual Watermain Breaks Count: Long Term Summary

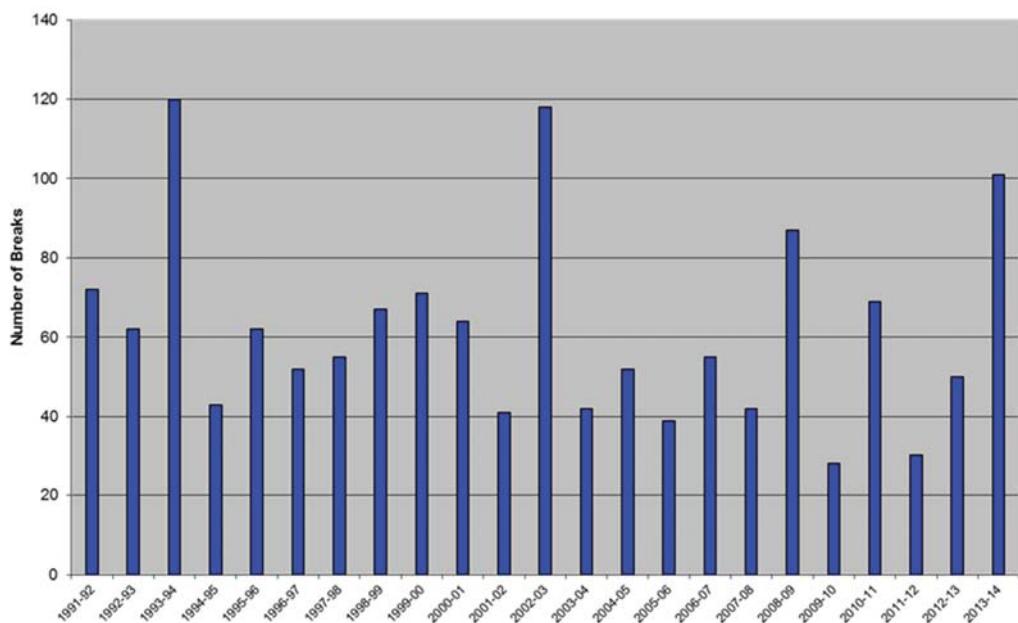


May 26, 2014 - City Council Meeting

25



Part Year Watermain Breaks Count: Total Breaks at March 31



May 26, 2014 - City Council Meeting

26

- Water Quality Improvement Strategy - Stage 1
 - remove Lorna Wells from day-to-day use
 - implement two advanced treatment processes
(pH stabilization & corrosion control)
- Backflow Prevention Programme
- Capital Expenditures: \$4.8 million

Water Supply Financial Plan (February 2012) Long Term Sustainability

Figure 13 – Annual capital and operating cost (in thousands)

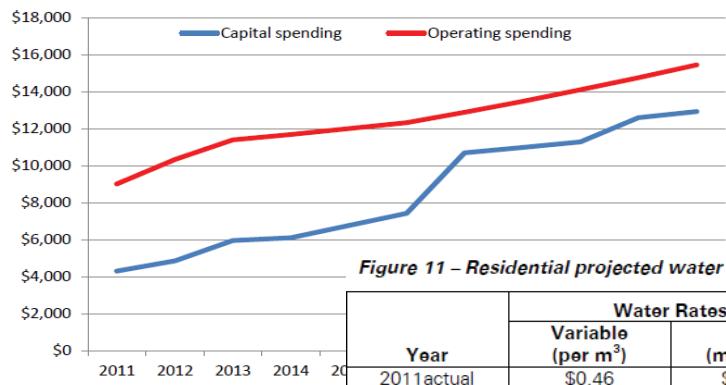


Figure 11 – Residential projected water rates

Year	Water Rates		Average Residential Cost (Annual)	Percentage Increase from Prior Year
	Variable (per m³)	Fixed (monthly)		
2011actual	\$0.46	\$16.41	\$290.11	
2012 (budget)	\$0.50	\$18.06	\$319.44	10%
2013	\$0.55	\$20.03	\$352.23	10%
2014	\$0.60	\$22.03	\$387.45	10%
2015	\$0.66	\$24.24	\$426.20	10%
2016	\$0.73	\$26.66	\$468.82	10%
2017	\$0.80	\$29.33	\$515.70	10%
2018	\$0.84	\$30.79	\$541.48	5%
2019	\$0.89	\$32.33	\$568.56	5%
2020	\$0.93	\$33.95	\$596.99	5%
2021	\$0.98	\$35.65	\$626.83	5%
Average annual increase				8%



Shareholder Resolutions For Approval

- **Acceptance of Annual Financial Statements for PUC Inc. and PUC Services Inc.**

- **Appointment of Board of Directors for PUC Inc. and PUC Services Inc.**

- **Appointment of Auditors for PUC Inc. and PUC Services Inc.**

Financial Statements of

PUC DISTRIBUTION INC.

Year ended December 31, 2013



KPMG LLP
Chartered Accountants
111 Elgin Street, PO Box 578
Sault Ste. Marie ON P6A 5M6

Telephone (705) 949-5811
Fax (705) 949-0911
Internet www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

To the Shareholder of PUC Distribution Inc.

We have audited the accompanying financial statements of PUC Distribution Inc., which comprise the balance sheet as at December 31, 2013 and the statements of earnings and comprehensive earnings and retained earnings and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of PUC Distribution Inc. as at December 31, 2013, and its results of operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Professional Accountants, Licensed Public Accountants

May 7, 2014
Sault Ste. Marie, Canada

PUC DISTRIBUTION INC.

Balance Sheet

December 31, 2013, with comparative information for 2012

	2013	2012
Assets		
Current assets:		
Cash	\$ 314,787	\$ 538,117
Accounts receivable	7,886,094	6,493,117
Unbilled revenue	11,572,951	9,233,411
Payment in lieu of taxes recoverable	343,139	461,484
Inventories	1,675,485	1,274,852
Prepaid expenses and deposits	66,520	63,926
Current portion of regulatory assets (note 3)	771,711	-
	22,630,687	18,064,907
Property, plant and equipment (note 2)	134,063,688	128,112,006
Less accumulated amortization	52,595,690	51,975,297
	81,467,998	76,136,709
Regulatory assets (note 3)	50,924	-
Future taxes (note 7)	1,940,000	2,300,000
	<hr/> \$ 106,089,609	<hr/> \$ 96,501,616

	2013	2012
Liabilities and Shareholder's Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 10,702,293	\$ 11,339,855
Customer deposits	712,536	731,582
Deferred revenue	1,227,075	765,490
Payable to PUC Services Inc. (note 5)	8,054,961	2,563,357
Current portion of long-term debt (note 4)	720,470	-
<u>Current portion of regulatory liabilities (note 3)</u>	<u>3,053,420</u>	<u>2,012,206</u>
	24,470,755	17,412,490
Regulatory liabilities (note 3)	3,238,482	5,732,358
Long-term debt (note 4)	51,917,609	49,004,970
	79,626,846	72,149,818
Shareholder's equity:		
Share capital:		
Authorized:		
Unlimited special shares, non-voting, non-cumulative, redeemable at \$10,000 per share		
10,000 Common shares		
Issued and outstanding:		
8,612 Common shares	20,062,107	20,062,107
<u>Retained earnings</u>	<u>6,400,656</u>	<u>4,289,691</u>
	26,462,763	24,351,798
Contingent liability (note 6)		
	\$ 106,089,609	\$ 96,501,616

See accompanying notes to financial statements.

On behalf of the Board:

 Director
 Director

PUC DISTRIBUTION INC.

Statement of Earnings, Comprehensive Earnings and Retained Earnings

Year ended December 31, 2013, with comparative information for 2012

	2013	2012
Revenue:		
Distribution	16,735,058	17,453,153
Energy charges	68,769,142	60,573,316
Other related charges	149,806	153,282
Other	4,832,457	1,827,816
	<hr/> 90,486,463	<hr/> 80,007,567
Cost of power	68,769,142	60,573,316
Gross profit	<hr/> 21,717,321	<hr/> 19,434,251
Investment income	<hr/> 41,984	<hr/> 62,138
	<hr/> 21,759,305	<hr/> 19,496,389
Expenses:		
Distribution and transmission	5,992,121	5,854,025
Amortization of property, plant and equipment	3,538,651	4,320,787
Administration	4,438,267	2,626,539
Interest on long-term debt	2,184,394	1,656,468
Billing and collecting	1,274,108	1,163,141
Community relations	1,882,536	1,525,185
Other interest	191,706	242,677
	<hr/> 19,501,783	<hr/> 17,388,822
Earnings before the undernoted	<hr/> 2,257,522	<hr/> 2,107,567
Gain (loss) on sale of property and equipment	<hr/> (110,632)	<hr/> 22,253
Earnings before provision for payment in lieu of taxes	<hr/> 2,146,890	<hr/> 2,129,820
Current income taxes (note 7)	<hr/> 35,925	<hr/> 423,475
Net earnings and comprehensive earnings	<hr/> 2,110,965	<hr/> 1,706,345
Retained earnings, beginning of year	<hr/> 4,289,691	<hr/> 2,583,346
Retained earnings, end of year	<hr/> \$ 6,400,656	<hr/> \$ 4,289,691

See accompanying notes to financial statements.

PUC DISTRIBUTION INC.

Statement of Cash Flows

Year ended December 31, 2013, with comparative information for 2012

	2013	2012
Cash flows from operating activities:		
Net earnings and comprehensive earnings	\$ 2,110,965	\$ 1,706,345
Items not involving cash:		
Amortization of property, plant and equipment	3,538,651	4,320,787
<u>(Gain) loss on sale of property</u>	110,632	(22,253)
	<u>5,760,248</u>	<u>6,004,879</u>
Change in non-cash operating working capital:		
Increase in accounts receivable	(1,392,977)	(185,467)
Increase in unbilled revenue	(2,339,540)	(337,495)
Increase (decrease) payment in lieu of taxes recoverable	118,345	(53,549)
Increase in inventories	(400,633)	(7,057)
Increase in prepaid expenses and deposits	(2,594)	(2,792)
Increase (decrease) in accounts payable and accrued liabilities	(637,565)	2,192,576
Decrease in customer deposits	(19,046)	(128,152)
Increase (decrease) in deferred revenue	<u>461,585</u>	<u>(258,255)</u>
	<u>1,547,823</u>	<u>7,224,688</u>
Cash flows from financing activities:		
Increase in long-term debt	3,633,109	16,378,927
Increase (decrease) regulatory liabilities	(1,092,660)	1,431,056
Contributions in aid of construction	<u>1,376,260</u>	<u>785,327</u>
	<u>3,916,709</u>	<u>18,595,310</u>
Cash flows from investing activities:		
Decrease (increase) in regulatory assets	(822,635)	4,933,372
Proceeds from sale of property	1,440,693	39,150
Increase (decrease) in payable to PUC Services	5,491,605	(4,356,767)
Purchase of property, plant and equipment	<u>(11,797,525)</u>	<u>(32,714,985)</u>
	<u>(5,687,862)</u>	<u>(32,099,230)</u>
Decrease in cash	(223,330)	(6,279,232)
Cash beginning of year	538,117	6,817,349
Cash end of year	\$ 314,787	\$ 538,117
Supplemental cash flow information:		
Cash paid during the year for:		
Interest	\$ 2,184,394	\$ 1,656,468
Payments in lieu of taxes	<u>398,555</u>	<u>466,500</u>

See accompanying notes to financial statements.

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2013

PUC Distribution Inc. (the "Company") is incorporated under the Business Corporations Act (Ontario) and as a wholly-owned subsidiary of PUC Inc., is the electric distribution utility for residents of the City of Sault Ste. Marie.

1. Significant accounting policies:

(a) Basis of presentation:

These financial statements have been prepared by management in accordance with the Canadian generally accepted accounting principles for rate regulated entities.

(b) Regulation:

The Ontario Energy Board Act, 1998 (Ontario) ("OEBA") conferred on the Ontario Energy Board ("OEB") increased powers and responsibilities to regulate the electricity industry in Ontario. These powers and responsibilities include approving or fixing rates for the transmission and distribution of electricity, providing continued rate protection for rural and remote electricity consumers, and ensuring that distribution companies fulfill obligations to connect and service customers. The OEB may also prescribe license requirements and conditions of service to electricity distributors which may include, among other things, record keeping, regulatory accounting principles, separation of accounts for distinct businesses, and filing and process requirements for rate setting purposes. In its capacity to approve or set rates, the OEB has the authority to specify regulatory accounting treatments that may differ from Canadian generally accepted accounting principles for enterprises operating in a non-rate regulated environment.

The following regulatory treatments have resulted in accounting treatments that differ from Canadian generally accepted accounting principles ("GAAP") for enterprises operating in a non-regulated environment:

i) Regulatory assets and liabilities:

Regulatory assets represent costs that have been deferred because it is probable that they will be recovered from customers in future periods through the rate-making process. Regulatory liabilities represent future reduction in revenues associated with amounts that are expected to be refunded to customers through the rate-making process.

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2013

1. Significant accounting policies (continued):

(b) Regulation (continued):

ii) Payment in lieu of taxes:

As a municipally owned utility, the Company is exempt from Federal corporate income taxes. However, under the Electricity Act, 1998, the Company is required to make payments in lieu of corporate income and capital taxes to Ontario Electricity Financial Corporation ("OEFC"). These payments are calculated in accordance with the rules for computing income and taxable capital and other relevant amounts contained in the Income Tax Act (Canada) and the Corporations Tax Act (Ontario) as modified by the Electricity Act, 1998, and related regulations.

Effective January 1, 2009, the Company adopted amendments to the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3465, Income Taxes and CICA Handbook Section 1100, Generally Accepted Accounting Principles. These amended sections establish new standards for the recognition, measurement, presentation and disclosure of future income tax assets and liabilities of rate regulated enterprises.

For transactions and events that cause temporary differences between the tax basis of assets and liabilities and their carrying amounts for accounting purposes, the Company recognized future income tax assets and liabilities, and corresponding regulatory liabilities and assets, as a result of adopting these amended standards on January 1, 2009.

Current taxes

The provision for current taxes and the assets and liabilities recognized for the current and prior periods are measured at the amounts receivable or payable from/to the OEFC.

Future taxes

Future taxes are provided for using the liability method and are recognized on temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Future tax liabilities are generally recognized on all taxable temporary differences and future tax assets are recognized to the extent that it is more likely than not that they be realized from taxable profits available against which deductible temporary differences can be utilized.

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2013

1. Significant accounting policies (continued):

(b) Regulation (continued):

ii) Payment in lieu of taxes (continued):

Future taxes are calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. Future taxes are charged or credited to the statement of operations and comprehensive income.

The carrying amount of future tax assets is reviewed at each balance sheet date and reduced to the extent that all or part of the future tax assets have not met the "more likely than not" criterion. Previously unrecognized future income tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become more likely than not of being recovered from future taxable profits.

The Company has recognized regulatory assets and liabilities which correspond to future taxes that flow through the rate-making process.

(c) Inventories:

Inventories consist of parts, supplies and materials held for the future capital expansion and are valued at the lower of cost and net realizable value and items considered major spare parts are recorded as capital assets.

(d) Revenue recognition:

The Company recognizes energy charges revenue on the accrual basis and includes an estimate of unbilled revenue for electricity consumed since the date of each customer's last meter reading.

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2013

1. Significant accounting policies (continued):

(e) Financial instruments:

The Company accounts for its financial assets and liabilities in accordance with Canadian generally accepted accounting principles.

The financial instruments are classified into one of five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments, including derivatives, are measured in the balance sheet at fair value except for loans and receivables, held-to-maturity investments and other financial liabilities which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification, as follows: held-for-trading financial assets are measured at fair value and changes in fair value are recognized in net earnings; available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the investment is derecognized or impaired at which time the amounts would be recorded in net earnings.

The Company has classified its financial instruments as follows:

Cash	Held-for-trading
Accounts receivable	Loans and receivables
Accounts payable and accrued liabilities	Other liabilities
Customer deposit	Other liabilities
Payable from PUC Services Inc.	Other liabilities
Long-term debt	Other liabilities

Comprehensive earnings:

In the event that the Company has any financial instruments that would impact other comprehensive earnings, a statement of comprehensive earnings would be included in the financial statements displaying the effects of the current period net income plus the impact on other comprehensive earnings resulting from these financial instruments.

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2013

1. Significant accounting policies (continued):

(f) Property, plant and equipment:

Property, plant and equipment are recorded at cost and include contracted services, materials, labour, engineering costs and overheads. Certain assets may be acquired or constructed with financial assistance in the form of contributions from developers or customers. The OEB requires that such contributions, whether in cash or in-kind, be offset against the related asset cost. Contributions in-kind are valued at their fair market values at the date of their contribution.

Amortization of property, plant and equipment is charged to operations on a straight-line basis using the following rates:

Asset	2013 Rate
Building	2% to 4%
Machinery and equipment	2.5% to 20%
Transmission and distribution	1.67% to 6.67%

Construction in progress comprises capital assets under construction, assets not yet placed into service and pre-construction activities related to specific projects expected to be constructed.

When identifiable assets, such as buildings, distribution station equipment and equipment and furniture are retired or otherwise disposed of, their original cost and accumulated amortization are removed from the accounts and the related gain or loss is included in the operating results for the related fiscal period. The cost and related accumulated amortization of grouped assets such as transmission and distribution facilities is removed from the accounts at the end of their estimated service life.

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized for the amount by which the carrying amount of the asset exceeds the fair value of the asset.

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2013

1. Significant accounting policies (continued):

(g) Asset retirement obligations:

The Company recognizes the fair value of a future asset retirement obligation as a liability in the period in which it incurs a legal obligation associated with the retirement of tangible long-lived assets that results from the acquisition, construction, development, and/or normal use of the assets. The Company concurrently recognizes a corresponding increase in the carrying amount of the related long-lived asset that is amortized over the life of the asset. The fair value of the asset retirement obligation is estimated using the expected cash flow approach that reflects a range of possible outcomes discounted at a credit-adjusted risk-free interest rate. Subsequent to the initial measurement, the asset retirement obligation is adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. Changes in the obligation due to the passage of time are recognized in income as an operating expense using the interest method. Changes in the obligation due to changes in estimated cash flows are recognized as an adjustment of the carrying amount of the related long-lived asset that is amortized over the remaining life of the asset.

Some of the Company's transmission and distribution assets may have asset retirement obligations. As the Company expects to use the majority of its installed assets for an indefinite period, no removal date can be determined and consequently a reasonable estimate of the fair value of any related asset retirement obligations cannot be made at this time. If, at some future date, it becomes possible to estimate the fair value cost of removing assets that the Company is legally required to remove, an asset retirement obligation will be recognized at that time.

(h) Customer deposits:

Customers may be required to post security to obtain electricity or other services. Where the security posted is in the form of cash or cash equivalents, these amounts are recorded in the accounts as customer deposits and invested in term deposits, which are held in trust by PUC Services Inc. Interest is paid on customer balances at rates established from time to time by the Company in accordance with regulation.

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2013

1. Significant accounting policies (continued):

(i) Measurement of uncertainty:

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and note disclosures related thereto. Due to the inherent uncertainty in making estimates, actual results could differ from estimates recorded in preparing these financial statements, including changes as a result of future regulatory decisions.

Accounts receivable and regulatory assets are stated after evaluation of amounts expected to be collected and an appropriate allowance for doubtful accounts. Inventory is recorded net of provisions for obsolescence. Amounts recorded for amortization of property, plant and equipment are based on estimates of useful service life.

(j) Adoption of new accounting standards:

Publicly accountable enterprises in Canada were required to adopt International Financial Reporting Standards ["IFRS"] in place of Canadian GAAP for annual reporting purposes for fiscal years beginning on or after January 1, 2011. The Accounting Standards Board has granted a series of deferrals for IFRS adoption for entities subject to rate regulation. The Company has elected to take the optional deferral of its adoption of IFRS; therefore, it continues to prepare its consolidated financial statements in accordance with Canadian GAAP in Part V of the CICA Handbook.

2. Property, plant and equipment:

			2013	2012
		Accumulated Cost	Net book value	Net book value
Land	\$ 845,595	\$ -	\$ 845,595	\$ 845,039
Building	26,108,658	1,230,032	24,878,626	23,533,930
Machinery and equipment	27,585,745	13,408,928	14,176,817	14,938,700
Transmission and distribution	79,516,902	37,956,730	41,560,172	36,819,040
Construction in progress	6,788	-	6,788	-
	\$ 134,063,688	\$ 52,595,690	\$ 81,467,998	\$ 76,136,709

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2013

3. Regulatory assets and liabilities:

Regulatory assets and liabilities arise as a result of the rate-making process and consist of the following:

	2013	2012
Regulatory assets consist of the following:		
Current portion of regulatory assets		
Stranded Meters	\$ 717,645	\$ -
LRAMVA	54,066	-
	<hr/> \$ 771,711	<hr/> \$ -
Long-term portion of regulatory assets		
Smart Meter Entity (SME) Charges	\$ 23,891	\$ -
LRAMVA	27,033	-
	<hr/> Total regulatory assets	<hr/> \$ 50,924 \$ -
Current portion of regulatory liabilities:		
Settlement Variances	\$ (1,352,526)	\$ (1,483,920)
Regulatory asset recovery account - Phase 3	-	(46,177)
Regulatory asset recovery account - Phase 4	(19,736)	-
Regulatory asset recovery account - Phase 5	-	(409,233)
Regulatory asset recovery account - Phase 6	(1,608,282)	-
CGAAP Accounting Changes	(72,876)	(72,876)
	<hr/> \$ (3,053,420)	<hr/> \$ (2,012,206)
Long-term portion of regulatory liabilities		
Settlement Variances	\$ (1,113,278)	\$ (3,088,466)
Future Taxes	(1,940,000)	(2,300,000)
Regulatory asset recovery account - Phase 3	-	(46,177)
Regulatory asset recovery account - Phase 4	(9,868)	(35,258)
Regulatory asset recovery account - Phase 5	(29,586)	-
CGAAP Accounting Changes	(145,750)	(262,456)
	<hr/> Total regulatory liabilities	<hr/> \$ (3,238,482) \$ (5,732,358)

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2013

3. Regulatory assets and liabilities (continued):

The regulatory assets and liabilities balances of the Company are defined as follows:

(a) Regulatory assets recovery account - Phase 3:

Through a 2010 rate application, the OEB approved the disposition of regulatory asset Group 1 accounts of \$1,543,873 to be returned to customers over a one year period. The balance at December 31, 2013 was \$Nil (2012 - \$92,354). Carrying charges, which amounted to \$Nil at December 31, 2013 (2012 - \$17,445) are calculated monthly on the opening balance of the variance account using specific interest rate as outlined by the OEB.

(b) Regulatory assets recovery account - Phase 4:

Through a 2011 rate application, the OEB approved the disposition of regulatory asset Group 1 accounts of \$1,020,945 to be returned to customers over a one year period. The balance at December 31, 2013 was \$29,603 (2012 - \$35,258). Carrying charges, which amounted to \$7,231 at December 31, 2013 (2012 - \$1,576) are calculated monthly on the opening balance of the variance account using specific interest rates as outlined by the OEB.

(c) Regulatory assets recovery account - Phase 5:

Through a 2012 rate application, the OEB approved the disposition of regulatory asset accounts of \$872,297 to be returned to customers over a one year period. The balance at December 31, 2013 was \$29,586 (2012 - \$409,233). Carrying charges, which amounted to \$8,510 at December 31, 2013 (2012 - \$6,720) are calculated monthly on the opening balance of the variance account using specific interest rates as outlined by the OEB.

(d) Regulatory assets recovery account - Phase 6:

Through a 2013 rate application, the OEB approved the disposition of regulatory asset accounts of \$2,638,187 to be returned to customers over a one year period. The balance at December 31, 2013 was \$1,608,283 (2012 - \$Nil). Carrying charges, which amounted to (\$12,998) at December 31, 2013 (2012 - \$Nil) are calculated monthly on the opening balance of the variance account using specific interest rates as outlined by the OEB.

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2013

3. Regulatory assets and liabilities (continued):

(e) Canadian GAAP accounting changes:

The Board has approved a new variance account for distributors to record the financial differences arising as a result of the election to make accounting changes under Canadian GAAP in 2012 (or to make these changes as mandated by the Board in 2013, if applicable). The accounting changes include changes to depreciation rates and capitalization policies while still under Canadian GAAP in 2012. The Company has elected to make both of the aforementioned accounting changes in 2012, resulting in \$218,626 at December 31, 2013 (2012 - \$335,332) being recorded in regulatory liabilities.

(f) Settlement variances:

Settlement variances represent the differences between the amounts charged by the Company to its customers based on regulated rates and the corresponding cost incurred by the LDC in the wholesale market administered by the IESO. The settlement variances relate primarily to carrying charges, non-competitive electricity charges, imported power charges and the global adjustment. Accordingly, the Company has deferred these recoveries in accordance with the criteria set out in the Accounting Procedures Handbook.

Carrying charges are calculated monthly on the opening balance of the applicable settlement variance account using a specific interest rate as outlined by the OEB.

On November 19, 2010 the Company made an application to the OEB to return to customers settlement variances as of December 31, 2009 totaling \$1,020,945. The OEB approved the disposition of the settlement variances over a one year period commencing May 1, 2011.

On November 10, 2011, the Company made an application to the OEB to return to the customers settlement variances as of December 31, 2010 totalling \$851,587. The OEB approved the disposition of the settlement variances over a one year period commencing May 1, 2012.

On November 6, 2012, the Company made an application to the OEB to return to the customers settlement variances as of December 31, 2011. The OEB approved the disposition of settlement variances over a 10 month period of \$2,638,187 commencing July 1, 2013.

On October 11, 2013 the company made an application to the OEB to return to the customers settlement variance of \$2,058,392 at December 31, 2013. The OEB approved the disposition settlement variances over a one year period commencing May 1, 2014.

The balance of \$2,465,804 at December 31, 2013 (2012 - \$4,572,386) is deferred in a regulatory liability account.

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2013

3. Regulatory assets and liabilities (continued):

- (g) Lost Revenue Adjustment Mechanism Variance Account (LRMVA)

For Conservation and Demand Management (CDM) programs delivered within the 2011-2014 period, the OEB established a LRAMVA to capture the variance between the OEB approved CDM forecast and the actual results. The total received for CDM losses is \$81,098 at December 31, 2013 (2012 - \$Nil).

- (h) Stranded Meters Variance Account

Through a 2013 rate application, the OEB approved the disposition of the Company's stranded meters resulting from the deployment of Smart Meters for an amount of \$1,349,557. The balance at December 31, 2013 was \$717,645 (2012 - \$Nil). Carrying charges, which amounts to \$6,758 at December 31, 2013 (2012 - \$Nil) are calculated monthly on the opening balance of the variance account using specific interest rates as outlined by the OEB.

- (i) Smart Meter Entity (SME) Charge Variance Account:

In its role as the SME, the IESO is managing the development of the meter data management/repository (MDM/R) to collect, manage, store and retrieve information related to the metering of customers' use of electricity in Ontario. Effective May 1, 2013, the SME charge is levied and collected by licensed distributors (LDC's) from customers at \$0.79 per month until October 31, 2018. The LDC's will incur SME charges monthly from the IESO. A variance account will be used to track the difference between SME revenues and expenses. The balance at December 31, 2013 was \$23,891 (2012 - \$Nil) are calculated monthly on the opening balance of the variance account using specific interest rates as outline by the OEB.

- (j) Regulatory future income tax asset and liability:

Future income taxes are recognized on temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. The Company has recognized regulatory assets and liabilities which correspond to future taxes that flow through the rate-making process. In the absence of rate regulated accounting, the Company's provision for PILs would have been recognized using the liability method and there would not be regulatory accounts set up for taxes to be recovered through future rates. As a result, the provision for PILs would have been higher by approximately \$360,000 (2012 - lower by \$770,000) including the impact of a change in substantively enacted tax rates.

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2013

3. Regulatory assets and liabilities (continued):

(k) Fair value of regulatory assets (liabilities):

For certain regulatory items identified above, the expected recovery or settlement period or likelihood of recovery or settlement, is affected by risks and uncertainties related to the ultimate authority of the OEB in determining the asset's treatment for rate setting purposes.

Management continually assesses the likelihood of recovery of regulatory assets. If recovery through future rates is no longer considered possible, the amounts would be charged to the results of operations in the period the assessment is made.

4. Long-term debt:

	2013	2012
Note payable to parent company, PUC Inc.	\$ 26,534,040	\$ 26,534,040
Ontario Infrastructure and Lands Corporation loan payable #1	5,000,000	5,000,000
Ontario Infrastructure and Lands Corporation loan payable #2	21,104,039	17,470,930
	52,638,079	49,004,970
<u>Current portion of long-term debt</u>	<u>720,470</u>	-
	<u>\$ 51,917,609</u>	<u>\$ 49,004,970</u>

Principal repayments are due as follows:

2014	\$ 720,470
2015	752,049
2016	785,022
2017	819,452
2018	855,405
	<u>\$ 3,932,398</u>

The note payable to parent company, PUC Inc., bears interest payable quarterly at rates periodically negotiated and principal payable one year after demand. The average interest rate for 2013 was 6.1% (2012 - 6.1%).

The loan payable #1 to Ontario Infrastructure and Lands Corporation ("OILC"), for the Smart Meter deployment project, bears interest payable monthly at an interest rate of 3.82% and repayable by blended semi - annual principal and interest payments of \$220,498, maturing July

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2013

4. Long-term debt (continued):

17, 2028.

The loan payable #2 to Ontario Infrastructure and Lands Corporation was for the construction of the new administration and operation facility, bears interest at a rate of 4.61%. The loan will be repayable over 25 years by a blended monthly principal and interest payments of \$118,568 and matures on October 1, 2038. The loan is secured by a mortgage on the land and building and a general security agreement .

5. Related party transactions:

The following entities are related parties of the Company:

The Corporation of the City of Sault Ste. Marie (City)	- 100% shareholder of PUC Inc.
PUC Inc. (Inc.)	- sole shareholder of the Company
PUC Services Inc. (Services)	- 100% owned by the Corporation of the City of Sault Ste. Marie
PUC Telecom Inc. (Telecom)	- 100% owned by PUC Inc.
Public Utilities Commission of the City of Sault Ste. Marie (Utility)	- 100% owned by the Corporation of the City of Sault Ste. Marie

The Company has a management, operation and maintenance agreement with PUC Services Inc., which has been extended to November 30, 2017, under which Services manages, controls, administers and operates the business of the Company.

The Company pays interest on its payable balance to Services at the OEB prescribed short-term borrowing rate on its average monthly balance. Interest of \$94,644 (2012 - \$51,403 earned) was paid during the year.

The Company provides electricity to the City which is the shareholder of the parent corporation, PUC Inc. Electrical energy is sold to the City at the same prices and terms as other electricity customers. The amount charged to the City for electricity consumed by streetlights is \$1,544,632 (2012 - \$1,437,164) and for other electricity consumption is \$3,847,668 (2012 - \$3,144,480).

Occupancy fees were charged by the Utility in the amount of \$98,651 (2012 - \$109,859)

Management fees were charged by PUC Services Inc. in the amount of \$5,902,657 (2012 - \$4,028,704) for an allocation of joint administrative and other expenses.

These transactions are in the normal course of operations and are measured at the exchange amount which is the amount of consideration agreed to by the related parties.

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2013

6. Contingent liability:

Purchasers of electricity in Ontario are required to provide security to the IESO to mitigate the risk of their default based on their expected activity in the market. The IESO could draw on these guarantees if PUC Distribution Inc. fails to make a payment required by a default notice issued by the IESO. In this regard, the Company has posted a letter of guarantee as security in the amount of \$5,000,000 underwritten by the Company's bank.

7. Income taxes:

The provision for the payment in lieu of corporate income taxes (PILs) differs from the amount that would have been recorded using the combined Canadian Federal and Ontario statutory income tax rate. The reconciliation between the statutory and the effective tax rates is provided as follows:

	2013	2012
Earnings before provision for payment in lieu of taxes	\$ 2,146,890	\$ 2,129,820
Tax at statutory rate of 26.5% (2012 - 26.5%)	\$ 568,926	\$ 564,402
Tax effect on disposition of assets	29,317	(925)
Amortization timing differences	(526,432)	(140,002)
Other	405	-
Prior year over provision	(19,491)	-
Provincial small business rate	(16,800)	-
	<hr/> \$ 35,925	<hr/> \$ 423,475

The tax effects of temporary differences that give rise to significant portions of the future payment in lieu of taxes are presented below utilizing the substantively enacted Federal and Ontario combined future rate of 26.5%.

	2013	2012
Property, plant and equipment - differences in net book value and unamortized capital cost	\$ 1,940,000	\$ 2,300,000

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2013

8. Capital disclosures:

The Company's objective with respect to its capital structure is to maintain effective access to capital on an ongoing basis at reasonable rates while achieving appropriate rates of financial return for its shareholder.

The Company considers its capital structure to consist of shareholder's equity and notes payable held by the Company's shareholder which has been outlined below.

	2013	2012
Note payable to PUC Inc. - 6.1%	\$ 26,534,040	\$ 26,534,040
Common shares	20,062,107	20,062,107
Retained earnings	6,400,656	4,289,695
	<hr/> \$ 52,996,803	<hr/> \$ 50,885,842

The Company is subject to a shareholder's agreement which has restrictive covenants typically associated with such an agreement. At December 31, 2013, the Company is in compliance with all of the covenants and restrictions.

PUC Distribution Inc. is a Corporation regulated by the Ontario Energy Board. The regulator has prescribed a capital structure of 60% debt and 40% equity. For rate setting purposes the Company has complied with these requirements.

9. Credit risk and financial instruments:

(a) Financial instruments:

The carrying values of accounts receivable, payable to PUC Services Inc., customer deposits and accounts payable and accrued liabilities approximate fair value because of the short maturity of these instruments.

It is not practicable to determine the fair value of the notes payable as there are no principal repayment terms.

(b) Credit risk and concentrations of credit risk:

Financial assets held by the Company expose it to credit risk. As at December 31, 2013, there were no significant concentrations of credit risk with respect to any class of financial assets.

The Company earns its revenue from a broad base of customers located principally in Sault Ste. Marie. No single customer would account for revenue or an accounts receivable balance in excess of 10% of the respective reported balances.

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2013

9. Credit risk and financial instruments (continued):

(c) Interest rate risk:

The Company pays interest on its payable to PUC Services Inc. balance at the OEB prescribed short term debt rate. As a result, the Company is exposed to interest rate risk due to fluctuations in the OEB prescribed short term debt rate. These fluctuations could affect the level of interest expense of the Company.

Financial Statements of

**PUBLIC UTILITIES
COMMISSION OF THE
CITY OF SAULT STE. MARIE**

Year ended December 31, 2013

PUBLIC UTILITIES COMMISSION OF THE CITY OF SAULT STE. MARIE

Financial Statements

Year ended December 31, 2013

	Page
Independent Auditors' Report	
Financial Statements	
Statement of Financial Position	1
Statement of Operations and Accumulated Surplus.....	2
Statement of Change in Net Debt	3
Statement of Cash Flows	4
Notes to Financial Statements	5



KPMG LLP
Chartered Accountants
111 Elgin Street, PO Box 578
Sault Ste. Marie ON P6A 5M6

Telephone (705) 949-5811
Fax (705) 949-0911
Internet www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

To the Commissioners of the Public Utilities Commission of the City of Sault Ste. Marie, Members of Council, Inhabitants and Ratepayers of The Corporation of the City of Sault Ste. Marie

We have audited the accompanying financial statements of the Public Utilities Commission of the City of Sault Ste. Marie, which comprise the statement of financial position as at December 31, 2013, the statements of operations, change in net debt and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Public Utilities Commission of the City of Sault Ste. Marie as at December 31, 2013, and its results of operations and its changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants, Licensed Public Accountants

May 7, 2014
Sault Ste. Marie, Canada

DRAFT

PUBLIC UTILITIES COMMISSION OF THE CITY OF SAULT STE. MARIE

Statement of Financial Position

December 31, 2013, with comparative information for 2012

	2013	2012
Financial assets:		
Accounts receivable	\$ 3,173,369	\$ 2,661,435
Unbilled service revenue	740,705	712,323
Receivable from related company, PUC Services Inc. (note 3)	1,670,033	2,031,617
	<hr/> 5,584,107	<hr/> 5,405,375
Financial liabilities:		
Loan payable (note 4)	2,995,000	3,000,000
Accounts payable and accrued liabilities	4,115,833	3,810,579
	<hr/> 7,110,833	<hr/> 6,810,579
Net debt	<hr/> (1,526,726)	<hr/> (1,405,204)
Non-financial assets:		
Tangible capital assets (note 6)	76,193,549	74,196,590
Inventory	229,854	237,211
	<hr/> 76,423,403	<hr/> 74,433,801
Accumulated surplus (note 7)	<hr/> \$ 74,896,677	<hr/> \$ 73,028,597

The accompanying notes are an integral part of the financial statements.

PUBLIC UTILITIES COMMISSION OF THE CITY OF SAULT STE. MARIE

Statement of Operations and Accumulated Surplus

Year ended December 31, 2013, with comparative information for 2012

	Budget	2013 Total	2012 Total
Revenues:			
Service revenue:			
Residential	\$ 8,602,163	\$ 8,249,924	\$ 7,797,208
General	6,378,951	6,338,475	5,857,007
Hydrants	865,000	927,519	813,964
	<u>15,846,114</u>	<u>15,515,918</u>	<u>14,468,179</u>
Other:			
Occupancy	119,559	132,627	147,696
Investment income	2,000	16,117	24,026
Non-service revenue	325,600	650,120	533,657
Developers contributions	—	10,056	92,969
	<u>447,159</u>	<u>808,920</u>	<u>798,348</u>
Total revenues	<u>16,293,273</u>	<u>16,324,838</u>	<u>15,266,527</u>
Expenses:			
Purification and pumping	3,339,807	3,583,322	3,637,504
Transmission and distribution	4,130,063	3,543,480	3,340,630
Amortization of tangible capital assets	2,100,000	2,067,871	2,006,186
Hydrants	450,378	484,761	399,246
Billing and collection	759,328	1,071,856	965,727
Interest on long-term debt	112,500	111,963	105,036
General and administration	3,445,103	3,593,505	2,017,823
Total expenses (note 5)	<u>14,337,179</u>	<u>14,456,758</u>	<u>12,472,152</u>
Annual surplus	<u>1,956,094</u>	<u>1,868,080</u>	<u>2,794,375</u>
Accumulated surplus, beginning of year	<u>73,028,597</u>	<u>73,028,597</u>	<u>70,234,222</u>
Accumulated surplus, end of year	\$ 74,984,691	\$ 74,896,677	\$ 73,028,597

The accompanying notes are an integral part of the financial statements.

PUBLIC UTILITIES COMMISSION OF THE CITY OF SAULT STE. MARIE

Statement of Change in Net Debt

Year ended December 31, 2013, with comparative information for 2012

	Budget	2013	2012
Annual surplus	\$ 1,956,094	\$ 1,868,080	\$ 2,794,375
Acquisition of tangible capital assets	(5,436,521)	(4,064,830)	(4,432,570)
Amortization of tangible capital assets	2,100,000	2,067,871	2,006,185
	(1,380,427)	(128,879)	367,990
Acquisition of inventory	–	(229,854)	(237,211)
Use of inventory	–	237,211	248,978
Change in net debt	(1,380,427)	(121,522)	379,757
Net debt, beginning of year	(1,405,204)	(1,405,204)	(1,784,961)
Net debt, end of year	<u>\$ (2,785,631)</u>	<u>\$ (1,526,726)</u>	<u>\$ (1,405,204)</u>

The accompanying notes are an integral part of these financial statements.

PUBLIC UTILITIES COMMISSION OF THE CITY OF SAULT STE. MARIE

Statement of Cash Flows

Year ended December 31, 2013, with comparative figures for 2012

	2013	2012
Cash provided by (used for):		
Operating activities:		
Annual surplus	\$ 1,868,080	\$ 2,794,375
Items not involving cash:		
Amortization of tangible capital assets	2,067,871	2,006,185
Developers contributions	(10,056)	(92,969)
	3,925,895	4,707,591
Change in non-cash assets and liabilities:		
Accounts receivable	(511,935)	(518,462)
Unbilled service revenue	(28,382)	(46,560)
Local improvements receivable	–	40,468
Inventory	7,357	11,767
Accounts payable	305,254	963,592
Net change in cash from operating activities	3,698,189	5,158,396
Capital activities:		
Cash used to acquire tangible capital assets	(4,054,774)	(4,339,601)
Financing activities:		
Loan payable	(5,000)	–
Receivable from PUC Services Inc.	361,585	(818,795)
Net change in cash for financing activities	356,585	(818,795)
Net change in cash	–	–
Cash, beginning and end of year	\$ –	\$ –

The accompanying notes are an integral part of the financial statements.

PUBLIC UTILITIES COMMISSION OF THE CITY OF SAULT STE. MARIE

Notes to Financial Statements

Year ended December 31, 2013

The Public Utilities Commission of the City of Sault Ste. Marie (the "Commission") is a body appointed by the Corporation of the City of Sault Ste. Marie to supply water and related services to its residents.

1. Significant accounting policies:

The financial statements of the Commission are prepared by management in accordance with accounting principles generally accepted in Canada for government organizations as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Commission are as follows:

(a) Basis of accounting:

Revenues and expenses are reported on the accrual basis of accounting.

The accrual basis of accounting recognizes revenues as they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(b) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land and landfill sites, are amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Useful Life - Years
Buildings and building improvements	10 to 60
Machinery and equipment	5
Water infrastructure	15 to 100

Annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

PUBLIC UTILITIES COMMISSION OF THE CITY OF SAULT STE. MARIE

Notes to Financial Statements

Year ended December 31, 2013

1. Significant accounting policies (continued):

(b) Non-financial assets (continued):

(ii) Contributions of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

(iii) Inventory

Inventory, which consists of parts and supplies acquired for internal construction or consumption, is valued at the lower of cost and replacement cost.

(c) Revenue recognition:

Revenue is recognized on the accrual basis, which includes an estimate of unbilled revenue for water consumed by customers since the date of each customer's last meter reading. Actual results could differ from estimates made of water usage.

(d) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses, assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from these estimates.

2. Budget figures:

The budgets established for capital funds are based on a project-oriented basis, the costs of which may be carried out over one or more years. As such, they may not be directly comparable with current year actual amounts.

PUBLIC UTILITIES COMMISSION OF THE CITY OF SAULT STE. MARIE

Notes to Financial Statements

Year ended December 31, 2013

3. Related party transactions:

The following entities are identified as related parties to the Commission:

PUC Inc. – 100% owned by the Corporation of the City of Sault Ste. Marie (City).

PUC Distribution Inc. (Distribution) – 100% owned by PUC Inc.

PUC Services Inc. (Services) – 100% owned by the Corporation of the City of Sault Ste. Marie (City)

PUC Telecom Inc. (Telecom) – 100% owned by PUC Inc.

The Commission has a management, operation and maintenance agreement with Services, which currently has been extended to November 30, 2017, under which Services manages, controls, administers and operates the business of the Commission. All terms of the extension remain the same as the original agreement.

The Commission charges interest on balances receivable from Services at the Ontario Energy Board Deemed Rate. Interest of \$16,117 (2012 - \$24,026) was earned during the year.

The Commission was charged management fees and operational fees by Services in the amount of \$4,602,428 (2012 - \$3,108,284). Occupancy fees charged to the other related companies was \$132,627 (2012 - \$147,696). These transactions have been recorded at the exchange amount which is the agreed amount between the related parties.

4. Loan payable:

The Commission has an authorized line of credit facility available in the amount of \$6,200,000. The credit facility bears interest at prime plus 0.5% and is secured by a general security agreement. At December 31, 2013, \$2,995,000 (2012 - \$3,000,000) was outstanding under the facility.

5. Expenditures by object:

Total expenditures by object are as follows:

	2013	2012
Salaries and benefits	\$ 3,544,322	\$ 3,543,484
Materials, supplies and services	8,844,565	6,922,483
Amortization of tangible capital assets	2,067,871	2,006,185
	<hr/> \$ 14,456,758	<hr/> \$ 12,472,152

PUBLIC UTILITIES COMMISSION OF THE CITY OF SAULT STE. MARIE

Notes to Financial Statements

Year ended December 31, 2013

6. Tangible capital assets:

Cost	Balance at December 31, 2012	Additions	Disposals	Balance at December 31, 2013
Land	\$ 863,156	\$ 546	\$ —	\$ 863,702
Buildings and building improvements	10,056,395	378,480	—	10,434,875
Water infrastructure	107,711,709	3,724,174	—	111,435,884
Construction in progress	38,370	—	38,370	—
Total	\$ 118,669,630	\$ 4,103,200	\$ 38,370	\$ 122,734,461

Accumulated amortization	Balance at December 31, 2012	Disposals	Amortization expense	Balance at December 31, 2013
Buildings and building improvements	\$ 4,646,154	\$ —	\$ 169,977	\$ 4,816,131
Water infrastructure	39,826,886	—	1,897,895	41,724,781
Total	\$ 44,473,040	\$ —	\$ 2,067,872	\$ 46,540,912

	Net book value December 31, 2012	Net book value December 31, 2013
Land	\$ 863,156	\$ 863,702
Buildings and building improvements	5,410,241	5,618,744
Water infrastructure	67,884,823	69,711,103
Construction in progress	38,370	—
Total	\$ 74,196,590	\$ 76,193,549

Included in land, buildings and buildings improvement is the former administration building that is no longer in use, not amortized and listed for sale.

PUBLIC UTILITIES COMMISSION OF THE CITY OF SAULT STE. MARIE

Notes to Financial Statements

Year ended December 31, 2013

6. Tangible capital assets (continued):

Cost	Balance at December 31, 2011		Balance at December 31, 2012	
	Additions	Disposals		
Land	\$ 862,531	\$ 625	–	\$ 863,156
Buildings and building improvements	9,840,295	216,100	–	10,056,395
Water infrastructure	103,505,255	4,206,454	–	107,711,709
Construction in progress	28,979	9,391	–	38,370
Total	\$ 114,237,060	\$ 4,432,570	\$ –	\$ 118,669,630

Accumulated amortization	Balance at December 31, 2011		Amortization expense	Balance at December 31, 2012
	Disposals			
Buildings and building improvements	\$ 4,482,485	\$ –	\$ 163,669	\$ 4,646,154
Water infrastructure	37,984,370	–	1,842,516	39,826,886
Total	\$ 42,466,855	\$ –	\$ 2,006,185	\$ 44,473,040

	Net book value December 31, 2011	Net book value December 31, 2012
Land	\$ 862,531	\$ 863,156
Buildings and building improvements	5,357,810	5,410,241
Water infrastructure	65,520,885	67,884,823
Construction in progress	28,979	38,370
Total	\$ 71,770,205	\$ 74,196,590

PUBLIC UTILITIES COMMISSION OF THE CITY OF SAULT STE. MARIE

Notes to Financial Statements

Year ended December 31, 2013

6. Tangible capital assets (continued):

Contributed tangible capital assets:

Contributed capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year is \$10,056 (2012 - \$92,969) comprised of water infrastructure.

7. Accumulated surplus:

Accumulated surplus is comprised of:

	2013	2012
Invested in tangible capital assets	\$ 76,193,549	\$ 74,196,590
Operating fund	(1,296,872)	(1,167,993)
	<hr/> \$ 74,896,677	<hr/> \$ 73,028,597

DRAFT Non-Consolidated Financial Statements of
PUC INC.

Year ended December 31, 2013

INDEPENDENT AUDITORS' REPORT

To the Shareholder of PUC Inc.

We have audited the accompanying non-consolidated financial statements of PUC Inc., which comprise the non-consolidated balance sheet as at December 31, 2012, the non-consolidated statements of earnings, comprehensive earnings and retained earnings and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information. The non-consolidated financial statements have been prepared by management using the basis of accounting in Note 1 to the non-consolidated financial statements.

Management's Responsibility for the Non-Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these non-consolidated financial statements in accordance with the basis of accounting in Note 1 to the non-consolidated financial statements, this includes determining that the basis of accounting is an acceptable basis for the preparation of these non-consolidated financial statements in the circumstances, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these non-consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the non-consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the non-consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the non-consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the non-consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

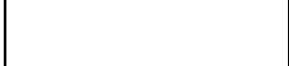
Opinion

In our opinion, the non-consolidated financial statements present fairly, in all material respects, the non-consolidated financial position of PUC Inc. as at December 31, 2013, and its non-consolidated results of operations and its non-consolidated cash flows for the year then ended in accordance with the basis of accounting in Note 1 to the non-consolidated financial statements.

Basis of Accounting and Restriction on Use

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describe the basis of accounting. The financial statements are prepared for corporate and payment in lieu of taxation purposes. As a result, the financial statements may not be suitable for other purposes. Our report is intended solely for PUC Inc. and should not be used by parties other than PUC Inc.

Can't Show kpmgllp.bmp



Chartered Accountants, Licensed Public Accountants

May 7, 2014
Sault Ste. Marie, Canada

PUC INC.

Non-Consolidated Balance Sheet

DRAFT

December 31, 2013, with comparative figures for 2012

	2013	2012
Assets		
Current assets:		
Accounts receivable	\$ 124	
Receivable from subsidiary, PUC Services Inc. (note 6)	5,782,123	5,744,220
<u>Payment in lieu of taxes recoverable</u>	-	458,706
	5,782,123	6,203,050
Notes receivable from related company (note 2)	8,310,000	8,310,000
Investments in and notes receivable with subsidiaries, at cost (note 3)	48,696,570	48,696,570
	<hr/> \$ 62,788,693	<hr/> \$ 63,209,620
Liabilities and Shareholder's Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,095,757	\$ 1,125,983
<u>Payment in lieu of taxes payable</u>	116	-
	1,095,873	1,125,983
Long-term debt (note 4)	31,720,000	31,720,000
Shareholder's equity:		
Share capital:		
Authorized:		
Unlimited special shares, non-voting, non-cumulative, redeemable at \$10,000 per share		
100,000 Common shares		
Issued and outstanding:		
1,462 Special shares	14,620,000	14,620,000
21,632 Common shares	14,618,248	14,618,248
<u>Retained earnings</u>	734,572	1,125,389
	29,972,820	30,363,637
Contingency (note 7)		
	<hr/> \$ 62,788,693	<hr/> \$ 63,209,620

See accompanying notes to non-consolidated financial statements.

On behalf of the Board:

Director

Director

PUC INC.

Non-Consolidated Statement of Earnings, Comprehensive Earnings and Retained Earnings

DRAFT

Year ended December 31, 2013, with comparative figures for 2012

	2013	2012
Revenue:		
Interest income (note 6)	\$ 2,295,232	\$ 2,295,232
Miscellaneous income	118,239	83,663
	<u>2,413,471</u>	<u>2,378,895</u>
Expenses:		
Interest on long-term debt	1,934,920	1,934,920
Administrative	206,754	174,618
Business development	15,101	43,230
	<u>2,156,775</u>	<u>2,152,768</u>
Earnings before payment in lieu of taxes	256,696	226,127
Provision for payment in lieu of taxes (note 5):		
Current	37,433	50,000
Net earnings and comprehensive earnings	219,263	176,127
Retained earnings, beginning of year	1,125,389	1,559,342
Dividends on common shares	(610,080)	(610,080)
Retained earnings, end of year	<u>\$ 734,572</u>	<u>\$ 1,125,389</u>

See accompanying notes to non-consolidated financial statements.

PUC INC.

Non-Consolidated Statement of Cash Flows

DRAFT

Year ended December 31, 2013, with comparative figures for 2012

	2013	2012
Cash provided by (used in):		
Operations:		
Net earnings and comprehensive earnings	\$ 219,263	\$ 176,127
	219,263	176,127
Change in non-cash operating working capital:		
Increase in accounts receivable	124	-
Decrease in payment in lieu of taxes recoverable	458,706	13,935
Increase (decrease) in accounts payable and accrued liabilities	(30,226)	1,093,881
Increase in payment in lieu of taxes payable	116	-
	647,983	1,283,943
Financing activities:		
Dividends on common shares	(610,080)	(610,080)
Investment activities:		
Receivable from subsidiary, PUC Services Inc.	(37,903)	(673,863)
Cash position, beginning and end of year	\$ -	\$ -
Supplemental cash flow information:		
Cash paid during the year for interest	\$ 1,934,920	\$ 1,934,920
Cash received during the year for interest	2,295,232	2,295,232

See accompanying notes to non-consolidated financial statements.

PUC INC.

Notes to Non-Consolidated Financial Statements

DRAFT

Year ended December 31, 2013

PUC Inc. (the "Company") is incorporated under the Ontario Business Corporations Act and a successor of the former City of Sault Ste. Marie Public Utilities Commission Electric Utility.

1. Significant accounting policies:

(a) Basis of presentation:

The financial statements of the Company have been prepared by management in accordance with Part V – Pre changeover accounting standards of the Canadian Institute of Chartered Accountants ("CICA") Handbook. This framework is a special purpose framework and does not comply with Canadian generally accepted accounting principles ("GAAP"), as the Company would otherwise be required to prepare its financial statements in accordance with Part I (International Financial Reporting Standards) of the CICA Handbook. Management has selected this special purpose framework as it is the same framework currently utilized by its subsidiary company, PUC Distribution Inc.

These financial statements materially differ from Canadian generally accepted accounting principles because they are non-consolidated. The Company's investment in its wholly-owned subsidiaries have been recorded at cost. Earnings from the investment are recognized only to the extent dividends are received or receivable.

(b) Payment in lieu of taxes:

As a municipally owned utility, the Company is exempt from corporate income and capital taxes. However, under the Electricity Act, 1998, the Company is required to make payments in lieu of corporate income and capital taxes to Ontario Electricity Financial Corporation ("OEFC"). These payments are calculated in accordance with the rules for computing income and taxable capital and other relevant amounts contained in the Income Tax Act (Canada) and the Corporations Tax Act (Ontario) as modified by the Electricity Act, 1998, and related regulations.

The Company uses the asset and liability method of accounting for payment in lieu of income taxes. Under the asset and liability method, future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the date of enactment or substantive enactment.

PUC INC.

Notes to Non-Consolidated Financial Statements

DRAFT

Year ended December 31, 2013

1. Significant accounting policies (continued):

(c) Revenue recognition:

Revenue is recognized when services are provided and collection of the relevant receivable is probable, persuasive evidence of an arrangement exists and the amount is fixed or determinable.

(d) Investment in subsidiaries:

The investment in subsidiaries, which are non-marketable equity investments and not traded on an active market, are classified as available for sale for financial instrument purposes and are recorded at cost.

(e) Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Significant items subject to such estimates and assumptions include the valuation of accounts receivable. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

2. Notes receivable from related company:

	2013	2012
Note receivable from PUC Services Inc., unsecured, bears interest at 7.62% per annum and is receivable one year after demand	\$ 6,990,000	\$ 6,990,000
Note receivable from PUC Services Inc., unsecured and without interest and is receivable one year after demand	1,320,000	1,320,000
	<hr/> \$ 8,310,000	<hr/> \$ 8,310,000

PUC INC.

Notes to Non-Consolidated Financial Statements

DRAFT

Year ended December 31, 2013

3. Investment in and notes receivable with subsidiaries:

			2013	2012
	Notes receivable	Common shares	Total	Total
PUC Distribution Inc.	\$ 26,534,040	\$ 20,062,106	\$ 46,596,146	\$ 46,596,146
PUC Telecom Inc.	1,890,000	210,424	2,100,424	2,100,424
	\$ 28,424,040	\$ 20,272,530	\$ 48,696,570	\$ 48,696,570

The note receivable from PUC Distribution Inc. bears interest at 6.1%, is unsecured and is repayable on the year after demand. In 2013 the Company received interest income on this note receivable from PUC Distribution in the amount of \$1,618,575 (2012 - \$1,618,575).

The note receivable from PUC Telecom Inc. bears interest at 7.62%, is unsecured and is repayable on the year after demand. In 2013, the Company received interest income on this note receivable from PUC Telecom in the amount of \$144,018 (2012 - \$144,018).

4. Long-term debt:

	2013	2012
Note payable to shareholder, The Corporation of the City of Sault Ste. Marie with 6.1% (2012 - 6.1%) interest payable quarterly and principal payable one year after demand	\$ 6,720,000	\$ 6,720,000
Note payable to shareholder, The Corporation of the City of Sault Ste. Marie with interest payable quarterly at rates periodically negotiated and principal payable one year after demand, rate for 2013 was 6.1% (2012 - 6.1%)	25,000,000	25,000,000
	\$ 31,720,000	\$ 31,720,000

PUC INC.

Notes to Non-Consolidated Financial Statements

DRAFT

Year ended December 31, 2013

5. Income taxes:

Income tax expense differs from the amount that would be computed by applying the federal and provincial statutory tax rates of 26.50% (2012 - 26.50%) to earnings before income taxes. The reasons for the differences and related tax effects are as follows:

	2013	2012
Earnings before payment in lieu of taxes	\$ 256,696	\$ 226,127
Tax at applicable tax rate	\$ 68,024	\$ 59,924
Provincial small business rate	(18,023)	(10,023)
Prior year over provision	(12,775)	-
Other	207	99
Income tax expense	<u>\$ 37,433</u>	<u>\$ 50,000</u>

6. Related party transactions:

The following entities are related parties to the Company:

The Corporation of the City of Sault Ste. Marie (City) - 100% shareholder of PUC Inc.

PUC Distribution Inc. (Distribution) - 100% owned by PUC Inc.

PUC Services Inc. (Services) - 100% owned by the Corporation of the City of Sault Ste. Marie.

PUC Telecom Inc. (Telecom) - 100% owned by PUC Inc.

Public Utilities Commission of the City of Sault Ste. Marie (Utility) - 100% owned by the Corporation of the City of Sault Ste. Marie.

The Company has a management, operations and maintenance agreement with Services until November 30, 2017 under which PUC Services Inc. manages, controls, administers and operates the business of the Corporation.

The Company receives interest income on its receivable balance from Services at the Ontario Energy Board Deemed Rate on its average monthly balance. Interest of \$118,239 (2012 - \$83,663) was received during the year. The Company receives interest income on its notes receivable from Services and Telecom at 7.62%. Interest of \$532,638 (2012 - \$532,638) was received during the year.

PUC INC.

Notes to Non-Consolidated Financial Statements

DRAFT

Year ended December 31, 2013

6. Related party transactions (continued):

The Company receives interest income on its note receivable balance from Distribution which bears interest at a rate of 6.1% (2012 - 6.1%). Interest of \$1,618,575 (2012 - \$1,618,575) was received during the year. The note is unsecured and is repayable one year after demand.

The Company has purchased services relating to business development costs from Services in the amount of \$15,101 (2012 - \$43,230).

The Company incurred interest of \$1,934,920 (2012 - \$1,934,920) payable to its shareholder. The Company paid a dividend of \$610,080 (2012 - \$610,080) to its shareholder.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration agreed to by the related parties.

7. Contingency:

In 2007 the Ontario Provincial Government proposed amendments affecting the calculation of payments-in-lieu (PILs) for municipal electricity utilities. The Company has determined the proposed amendments are not substantively enacted. The proposed amendments will limit the allowable interest based on the regulatory deemed debt rate and debt to equity ratio. Interest paid to municipalities, after March 27, 2007, in excess of the allowable amounts will not be deductible in calculating PILs. The Company has determined these proposed amendments will result in incremental PILs totaling approximately \$180,000 for the period from March 28, 2007 to December 31, 2008. The incremental PILs, if any, will be recorded in the period the proposed amendments become enacted.

8. Fair value of financial instruments:

The carrying value of accounts receivable approximate fair value because of the short maturity of these instruments.

It is not practicable to determine the fair values of the investment in subsidiaries, notes receivable from related company, receivable from subsidiaries and notes payable as the companies are not publicly traded and the notes payable have no principal repayment terms.

PUC INC.

Notes to Non-Consolidated Financial Statements

DRAFT

Year ended December 31, 2013

9. Capital disclosures:

The Company's objective with respect to its capital structure is to maintain effective access to capital on an ongoing basis at reasonable rates while achieving appropriate rates of financial return for its shareholder.

The Company considers its capital structure to consist of shareholder's equity and notes payable held by the Company's shareholder which has been outlined below.

	2013	2012
Note payable to shareholder - 6.1% (2012 - 6.1%)	\$ 6,720,000	\$ 6,720,000
Note payable to shareholder - 6.1% (2012 - 6.1%)	25,000,000	25,000,000
Special shares	14,620,000	14,620,000
Common shares	14,618,248	14,618,248
Retained earnings	734,572	1,125,389
	<hr/> \$ 61,692,820	<hr/> \$ 62,083,637

The Company is subject to a shareholder's agreement which has restrictive covenants typically associated with such an agreement. At December 31, 2013, the Company is in compliance with all of the restrictive covenants and restrictions.

DRAFT Financial Statements of

PUC SERVICES INC.

Year ended December 31, 2013

INDEPENDENT AUDITORS' REPORT

To the Shareholder of PUC Services Inc.

We have audited the accompanying financial statements of PUC Services Inc. which comprise the balance sheet as at December 31, 2013, the statements of earnings, comprehensive earnings and retained earnings (deficit) and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting in note 1 to the financial statements, this includes determining that the basis of accounting is an acceptable basis for the preparation of these financial statements in the circumstances, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of PUC Services Inc. as at December 31, 2013, and its results of operations and its cash flows for the year then ended in accordance with the basis of accounting in Note 1 to the financial statements.

Basis of Accounting and Restriction on Use

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describe the basis of accounting. The financial statements are prepared for corporate purposes. As a result, the financial statements may not be suitable for other purposes. Our report is intended solely for PUC Services Inc. and should not be used by parties other than PUC Services Inc.

Can't Show kpmgllp.bmp

Chartered Accountants, Licensed Public Accountants

May 7, 2014
Sault Ste. Marie, Canada

PUC SERVICES INC.

Balance Sheet

DRAFT

December 31, 2013, with comparative figures for 2012

	2013	2012
Assets		
Current assets:		
Cash	\$ 6,837,931	\$ 10,973,098
Accounts receivable	2,431,483	1,906,848
Receivable from related entity (note 8):		
PUC Distribution Inc.	8,054,961	2,563,357
Inventories	287,222	270,819
Prepaid expenses	229,879	384,158
<u>Payment in lieu of taxes recoverable</u>	<u>67,352</u>	<u>450,358</u>
	17,908,828	16,548,638
Future taxes (note 6)	752,000	509,800
Property, plant and equipment (note 2)	27,548,486	27,448,154
<u>Less accumulated amortization</u>	<u>18,900,903</u>	<u>17,504,250</u>
	8,647,583	9,943,904
	<hr/> \$ 27,308,411	<hr/> \$ 27,002,342

	2013	2012
--	------	------

Liabilities and Shareholder's Equity

Current liabilities:

Accounts payable and accrued liabilities	\$ 2,804,980	\$ 2,533,055
Payable to related entities (note 8):		
PUC Inc.	5,780,439	5,744,220
PUC Telecom Inc.	4,018,369	4,232,731
Public Utilities Commission of the City of Sault Ste. Marie	1,670,033	2,031,617
<u>Current portion of long-term debt (note 3)</u>	<u>53,333</u>	<u>-</u>
	14,327,154	14,541,623
Long-term debt (note 3)	9,641,306	8,310,000
<u>Employee future benefit obligation (note 5)</u>	<u>1,663,996</u>	<u>1,645,644</u>
	25,632,456	24,497,267

Shareholder's equity:

Share capital:

Authorized:

Unlimited special shares, non-voting, non-cumulative,
redeemable at \$10,000 per share

10,000 Common shares

Issued and outstanding:

105 Special shares	1,050,000	1,050,000
4,000 Common shares	893,300	893,300
<u>Retained earnings (deficit)</u>	<u>(267,345)</u>	<u>561,775</u>
	1,675,955	2,505,075

Contingent liabilities (note 4)

	\$ 27,308,411	\$ 27,002,342
--	---------------	---------------

See accompanying notes to financial statements.

On behalf of the Board:

Director

Director

PUC SERVICES INC.

Statement of Earnings, Comprehensive Earnings and Retained Earnings (Deficit)

DRAFT

Year ended December 31, 2013, with comparative figures for 2012

	2013	2012
Revenue:		
Management fees (note 8)	\$ 10,520,186	\$ 7,180,218
Contract service	4,663,753	4,687,486
Streetlights	602,634	704,666
Miscellaneous income	1,138,196	436,967
<u>Generation revenue</u>	<u>191,698</u>	<u>224,839</u>
	17,116,467	13,234,176
Expenses:		
Contract service	4,368,371	4,161,025
Facilities	4,156,571	1,041,450
Administrative and general	3,759,297	3,160,605
Amortization of property, plant and equipment	1,924,783	1,768,829
Billing and collecting	1,017,667	1,060,848
Impairment of property, plant and equipment	1,001,092	290,000
Customer service	706,803	636,290
Interest on long-term debt	549,255	532,638
Streetlights	351,431	486,363
Other operations and maintenance	216,649	280,670
<u>New business development</u>	<u>15,101</u>	<u>43,230</u>
	18,067,020	13,461,948
Loss before provision for payment in lieu of taxes	(950,553)	(227,772)
Provision for payment in lieu of taxes (note 6):		
Current	120,767	-
<u>Future (recovery)</u>	<u>(242,200)</u>	<u>(43,500)</u>
	(121,433)	(43,500)
Loss and comprehensive loss	(829,120)	(184,272)
Retained earnings, beginning of year	561,775	746,047
Retained earnings (deficit), end of year	\$ (267,345)	\$ 561,775

See accompanying notes to financial statements.

PUC SERVICES INC.

Statement of Cash Flows

DRAFT

Year ended December 31, 2013, with comparative figures for 2012

	2013	2012
Cash provided by (used in):		
Operations:		
Net earnings (loss) and comprehensive earnings (loss)	\$ (829,120)	\$ (184,272)
Items not involving cash:		
Amortization of property, plant and equipment	1,924,783	1,768,829
Impairment of property, plant and equipment	1,001,092	290,000
Future payment in lieu of taxes	<u>(242,200)</u>	<u>(43,500)</u>
	1,854,555	1,831,057
Change in non-cash operating working capital:		
Decrease (increase) in accounts receivable	(524,635)	554,702
Decrease (increase) in balances with related entities	(6,031,331)	5,419,237
Decrease (increase) in payment in lieu of taxes recoverable	383,006	(204,340)
Decrease (increase) in inventories	(16,403)	8,711
Decrease in prepaid expenses	154,279	248,068
Increase in accounts payable and accrued liabilities	271,925	83,376
Increase in employee future benefit obligation	18,352	144,360
	<u>(3,890,252)</u>	8,085,171
Financing activities:		
Increase in long-term debt	1,384,639	-
Contributions relating to property, plant and equipment	<u>987,416</u>	<u>218,080</u>
	2,372,055	218,080
Investment activities:		
Purchases of property, plant and equipment	(2,616,970)	(1,587,690)
Increase (decrease) in cash	(4,135,167)	6,715,561
Cash, beginning of year	10,973,098	4,257,537
Cash, end of year	<u>\$ 6,837,931</u>	<u>\$ 10,973,098</u>
Supplemental cash flow information:		
Cash paid during the year for:		
Payment in lieu of income taxes	\$ -	\$ 142,061

See accompanying notes to financial statements.

PUC SERVICES INC.

Notes to Financial Statements

DRAFT

Year ended December 31, 2013

PUC Services Inc. (the "Company") is incorporated under the Ontario Business Corporations Act. The Company provides management, operations and maintenance services related to water, waste water and electrical services to its related entities and other organizations.

1. Significant accounting policies:

(a) Basis of presentation:

The financial statements of the Company have been prepared by management in accordance with Part V – Pre-changeover accounting standards of the Chartered Professional Accountants of Canada ("CPA") Handbook. This framework is a special purpose framework and does not comply with Canadian generally accepted accounting principles ("GAAP"), as the Company would otherwise be required to prepare its financial statements in accordance with Part I (International Financial Reporting Standards) of the CICA Handbook. Management has selected this special purpose framework as it is the same framework currently utilized by its related company, PUC Distribution Inc.

(b) Inventory:

Inventories consist of parts, supplies and materials held for the future capital expansion and are valued at the lower of cost and net realizable value and items considered major spare parts are recorded as capital assets.

(c) Property, plant and equipment:

Property, plant and equipment are recorded at cost. Certain assets may be acquired or constructed with financial assistance in the form of contributions from developers or customers. Such contributions are offset against the related asset cost. Amortization is provided on a straight-line basis at the following annual rates:

Asset	Rate
Buildings	2 to 4%
Plant and equipment	2 1/2 to 25%

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized for the amount by which the carrying amount of the asset exceeds the fair value of the asset.

PUC SERVICES INC.

Notes to Financial Statements

DRAFT

Year ended December 31, 2013

1. Significant accounting policies (continued):

(d) Asset retirement obligations:

The Company recognizes the fair value of a future asset retirement obligation as a liability in the period in which it incurs a legal obligation associated with the retirement of tangible long-lived assets that results from the acquisition, construction, development, and/or normal use of the assets. The Company concurrently recognizes a corresponding increase in the carrying amount of the related long-lived asset that is amortized over the life of the asset. The fair value of the asset retirement obligation is estimated using the expected cash flow approach that reflects a range of possible outcomes discounted at a credit-adjusted risk-free interest rate. Subsequent to the initial measurement, the asset retirement obligation is adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. Changes in the obligation due to the passage of time are recognized in income as an operating expense using the interest method. Changes in the obligation due to changes in estimated cash flows are recognized as an adjustment of the carrying amount of the related long-lived asset that is amortized over the remaining life of the asset.

Some of the Company's plant and equipment assets may have asset retirement obligations. As the Company expects to use the majority of its installed assets for an indefinite period, no removal date can be determined and consequently a reasonable estimate of the fair value of any related asset retirement obligations cannot be made at this time. If, at some future date, it becomes possible to estimate the fair value cost of removing assets that the Company is legally required to remove, an asset retirement obligation will be recognized at that time.

(e) Employee future benefits:

The Company accrues its obligations under employee post employment benefit plans and the related costs. The cost of retirement benefits earned by employees is actuarially determined using the projected benefit method pro rated on service and management's best estimate of future benefit costs and retirement ages of the employees. The excess of the net actuarial gain (loss) over 10% of the benefit obligation is amortized over the average remaining service period of active employees of the plan, as are the past service costs and transitional assets and liabilities. Past service costs from plan amendments are amortized on a straight-line basis over the average remaining service period of employees active at the date of the amendment. In the event that the benefit plan gives rise to both curtailment and settlement of obligations, the curtailment is accounted for prior to the settlement.

PUC SERVICES INC.

Notes to Financial Statements

DRAFT

Year ended December 31, 2013

1. Significant accounting policies (continued):

(f) Pension agreements:

The Company makes contributions to the Ontario Municipal Employees Retirement System (OMERS). The plan is a multi-employer defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Contributions made to OMERS in 2013 amounted to \$1,323,723 (2012 - \$1,162,150

(g) Payment in lieu of taxes:

As a municipally owned utility, the Company is exempt from Federal corporate income and capital taxes. However, under the Electricity Act, 1998, the company is required to make payments in lieu of corporate income and capital taxes to Ontario Electricity Financial Corporation ("OEFC"). These payments are calculated in accordance with the rules for computing income and taxable capital and other relevant amounts contained in the Income Tax Act (Canada) and the Corporations Tax Act (Ontario) as modified by the Electricity Act, 1998, and related regulations.

The Company uses the asset and liability method of accounting for income taxes.

(h) Financial instruments:

The financial instruments are classified into one of five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments, including derivatives, are measured in the balance sheet at fair value except for loans and receivables, held-to-maturity investments and other financial liabilities which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification, as follows: held-for-trading financial assets are measured at fair value and changes in fair value are recognized in net earnings; available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the investment is derecognized or impaired at which time the amounts would be recorded in net earnings.

The Company has classified its financial instruments as follows:

Cash	Held-for-trading
Accounts receivable	Loans and receivables
Receivable from related entity	Loans and receivables
Accounts payable and accrued liabilities	Other liabilities
Customer deposits	Other liabilities
Payable to related entities	Other liabilities
Long-term debt	Other liabilities

PUC SERVICES INC.

Notes to Financial Statements

DRAFT

Year ended December 31, 2013

1. Significant accounting policies (continued):

(h) Financial instruments (continued):

Comprehensive earnings:

In the event that the Company has any financial instruments that would impact other comprehensive earnings, a statement of comprehensive earnings would be included in the financial statements displaying the effects of the current period net income plus the impact on other comprehensive earnings resulting from these financial instruments.

(i) Use of estimates:

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reported periods. Significant items subject to such estimates and assumptions include the carrying amount of property, plant and equipment; valuation allowances for accounts receivable and future income taxes and obligations related to employee future benefits. Actual results could differ from these estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

2. Property, plant and equipment:

			2013	2012
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 70,369	\$ -	\$ 70,369	\$ 93,830
Buildings	1,666,669	917,885	748,784	2,434,256
Plant and equipment	25,786,081	17,983,018	7,803,063	7,338,672
Construction in progress	25,367	-	25,367	77,146
	<hr/> <hr/> \$ 27,548,486	<hr/> <hr/> \$ 18,900,903	<hr/> <hr/> \$ 8,647,583	<hr/> <hr/> \$ 9,943,904

PUC SERVICES INC.

Notes to Financial Statements

DRAFT

Year ended December 31, 2013

3. Long-term debt:

	2013	2012
Note payable to PUC Inc. , unsecured, bears interest at 7.62% per annum and is payable one year after demand	\$ 6,990,000	\$ 6,990,000
Note payable to PUC Inc., unsecured and without interest and is payable one year after demand	1,320,000	1,320,000
Note payable to Infrastructure Ontario, unsecured, payable monthly at \$4,444 plus interest at 4.26% maturing September 18, 2028	786,667	-
Note payable to Federation of Canadian Municipalities (GMF), unsecured, payable semi-annually on April 30 and October 30 at \$16,161 plus interest at 4.21% maturing October 30, 2033	597,972	-
	<hr/> 9,694,639	8,310,000
Current portion of long-term debt	53,333	-
	<hr/> \$ 9,641,306	\$ 8,310,000

Principal due within each of the next five years on the long-term debt is as follows

2014	\$ 53,333
2015	69,494
2016	85,656
2017	85,656
2018	85,656
	<hr/> \$ 379,795

4. Contingent liabilities:

The Company is involved in certain legal matters and litigation, the outcomes of which are not presently determinable. The effects, if any, from such contingencies will be accounted for in the year in which the matters are resolved.

5. Employee future benefit obligation:

The Company pays certain post-retirement benefits on behalf of its retired employees through its defined benefit plan.

PUC SERVICES INC.

Notes to Financial Statements

DRAFT

Year ended December 31, 2013

5. Employee future benefit obligation (continued):

The most recent valuation of the post-retirement benefits on behalf of its retired employees was completed as at January 1, 2013, being the measurement date.

Total cash payments for post-retirement benefits consist of \$55,692 (2012 - \$48,634) to retired employees.

The main actuarial assumptions employed for the valuations are as follows:

	2013
Discount rate	4.75%
Medical costs	7.0 %
Future general inflation levels	2.0 %

Medical costs are expected to increase by 6.7% per year in 2014 and gradually graded down by approximately 0.30% annually thereafter.

PUC SERVICES INC.

Notes to Financial Statements

DRAFT

Year ended December 31, 2013

5. Employee future benefit obligation (continued):

The annual expense for the post-retirement benefits for retired employees is as follows:

	2013
Current service cost	\$ 89,281
Interest cost	66,786
Past service cost	15,667
Actuarial (gain) loss	(97,690)
	<hr/> \$ 74,044

The continuity of accrued benefit obligation employee future benefits is as follows:

	2013
Accrued benefit obligation, beginning of year	\$ 1,645,644
Expense for the year	74,044
Benefits paid for the year	(55,692)
Accrued benefit obligation, end of year	<hr/> \$ 1,663,996

PUC SERVICES INC.

Notes to Financial Statements

DRAFT

Year ended December 31, 2013

6. Future taxes:

The provision for the payment in lieu of corporate income taxes (PILs) differs from the amount that would have been recorded using the combined Canadian Federal and Ontario statutory income tax rate. The reconciliation between the statutory and the effective tax rates is provided as follows:

	2013	2012
Earnings before provisions for payment in lieu of taxes	\$ (950,533)	\$ (227,772)
Tax at statutory rate of 26.5% (2012 - 26.5%)	\$ (251,897)	\$ (60,360)
Prior year under accrual	120,767	-
Other	9,697	(1,473)
Permanent differences	-	18,333
	\$ (121,433)	\$ (43,500)

The tax effects of temporary differences that give rise to significant portions of the future payment in lieu of taxes are presented below utilizing the substantively enacted Federal and Ontario combined future rate of 25% (2012 - 25%).

	2013	2012
Future payment in lieu of tax assets:		
Non-capital loss carryforward	\$ 154,000	\$ 20,300
Property, plant and equipment - differences in net book value and unamortized capital cost	157,000	78,100
Employee future benefits not deducted for tax purposes	441,000	411,400
	\$ 752,000	\$ 509,800

At December 31, 2013, the Company has the following amounts available to reduce future years' income for tax purposes

Non-capital losses carried forward for tax purposes expiring:	
2030	\$ 76,484
2031	\$ 504,671

PUC SERVICES INC.

Notes to Financial Statements

DRAFT

Year ended December 31, 2013

7. Capital disclosures:

The Company's objective with respect to its capital structure is to maintain effective access to capital on an ongoing basis at reasonable rates while achieving appropriate rates of financial return for its shareholder.

The Company considers its capital structure to consist of shareholder's equity and notes payable to related parties which has been outlined below.

	2013	2012
Note payable	\$ 8,310,000	\$ 8,310,000
Special shares	1,050,000	1,050,000
Common shares	893,300	893,300
Retained earnings	(267,345)	561,775
	<hr/> \$ 9,985,955	<hr/> \$ 10,815,075

The Company is subject to a shareholder's agreement which has restrictive covenants typically associated with such an agreement. At December 31, 2013, the Company is in compliance with all of the restrictive covenants and restrictions.

8. Related party transactions:

The following entities are related parties to the Company:

The Corporation of the City of Sault Ste. Marie (City) - 100% shareholder of PUC Services Inc.
PUC Inc. (Inc.) - 100% owned by the Corporation of the City of Sault Ste. Marie
PUC Distribution Inc. (Distribution) - 100% owned by PUC Inc.
PUC Telecom Inc. (Telecom) - 100% owned by PUC Inc.
Public Utilities Commission of the City of Sault Ste. Marie (Utility) - 100% owned by the Corporation of the City of Sault Ste. Marie

The Company has agreements which expire November 30, 2017 with the Utility, and with its other related entities, to manage, control, administer and operate the business of these entities. The Company charged the following management fees to the related parties:

	2013	2012
PUC Distribution Inc.	\$ 5,902,657	\$ 4,028,704
Public Utilities Commission of the City of Sault Ste. Marie	4,602,428	3,108,284
PUC Inc.	15,101	43,230

PUC SERVICES INC.

Notes to Financial Statements

DRAFT

Year ended December 31, 2013

8. Related party transactions (continued):

The Company pays interest on payable balances at the Ontario Energy Board Deemed Rate on the average payable balance for the month. Interest was paid to (received from) PUC Inc., PUC Distribution, PUC Telecom, and the Public Utilities Commission of \$118,239, (\$94,644), \$91,846, and \$10,877 (2012 - \$83,663, (\$51,403), \$70,326, and \$24,026 respectively).

The Company paid interest on its long-term debt to PUC Inc. of \$532,638 (2012 - \$532,638).

New business development costs of \$15,101 (2012 - \$43,230) were charged to PUC Inc.

Occupancy fees of \$132,627 (2012 - \$147,696) were paid to the Utility on behalf of all the related companies.

The Company provides streetlight services and waste water services to the City of Sault Ste. Marie ("City"). The amount charged to the City for streetlight maintenance is \$602,634 (2012 - \$704,666) and waste water services is \$3,122,725 (2012 - \$3,051,514).

These transactions are in the normal course of operations and are measured at the exchange amount which is the amount of consideration agreed to by the related parties.

9. Fair value of financial assets and financial liabilities:

a) Financial instruments:

The fair value of cash, accounts receivable, accounts payable and accrued liabilities and related party balances approximate their carrying value due to the relatively short periods to maturity of these items.

It was not practicable to estimate the fair value of the long-term debt due to the nature of the relationship.

b) Credit risk and concentration of credit risk:

Financial assets held by the Company expose it to credit risk. As at December 31, 2013, there were no significant concentrations of credit risk with respect to any class of financial assets.

Financial Statements of

PUC TELECOM INC.

Year ended December 31, 2013
(Unaudited - see Notice to Reader)

DRAFT

NOTICE TO READER

On the basis of information provided by management, we have compiled the balance sheet of PUC Telecom Inc. as at December 31, 2013 and the statement of earnings and comprehensive earnings and retained earnings for the year then ended. We have not performed an audit or a review engagement in respect of these financial statements and, accordingly we express no assurance thereon. Readers are cautioned that these statements may not be appropriate for their purposes.

KPMG LLP

Chartered Accountants, Licensed Public Accountants

May 7, 2014
Sault Ste. Marie, Canada

PUC TELECOM INC.

Balance Sheet

December 31, 2013, with comparative figures for 2012
 (Unaudited - see Notice to Reader)

	2013	2012
Assets		
Current assets:		
Accounts receivable	\$ 1,652	\$ 4,212
Receivable from related company, PUC Services Inc.	4,018,379	4,232,741
Payment in lieu of taxes recoverable	148,820	80,011
	<u>4,168,851</u>	<u>4,316,964</u>
Future taxes	-	25,000
	<u>\$ 4,168,851</u>	<u>\$ 4,341,964</u>
Liabilities and Shareholder's Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 5,487	\$ 100,658
7.62% Note payable to PUC Inc. payable one year after demand	1,890,000	1,890,000
Shareholder's equity:		
Share capital:		
Authorized:		
Unlimited special shares, non-cumulative, non- voting, redeemable at \$10,000 per share		
10,000 Common shares		
Issued and outstanding:		
2,000 Common shares	210,424	210,424
Retained earnings	2,062,940	2,140,882
	<u>2,273,364</u>	<u>2,351,306</u>
	<u>\$ 4,168,851</u>	<u>\$ 4,341,964</u>

See accompanying note to unaudited financial statements.

On behalf of the Board:

 Director

 Director

PUC TELECOM INC.

Statement of Earnings and Comprehensive Earnings and Retained Earnings

Year ended December 31, 2013, with comparative figures for 2012
 (Unaudited - see Notice to Reader)

	2013	2012
Revenue:		
Interest	\$ 91,846	\$ 70,326
Miscellaneous	- 356	
	91,846	70,682
Expenses:		
Interest and bank charges	144,018	144,018
Pole rental and maintenance	108,699	5,516
Administration and general	3,352	23,397
	256,069	172,931
Loss before provision for payment in lieu of taxes	(164,223)	(102,249)
Provision for payment in lieu of taxes:		
Current (recovery)	(111,281)	(29,947)
Future	25,000	41,300
	(86,281)	11,353
Loss and comprehensive loss	(77,942)	(113,602)
Retained earnings, beginning of year	2,140,882	2,254,484
Retained earnings, end of year	\$ 2,062,940	\$ 2,140,882

Note:

The recognition, measurement, presentation and disclosure principles in these financial statements may not be in accordance with the requirements of any of the financial reporting frameworks in the CICA Handbook – Accounting.



MEMORANDUM

DATE: May 8, 2014
TO: Mayor Debbie Amaroso and Members of City Council, City of Sault Ste. Marie
c.c. Joseph M. Fratesi, C.A.O., City of Sault Ste. Marie
FROM: Dominic Parrella, President & C.E.O., PUC Services Inc.
SUBJECT: **2014 First Quarter Shareholder Report**

Attached please find the Quarterly Shareholder Report for the period January 1 to March 31, 2014.

I will be available at the Council meeting to answer any questions you may have.

A handwritten signature in black ink, appearing to read "D. Parrella".

Dominic Parrella, P.Eng.
President & C.E.O.
PUC Services Inc.

Attachments: 2014 First Quarter Shareholder Report
2014 First Quarter Financial Summaries

PUC INC. & PUC SERVICES INC.
2014 First Quarter Shareholder Report

PUC SERVICES INC.

As of March 30, 2014 we have achieved 187 days free of any lost time incidents.

Operation of the two city wastewater treatment plants remained in compliance with provincial requirements during the past quarter.

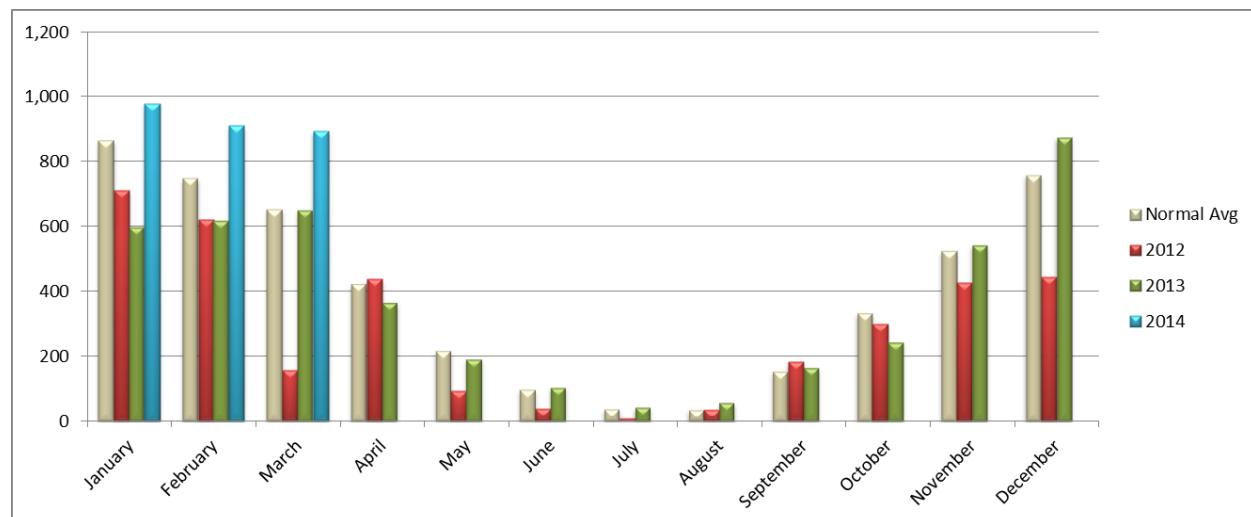
Furthermore, operations related to the other 17 service contracts managed by PUC Services outside Sault Ste. Marie for water and wastewater systems remained in compliance with provincial regulations.

PUC DISTRIBUTION INC.

Electricity sales were up 7.8% for the first three months of 2014 compared to the same period in 2013. System peak demand during the first quarter was 143.2MW which occurred in January. The 2013 peak during the first quarter was 138.9 MW which also occurred in January. (All quantities are adjusted to recognize embedded generator contributions)

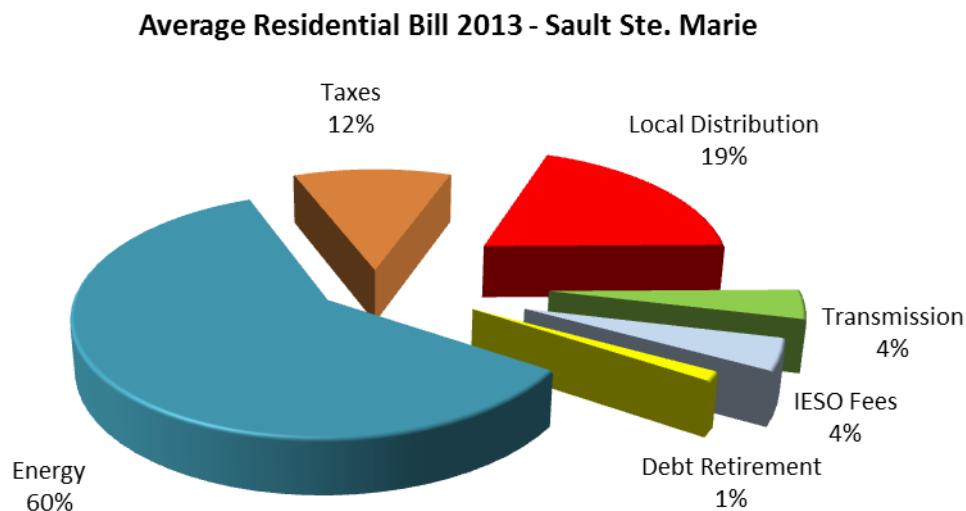
Heating Degree Days is a measurement designed to reflect the demand for energy needed to heat a building. It is an accumulation of the number of days per degree (C) that the mean daily outdoor temperature falls below 18 degrees. For example: If the mean outdoor temperature over one 24 hour period is 16 degrees, the number of degree-days is 2.

The chart below identifies Heating Degree Days for the past two years.



The winter of 2013-2014 has been one of the colder winters in recent times. On average, for the three months of December, January and February, Heating Degree Days were up 40% over the same period in 2012-2013. This significant increase in degree days translates directly into increased electricity costs for customers, especially if they use electric heat. Since a large portion of homes in Sault Ste. Marie use electric heating, many PUC customers have experienced significantly higher electricity bills this past winter.

The pie chart below provides a break-down of the components that comprise the average residential electricity bill in Sault Ste. Marie as of July 1, 2013. The largest component is the Energy portion at 60% of the total bill. The only part of the bill that is retained by PUC is the Local Distribution charges that comprise approximately 19% of the total. The rest of the bill is turned over to the Province.



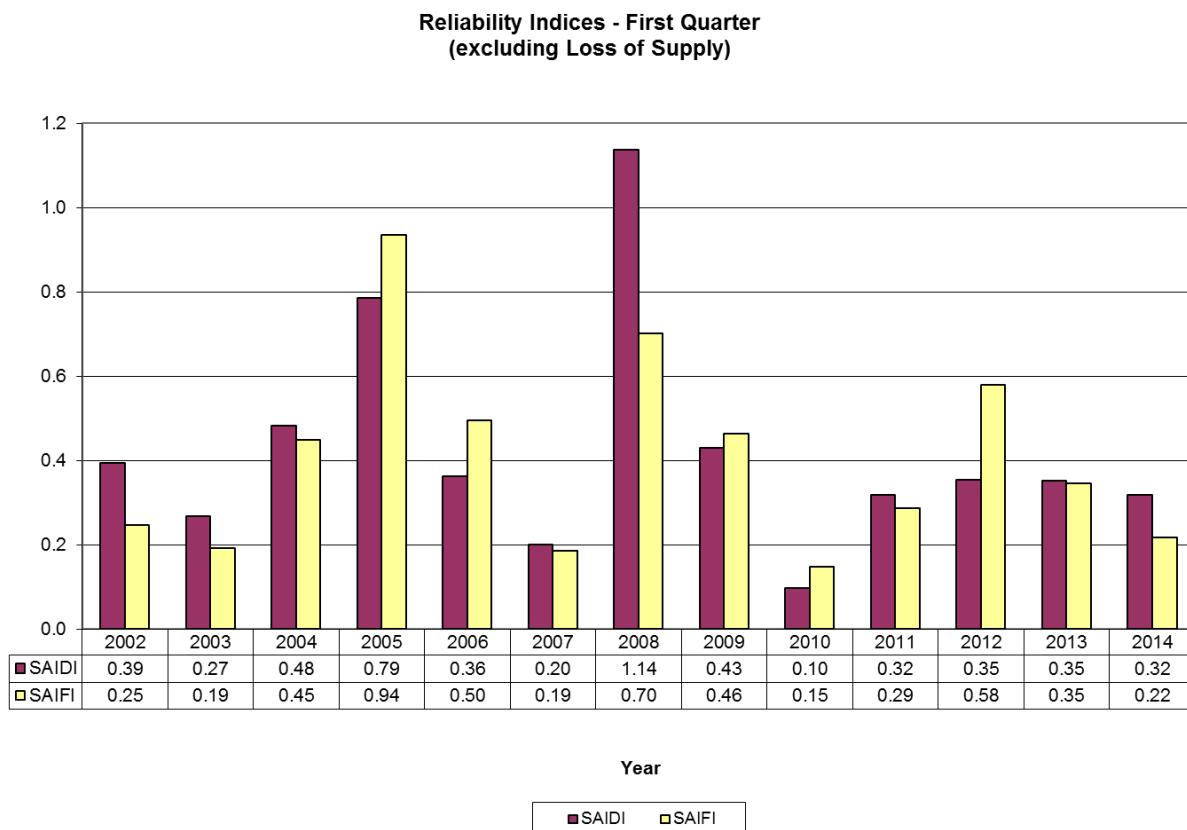
Distributed generation (i.e. primarily the large solar farms) supplied approximately 4.5% of the total energy consumed by PUC customers for the quarter. As would be expected, the solar generators did not contribute in any significant way to total system demand in the fourth quarter, due to winter conditions.

PUC Distribution is required by the OEB to track and report service reliability indices that measure system outage statistics for the electrical distribution system. These indices include the system average interruption duration index (SAIDI), the system average interruption frequency index (SAIFI) and the customer average interruption duration index (CAIDI), which is the ratio of SAIDI to SAIFI. All planned and unplanned outages lasting more than one minute must be reported. The indices are affected by factors such as customer density, the age and condition of the distribution system, susceptibility to

lightning and other weather related impacts, the speed of response by crews and the scope of the supervisory and data acquisition (SCADA) systems deployed.

Comparison of power outages from one quarter to another can vary widely, due primarily to seasonal effects. Review of reliability indices for the first quarter indicates improved performance compared to the same period last year..

Average interruption duration (SAIDI) for the first quarter of 2014 decreased 8.6% over the same period in 2013 , while average interruption frequency (SAIFI) decreased 37%. The chart below compares first quarter SAIDI and SAIFI since 2002.



WATER SYSTEM OPERATIONS

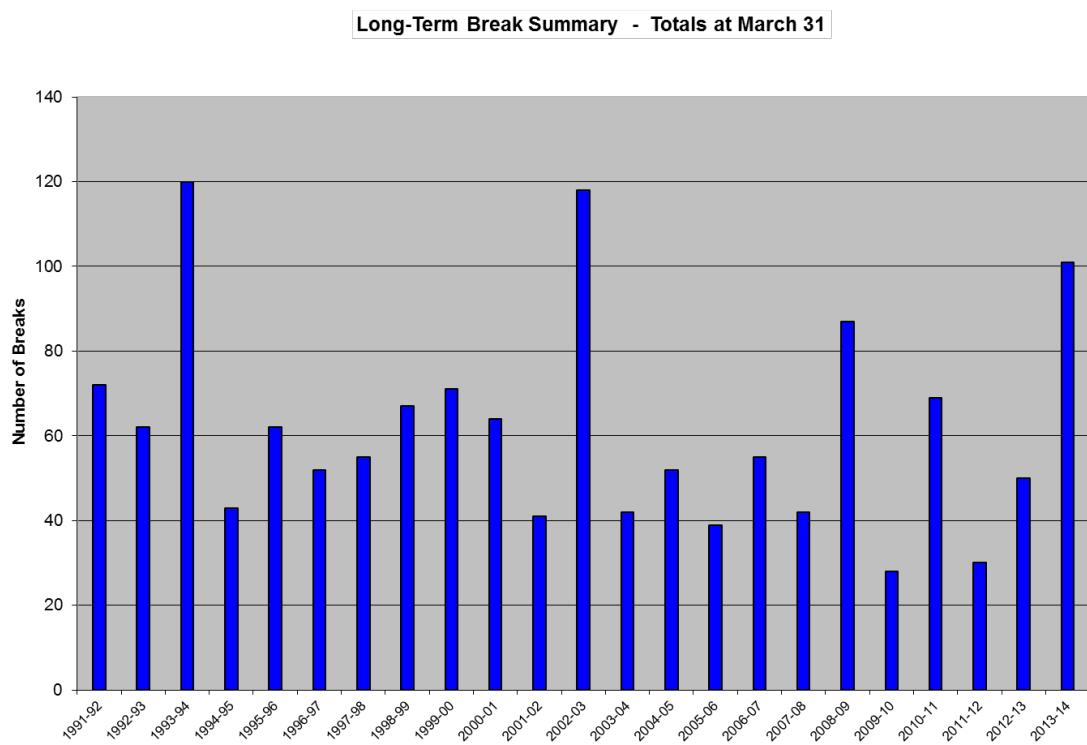
The winter of 2013 is proving to be one of the worst winters ever experienced with respect to frost penetration and resulting frozen water lines and broken watermains. Frost was observed at a depth of seven feet during a watermain repair on Peoples Road in late March. That depth has never been experienced by our staff before. By end of March, we had approximately 235 frozen service lines, but had thawed out approximately 215 of them. In

addition, there were approximately 25 homes at month-end supplied by temporary hose connections to their neighbours that were either waiting to be thawed or that could not be thawed.

Metered water consumption for the first quarter of 2014 was down slightly (0.5%) compared to the same period in 2013. However, total system consumption was up 5.9% over last year due to the significant increase in watermain breaks and frozen services so far in 2014. The peak day consumption for the first quarter was 42,580 m³ which occurred on March 21st. Last year the peak day consumption during the period was 34,458 m³ which occurred in February.

Each year we track the number of watermain breaks as a measure of distribution system condition. The counting season starts November 1st each year and continues until October 31st of the following year. For the counting season ended March 31, 2014 we had a total of 101 breaks compared to 54 for the same period the year before. The significant increase in break count this year is directly impacted by the severe winter we have been experiencing.

The chart below summarizes break counts as of March 31st since 1991. Clearly, the winter of 2014 is shaping up to be one of the worst on record, with respect to watermain breaks.



On Saturday March 1st we experienced a severe watermain break on Pim Street at Bruce Street. The nature of the break was so severe that an extreme amount of water was quickly discharged into a nearby ravine, bringing the Zone 2 Reservoir water volume quickly down

to a critical level. In order to avert draining the Reservoir, we needed to quickly increase production output. With the Steelton Well down for overhaul and the Shannon Well down for maintenance, we were obliged to increase output from the only remaining source, the Lorna Well. This sudden and unavoidable increase in output resulted, once again, in brown water conditions over a large area of the city's east end.

Our efforts to address the ongoing water quality concerns following the conversion to free chlorine in late 2011 continued through the fourth quarter. As reported earlier, a Steering Committee comprised of City Councillors, members of the public, Algoma Public Health and Ministry of Environment officials was convened in September in order to provide public input and oversight related to development of the final outcome of the comprehensive water quality study.

The Committee met for a third and final time on January 14th. The Committee reviewed the consultants' analyses of the short-listed eight options. In conjunction with the Committee, the consultants, and PUC staff, the preferred Water Quality Improvement Strategy was selected. Implementation of the Strategy will ensure the drinking water system will continue to be in compliance with regulatory requirements and that the water delivered to customers will be aesthetically acceptable with respect to taste, odour, and colour.

Communication through local media with key stakeholders on the project status and key milestones reached will be an important element of the project implementation. Plans are in place to provide regular updates on at least a monthly basis with the next update due in late May. Customer surveys will also be an important avenue to obtain feedback on improvements achieved through the water quality improvement steps being undertaken

The Preferred Water Quality Improvement Strategy involves 2 key stages as follows.

Stage 1: 2014

- Remove the Lorna Wells from day-to-day service by mid-2014 (wells remain available for peak demand needs)
- Implement recommended advanced treatment methods to harmonize pH levels and improve corrosion control across the distribution system by year-end
- Assess the potential to increase capacity at the Shannon and Steelton well sites by adding a second well at each site
- Assess the potential for increasing production at the water treatment plant
- Continuously monitor and evaluate consumer satisfaction with the new advanced treatment methods

Stage 2: 2015 - 2017

- Complete processes to bring additional capacity on-line at Shannon and Steelton (i.e. Class EA, design, approvals, and construction)

- If water quality still hasn't reached desired levels, begin and complete processes to implement UV primary and chloramine secondary disinfection
- Initiate and complete processes to provide additional capacity at the water treatment plant
- Permanently abandon the Lorna wells

The total projected cost to implement the complete strategy is approximately \$6.7 million. As Sault Ste. Marie's water system is funded only by the users of the system - our PUC customers - implementation of the complete Water Quality Improvement Strategy will mean a temporary increase of approximately \$2.70 a month for each customer over a period of 10 years.

There is a good possibility that the changes to be made under Stage 1 of the Strategy may result in improvement to water quality such that Stage 2 can be avoided, thereby reducing the overall cost to approximately \$2.7 million, or \$1.10 per month for each customer over a period of 10 years.

FINANCIAL STATUS

PUC Distribution's net income for the first quarter of 2014 was \$1,285,018 on revenues of \$5,866,515 compared to forecasted net income of \$613,875 and revenues of \$5,257,570 in the budget. Expenses of \$4,554,413 for the year were \$89,282 under budget. For the same period in 2013, net income was \$1,228,702, revenues were \$5,441,617 and expenses were \$4,212,916. 2014 revenues were significantly over-budget due to the significant increase in energy consumption for the quarter compared to the budgeted amount.

PUC Services had net income of \$76,617 for the first quarter compared to a forecasted loss of \$255,677 in the 2014 budget. Expenses were \$200,457 under budget, primarily due to the timing of contract expenses (chemicals, lab fees, insurance, software, etc.). Revenues for 2014 totaled \$4,288,635, which were \$139,177 over budget. Net income for the first quarter of 2013 was \$67,103 on revenues of \$3,735,753.

Unconsolidated PUC Inc. revenue for the first three months of 2014 was \$461,702, which was received in the form of related party interest payments. Expenses of \$513,475 were primarily interest payable to the City. There was a net loss of \$51,774 for the first quarter.

The Water Commission had a net operating margin of \$401,783 for the first quarter on revenues of \$4,329,147 compared to a forecasted margin of \$371,687 and revenues of \$4,244,145 in the budget. In comparison, revenue for the first three months of 2013 was \$3,866,618 and the net operating margin was \$723,629.



MEMORANDUM

DATE: May 8, 2014
TO: Mayor Debbie Amaroso and Members of City Council, City of Sault Ste. Marie
c.c. Joseph M. Fratesi, C.A.O., City of Sault Ste. Marie
FROM: Dominic Parrella, President & C.E.O., PUC Services Inc.
SUBJECT: **2013 Fourth Quarter Shareholder Report**

Attached please find the Quarterly Shareholder Report for the period October 1 to December 31, 2013.

I will be available at the Council meeting to answer any questions you may have.

A handwritten signature in black ink, appearing to read "Dominic Parrella".

Dominic Parrella, P.Eng.
President & C.E.O.
PUC Services Inc.

Attachments: 2013 Fourth Quarter Shareholder Report
2013 Fourth Quarter Financial Summaries

PUC INC. & PUC SERVICES INC.
2013 Fourth Quarter Shareholder Report

PUC SERVICES INC.

Since June 27th this year, we have achieved 187 days free of any lost time incidents to the end of 2013. Prior to June 27th, we had achieved 603 days without a lost time injury. As reported previously, on June 26th the WSIB accepted a long standing (i.e. chronic condition) repetitive strain injury as a lost time claim, thus ending the past record.

Operation of the two city wastewater treatment plants remained in compliance with provincial requirements during the past quarter. Furthermore, operations related to the other 17 service contracts managed by PUC Services outside Sault Ste. Marie for water and wastewater systems remained in compliance with provincial regulations.

PUC DISTRIBUTION INC.

Electricity sales were up 16.2% in the fourth quarter of 2013 compared to the same period in 2012. However, year-to-date sales were up only 2.4% from last year. System peak demand during the fourth quarter was 139.4MW which occurred in December. The 2012 peak during the fourth quarter was 122.9 MW which also occurred in December. (All quantities are adjusted to recognize embedded generator contributions)

Distributed generation (i.e. primarily the large solar farms) supplied approximately 4% of the total energy consumed by PUC customers for the quarter. As would be expected, the solar generators did not contribute in any significant way to total system demand in the fourth quarter, due to Fall and Winter conditions.

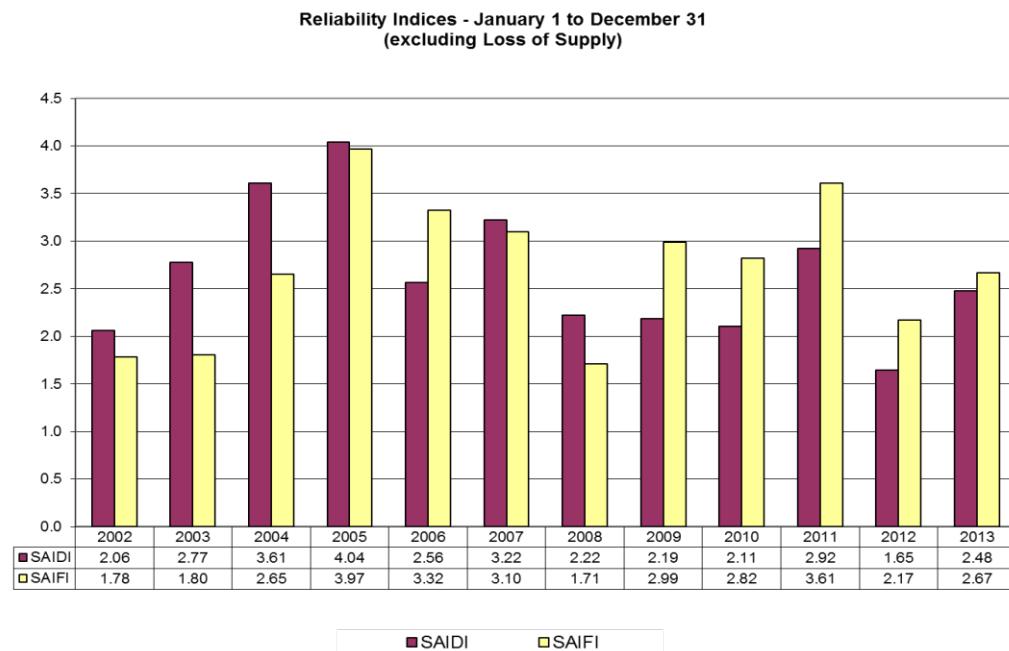
PUC Distribution is required by the OEB to track and report service reliability indices that measure system outage statistics for the electrical distribution system. These indices include the system average interruption duration index (SAIDI), the system average interruption frequency index (SAIFI) and the customer average interruption duration index (CAIDI), which is the ratio of SAIDI to SAIFI. All planned and unplanned outages lasting more than one minute must be reported. The indices are affected by factors such as customer density, the age and condition of the distribution system, susceptibility to lightning and other weather related impacts, the speed of response by crews and the scope of the supervisory and data acquisition (SCADA) systems deployed.

Comparison of power outages from one quarter to another can vary widely, due primarily to seasonal effects. The most significant impact on reliability in the fourth quarter was due to a number of power interruptions that occurred the night of November 17 through the following day due to severe weather conditions. Heavy winds resulted in widespread tree contacts and failed equipment causing power interruptions that affected a total of 9,317 customers for durations ranging from 19 minutes to 13.6 hours. A second significant contribution to outage numbers occurred in October when animal contacts interrupted

power to 4,909 customers, first for 1 hour 24 minutes on October 11th and again on October 12th for 22 minutes.

The fourth quarter contributed heavily to the overall year-end reliability indices. Fourth quarter SAIDI was 1.0 and SAIFI was 1.1, both accounting for 40% and 41% respectively of the year-end indices of 2.48 for SAIDI and 2.67 for SAIFI.

Average interruption duration (SAIDI) increased 50% for the year 2013 over 2012, while average frequency (SAIFI) increased 23%. The chart below compares annual SAIDI and SAIFI since 2002.

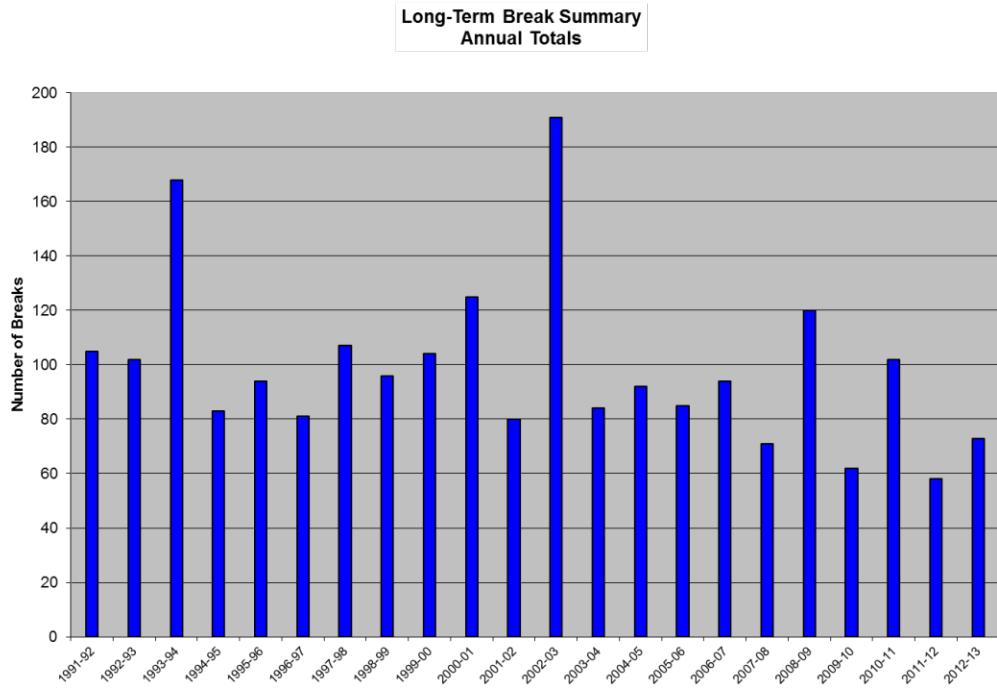


WATER SYSTEM OPERATIONS

Metered water consumption for the fourth quarter of 2013 was down 4.7% compared to the same period in 2012. Furthermore, consumption for the year-to-date is down 3.7% from last year. The peak day consumption for the fourth quarter was 32,247 m³ which occurred on October 26th. Last year the peak day consumption during the period was 33,126 m³.

Each year we track the number of watermain breaks as a measure of distribution system condition. The counting season starts November 1st each year and continues until October 31st of the following year. For the counting season ended October 31, 2013 we had a total of 73 breaks compared to 58 for the preceding year.

The chart below summarizes annual break counts since 1991. The long-term break history appears to indicate a developing trend of decline in total numbers since approximately 2006. However break frequency is significantly dependent upon weather conditions, including the depth of ground frost penetration, and watermain depth.



Unidirectional flushing (UDF) efforts in the east and west areas of the city did not continue during the fourth quarter. We had anticipated completing most of the Zone 1 area (i.e. area below 'the hill') by the time winter conditions would force us to stop. Unfortunately, activities had to be suspended in late September for the year due to city construction projects (the Fort Creek Aqueduct and the Queen Street East reconstruction). Flushing of the east end was completed as far west as Pine Street, while flushing of the west end was completed as far east as the intersection of Wellington and North Streets. Flushing in the Zone 1 area below 'the hill' will continue in 2014.

On Wednesday, November 20th, PUC received a call from the Fire Department requesting our assistance at the rear of Algoma University. On arrival, the operator observed a large discharge of water coming from a broken hydrant in the parking lot area. Flow from the hydrant was eventually stopped, but the sudden, uncontrolled release of water resulted in a large number of brown water calls being received from a wide area in the east end of the city. Three crews were dispatched to address the complaints by flushing the system. The timing of this incident was not in our favor. Plans had been made to restart the Lorna Well the following day and consumers had been warned of the possibility of water quality issues. However, PUC faced a lot of criticism and accusations following the unexpected early occurrence of brown water over such a large area. The damaged hydrant was repaired by a contractor on November 22nd.

Our efforts to address the ongoing water quality concerns following the conversion to free chlorine in late 2011 continued through the fourth quarter. As reported last quarter, a Steering Committee comprised of City Councillors, members of the public, Algoma Public

Health and Ministry of Environment officials was convened in September in order to provide public input and oversight related to development of the final outcome of the comprehensive water quality study.

The Committee met for its second meeting on November 5th to review the consultants' work to that point. There were approximately 150 possible combinations of alternative solutions available to address the three water quality concerns; taste, odour and colour. With input from the Committee the consultants were able to narrow down the list of options to a more manageable quantity of eight. The Committee will meet again in January to conclude on the preferred option based on the short list of eight.

PUC TELECOM INC.

By the end of October, 100% of the commitments made to Ontera on the sale of the company's assets had been addressed. Total cost to-date is approximately \$384,058. All commitments agreed to under the terms of the sale have now essentially been satisfied.

FINANCIAL STATUS

PUC Distribution's net income for the year 2013 was \$2,166,382 on revenues of \$20,267,528 compared to forecasted net income of \$3,404,274 and revenues of \$21,579,877 in the budget. Expenses of \$18,101,45 for the year were \$74,459 under budget. For the same period in 2012, net income was \$1,706,345, revenues were \$19,496,389 and expenses were \$17,388,822. 2013 revenues were significantly under-budget due to; 1) the Cost of Service rate application took effect July 1 rather than May 1, 2013; and 2) the OEB approved revenue requirement was less than the requested amount.

PUC Telecom had no operating revenue due to the sale of all assets in 2011. Expenses of \$293,608 were incurred during the year to address commitments made to Ontera under the terms of the sale, and in payment of interest to PUC Inc.

PUC Services had a net loss of \$1,091,320 for the year compared to a forecasted loss of \$182,258 in the 2013 budget. This was due primarily to a one-time write-off of an extraordinary item. Revenues for 2013 totaled \$16,979,198, which were \$167,697 over budget. Expenses were \$75,667 over budget. Net loss for 2012 was \$184,272 on revenues of \$13,234,176.

Unconsolidated PUC Inc. revenue for the year was \$2,413,471, which was received in the form of related party interest payments. Expenses of \$2,144,000 were primarily interest payable to the City. There was a net income of \$269,471 for the year.

The water Commission had a net operating margin of \$1,868,079 for the year on revenues of \$16,324,838 compared to a forecasted margin of \$1,956,094 and revenues of \$16,293,273 in the budget. In comparison, revenue for the year 2012 was \$15,266,527 and the net operating margin was \$2,794,375.

THE CORPORATION OF THE CITY OF SAULT STE. MARIE
BY-LAW 2014-94

AGREEMENT: (AG84) A by-law to authorize execution of a Surrender of Lease Agreement between The Corporation of the City of Sault Ste. Marie and The Board of Health for The District of Algoma Health Unit Operating as Algoma Public Health and The Sault College of Applied Arts and Technology dated May 26, 2014.

THE COUNCIL of The Corporation of the City of Sault Ste. Marie, pursuant to section 9 of the *Municipal Act, 2001*, S.O. 2001, c. 25, **ENACTS** as follows:

1. EXECUTION OF DOCUMENT

The Mayor and City Clerk are hereby authorized for and in the name of the Corporation to execute and affix the seal of the Corporation to a Surrender of Lease Agreement dated May 26, 2014 between The Corporation of the City of Sault Ste. Marie and The Board of Health For the District of Algoma Health Unit operating as Algoma Public Health and The Sault College of Applied Arts and Technology to surrender the lease between the parties made as of September 28, 2009.

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.

PASSED in open Council this 26th day of May, 2014.

MAYOR - DEBBIE AMAROSO

CITY CLERK - MALCOLM WHITE

THIS SURRENDER OF LEASE AGREEMENT made the 26th day of May, 2014,

BETWEEN:

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

(the "City")

- and -

**THE BOARD OF HEALTH FOR THE DISTRICT OF ALGOMA HEALTH UNIT
OPERATING AS ALGOMA PUBLIC HEALTH**

("APH")

-and-

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

(the "College")

1.0 BACKGROUND

1.1 By a lease made as of September 28th, 2009 (the "Lease"), the City as landlord leased to APH as tenant the premises more fully described in the Lease (the "Premises") comprising approximately 70,000 square feet in the building known municipally as 294 Willow Avenue, Sault Ste. Marie, Ontario, being the lands legally described in PIN 31529-0162(LT) (the "Real Property") for a term of 99 years and subject to the terms and conditions set forth in the Lease.

1.2 Pursuant to a Shared Facilities Agreement dated September 23rd, 2009 (the "SF Agreement") between APH and the College, APH agreed to allow the College to use certain classrooms in the Premises on the terms and conditions set forth in the SF Agreement subject to the re-imbursement by the College of a portion of the heating and air conditioning costs as more particularly provided in s. 3.2 of the SF Agreement.

1.3 Pursuant to Section 2.3 of the Lease, at the expiration of the Term or earlier termination of the Lease, the Real Property is to be conveyed to the College.

1.4 The City and APH have agreed that the Premises shall be surrendered and the Lease will be at an end on the 30th day of May, 2014 (the "Surrender Date") on the terms contained herein.

1.5 Notwithstanding the provisions of Section 2.3 of the Lease the parties have agreed that on the Surrender Date the Real Property shall be conveyed to APH.

1.6 Concurrently with the transfer of the Real Property APH and the College have agreed to amend the SF Agreement on the terms set forth herein.

NOW THEREFORE THIS INDENTURE WITNESSES that in consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as contained in this Agreement:

2.0 SURRENDER

2.1 The term of the Lease shall be fully completed and ended with effect from and after the Surrender Date and the Lease is hereby amended accordingly.

2.2 APH hereby assigns and surrenders the Lease and the Premises to the City, with effect as and from the Surrender Date, to the intent that the unexpired residue of the term created by the Lease, and all estate and interest of APH in the Premises under or by virtue of the Lease, may be merged and extinguished in the reversion of the Premises and the Lease shall be cancelled, terminated and surrendered with effect only from and after the Surrender Date. APH hereby remises, releases and forever discharges the City, with effect as and from the Surrender Date, of and from all manner of actions, causes of action, suits, debts, duties, accounts, covenants, contracts, claims and demands whatsoever which APH now has or can, shall or may hereafter have against the City arising out of or under or by virtue of the Lease, except as expressly set out herein.

2.3 The APH hereby acknowledges and agrees that its obligations and the indemnities provided in Articles 1, 2-10 inclusive and 12-14 inclusive of the Lease shall survive the Surrender of the Lease. APH further covenants and agrees that it shall indemnify and save the City harmless, including the City's elected officials, officers, employees, agents and contractors from and against any losses, costs (including without restriction, legal costs on a substantial indemnity basis), liabilities and expenses incurred by the City because of any demand, action or claim brought against the City as a result of any loss of or damage to property, personal injury or death or any other losses or damages, both direct or indirect, including such other costs and expenses, howsoever and whatsoever incurred, suffered or sustained in relation to or in connection with the APH and the College's use of the Premises or any other matters related directly or indirectly to the Lease or the SF Agreement, including any losses or damages which have been caused or contributed to by the breach of the *Occupiers Liability Act* on the part of the City.

2.4 The City is party to an Infrastructure Stimulus Fund Contribution Agreement entered into between the City and Her Majesty the Queen in Right of Ontario as represented by the Minister of Energy and Infrastructure and the Minister of Agriculture, Food and Rural Affairs ("Ontario and OMAFRA") dated September 14, 2009 (the "Stimulus Agreement") wherein Ontario and OMAFRA agreed to financially contribute to the costs of the construction of the Premises pursuant to the terms and conditions of the Stimulus Agreement. The parties hereto acknowledge and agree that they have read the Stimulus Agreement and understand the terms and conditions set out therein, including but not limited to Section 17.3 which provides that the Stimulus Agreement shall enure to the benefit of and be binding upon the parties to the Stimulus Agreement and their respective heirs, executors, administrators, successors and permitted assigns.

2.5 APH represents and warrants that, as a result of the transfer of the Real Property pursuant to this Agreement, the City will not incur any additional levies other than for such obligations for which the City is currently responsible pursuant to s.72 of the Health Protection and Promotion Act R.S.O. 1990 c. H.7.

3.0 TRANSFER OF REAL PROPERTY

3.1 On the Surrender Date the City agrees to transfer the Real Property to APH free and clear of all encumbrances save and except for the SF Agreement. On the Surrender Date the College hereby releases and quit claims any interest it may have in the Real Property pursuant to Section 2.3 of the Lease. Notwithstanding the transfer of the Property, APH covenants and agrees that in accordance with Section 11.6 of the Stimulus Agreement, the Real Property shall only be used, maintained and operated for a period of at least one-half of its expected useful life by APH and its tenants, licensees or other authorized occupants as a first class office building consistent with other buildings of similar nature and size in Sault Ste. Marie, Ontario and not incompatible with the institutional use, business and contractual commitments of the College. APH further covenants and agrees that it shall fully indemnify and save the City harmless, including the City's elected officials, officers, employees, agents and contractors from and against any losses, costs (including without restriction, legal costs on a substantial indemnity basis), liabilities and expenses incurred by the City because of any demand, action or claim brought against the City, including but not limited to any demand by Ontario and/or OMAFRA for recovery of any or all of the financial assistance provided by Ontario and/or OMAFRA to the City in accordance with Section 11.6 of the Stimulus Agreement. The parties hereto further acknowledge and agree that this indemnity in favour of the City and the covenant and agreement to use, maintain and operate the Real Property for at least one-half of its expected useful life as set out in Section 11.6 of the Stimulus Agreement shall be binding upon APH and their respective heirs, executors, administrators, successors and permitted assigns.

3.2 On the Surrender Date the City shall deliver to APH a transfer of land suitable for registration and such other documents as they deem reasonably necessary for the completion of this transaction.

3.3 The City and APH acknowledge that the transfer will be completed by electronic registration pursuant to Part III of the Land Registration Reform Act, R.S.O. 1990, Chapter L4 and the Electronic Registration Act, S.O. 1991, Chapter 44, and any amendments thereto. The City and APH irrevocably instruct the said lawyers to be bound by the document registration agreement which is recommended from time to time by the Law Society of Upper Canada.

3.4 The parties hereto acknowledge and agree that it is the parties' intention that the City shall be at no risk or expense whatsoever to which it would not have been put had this Surrender of Lease and coinciding transfer of the Real Property from the City to APH not have been so entered into by the parties hereto. APH shall indemnify and save harmless the City from any costs, liabilities, expenses and taxes incurred by the City that may result from this Surrender of Lease and the transfer of the Real Property from the City to APH including any matters arising directly or indirectly from same.

4.0 SF AGREEMENT

4.1 In consideration of the release and quit claim by the College as set forth in paragraph 3.1 hereof, all amounts owing by the College to APH for re-imbursement of heating and air conditioning costs pursuant to Section 3.2 of the SF Agreement are hereby cancelled and forgiven.

4.2 Effective as at the Surrender Date the SF Agreement is hereby amended by deleting Section 3.2. For the purposes of clarity it is understood between APH and the College that the College shall, until September 28, 2108, have the continued use of the classrooms as set forth in the SF Agreement without the obligation to reimburse APH for heating and air conditioning costs.

4.3 In the event that APH decides to sell or transfer title to the Real Property, or in the event that APH ceases to be an operating entity, it shall, before listing the Property for sale or transferring title to the Real Property, provide the College with the first right to negotiate with APH for the purchase of the Real Property for a 180 day period following written notice by APH of its intention to sell the Real Property. For the purposes of negotiating the price of the Real Property, the amount allocated to the land shall be deemed to be \$1.00; for greater clarity APH and the College acknowledge and agree that the value of the land shall be excluded from the purchase price. If APH and the College do not agree, within the 180 day period aforesaid, APH shall be free to sell the Real Property without further notice to the College; provided however, that in the event of the sale of the Real Property to a party other than the College, APH shall give notice to any future purchaser of the College's rights to use the Classrooms and the parking spaces pursuant to sections 4.2 and 4.4 respectively. In accordance with Section 11.6 of the Stimulus Agreement and APH's covenant and indemnity provided in Section 3.1 herein, APH shall further advise any future purchaser of the Real Property and Premises that the Real Property shall only be used, maintained and operated for a period of at least one-half of its expected useful life as a first class office building consistent with other buildings of similar nature and size in Sault Ste. Marie, Ontario and not incompatible with the institutional use, business and contractual commitments of the College.

4.4 APH shall, until September 28, 2108, provide 30 parking spaces in the auxiliary parking lot located on parts 14, 15 and 16 on Plan 1R-11771 to the College at no cost. All revenue derived from the 30 parking spaces shall be for the benefit of the College. All costs associated with the maintenance and repair of the parking spaces and for snow ploughing and snow removal shall be the responsibility of APH. Paragraph 3.7 of the SF Agreement is hereby deleted.

4.5 Save and except as amended in this section, the SF Agreement shall remain in full force and effect.

5.0 GENERAL

5.1 The City represents and warrants that it has the right, full power and authority to enter into this Agreement and to perform its obligations hereunder, that it has not assigned or encumbered its interest in the Lease and that no consent from any mortgagee or other party is required.

5.2 APH represents and warrants that it has the right, full power and authority to enter into this Agreement and to perform its obligations hereunder, and that, as of the Surrender Date, APH shall not have entered into any agreements or executed any other instruments, deeds or other documents pursuant to which the Lease or the unexpired portion of the term, including any renewals, shall in any way be charged, encumbered, assigned, sublet or otherwise transferred.

5.3 All notices required or permitted to be given hereunder shall be in writing and delivered or sent by prepaid registered mail to the address of the intended recipient set forth below or at such other address as may from time to time be notified by the City or APH in writing.

To the City at: The Corporation of the City of Sault Ste. Marie
 P.O. Box 580
 99 Foster Drive
 Sault Ste. Marie, Ontario
 P6A 5N1

To the APH at: Algoma Public Health
 294 Willow Avenue
 Sault Ste. Marie, Ontario
 P6B 5B7

To the College at: Sault College of Applied Arts and Technology
 443 Northern Avenue East
 Sault Ste. Marie, Ontario
 P6B 4J3

5.4 Each party shall promptly do, execute, deliver or cause to be done, executed and delivered all further acts, documents and things in connection with this Agreement that the other party or parties thereto may reasonably require for the purpose of giving effect to this Agreement and carrying out its provisions and completing the transactions contemplated by this Agreement.

5.5 Unless the context otherwise requires, words importing the singular in number only shall include the plural and *vice versa*, words importing the use of gender shall include the masculine, feminine and neuter genders, and words importing persons shall include individuals, corporations, partnerships, associations, trusts, unincorporated organizations, governmental bodies and other legal or business entities.

5.6 This Agreement may be executed by the parties hereto in separate counterparts, each of which so executed shall be deemed to be an original. Such counterparts together shall constitute one and the same instrument and, notwithstanding the date of execution, shall be deemed to bear the effective date set forth above.

5.7 Delivery of an executed copy of a signature page to this Agreement by facsimile transmission shall be effective as delivery of an original executed copy of this Agreement, and each party hereto undertakes to provide each other party with a copy of the Agreement bearing original signatures forthwith upon demand.

5.8 The rights and liabilities of the parties shall enure to the benefit of their respective successors and assigns, as the case may be.

5.9 The City may register a notice of this Surrender of Lease.

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement.

**THE CORPORATION OF THE CITY
OF SAULT STE. MARIE**

Per: _____

I/We have authority
to bind the Corporation

Name:

Title:

Per: _____

Name:

Title:

**THE BOARD OF HEALTH FOR THE
DISTRICT OF ALGOMA HEALTH
UNIT operating as ALGOMA PUBLIC
HEALTH**

Per:

I/We have authority
to bind the Corporation

Name: Wendy Brown

Title: Chair

Per:

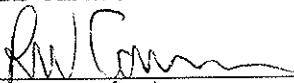
Name: Kim Barker

Title: Medical Officer of Health

**THE SAULT COLLEGE OF
APPLIED ARTS AND TECHNOLOGY**

I/We have authority
to bind the Corporation

Per:



Name: R.W. COMMON

Title: PRESIDENT

Per:



Name: CECILIA BRUNO

Title: CHIEF FINANCIAL OFFICER

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW NO. 2014-95

PROPERTY SALE: (PR1.52) A by-law to authorize the sale of property at 94 Willow Avenue to ??

THE COUNCIL of The Corporation of the City of Sault Ste. Marie, pursuant to the *Municipal Act, 2001*, S.O. 2001, c. 25, **ENACTS** as follows:

1. LANDS DECLARED SURPLUS

The lands more particularly described in Schedule "A" to this by-law are surplus to the requirements of the municipality.

2. SALE AUTHORIZED

The Corporation of the City of Sault Ste. Marie shall sell the lands more particularly described in Schedule "A" hereto to the person or persons (or such other person or companies directed) and at the consideration shown therefore in the Schedule upon the conditions set out in Schedule "A".

3. EXECUTION OF DOCUMENTS

The Acting 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 all documents required to complete the sale.

4. SCHEDULE "A"

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

5. EFFECTIVE DATE

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

PASSED in open Council this 12th day of May, 2014.

MAYOR – DEBBIE AMAROSO

CITY CLERK – MALCOLM WHITE

SCHEDULE "A" TO BY-LAW 2014-95

PURCHASER:

ADDRESS: 294 WILLOW AVENUE

LEGAL DESCRIPTION: PIN

CONSIDERATION:

Subject to the usual adjustments and any easements required.

THIS AGREEMENT made the 26th day of May, 2014,

B E T W E E N:

ALGOMA PUBLIC HEALTH
(hereinafter referred to as the "Purchaser")

OF THE FIRST PART

- and -

THE CORPORATION OF THE CITY OF SAULT STE. MARIE
(hereinafter referred to as the "Vendor")

OF THE SECOND PART

1.0 OFFER TO PURCHASE

- 1.1** The Purchaser offers to purchase from the Vendor all of the Vendor's rights, title and interest in the land and building situate at 294 Willow Avenue, in the City of Sault Ste. Marie more particularly described in PIN 31529-0162(LT) (the "Real Property").

2.0 PURCHASE PRICE AND PAYMENT

- 2.1** The purchase price payable for the Real Property shall be the sum of Ten Dollars (\$10.00) (the "Purchase Price"), payable by the Purchaser to the Vendor by certified cheque on the Closing Date subject to the usual adjustments.
- 2.2** All existing fixtures on the Real Property are included in the Purchase Price.

3.0 HARMONIZED SALES TAX

- 3.1** The Vendor hereby represents and warrants and certifies to the Purchaser that the sales transaction described in this agreement constitutes an exempt supply pursuant to section 10 of Part VI of Schedule V of the Excise Tax Act (Canada) and the Vendor shall provide to the Purchaser on the Closing Date a written certificate in form satisfactory to the Purchaser's solicitor acting reasonably verifying such fact.
- 3.2** In the event that HST is determined to be payable for this transaction, the Purchaser shall indemnify and save harmless the Vendor from any costs, expenses and taxes so incurred by the Vendor regarding same. The parties hereto acknowledge and agree that the Vendor shall be at no risk or expense as a result of any matters related directly or indirectly from this transaction. The parties hereto acknowledge and agree that this indemnity and paragraph shall survive the closing of this transaction.

4.0 RISK

- 4.1** Until the completion of the sale all buildings on the Real Property shall be and remain at the risk of the Vendor and the Vendor shall hold all insurance policies and proceeds of them in trust for the parties. The Vendor shall notify the Purchaser immediately upon request of the particulars of insurance on the Real Property. Page 234 of 360

Purchaser may either have the proceeds of the insurance policies and complete the purchase or may cancel this Agreement and the deposit shall be repaid to the Purchaser without interest or deduction.

5.0 TITLE

- 5.1 The Purchaser shall be allowed until the 27th day of May, 2014 to examine, at the Purchaser's own expense, the title to the Real Property, and to make inquiries of the municipality, public utilities and any government authority that the present use of the Real Property as an institutional office building may be lawful and that there are no outstanding work orders or deficiency notices effecting the Real Property. The Vendor will authorize the municipality, public utilities and any government authority to release all information in this regard.
- 5.2 If within the time specified in Section 5.1 hereof any valid written objection is delivered to the Vendor as to title or to any outstanding municipal work order or deficiency notice which the Vendor is unable or unwilling to remove, remedy or satisfy and notifies the Purchaser in writing within three days of the receipt of any objection and which the Purchaser will not waive and notifies the Vendor in writing, this Agreement, notwithstanding any intermediate action or negotiations in respect to those objections, shall be terminated and the deposit shall be repaid to the Purchaser without any deduction and neither the Vendor nor the Purchaser shall be liable for any costs or damages. If the Purchaser does not make any valid objections by the specified date the Purchaser shall be deemed to have accepted the Vendor's title, municipal work orders and deficiency notices and the available use except for any objections going to the root of title.

6.0 DATE OF CLOSING

- 6.1 This Agreement shall be completed on the 30th day of May, 2014 (the "Closing Date") at which time vacant possession of the Real Property shall be given to the Purchaser.

7.0 CONDITION/COVENANT

- 7.1 The completion of this Agreement is conditional on the parties hereto and The Sault College of Applied Arts and Technology executing, on or before the Closing Date, a surrender of lease agreement in a form attached hereto as Schedule "A" failing which this Agreement shall be null and void. The completion of this Agreement is further conditional on the Purchaser delivering to the Vendor prior to closing a document signed by The Sault College of Applied Arts and Technology, 443 Northern Avenue East, Sault Ste. Marie, Ontario (the "College"), confirming that the College consents to this transaction pursuant to the Restrictive Covenant registered as Instrument AL60820 on the Real Property.
- 7.2 The Purchaser covenants and agrees that it shall, on the Closing Date, cause the following documents to be deleted from the title to the Real Property:
- AL60817 – 2009/10/14 – Notice of Lease between the Vendor and the Purchaser
 - AL60818 – 2009/10/14 – Notice of Shared Facilities Agreement
 - AL60819 – 2009/10/14 – Notice of Amending Agreement
 - AL60820 – 2009/10/14 – Restrictive Covenant regarding sale of Real Property

The Vendor consents to the deletion of the above documents from title to the Real Property.

8.0 DOCUMENTS TO BE DELIVERED ON CLOSING

- 8.1 In addition to any other documents, matters or things required to be delivered to the Purchaser pursuant to the terms and provisions hereof, the Vendor covenants and agrees to deliver to the Purchaser, or to the Purchaser's solicitors, on or before closing, each of the following: Deed/Transfer of Land;
- (a) A copy of the By-law from the Vendor authorizing the execution of this Agreement and any documents necessary to complete the transaction;
 - (b) The Surrender of Lease Agreement referred to in Section 7.1 ;
 - (c) Such other documents as may be reasonably necessary for the completion of this transaction.
- 8.2 On the Closing Date the Purchaser shall deliver to the Vendor or the Vendor's Solicitor the following:
- (a) the balance of the Purchase Price pursuant to paragraph 2.1; and
 - (b) such other documents as may be necessary for the completion of this transaction;
- 8.3 The Vendor and Purchaser acknowledge that the transaction will be completed by electronic registration pursuant to Part III of the Land Registration Reform Act, R.S.O. 1990, Chapter L4 and the Electronic Registration Act, S.O. 1991, Chapter 44, and any amendments thereto. The Vendor and Purchaser acknowledge and agree that the exchange of closing funds, non-registerable documents and other items (the "Requisite Deliveries") and the release thereof to the Vendor and Purchaser will (a) not occur at the same time as the registration of the transfer/deed (and any other documents intended to be registered in connection with the completion of this transaction) and (b) be subject to conditions whereby the lawyer(s) receiving any of the Requisite Deliveries will be required to hold same in trust and not release same except in accordance with the terms of a document registration agreement between the said lawyers. The Vendor and Purchaser irrevocably instruct the said lawyers to be bound by the document registration agreement which is recommended from time to time by the Law Society of Upper Canada. Unless otherwise agreed to by the lawyers, such exchange of the Requisite Deliveries will occur in the applicable Land Titles Office or such other location agreeable to both lawyers.

9.0 NOTICES

- 9.1 Any notices or documents required or desired to be given or delivered to either of the parties hereto shall be in writing, and shall be personally delivered by hand/courier or by telefax to the intended party or parties as follows:

TO THE PURCHASER: Algoma Public Health
294 Willow Avenue
Sault Ste. Marie, ON P6B 5B7

With copy to: Laidlaw, Paciocco, Spadafora
421 Bay Street, Suite 604
Sault Ste. Marie, ON, P6A 1X3

ATTENTION: Mr. Robert W. Paciocco

TO THE VENDOR: The Corporation of the City of Sault Ste. Marie
P.O. Box 580
99 Foster Drive
Sault Ste. Marie, ON P6A 5N1

ATTENTION: Ms. Melanie Borowicz-Sibenik
Page 233 of 360

- 9.2 All notices and documents shall be delivered by hand/courier or by telefax only on business days (excluding Saturdays, Sundays and statutory holidays), and shall be deemed to have been received on the day that same has been so delivered or telefaxed, on the express understanding that any document or notice delivered or telefaxed after 5:00 p.m. shall be deemed to have been received on the next business day following the date of such delivery or telefax transmission (as the case may be), and provided further that if so telefaxed, a confirmation of such telefax transmission must be received by the transmitting party at the time of such transmission otherwise same will be deemed not to have been properly or sufficiently telefaxed to the intended party.
- 9.3 Either party hereto may, from time to time and by written notice delivered to the other party in the manner aforesaid, change the address or telefax number to which its notices are to be delivered or telefaxed, as the case may be.

10.0 INTERPRETATION

- 10.1 Time shall in all respects be of the essence hereof provided that the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in writing signed by the Vendor and the Purchaser or by their respective solicitors who are hereby expressly appointed in this regard.
- 10.2 Any tender of documents or money hereunder may be made upon the Vendor or the Purchaser or their respective solicitors on the date for completion of this Agreement. Money may be tendered by bank draft or cheque certified by a chartered bank, trust company or Province of Ontario Savings Office.
- 10.3 This Agreement shall constitute the entire agreement between the Purchaser and the Vendor. The parties acknowledge that other than as herein set out there is no representation, warranty, collateral agreement or condition, whether direct or collateral, or express or implied which induced either party hereto to enter into this Agreement or on which reliance is placed by any such party, or which affects this Agreement or the Real Property or which is supported hereby other than as expressed herein. This Agreement shall be read with all changes of gender or number required by the content. This Agreement shall be interpreted in accordance with the laws of the Province of Ontario.
- 10.4 This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
- 10.5 This Agreement shall not be amended, altered or modified except by memorandum in writing signed by or on behalf of the parties hereto and any amendment, alteration or modification hereof shall be null and void and shall not be binding unless made and recorded as aforesaid.

11.0 ACCEPTANCE

- 11.1 The Purchaser agrees that this Offer shall remain open for acceptance and shall be irrevocable by the Purchaser until 5:00 p.m. on the 27th day of May, 2014 after which time if not accepted by the Vendor this Offer shall be null and void and the deposit shall be refunded to the Purchaser without interest or deduction.

IN WITNESS WHEREOF the Purchaser has signed this Offer the day of May, 2014.

ALGOMA PUBLIC HEALTH

Per:

Marilyn Brown
Name: Chair
Title: Chair

Per:

Kim Bartle
Name: Kim Bartle
Title: Medical Officer of Health

We have authority to bind the Corporation

IN WITNESS WHEREOF the Vendor has accepted this Offer on the day of May, 2014.

**THE CORPORATION OF THE CITY
OF SAULT STE. MARIE**

Per:

Name: Debbie Amoroso
Title: Mayor

Per:

Name: Malcolm White
Title: Clerk

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW NO. 2014-101

ZONING: A by-law to amend Sault Ste. Marie Zoning By-law 2005-150 concerning lands located at 365 Maki Road (Frees Johnson).

THE COUNCIL of The Corporation of the City of Sault Ste. Marie, pursuant to section 34 of the *Planning Act*, R.S.O. 1990, c. P.13 and amendments thereto, **ENACTS** as follows:

1. **365 MAKI ROAD; LOCATED ON THE WEST SIDE OF MAKI ROAD APPROXIMATELY 110M SOUTH OF ITS INTERSECTION WITH MOUNT PLEASANT COURT; CHANGE FROM REX TO RA**

The zone designation on the portion of the lands having civic address 365 Maki Road shown as "Subject Property" on the map attached to this by-law, which property is shown on Map 1-132 of Schedule "A" to By-law 2005-150, and zoned REX (Rural Aggregate Extraction) zone is changed from REX (Rural Aggregate Extraction) zone to RA (Rural Area) zone.

2. **SCHEDULE "A"**

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

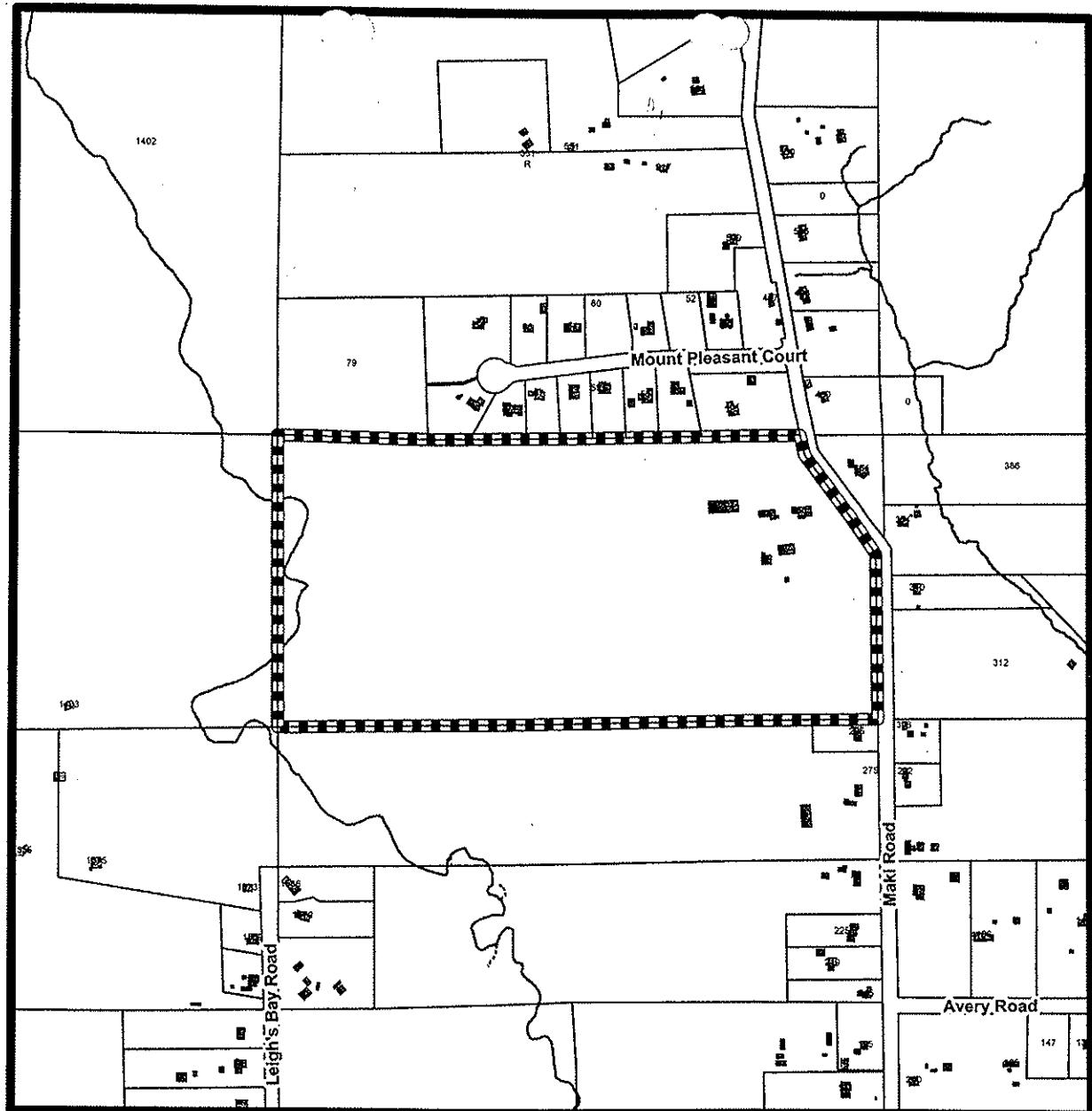
3. **CERTIFICATE OF CONFORMITY**

It is hereby certified that this by-law is in conformity with the Official Plan for the City of Sault Ste. Marie authorized and in force on the day of the passing of this by-law.

PASSED in Open Council this 26th day of May, 2014.

MAYOR - DEBBIE AMAROSO

CITY CLERK - MALCOLM WHITE



**SUBJECT PROPERTY MAP
APPLICATION A-9-14-Z
365 MAKI ROAD**



METRIC SCALE
1 : 7500

ROLL NUMBER
060-050-218-00

MAP REFERENCE
508 & 1-132

MAIL LABEL ID
A-9-14-Z

Legend



Subject Property = 365 Maki Road

THE CORPORATION OF THE CITY OF SAULT STE. MARIE
BY-LAW 2014-106

AGREEMENT: (F1.3) A by-law to authorize execution of an agreement between the City and the Association of Municipalities of Ontario (AMO) in order to receive federal gas tax funding for the next ten years.

THE COUNCIL of The Corporation of the City of Sault Ste. Marie, pursuant to section 9 of the *Municipal Act, 2001*, S.O. 2001, c. 25, **ENACTS** as follows:

1. **EXECUTION OF DOCUMENT**

The Mayor and City Clerk are hereby authorized for and in the name of the Corporation to execute and affix the seal of the Corporation to an agreement attached hereto and dated April 1, 2014 between The Corporation of the City of Sault Ste. Marie and the Association of Municipalities of Ontario (AMO) in order to receive federal gas tax funding for the next ten years.

2. **SCHEDULE "A"**

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

3. **EFFECTIVE DATE**

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

PASSED in open Council this 26th day of May, 2014.

MAYOR - DEBBIE AMAROSO

CITY CLERK - MALCOLM WHITE

Schedule "A"

MUNICIPAL FUNDING AGREEMENT FOR THE TRANSFER OF FEDERAL GAS TAX FUNDS

This Agreement made in duplicate as of 1st day of April, 2014.

BETWEEN:

THE ASSOCIATION OF MUNICIPALITIES OF ONTARIO
(referred to herein as "AMO")

AND:

THE CITY OF SAULT STE. MARIE

(a municipal corporation pursuant to the *Municipal Act, 2001*, referred to herein as the "Recipient")

WHEREAS the Government of Canada makes up to \$2 billion per year available for allocation by the Government of Canada for the purpose of municipal, regional and First Nations infrastructure starting in the fiscal year beginning on April 1, 2014 under Section 161 of *Keeping Canada's Economy and Jobs Growing Act*, S.C. 2011, c. 24;

WHEREAS Canada, the Province of Ontario, Ontario municipalities as represented by AMO and Toronto are signatories to the administrative agreement on The Federal Gas Tax Fund on April 1, 2014 (the "Canada-Ontario-AMO-Toronto Agreement"), whereby AMO agreed to administer federal gas tax funds made available to Ontario municipalities, excluding Toronto, pursuant to the Canada-Ontario-AMO-Toronto Agreement on behalf of Canada;

WHEREAS the Canada-Ontario-AMO-Toronto Agreement contains a framework for the transfer of federal gas tax funds to Ontario municipalities represented by AMO and Toronto to provide stable, reliable and predictable funding for municipal infrastructure purposes;

WHEREAS the Recipient wishes to enter into this Agreement in order to participate in the federal Gas Tax Fund;

WHEREAS AMO is carrying out the fund administration and coordinating role in accordance with its obligations set out in the Canada-Ontario-AMO-Toronto Agreement and it will accordingly undertake certain activities and require Recipients to undertake activities as set out in this Agreement.

THEREFORE the Parties agree as follows:

1. DEFINITIONS AND INTERPRETATION

- 1.1 **Definitions.** When used in this Agreement (including the cover and execution pages and all of the schedules), the following terms shall have the meanings

ascribed to them below unless the subject matter or context is inconsistent therewith:

“Agreement” means this Agreement, including the cover and execution pages and all of the schedules hereto, and all amendments made hereto in accordance with the provisions hereof.

“Annual Report” means the duly completed report to be prepared and delivered to AMO as described in Section 7.1 and Section 1 of Schedule D.

“Asset Management Plan” means a strategic document that states how a group of assets are to be managed over a period of time. The plan describes the characteristics and condition of infrastructure assets, the levels of service expected from them, planned actions to ensure the assets are providing the expected level of service, and financing strategies to implement the planned actions. The plan may use any appropriate format, as long as it includes the information and analysis required to be in a plan as described in Ontario’s Building Together: Guide for Asset Management Plans.

“Association of Municipalities of Ontario (AMO)” means a legally incorporated entity under the *Corporations Act, 1990 R.S.O. 1990, Chapter c.38.*

“Base Amount” means an amount reflecting total municipally-funded capital spending on Infrastructure between January 1, 2000 and December 31, 2004 less: (i) monies raised (during that period) under the *Development Charges Act, 1997 S.O. 1997, c.27;* and (ii) monies received (during that period) by Municipalities under federal and provincial infrastructure programs against which investments of Funds will be measured to ensure that investments of Funds are incremental.

“Canada” means Her Majesty in Right of Canada, as represented by the President of the Queen’s Privy Council for Canada, Minister of Infrastructure, Communities and Intergovernmental Affairs.

“Contract” means an agreement between the Recipient and a Third Party whereby the latter agrees to supply a product or service to an Eligible Project in return for financial consideration.

“Eligible Expenditures” means those expenditures described as eligible in Schedule C.

“Eligible Projects” means projects as described in Schedule B.

“Eligible Recipient” means:

- (a) a Municipality or its agent (including its wholly owned corporation); and
- (b) a non-municipal entity, including for profit, non-governmental and not-for profit organizations, on the condition that the Municipality(ies) has (have) indicated support for the project through a formal by-law passed by its (their) council(s)

“Event of Default” has the meaning given to it in Section 12.1 of this Agreement.

“First Agreement” means the Municipal Funding Agreement for the transfer of federal gas tax revenues under the New Deal for Communities entered into by AMO and the CITY OF SAULT STE. MARIE, with an expiry date of March 31, 2015.

“Funds” mean the Funds made available to the Recipient through the Gas Tax Fund, a program established by the Government of Canada under Section 161 of the *Keeping Canada’s Economy and Jobs Growing Act*, S.C. 2011, c. 24 as amended by Section 233 of the *Economic Action Plan 2013 Act*, No. 1, S.C. 2013, C. 33 or any other source of funding as determined by Canada. Funds are made available pursuant to this Agreement and includes any interest earned on the said Funds. For greater certainty: (i) Funds transferred to another Municipality in accordance with Section 6.2 of this Agreement, other than as set out in Sections 7.1(a), (c) and (f), are to be treated as Funds by the Municipality to which the Funds are transferred and are not to be treated as Funds by the Recipient; and (ii) any Funds transferred to a non-municipal entity in accordance with Section 6.3 of this Agreement shall remain as Funds under this Agreement for all purposes and the Recipient shall continue to be bound by all provisions of this Agreement with respect to such transferred Funds.

“Ineligible Expenditures” means those expenditures described as ineligible in Schedule C.

“Infrastructure” means municipal or regional, publicly or privately owned, tangible capital assets primarily for public use or benefit in Ontario.

“Lower Tier Municipality” means a municipality that forms part of an upper-tier Municipality for municipal purposes, as defined under the *Municipal Act*, 2001 S.O. 2001 c.25.

“Municipal Fiscal Year” means the period beginning January 1st of a year and ending December 31st of the same year.

“Municipality” and “Municipalities” means every municipality as defined under the *Municipal Act*, 2001 S.O. 2001 c.25.

“One Investment Program” means the co-investment program operated jointly by Local Authority Services, an incorporated subsidiary of AMO and CHUMS Financing Corporation, an incorporated wholly-owned subsidiary of the Municipal Finance Officers’ Association of Ontario.

“Outcomes Report” means the report prepared and delivered to AMO by the Recipient by March 31, 2017 and again by March 31, 2022 which reports on how Funds are supporting progress towards achieving the program benefits, more specifically described in Schedule D.

“Oversight Committee” means the committee established to monitor the overall implementation of the Canada-Ontario-AMO-Toronto Agreement.

“Parties” means AMO and the Recipient.

“Recipient” has the meaning given to it on the first page of this Agreement.

“Third Party” means any person or legal entity, other than the Parties to this Agreement who participates in the implementation of an Eligible Project by means of a Contract.

“Transfer By-law” means a by-law passed by Council of the Recipient pursuant to Section 6.2 and delivered to AMO in accordance with that section.

“Unspent Funds” means the amount reported as unspent by the Recipient as of December 31, 2013 as submitted in the Recipient’s 2013 Annual Expenditure Report (as defined under the First Agreement).

“Upper Tier Municipality” means a Municipality of which two or more lower-tier municipalities form part for municipal purposes, as defined under the *Municipal Act, 2001* S.O. 2001 c.25.

1.2 Interpretations:

Herein, etc. The words “herein”, “hereof” and “hereunder” and other words of similar import refer to this Agreement as a whole and not any particular schedule, article, section, paragraph or other subdivision of this Agreement.

Currency. Any reference to currency is to Canadian currency and any amount advanced, paid or calculated is to be advanced, paid or calculated in Canadian currency.

Statutes. Any reference to a federal or provincial statute is to such statute and to the regulations made pursuant to such statute as such statute and regulations may at any time be amended or modified and in effect and to any statute or regulations that may be passed that have the effect of supplementing or superseding such statute or regulations.

Gender, singular, etc. Words importing the masculine gender include the feminine or neuter gender and words in the singular include the plural, and vice versa.

2. TERM OF AGREEMENT

- 2.1 **Term.** Subject to any extension or termination of this Agreement or the survival of any of the provisions of this Agreement pursuant to the provisions contained herein, this Agreement shall be in effect from the date set out on the first page of this Agreement, up to and including March 31, 2024.
- 2.2 **Review.** This Agreement will be reviewed by AMO by December 31, 2018.
- 2.3 **Amendment.** This Agreement may be amended at any time in writing as agreed to by AMO and the Recipient.

- 2.4 **Notice.** Any of the Parties may terminate this Agreement on two (2) years written notice.
- 2.5 The Parties agree that the First Agreement, including section 15.4 thereof, is hereby terminated. Notwithstanding the termination of the First Agreement, including section 15.4, the reporting and indemnity obligations of the Recipient thereunder with respect to expended Funds governed by the First Agreement as set forth in sections 5, 7, 10.4, 10.5 and 10.6 of the First Agreement shall survive the said termination.

3. RECIPIENT REQUIREMENTS

- 3.1 **Communications.** The Recipient will comply with all requirements outlined in Schedule E, including:
 - (a) Providing upfront project information on an annual basis for communications purposes;
 - (b) Including Canada in local project communications; and
 - (c) Installing federal project signs.
- 3.2 **Incrementality.** Any Funds that the Recipient may receive from Canada are not intended to replace or displace existing sources of funding for the Recipient's tangible capital assets. The Recipient will ensure that its total annual expenditures on tangible capital assets over the life of the Agreement, on average, will not be less than the Base Amount.
- 3.3 **Contracts.** The Recipient will award and manage all Contracts in accordance with its relevant policies and procedures and, if applicable, in accordance with the Agreement on Internal Trade and applicable international trade agreements, and all other applicable laws.
 - (a) The Recipient will ensure any of its Contracts for the supply of services or materials to implement its responsibilities under this Agreement will be awarded in a way that is transparent, competitive, consistent with value for money principles and pursuant to its adopted procurement policy.

4. ELIGIBLE PROJECTS

- 4.1 **Eligible Project Categories.** Eligible Projects include investments in Infrastructure for its construction, renewal or material enhancement in the categories of public transit, local roads and bridges, wastewater, water, solid waste, community energy systems, capacity building, local and regional airports, short-line rail, short-sea shipping, disaster mitigation, broadband connectivity, brownfield redevelopment, cultural, tourism, sport and recreational infrastructure, as more specifically described in Schedule B and Schedule C.
- 4.2 **Recipient Fully Responsible.** The Recipient is fully responsible for the completion of each Eligible Project in accordance with Schedule B and Schedule C.

5. ELIGIBLE EXPENDITURES

- 5.1 **Eligible Expenditures.** Schedule C sets out specific requirements for Eligible and Ineligible Expenditures.
- 5.2 **Discretion of Canada.** Subject to Section 5.1, the eligibility of any items not listed in Schedule B and/or Schedule C to this Agreement is solely at the discretion of Canada.
- 5.3 **Unspent Funds.** Any Unspent Funds, and any interest earned thereon, will be subject to the terms and conditions of this Agreement, and will no longer be governed by the terms and conditions of the First Agreement.
- 5.4 **Reasonable Access.** The Recipient shall allow AMO and Canada reasonable and timely access to all documentation, records and accounts and those of their respective agents or Third Parties related to the receipt, deposit and use of Funds and Unspent Funds, and any interest earned thereon, and all other relevant information and documentation requested by AMO or Canada or their respective designated representatives for the purposes of audit, evaluation, and ensuring compliance with this Agreement.
- 5.5 **Retention of Receipts.** The Recipient will keep proper and accurate accounts and records of all Eligible Projects including invoices and receipts for Eligible Expenditures in accordance with the Recipient's municipal records retention by-law and, upon reasonable notice, make them available to AMO and Canada.

6. FUNDS

- 6.1 **Allocation of Funds.** AMO will allocate and transfer Funds that Canada may make available for Ontario Municipalities to Recipients on a *per capita* basis with allocations made on a 50:50 basis to upper-tier and lower-tier Municipalities, where they exist.
- 6.2 **Transfer of Funds to a Municipality.** Where a Recipient decides to allocate and transfer Funds to another Municipality (the "Transferee Municipality"):
 - (a) The allocation and transfer shall be authorized by by-law (a "Transfer By-law"). The Transfer By-law shall be passed by the Recipient's council and submitted to AMO as soon thereafter as practicable. The Transfer By-law shall identify the Transferee Municipality and the amount of Funds the Transferee Municipality is to receive for the Municipal Fiscal Year specified in the Transfer By-law.
 - (b) The Recipient is still required to submit an Annual Report in accordance with Sections 7.1 (a), (c) and (f) hereof with respect to the Funds transferred.
 - (c) No transfer of Funds pursuant to this Section 6.2 shall be effected unless and until the Transferee Municipality has either (i) entered into an agreement with AMO on substantially the same terms as this Agreement, or (ii) has executed and delivered to AMO a written undertaking to

assume all of the Recipient's obligations under this Agreement with respect to the Funds transferred; in a form satisfactory to AMO.

- 6.3 **Transfer of Funds to a non-municipal entity.** Where a Recipient decides to support an Eligible Project undertaken by an Eligible Recipient that is not a Municipality:
- (a) The provision of such support shall be authorized by a by-law (a "Non-municipal Transfer By-law"). The Non-municipal Transfer By-law shall be passed by the Recipient's council and submitted to AMO as soon as practicable thereafter. The Non-municipal Transfer By-law shall identify the Eligible Recipient, and the amount of Funds the Eligible Recipient is to receive for that Eligible Project.
 - (b) The Recipient shall continue to be bound by all of the provisions of this Agreement notwithstanding any such transfer.
 - (c) No transfer of Funds pursuant to this Section 6.3 shall be effected unless and until the non-municipal entity receiving the Funds has executed and delivered to AMO a written undertaking to assume all of the Recipient's obligations under this Agreement with respect to the Funds transferred, in a form satisfactory to AMO.
- 6.4 **Use of Funds.** The Recipient acknowledges and agrees the Funds are intended for and shall be used only for Eligible Expenditures in respect of Eligible Projects.
- 6.5 **Schedule of payout of Funds.** The Recipient agrees that all Funds are to be transferred by AMO to the Recipient as set out in Schedule A. Subject to Section 6.14, AMO will transfer Funds twice yearly, on or before the dates agreed upon by Canada and AMO, and, more specifically on the basis set out in Schedule A.
- 6.6 **Use of Funds.** The Recipient will deposit the Funds in a dedicated reserve fund or other separate distinct interest bearing account or invest the Funds through the One Investment Program or any other eligible investment permitted by the Ontario *Municipal Act, 2001* and shall retain the Funds in such reserve fund, account or investment until the Funds are expended or transferred in accordance with this Agreement. The Recipient shall ensure that:
- (a) any investment of unexpended Funds will be in accordance with Ontario law and the Recipient's investment policy; and,
 - (b) any interest earned on Funds will only be applied to Eligible Expenditures for Eligible Projects, more specifically on the basis set out in Schedule B and Schedule C.
- 6.7 **Funds advanced.** Funds transferred by AMO to the Recipient shall be expended by the Recipient in respect of Eligible Expenditures within five (5) years after the end of the year in which Funds were received. Unexpended Funds shall not be retained beyond such five (5) year period. AMO reserves the right to declare that Unexpended Funds after five (5) years become a debt to

- Canada which the Recipient will reimburse forthwith on demand to AMO for transmission to Canada.
- 6.8 **Expenditure of Funds.** The Recipient shall expend all Funds by December 31, 2028.
- 6.9 **GST & HST.** The use of Funds is based on the net amount of goods and services tax or harmonized sales tax to be paid by the Recipient net of any applicable tax rebates.
- 6.10 **Limit on Canada's Financial Commitments.** The Recipient may use Funds to pay up to one hundred percent (100%) of Eligible Expenditures of an Eligible Project.
- 6.11 **Federal Funds.** The Recipient agrees that any Funds received will be treated as federal funds for the purpose of other federal infrastructure programs.
- 6.12 **Stacking.** If the Recipient is receiving federal funds under other federal infrastructure programs in respect of an Eligible Project to which the Recipient wishes to apply Funds, the maximum federal contribution limitation set out in any other federal infrastructure program agreement made in respect of that Eligible Project shall continue to apply.
- 6.13 **Withholding Payment.** AMO may withhold payment of Funds where the Recipient is in default of compliance with any provisions of this Agreement.
- 6.14 **Insufficient funds provided by Canada.** Notwithstanding Section 2.4, if Canada does not provide sufficient funds to continue the Funds for any Municipal Fiscal Year during which this Agreement is in effect, AMO may terminate this Agreement.

7. REPORTING REQUIREMENTS

- 7.1 **Annual Report.** The Recipient shall report in the form in Schedule D due by March 31st following each Municipal Fiscal Year on:
- (a) the amounts received from AMO under this Agreement in respect of the previous Municipal Fiscal Year;
 - (b) the amounts received from another Municipality;
 - (c) the amounts transferred to another Municipality;
 - (d) amounts paid by the Recipient in aggregate for Eligible Projects;
 - (e) amounts held at year end by the Recipient in aggregate, including interest, to pay for Eligible Projects;
 - (f) indicate in a narrative the progress that the Recipient has made in meeting its commitments and contributions; and,

- (g) a listing of all Eligible Projects that have been funded, indicating the location, investment category, project description, amount of Funds and total project cost.
- 7.2 **Outcomes Report.** The Recipient shall account in writing for outcomes achieved as a result of the Funds through an Outcomes Report to be submitted to AMO. Specifically the Outcomes Report shall describe, in a manner to be provided by AMO, the degree to which investments in each Eligible Project are supporting progress towards achieving:
- (a) beneficial impacts on communities of completed Eligible Projects; and
 - (b) enhanced impact of Funds as a predictable source of funding.

8. ASSET MANAGEMENT

- 8.1 **Asset Management Plan.** The Recipient will develop and implement an Asset Management Plan prior to December 31, 2016.
- 8.2 **Outcomes.** On a date and in a manner to be determined by AMO, the Recipient will provide a report to AMO demonstrating that Asset Management Plans are being used to guide infrastructure planning and investment decisions and how Funds are being used to address priority projects.

9. RECORDS AND AUDIT

- 9.1 **Accounting Principles.** All accounting terms not otherwise defined herein have the meanings assigned to them; all calculations will be made and all financial data to be submitted will be prepared in accordance with generally accepted accounting principles (GAAP) in effect in Ontario. GAAP will include, without limitation, those principles approved or recommended for local governments from time to time by the Public Sector Accounting Board or the Canadian Institute of Chartered Accountants or any successor institute, applied on a consistent basis.
- 9.2 **Separate Records.** The Recipient shall maintain separate records and documentation for the Funds and keep all records including invoices, statements, receipts and vouchers in respect of Funds expended on Eligible Projects in accordance with the Recipient's municipal records retention by-law. Upon reasonable notice, the Recipient shall submit all records and documentation relating to the Funds to AMO and Canada for inspection or audit.
- 9.3 **External Auditor.** AMO and/or Canada may request, upon written notification, an audit of Eligible Project or an Annual Report. AMO shall retain an external auditor to carry out an audit of the material referred to in Sections 5.4 and 5.5 of this Agreement. AMO shall ensure that any auditor who conducts an audit pursuant to this Section of this Agreement or otherwise, provides a copy of the audit report to the Recipient and Canada at the same time that the audit report is given to AMO.

10. INSURANCE AND INDEMNITY

- 10.1 **Insurance.** The Recipient shall put in effect and maintain in full force and effect or cause to be put into effect and maintained for the term of this Agreement all the necessary insurance with respect to each Eligible Project, including any Eligible Projects with respect to which the Recipient has transferred Funds pursuant to Section 6 of this Agreement, that would be considered appropriate for a prudent Municipality undertaking Eligible Projects, including, where appropriate and without limitation, property, construction and liability insurance, which insurance coverage shall identify Canada and AMO as additional insureds for the purposes of the Eligible Projects.
- 10.2 **Certificates of Insurance.** Throughout the term of this Agreement, the Recipient shall provide AMO with a valid certificate of insurance that confirms compliance with the requirements of Section 10.1. No Funds shall be expended or transferred pursuant to this Agreement until such certificate has been delivered to AMO.
- 10.3 **AMO not liable.** In no event shall Canada or AMO be liable for:
 - (a) any bodily injury, death or property damages to the Recipient, its employees, agents or consultants or for any claim, demand or action by any Third Party against the Recipient, its employees, agents or consultants, arising out of or in any way related to this Agreement; or
 - (b) any incidental, indirect, special or consequential damages, or any loss of use, revenue or profit to the Recipient, its employees, agents or consultants arising out of any or in any way related to this Agreement.
- 10.4 **Recipient to Compensate Canada.** The Recipient will ensure that it will not, at any time, hold Canada, its officers, servants, employees or agents responsible for any claims or losses of any kind that the Recipient, Third Parties or any other person or entity may suffer in relation to any matter related to the Funds or an Eligible Project and that the Recipient will, at all times, compensate Canada, its officers, servants, employees and agents for any claims or losses of any kind that any of them may suffer in relation to any matter related to the Funds or an Eligible Project. The Recipient's obligation to compensate as set out in this section does not apply to the extent to which such claims or losses relate to the negligence of an officer, servant, employee, or agent of Canada in the performance of his or her duties.
- 10.5 **Recipient to Indemnify AMO.** The Recipient hereby agrees to indemnify and hold harmless AMO, its officers, servants, employees or agents (each of which is called an "Indemnitee"), from and against all claims, losses, damages, liabilities and related expenses including the fees, charges and disbursements of any counsel for any Indemnitee incurred by any Indemnitee or asserted against any Indemnitee by whomsoever brought or prosecuted in any manner based upon, or occasioned by, any injury to persons, damage to or loss or destruction of property, economic loss or infringement of rights caused by or arising directly or indirectly from:

- (a) the Funds;
- (b) the Recipient's Eligible Projects, including the design, construction, operation, maintenance and repair of any part or all of the Eligible Projects;
- (c) the performance of this Agreement or the breach of any term or condition of this Agreement by the Recipient, its officers, servants, employees and agents, or by a Third Party, its officers, servants, employees, or agents; and
- (d) any omission or other wilful or negligent act of the Recipient or Third Party and their respective officers, servants, employees or agents.

11. TRANSFER AND OPERATION OF MUNICIPAL INFRASTRUCTURE

- 11.1 **Reinvestment.** The Recipient will invest into Eligible Projects, any revenue that is generated from the sale, lease, encumbrance or other disposal of an asset resulting from an Eligible Project where such disposal takes place within five (5) years of the date of completion of the Eligible Project.
- 11.2 **Notice.** The Recipient shall notify AMO in writing 120 days in advance and at any time during the five (5) years following the date of completion of an Eligible Project if it is sold, leased, encumbered or otherwise disposed of.
- 11.3 **Public Use.** The Recipient will ensure that Infrastructure resulting from any Eligible Project that is not sold, leased, encumbered or otherwise disposed of, remains primarily for public use or benefit.

12. DEFAULT AND TERMINATION

- 12.1 **Event of Default.** AMO may declare in writing that an event of default has occurred when the Recipient has not complied with any condition, undertaking or term in this Agreement. AMO will not declare in writing that an event of default has occurred unless it has first consulted with the Recipient. Each and every one of the following events is an "Event of Default":
 - (a) failure by the Recipient to deliver in a timely manner an Annual Report or Outcomes Report.
 - (b) delivery of an Annual Report that discloses non-compliance with any condition, undertaking or material term in this Agreement.
 - (c) failure by the Recipient to co-operate in an external audit undertaken by AMO or its agents.
 - (d) delivery of an external audit report that discloses non-compliance with any condition, undertaking or term in this Agreement.
 - (e) failure by the Recipient to expend Funds in accordance with Section 6.7.

- 12.2 **Waiver.** AMO may withdraw its notice of an Event of Default if the Recipient, within thirty (30) calendar days of receipt of the notice, either corrects the default or demonstrates, to the satisfaction of AMO in its sole discretion that it has taken such steps as are necessary to correct the default.
- 12.3 **Remedies on default.** If AMO declares that an Event of Default has occurred under Section 12.1, after thirty (30) calendar days from the Recipient's receipt of the notice of an Event of Default, it may immediately terminate or suspend its obligation to pay the Funds. If AMO suspends payment, it may pay suspended Funds if AMO is satisfied that the default has been cured.
- 12.4 **Repayment of Funds.** If AMO declares that an Event of Default has not been cured to its satisfaction, AMO reserves the right to declare that prior payments of Funds become a debt to Canada which the Recipient will reimburse forthwith on demand to AMO for transmission to Canada.

13. CONFLICT OF INTEREST

- 13.1 **No conflict of interest.** The Recipient will ensure that no current member of the AMO Board of Directors and no current or former public servant or office holder to whom any post-employment, ethics and conflict of interest legislation, guidelines, codes or policies of Canada applies will derive direct benefit from the Funds, the Unspent Funds, and interest earned thereon, unless the provision of receipt of such benefits is in compliance with such legislation, guidelines, policies or codes.

14. NOTICE

- 14.1 **Notice.** Any notice, information or document provided for under this Agreement will be effectively given if in writing and if delivered by hand, or overnight courier, mailed, postage or other charges prepaid, or sent by facsimile or email to the addresses, the facsimile numbers or email addresses set out in Section 14.3. Any notice that is sent by hand or overnight courier service shall be deemed to have been given when received; any notice mailed shall be deemed to have been received on the eighth (8) calendar day following the day on which it was mailed; any notice sent by facsimile shall be deemed to have been given when sent; any notice sent by email shall be deemed to have been received on the sender's receipt of an acknowledgment from the intended recipient (such as by the "return receipt requested" function, as available, return email or other written acknowledgment), provided that in the case of a notice sent by facsimile or email, if it is not given on a business day before 4:30 p.m. Eastern Standard Time, it shall be deemed to have been given at 8:30 a.m. on the next business day for the recipient.
- 14.2 **Representatives.** The individuals identified in Section 14.3 of this Agreement, in the first instance, act as AMO's or the Recipient's, as the case may be, representative for the purpose of implementing this Agreement.
- 14.3 **Addresses for Notice.** Further to Section 14.1 of this Agreement, notice can be given at the following addresses:

(a) If to AMO:

Executive Director
Federal Gas Tax Fund Agreement
Association of Municipalities of Ontario
200 University Avenue, Suite 801
Toronto, ON M5H 3C6

Telephone: 416-971-9856
Facsimile: 416-971-6191
Email: gastax@amo.on.ca

(b) If to the Recipient:

Bill Freiburger
Commissioner of Finance & Treasurer
City of Sault Ste. Marie
P.O. Box 580, 99 Foster Drive,
Sault Ste. Marie, ON P6A 5N1
Telephone: (705) 759-2500
Facsimile: (705) 759-2310
Email: b.freiburger@cityssm.on.ca

15. MISCELLANEOUS

- 15.1 **Counterpart Signature.** This Agreement may be signed in counterpart, and the signed copies will, when attached, constitute an original Agreement.
- 15.2 **Severability.** If for any reason a provision of this Agreement that is not a fundamental term is found to be or becomes invalid or unenforceable, in whole or in part, it will be deemed to be severable and will be deleted from this Agreement, but all the other terms and conditions of this Agreement will continue to be valid and enforceable.
- 15.3 **Waiver.** AMO may waive any right in this Agreement only in writing, and any tolerance or indulgence demonstrated by AMO will not constitute waiver of rights in this Agreement. Unless a waiver is executed in writing, AMO will be entitled to seek any remedy that it may have under this Agreement or under the law.
- 15.4 **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable in Ontario.
- 15.5 **Survival.** The Recipient agrees that the following sections and provisions of this Agreement shall extend for seven (7) years beyond the expiration or termination of this Agreement: Sections 5, 6.7, 6.8, 7, 10.4, 10.5, 11, 12.4 and 15.8.

- 15.6 **AMO, Canada and Recipient independent.** The Recipient will ensure its actions do not establish or will not be deemed to establish a partnership, joint venture, principal-agent relationship or employer-employee relationship in any way or for any purpose whatsoever between Canada and the Recipient, between AMO and the Recipient, between Canada and a Third Party or between AMO and a Third Party.
- 15.7 **No Authority to Represent.** The Recipient will ensure that it does not represent itself, including in any agreement with a Third Party, as a partner, employee or agent of Canada or AMO.
- 15.8 **Debts Due to AMO.** Any amount owed under this Agreement will constitute a debt due to AMO, which the Recipient will reimburse forthwith, on demand, to AMO.
- 15.9 **Priority.** In the event of a conflict, the part of this Agreement that precedes the signature of the Parties will take precedence over the Schedules.

16. SCHEDULES

- 16.1 This Agreement, including:

Schedule A Schedule of Fund Payments

Schedule B Eligible Project Categories

Schedule C Eligible and Ineligible Expenditures

Schedule D Reporting

Schedule E Communications

constitute the entire agreement between the Parties with respect to the subject matter contained in this Agreement and supersedes all prior oral or written representations and agreements.

17. SIGNATURES

IN WITNESS WHEREOF, AMO and the Recipient have respectively executed, sealed and delivered this Agreement on the date set out on the front page.

RECIPIENT'S NAME:

CITY OF SAULT STE. MARIE

By:

Name: Debbie Amaro

Date: May 26, 2014

Title: Mayor

Affix
Corporate
Seal

Name: Malcolm White
Title: City Clerk

Date: May 26, 2014

THE ASSOCIATION OF MUNICIPALITIES OF ONTARIO

By:

Title: Executive Director

Date

Affix
Corporate
Seal

In the presence of:

Witness:

Title:

Date

SCHEDULE A
SCHEDULE OF FUND PAYMENTS

RECIPIENT'S NAME: CITY OF SAULT STE. MARIE

The following represents an estimate of the Funds and schedule of payments for the first five (5) years of the Agreement.

Year	Schedule of Fund Payments	
	Payment #1	Payment #2
2014	\$2,175,738.75	\$2,175,738.74
2015	\$2,175,738.75	\$2,175,738.74
2016	\$2,284,525.69	\$2,284,525.68
2017	\$2,284,525.69	\$2,284,525.68
2018	\$2,393,312.62	\$2,393,312.62

An estimate of the Funds and schedule of payments for the latter five (5) years of the Agreement (2019-2023) will be provided following the review and amendment procedures specified in Section 2.2 and 2.3.

SCHEDULE B

ELIGIBLE PROJECT CATEGORIES

Eligible Projects include investments in Infrastructure for its construction, renewal or material enhancement in each of the following categories:

1. Local roads and bridges – i.e. roads, bridges, tunnels, highways and active transportation infrastructure (active transportation refers to investments that support active methods of travel. This can include: cycling lanes and paths, sidewalks, hiking and walking trails).
2. Public transit – i.e. a shared passenger transport system which is available for public use.
3. Drinking Water – i.e. drinking water conservation, collection, treatment and distribution systems.
4. Wastewater – i.e. wastewater and storm water collection, treatment and management systems.
5. Solid waste – i.e. solid waste management systems including the collection, diversion and disposal of recyclables, compostable materials and garbage.
6. Community energy systems – i.e. infrastructure that generates or increases the efficient usage of energy.
7. Capacity building - i.e. investments related to strengthening the ability of Municipalities to develop long-term planning practices.
8. Short-sea shipping – i.e. infrastructure related to the movement of cargo and passengers around the coast and on inland waterways, without directly crossing an ocean.
9. Short-line rail – i.e. railway related infrastructure for carriage of passengers or freight.
10. Regional and local airports – i.e. airport-related infrastructure (excludes the National Airport System).
11. Broadband connectivity – i.e. infrastructure that provides internet access to residents, businesses, and/or institutions in Canadian communities.
12. Brownfield Redevelopment i.e. remediation or decontamination and redevelopment of a brownfield site within municipal boundaries, where the redevelopment includes:
 - (a) the construction of public infrastructure as identified in the context of any other eligible category referred to in this Schedule, and/or;
 - (b) the construction of municipal use public parks and publicly-owned social housing.

13. Sport Infrastructure – i.e. amateur sport infrastructure (excludes facilities, including arenas, which would be used as the home of professional sports teams or major junior hockey teams (e.g. Junior A)).
14. Recreational Infrastructure - i.e. recreational facilities or networks.
15. Cultural Infrastructure – i.e. infrastructure that supports arts, humanities, and heritage.
16. Tourism Infrastructure – i.e. infrastructure that attracts travelers for recreation, leisure, business or other purposes.
17. Disaster mitigation – i.e. infrastructure that reduces or eliminates long-term impacts and risks associated with natural disasters.

Note: Investments in health infrastructure (hospitals, convalescent and senior centres) are not eligible.

SCHEDULE C

ELIGIBLE AND INELIGIBLE EXPENDITURES

1. Eligible Expenditures

1.1 Eligible Expenditures of Recipients will be limited to the following:

- (a) the expenditures associated with acquiring, planning, designing, constructing or renovating a tangible capital asset, as defined by Generally Accepted Accounting Principles (GAAP), and any related debt financing charges specifically identified with that asset;
- (b) for capacity building category only, the expenditures related to strengthening the ability of Municipalities to improve local and regional planning including capital investment plans, integrated community sustainability plans, life-cycle cost assessments, and Asset Management Plans. The expenditures could include developing and implementing:
 - (i) studies, strategies, or systems related to asset management, which may include software acquisition and implementation;
 - (ii) training directly related to asset management planning; and,
 - (iii) long-term infrastructure plans.
- (c) the expenditures directly associated with joint federal communication activities and with federal project signage.

1.2 Employee and Equipment Costs: The incremental costs of the Recipient's employees or leasing of equipment may be included as Eligible Expenditures under the following conditions:

- (a) the Recipient is able to demonstrate that it is not economically feasible to tender a contract;
- (b) the employee or equipment is engaged directly in respect of the work that would have been the subject of the contract; and
- (c) the arrangement is approved in advance and in writing by the Oversight Committee.

1.3 AMO as Agreement Administrator: Up to 0.5% of the total funds will be used by AMO to undertake the administrative responsibilities to implement the Agreement and to undertake related capacity building and program delivery including expenditures associated with communication activities such as public project announcements and signage. Canada will review and accept AMO's detailed business case submitted in accordance with the Canada-Ontario-AMO-Toronto Agreement prior to undertaking the administrative and related activities.

2. Ineligible Expenditures

The following are deemed Ineligible Expenditures:

- (a) project expenditures incurred before April 1, 2005;
- (b) project expenditures incurred before April 1, 2014 for the following Eligible Project categories:
 - (i) regional and local airports;
 - (ii) short-line rail;
 - (iii) short-sea shipping;
 - (iv) disaster mitigation;
 - (v) broadband connectivity;
 - (vi) brownfield redevelopment;
 - (vii) cultural infrastructure;
 - (viii) tourism infrastructure;
 - (ix) sport infrastructure; and
 - (x) recreational infrastructure.
- (c) the cost of leasing of equipment by the Recipient, any overhead costs, including salaries and other employment benefits of any employees of the Recipient, its direct or indirect operating or administrative costs of Recipients, and more specifically its costs related to planning, engineering, architecture, supervision, management and other activities normally carried out by its staff, except in accordance with Eligible Expenditures above;
- (d) taxes for which the Recipient is eligible for a tax rebate and all other costs eligible for rebates;
- (e) purchase of land or any interest therein, and related costs;
- (f) legal fees; and
- (g) routine repair and maintenance costs.

SCHEDULE D
REPORTING

1. Annual Report

By March 31st of each year, the Recipient will provide to AMO an Annual Report in an electronic format deemed acceptable to AMO, consisting of the following:

- (a) Financial Reporting Table: The financial report table will be submitted in accordance with the following template:

Annual Report Financial Table	Annual	Cumulative
	20xx	2014 - 20xx
Opening Balance ¹	\$xxx	
Received from AMO	\$xxx	\$xxx
Interest Earned	\$xxx	\$xxx
Received from a Municipality	\$xxx	\$xxx
Transferred to a Municipality	(\$xxx)	(\$xxx)
Spent on Eligible Projects (for each Eligible Project category)	(\$xxx)	(\$xxx)
Closing Balance of unspent funds	\$xxx	

- (b) Project List: The Recipient will provide to AMO a project list submitted in accordance with the following template:

Recipient	Project Title	Project Description	Eligible Project category	Total Project Cost	Funds (GTF) Spent	Completed
						(Yes/No/Ongoing)
						(Yes/No/Ongoing)
						(Yes/No/Ongoing)
						(Yes/No/Ongoing)

¹For the 2014 *Annual Report* this means the amount reported as unspent by the *Recipient* at December 31, 2013 as reported in the 2013 *Annual Expenditure Report* (as defined under the First Agreement).

2. Project Outcomes.

The Outcomes Report shall outline, in a manner to be provided by AMO, the degree to which investments in each project are supporting progress towards achieving:

- (a) Beneficial impacts on communities of completed Eligible Projects; and
- (b) Enhanced impact of Funds as a predictable source of funding.

3. Asset Management Outcomes.

On a date and in a manner to be determined by AMO, the Recipient will provide a report to AMO demonstrating that Asset Management Plans are being used to guide infrastructure planning and investment decisions and how Funds are being used to address priority projects.

SCHEDULE E
COMMUNICATIONS PROTOCOL

4. **Purpose.** The provisions of this Communications Protocol apply to all communications activities related to any Funds and Eligible Projects. Communications activities may include, but are not limited to, public or media events, news releases, reports, web articles, blogs, project signs, digital signs, publications, success stories and vignettes, photo compilations, videos, advertising campaigns, awareness campaigns, editorials, award programs, and multi-media products.
5. **Information Sharing.** The Recipient agrees to provide AMO with upfront information on planned Eligible Projects and Eligible Projects in progress on an annual basis, in an electronic format deemed acceptable by AMO, by March 31. Information will include, at a minimum: Eligible Project name, Eligible Category, Eligible Project description, total budgeted federal contribution (gas tax) and anticipated start date.
6. **Project Signage**
 - 6.1 The Recipient may have a sign recognizing its contribution to Eligible Projects.
 - 6.2 At Canada's request, the Recipient will install a federal sign to recognize federal funding at Eligible Project site(s). Federal sign design, content and installation guidelines will be provided by Canada.
 - 6.3 Where the Recipient decides to install a permanent plaque or other suitable marker with respect to an Eligible Project, it must recognize the federal contribution to the Eligible Project and be approved by Canada.
 - 6.4 The Recipient is responsible for the production and installation of Eligible Project signage, or as otherwise agreed upon.
 - 6.5 The Recipient agrees to inform AMO of signage installations, in a manner determined by AMO.
7. **Media Events and Announcements for Eligible Projects**
 - 7.1 The Recipient agrees to have regular announcements of Eligible Projects that are benefitting from the Funds that may be provided by Canada. Key milestones may be marked by public events, news releases and/or other mechanisms.
 - 7.2 Media events and announcements include, but are not limited to, news conferences, public announcements, official events or ceremonies, and news releases.
 - 7.3 Canada, AMO or the Recipient, may request a media event or announcement.
 - 7.4 Media events and announcements related to Eligible Projects will not occur without the prior knowledge and agreement of AMO, Canada and the Recipient. AMO as administrator will ensure prior knowledge and agreement of other signatories to the Canada-Ontario-AMO-Toronto Agreement.

- 7.5 Canada, AMO or the Recipient in requesting a media event or an announcement will provide at least 21 working days' notice to the Parties of their intention to undertake such an event. The event will take place at a date and location that is mutually agreed to by the Recipient, AMO and Canada. The AMO, Canada and the Recipient will have the opportunity to participate in such events through a designated representative. Each participant will choose its designated representative.
- 7.6 The conduct of all joint media events, announcements and products will follow the Table of Precedence for Canada as outlined at the current Government of Canada website.
- 7.7 All joint communications material related to media events and announcements must be approved by Canada and recognize the funding of all contributors.
- 7.8 All joint communications material must reflect Canada's policy on official languages and the federal identity program.

8. Program Communications

- 8.1 The Recipient may include messaging in its own communications products and activities with regards to the use of Funds.
- 8.2 When undertaking such activities, the Recipient will provide the opportunity for AMO and Canada to participate and will recognize the funding of all contributors.
- 8.3 Canada and AMO agree that they will not unreasonably restrict the Recipient from: (i) using, for its own purposes, public communications products related to the Funds prepared by Canada or AMO ("Communication Products") or, (ii) linking to web-based Communication Products.
- 8.4 Notwithstanding Section 4 of Schedule E, Canada retains the right to meet its obligations to communicate information to Canadians about the use of Funds through communications products and activities.

9. Operational Communications

- 9.1 The Recipient is solely responsible for operational communications with respect to the Eligible Projects, including but not limited to, calls for tender, construction and public safety notices. Operational communications as described above are not subject to the federal official languages policy.
- 9.2 The Recipient will share information promptly with Canada and AMO should significant emerging media or stakeholder issues relating to an Eligible Project arise. AMO will advise Recipients, when appropriate, about media inquiries received by it concerning an Eligible Project and, when appropriate, other signatories to the Canada-Ontario-AMO-Toronto Agreement will advise the Recipient about media inquiries concerning an Eligible Project.

10. Communicating Success Stories. The Recipient agrees to communicate with Canada and AMO for the purposes of collaborating on communications activities and produces

including but not limited to Eligible Project success stories, Eligible Project vignettes, and Eligible Project start-to-finish features.

11. **Advertising Campaigns.** Recognizing that advertising can be an effective means of communication with the public, the Recipient may, at its own cost, organize an advertising or public information campaign related to the use of the Funds or the Eligible Projects. However such a campaign must respect the provisions of this Agreement. In the event of such a campaign, the Recipient agrees to inform Canada and AMO of its intention, and to inform them no less than 21 working days prior to the campaign launch.

THE CORPORATION OF THE CITY OF SAULT STE. MARIE
BY-LAW NO. 2014-112

STREET ASSUMPTION: (PR4) A by-law to assume for public use and establish as public streets various parcels of land within the City of Sault Ste. Marie.

THE COUNCIL of The Corporation of the City of Sault Ste. Marie, pursuant to section 31 of the *Municipal Act, 2001*, S.O. 2001, c.25 thereto **ENACTS** as follows:

1. **STREETS ESTABLISHED AND ASSUMED**

The streets or parts of streets more particularly described in Schedule "A" to this by-law are hereby established as common streets and are assumed for public use.

2. **SCHEDULE "A"**

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

3. **EFFECTIVE DATE**

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

PASSED in open Council this 26th day of May, 2014.

MAYOR - DEBBIE AMAROSO

CLERK - MALCOLM WHITE

SCHEDULE "A" TO BY-LAW 2014-112

1) BEAUMONT AVENUE

PIN 31566-0532 (LT)
BEAUMONT AVE, PLAN 1M570, SAULT STE. MARIE

2) KONKIN AVENUE

(a) PIN 31566-0533 (LT)
KONKIN AVENUE, PLAN 1M570, SAULT STE. MARIE

(b) PIN 31566-0578 (LT)
KONKIN AVENUE, PLAN 1M574 WEST OF LOTS 13 TO 17 1M574;
SAULT STE. MARIE

(c) PIN 31566-0580 (LT)
KONKIN AVENUE, PLAN 1M574 WEST OF LOTS 20 TO 22 PL
1M574; SAULT STE. MARIE

3) GREENFIELD DRIVE

PIN 31566-0534 (LT)
GREENFIELD DRIVE, PLAN 1M570 SAULT STE. MARIE

4) CHATFIELD STREET

PIN 31566-0577 (LT)
CHATFIELD STREET, PLAN 1M574, SAULT STE. MARIE

5) BALSAM LANE

PIN 31566-0579 (LT)
BALSAM LANE, PLAN 1M574, SAULT STE. MARIE

6) BRUCE STREET

PIN 31546-0047 (LT)
PT LTS 5, 6, 7 & 8 IN BLK 4 PL 285 ST. MARY'S DESIGNATED AS PT 1
1R12310 AND PT 1 1R12410; CITY OF SAULT STE. MARIE

7) OLD GARDEN RIVER ROAD

PART PIN 31506-0144 (LT)

PCL 4802 SEC AWS; LT 3 PL M258 TARENTORUS; LT 5 PL M258 TARENTORUS; LT 7 PL M258 TARENTORUS; LT 8 PL M258 TARENTORUS; LT 9 PL M258 TARENTORUS (BEING EXPROP PLAN); SAULT STE. MARIE

8) GRAND BLVD.

PART PIN 31554-0093 (LT)

PT LT 2 PL 51145 ST MARY'S PT 6 1R1750; SAULT STE. MARIE

9) KORAH ROAD

PART PIN 31597-0068 (LT)

FIRSTLY KORAH RD PL H535 KORAH; KORAH RD PL 2674 KORAH; PT SEC 26 KORAH PT 1 1R1264, BEING KORAH RD S/T DEBTS IN T128001; SECONDLY : PT SEC 26 KORAH BEING A TRAVELED RD BTW GOULAIIS AV & MOSS SIDEROAD (AKA KORAH RD); SAULT STE. MARIE

10) GOULAIIS AVE.

PIN 31597-0069 (LT)

PT SEC 26 KORAH PT 1 1R6517 & THE WLY 33' OF SEC 26 KORAH BEING THE TRAVELED RD S OF THIRD LINE W AND N OF KORAH RD (AKA GOULAIIS AVENUE)

11) THIRD LINE W.

PIN 31597-0070 (LT)

PT SEC 26 KORAH BEING A TRAVELED RD, AKA THIRD LINE W BTN GOULAIIS AV & MOSS RD; SAULT STE. MARIE

THE CORPORATION OF THE CITY OF SAULT STE. MARIE
BY-LAW 2014-113

TEMPORARY STREET CLOSING: (S4.1) A by-law to permit the temporary closing of Queen Street East from East Street to Brock Street to facilitate the Eat Algoma Event.

THE COUNCIL of the Corporation of the City of Sault Ste. Marie pursuant to Section 11 of the *Municipal Act, 2001*, S.O. 2001, c. 25 and amendments thereto **ENACTS** as follows:

1. TEMPORARY STREET CLOSING OF QUEEN STREET EAST

The Council of the Corporation of the City of Sault Ste. Marie hereby authorizes the closing to vehicular traffic of Queen Street East from East Street to Brock Street from 2:00 p.m. to 10:00 p.m. on June 14, 2014 to facilitate the Eat Algoma Event.

2. EFFECTIVE DATE

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

PASSED in open Council this 26th day of May, 2014.

MAYOR – DEBBIE AMAROSO

CITY CLERK – MALCOLM WHITE

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2014-114

AGREEMENT: (E2.3) A by-law to authorize execution of an agreement between the City and Tulloch Engineering Inc. for the biennial inspection of bridges and related structures.

THE COUNCIL of The Corporation of the City of Sault Ste. Marie, pursuant to section 9 of the *Municipal Act, 2001*, S.O. 2001, c. 25, **ENACTS** as follows:

1. **EXECUTION OF DOCUMENT**

The Mayor and City Clerk are hereby authorized for and in the name of the Corporation to execute and affix the seal of the Corporation to an agreement attached hereto and dated April 28, 2014 between The Corporation of the City of Sault Ste. Marie and Tulloch Engineering Inc. for the biennial inspection of bridges and related structures.

2. **SCHEDULE "A"**

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

3. **EFFECTIVE DATE**

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

PASSED in open Council this 26th day of May, 2014.

MAYOR - DEBBIE AMAROSO

CITY CLERK - MALCOLM WHITE

Schedule "A"

M.E.A./C.E.O.
CLIENT/CONSULTANT AGREEMENT
FOR
MUNICIPAL WORKS

2014 BIENNIAL MUNICIPAL BRIDGE AND OVERHEAD SIGN STRUCTURE INSPECTIONS

SAULT STE. MARIE, ONTARIO

AGREEMENT CONTENTS

	<u>PAGE</u>
CONTENTS OF MEA/CEO CONSULTANTS AGREEMENT	1
FORM OF AGREEMENT	1
ARTICLE 1 – GENERAL CONDITIONS	2-5
ARTICLE 2 – SERVICES	6
ARTICLE 3 – FEES AND DISBURSEMENTS	6-8
SIGNATURES	9

**FORM OF AGREEMENT
FOR
PROFESSIONAL CONSULTING SERVICES**

MEMORANDUM OF AGREEMENT dated the 28th day of April

A. D. 2014

-BETWEEN-

THE CORPORATION OF THE CITY OF SAULT STE MARIE

Hereinafter called the 'Client'

THE PARTY OF THE FIRST PART

-AND-

TULLOCH Engineering Inc.

Hereinafter called the 'Consultant'

THE PARTY OF THE SECOND PART

WHEREAS the Client intends to inspect all bridges and overhead structures within the limits of the municipal boundary of City of Sault Ste. Marie, Ontario.

Hereinafter called the 'Project' and has requested the Consultant to furnish professional services in connection therewith;

NOW THEREFORE WITNESSETH that in consideration of the covenants contained herein, the Client and the Consultant mutually agree as follows:

ARTICLE 1 - GENERAL CONDITIONS

1.01 Retainer

The Client hereby retains the services of the Consultant in connection with the Project and the Consultant hereby agrees to provide the services described herein under the general direction and control of the Client.

In this Agreement the word Consultant shall mean professionals and other specialists engaged by the Client directly and whose names are party to this Agreement.

1.02 Services

The services to be provided by the Consultant and by the Client for the Project are set forth in Article 2 and such services as changed, altered or added to under Section 1.08 are hereinafter called the 'Services'.

1.03 Compensation

The Client shall pay the Consultant in accordance with the provisions set forth in Article 3. For purposes of this agreement, the basis of payment shall be as specified in Article 3.2.

1.04 Staff and Methods

The Consultant shall perform the services under this agreement with that degree of care, skill and diligence normally provided in the performance of such services as contemplated by the agreement at the time such services are rendered and as required by the Professional Engineers Act (RSO 1990, Chapter P. 28) and regulations therein. The Consultant shall employ only competent staff who will be under the supervision of a senior member of the Consultant's staff.

1.05 Drawings and Documents

Subject to Section 3.2.3 of Article 3, drawings and documents or copies thereof required for the Project shall be exchanged between the parties on a reciprocal basis. Documents prepared by the Consultant for the Client, including record drawings, may be used by the Client, for the Project herein described. In accordance with Article 1.06, the Client indemnifies the Consultant for unauthorized use of the documents and deliverables.

1.06 Intellectual Property

All concepts, products or processes produced by or resulting from the Services rendered by the Consultant in connection with the Project, or which are otherwise developed or first reduced to practice by the Consultant in the performance of his Services, and which are patentable, capable of trademark or otherwise, shall be considered as Intellectual Property and remain the property of the Consultant.

The Client shall have permanent non-exclusive royalty-free license to use any concept, product or process, which is patentable, capable of trademark or otherwise produced by or resulting from the Services rendered by the Consultant in connection with the Project and for no other purpose or project.

1.07 Records and Audit

- (a) In order to provide data for the calculation of fees on a time basis, the Consultant shall keep a detailed record of the hours worked by staff employed for the Project.
- (b) The Client may inspect timesheets and record of expenses and disbursements of the Consultant during regular office hours with respect to any item which the Client is required to pay on a time scale or disbursement basis as a result of this Agreement.
- (c) The Consultant, when requested by the Client, shall provide copies of receipts with respect to any disbursement for which the Consultant claims payment under this Agreement.

1.08 Changes and Alterations and Additional Services

With the consent of the Consultant the Client may in writing at any time after the execution of the Agreement or the commencement of the Services delete, extend, increase, vary or otherwise alter the Services forming the subject of the Agreement, and if such action by the Client necessitates additional staff or services, the Consultant shall be paid in accordance with Section 3.2.1 for such additional staff employed directly thereon, together with such expenses and disbursements as allowed under Section 3.2.3. In the event that the Client delays the project then the consultant shall have the right to renegotiate the agreement.

1.09 Suspension or Termination

Either party may at any time by notice in writing to the other party, suspend or terminate the Services or any portion thereof at any stage of the project. Upon receipt of such written notice, the Consultant shall perform no further Services other than those reasonably necessary to close out his Services. In such an event, the Consultant shall be entitled to payment in accordance with Section 3.2. for any of the Consultant's staff employed directly thereon together with such expenses and disbursements allowed under Section 3.2.

If payment remains past due sixty days from the date of the invoice, then the Consultant shall have the right to suspend all work and/or terminate this Agreement without prejudice to any of its other rights or remedies upon 7 days written notice.

1.10 Indemnification

The Consultant shall indemnify and save harmless the Client from and against all claims, actions, losses, expenses, costs or damages of every nature and kind whatsoever which the Client, their employees, officers or agents may suffer, to the extent the Consultant is legally liable as a result of the negligent acts of the Consultant, his employees, officers or agents in the performance of this Agreement.

The Client agrees to hold harmless, indemnify and defend the Consultant from and against any and all claim, losses, damages, liability and costs of defense arising out of or in any way connected with the presence, discharge, release or escape of contaminants of any kind, excluding only such liability as may arise out of the negligent acts of the Consultant in the performance of consulting services to the Client within this project.

1.11 Insurance

The Client will accept the insurance coverage amount specified in this clause section (a) as the aggregate limit of liability of the Consultant and its employees for the Client's damages.

a) **Comprehensive General Liability**

The Insurance Coverage shall be \$5,000,000.00 per occurrence and in the aggregate for general liability. When requested, the Consultant shall provide the Client with proof of Comprehensive General Liability Insurance.

b) **Professional Liability Insurance**

The Insurance Coverage shall be in the amount of \$2,000,000.00 per claim and in the aggregate. When requested, the Consultant shall provide to the Client proof of Professional Liability Insurance carried by the Consultant, and in accordance with the Professional Engineers Act (RSO 1990, Chapter P. 28) and regulations therein.

c) **Change in Coverage**

If the Client requests to have the amount of coverage increased or to obtain other special insurance for this Project then the Consultant shall endeavour forthwith to obtain such increased or special insurance at the Client's expense as a disbursement allowed under Section 3.2.3.

It is understood and agreed that the coverage provided by these policies will not be changed or amended in any way nor cancelled by the Consultant until thirty (30) days after written notice of such change or cancellations has been personally delivered to the Client.

- 1.12 **Contracting for Construction**
Neither the Consultant nor any person, firm or corporation associated or affiliated with or subsidiary to the Consultant shall tender for the construction of the Project, or have an interest either directly or indirectly in the construction of the Project.
- 1.13 **Assignment**
Neither party may assign this Agreement without the prior consent in writing of the other.
- 1.14 **Previous Agreements**
This Agreement supersedes all previous agreements, arrangements or understandings between the parties whether written or oral in connection with or incidental to the Project.
- 1.15 **Approval by Other Authorities**
Unless otherwise provided in this Agreement, where the work of the Consultant is subject to the approval or review of an authority, department of government, or agency other than the Client, such applications for approval or review shall be the responsibility of the Consultant, but shall be submitted through the offices of the Client and unless authorized by the Client in writing, such applications for approval or review shall not be obtained by direct contact by the Consultant with such other authority, department of government or agency.
- 1.16 **Principals and Executives**
The use of Principals and Executives on a time basis by the Consultant, will be in accordance with Section 1.23.1 (c).
- 1.17 **Sub-Consultants**
The Consultant may engage others as sub-consultants for specialized services provided that prior approval is obtained, in writing, from the Client and may add a mark-up of not more than 10% of the cost of such services to cover office administration costs when claiming reimbursement from the Client plus the cost of the additional insurance incurred by the Consultant for the specialized services.
- 1.18 **Inspection**
The Client, or persons authorized by the Client, shall have the right, at all reasonable times, to inspect or otherwise review the Services performed, or being performed, under the Project and the premises where they are being performed.
- 1.19 **Publication**
The Consultant agrees to obtain the consent in writing of the Client before publishing or issuing any information regarding the Project.
- 1.20 **Confidential Data**
The Consultant shall not divulge any specific information identified as confidential, communicated to or acquired by them, or disclosed by the Client in the course of carrying out the Services provided for herein. These obligations of confidentiality shall not apply to information which is in the public domain, which is provided to the Consultant by a third party without obligation of confidentiality which is independently developed by the Consultant without access to the Client's information, or which is required to be disclosed by law or by court order. No such information shall be used by the Consultant on any other project without the approval in writing of the Client.

The Client shall not divulge any specific form, report or electronic version thereof that may be reproduced by a third party deemed a competitor of the Consultant. The Consultant acknowledges that the information contained within the final submission is deemed information for the general public and domain.

1.21 Dispute Resolution

- (a) If requested in writing by either the Client or the Consultant, the Client and the Consultant shall attempt to resolve any dispute between them arising out of or in connection with this Agreement by entering into structured non-binding negotiations with the assistance of a mediator on a without prejudice basis. The mediator shall be appointed by agreement of the parties. If a dispute cannot be settled within a period of ninety (90) calendar days with the mediator, the dispute shall be referred to and finally resolved by arbitration under the rules of the province having jurisdiction or by an arbitrator appointed by the agreement of the parties.
- (b) No person shall be appointed to act as mediator or arbitrator who is in any way interested, financially or otherwise, in the conduct of the work on the Project or in the business or other affairs of either the Client or the Consultant.
- (c) The award of the arbitrator, including an award for costs if applicable, shall be final and binding upon the parties.
- (d) The provisions of The Arbitration's Act, R.S.O., 1991, Chapter 17, as amended shall apply.

1.22 Time

The Consultant shall perform the Services expeditiously to meet the requirements of the Client and shall complete any portion or portions of the Services in such order as the Client may require.

The Client shall give due consideration to all designs, drawings, plans, specifications, reports, tenders, proposals and other information submitted by the Consultant, and shall make any decisions which he is required to make in connection therewith within a reasonable time so as not to delay the work of the Consultant.

1.23 Estimates, Schedules and Staff List

1.23.1 Preparation of Estimate of Fees, Schedule of Progress and Staff List

When requested by the Client, and where payment is calculated on a time basis, the Consultant shall provide, for approval by the Client:

- (a) An estimate of the total fees to be paid for the Services.
- (b) A Schedule showing an estimate of the portion of the Services to be completed in each month and an estimate of the portion of the fee which will be payable for each such month.
- (c) A Staff list showing the number, classifications and hourly rate ranges for staff, Principals and Executives, for which the Consultant will seek payment on a time basis. The Consultant shall relate such information to the particular type of work that such staff is to perform, while employed on the Project. Such list shall designate the member of the Consultant's staff who is to be the liaison person between the Consultant and the Client.

1.23.2 Subsequent Changes in the Estimate of Fees, Schedule of Progress and Staff List

The Consultant will require prior written approval, from the Client for any of the following changes:

- (a) Any increase in the estimated fees beyond those approved under Subsection 1.23.1 (a).
- (b) Any change in the schedule at progress which results in a longer period than provided in Subsection 1.23.1 (b).
- (c) Any change in the number, classification and hourly rate ranges of the staff provided under Subsection 1.23.1 (c).

1.23.3 Monthly Reporting of Progress

When requested by the Client, the Consultant shall provide the Client with a written report showing the portion of the Services completed in the preceding month.

1.24 Buried Utilities

The Client shall provide a plan showing the location of existing buried utilities on Site. The Consultant and sub-contractors will exercise reasonable care and diligence to avoid damaging underground utilities. Should damage occur to any underground services reasonably beyond our control, the Client shall hold the Consultant and the Consultants sub-contractors harmless from any damage or financial loss(s) resulting from such damages.

ARTICLE 2

2.1 SERVICES

TULLOCH agrees to provide the following services in accordance with TULLOCH's proposal P12-062, dated March 16, 2012 (attached) and in accordance with the Section 1 of Ontario Structural Inspection Manual published by the Ontario Ministry of Transportation and the Highway Bridge Design Code, S6-06. The scope of work includes:

- Inspect 36 Municipal Vehicular Bridge and Water Crossing Structures
- Inspect 9 pedestrian Bridges (includes 2 new structures in the Fort Creek area)
- Prepare reports for each individual Bridge
- Prepare 5 and 10 year Capital Maintenance Program forecasting
- Inspect 34 Overhead Sign Structures (includes Rotary Pillars and arch on Russ Ramsey Way)
- Prepare reports for each individual Overhead Sign Structure
- Inspect North Street Ball Field High-mast Lighting Structures
- Prepare report for High-mast Lighting Structures

2.2 EXCLUSIONS

The Client shall provide the consultant all relevant details regarding subsurface conditions including but not limited to site services, geotechnical information, hydraulic information etc. Dependent on the information available the Consultant may require additional studies. The Consultant shall inform and obtain approval from the Client prior to proceeding with the additional studies. If such studies by the Consultant necessitate additional staff or services, the Consultant shall be paid in accordance with Section 3.2.1 for such additional staff employed directly thereon, together with such expenses and disbursements as allowed under Section 3.2.3. In the event that the Client delays the project then the consultant shall have the right to renegotiate the agreement and comply with the terms of section 1.08.

ARTICLE 3 - FEES AND DISBURSEMENTS

3.1 Definitions

For the purpose of this Agreement, the following definitions shall apply:

(a) Cost of the Work:

- (i) The "Cost of the Work" shall mean the total cost of the Project including all materials, equipment, sales taxes, labour and contractor's overhead and profit, necessary to complete the work for which the Consultant prepares designs, drawings or specifications, for which he is responsible. Where sales taxes are not included in the cost of the work, the fee shall be adjusted upwards by the factor equivalent to the sales taxes. The adjusted fee may be computed to the nearest one-tenth of one percent (1/10%).
- (ii) Wherever the Client furnishes labour or other service which is incorporated in the work, the current price of labour or other service when the work was executed shall be used to compute the Cost of the Work.
- (iii) Whenever used materials or equipment is furnished by or on behalf of the Client, the fair market value of such materials or equipment, as though it was purchased new, shall be used to compute the Cost of the Work.

(iv) In computing the Cost of the Work, no deductions shall be made on account of any penalties or damages claimed by the Client from any contractor or on account of any other sum withheld from any contractor.

(v) The Cost of the Work shall not include any fees and disbursements due to the Consultant, the Client's engineering and office expenses, or cost of land.

(b) **Site:**

Site includes the actual work site and other locations where the checking of materials, equipment and workmanship is carried out.

3.2 Basis of Payment

3.2.1 Fees Calculated on a Time Basis

The Client shall pay the Consultant a fee, calculated on a time basis, for that part of the Services described in Article 2. Fees on a time basis for all staff shall be hourly rates based on job classifications as follows:

Classification:	Hourly Rate:
Principals and Executives	\$125-155 per hour
Project Engineer	\$115-140 per hour
Draftsman	\$75-90 per hour
Technologist	\$75-100 per hour
Administration	\$50-65 per hour

These rates will be fixed for the duration of the project and include all related office expenses, such as facsimile, photocopying, telecommunications, computer equipment/systems, office supplies, and etcetera. These rates do not include applicable taxes.

Any required work in excess of 8 hours per day or weekend or holiday work is charged out at 1.5 times the regular rate for all employees except engineers. Engineers will be charged out at regular time.

Special assignments and court work is charged out at 1.5 time our hourly rates.

3.2.1.2 Time Expended

All time expended on the assignment, whether in the Consultant's office, at the Client's premises, or elsewhere, and including travel time, shall be chargeable. This also includes, but is not limited to, stenographic and clerical staff engaged in the preparation of documents such as reports and specifications.

3.2.2 Upset Limit

For all Services described in Article 2, an upset limit of \$48,300.00 including disbursements, excluding taxes, shall be established.

3.2.3 Expenses & Disbursements

Excluded from our Service Fees are out of office expenses, which may include but not limited to travelling, meals and accommodations, long distance telephone charges, long distance facsimile, advertising for tenders, special delivery, express charges, and etcetera, which will be charged as additional. The Consultant shall be reimbursed for expenses and add a mark-up of not more than 10% of the cost of such services to cover office administration costs when claiming reimbursement from the Client plus the cost of any additional insurance incurred by the services.

3.2.3.1 Mileage

In addition to the fee, the Consultant shall be reimbursed for vehicle use charges at a rate not exceeding \$0.50 per kilometer, for all mileage properly incurred by them in connection with the project.

3.2.3.2 **Sub-Consultants**

The Consultant may engage others as sub-consultants for specialized services provided that prior approval is obtained, in writing, from the Client and may add a mark-up of not more than 10% of the cost of such services to cover office administration costs when claiming reimbursement from the Client plus the cost of the additional insurance incurred by the Consultant for the specialized services.

3.2.3.3 **Sub-Contractors**

The Consultant may engage sub-contractors to provide services provided that prior approval is obtained, in writing, from the Client and may add a mark-up of not more than 10% of the cost of such services to cover office administration costs when claiming reimbursement from the Client plus the cost of the additional insurance incurred by the sub-contractor for the specialized services.

3.2.3.4 **Laboratory & Field Testing**

The cost of providing laboratory and field testing services shall be charged at TULLOCH's standard testing rates, which are available upon request and shall be the rates current as of the date of endorsement of this agreement. All field testing is extra to the above noted upset limit, and shall be authorized in writing by the client prior to commencement of any associated work.

3.3 Payment

3.3.1 Fees Calculated on a Time Basis

The Consultant shall submit an invoice to the Client for all Services completed in the immediate preceding month. Interest at the annual rate of 12 percent (1.0 percent monthly) will be paid on the total outstanding unpaid balance commencing 30 days after the Client has received the Consultant's invoice.

IN WITNESS THERE OF, the parties hereto have caused to be executed those presents by their officers properly authorized in that behalf on the day and year first above written.

SIGNED, SEALED AND DELIVERED

in the presence of:

) _____
)
)
)
)
)
)

CONSULTANT

The signatory shall have the authority to bind the corporation or company for purposes of this agreement


(Signature) _____
John McDonald, P.Eng.
(Name) _____
Branch Manager
(Title) _____

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

The signatory shall have the authority to bind the municipality or its agency for purposes of this agreement

MAYOR/CHAIRMAN/REEVE/WARDEN

CLERK

THE CORPORATION OF THE CITY OF SAULT STE. MARIE
BY-LAW 2014-115

AGREEMENT: (E2.2) A by-law to authorize execution of a contract between the City and Avery Construction Limited for the Second Line East widening Phase 2. (Contract 2014-8E)

THE COUNCIL of The Corporation of the City of Sault Ste. Marie, pursuant to section 9 of the *Municipal Act, 2001*, S.O. 2001, c. 25, **ENACTS** as follows:

1. **EXECUTION OF DOCUMENT**

The Mayor and the City Clerk are hereby authorized for and in the name of the Corporation to execute and affix the seal of the Corporation to a contract in the form of Schedule "A" attached hereto, dated May 26, 2014 and made between the City and Avery Construction Limited for the Second Line East widening Phase 2. (Contract 2014-8E)

2. **SCHEDULE "A"**

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

3. **EFFECTIVE DATE**

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

PASSED in open Council this 26th day of May, 2014.

MAYOR - DEBBIE AMAROSO

CITY CLERK – MALCOLM WHITE

Schedule "A"

CORPORATION OF THE CITY OF SAULT STE. MARIE
CONTRACT NO. 2014-8E
FORM OF AGREEMENT

This Agreement made (in triplicate) this 26th day of May in the year 2014 by and between

Avery Construction Ltd. hereinafter called the "Contractor"

AND

The Corporation of the City of Sault Ste. Marie, Ontario hereinafter called the "Corporation".

WITNESSETH: That the Contractor and the Corporation undertake and agree as follows:

1. The Contractor will provide all the materials and all the works shown and described in the contract documents entitled:

SECOND LINE WIDENING – PHASE 2
CONTRACT NO. 2014-8E

which have been signed in triplicate by both parties and which were prepared under the supervision of Kresin Engineering Corporation.

2. The Contractor will do and fulfil everything indicated by the Agreement, the General Conditions, the Specifications, the Special Provisions, Instructions to Tenderers, Form of Tender, Addenda, if any, and the Drawings.
3. The Contractor will complete all the work under the supervision and direction and to the entire satisfaction of the Owner within the period of time specified.
4. The Corporation shall pay to the Contractor the contract price as set forth in the Form of Tender in accordance with the provisions as set forth in the General Conditions and the Special Provisions. The quantities contained in the Form of Tender are approximate only and the final payment shall be made for the actual quantities that are incorporated in or made necessary by the work covered by the contract.

5. The Corporation shall pay the Contractor for work that is ordered in writing by the Engineer and that cannot be classified as coming under any of the contract units and for which no unit price, lump sum, or other basis can be agreed upon, on a time and material basis as set out in the General Conditions.
6. The Contractor shall indemnify and save harmless the Corporation, its officers, employees and agents, from all loss, damages, costs, charges and expenses of every nature and kind whatsoever which may be made or brought against the Corporation, its officers, employees and agents, by reason or in consequence of the execution and performance or maintenance of the work by the Contractor, its employees, agents or officers.
7. All communications in writing between the Corporation, the Contractor and the Engineer shall be deemed to have been received by the Addressee if delivered to the individual, a member of the firm or an officer of the Corporation for whom they are intended or if sent by post or by telegram addressed as follows:

The Corporation:

The Corporation of the City of
Sault Ste. Marie
P.O. Box 580
Civic Centre, 99 Foster Drive
Sault Ste. Marie, ON
P6A 5N1

The Contractor:

Avery Construction Ltd.
940 Second Line West
Sault Ste. Marie, ON
P6C 2L3

The Engineer:

Kresin Engineering Corporation
536 Fourth Line East
Sault Ste. Marie, ON
P6A 6J8

IN WITNESS WHEREOF the parties hereto have executed this Agreement by the day and year first above written.

Signed, Sealed and Delivered

in the presence of

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

Mayor – Debbie Amaroso

(seal)

City Clerk – Malcolm White

AVERY CONSTRUCTION LTD.

Signing Officer

(seal)

Witness

THE CORPORATION OF THE CITY OF SAULT STE. MARIE
BY-LAW 2014-116

AGREEMENT: (E2.2) A by-law to authorize execution of a contract between the City and EBC Inc. for the reconstruction of March Street from Wellington Street East to Queen Street East. (Contract 2014-4E)

THE COUNCIL of The Corporation of the City of Sault Ste. Marie, pursuant to section 9 of the *Municipal Act, 2001*, S.O. 2001, c. 25, **ENACTS** as follows:

1. **EXECUTION OF DOCUMENT**

The Mayor and the City Clerk are hereby authorized for and in the name of the Corporation to execute and affix the seal of the Corporation to a contract in the form of Schedule "A" attached hereto, dated May 26, 2014 and made between the City and EBC Inc. for the reconstruction of March Street from Wellington Street East to Queen Street East. (Contract 2014-4E)

2. **SCHEDULE "A"**

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

3. **EFFECTIVE DATE**

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

PASSED in open Council this 26th day of May, 2014.

MAYOR - DEBBIE AMAROSO

CITY CLERK – MALCOLM WHITE

Schedule A

CORPORATION OF THE CITY OF SAULT STE. MARIE

Contract No. 2014-4E
Reconstruction of March Street
(Queen Street to Wellington Street)

FORM OF AGREEMENT

This Agreement made (in triplicate) this 26th day of May in the year 2014 by
and between

EBC Inc. hereinafter called the "Contractor"

AND

The Municipal Corporation of the City of Sault Ste. Marie, Ontario hereinafter called the "Corporation".

WITNESSETH: That the Contractor and the Corporation undertake and agree as follows:

1. The Contractor will provide all the materials and complete all the works shown and described in the contract documents entitled:

**CONTRACT NO. 2014-4E
RECONSTRUCTION OF MARCH STREET
(QUEEN STREET TO WELLINGTON STREET)**

which have been signed in triplicate by both parties and which were prepared under the supervision of AECOM Canada Ltd., acting as agent and Contract Administrator and herein entitled, the Contract Administrator.

2. The Contractor will do and fulfill everything indicated by the "contract documents" including this Agreement, the General Conditions, Supplementary General Conditions, the Specifications, the Special Provisions, PUC Services Inc. Special Provisions, Instructions to Tenderers, Form of Tender, Addenda, if any, and the Drawings.
3. The Contractor will complete all the work under the supervision and direction and to the entire satisfaction of the Contract Administrator within the period of time specified.

4. The Corporation shall pay to the Contractor the contract price as set forth in the Form of Tender in accordance with the provisions as set forth in the contract documents. The quantities contained in the Form of Tender are approximate only and the final payment shall be made for the actual quantities that are incorporated in or made necessary by the work covered by the contract.
5. The Corporation shall pay the Contractor for work that is ordered in writing by the Contract Administrator and that cannot be classified as coming under any of the contract units and for which no unit price, lump sum, or other basis can be agreed upon, on a time and material basis as set out in the General Conditions.
6. The Contractor shall indemnify and save harmless the Corporation, its officers, employees and agents, from all loss, damages, costs, charges and expenses of every nature and kind whatsoever which may be made or brought against the Corporation, its officers, employees and agents, by reason or in consequence of the execution and performance or maintenance of the work by the Contractor, its employees, agents or officers.
7. All communications in writing between the Corporation, the Contractor and the Contract Administrator shall be deemed to have been received by the Addressee if delivered to the individual, a member of the firm or an officer of the Corporation for whom they are intended or if sent by post or by telegram addressed as follows:

The Corporation: The Corporation of the City of
 Sault Ste. Marie
 P. O. Box 580
 Civic Centre, 99 Foster Drive
 Sault Ste. Marie, Ontario
 P6A 5N1

The Contractor: EBC Inc.
 3900 Isabelle Street
 Brossard, Quebec
 J4Y 2R3

The Contract Administrator: AECOM Canada Ltd.
 523 Wellington Street East
 Sault Ste. Marie, Ontario
 P6A 2M4

IN WITNESS WHEREOF the parties hereto have executed this Agreement by the day and year first above written.

Signed, Sealed and Delivered
in the presence of

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

Mayor – Debbie Amaroso

(seal)

City Clerk – Malcolm White

THE CONTRACTOR

EBC Inc.

Company Name

(seal)

Signature

THE CORPORATION OF THE CITY OF SAULT STE. MARIE
BY-LAW 2014-117

TEMPORARY STREET CLOSING: (S4.1) A by-law to permit the temporary closing of March Street (Wellington Street East to Queen Street East) from May 27, 2014 until October 31, 2014.

THE COUNCIL of the Corporation of the City of Sault Ste. Marie pursuant to Section 11 of the *Municipal Act, 2001*, S.O. 2001, c. 25 and amendments thereto **ENACTS** as follows:

1. TEMPORARY STREET CLOSING MARCH STREET

The Council of the Corporation of the City of Sault Ste. Marie hereby authorizes the closing to vehicular traffic of March Street (Wellington Street East to Queen Street East) from May 27, 2014 until October 31, 2014.

2. EFFECTIVE DATE

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

PASSED in open Council this 26th day of May, 2014.

MAYOR – DEBBIE AMAROSO

CITY CLERK – MALCOLM WHITE

THE CORPORATION OF THE CITY OF SAULT STE. MARIE
BY-LAW 2014-118

AGREEMENT: (E2.3) A by-law to authorize the execution of an agreement between the City and Huron Central Railway Company for the laying of pipe lines over railway lands at the Simpson Street Rail Crossing.

THE COUNCIL of The Corporation of the City of Sault Ste. Marie, pursuant to section 9 of the *Municipal Act, 2001*, S.O. 2001, c. 25, **ENACTS** as follows:

1. EXECUTION OF DOCUMENT

The Mayor and City Clerk are hereby authorized for and in the name of the Corporation to execute and affix the seal of the Corporation to an agreement dated April 24, 2014 between the City and Huron Central Railway Company, a copy of which is attached as Schedule "A" hereto. This agreement permits the laying of pipe lines over railway lands at the Simpson Street Rail Crossing at mile post 178.68 of Webbwood Subdivision.

2. SCHEDULE "A"

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

3. EFFECTIVE DATE

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

PASSED in open Council this 26th day of May, 2014.

MAYOR - DEBBIE AMAROSO

CITY CLERK - MALCOLM WHITE



a Genesee & Wyoming Company

AGREEMENT FOR THE LAYING OF PIPE LINES OVER RAILWAY LANDS

AGREEMENT made in duplicate this April 24th, 2014
to be effective May 26 2014 ("The Effective Date").

BETWEEN:

HURON CENTRAL RAILWAY COMPANY
9001, Boulevard de l'Acadie, Suite 600
Montréal, QC H4N 3H5
Canada

(Hereinafter called the "Railway Company")

AND:

CITY OF SAULT STE. MARIE
99 Foster Drive, P.O. Box 580
Sault Ste. Marie, ON P6A 5N1
Canada

(Hereinafter called the "Applicant")

WHEREAS the Applicant has applied to the Railway Company for the permission to construct and maintain under railway lands one (1) underground 200 mm diameter watermain PVC pipe embedded in a 355mm steel casing, one (1) underground 750mm storm sewer PVC pipe embedded in a 1016mm steel casing and one (1) underground 250mm sanitary sewer PVC pipe embedded in a 406mm steel casing, at mile post 178.68 of Webbwood Subdivision, City of Sault Ste. Marie, Province of Ontario, on drawings number 131-23687-00PRR6, 131-23687-00PRR7 and 131-23687-00PRR8, all dated April 16th 2014, which drawings are hereby declared to be part of this agreement and listed in Appendix A which is also declared to be part of this agreement.

NOW THEREFORE THIS AGREEMENT WITNESSETH and it is hereby agreed by and between the parties hereto as follows:

1. That for the purpose of this agreement, at the said place the underground pipes under railway lands shall be known and designated as the "said works".
2. That the Railway Company hereby permits the Applicant to construct, maintain and repair the said works over the Railway Company's lands and railway as aforesaid subject to and in accordance with the rules and regulations of the Canadian Transportation Agency now made or which may hereafter be made in reference thereto, and to the terms and conditions of this agreement.
3. The Railway shall prepare all accounts for work performed by them using rates as stipulated in the latest Guide to Railway Charges for Crossing Maintenance and Construction, as issued by the Canadian Transportation Agency. In the event that the Canadian Transportation Agency should discontinue publishing same, the accounts shall be based on the Railroad's actual costs including overheads.
4. As directed by the Railway Company or required by law, that the Applicant at its own expense shall install and maintain at locations satisfactory to the Railway Company, signs prominently marking the said works and their clearance underground. Further, that the underground installation be located at least ten (10) feet away from any Railway Company Signals and Communications Installations.
5. That the work of construction, renewal and repair of the said works shall be subject to the supervision of a representative of the Railway Company whose instructions shall be strictly followed and whose wages and expenses shall be paid by the Applicant, but the Applicant shall not thereby be relieved from any of its obligations under this agreement. The Applicant shall give to the local Division Manager of the Railway Company at least five (5) days notice in writing of intention to do such work, which notice period shall not be deemed to include, Saturdays, Sundays and statutory holidays. When construction, renewal or repairs have been completed, the property of the Railway Company shall be restored by the Applicant to its former condition, and the Applicant shall at all times maintain the said works in good order and condition and to the entire satisfaction of the Railway Company.
6. That except to the extent prohibited by law, the Applicant shall at all times wholly indemnify the Railway Company from and against all loss, costs, damage, injury and expense to which the Railway Company may be put by reason of any injury or damage to persons or property caused

by the said works or by any substance being carried in the said works or by any works herein provided for, or by the imprudence, neglect or want of skill of the employees or agents of the Applicant in connection with the laying maintenance, renewal, repair, moving, altering or removal of the said works, or the use thereof, unless the cause of such loss, cost, damage, injury or expense can be traced elsewhere, the burden of proof whereof shall be upon the Applicant.

7. That subject to and in conformity with any rules or regulations now or hereafter in force governing railway employees, or the operation of railways, the Applicant and the agents and employees of the Applicant shall have the right to enter upon the lands of the Railway Company at such times as may be necessary for the purpose of the construction, maintenance, inspection, removal and repair of the said works herein contemplated; and that all persons so entering upon the lands of the Railway Company, shall assume all risks of and except to the extent prohibited by law, the Railway Company shall not be liable for any injury (including injury resulting in death) loss, damage or expense in connection therewith except where such was caused by the wilful misconduct or negligence of the Railway Company.
8. That if at any time during the continuance of this agreement the Applicant shall neglect to do such work of repair or maintenance as in the opinion of the Railway Company is necessary, the Railway Company may carry out such work of repair or maintenance itself as agent of the Applicant, and the Applicant shall pay to the Railway Company the entire cost of all such work forthwith upon receipt of certified accounts therefore on the basis of cost plus labour overhead as may be currently applicable and as set by the Railway Association of Canada, and material handling cost as may be currently applicable on the Railway Company.
9. That the Applicant shall indemnify the Railway Company from and against all taxes of assessments of any description whatsoever levied by any authority in respect of the said works herein contemplated.
10. The Applicant shall pay to the Railway Company, a crossing fee of six thousand (6000.00\$) dollars in addition of a onetime administration fee of five hundred (500.00\$) dollars and a technical evaluation fee of one thousand (1000.00\$) dollars payable prior to the start of the work.

In addition to the amounts due to the Railway Company under this agreement, the Applicant shall pay to the Railway Company any value added, sales goods and services, or similar tax which may be imposed on such amounts pursuant to any federal or provincial legislation which is or may be enacted.

11. That should the Railway Company at any time desire, or be ordered by the National Transportation Agency, or other authority having jurisdiction, to make such changes in the Railway Company's tracks, structures or facilities as would in the opinion of the Railway Company necessitate the moving or alteration of the said works herein contemplated, or should the Railway Company desire to build on the property crossed by the said works, or use it for any other purpose, or deem it necessary in order to protect its tracks, structures or property to make any change in the location or construction of said works, the Applicant shall at its own expense and to the entire satisfaction of the Railway Company perform all such work of moving or altering or carrying out protective measures to safeguard the said works as maybe necessary within ninety (90) day after receipt of notice so to do, and should the Applicant fail to perform such work of moving or altering within the time specified, the Railway Company shall have the right to do such work as agent of the applicant and the Applicant shall pay to the Railway Company the entire cost of all such work forthwith upon receipt of certified accounts therefore on the basis of cost plus labour overhead as may currently applicable and as set by the Railway Association of Canada, and material handling cost as may be currently applicable on the Railway Company, and all the provisions of this agreement shall apply to the said works while being moved or altered and in their changed condition or location and to the parties hereto in respect thereof.
12. That the Applicant shall not assign, transfer or dispose of this agreement or of the rights and privileges conferred thereby, without the consent in writing, first obtained, of the Railway Company.
13. That this agreement shall continue and be enforced for a period of twenty (20) years from the date hereof, subject, however, to termination at any time by either party giving to the other party a written notice naming therein a date at least ninety (90) days from the giving of such notice upon which this agreement shall terminate and on the day so named in such notice this agreement and all rights and privileges thereunder shall come to an end, provided that notwithstanding such termination the Applicant shall continue to be liable to the Railway Company for all payments due and obligations incurred thereunder prior to the date of such termination. The notice above mentioned may be given by mailing it postage prepaid and registered, addressed to the Division Manager of the Railway Company in the Division in which the said works is located, or to the Applicant at the address mentioned above.
14. That this agreement shall, subject to clause 12 hereof, ensure to the benefit of and be binding upon the parties hereto, the successors and assigns of the Railway Company, and the heirs, liquidators, administrators, successors and assigns of the Applicant.

- 15.** Before commencing work, and until this Agreement shall be terminated or the said works shall be removed (whichever date is later), the Applicant shall provide and maintain the following insurance in form and amount with companies satisfactory to and as approved by the Railroad.

Comprehensive General Liability in an amount not less than \$5,000,000 dollars combined single limit. In the event the policy is a Claim Made policy coverage shall include an aggregate of \$10,000,000 dollars. The Policy must name the appropriate Railroad as an Additional Insured and must not contain any exclusion related to:

1. Doing business on, near, or adjacent to railroad facilities.
2. Loss or damage resulting from surface, subsurface pollution contamination or seepage, or handling, treatment, disposal, or dumping of waste materials or substances.

Before commencing work, the Applicant shall deliver to the Railroad a certificate of insurance evidencing the foregoing coverage and upon request the Applicant shall deliver a certified, true and complete copy of the policy or policies. The policies shall provide for not less than ten (10) days prior written notice to the Railroad of cancellation of or any material change in, the policies; and shall contain the waiver of right of subrogation.

It is understood and agreed that the foregoing insurance coverage is not intended to, and shall not, relieve the Applicant from or serve to limit Applicant's liability under the indemnity provisions of any applicable agreement.

It is further understood and agreed that, so long as the Agreement shall remain in force or the said works shall have been removed (whichever shall be later), the Railroad shall have the right, from time to time, to revise the amount or form of insurance coverage provided as circumstances or changing economic conditions may require. The Railroad shall give the Applicant written notice of any such requested change at least thirty (30) days prior to the date of expiration of the then existing policy or policies; and the Applicant agrees to, and shall, thereupon provide the Railroad with such revised policy or policies thereof.

Notwithstanding the above, Applicant shall have the right to self-insure any portion of this obligation. If Applicant elects to self-insure any portion of such insurance, Applicant shall provide the Railroad with such documentation as the Railroad may require in support of Applicant's ability to do so.

- 16.** And that upon the termination of this agreement the Applicant shall, if requested by the Railway Company so to do, remove at the expense of the Applicant the said works from the lands of the Railway Company, and restore the property of the Railway Company to its original state and condition; provided that the Railway Company may, at its option, perform such work as agent of and at the expense of the Applicant and in either case, the conditions embodied in paragraphs 6 and 7 hereof shall remain applicable and effective until such time as all work to be performed by the Applicant or by the Railway Company as agent of the Applicant as provided for in this clause shall have been carried out to the entire satisfaction of the Railway Company.

IN WITNESS whereof the parties hereto have executed these presents.

HURON CENTRAL RAILWAY COMPANY

Witness

Mario Brault, président

CITY OF SAULT STE. MARIE

Witness

Name: Debbie Amaroso

Title: Mayor

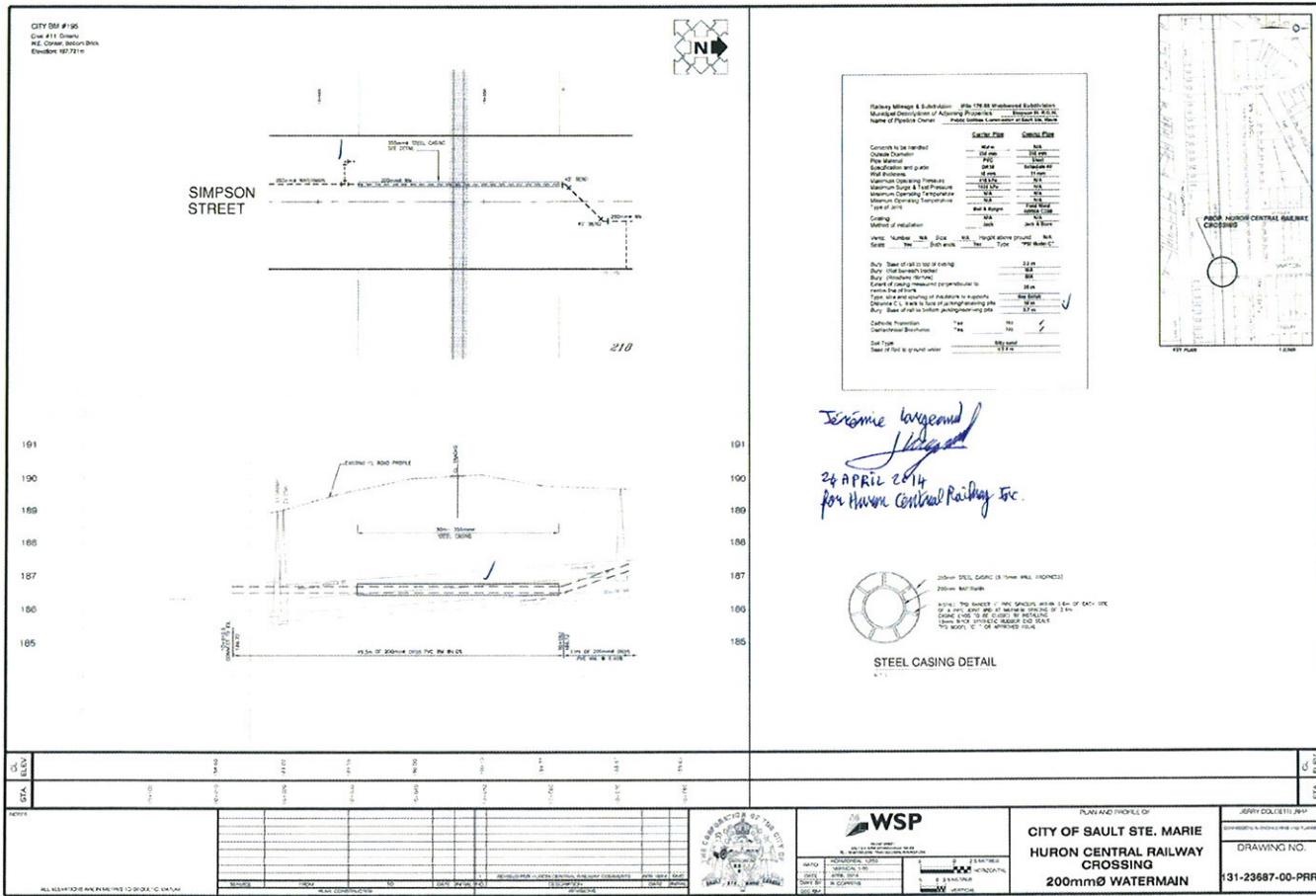
Duly authorized for the purpose herewith

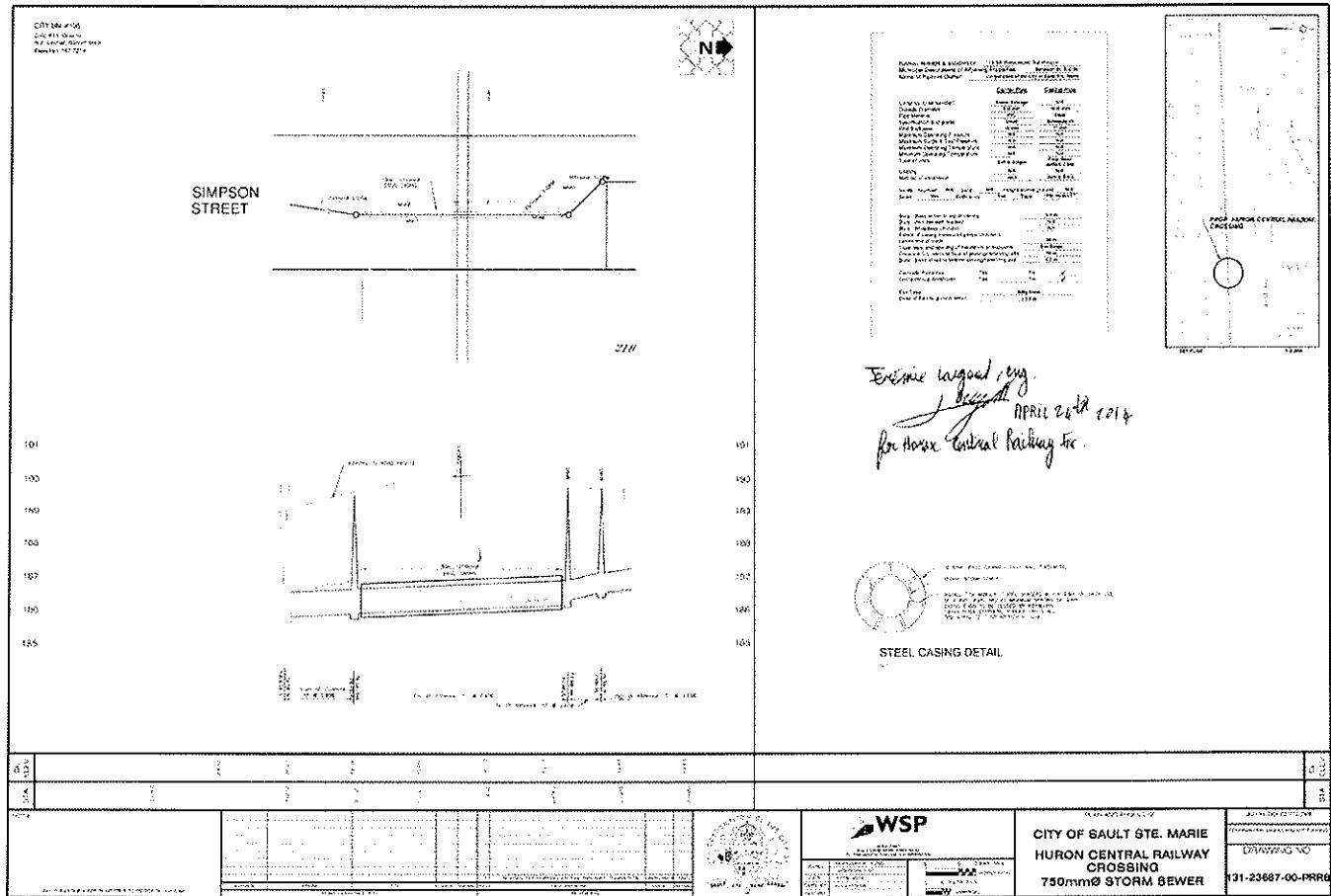
Name: Malcolm White
Title: City Clerk

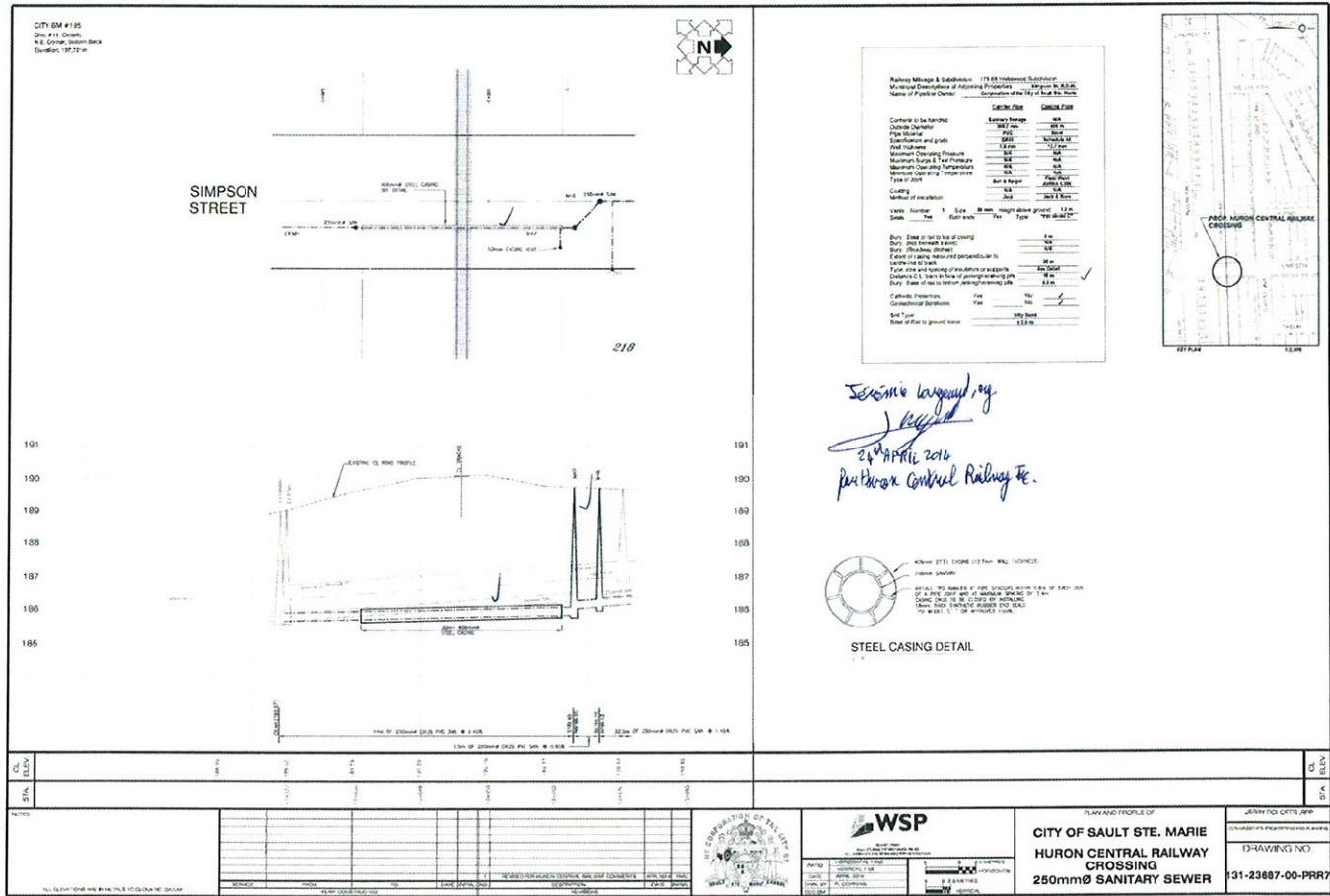
APPENDIX: A

Initials Railway Company: _____ Applicant: _____

Page 4 of 4







THE CORPORATION OF THE CITY OF SAULT STE. MARIE
BY-LAW 2014-119

AGREEMENT: (E2.2) A by-law to authorize execution of a contract between the City and Ellwood Robinson Limited for Great Northern Road Resurfacing Second Line East to Third Line East. (Contract 2014-9E)

THE COUNCIL of The Corporation of the City of Sault Ste. Marie, pursuant to section 9 of the *Municipal Act, 2001*, S.O. 2001, c. 25, **ENACTS** as follows:

1. EXECUTION OF DOCUMENT

The Mayor and the City Clerk are hereby authorized for and in the name of the Corporation to execute and affix the seal of the Corporation to a contract in the form of Schedule "A" attached hereto, dated the 26th day of May, 2014 and made between the City and Ellwood Robinson Limited for Great Northern Road Resurfacing Second Line East to Third Line East. (Contract 2014-9E)

2. SCHEDULE "A"

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

3. EFFECTIVE DATE

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

PASSED in open Council this 26th day of May, 2014.

MAYOR - DEBBIE AMAROSO

CITY CLERK – MALCOLM WHITE

CORPORATION OF THE CITY OF SAULT STE. MARIE

CONTRACT 2014-9E

FORM OF AGREEMENT

This Agreement made (in triplicate) this 26th day of May in the year 2014 by and between Ellwood Robinson Limited hereinafter called the "Contractor"

AND

The Municipal Corporation of the City of Sault Ste. Marie, Ontario hereinafter called the "Corporation".

WITNESSETH: That the Contractor and the Corporation undertake and agree as follows:

1. The Contractor will provide all the materials and all the works shown and described in the contract documents entitled:

**GREAT NORTHERN ROAD RESURFACING
SECOND LINE EAST TO THIRD LINE EAST
CONTRACT 2014-9E**

Which have been signed in triplicate by both parties and which were prepared under the supervision of Jerry D. Dolcetti, RPP, Commissioner of Engineering & Planning acting as and herein entitled, the Owner.

2. The Contractor will do and fulfill everything indicated by the Agreement, the General Conditions, the Specifications, the Special Provisions and the Drawings.
3. The Contractor will complete all the work to the entire satisfaction of the Owner within the period of time specified.
4. The Corporation shall pay to the Contractor the contract price as set forth in the Form of Tender in accordance with the provisions as set forth in the General Conditions and the Special Provisions. The quantities contained in the Form of Tender are approximate only and the final payment shall be made for the actual quantities that are incorporated in or made necessary by the work covered by the contract.
5. The Corporation shall pay the Contractor for work that is ordered in writing by the Owner and that cannot be classified as coming under any of the contract units and for which no unit price, lump sum, or other basis can be agreed upon, on a time and material basis as set out in the General Conditions.
6. The Contractor shall indemnify and save harmless the Corporation, its officers, employees and agents, from all loss, damages, costs, charges and expenses of every nature and kind whatsoever which may be made or brought against the Corporation, its officers, employees and agents, by reason or in consequence of the execution and performance or maintenance of the work by the Contractor, its employees, agents or officers.

7. All communications in writing between the Corporation, the Contractor and the Owner shall be deemed to have been received by the Addressee if delivered to the individual, a member of the firm or an officer of the Corporation for whom they are intended or if sent by post or by facsimile as follows:

THE CORPORATION: The Corporation of the City of Sault Ste. Marie
P.O. Box 580
Civic Centre
99 Foster Drive
Sault Ste. Marie, ON P6A 5N1

THE CONTRACTOR: Ellwood Robinson Limited
2075 Great Northern Road
Sault Ste. Marie, ON P6A 5K7

THE OWNER: Mr. Jerry D. Dolcetti, RPP
Commissioner, Engineering & Planning
P.O. Box 580
99 Foster Drive
Sault Ste. Marie, ON P6A 5N1
Facsimile 705-541-7165

IN WITNESS WHEREOF the parties hereto have executed this Agreement by the day and year first above written.

Signed, Sealed and Delivered
in the presence of

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

MAYOR - DEBBIE AMAROSO

(seal)

CITY CLERK – MALCOLM WHITE

THE CONTRACTOR

COMPANY NAME

(seal)

SIGNATURE

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2014-120

AGREEMENT: (C3) A by-law to authorize execution of a Ship Appearance Agreement between the City and Joseph Tilley in order to have visitation from Schooner Liana's Ransom for sailing excursions, public visitation and hospitality events for the period of July 18 – 20, 2014.

THE COUNCIL of The Corporation of the City of Sault Ste. Marie, pursuant to section 9 of the *Municipal Act, 2001*, S.O. 2001, c. 25, **ENACTS** as follows:

1. **EXECUTION OF DOCUMENT**

The Mayor and City Clerk are hereby authorized for and in the name of the Corporation to execute and affix the seal of the Corporation to a Ship Appearance Agreement attached hereto between The Corporation of the City of Sault Ste. Marie and Joseph Tilley in order to have visitation from Schooner Liana's Ransom for sailing excursions, public visitation and hospitality events for the period of July 18 – 20, 2014.

2. **SCHEDULE "A"**

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

3. **EFFECTIVE DATE**

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

PASSED in open Council this 26th day of May, 2014.

MAYOR - DEBBIE AMAROSO

CITY CLERK - MALCOLM WHITE

Schedule "A"

SHIP APPEARANCE AGREEMENT BETWEEN

Joseph Tilley

AND

The Corporation of the City of Sault Ste. Marie, Ontario

THIS AGREEMENT entered into May, 2014 by Schooner Liana's Ransom (hereinafter called collectively "SHIP") and The **Corporation of the City of Sault Ste. Marie** (hereinafter called "Port Organizer")

WHEREAS PORT ORGANIZER is desirous of having SHIP travel to Sault Ste. Marie, Ontario

And

WHEREAS, SHIP, operators of SHIP, is desirous for such visitation, NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter contained, the parties hereto agree as follows:

SECTION A: SERVICES PROVIDED BY SHIP AND DEADLINE TIMETABLE

1. SHIP will be properly manned and equipped as required by Transport Canada and other applicable agencies at a berth, anchoring or for sailing excursions
2. Ship Operator is licensed by Transport Canada to conduct public sailing excursions for up to 70 people, including infants and children. It is understood that this will be the Ship's primary activity and source of income while in Port.
3. **Upon Acceptance of Agreement:** Two high-resolution color photos of the ship, both horizontal and vertical, to be provided digitally upon acceptance of the agreement, accompanied by a written waiver/Release relating to right of use.
4. **Ten days before port appearance:** Proof of insurance for a minimum amount of \$2 million CAN with PORT ORGANIZER being named as additional insured on the certificate.
5. Upon signing of the appearance agreement, Ship Operator will provide an approved biography or historical information that the PORT ORGANIZER can use to produce multi-lingual dockside informational signage.
6. If available, PORT ORGANIZER requests a promotional video, accompanied by written waiver/release for right of use.

SHIP AGREEMENT: _Schooner Liana's Ransom

PORT: Sault Ste. Marie

Appearance Dates: 18-20 July 2014

Page 2

SECTION B. SCHEDULE OF EVENTS, SAILING EXCURSIONS, PUBLIC VISITATION AND HOSPITALITY EVENTS

18 July (Friday)

Cruises at :

10:00 a.m.

12:00 p.m.

2:00 p.m.

4:00 p.m.

7:00 p.m.

19 July (Saturday)

cruises at

10:00 a.m.

12:00 a.m.

2:00 p.m.

4:00 p.m.

7:00 p.m.

20 July (Sunday)

cruises at

10:00 a.m.

12:00 a.m.

2:00 p.m.

4:00 p.m.

7:00 p.m.

SECTION C: SERVICES PROVIDED BY PORT ORGANIZER

1. Safe berthing must be agreed upon by both parties in writing prior to arrival of SHIP.

The berthing arrangements must include the following:

- a) Depth of at least 9' from the channel and alongside berth.
- b) If at berth, a clear length of smooth bulkhead, free of sharp obstructions for at least 100'.
- c) At least 2 cleats, bollards or other proper mooring attachments suitable for securing a vessel of 66 tons displacement evenly spaced along the bulkhead.
- d) Exposure to more severe waves will likely require cessation of public visitation for safety reason. The mooring arrangement is subject to Transport Canada approval prior to visitor boarding.
- e) Height of bulkhead is preferably in the range of 4-6 feet above water level at time of visit. SHIP'S deck height is typically 5 feet above water at the gangways, and the brows must slope down toward the shore without exceeding a reasonable incline. If the pier is very low the Sponsor must provide an arrangement of platforms, ramps, and handrails, sufficient to support the onshore ends of SHIP's brow and allow safe visitor access. Brow arrangements and visitors access from the pier to the ships are subject to Transport Canada approval prior to visitor boarding.

SHIP AGREEMENT: Schooner Liana's Ransom

PORT: Sault Ste. Marie

Appearance Dates: 18-20 July 2014

Page 3

2. Utilities:

- a) A fire main/hose is to be available on the pier alongside the ship.
- b) Trash removal for the ship's domestic garbage upon arrival and during the visits.
- c) Sewage pump out 100 gallons / 380 litres , upon arrival and before departure.
- d) Potable water with adaptors down to 3/4" connection, within 50' of the ship. If PORT ORGANIZER must run hoses to extend water from source to berth, such hoses must be approved for potable water.
- e) Electrical shore power, 30 amps, 110 single phase, on the pier adjacent to SHIP
- f) Facilities for SHIP crew and staff to shower ashore.
- g) Access to the berth for a diesel fuel truck at one time during the visit.
- h) Trash removal and sweeping of the adjacent pier during the visit.
- i) One hotel room for the Captain for SHIP.

3. Hospitality:

- a) If PORT ORGANIZER hosts a reception onboard SHIP as part of this agreement, PORT ORGANIZER is responsible for catering arrangements including clean up and trash removal and host liquor liability.

4. Ship and Port Communications:

- a) Port Manual: PORT ORGANIZER will provide a port manual 30 days prior to event outlining activities in PDF format to be emailed to SHIP representative. Port Manual will provide information on the following:
 - Local sources of emergency medical treatment
 - Local sources for marine supply and repair services
 - Locations of local hotels, restaurants, other amenities
 - Program of cultural activities and entertainments that will take place during the visit.
- b) PORT ORGANIZER will appoint a liaison officer to meet with the Captain/Master of SHIP each morning during the visit to review the daily calendar of activities and address any needs or problems that may develop relevant to the terms of this agreement.
- c) PORT ORGANIZER will keep SHIP'S Public Relations Department advised of all requests for interviews with the Captain and crew and will supply copies of media coverage to SHIP's Public Relations Director and Executive Director.

SECTION D: INSURANCE

1. Please attach current copy of insurance policy showing proof of insurance for a minimum amount of \$2 million CAN with PORT ORGANIZER being named as additional insured on the certificate.

SECTION E: PAYMENT

1. In consideration of the above stated conditions of this agreement, PORT ORGANIZER agrees to the following financial arrangement:

2. Payment Schedule: Port Organizer will collect all money from ticket sales. Port Organizer to be paid 20% commission on all ticket sales. Price of an adult ticket set at \$40.00. Ship to be paid within two weeks from July 20, 2014.

SHIP AGREEMENT: Schooner Liana's Ransom

PORT: Sault Ste. Marie

Appearance Dates: 18-20 August 2014

Page 4

SECTION F: CONTINGENCIES

In the event of severe weather or accident, if SHIP is unable to visit and/or participate in Port, Ship appearance will be re-scheduled on a mutually agreeable date and time. Any advance payments will be returned to PORT ORGANIZER within ten days of cancelling appearance.

SECTION G: NOTICES

1. All notices required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given when delivered or sent by prepaid certified or registered mail, by facsimile transmission, or by overnight delivery through a private courier (i.e, Federal Express), addressed to the parties at the address or facsimile numbers set forth above, or such other address as either party may designate in writing to the other party for this purpose.

Notice address for the Host Port Organizer:

Notice Address for SHIP:

Schooner Liana's Ransom
PO Box 612
Eastern Passage
N.S.
B3G 1M9

SECTION H: DISPUTES

In the event of a dispute arising from either party believing the other to be in default of some portion of the agreement, the complaint shall be promptly submitted in writing to the signatories of this agreement. The undersigned pledge themselves in good faith to make every effort to arrive at a mutually satisfactory resolution of the dispute. Should the parties to this agreement fail to resolve the dispute; both parties agree to submit to binding arbitration.

SHIP AGREEMENT: _Schooner Liana's Ransom_

PORT: _Sault Ste. Marie

Appearance Dates: 18-20 July 2014

Page 5

SECTION I: SIGNATORIES

This agreement shall be binding upon and insure to the benefit of the successors and assigns of the respective parties hereto signed:

(SHIP OPERATOR)

BY: _____ Signature _____ Date
TITLE: _____

PORT ORGANIZER

BY: _____ Signature _____ Date
| BY: _____ Signature _____ Date

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2014-121

AGREEMENT: (P2) A by-law to authorize the execution of an agreement between the City, the Province and the Sault Ste. Marie Police Services Board to renew the Community Policing Partnerships (CPP) Program effective April 1, 2014 to March 31, 2016.

THE COUNCIL of The Corporation of the City of Sault Ste. Marie, pursuant to section 9 of the *Municipal Act, 2001*, S.O. 2001, c. 25, **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 affix the seal of the Corporation to an agreement in the form of Schedule "A" hereto dated April 1, 2014, between the City, the Province and the Sault Ste. Marie Police Services Board to renew the Community Policing Partnerships (CPP) Program effective April 1, 2014 to March 31, 2016.

2. **SCHEDULE "A"**

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

3. **EFFECTIVE DATE**

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

PASSED in open Council this 26th day of May, 2014.

MAYOR – DEBBIE AMAROSO

CITY CLERK – MALCOLM WHITE

Schedule "A"

THE AGREEMENT effective as of the 1st day of April, 2014.

B E T W E E N :

**HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO as
represented by the Minister of Community Safety and
Correctional Services**

(the "Ministry")

- and -

City of Sault Ste. Marie

(the "Recipient")

- and -

Sault Ste. Marie Police Services Board

(the "Board")

WHEREAS in 1998, the Ministry established the Community Policing Partnerships (CPP) Program (the "Program") as part of the government's commitment to make Ontario communities safer by enhancing police visibility;

AND WHEREAS the Ministry wishes to continue to fund the activities of the Board by providing funds to the Recipient for the purposes of supporting its contribution to the Board's budget to maintain the increased number of sworn officers of the **Sault Ste. Marie Police Service** for enhanced police visibility through policing activities such as increased community patrols, enhanced traffic enforcement, school outreach programs, and drug and street crime enforcement;

NOW THEREFORE in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are expressly acknowledged, the Parties agree as follows:

ARTICLE 1 -- INTERPRETATION AND DEFINITIONS

1.1 *Interpretation.* For the purposes of interpretation:

- (a) words in the singular include the plural and vice-versa;
- (b) words in one gender include all genders;
- (c) the background and the headings do not form part of the Agreement; they are for reference only and shall not affect the interpretation of the Agreement;

- (d) any reference to dollars or currency shall be to Canadian dollars and currency;
and
- (e) “include”, “includes” and “including” shall not denote an exhaustive list.
- 1.2 **Definitions.** In the Agreement, the following terms shall have the following meanings:
- “**Agreement**” means this agreement entered into between the Ministry, the Recipient and the Board and includes all of the schedules listed in section 28.1 and any amending agreement entered into pursuant to section 34.2.
- “**BPSAA**” means the *Broader Public Sector Accountability Act, 2010* (Ontario), including any directives issued pursuant to that Act.
- “**Budget**” means the budget attached to the Agreement in Schedule “A”.
- “**Expiry Date**” means March 31, 2016, unless terminated earlier pursuant to this Agreement.
- “**Effective Date**” means the date first written above.
- “**Event of Default**” has the meaning ascribed to it in section 14.1.
- “**Force Majeure**” has the meaning ascribed to it in Article 26.
- “**Funding Period**” means: the period commencing on the Effective Date and ending on the Expiry Date.
- “**Funding Year**” means any of Funding Year 1, or Funding Year 2.
- “**Funding Year 1**” means April 1, 2014, through to March 31, 2015.
- “**Funding Year 2**” means April 1, 2015, through to March 31, 2016.
- “**Funds**” means the money the Ministry provides to the Recipient pursuant to the Agreement.
- “**Indemnified Parties**” means her Majesty the Queen in right of Ontario, her Ministers, agents, appointees and employees.
- “**Maximum Funds**” means \$720,000.00.
- “**Notice**” means any communication given or required to be given pursuant to the Agreement.
- “**Notice Period**” means the period of time within which the Recipient is required to remedy an Event of Default, and includes any such period or periods of time by which the Ministry considers it reasonable to extend that time.
- “**Parties**” means the Ministry, the Recipient and the Board, and “**Party**” means any

one of them.

“Project” means the undertaking described in Schedule “B”.

“Project Completion Date” means March 31, 2015, for Funding Year 1 and March 31, 2016, for Funding Year 2.

“Reports” means the reports provided in Schedule “C”.

“Timelines” means the dates and times set out in Schedule “A”.

ARTICLE 2 -- REPRESENTATIONS, WARRANTIES AND COVENANTS

2.1 ***General.*** The Recipient and the Board each represents, warrants and covenants that:

- (a) it is and shall continue to be for the term of the Agreement, a validly existing legal entity with full power to fulfill its obligations under the Agreement;
- (b) it has, and shall continue to have for the term of the Agreement, the experience and expertise necessary to carry out the Project; and
- (c) unless otherwise provided for in the Agreement, any information the Recipient provided to the Ministry in support of its request for funds (including information relating to any eligibility requirements) was true and complete at the time the Recipient provided it and shall continue to be true and complete for the term of the Agreement.

2.2 ***Execution of Agreement.*** The Recipient and the Board each represents and warrants that:

- (a) it has the full power and authority to enter into the Agreement; and
- (b) it has taken all necessary actions to authorize the execution of the Agreement.

2.3 ***Governance.*** The Recipient and the Board each represents, warrants and covenants that upon execution and for the period during which the Agreement is in effect, it:

- (a) (i) is a municipal police service board or a municipality in a municipality that has established a municipal police service or whose council has entered into an agreement under s. 10 of the Police Services Act for the provision of police services by the Ontario Provincial Police (OPP); or (ii) it is a First Nation police services board/commission or a First Nation band council in a First Nation community that has established a First Nation police service pursuant to a policing services agreement between Canada, the Ministry, and the First Nation signatory;

- (b) has made only one (i) request for Program Funds and shall accept the Program Funds under the Agreement and not under any other agreement;
 - (c) shall have procedures to enable the preparation and delivery of all Reports required pursuant to Article 7;
 - (d) shall have in place, as a condition of funding, such governance and the administrative structures and processes necessary to (i) ensure prudent and effective management of the Funds; (ii) enable the successful completion of the Project and the timely identification of risks to the completion of the Project; and (iv) address the identified risks;
 - (e) shall report on the specific expenditures according to established expectations as set out in this Agreement.
- 2.4 ***Supporting Documentation.*** Upon request, the Recipient, the Board or both of them shall provide the Ministry with proof of the matters referred to in this Article 2.

ARTICLE 3 -- TERM OF THE AGREEMENT

- 3.1 ***Term.*** The term of the Agreement shall commence on the Effective Date and shall expire on the Expiry Date, unless terminated earlier pursuant to Articles 12, 13 or 14.

ARTICLE 4 -- FUNDS AND CARRYING OUT THE PROJECT

- 4.1 ***Funds Provided.*** The Ministry shall:
- (a) reimburse the Recipient with Funds up to the Maximum Funds for the purpose of carrying out the Project;
 - (b) reimburse the Recipient by providing the Funds directly to the Recipient through transfer payments in accordance with the payment schedule attached to the Agreement as Schedule "A"; and
 - (c) deposit the Funds into an account designated by the Recipient provided that the account:
 - (i) resides at a Canadian financial institution; and
 - (ii) is in the name of the Recipient.

- 4.2 ***Limitation on Payment of Funds.*** Despite section 4.1:

- (a) the Ministry is not obligated to provide any Funds to the Recipient until the Recipient provides the insurance certificate or other proof as provided for in section 11.2;

- (b) the Ministry's payment of Funds is conditional on the Board submitting the Financial Reports in accordance with the requirements of Schedule "C" and Timelines set out in Schedule "A";
- (c) the Ministry is not obligated to provide Funds until it is satisfied with the Reports;
- (d) the Ministry may adjust the amount of Funds it provides to the Recipient in any Funding Year based upon the Ministry's assessment of the information provided by the Recipient pursuant to section 7.1; and
 - (i) if the Recipient identifies that the Funds for the Funding Year are not expected to be used for the Funding purposes, the Ministry may reallocate the Funds to other municipalities; or
 - (ii) if, pursuant to the provisions of the *Financial Administration Act* (Ontario), the Ministry does not receive the necessary appropriation from the Ontario Legislature for payment under the Agreement, the Ministry is not obligated to make any such payment, and, as a consequence, the Ministry may:
 - (a) reduce the amount of the Funds and, in consultation with the Recipient, change the Project; or
 - (b) terminate the Agreement pursuant to section 13.1.

4.3 ***Use of Funds and Project.*** The Recipient shall:

- (a) carry out the Project:
 - (i) in accordance with the terms and conditions of the Agreement; and
 - (ii) in compliance with all federal and provincial laws and regulations, all municipal by-laws, and any other orders, rules and by-laws related to any aspect of the Project;
- (b) use the Funds only for the purpose of carrying out the Project; and
- (c) spend the Funds only in accordance with the Budget, as approved by the Ministry.

4.4 ***No Changes.*** The Recipient shall not make any changes to the Project, the Timelines and/or the Budget without the prior written consent of the Ministry.

4.5 ***Interest Bearing Account.*** If the Ministry provides Funds to the Recipient prior to the Recipient's immediate need for the Funds, the Recipient shall place the Funds in an interest bearing account in the name of the Recipient at a Canadian financial institution.

- 4.6 ***Interest.*** If the Recipient earns any interest on the Funds:
- (a) the Ministry may deduct an amount equal to the interest from any further instalments of Funds; or
 - (b) the Recipient shall pay an amount equal to the interest to the Ministry, as directed by the Ministry.
- 4.7 ***Maximum Funds.*** The Recipient acknowledges that the Funds available to it pursuant to the Agreement shall not exceed the Maximum Funds.
- 4.8 ***Rebates, Credits and Refunds.*** The Recipient acknowledges that the amount of Funds available to it pursuant to the Agreement is based on the actual costs to the Recipient, less any costs (including taxes) for which the Recipient has received, will receive, or is eligible to receive, a rebate, credit or refund.

ARTICLE 5 -- ACQUISITION OF GOODS AND SERVICES

- 5.1 ***Acquisition.*** If the Recipient acquires supplies, equipment or services with the Funds, it shall do so through a process that promotes the best value for money.

ARTICLE 6 -- CONFLICT OF INTEREST

- 6.1 ***No Conflict of Interest.*** The Recipient shall carry out the Project and use the Funds without an actual, potential or perceived conflict of interest.
- 6.2 ***Conflict of Interest Includes.*** For the purposes of this Article, a conflict of interest includes any circumstances where:
- (a) the Recipient; or
 - (b) any person who has the capacity to influence the Recipient's decisions, has outside commitments, relationships or financial interests that could, or could be seen to, interfere with the Recipient's objective, unbiased and impartial judgment relating to the Project and the use of the Funds.
- 6.3 ***Disclosure to Ministry.*** The Recipient shall:
- (a) disclose to the Ministry, without delay, any situation that a reasonable person would interpret as either an actual, potential or perceived conflict of interest; and
 - (b) comply with any terms and conditions that the Ministry may prescribe as a result of the disclosure.

ARTICLE 7 -- REPORTING, ACCOUNTING AND REVIEW

- 7.1 ***Preparation and Submission.*** The Board shall:

- (a) submit to the Ministry at the address provided in section 18.1, Reports, as set out in Schedule "C", in accordance with the requirements and Timelines set out in Schedule "A";
 - (b) submit to the Ministry at the address provided in section 18.1, any other reports as may be requested by the Ministry in accordance with the Timelines and content requirements specified by the Ministry;
 - (c) ensure that all Reports and other reports are completed to the satisfaction of the Ministry; and
 - (d) ensure that all Reports and other reports are signed on behalf of the Board by an authorized signing officer.
- 7.2 ***Record Maintenance.*** The Recipient and the Board shall keep and maintain:
- (a) all financial records (including invoices) relating to the Funds or otherwise to the Project in a manner consistent with generally accepted accounting principles; and
 - (b) all non-financial documents and records relating to the Funds or otherwise to the Project.
- 7.3 ***Inspection.*** The Ministry, its authorized representatives, or an independent auditor identified by the Ministry may, at its own expense, upon twenty-four (24) hours' Notice to the Recipient or the Board and during normal business hours, enter upon the Recipient's or the Board's premises to review the progress of the Project and the Board's expenditure of the Funds and, for these purposes, the Ministry, its authorized representatives, or an independent auditor identified by the Ministry may:
- (a) inspect and copy the records and documents referred to in section 7.2; and
 - (b) conduct an audit or investigation of the Board in respect of the expenditure of the Funds and/or the Project.
- 7.4 ***Disclosure.*** To assist in respect of the rights set out in section 7.3, the Recipient shall disclose any information requested by the Ministry, its authorized representatives, or an independent auditor identified by the Ministry, and shall do so in a form requested by the Ministry, its authorized representatives, or an independent auditor identified by the Ministry, as the case may be.
- 7.5 ***No Control of Records.*** No provision of the Agreement shall be construed so as to give the Ministry any control whatsoever over the Recipient's records.
- 7.6 ***Auditor General.*** For greater certainty, the Ministry's rights under this Article are in addition to any rights provided to the Auditor General pursuant to section 9.1 of the *Auditor General Act* (Ontario).

ARTICLE 8 – CREDIT AND PUBLICITY

- 8.1 **Acknowledge Support.** Unless otherwise directed by the Ministry, the Recipient and the Board shall, in a form approved by the Ministry, acknowledge the support of the Ministry in any publication of any kind, written or oral, relating to the Project, including for greater certainty, press releases, published reports, radio and television programs and public meetings, using the following standard:

"This Project has been made possible by a grant from the Ministry of Community Safety and Correctional Services."

- 8.2 **Prior Written Approval.** The Recipient and the Board agree to obtain prior written approval from the Ministry before using any Province of Ontario or Ministry logo or symbol in any communications including press releases, published reports, television programs, public or private meetings, or in any other type of promotional material, relating to the Project or this Agreement.
- 8.3 **Publication.** The Recipient and the Board shall indicate, in any of their publications, of any kind, written or oral, relating to the Project, that the views expressed in the publication are the views of the Recipient and do not necessarily reflect those of the Ministry.

ARTICLE 9 -- FREEDOM OF INFORMATION AND PROTECTION OF PRIVACY

- 9.1 **FIPPA.** The Recipient and the Board acknowledge that the Ministry is bound by the *Freedom of Information and Protection of Privacy Act* (Ontario) and that any information provided to the Ministry in connection with the Project or otherwise in connection with the Agreement may be subject to disclosure in accordance with that Act.

ARTICLE 10 -- INDEMNITY

- 10.1 **Indemnification.** The Recipient and the Board hereby agree to indemnify and hold harmless the Indemnified Parties from and against any and all liability, loss, costs, damages and expenses (including legal, expert and consultant fees), causes of action, actions, claims, demands, lawsuits or other proceedings, by whomever made, sustained, incurred, brought or prosecuted, in any way arising out of or in connection with the Project or otherwise in connection with the Agreement, unless solely caused by the negligence or wilful misconduct of the Ministry.

ARTICLE 11 -- INSURANCE

- 11.1 **Recipient's Insurance.** The Recipient represents and warrants that it has and shall maintain for the term of the Agreement, at its own cost and expense, with insurers having a secure A.M. Best rating of B+ or greater, or the equivalent, all the necessary and appropriate insurance that a prudent person carrying out a project similar to the Project would maintain, including commercial general liability insurance on an occurrence basis for third party bodily injury, personal injury and property damage, to an inclusive limit of not less than five million dollars (\$5,000,000) per occurrence. The policy shall include the following:

- (a) the Indemnified Parties as additional insureds with respect to liability arising in the course of performance of the Recipient's obligations under, or otherwise in connection with, the Agreement;
 - (b) a cross-liability clause;
 - (c) contractual liability coverage; and
 - (d) a thirty (30) day written notice of cancellation, termination or material change.
- 11.2 ***Proof of Insurance.*** The Recipient shall provide the Ministry with certificates of insurance, or other proof as may be requested by the Ministry, that confirms the insurance coverage as provided for in section 11.1. Upon the request of the Ministry, the Recipient shall make available to the Ministry a copy of each insurance policy.

ARTICLE 12 -- TERMINATION ON NOTICE

- 12.1 ***Termination on Notice.*** The Ministry may terminate the Agreement at any time upon giving at least sixty (60) days Notice to the Recipient and the Board.
- 12.2 ***Consequences of Termination on Notice by the Ministry.*** If the Ministry terminates the Agreement pursuant to section 12.1, the Ministry may:
- (a) cancel all further instalments of Funds;
 - (b) demand the repayment of any Funds remaining in the possession or under the control of the Recipient; and/or
 - (c) determine the reasonable costs for the Recipient to wind down the Project, and:
 - (i) permit the Recipient to offset the costs determined pursuant to section 12.2(c), against the amount owing pursuant to section 12.2(b); and/or
 - (ii) subject to section 4.7, provide Funds to the Recipient to cover the costs determined pursuant to section 12.2(c).

ARTICLE 13 -- TERMINATION WHERE NO APPROPRIATION

- 13.1 ***Termination Where No Appropriation.*** If, as provided for in section 4.2(d), the Ministry does not receive the necessary appropriation from the Ontario Legislature for any payment the Ministry is to make pursuant to the Agreement, the Ministry may terminate the Agreement immediately by giving Notice to the Recipient.
- 13.2 ***Consequences of Termination Where No Appropriation.*** If the Ministry terminates the Agreement pursuant to section 13.1, the Ministry may:
- (a) cancel all further instalments of Funds;

- (b) demand the repayment of any Funds remaining in the possession or under the control of the Recipient; and/or
 - (c) determine the reasonable costs for the Recipient to wind down the Project and permit the Recipient to offset such costs against the amount owing pursuant to section 13.2(b).
- 13.3 **No Additional Funds.** For purposes of clarity, if the costs determined pursuant to section 13.2(c) exceed the Funds remaining in the possession or under the control of the Recipient, the Ministry shall not provide additional Funds to the Recipient.
- ARTICLE 14 -- EVENT OF DEFAULT, CORRECTIVE ACTION AND TERMINATION FOR DEFAULT**
- 14.1 **Events of Default.** Each of the following events shall constitute an Event of Default:
- (a) in the opinion of the Ministry, the Recipient or the Board breaches any representation, warranty, covenant or other material term of the Agreement, including failing to do any of the following in accordance with the terms and conditions of the Agreement:
 - (i) carry out the Project;
 - (ii) use or spend Funds; and/or
 - (iii) provide, in accordance with section 7.1, Reports or such other reports as may have been requested pursuant to section 7.1(b);
 - (b) the Recipient's or the Board's operations, or its organizational structure, changes such that it no longer meets one or more of the applicable eligibility requirements of the program under which the Ministry provides the Funds;
 - (c) the Recipient makes an assignment, proposal, compromise, or arrangement for the benefit of creditors, or is petitioned into bankruptcy, or files for the appointment of a receiver;
 - (d) the Recipient or the Board ceases to operate; or
 - (e) an event of Force Majeure that continues for a period of sixty (60) days or more.
- 14.2 **Consequences of Events of Default and Corrective Action.** If an Event of Default occurs, the Ministry may, at any time, take one or more of the following actions:
- (a) initiate any action the Ministry considers necessary in order to facilitate the successful continuation or completion of the Project;

- (b) provide the Recipient with an opportunity to remedy the Event of Default;
 - (c) suspend the payment of Funds for such period as the Ministry determines appropriate;
 - (d) reduce the amount of the Funds;
 - (e) cancel all further installments of Funds;
 - (f) demand the repayment of any Funds remaining in the possession or under the control of the Recipient;
 - (g) demand the repayment of an amount equal to any Funds the Recipient used, but did not use in accordance with the Agreement;
 - (h) demand the repayment of an amount equal to any Funds the Ministry provided to the Recipient; and/or
 - (i) terminate the Agreement at any time, including immediately, upon giving Notice to the Recipient.
- 14.3 ***Opportunity to Remedy.*** If, in accordance with section 14.2(b), the Ministry provides the Recipient with an opportunity to remedy the Event of Default, the Ministry shall provide Notice to the Recipient of:
- (a) the particulars of the Event of Default; and
 - (b) the Notice Period.
- 14.4 ***Recipient not Remedyng.*** If the Ministry has provided the Recipient with an opportunity to remedy the Event of Default pursuant to section 14.2(b), and:
- (a) the Recipient does not remedy the Event of Default within the Notice Period;
 - (b) it becomes apparent to the Ministry that the Recipient cannot completely remedy the Event of Default within the Notice Period; or
 - (c) the Recipient is not proceeding to remedy the Event of Default in a way that is satisfactory to the Ministry,
- the Ministry may extend the Notice Period, or initiate any one or more of the actions provided for in sections 14.2(a), (c), (d), (e), (f), (g), (h) and (i).
- 14.5 ***When Termination Effective.*** Termination under this Article shall take effect as set out in the Notice.

ARTICLE 15 -- FUNDS AT THE END OF A FUNDING YEAR

- 15.1 ***Funds at the End of a Funding Year.*** Without limiting any rights of the Ministry under Article 14, if the Recipient has not spent all of the Funds allocated for the Funding Year as provided for in the Budget, the Ministry may:
- (a) demand the return of the unspent Funds; or
 - (b) adjust the amount of any further instalments of Funds accordingly.

ARTICLE 16 -- FUNDS UPON EXPIRY

- 16.1 ***Funds upon Expiry.*** Without limiting any rights of the Ministry under Article 14, the Recipient shall, upon expiry of the Agreement, return to the Ministry any Funds remaining in its possession or under its control.

ARTICLE 17 -- REPAYMENT

- 17.1 ***Debt Due.*** If:
- (a) the Ministry demands the payment of any Funds or any other money from the Recipient; or
 - (b) the Recipient owes any Funds or any other money to the Ministry, whether or not their return or repayment has been demanded by the Ministry,
- such Funds or other money shall be deemed to be a debt due and owing to the Ministry by the Recipient, and the Recipient shall pay or return the amount to the Ministry immediately, unless the Ministry directs otherwise.
- 17.2 ***Interest Rate.*** The Ministry may charge the Recipient interest on any money owing by the Recipient at the then current interest rate charged by the Province of Ontario on accounts receivable.
- 17.3 ***Payment of Money to Ministry.*** The Recipient shall pay any money owing to the Ministry by cheque payable to the "Ontario Minister of Finance" and mailed to the Ministry at the address provided in section 18.1.

ARTICLE 18 -- NOTICE

18.1 **Notice in Writing.** Notices and communications shall be in writing and shall be delivered by email, postage-prepaid mail, personal delivery or fax, and shall be addressed to the Ministry, the Recipient or the Board, respectively, as set out below, or as any Party later designates to the other by Notice:

To the Ministry:

Ministry of Community Safety
and Correctional Services
25 Grosvenor Street, 12th Floor
Toronto, ON
M7A 2H3

Attention:

Oscar Mosquera, Manager
Program Development Section
External Relations Branch
Public Safety Division

Tel : 416-326-5624
Fax: 416-314-3092
E-mail: Oscar.Mosquera@ontario.ca

To the Recipient:

Mayor Debbie Amaroso
City of Sault Ste. Marie
99 Foster Drive
PO Box 580
Sault Ste. Marie, P6A 5X6
705-759-5344
705-541-7171

To the Board:

Chair James Greco
Sault Ste. Marie Police Services Board
580 Second Line East
P.O. Box 235
Sault Ste. Marie, P6B 4K1
705-759-2500
705-759-9210

18.2 **Notice Given.** Notice shall be deemed to have been received:

- (a) in the case of postage-prepaid mail, seven (7) days after a Party mails the Notice; or
- (b) in the case of email, personal delivery or fax, at the time the other Party receives the Notice.

18.3 **Postal Disruption.** Despite section 18.2(a), in the event of a postal disruption:

- (a) Notice by postage-prepaid mail shall not be deemed to be received; and
- (b) the Party giving Notice shall provide Notice by email, personal delivery or by fax.

ARTICLE 19 -- CONSENT BY MINISTRY

19.1 **Consent.** The Ministry may impose any terms and/or conditions on any consent the Ministry may grant pursuant to the Agreement.

ARTICLE 20 -- SEVERABILITY OF PROVISIONS

- 20.1 ***Invalidity or Unenforceability of Any Provision.*** The invalidity or unenforceability of any provision of the Agreement shall not affect the validity or enforceability of any other provision of the Agreement. Any invalid or unenforceable provision shall be deemed to be severed.

ARTICLE 21 -- WAIVER

- 21.1 ***Waivers in Writing.*** If a Party fails to comply with any term of the Agreement, that Party may only rely on a waiver of the other Party if the other Party has provided a written waiver in accordance with the Notice provisions in Article 18. Any waiver must refer to a specific failure to comply and shall not have the effect of waiving any subsequent failures to comply.

ARTICLE 22 -- INDEPENDENT PARTIES

- 22.1 ***Parties Independent.*** The Recipient acknowledges that it is not an agent, joint venturer, partner or employee of the Ministry, and the Recipient shall not take any actions that could establish or imply such a relationship.

ARTICLE 23 -- ASSIGNMENT OF AGREEMENT OR FUNDS

- 23.1 ***No Assignment.*** The Recipient shall not assign any part of the Agreement or the Funds without the prior written consent of the Ministry.
- 23.2 ***Agreement to Extend.*** All rights and obligations contained in the Agreement shall extend to and be binding on the Parties' respective heirs, executors, administrators, successors and permitted assigns.

ARTICLE 24 -- GOVERNING LAW

- 24.1 ***Governing Law.*** The Agreement and the rights, obligations and relations of the Parties shall be governed by and construed in accordance with the laws of the Province of Ontario and the applicable federal laws of Canada. Any actions or proceedings arising in connection with the Agreement shall be conducted in Ontario.
- 24.2 ***BPSAA.*** For the purposes of clarity, if the Recipient or the Board is subject to the BPSAA and there is a conflict between any of the requirements of the Agreement and the requirements of the BPSAA, the BPSAA shall prevail.

ARTICLE 25 -- FURTHER ASSURANCES

- 25.1 ***Agreement into Effect.*** The Recipient and the Board shall do or cause to be done all acts or things necessary to implement and carry into effect the terms and conditions of the Agreement to their full extent.

ARTICLE 26 -- CIRCUMSTANCES BEYOND THE CONTROL OF EITHER PARTY

- 26.1 ***Force Majeure.*** Subject to section 26.3, Force Majeure means an event that:
- (a) is beyond the reasonable control of a Party; and

- (b) makes a Party's performance of its obligations under the Agreement impossible, or so impracticable as reasonably to be considered impossible in the circumstances.

26.2 **Force Majeure Includes.** Force Majeure includes:

- (a) infectious diseases, war, riots and civil disorder;
- (b) storm, flood, earthquake and other severely adverse weather conditions;
- (c) lawful act by a public authority; and
- (d) strikes, lockouts and other labour actions,

if such events meet the test set out in section 26.1.

26.3 **Force Majeure Shall Not Include.** Force Majeure shall not include:

- (a) any event that is caused by the negligence or intentional action of a Party or such Party's agents or employees; or
- (b) any event that a diligent Party could reasonably have been expected to:
 - (i) take into account at the time of the execution of the Agreement; and
 - (ii) avoid or overcome in the carrying out of its obligations under the Agreement.

26.4 **Failure to Fulfil Obligations.** Subject to section 14.1(e), the failure of either Party to fulfil any of its obligations under the Agreement shall not be considered to be a breach of, or Event of Default under, the Agreement to the extent that such failure to fulfill the obligation arose from an event of Force Majeure, if the Party affected by such an event has taken all reasonable precautions, due care and reasonable alternative measures, all with the objective of carrying out the terms and conditions of the Agreement.

ARTICLE 27 -- SURVIVAL

27.1 **Survival.** The provisions in Article 1, any other applicable definitions, sections 4.6(b), 7.1 (to the extent that the Recipient/Board has not provided the Reports or other reports as may be requested by the Ministry to the satisfaction of the Ministry), 7.2, 7.3, 7.4, 7.5, 7.6, Articles 8 and 10, sections 12.2, 13.2, 13.3, 14.1, 14.2(d), (e), (f), (g) and (h), Articles 16, 17, 18, 20, 24, 27, 28, 29, 30, 31, 32, 33 and 34, and all applicable cross-referenced provisions and schedules shall continue in full force and effect for a period of seven (7) years from the date of expiry or termination of the Agreement.

ARTICLE 28 -- SCHEDULES

28.1 ***Schedules.*** The Agreement includes the following schedules:

- (a) Schedule "A" – FUNDING AND PROJECT TIMELINE;
- (b) Schedule "B" – ORIGINAL GRANT APPLICATION;
- (c) Schedule "C" – INTERIM/FINAL REPORT;
- (d) Schedule "D" – REPORTING INSTRUCTIONS.

ARTICLE 29 -- FURTHER FUNDS

29.1 ***Further Funds.*** It is agreed and understood that the provision of the Funds in no way commits or obligates the Ministry to provide other or additional payments now or in the future.

ARTICLE 30 -- INSPECTION

30.1 ***Inspection.*** The Ministry reserves the right to inspect any aspect of the Project at any time.

ARTICLE 31 -- MANAGEMENT BOARD/TREASURY BOARD APPROVAL

31.1 ***Management Board Approval.*** This Agreement may be subject to approval by the Management Board/Treasury Board Secretariat of the Province of Ontario.

ARTICLE 32 -- JOINT AND SEVERAL LIABILITY

32.1 ***Joint and Several Liability.*** Where the Recipient is comprised of more than one entity, all such entities shall be jointly and severally liable to the Ministry for the fulfillment of the obligations of the Recipient under the Agreement.

ARTICLE 33 -- RIGHTS AND REMEDIES CUMULATIVE

33.1 ***Rights and Remedies Cumulative.*** The rights and remedies of the Ministry under the Agreement are cumulative and are in addition to, and not in substitution for, any of its rights and remedies provided by law or in equity.

ARTICLE 34 -- ENTIRE AGREEMENT

34.1 ***Entire Agreement.*** The Agreement constitutes the entire agreement between the Parties with respect to the subject matter contained in the Agreement and supersedes all prior oral or written representations and agreements.

34.2 ***Modification of Agreement.*** The Agreement may only be amended by a written agreement duly executed by the Parties.

ARTICLE 35 -- FAILURE TO COMPLY WITH OTHER AGREEMENTS

35.1 *Other Agreements.* If the Recipient:

- (a) has failed to comply with any term, condition or obligation under any other agreement with Her Majesty the Queen in right of Ontario or a Crown agency (a "Failure");
- (b) has been provided with notice of such Failure in accordance with the requirements of such other agreement;
- (c) has, if applicable, failed to rectify such Failure in accordance with the requirements of such other agreement; and
- (d) such Failure is continuing,

the Ministry may suspend the payment of Funds for such period as the Ministry determines appropriate.

THE PARTIES HAVE EXECUTED THE AGREEMENT ON THE DATES SET OUT BELOW.

HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO
as represented by the Minister of Community Safety and Correctional Services

Name:

Date

Title:

City of Sault Ste. Marie

Name:

Date

Title:

I/We have authority to bind the Board.

Witness Name:

Date

Title:

Sault Ste. Marie Police Services Board

Name:

Date

Title:

I/We have authority to bind the Board.

Witness Name:

Date

Title:

Schedule "A"
FUNDING AND PROJECT TIMELINE

Attached to and forming part of the Agreement between **Her Majesty the Queen as represented by the Minister of Community Safety and Correctional Services** and **City of Sault Ste. Marie and Sault Ste. Marie Police Services Board**, dated the 1st day of April, 2014.

Allocation

1. The Ministry agrees to cost share **12** police officer(s) and provide the Funds in accordance with the Project, under the terms of which the Board will maintain visible front-line policing activities ("**CPP Activities**") as outlined in the original grant application, submitted as Schedule "B".
2. The Funds shall be used by the Board and the Recipient solely for the purposes of maintaining the increased complement of front-line, uniformed police officers and for no other purposes. The Funds shall not be used for purposes related to maintaining the existing complement of front-line police officers, as defined by the June 15, 1998 Benchmark, due to the assignment of front-line police officers to non-CPP Activities.

June 15, 1998 Benchmark

3. The Program will continue to share the cost of increases to the actual total number of sworn officers above the June 15, 1998 figures submitted to Statistics Canada. The purpose of this benchmark is to ensure that the Ministry is not paying the salaries of new officers hired to replace officers who have resigned, retired or been terminated. In addition, the Program will not cover civilianization or the hiring of existing officers who increase the complement due to amalgamations. Officers funded through the Program must increase the complement above the combined complement of the amalgamated police service.

Use of the Funds

4. The Funds shall be used only to pay half the costs of salaries, overtime and payroll benefits to a maximum of \$30,000.00 per officer for officers hired under the CPP Program and engaged in full time CPP Activities. The Ministry's share of overtime will not exceed \$5,000.00 per officer.

Reporting Requirements

5. The Board shall, by September 30th of each Funding Year that the Agreement is in effect, submit the CPP Program Interim Report, in the form provided in Schedule "C". The Interim Report shall include the following information:
 - (a) update/confirm if all the information in the contact page is up-to-date; and
 - (b) update/confirm the number of sworn officer(s) to date.
 - (c) name of existing front-line police officer(s), overtime rate, total overtime hours (actual), overtime requested.

6. The Board shall, by March 10th of each Funding Year that the Agreement is in effect, submit the CPP Program Final Report, in the form provided in Schedule "C". The Final Report shall include the following information:
 - (a) update/confirm if all the information in the contact page is up-to-date;
 - (b) update/confirm the number of sworn officer(s) to date; and
 - (c) name of existing front-line police officer(s), overtime rate, total overtime hours (actual), overtime requested.

Payment Schedule

7. The Ministry will reimburse the Recipient semi-annually subject to the Ministry receiving and approving the interim and final CPP Program reports. Overtime will be paid annually after the CPP Program Final Report, in the form provided in Schedule "C", is received and approved by the Ministry.
8. The Recipient or the Board may be required to provide such further or additional information as the Ministry, acting reasonably, deems appropriate in approving the CPP Program interim and final reports.
9. Approval of the interim and final reports is at the sole discretion of the Ministry.

Return of Unused Funds

10. The Recipient shall return to the Ministry by cheque payable to "Ontario Minister of Finance" any balance of the Funds that are not spent in accordance with this Agreement.

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2014-122

AGREEMENT: (P2) A by-law to authorize the execution of an agreement between the City, the Province and the Sault Ste. Marie Police Services Board to renew the Safer Communities – 1,000 Officers Partnership Program effective April 1, 2014 to March 31, 2016.

THE COUNCIL of The Corporation of the City of Sault Ste. Marie, pursuant to section 9 of the *Municipal Act, 2001*, S.O. 2001, c. 25, **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 affix the seal of the Corporation to an agreement in the form of Schedule "A" hereto dated April 1, 2014, between the City, the Province and the Sault Ste. Marie Police Services Board to renew the Safer Communities – 1,000 Officers Partnership Program effective April 1, 2014 to March 31, 2016.

2. **SCHEDULE "A"**

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

3. **EFFECTIVE DATE**

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

PASSED in open Council this 26th day of May, 2014.

MAYOR – DEBBIE AMAROSO

CITY CLERK – MALCOLM WHITE

Schedule "A"

THE AGREEMENT effective as of the 1st day of April, 2014.

B E T W E E N :

**HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO as
represented by the Minister of Community Safety and
Correctional Services**

(the "Ministry")

- and -

City of Sault Ste. Marie

(the "Recipient")

- and -

Sault Ste. Marie Police Services Board

(the "Board")

WHEREAS in 2003, the Ministry established the Safer Community – 1,000 Officers Partnership (1,000 Officers) Program (the "Program") as part of the government's commitment to make Ontario communities safer by enhancing police visibility;

AND WHEREAS the Ministry wishes to continue to fund the activities of the Board by providing funds to the Recipient for the purposes of supporting its contribution to the Board's budget to maintain the increased number of sworn officers of the **Sault Ste. Marie Police Service** for enhanced police visibility;

NOW THEREFORE in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are expressly acknowledged, the Parties agree as follows:

ARTICLE 1 -- INTERPRETATION AND DEFINITIONS

1.1 *Interpretation.* For the purposes of interpretation:

- (a) words in the singular include the plural and vice-versa;
- (b) words in one gender include all genders;
- (c) the background and the headings do not form part of the Agreement; they are for reference only and shall not affect the interpretation of the Agreement;
- (d) any reference to dollars or currency shall be to Canadian dollars and currency;
and

- (e) "include", "includes" and "including" shall not denote an exhaustive list.
- 1.2 **Definitions.** In the Agreement, the following terms shall have the following meanings:
- "**Agreement**" means this agreement entered into between the Ministry, the Recipient and the Board and includes all of the schedules listed in section 28.1 and any amending agreement entered into pursuant to section 34.2.
- "**BPSAA**" means the *Broader Public Sector Accountability Act, 2010* (Ontario), including any directives issued pursuant to that Act.
- "**Budget**" means the budget attached to the Agreement as Schedule "A".
- "**Expiry Date**" means March 31, 2016, unless terminated earlier pursuant to this Agreement.
- "**Effective Date**" means the date first written above.
- "**Event of Default**" has the meaning ascribed to it in section 14.1.
- "**Force Majeure**" has the meaning ascribed to it in Article 26.
- "**Funding Period**" means: the period commencing on the Effective Date and ending on the Expiry Date.
- "**Funding Year**" means any of Funding Year 1, or Funding Year 2.
- "**Funding Year 1**" means April 1, 2014 through to March 31, 2015.
- "**Funding Year 2**" means April 1, 2015 through to March 31, 2016.
- "**Funds**" means the money the Ministry provides to the Recipient pursuant to the Agreement.
- "**Indemnified Parties**" means her Majesty the Queen in right of Ontario, her Ministers, agents, appointees and employees.
- "**Maximum Funds**" means \$1,120,000.00.
- "**Notice**" means any communication given or required to be given pursuant to the Agreement.
- "**Notice Period**" means the period of time within which the Recipient is required to remedy an Event of Default, and includes any such period or periods of time by which the Ministry considers it reasonable to extend that time.
- "**Parties**" means the Ministry, the Recipient and the Board, and "**Party**" means any one of them.

“Project” means the undertaking described in Schedule “B”.

“Project Completion Date” means March 31, 2015 for Funding Year 1 and March 31, 2016 for Funding Year 2.

“Reports” means the reports provided in Schedule “C”.

“Timelines” means the dates and times set out in Schedule “A”.

ARTICLE 2 -- REPRESENTATIONS, WARRANTIES AND COVENANTS

2.1 General. The Recipient and the Board each represents, warrants and covenants that:

- (a) it is and shall continue to be for the term of the Agreement, a validly existing legal entity with full power to fulfill its obligations under the Agreement;
- (b) it has, and shall continue to have for the term of the Agreement, the experience and expertise necessary to carry out the Project; and
- (c) unless otherwise provided for in the Agreement, any information the Recipient provided to the Ministry in support of its request for funds (including information relating to any eligibility requirements) was true and complete at the time the Recipient provided it and shall continue to be true and complete for the term of the Agreement.

2.2 Execution of Agreement. The Recipient and the Board each represents and warrants that:

- (a) it has the full power and authority to enter into the Agreement; and
- (b) it has taken all necessary actions to authorize the execution of the Agreement.

2.3 Governance. The Recipient and the Board each represents, warrants and covenants that upon execution and for the period during which the Agreement is in effect, it:

- (a) (i) is a municipal police service board or a municipality in a municipality that has established a municipal police service or whose council has entered into an agreement under s. 10 of the Police Services Act for the provision of police services by the Ontario Provincial Police (OPP); or (ii) it is a First Nation police services board/commission or a First Nation band council in a First Nation community that has established a First Nation police service pursuant to a policing services agreement between Canada, the Ministry, and the First Nation signatory;

- (b) has made only one (1) request for Program Funds and shall accept the Program Funds under the Agreement and not under any other agreement;
 - (c) shall have procedures to enable the preparation and delivery of all Reports required pursuant to Article 7;
 - (d) shall have in place, as a condition of funding, such governance and the administrative structures and processes necessary to (i) ensure prudent and effective management of the Funds; (ii) enable the successful completion of the Project and the timely identification of risks to the completion of the Project; and (iv) address the identified risks;
 - (e) shall report on the specific expenditures according to established expectations as set out in this Agreement.
- 2.4 ***Supporting Documentation.*** Upon request, the Recipient, the Board or both of them shall provide the Ministry with proof of the matters referred to in this Article 2.

ARTICLE 3 -- TERM OF THE AGREEMENT

- 3.1 ***Term.*** The term of the Agreement shall commence on the Effective Date and shall expire on the Expiry Date, unless terminated earlier pursuant to Articles 12, 13 or 14.

ARTICLE 4 -- FUNDS AND CARRYING OUT THE PROJECT

- 4.1 ***Funds Provided.*** The Ministry shall:

- (a) reimburse the Recipient with Funds up to the Maximum Funds for the purpose of carrying out the Project;
- (b) reimburse the Recipient by providing the Funds directly to the Recipient through transfer payments in accordance with the payment schedule attached to the Agreement as Schedule "A"; and
- (c) deposit the Funds into an account designated by the Recipient provided that the account:
 - (i) resides at a Canadian financial institution; and
 - (ii) is in the name of the Recipient.

- 4.2 ***Limitation on Payment of Funds.*** Despite section 4.1:

- (a) the Ministry is not obligated to provide any Funds to the Recipient until the Recipient provides the insurance certificate or other proof as provided for in section 11.2;

- (b) the Ministry's payment of Funds is conditional on the Board submitting the Financial Reports in accordance with the requirements of Schedule "C" and Timelines set out in Schedule "A";
- (c) the Ministry is not obligated to provide Funds until it is satisfied with the Reports;
- (d) the Ministry may adjust the amount of Funds it provides to the Recipient in any Funding Year based upon the Ministry's assessment of the information provided by the Recipient pursuant to section 7.1; and
 - (i) if the Recipient identifies that the Funds for the Funding Year are not expected to be used for the Funding purposes, the Ministry may reallocate the Funds to other municipalities; or
 - (ii) if, pursuant to the provisions of the *Financial Administration Act* (Ontario), the Ministry does not receive the necessary appropriation from the Ontario Legislature for payment under the Agreement, the Ministry is not obligated to make any such payment, and, as a consequence, the Ministry may:
 - (a) reduce the amount of the Funds and, in consultation with the Recipient, change the Project; or
 - (b) terminate the Agreement pursuant to section 13.1.

4.3 *Use of Funds and Project.* The Recipient shall:

- (a) carry out the Project:
 - (i) in accordance with the terms and conditions of the Agreement; and
 - (ii) in compliance with all federal and provincial laws and regulations, all municipal by-laws, and any other orders, rules and by-laws related to any aspect of the Project;
- (b) use the Funds only for the purpose of carrying out the Project; and
- (c) spend the Funds only in accordance with the Budget, as approved by the Ministry.

4.4 *No Changes.* The Recipient shall not make any changes to the Project, the Timelines and/or the Budget without the prior written consent of the Ministry.

4.5 *Interest Bearing Account.* If the Ministry provides Funds to the Recipient prior to the Recipient's immediate need for the Funds, the Recipient shall place the Funds in an interest bearing account in the name of the Recipient at a Canadian financial institution.

4.6 *Interest.* If the Recipient earns any interest on the Funds:

- (a) the Ministry may deduct an amount equal to the interest from any further instalments of Funds; or
 - (b) the Recipient shall pay an amount equal to the interest to the Ministry as directed by the Ministry.
- 4.7 **Maximum Funds.** The Recipient acknowledges that the Funds available to it pursuant to the Agreement shall not exceed the Maximum Funds.
- 4.8 **Rebates, Credits and Refunds.** The Recipient acknowledges that the amount of Funds available to it pursuant to the Agreement is based on the actual costs to the Recipient, less any costs (including taxes) for which the Recipient has received, will receive, or is eligible to receive, a rebate, credit or refund.

ARTICLE 5 -- ACQUISITION OF GOODS AND SERVICES

- 5.1 **Acquisition.** If the Recipient acquires supplies, equipment or services with the Funds, it shall do so through a process that promotes the best value for money.

ARTICLE 6 -- CONFLICT OF INTEREST

- 6.1 **No Conflict of Interest.** The Recipient shall carry out the Project and use the Funds without an actual, potential or perceived conflict of interest.
- 6.2 **Conflict of Interest Includes.** For the purposes of this Article, a conflict of interest includes any circumstances where:
- (a) the Recipient; or
 - (b) any person who has the capacity to influence the Recipient's decisions, has outside commitments, relationships or financial interests that could, or could be seen to, interfere with the Recipient's objective, unbiased and impartial judgment relating to the Project and the use of the Funds.
- 6.3 **Disclosure to Ministry.** The Recipient shall:
- (a) disclose to the Ministry, without delay, any situation that a reasonable person would interpret as either an actual, potential or perceived conflict of interest; and
 - (b) comply with any terms and conditions that the Ministry may prescribe as a result of the disclosure.

ARTICLE 7 -- REPORTING, ACCOUNTING AND REVIEW

- 7.1 **Preparation and Submission.** The Board shall:

- (a) submit to the Ministry at the address provided in section 18.1, Reports, as set out in Schedule "C", in accordance with the requirements and Timelines set out in Schedule "A";
 - (b) submit to the Ministry at the address provided in section 18.1, any other reports as may be requested by the Ministry in accordance with the Timelines and content requirements specified by the Ministry;
 - (c) ensure that all Reports and other reports are completed to the satisfaction of the Ministry; and
 - (d) ensure that all Reports and other reports are signed on behalf of the Board by an authorized signing officer.
- 7.2 **Record Maintenance.** The Recipient and the Board shall keep and maintain:
- (a) all financial records (including invoices) relating to the Funds or otherwise to the Project in a manner consistent with generally accepted accounting principles; and
 - (b) all non-financial documents and records relating to the Funds or otherwise to the Project.
- 7.3 **Inspection.** The Ministry, its authorized representatives, or an independent auditor identified by the Ministry may, at its own expense, upon twenty-four (24) hours' Notice to the Recipient or the Board and during normal business hours, enter upon the Recipient's or the Board's premises to review the progress of the Project and the Board's expenditure of the Funds and, for these purposes, the Ministry, its authorized representatives, or an independent auditor identified by the Ministry may:
- (a) inspect and copy the records and documents referred to in section 7.2; and
 - (b) conduct an audit or investigation of the Board in respect of the expenditure of the Funds and/or the Project.
- 7.4 **Disclosure.** To assist in respect of the rights set out in section 7.3, the Recipient shall disclose any information requested by the Ministry, its authorized representatives, or an independent auditor identified by the Ministry, and shall do so in a form requested by the Ministry, its authorized representatives or an independent auditor identified by the Ministry, as the case may be.
- 7.5 **No Control of Records.** No provision of the Agreement shall be construed so as to give the Ministry any control whatsoever over the Recipient's records.
- 7.6 **Auditor General.** For greater certainty, the Ministry's rights under this Article are in addition to any rights provided to the Auditor General pursuant to section 9.1 of the *Auditor General Act* (Ontario).

ARTICLE 8 – CREDIT AND PUBLICITY

- 8.1 **Acknowledge Support.** Unless otherwise directed by the Ministry, the Recipient and the Board shall, in a form approved by the Ministry, acknowledge the support of the Ministry in any publication of any kind, written or oral, relating to the Project, including for greater certainty, press releases, published reports, radio and television programs and public meetings, using the following standard:

“This Project has been made possible by a grant from the Ministry of Community Safety and Correctional Services.”

- 8.2 **Prior Written Approval.** The Recipient and the Board agree to obtain prior written approval from the Ministry before using any Province of Ontario or Ministry logo or symbol in any communications including press releases, published reports, television programs, public or private meetings, or in any other type of promotional material, relating to the Project or this Agreement.
- 8.3 **Publication.** The Recipient and the Board shall indicate, in any of their publications, of any kind, written or oral, relating to the Project, that the views expressed in the publication are the views of the Recipient and do not necessarily reflect those of the Ministry.

ARTICLE 9 -- FREEDOM OF INFORMATION AND PROTECTION OF PRIVACY

- 9.1 **FIPPA.** The Recipient and the Board acknowledge that the Ministry is bound by the *Freedom of Information and Protection of Privacy Act* (Ontario) and that any information provided to the Ministry in connection with the Project or otherwise in connection with the Agreement may be subject to disclosure in accordance with that Act.

ARTICLE 10 -- INDEMNITY

- 10.1 **Indemnification.** The Recipient and the Board hereby agree to indemnify and hold harmless the Indemnified Parties from and against any and all liability, loss, costs, damages and expenses (including legal, expert and consultant fees), causes of action, actions, claims, demands, lawsuits or other proceedings, by whomever made, sustained, incurred, brought or prosecuted, in any way arising out of or in connection with the Project or otherwise in connection with the Agreement, unless solely caused by the negligence or wilful misconduct of the Ministry.

ARTICLE 11 -- INSURANCE

- 11.1 **Recipient's Insurance.** The Recipient represents and warrants that it has and shall maintain for the term of the Agreement, at its own cost and expense, with insurers having a secure A.M. Best rating of B+ or greater, or the equivalent, all the necessary and appropriate insurance that a prudent person carrying out a project similar to the Project would maintain, including commercial general liability insurance on an occurrence basis for third party bodily injury, personal injury and property damage, to an inclusive limit of not less than five million dollars (\$5,000,000) per occurrence. The policy shall include the following:

- (a) the Indemnified Parties as additional insureds with respect to liability arising in the course of performance of the Recipient's obligations under, or otherwise in connection with, the Agreement;
 - (b) a cross-liability clause;
 - (c) contractual liability coverage; and
 - (d) a thirty (30) day written notice of cancellation, termination or material change.
- 11.2 ***Proof of Insurance.*** The Recipient shall provide the Ministry with certificates of insurance, or other proof as may be requested by the Ministry, that confirms the insurance coverage as provided for in section 11.1. Upon the request of the Ministry, the Recipient shall make available to the Ministry a copy of each insurance policy.

ARTICLE 12 -- TERMINATION ON NOTICE

- 12.1 ***Termination on Notice.*** The Ministry may terminate the Agreement at any time upon giving at least sixty (60) days Notice to the Recipient and the Board.
- 12.2 ***Consequences of Termination on Notice by the Ministry.*** If the Ministry terminates the Agreement pursuant to section 12.1, the Ministry may:
- (a) cancel all further instalments of Funds;
 - (b) demand the repayment of any Funds remaining in the possession or under the control of the Recipient; and/or
 - (c) determine the reasonable costs for the Recipient to wind down the Project, and:
 - (i) permit the Recipient to offset the costs determined pursuant to section 12.2(c), against the amount owing pursuant to section 12.2(b); and/or
 - (ii) subject to section 4.7, provide Funds to the Recipient to cover the costs determined pursuant to section 12.2(c).

ARTICLE 13 -- TERMINATION WHERE NO APPROPRIATION

- 13.1 ***Termination Where No Appropriation.*** If, as provided for in section 4.2(d), the Ministry does not receive the necessary appropriation from the Ontario Legislature for any payment the Ministry is to make pursuant to the Agreement, the Ministry may terminate the Agreement immediately by giving Notice to the Recipient.
- 13.2 ***Consequences of Termination Where No Appropriation.*** If the Ministry terminates the Agreement pursuant to section 13.1, the Ministry may:
- (a) cancel all further instalments of Funds;

- (b) demand the repayment of any Funds remaining in the possession or under the control of the Recipient; and/or
 - (c) determine the reasonable costs for the Recipient to wind down the Project and permit the Recipient to offset such costs against the amount owing pursuant to section 13.2(b).
- 13.3 **No Additional Funds.** For purposes of clarity, if the costs determined pursuant to section 13.2(c) exceed the Funds remaining in the possession or under the control of the Recipient, the Ministry shall not provide additional Funds to the Recipient.

ARTICLE 14 -- EVENT OF DEFAULT, CORRECTIVE ACTION AND TERMINATION FOR DEFAULT

- 14.1 **Events of Default.** Each of the following events shall constitute an Event of Default:
- (a) in the opinion of the Ministry, the Recipient or the Board breaches any representation, warranty, covenant or other material term of the Agreement, including failing to do any of the following in accordance with the terms and conditions of the Agreement:
 - (i) carry out the Project;
 - (ii) use or spend Funds; and/or
 - (iii) provide, in accordance with section 7.1, Reports or such other reports as may have been requested pursuant to section 7.1(b);
 - (b) the Recipient's or the Board's operations, or its organizational structure, changes such that it no longer meets one or more of the applicable eligibility requirements of the program under which the Ministry provides the Funds;
 - (c) the Recipient makes an assignment, proposal, compromise, or arrangement for the benefit of creditors, or is petitioned into bankruptcy, or files for the appointment of a receiver;
 - (d) the Recipient or the Board ceases to operate; or
 - (e) an event of Force Majeure that continues for a period of sixty (60) days or more.
- 14.2 **Consequences of Events of Default and Corrective Action.** If an Event of Default occurs, the Ministry may, at any time, take one or more of the following actions:
- (a) initiate any action the Ministry considers necessary in order to facilitate

- the successful continuation or completion of the Project;
- (b) provide the Recipient with an opportunity to remedy the Event of Default;
 - (c) suspend the payment of Funds for such period as the Ministry determines appropriate;
 - (d) reduce the amount of the Funds;
 - (e) cancel all further installments of Funds;
 - (f) demand the repayment of any Funds remaining in the possession or under the control of the Recipient;
 - (g) demand the repayment of an amount equal to any Funds the Recipient used, but did not use in accordance with the Agreement;
 - (h) demand the repayment of an amount equal to any Funds the Ministry provided to the Recipient; and/or
 - (i) terminate the Agreement at any time, including immediately, upon giving Notice to the Recipient.
- 14.3 ***Opportunity to Remedy.*** If, in accordance with section 14.2(b), the Ministry provides the Recipient with an opportunity to remedy the Event of Default, the Ministry shall provide Notice to the Recipient of:
- (a) the particulars of the Event of Default; and
 - (b) the Notice Period.
- 14.4 ***Recipient not Remedyng.*** If the Ministry has provided the Recipient with an opportunity to remedy the Event of Default pursuant to section 14.2(b), and:
- (a) the Recipient does not remedy the Event of Default within the Notice Period;
 - (b) it becomes apparent to the Ministry that the Recipient cannot completely remedy the Event of Default within the Notice Period; or
 - (c) the Recipient is not proceeding to remedy the Event of Default in a way that is satisfactory to the Ministry,
- the Ministry may extend the Notice Period, or initiate any one or more of the actions provided for in sections 14.2(a), (c), (d), (e), (f), (g), (h) and (i).
- 14.5 ***When Termination Effective.*** Termination under this Article shall take effect as set out in the Notice.

ARTICLE 15 -- FUNDS AT THE END OF A FUNDING YEAR

15.1 ***Funds at the End of a Funding Year.*** Without limiting any rights of the Ministry under Article 14, if the Recipient has not spent all of the Funds allocated for the Funding Year as provided for in the Budget, the Ministry may:

- (a) demand the return of the unspent Funds; or
- (b) adjust the amount of any further instalments of Funds accordingly.

ARTICLE 16 -- FUNDS UPON EXPIRY

16.1 ***Funds upon Expiry.*** Without limiting any rights of the Ministry under Article 14, the Recipient shall, upon expiry of the Agreement, return to the Ministry any Funds remaining in its possession or under its control.

ARTICLE 17 -- REPAYMENT

17.1 ***Debt Due.*** If:

- (a) the Ministry demands the payment of any Funds or any other money from the Recipient; or
- (b) the Recipient owes any Funds or any other money to the Ministry, whether or not their return or repayment has been demanded by the Ministry,

such Funds or other money shall be deemed to be a debt due and owing to the Ministry by the Recipient, and the Recipient shall pay or return the amount to the Ministry immediately, unless the Ministry directs otherwise.

17.2 ***Interest Rate.*** The Ministry may charge the Recipient interest on any money owing by the Recipient at the then current interest rate charged by the Province of Ontario on accounts receivable.

17.3 ***Payment of Money to Ministry.*** The Recipient shall pay any money owing to the Ministry by cheque payable to the "Ontario Minister of Finance" and mailed to the Ministry at the address provided in section 18.1.

ARTICLE 18 -- NOTICE

18.1 ***Notice in Writing.*** Notices and communications shall be in writing and shall be delivered by email, postage-prepaid mail, personal delivery or fax, and shall be addressed to the Ministry Contact, the Recipient or the Board, respectively, as set out below, or as any Party later designates to the other by Notice:

To the Ministry:	To the Recipient:
Ministry of Community Safety and Correctional Services 25 Grosvenor Street, 12 th Floor Toronto, ON M7A 2H3	Mayor Debbie Amaroso City of Sault Ste. Marie 99 Foster Drive PO Box 580 Sault Ste. Marie, ON, P6A 5X6
Attention:	Tel: 705-759-5344 Fax: 705-541-7171
Oscar Mosquera, Manager Program Development Section External Relations Branch Public Safety Division	To the Board:
Tel : 416-326-5624 Fax: 416-314-3092 E-mail: Oscar.Mosquera@ontario.ca	Chair James Greco Sault Ste. Marie Police Services Board 580 Second Line East P.O. Box 235 Sault Ste. Marie, ON, P6B 4K1
	Tel: 705-759-2500 Fax: 705-759-9210

- 18.2 ***Notice Given.*** Notice shall be deemed to have been received:
- (a) in the case of postage-prepaid mail, seven (7) days after a Party mails the Notice; or
 - (b) in the case of email, personal delivery or fax, at the time the other Party receives the Notice.
- 18.3 ***Postal Disruption.*** Despite section 18.2(a), in the event of a postal disruption:
- (a) Notice by postage-prepaid mail shall not be deemed to be received; and
 - (b) the Party giving Notice shall provide Notice by email, personal delivery or by fax.

ARTICLE 19 -- CONSENT BY MINISTRY

- 19.1 ***Consent.*** The Ministry may impose any terms and/or conditions on any consent the Ministry may grant pursuant to the Agreement.

ARTICLE 20 -- SEVERABILITY OF PROVISIONS

- 20.1 ***Invalidity or Unenforceability of Any Provision.*** The invalidity or unenforceability of any provision of the Agreement shall not affect the validity or enforceability of any other provision of the Agreement. Any invalid or unenforceable provision shall be deemed to be severed.

ARTICLE 21 -- WAIVER

- 21.1 ***Waivers in Writing.*** If a Party fails to comply with any term of the Agreement, that Party may only rely on a waiver of the other Party if the other Party has provided a written waiver in accordance with the Notice provisions in Article 18. Any waiver must refer to a specific failure to comply and shall not have the effect of waiving any subsequent failures to comply.

ARTICLE 22 -- INDEPENDENT PARTIES

- 22.1 ***Parties Independent.*** The Recipient acknowledges that it is not an agent, joint venturer, partner or employee of the Ministry, and the Recipient shall not take any actions that could establish or imply such a relationship.

ARTICLE 23 -- ASSIGNMENT OF AGREEMENT OR FUNDS

- 23.1 ***No Assignment.*** The Recipient shall not assign any part of the Agreement or the Funds without the prior written consent of the Ministry.
- 23.2 ***Agreement to Extend.*** All rights and obligations contained in the Agreement shall extend to and be binding on the Parties' respective heirs, executors, administrators, successors and permitted assigns.

ARTICLE 24 -- GOVERNING LAW

- 24.1 ***Governing Law.*** The Agreement and the rights, obligations and relations of the Parties shall be governed by and construed in accordance with the laws of the Province of Ontario and the applicable federal laws of Canada. Any actions or proceedings arising in connection with the Agreement shall be conducted in Ontario.
- 24.2 ***BPSAA.*** For the purposes of clarity, if the Recipient or the Board is subject to the BPSAA and there is a conflict between any of the requirements of the Agreement and the requirements of the BPSAA, the BPSAA shall prevail.

ARTICLE 25 -- FURTHER ASSURANCES

- 25.1 ***Agreement into Effect.*** The Recipient and the Board shall do or cause to be done all acts or things necessary to implement and carry into effect the terms and conditions of the Agreement to their full extent.

ARTICLE 26 -- CIRCUMSTANCES BEYOND THE CONTROL OF EITHER PARTY

- 26.1 ***Force Majeure.*** Subject to section 26.3, Force Majeure means an event that:
- is beyond the reasonable control of a Party; and
 - makes a Party's performance of its obligations under the Agreement impossible, or so impracticable as reasonably to be considered impossible in the circumstances.

26.2 ***Force Majeure Includes.*** Force Majeure includes:

- (a) infectious diseases, war, riots and civil disorder;
- (b) storm, flood, earthquake and other severely adverse weather conditions;
- (c) lawful act by a public authority; and
- (d) strikes, lockouts and other labour actions,

if such events meet the test set out in section 26.1.

26.3 ***Force Majeure Shall Not Include.*** Force Majeure shall not include:

- (a) any event that is caused by the negligence or intentional action of a Party or such Party's agents or employees; or
- (b) any event that a diligent Party could reasonably have been expected to:
 - (i) take into account at the time of the execution of the Agreement; and
 - (ii) avoid or overcome in the carrying out of its obligations under the Agreement.

26.4 ***Failure to Fulfil Obligations.*** Subject to section 14.1(e), the failure of either Party to fulfil any of its obligations under the Agreement shall not be considered to be a breach of, or Event of Default under, the Agreement to the extent that such failure to fulfill the obligation arose from an event of Force Majeure, if the Party affected by such an event has taken all reasonable precautions, due care and reasonable alternative measures, all with the objective of carrying out the terms and conditions of the Agreement.

ARTICLE 27 -- SURVIVAL

27.1 ***Survival.*** The provisions in Article 1, any other applicable definitions, sections 4.6(b), 7.1 (to the extent that the Recipient/Board has not provided the Reports or other reports as may be requested by the Ministry to the satisfaction of the Ministry), 7.2, 7.3, 7.4, 7.5, 7.6, Articles 8 and 10, sections 12.2, 13.2, 13.3, 14.1, 14.2(d), (e), (f), (g) and (h), Articles 16, 17, 18, 20, 24, 27, 28, 29, 30, 31, 32, 33 and 34, and all applicable cross-referenced provisions and schedules shall continue in full force and effect for a period of seven (7) years from the date of expiry or termination of the Agreement.

ARTICLE 28 -- SCHEDULES

28.1 ***Schedules.*** The Agreement includes the following schedules:

- (a) Schedule "A" – FUNDING AND PROJECT TIMELINE;
- (b) Schedule "B" – ORIGINAL GRANT APPLICATION;
- (c) Schedule "C" – INTERIM/FINAL REPORT;
- (d) Schedule "D" – REPORTING INSTRUCTIONS.

ARTICLE 29 -- FURTHER FUNDS

29.1 ***Further Funds.*** It is agreed and understood that the provision of the Funds in no way commits or obligates the Ministry to provide other or additional payments now or in the future.

ARTICLE 30 -- INSPECTION

30.1 ***Inspection.*** The Ministry reserves the right to inspect any aspect of the Project at any time.

ARTICLE 31 -- MANAGEMENT BOARD/TREASURY BOARD APPROVAL

31.1 ***Management Board Approval.*** This Agreement may be subject to approval by the Management Board/Treasury Board Secretariat of the Province of Ontario.

ARTICLE 32 -- JOINT AND SEVERAL LIABILITY

32.1 ***Joint and Several Liability.*** Where the Recipient is comprised of more than one entity, all such entities shall be jointly and severally liable to the Ministry for the fulfillment of the obligations of the Recipient under the Agreement.

ARTICLE 33 -- RIGHTS AND REMEDIES CUMULATIVE

33.1 ***Rights and Remedies Cumulative.*** The rights and remedies of the Ministry under the Agreement are cumulative and are in addition to, and not in substitution for, any of its rights and remedies provided by law or in equity.

ARTICLE 34 -- ENTIRE AGREEMENT

34.1 ***Entire Agreement.*** The Agreement constitutes the entire agreement between the Parties with respect to the subject matter contained in the Agreement and supersedes all prior oral or written representations and agreements.

34.2 ***Modification of Agreement.*** The Agreement may only be amended by a written agreement duly executed by the Parties.

ARTICLE 35 -- FAILURE TO COMPLY WITH OTHER AGREEMENTS

35.1 *Other Agreements.* If the Recipient:

- (a) has failed to comply with any term, condition or obligation under any other agreement with Her Majesty the Queen in right of Ontario or a Crown agency (a “Failure”);
- (b) has been provided with notice of such Failure in accordance with the requirements of such other agreement;
- (c) has, if applicable, failed to rectify such Failure in accordance with the requirements of such other agreement; and
- (d) such Failure is continuing,

the Ministry may suspend the payment of Funds for such period as the Ministry determines appropriate.

THE PARTIES HAVE EXECUTED THE AGREEMENT ON THE DATES SET OUT BELOW.

HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO
as represented by the Minister of Community Safety and Correctional Services

Name: _____ Date _____
Title: _____

City of Sault Ste. Marie

Name: _____ Date _____
Title: _____
I/We have authority to bind the Board.

Witness Name: _____ Date _____
Title: _____

Sault Ste. Marie Police Services Board

Name: _____ Date _____
Title: _____
I/We have authority to bind the Board.

Witness Name: _____ Date _____
Title: _____

SCHEDULE "A"
FUNDING AND PROJECT TIMELINE

Attached to and forming part of the Agreement between the **Ministry of Community Safety and Correctional Services** and **City of Sault Ste. Marie, and Sault Ste. Marie Police Services Board** dated the 1st day of April, 2014.

Allocation

1. The Ministry agrees to cost share 8 police officer(s) of which 8 have been allocated to community policing and 8 to the targeted areas/court efficiencies as follows:

A Category	B Total Allocation (C + D)	C Hires Between October 2003 & March 31, 2006	D Hires from April 1, 2006 to October 2007
Community Policing	8	1	7
Targeted Areas:			
Youth Crime	0	0	0
Guns and Gangs	0	0	0
Organized Crime (marijuana grow operations)	0	0	0
Dangerous Offenders	0	0	0
Domestic Violence	0	0	0
Protecting Children from Internet Luring and Child Pornography	0	0	0
Court Efficiencies	0	0	0
Sub Total (Targeted Areas)	0	0	0
Total	8	1	7

2. The Ministry will provide the Funds in accordance with the Project, under the terms of which the Board will maintain visible front-line and/or targeted areas/court efficiencies policing activities ("1,000 Officers Activities") as outlined in the original grant application, submitted as Schedule "B".
3. The Funds shall be used by the Board and the Recipient solely for the purposes of maintaining the increased complement of front-line, uniformed police officers and for no other purposes. The Funds shall not be used for purposes related to maintaining the existing complement of front-line police officers, as defined by the October 23, 2003 Benchmark, due to the assignment of front-line police officers to non-1,000 Officers Activities.

October 23, 2003 Benchmark

4. The Project will continue to share the cost of increases to the actual total number of sworn officers above the October 23, 2003 figures submitted to Statistics Canada. The purpose of this benchmark is to ensure that the Ministry is not paying the salaries of new officers hired to replace officers who have resigned, retired or been terminated. In addition, the Project will not cover civilianization or the hiring of existing officers who increase the complement due to amalgamations. Officers funded through the Program must increase the complement above the combined complement of the amalgamated police service.

Use of the Funds

5. The Funds shall be used only to pay half the costs of salaries, overtime and payroll benefits to a maximum of \$70,000 for the 60 officers allocated to Northern and First Nations police services, and \$35,000.00 per officer for the remaining 940 officers hired under the 1,000 Officers Program who are engaged in full time 1,000 Officers Activities. The Ministry's share of overtime will not exceed \$5,000.00 per officer.

Reporting Requirements

6. The Board shall, by September 30th of each Funding Year that the Agreement is in effect, submit the 1,000 Officers Program Interim Report, in the form provided in Schedule "C". The Interim Report shall include the following information:
 - (a) an update/confirm if all the information in the contact page is up-to-date.
 - (b) the number of sworn officer(s) to date.
 - (c) name of existing front-line police officer(s), overtime rate, total overtime hours (actual), overtime requested.
7. The Board shall, by March 10th of each Funding Year that the Agreement is in effect, submit the 1,000 Officers Program Final Report, in the form provided in Schedule "C". The Final Report shall include the following information:
 - (a) update/confirm if all the information in the contact page is up-to-date.
 - (b) the number of sworn officer(s) to date.
 - (c) name of existing front-line police officer(s), overtime rate, total overtime hours (actual), overtime requested.

Payment Schedule

8. The Ministry will reimburse the Recipient semi-annually subject to the Ministry receiving and approving the interim and final 1,000 Officers Program reports. Overtime will be paid annually after the 1,000 Officers Program Final Report, in the form provided in Schedule "C", is received and approved by the Ministry.
9. The Recipient and/or the Board may be required to provide such further or additional information as the Ministry, acting reasonably, deems appropriate in approving the 1,000 Officers Program interim and final reports.
10. Approval of the interim and final reports is at the sole discretion of the Ministry.

Return of Unused Funds

11. The Recipient shall return to the Ministry by cheque payable to "Ontario Minister of Finance" any balance of the Funds that is not spent in accordance with this Agreement

THE CORPORATION OF THE CITY OF SAULT STE. MARIE
BY-LAW 2014-123

AGREEMENT: (AG41) A by-law to authorize the execution of a Third Lease Extension and Amending Agreement between the City and Her Majesty the Queen in right of Ontario as represented by the Minister of Infrastructure for the lease of part of 540 Albert Street East for a term commencing July 16, 2014 to July 15, 2019.

THE COUNCIL of The Corporation of the City of Sault Ste. Marie, pursuant to section 9 of the *Municipal Act, 2001*, S.O. 2001, c. 25, **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 affix the seal of the Corporation to an agreement in the form of Schedule "A" hereto dated July 16, 2014, between the City and Her Majesty the Queen in right of Ontario as represented by the Minister of Infrastructure for the lease of part of 540 Albert Street East for a term commencing July 16, 2014 to July 15, 2019.

2. **SCHEDULE "A"**

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

3. **EFFECTIVE DATE**

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

PASSED in open Council this 26th day of May, 2014.

MAYOR – DEBBIE AMAROSO

CITY CLERK – MALCOLM WHITE

THIRD LEASE EXTENSION AND AMENDING AGREEMENT

THIS AGREEMENT made in triplicate as of July 16, 2014.

B E T W E E N:

**THE CORPORATION OF THE CITY OF SAULT STE.
MARIE**

(the "Landlord")

OF THE FIRST PART

- and -

**HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS
REPRESENTED BY THE MINISTER OF
INFRASTRUCTURE**

(the "Tenant")

OF THE SECOND PART

WHEREAS:

- A. By a lease dated July 16, 1999 (the "Original Lease"), the Landlord leased to Her Majesty the Queen, in right of Ontario, as represented by the Chair of the Management Board of Cabinet (the "Chair") the premises more particularly described as a portion of the third (3rd) floor and a portion of the fourth (4th) floor, comprising a rentable area of approximately six thousand, one hundred and eight square feet (the "Rentable Area of the Premises"), in the building municipally known as 540 Albert Street East, in the City of Sault Ste. Marie, in the Province of Ontario, as outlined on the plan attached to the Original Lease as Schedule "B" thereto (the "Premises") for a term of five (5) years, commencing on July 16, 1999 and expiring on July 15, 2004 (the "Original Term"), in addition to other terms and conditions as set out therein.
- B. Pursuant to the terms of the Original Lease, the Chair was entitled to extend the Original Term for one (1) additional term of five (5) years.
- C. The Chair exercised its right to extend the Original Term by a lease extension agreement dated July 16, 2004 (the "First Lease Extension Agreement") with an extension term commencing on July 16, 2004 and expiring on July 15, 2009 (the "First Extension Term"), in addition to other terms and conditions as set out therein.
- D. Pursuant to the terms of the First Lease Extension Agreement, the Chair was entitled to extend the First Extension Term for one (1) additional term of five (5) years.
- E. By Order-in-Council No. 1487/2005, approved and ordered September 21, 2005, all of the powers and duties of the Chair relating to real property matters of the Government of Ontario pursuant to the *Ministry of Government Services Act*, R.S.O. 1990, c.M.25, as amended, were transferred and assigned to the Minister of Public Infrastructure Renewal (the "MPIR").
- F. By Order-in-Council No. 1617/2008, approved and ordered September 17, 2008, all the powers and duties of the MPIR relating to real property matters of the Government of Ontario pursuant to the *Ministry of Government Services Act*, R.S.O. 1990, c.M.25, as amended, were transferred and assigned to the Minister of Energy and Infrastructure ("MEI").
- G. MEI exercised its right to extend the First Extension Term by a lease extension and amending agreement dated July 16, 2009 (the "Second Lease Extension and Amending Agreement") with an extension term commencing on July 16, 2009 and expiring on July

15, 2014 (the "Second Extension Term"), in addition to other terms and conditions as set out therein.

- H. Pursuant to the terms of the Second Lease Extension and Amending Agreement, MEI was entitled to extend the Second Extension Term for one (1) additional term of five (5) years.
- I. By Order-in-Council No. 1320/2010, approved and ordered September 15, 2010, all the powers and duties of MEI relating to real property matters of the Government of Ontario pursuant to the *Ministry of Government Services Act*, R.S.O. 1990, c.M.25, as amended, were transferred and assigned to the Minister of Infrastructure (the "Minister").
- J. Ontario Infrastructure and Lands Corporation ("OILC") has been delegated the Minister's authorities and responsibilities with respect to real property in the name of the Minister subject to certain conditions by Delegation of Authority of Ontario Infrastructure and Lands Corporation under the *Ministry of Infrastructure Act*, 2011 dated June 6, 2011.
- K. The Tenant has now exercised its second right to extend the Second Extension Term in accordance with the terms of the Original Lease, as amended and extended, with a third extension term commencing on July 16, 2014 and expiring on July 15, 2019 (the "Third Extension Term"), in addition to other terms and conditions contained herein.
- L. The Original Lease, as amended and extended, provides that any extensions shall be upon the same terms and conditions of the Original Lease, as amended and extended, except for the amount of the Annual Rent, which shall be determined by mutual agreement.
- M. The Landlord and the Tenant have agreed on the amount of the Annual Rent for the Second Extension Term.
- N. The Original Lease, the First Lease Extension Agreement, the Second Lease Extension and Amending Agreement and this third lease extension and amending agreement (the "Third Lease Extension and Amending Agreement") are hereinafter collectively referred to as the "Lease", except as specifically set out herein.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual promises hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties hereto, the parties hereto agree as follows:

1. CONFIRMATION OF RECITALS

The parties hereto confirm that the foregoing recitals are true in substance and in fact.

2. EXTENSION OF LEASE

The parties hereto agree that:

- (a) The Lease is hereby extended for the Third Extension Term.
- (b) The Third Extension Term shall commence on July 16, 2014 and expire on July 15, 2019.

3. RENT FOR THE THIRD EXTENSION TERM

- (a) The Annual Rent payable for the period from July 16, 2014 up to and including July 15, 2015 shall be One Hundred and Nine Thousand, Nine Hundred and Forty-Four Dollars (\$109,944.00) per annum (based on a rate of Eighteen Dollars (\$18.00) per square foot of the Rentable Area of the Premises per annum), payable in equal monthly instalments of Nine Thousand, One Hundred and Sixty-Two Dollars (\$9,162.00) each on the first day of each month during the said period, the first of such monthly instalments to be due and payable on July 16, 2014.
- (b) The Annual Rent payable for the period from July 16, 2015 up to and including July 15, 2016 shall be One Hundred and Twelve Thousand, One Hundred and Forty-Two Dollars and Eighty-Eight Cents (\$112,142.88) per annum (based on a

rate of Eighteen Dollars and Thirty-Six Cents (\$18.36) per square foot of the Rentable Area of the Premises per annum), payable in equal monthly instalments of Nine Thousand, Three Hundred and Forty-Five Dollars and Twenty-Four Cents (\$9,345.24) each on the first day of each month during the said period, the first of such monthly instalments to be due and payable on July 16, 2015.

- (c) The Annual Rent payable for the period from July 16, 2016 up to and including July 15, 2017 shall be One Hundred and Fourteen Thousand, Four Hundred and Two Dollars and Eighty-Four Cents (\$114,402.84) per annum (based on a rate of Eighteen Dollars and Seventy-Three Cents (\$18.73) per square foot of the Rentable Area of the Premises per annum), payable in equal monthly instalments of Nine Thousand, Five Hundred and Thirty-Three Dollars and Fifty-Seven Cents (\$9,533.57) each on the first day of each month during the said period, the first of such monthly instalments to be due and payable on July 16, 2016.
- (d) The Annual Rent payable for the period from July 16, 2017 up to and including July 15, 2018 shall be One Hundred and Sixteen Thousand, Six Hundred and Sixty-Two Dollars and Eighty Cents (\$116,662.80) per annum (based on a rate of Nineteen Dollars and Ten Cents (\$19.10) per square foot of the Rentable Area of the Premises per annum), payable in equal monthly instalments of Nine Thousand, Seven Hundred and Twenty-One Dollars and Ninety Cents (\$9,721.90) each on the first day of each month during the said period, the first of such monthly instalments to be due and payable on July 16, 2017.
- (e) The Annual Rent payable for the period from July 16, 2018 up to and including July 15, 2019 shall be One Hundred and Eighteen Thousand, Nine Hundred and Eighty-Three Dollars and Eighty-Four Cents (\$118,983.84) per annum (based on a rate of Nineteen Dollars and Forty-Eight Cents (\$19.48) per square foot of the Rentable Area of the Premises per annum), payable in equal monthly instalments of Nine Thousand, Nine Hundred and Fifteen Dollars and Thirty-Two Cents (\$9,915.32) each on the first day of each month during the said period, the first of such monthly instalments to be due and payable on July 16, 2018.

4. AMENDMENT OF LEASE

The extension contemplated in Section 2 of this Third Lease Extension and Amending Agreement is subject to all the covenants and conditions contained in the Original Lease, as amended, renewed and extended from time to time, save and except that:

- (a) The Tenant shall pay to the Landlord all applicable Sales Taxes assessed on the Rent payable by the Tenant to the Landlord under this Lease. The Sales Taxes shall not be deemed to be Additional Rent under this Lease, but may be recovered by the Landlord as though they were Additional Rent.

In the Definitions section of the Original Lease, the definitions of "Landlord's Taxes" and "Sales Taxes" shall be deleted in their entirety and replaced with the following:

"**Landlord's Taxes**" means all taxes, rates, duties, levies and assessments whatsoever whether municipal, provincial, federal or harmonized, charged upon the Building and the Lands, or upon the Landlord on account thereof, including all taxes, rates, duties, levies, impost charges and assessments for local improvements, education and schools and all taxes, grants or assessments which may in future be levied in lieu of "Landlord's Taxes" as hereinbefore defined, and including any local improvement charges or levies directly or indirectly related to the development of the Building. Landlord's Taxes include, without limitation, Realty Taxes, business taxes of the Landlord, corporation taxes, capital taxes, excise taxes, Sales Taxes, income taxes, Commercial Concentration Tax, or any other taxes or assessments levied against the Landlord, the Building, the Lands, or the Rent.

"**Sales Taxes**" means all business transfer, multi-usage sales, sales, goods and services, harmonized sales, use, consumption, value-added or other similar taxes imposed by the Government of Canada and/or Ontario upon the Landlord, or the Tenant, or in respect of this Lease, or the payments made by the Tenant hereunder or the goods and services

provided by the Landlord hereunder including, without limitation, the rental of the Premises and the provision of administrative services to the Tenant hereunder."

- (b) The Landlord and the Tenant agree that the Tenant shall be granted one (1) further option to extend the term of the Lease for five (5) years each (each a "Further Extension Term"). Each Further Extension Term shall be upon the same terms and conditions of the Original Lease, as extended, renewed or amended, as the case may be, except that there shall be no further right of extension beyond the last Further Extension Term and except for the Annual Rent, which shall for each Further Extension Term be based upon: (1) the Rentable Area of the Premises, and (2) the Market Rental as of the date which is six (6) months prior to the commencement of the respective Further Extension Term. The Annual Rent for each Further Extension Term shall be determined by mutual agreement as of the date which is six (6) months prior to the expiry of the Third Extension Term, or failing such agreement, by arbitration in accordance with Section 6.14 of the Lease.

The Tenant shall give written notice to the Landlord of its extension of the Lease at least six (6) months prior to the end of the Third Extension Term.

- (c) The Original Lease is amended as follows:

- (i) Subsection (g) of the Summary is deleted in its entirety and replaced with the following address for the Tenant for the purposes of delivering notices in accordance with Section 6.17 of the Original Lease:

Ontario Infrastructure and Lands Corporation
3767 Highway 69 South, Suite 9
Sudbury, Ontario P3G 0A7
Attention: Vice President, Asset Management
Fax: (705) 564-7570

With a copy to:

Ontario Infrastructure and Lands Corporation
777 Bay Street, Suite 900
Toronto, Ontario M5G 2C8
Attention: Director, Legal Services (Real Estate and Leasing)
Fax: 416-326-2854

And an additional copy to:

CBRE Limited
Global Corporate Services
18 King Street East, Suite 1100
Toronto, Ontario M5C 1C4
Attention: Director, Lease Administration – Ontario Infrastructure and Lands Corporation
Fax: (416) 775-3989

- (ii) In the first full paragraph of Section 5.16, Warranty, the definition of "Environmental Contaminant" is amended to include "mould".
- (iii) Section 6.17, Notices, shall be deleted in its entirety and replaced with the following:

**"Section 6.17
Notices**

Any notice required or contemplated by any provision of this Lease shall be given in writing addressed in the case of notice to the Landlord to the address set out in Paragraph (f) of the Summary and in the case of notice to the Tenant to the address set out in Paragraph (g) of the Summary, and delivered personally or by facsimile or mailed by either registered or signature mail and postage prepaid enclosed in a sealed envelope. The time of giving of notice by either registered or signature mail shall be conclusively deemed to be the fifth Business Day after the

day of such mailing. Such notice, if personally delivered or if delivered by facsimile, shall be conclusively deemed to have been given and received at the time of such delivery. The parties hereto acknowledge and agree that notwithstanding anything to the contrary in the *Electronic Commerce Act, 2000*, S.O. 2000, c.17, as amended from time to time, any notice, statement, demand, request or other instrument which may be or is required to be given under this Lease or at law may not be validly delivered by way of electronic communication, save as specifically provided in this Section 6.17.

Either party may at any time during the Term by giving notice to the other party (in the manner provided above) change the address of the party giving such notice, and thereafter the address as set out in Paragraph (f) or (g) of the Summary, as the case may be, shall be deemed to be the address so changed."

5. GENERAL

- (a) The Landlord and the Tenant hereby mutually covenant and agree that during the Third Extension Term they shall perform and observe all of the covenants, provisos and obligations on their respective parts to be performed pursuant to the terms of the Original Lease, as amended and extended hereby.
- (b) The Tenant shall have the continuing right throughout the Third Extension Term and any extensions thereto, to terminate the Lease by providing the Landlord with not less than sixty (60) days written notice of such termination.
- (c) The Landlord and any of its successors, administrators, permitted assigns, directors, officers, employees, agents, servants, and representatives shall not engage in any activity where such activity creates a conflict of interest, actual or potential, in the sole opinion of the Tenant, with the Lease or the exercise of any of the rights or obligations of the Landlord hereunder. The Landlord shall disclose to the Tenant in writing and without delay any actual or potential situation that may be reasonably interpreted as either a conflict of interest or a potential conflict of interest.

For clarification, a "conflict of interest" means, in relation to the performance of its contractual obligations pursuant to the Lease, the Landlord's other commitments, relationships or financial interests (a) could or could be seen to exercise an improper influence over the objective, unbiased and impartial exercise of its independent judgement, or (b) could or could be seen to compromise, impair or be incompatible with the effective performance of its contractual obligations pursuant to the Lease.

- (d) The Lease shall be binding upon and enure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns, subject to the express restrictions contained therein.
- (e) Capitalized expressions used herein, unless separately defined herein, have the same meaning as defined in the Original Lease, the First Lease Extension Agreement and the Second Lease Extension and Amending Agreement.
- (f) The provisions of this Third Lease Extension and Amending Agreement shall be interpreted and governed by the laws of the Province of Ontario.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK

(g) The Landlord acknowledges and agrees that the commercial and financial information in this Third Lease Extension and Amending Agreement is subject to the *Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, c.F.31, as amended.

EXECUTED by each of the parties hereto under seal on the date written below.

**SIGNED, SEALED AND
DELIVERED**

Dated this ____ day of _____, 2014.

**THE CORPORATION OF THE CITY
OF SAULT STE. MARIE**

Per: _____

Name:

Title:

Authorized Signing Officer

Per: _____

Name:

Title:

Authorized Signing Officer

Dated this ____ day of _____, 2014.

**HER MAJESTY THE QUEEN IN
RIGHT OF ONTARIO AS
REPRESENTED BY THE MINISTER
OF INFRASTRUCTURE, AS
REPRESENTED BY ONTARIO
INFRASTRUCTURE AND LANDS
CORPORATION**

Per: _____

Name:

Title:

Authorized Signing Officer



THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW NO. 2014-124

PARKING: (P3.9(4)) A by-law to appoint by-law enforcement officers to enforce the by-laws of the Corporation of the City of Sault Ste. Marie.

WHEREAS from time to time persons have been appointed by-law enforcement officers;

THEREFORE the Council of the Corporation of the City of Sault Ste. Marie pursuant to section 15 of the *Police Services Act*, R.S.O. 1990, chapter p. 15 and amendments thereto, **ENACTS** as follows:

1. **SCHEDULE "A" TO BY-LAW 93-165 REPEALED**

Schedule "A" to By-law 93-165 is hereby repealed and replaced with Schedule "A" attached to this by-law.

2. **EFFECTIVE DATE**

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

PASSED in open Council this 26th day of May, 2014.

MAYOR – DEBBIE AMAROSO

CITY CLERK –MALCOLM WHITE

SCHEDULE "A"

Don Scott	1
Sam Piraino	3
David Etchells	51 (Mechanic)
Renee Vanderklift	71
Frank Jolicœur	72
Alan Smith	81
Dave Devoe	84
Edward Pigeau	89
George Robinson	94
Kevin McNama	95
Bill Long	96
Rachael Ladoucer	97

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2014-125

PARKING: (P3.9(3)) A by-law to appoint Municipal Law Enforcement Officers to enforce the by-laws on various private properties and to amend Schedule "A" to By-law 90-305.

THE COUNCIL of the Corporation of the City of Sault Ste. Marie pursuant to Section 15 of the *Police Services Act*, R.S.O. 1990, chapter P.15 and amendments thereto, **ENACTS** as follows:

1. SCHEDULE "A" TO BY-LAW 90-305 AMENDED

Schedule "A" to By-law 90-305 is hereby repealed and replaced with Schedule "A" attached to this by-law.

2. EFFECTIVE DATE

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

PASSED in open Council this 26th day of May, 2014.

MAYOR – DEBBIE AMAROSO

CITY CLERK – MALCOLM WHITE

<u>IADGE SPECIAL CONSTABLE</u>	<u>EMPLOYER</u>	<u>PROPERTY LOCATION</u>
12 ROUSE,BRIAN	ALGOMA UNIVERSITY	1520 QUEEN ST E
26 MCLEOD,ROD	FLEMING & SMITH	378 QUEEN ST E & APARTMENTS & 27 KING ST.
30 RENDELL,VERN	ALGOMA CENTRAL PROP	STATION MALL/STATION 49/STATION TOWER
35 ORR,DEREK	NORPRO SECURITY	REGENT PRO./DAVEY HOME/GHC/QUEENSCENTRE/ST MARY'S PAPER/ELGIN TOWER/APH
59 BARONE,MARCELLO	ALGOMA UNIVERSITY	1520 QUEEN ST E
109 SEBECIC,JOHN,LUDVIC	DENTAL BUILDING	946 & 216 QUEEN ST E.
113 TAYLOR,GARY	ALGOMA UNIVERSITY	1520 QUEEN ST E
115 LEE,RICHARD,JOHN	ALGOMA UNIVERSITY	1520 QUEEN ST E
138 CAIN,JOSEPH	CITY OF SAULT STE MARIE BELLUVE MARINA & BONDAR MARINE & PARK	
151 PARR,DEREK,RAYMOND	NORPRO SECURITY	REGENT PRO./DAVEY HOME/GHC/QUEENSCENTRE/ST MARY'S PAPER/ELGIN TOWER/APH
153 TASSONE,VITO	TASSONE CHIROPRACTIC	673 QUEEN ST E
163 BUMBACCO,PHILIP,CARMEN	ALGOMA CENTRAL PROP	STATION MALL/STATION 49/STATION TOWER
178 D'AGOSTINI,ROSEMARY	DR. RAYMOND CHO	71 & 131 EAST ST.
191 BROWN,STEVEN,GEORGE	SEP SCHOOL BOARD	SEPARATE SCHOOL BOARD PROPERTIES
196 MCGRAYNE ,LAURA LEE	ALGOMA CENTRAL PROP	STATION MALL/STATION 49/STATION TOWER
240 MASON,STEPHEN	NORPRO SECURITY	REGENT PRO./DAVEY HOME/GHC/QUEENSCENTRE/ST MARY'S PAPER/ELGIN TOWER/APH
241 COGHILL,ROBIN	NORPRO SECURITY	REGENT PRO./DAVEY HOME/GHC/QUEENSCENTRE/ST MARY'S PAPER/ELGIN TOWER/APH
248 CHAN,GILBERT	DR. RAYMOND CHO	71 & 131 EAST ST / 129 SECOND LINE W
249 CHO,LINDA	DR. RAYMOND CHO	71 & 131 EAST ST / 129 SECOND LINE W
253 TRAVSON,TERRANCE(TERRY NORTH EAST SECURITY	S.COLLEGE/A.UNIVERSITY&RES/ESSAR/GHC/CAMBRIAN MALL/TENARIS	
267 CORBIERE,JOHN(TED)	NORPRO SECURITY	REGENT PRO./DAVEY HOME/GHC/QUEENSCENTRE/ST MARY'S PAPER/ELGIN TOWER/APH
276 SMITH DENIIS,ROBERT	G4S SECURE SOLUTIONS	AIRPORT
314 AASEN,PATRINE	STANDARD PARKING	ONTARIO REALITY CORP/ROBERTA BONDAR PLACE/426 QUEEN ST E
321 LORENZO,COREY	NORPRO SECURITY	REGENT PRO./DAVEY HOME/GHC/QUEENSCENTRE/ST MARY'S PAPER/ELGIN TOWER/APH
334 MILLER,BRADLEY	CITY OF SAULT STE MARIE TRANSIT SERVICE AREAS	
335 GROSSO,DONALD	NORTH EAST SECURITY	S.COLLEGE/A.UNIVERSITY&RES/ESSAR/GHC/CAMBRIAN MALL/TENARIS
343 CHILLMAN,JODI	NORPRO SECURITY	REGENT PRO./DAVEY HOME/GHC/QUEENSCENTRE/ST MARY'S PAPER/ELGIN TOWER/APH
344 HARPE,KENNETH	DAYS INN	DAYS INN HOTEL
346 HAZELTON,MARGARET	CITY OF SAULT STE MARIE BELLUVE MARINA & BONDAR MARINE & PARK	
354 STEEVES,ROBERT	NORPRO SECURITY	REGENT PRO./DAVEY HOME/GHC/QUEENSCENTRE/ST MARY'S PAPER/ELGIN TOWER/APH
366 TROIOW,VICTORIA	G4S SECURE SOLUTIONS	AIRPORT
369 CARMICHAEL,MARY	ON.FINNISH HOME ASS.	FINNISH REST HOME
370 HANSEN,LOUIS	ON.FINNISH HOME ASS.	FINNISH REST HOME
372 BENOIT,ALAIN	ON.FINNISH HOME ASS.	FINNISH REST HOME
374 TAAVEL,ANDRE	CITY OF SAULT STE MARIE TRANSIT SERVICE AREAS	
376 FINN,ROBERT	NORTH EAST SECURITY	S.COLLEGE/A.UNIVERSITY&RES/ESSAR/GHC/CAMBRIAN MALL/TENARIS
377 BADGERO,PAUL	NORPRO SECURITY	REGENT PRO./DAVEY HOME/GHC/QUEENSCENTRE/ST MARY'S PAPER/ELGIN TOWER/APH
384 BOREAN,RICK	CITY OF SAULT STE MARIE BELLUVE MARINA & BONDAR MARINE & PARK	
389 SANDIE,KEVIN	NORPRO SECURITY	REGENT PRO./S.COLLEGE/GHC/QUEENSCENTRE/ST MARY'S PAPER/ELGIN TOWER/APH
391 MCLEOD,HEATHER	NORTH EAST SECURITY	S.COLLEGE/A.UNIVERSITY&RES/ESSAR/GHC/CAMBRIAN MALL/TENARIS
397 LAFRAMBOISE,YVON	NORTH EAST SECURITY	S.COLLEGE/A.UNIVERSITY&RES/ESSAR/GHC/CAMBRIAN MALL/TENARIS
400 JOHNSON,MICHAEL	NORTH EAST SECURITY	S.COLLEGE/A.UNIVERSITY&RES/ESSAR/GHC/CAMBRIAN MALL/TENARIS
404 HUDSON,BRIAN	CORPS OF COMM	22 BAY ST (FEDERAL BUILDING)
405 MATCHETT,CASEY	G4S SECURE SOLUTIONS	AIRPORT / HOSPITAL
406 LEBLANC,SERGE	NORPRO SECURITY	REGENT PRO./DAVEY HOME/GHC/QUEENSCENTRE/ST MARY'S PAPER/ELGIN TOWER/APH
410 POYNÉR,HAROLD	G4S SECURE SOLUTIONS	AIRPORT
411 MOORE,ROBERT	NORPRO SECURITY	REGENT PRO./DAVEY HOME/GHC/QUEENSCENTRE/ST MARY'S PAPER/ELGIN TOWER/APH
413 HILL,MICHAEL	G4S SECURE SOLUTIONS	SAULT HOSPITAL
420 FABIANO,ANTONIO	G4S SECURE SOLUTIONS	AIRPORT
423 VANDERLIFT,DYLAN	CORPS OF COMM	SAULT HOSPITAL
430 RUSCIO,DOMINIC	MAJOR CONTR.	TRAVELODGE
431 DICKSON,SHANE	NORTH EAST SECURITY	S.COLLEGE/A.UNIVERSITY&RES/ESSAR/GHC/CAMBRIAN MALL/TENARIS
435 TRUMBLE,GEORGE	NORPRO SECURITY	REGENT PRO./DAVEY HOME/GHC/QUEENSCENTRE/ST MARY'S PAPER/ELGIN TOWER/APH
439 LAMBERT,JOSEPH	STANDARD PARKING	ONTARIO REALITY CORP/ROBERTA BONDAR PLACE/426 QUEEN ST E
440 HAMMERSTEDT,ERIC	NORTH EAST SECURITY	S.COLLEGE/A.UNIVERSITY&RES/ESSAR/GHC/CAMBRIAN MALL/TENARIS
441 WILSON,DAVID	NORPRO SECURITY	REGENT PRO./DAVEY HOME/GHC/QUEENSCENTRE/ST MARY'S PAPER/ELGIN TOWER/APH
442 MACLENNAN,MATTHEW	NORPRO SECURITY	REGENT PRO./DAVEY HOME/GHC/QUEENSCENTRE/ST MARY'S PAPER/ELGIN TOWER/APH
443 MARCIL,MARK	NORPRO SECURITY	REGENT PRO./DAVEY HOME/GHC/QUEENSCENTRE/ST MARY'S PAPER/ELGIN TOWER/APH
444 MARSHALL,JONATHAN	NORPRO SECURITY	REGENT PRO./DAVEY HOME/GHC/QUEENSCENTRE/ST MARY'S PAPER/ELGIN TOWER/APH
446 HALLIDAY,DANA	SAULT COLLEGE	SAULT COLLEGE
447 FRIGAULT, JESSE	NORPRO SECURITY	REGENT PRO./S.COLLEGE/GHC/QUEENSCENTRE/ST MARY'S PAPER/ELGIN TOWER/APH
450 CHAPMAN,DANIEL	NORTH EAST SECURITY	S.COLLEGE/A.UNIVERSITY&RES/ESSAR/GHC/CAMBRIAN MALL/TENARIS
452 ROGERS,RICHARD	NORPRO SECURITY	REGENT PRO./DAVEY HOME/GHC/QUEENSCENTRE/ST MARY'S PAPER/ELGIN TOWER/APH
453 DERASP,RICHARD	NORPRO SECURITY	REGENT PRO./DAVEY HOME/GHC/QUEENSCENTRE/ST MARY'S PAPER/ELGIN TOWER/APH
455 BOYCHUK,BLAINE	NORPRO SECURITY	REGENT PRO./DAVEY HOME/GHC/QUEENSCENTRE/ST MARY'S PAPER/ELGIN TOWER/APH
456 CONEYBEARE,KEVIN	NORTH EAST SECURITY	S.COLLEGE/A.UNIVERSITY&RES/ESSAR/GHC/CAMBRIAN MALL/TENARIS
458 ROBINSON,GEORGE	CORPS OF COMM	SAULT AREA HOSPITAL
459 SLEEMAN,RAY	G4S SECURE SOLUTIONS	SAULT AREA HOSPITAL
460 BOUGIE,DAN	G4S SECURE SOLUTIONS	SAULT AREA HOSPITAL
462 GAULT,JAMES	CORPS OF COMM	SAULT AREA HOSPITAL
463 MORIN,ALEX	G4S SECURE SOLUTIONS	SAULT AREA HOSPITAL
464 DITOMMASO,RYAN	2220917 ONT. INC.	489 BAY ST/533 QUEEN ST E
465 DELAVALLE,DON	NORTH EAST SECURITY	S.COLLEGE/A.UNIVERSITY&RES/ESSAR/GHC/CAMBRIAN MALL/TENARIS
467 BERNIER,JUNE	NORTH EAST SECURITY	S.COLLEGE/A.UNIVERSITY&RES/ESSAR/GHC/CAMBRIAN MALL/TENARIS
468 AGNEW,BRENDAN	NORTH EAST SECURITY	S.COLLEGE/A.UNIVERSITY&RES/ESSAR/GHC/CAMBRIAN MALL/TENARIS
469 SANTELLI,DOMINIC	NORTH EAST SECURITY	S.COLLEGE/A.UNIVERSITY&RES/ESSAR/GHC/CAMBRIAN MALL/TENARIS
470 WOOLLEY,NATHANIEL	NORTH EAST SECURITY	S.COLLEGE/A.UNIVERSITY&RES/ESSAR/GHC/CAMBRIAN MALL/TENARIS
471 STOYCHEFF,CHRISOPHER	NORTH EAST SECURITY	S.COLLEGE/A.UNIVERSITY&RES/ESSAR/GHC/CAMBRIAN MALL/TENARIS
472 BRUNETTA,ANGELO	NORPRO SECURITY	REGENT PRO./S.COLLEGE/GHC/QUEENSCENTRE/ST MARY'S PAPER/ELGIN TOWER/APH
474 MANCUSO,ANTHONY	NORTH EAST SECURITY	S.COLLEGE/A.UNIVERSITY&RES/ESSAR/GHC/CAMBRIAN MALL/TENARIS
475 TORRANCE,RENEE	NORPRO SECURITY	REGENT PRO./DAVEY HOME/GHC/QUEENSCENTRE/ST MARY'S PAPER/ELGIN TOWER/APH
477 BROWLEY,DAVID	CORPS OF COMM	SAULT AREA HOSPITAL
479 GROULX,VINCE	CORPS OF COMM	SAULT AREA HOSPITAL
480 TELFORD,JASON	CORPS OF COMM /NORPRO	SAULT AREA HOSPITAL /REGENT PRO/S.COLLEGE/QUEENSCENTRE/GHC/AHP

481	FORD,BRIAN	NORTH EAST SECURITY	S.COLLEGE/A.UNIVERSITY&RES/ESSAR/GHC/CAMBRIAN MALL/TENARIS
482	LEWCELLE,BRACE	CORPS OF COMM	SAULT AREA HOSPITAL
484	MCLEOD,VIRGINIA	CITY OF SAULT STE MARIE BELLUVE MARINA & BONDAR MARINE & PARK	
485	ARMSTRONG,KENNETH	CITY OF SAULT STE MARIE BELLUVE MARINA & BONDAR MARINE & PARK	
486	LONGO,NADIA	GT.NORTHERN RET.HOME	760 GREAT NORTHERN RD.
487	ROUGEAU,MARISA	GT.NORTHERN RET.HOME	760 GREAT NORTHERN RD.
488	LEFLEUR,MARILYN	GT.NORTHERN RET.HOME	760 GREAT NORTHERN RD.
489	MCQUEEN,WANDA	GT.NORTHERN RET.HOME	760 GREAT NORTHERN RD.
490	LUXTON,JEFF	GT.NORTHERN RET.HOME	760 GREAT NORTHERN RD.
492	PARKER,MICHAEL	NORTH EAST SECURITY	S.COLLEGE/A.UNIVERSITY&RES/ESSAR/GHC/CAMBRIAN MALL/TENARIS
493	BROWN,FRASER	NORTH EAST SECURITY	S.COLLEGE/A.UNIVERSITY&RES/ESSAR/GHC/CAMBRIAN MALL/TENARIS
494	SHWFELT,CODY	G4S SECURE SOLUTIONS	AIRPORT
497	ALLEN,ROBERT	NORPRO SECURITY	REGENT PRO./DAVEY HOME/GHC/QUEENSCENTRE/ST MARY'S PAPER/ELGIN TOWER/APH
498	MARQUES,STEVEN	NORPRO SECURITY	REGENT PRO./DAVEY HOME/GHC/QUEENSCENTRE/ST MARY'S PAPER/ELGIN TOWER/APH
499	SCALI,NICOLA	NORPRO SECURITY	REGENT PRO./DAVEY HOME/GHC/QUEENSCENTRE/ST MARY'S PAPER/ELGIN TOWER/APH
500	EASBY,JOSHUA	NORPRO SECURITY	REGENT PRO./DAVEY HOME/GHC/QUEENSCENTRE/ST MARY'S PAPER/ELGIN TOWER/APH
501	QUARRELL,ROBERT	PANORAMIC PROPERTIES	621,627,631 MACDONALD AVE
502	HAMEL,CHRIS	PANORAMIC PROPERTIES	621,627,631 MACDONALD AVE
503	HAMEL,MELANIE	PANORAMIC PROPERTIES	621,627,631 MACDONALD AVE
505	JONES,CHELSEY	NORTH EAST SECURITY	S.COLLEGE/A.UNIVERSITY&RES/ESSAR/GHC/CAMBRIAN MALL/TENARIS
507	SMYTHE,RICHARD	BANK OF MONTREAL	558 QUEEN ST E
509	MATTALO,JOE	CORPS OF COMM	SAULT AREA HOSPITAL
511	ADAIR,BRENDAN	CORPS OF COMM	SAULT AREA HOSPITAL
512	DIMMA,JUSTIN	G4S SECURE SOLUTIONS	SAULT AREA HOSPITAL
513	MEINCKE,KEN	CORPS OF COMM	SAULT AREA HOSPITAL
514	BONIFERRO,BRIAN	CORPS OF COMM	SAULT AREA HOSPITAL
515	MANGONE,MATT	CORPS OF COMM	SAULT AREA HOSPITAL
516	GAY,JAMES	NORTH EAST SECURITY	S.COLLEGE/A.UNIVERSITY&RES/ESSAR/GHC/CAMBRIAN MALL/TENARIS
517	ROY,BRENDA	NORTH EAST SECURITY	S.COLLEGE/A.UNIVERSITY&RES/ESSAR/GHC/CAMBRIAN MALL/TENARIS
518	TREPASSO,GRANT	NORPRO SECURITY	REGENT PRO./DAVEY HOME/GHC/QUEENSCENTRE/ST MARY'S PAPER/ELGIN TOWER/APH
519	FRAGOMENI,JOSEPH	CORPS OF COMM	SAULT AREA HOSPITAL
520	THOMPSON,JOHN	G4S SECURE SOLUTIONS	SAULT AREA HOSPITAL
522	MCNAMA,STEVEN	NORTH EAST SECURITY	S.COLLEGE/A.UNIVERSITY&RES/ESSAR/GHC/CAMBRIAN MALL/TENARIS
523	MCBRIDE,GUY	NORTH EAST SECURITY	S.COLLEGE/A.UNIVERSITY&RES/ESSAR/GHC/CAMBRIAN MALL/TENARIS
524	DUNLOP,DAVID	NORTH EAST SECURITY	S.COLLEGE/A.UNIVERSITY&RES/ESSAR/GHC/CAMBRIAN MALL/TENARIS
525	IACHETTA,CHRIS	NORPRO SECURITY	REGENT PRO./DAVEY HOME/GHC/QUEENSCENTRE/ST MARY'S PAPER/ELGIN TOWER/APH
526	JOHNSTON,CORY	NORTH EAST SECURITY	S.COLLEGE/A.UNIVERSITY&RES/ESSAR/GHC/CAMBRIAN MALL/TENARIS
527	KOZAK,EMILIE	NORPRO SECURITY	REGENT PRO./DAVEY HOME/GHC/QUEENSCENTRE/ST MARY'S PAPER/ELGIN TOWER/APH
529	ROMAIN,GERALDINE	NORTH EAST SECURITY	S.COLLEGE/A.UNIVERSITY&RES/ESSAR/GHC/CAMBRIAN MALL/TENARIS
530	WADE,SAMUEL	NORPRO SECURITY	REGENT PRO./DAVEY HOME/GHC/QUEENSCENTRE/ST MARY'S PAPER/ELGIN TOWER/APH
531	AHIAEBE,ENOHUIOMEN	NORPRO SECURITY	REGENT PRO./DAVEY HOME/GHC/QUEENSCENTRE/ST MARY'S PAPER/ELGIN TOWER/APH
532	BROUILLARD,BERNARD	NORPRO SECURITY	REGENT PRO./DAVEY HOME/GHC/QUEENSCENTRE/ST MARY'S PAPER/ELGIN TOWER/APH
533	STILLERT,CHRISTIAN	NORPRO SECURITY	REGENT PRO./DAVEY HOME/GHC/QUEENSCENTRE/ST MARY'S PAPER/ELGIN TOWER/APH
534	LADOUCEUR,RACHAEL	CORPS OF COMM	SAULT AREA HOSPITAL
535	HUTZAN,CHRISTIAN	CORPS OF COMM	SAULT AREA HOSPITAL
536	SAUERZOPF,JUSTIN	CORPS OF COMM	SAULT AREA HOSPITAL
537	GRAWBARGER,KYLE	G4S SECURE SOLUTIONS	SAULT AREA HOSPITAL
538	MCCAIG,BRANDON	CORPS OF COMM	SAULT AREA HOSPITAL
539	CUTLER,JESSE	NORPRO SECURITY	REGENT PRO./DAVEY HOME/GHC/QUEENSCENTRE/ST MARY'S PAPER/ELGIN TOWER/APH
540	ZEPPA,ROBERT	NORPRO SECURITY	REGENT PRO./DAVEY HOME/GHC/QUEENSCENTRE/ST MARY'S PAPER/ELGIN TOWER/APH
541	DIMMA,WMILLIAM	ALGOMA CENTRAL PROP	STATION MALL/STATION 49/STATION TOWER
542	RALPH,NANCY	NORTH EAST SECURITY	S.COLLEGE/A.UNIVERSITY&RES/ESSAR/GHC/CAMBRIAN MALL/TENARIS
543	HAYNES,MICHAEL	ALGOMA CENTRAL PROP	STATION MALL/STATION 49/STATION TOWER
544	NELSON,MATTHEW	ALGOMA CENTRAL PROP	STATION MALL/STATION 49/STATION TOWER
545	GRECO,BRYAN	ALGOMA CENTRAL PROP	STATION MALL/STATION 49/STATION TOWER
546	ZORIT,TRAVIS	ALGOMA CENTRAL PROP	STATION MALL/STATION 49/STATION TOWER
547	LIEPA,MATTHEW	ALGOMA CENTRAL PROP	STATION MALL/STATION 49/STATION TOWER
548	CARON,ROGER	CITY OF SAULT STE MARIE 99 FOSTER DR.(CIVIC CENTRE)	
549	WICKSTROM,IAAK	G4S SECURE SOLUTIONS	AIRPORT
550	BADU,EDMUND	NORPRO SECURITY	REGENT PRO./DAVEY HOME/GHC/QUEENSCENTRE/ST MARY'S PAPER/ELGIN TOWER/APH
551	PIPER,ADAM	NORPRO SECURITY	REGENT PRO./DAVEY HOME/GHC/QUEENSCENTRE/ST MARY'S PAPER/ELGIN TOWER/APH
552	SENEGALGUDUR,DANIEL	NORPRO SECURITY	REGENT PRO./DAVEY HOME/GHC/QUEENSCENTRE/ST MARY'S PAPER/ELGIN TOWER/APH
553	ST.PIERRE,WMILLIAM	NORPRO SECURITY	REGENT PRO./DAVEY HOME/GHC/QUEENSCENTRE/ST MARY'S PAPER/ELGIN TOWER/APH
554	IRWIN,JACOB	NORPRO SECURITY	REGENT PRO./DAVEY HOME/GHC/QUEENSCENTRE/ST MARY'S PAPER/ELGIN TOWER/APH
555	ROY,DARCY	G4S SECURE SOLUTIONS	AIRPORT
556	ARCAND,SCOTT	G4S SECURE SOLUTIONS	AIRPORT
557	HUTCHING'S,GEORGE	G4S SECURE SOLUTIONS	SAULT AREA HOSPITAL
558	LARKIN,NICHOLAS	CORPS OF COMM	SAULT AREA HOSPITAL
559	SUMMERS,STEPHEN	CORPS OF COMM	SAULT AREA HOSPITAL
560	ADDISON,CHRISTOPHER	NORPRO SECURITY	REGENT PRO./DAVEY HOME/GHC/QUEENSCENTRE/ST MARY'S PAPER/ELGIN TOWER/APH
561	CARTER,TIGER	NORPRO SECURITY	REGENT PRO./DAVEY HOME/GHC/QUEENSCENTRE/ST MARY'S PAPER/ELGIN TOWER/APH
562	DEARING,DEVIN	NORPRO SECURITY	REGENT PRO./DAVEY HOME/GHC/QUEENSCENTRE/ST MARY'S PAPER/ELGIN TOWER/APH
563	FLEURY,TAMMY-JO	NORPRO SECURITY	REGENT PRO./DAVEY HOME/GHC/QUEENSCENTRE/ST MARY'S PAPER/ELGIN TOWER/APH
564	LAPRADE,DANIEL	NORPRO SECURITY	REGENT PRO./DAVEY HOME/GHC/QUEENSCENTRE/ST MARY'S PAPER/ELGIN TOWER/APH
565	LISCUMB,GERALD	NORPRO SECURITY	REGENT PRO./DAVEY HOME/GHC/QUEENSCENTRE/ST MARY'S PAPER/ELGIN TOWER/APH
566	SWEET,WILLARD	NORTH EAST SECURITY	S.COLLEGE/A.UNIVERSITY&RES/ESSAR/GHC/CAMBRIAN MALL/TENARIS
567	BOSTON,CODY	NORTH EAST SECURITY	S.COLLEGE/A.UNIVERSITY&RES/ESSAR/GHC/CAMBRIAN MALL/TENARIS
568	PICK,DENNY	NORTH EAST SECURITY	S.COLLEGE/A.UNIVERSITY&RES/ESSAR/GHC/CAMBRIAN MALL/TENARIS
569	ZEPPA,JACOB	G4S SECURE SOLUTIONS	AIRPORT
570	BERTRAND,CHRISTOPHER	G4S SECURE SOLUTIONS	AIRPORT
571	BRESNAHAN,JAMES	SSM.AIRPORT CORP.	AIRPORT -SUPERVISOR OF BUSINESS OPERATIONS
572	BELANGER,COWAN	NORTH EAST SECURITY	S.COLLEGE/A.UNIVERSITY&RES/ESSAR/GHC/CAMBRIAN MALL/TENARIS
573	RHODES,LILIAN	NORTH EAST SECURITY	S.COLLEGE/A.UNIVERSITY&RES/ESSAR/GHC/CAMBRIAN MALL/TENARIS
574	BOUCHARD,DARYL	NORTH EAST SECURITY	S.COLLEGE/A.UNIVERSITY&RES/ESSAR/GHC/CAMBRIAN MALL/TENARIS
575	LALOUCHE,DANIEL	NORTH EAST SECURITY	S.COLLEGE/A.UNIVERSITY&RES/ESSAR/GHC/CAMBRIAN MALL/TENARIS
576	HULL,BRADLEY	NORPRO SECURITY	REGENT PRO./DAVEY HOME/GHC/QUEENSCENTRE/ST MARY'S PAPER/ELGIN TOWER/APH
577	LARIVIERE,EUGENE	NORPRO SECURITY	REGENT PRO./DAVEY HOME/GHC/QUEENSCENTRE/ST MARY'S PAPER/ELGIN TOWER/APH
578	MAKI,ROBERT	G4S SECURE SOLUTIONS	SAULT AREA HOSPITAL
579	SANTERRE,JAYCE	CORPS OF COMM	SAULT AREA HOSPITAL
580	CHARETTE,ROBERT	NORTH EAST SECURITY	S.COLLEGE/A.UNIVERSITY&RES/ESSAR/GHC/CAMBRIAN MALL/TENARIS
581	PAVONI,JORDAN	NORTH EAST SECURITY	S.COLLEGE/A.UNIVERSITY&RES/ESSAR/GHC/CAMBRIAN MALL/TENARIS
582	MAITLAND,DARLA	NORTH EAST SECURITY	S.COLLEGE/A.UNIVERSITY&RES/ESSAR/GHC/CAMBRIAN MALL/TENARIS
583	MADIGAN,LORRI-ANNE	PANORAMIC PROPERTIES	621,627,631 MACDONALD AVE
584	PROULX,PAUL	G4S SECURE SOLUTIONS	AIRPORT
585	WOODS,CAROL	G4S SECURE SOLUTIONS	AIRPORT
586	WERTH,KARL	NORPRO SECURITY	REGENT PRO./DAVEY HOME/GHC/QUEENSCENTRE/ST MARY'S PAPER/ELGIN TOWER/APH

587	GULIETTI,MATTHEW	NORPRO SECURITY	REGENT PRO/DAVEY HOME/GHC/QUEENSCENTRE/ST MARY'S PAPER/ELGIN TOWER/APH
588	BRUCE-SHARP, MATTHEW	NORPRO SECURITY	REGENT PRO/DAVEY HOME/GHC/QUEENSCENTRE/ST MARY'S PAPER/ELGIN TOWER/APH
589	TWENTYMAN,DANIEL	NORPRO SECURITY	REGENT PRO/DAVEY HOME/GHC/QUEENSCENTRE/ST MARY'S PAPER/ELGIN TOWER/APH
590	WARMINGTON,KAYLA	NORPRO SECURITY	REGENT PRO/DAVEY HOME/GHC/QUEENSCENTRE/ST MARY'S PAPER/ELGIN TOWER/APH
591	KUSCH,CLINTON	G4S SECURE SOLUTIONS	AIRPORT/ HOSPITAL
592	ZACK,MOLLI	G4S SECURE SOLUTIONS	AIRPORT/ HOSPITAL
593	AMBEAULT,TYLER	G4S SECURE SOLUTIONS	AIRPORT/ HOSPITAL
594	PELOSO,MATT	G4S SECURE SOLUTIONS	AIRPORT/ HOSPITAL
595	SCHMIDT,DAVE	G4S SECURE SOLUTIONS	AIRPORT/ HOSPITAL
596	WAGNER,TODD	G4S SECURE SOLUTIONS	SAULT AREA HOSPITAL
597	WALLS,BRIAN	NORPRO SECURITY	REGENT PRO/DAVEY HOME/GHC/QUEENSCENTRE/ST MARY'S PAPER/ELGIN TOWER/APH
598	COULL,ROBIN	NORTH EAST SECURITY	S.COLLEGE/A.UNIVERSITY&RES/ESSAR/GHC/CAMBRIAN MALL/TENARIS
599	BUMBACCO, CARL	CB HOME INSTALLATONS	321 JOHN ST.
600	STEVENS,JEANNE	G4S SECURE SOLUTIONS	SAULT AREA HOSPITAL
601	HART,JASON	NORPRO SECURITY	REGENT PRO/DAVEY HOME/GHC/QUEENSCENTRE/ST MARY'S PAPER/ELGIN TOWER/APH
602	GREENWOOD,LESLIE	GREENWOODS HARDWAR	41 ALBERT ST W
603	LAMMING,DAVE	CITY OF SAULT STE MARIE TRANSIT SERVICE AREAS	
604	WAGNER,MATTHEW	G4S SECURE SOLUTIONS	AIRPORT/ HOSPITAL
605	BEITZ,TAYLOR	NORPRO SECURITY	REGENT PRO/DAVEY HOME/GHC/QUEENSCENTRE/ST MARY'S PAPER/ELGIN TOWER/APH
606	SHEWFELT,CHERYL	PANORAMIC PROPERTIES	621,831,827 MACDONALD AVE
607	FROST,CHRISTIAN	CITY OF SAULT STE MARIE TRANSIT SERVICE AREAS	
608	ALISAT,THOMAS	ALISATS RUST PROOFING	24 QUEEN ST W.
609	ROBINSON,SHAWN	ALISATS RUST PROOFING	24 QUEEN ST W.
610	GREGANITI,BARETT	NORTH EAST SECURITY	S.COLLEGE/A.UNIVERSITY&RES/ESSAR/GHC/CAMBRIAN MALL/TENARIS
611	MIZZI,PRESTON	WENDY'S	1 QUEEN ST W
612	HURLEY,BRITTNEY	NORTH EAST SECURITY	S.COLLEGE/A.UNIVERSITY&RES/ESSAR/GHC/CAMBRIAN MALL/TENARIS

THE CORPORATION OF THE CITY OF SAULT STE. MARIE
BY-LAW 2014-126

TEMPORARY STREET CLOSING: (S4.1) A by-law to permit the temporary closing of The Crescent (Church Street to Forest Avenue) from May 27, 2014 to June 30, 2014.

THE COUNCIL of the Corporation of the City of Sault Ste. Marie pursuant to Section 11 of the *Municipal Act, 2001*, S.O. 2001, c. 25 and amendments thereto **ENACTS** as follows:

1. TEMPORARY STREET CLOSING THE CRESCENT

The Council of the Corporation of the City of Sault Ste. Marie hereby authorizes the closing to vehicular traffic of The Crescent (Church Street to Forest Avenue) from May 27, 2014 to June 30, 2014.

2. EFFECTIVE DATE

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

PASSED in open Council this 26th day of May, 2014.

MAYOR – DEBBIE AMAROSO

CITY CLERK – MALCOLM WHITE