BUDGET MEETING OF CITY COUNCIL
REVISED AGENDA

Monday, April 14, 2014
4:30 p.m.
Council Chambers

Pages

1. APPROVE AGENDA AS PRESENTED

Mover: Councillor L. Turco
Seconder: Councillor B. Watkins

Resolved that the Agenda for 2014 04 14 as presented be approved.

2. CORRESPONDENCE — 4 - 6

Councillor Frank Manzo – concerning Proposed 2014 Budget is attached for the information of Council.

3. 2013 YEAR-END RESERVE TRANSFERS — 7 - 8

A report of the Manager of Audits and Capital Planning is attached for the consideration of Council.

Mover: Councillor R. Niro
Seconder: Councillor P. Mick

Resolved that the report of the Manager of Audits and Capital Planning dated 2014 04 14 concerning year-end transfers to reserves be accepted and recommendations contained therein be approved.

4. ONTARIO REGULATION 284/09 — 9 - 11

A report of the Manager of Finance and Budgets is attached for the consideration of Council.

Mover: Councillor L. Turco
Seconder: Councillor P. Mick

Resolved that the report of the Manager of Finance and Budgets dated 2014 07 14 concerning Ontario Regulation 284/09 be received as information.

5. STATUS OF 5% SUBDIVIDER RESERVE FUND 12 - 17

Reports of the Commissioner of Finance and Treasurer and the Commissioner of Community Services are attached for the consideration of Council.

Mover: Councillor R. Niro
Seconder: Councillor P. Mick

Resolved that the reports of the Commissioner of Finance and Treasurer and Commissioner of Community Services dated 2014 04 14 concerning Status of 5% Subdivider Reserve Fund be received as information.

6. 2014 BUDGET 18 - 103

Reports of the Chief Administrative Officer and the Commissioner of Finance and Treasurer are attached for the consideration of Council.

Mover: Councillor R. Niro
Seconder: Councillor B. Watkins

Resolved that City Council now proceed into the Committee of the Whole to consider the following matter referred to it for consideration – 2014 Budget Deliberations.

Resolved that the Committee of the Whole Council now rise and report on the matter referred to to it by City Council – 2014 Budget Deliberations.

6.1 CAO Presentation *104 - 117*

6.2 Budget Presentation *118 - 148*

7. LOCAL IMMIGRATION PARTNERSHIP CONTRIBUTION AGREEMENT AMENDMENT 149 - 158

A report of the Local Immigration Partnership Co-ordinator is attached for the consideration of Council.

Resolved that By-law 2014-71 authorizing execution of a Local Immigration Partnership Contribution Agreement Amendment between the City and Her Majesty the Queen in right of Canada as represented by the Minister of Citizenship, Immigration and Multiculturalism for the continuation of Sault Ste. Marie's Local Immigration Partnership region development for the time period of April 1, 2014 to March 31, 2016 be passed in open Council this 14th day of April, 2014.

8. HOMELESSNESS PARTNERING STRATEGY (HPS) AND HOMELESS INDIVIDUALS AND FAMILIES INFORMATION SYSTEM (HIFIS) *159 - 184*

A report of the Manager of Housing Programs is attached for the consideration of Council.

Resolved that By-law 2014-80 being a by-law to authorize the execution of a Funding Agreement between the City and Her Majesty the Queen in Right of Canada, as represented by the Minister of Employment and Social Development Canada for the Homelessness Partnering Strategy - Designated Communities funding be passed in open Council this 14th day of April, 2014.

9. ADJOURNMENT

Mover: Councillor R. Niro
Seconder: Councillor P. Mick

Resolved that this Council shall now adjourn.

1

Frank Manzo Sr.

660 Base Line

Sault Ste. Marie ON P6A [redacted] 5K6

March 11, 2014

Madam Mayor & Councillors

99 Foster Drive

Sault Ste. Marie ON P6A 5N1

Dear Madam Mayor and Councillors:

RE: Proposed 2014 budget

This is my 40th year reviewing the city budget, due to my present illness I have spent many hours and days reviewing the proposed 2014 budget, going line by line and page by page. In my opinion, the largest expenditure once again are wages and benefits (Increases ranging from 80.81% to within the rate of inflation and lower). Wages and benefits are consuming 49% of the budget.

I have received many phone calls from people who are seasonal workers, minimum wage earners, disability pensioners and seniors on fixed incomes; they all are asking how they can continue to live in Sault Ste. Marie with the constant increases in the assessment value and the city levy. In most cases they are cutting back on the heat, groceries, medication and relying on the soup kitchen. These people are fortunate if they receive an increase at the rate of inflation which is 1.2 % according to Statistic Canada. The 2011 census report, placed the median income for Sault Ste. Marie at $25,500. In my opinion, the proposed increase of 4.5% is outrageous and even the 3% predicted levy increase is still too high when compared to the rate of inflation.

This year the budget format has changed once again the wages and benefits in one group instead of separate entries. In my opinion, this is one of many reasons the city should hire three independent accountants from different firms to review the budget (prior to releasing to the public). Then have them provide a mandatory education session for the councillors. This would assist the councillors in making informed decisions, hopefully leading to some relief for the taxpayers.

In my opinion, there is a definite need for in-depth explanatory notes to accompany the budget this would provide all the details and estimated savings. This is the case with materials and supplies taking 16% of the budget, but there are no indications whether these are consumable goods or hardware. For example: when Don Evans, CAO and Fred Konklin, City Treasurer presented the budget to council along with an explanatory note book. I believe that all councillors would appreciate extra information through an explanatory notebook as done in the past.

In my opinion, the "grants to others", at 14% is out of control and needs a formula to gradually decrease these grants and elimination of others. [redacted]

In my opinion, it is essential that we start running our recreation facilities as businesses to make money or lease them to the private sector so they may not be the present burden on the taxpayer.

In my opinion, the present red tape in the planning department is hampering the ability of the city to attract large and medium sized industries. The need for an increase in the industrial sector is essential. This would provide good paying jobs keep our young people here along with easing the tax levy on the residential sector.

In my opinion, it appears there is a definite requirement to have a complete department by department review in order to update the requirements of the community (fire services, police services, PWT, CDS etc.). The present rate of levy increases is unsustainable for the residential tax payer. If the status quo continues it is only a matter of time before the city will be the owner of many derelict homes, small businesses, and empty properties. Bankruptcy is the inevitable consequence.

My experience with 40 years on city council, and owner operator three successful businesses in Korah Township (Frank Manzo Contracting, Spee-dee Transfer & Fra-Man Construction), which I was responsible for all aspects of the budgeting - I think I should know how to read the budget! Now that I am going to be 87 on April 25th, I have all my marbles intact, I can talk but cannot walk.

Yours truly,

Frank J. Manzo Sr

Frank Manzo Sr.

P.S. I had my son print this for me.

PLEASE LOOK AT THE PAGE A7 OF MARCH 29/2014 OF THE SAULT STAR RE DAVID ORAZETTI ARTICLE. RE. MUNICIPAL TAXES FROM 8 ONTARIO MUNICIPALITIES AND SHOWS SAULT STE MARIE HAS THE HIGHEST TAXES

THIS ARTICLE IS ALSO IN THE SAULT THIS WEEK OF APRIL 2/2014 ISSUE

COUNCIL REPORT

April 14, 2014

TO: Mayor Debbie Amaroso and Members of City Council

AUTHOR: Jacob Bruzas, Manager of Audits and Capital Planning

DEPARTMENT: Finance Department

RE: 2013 Yearend Reserve Transfers

PURPOSE
The purpose of this report is to provide a list of recommended 2013 yearend transfers to reserves as prepared by Jacob Bruzas, Manager of Audits and Capital Planning.

BACKGROUND
Not applicable.

ANALYSIS
Not applicable.

IMPACT
The following transfers are included in the final 2013 year end results.

STRATEGIC PLAN
Not applicable.

RECOMMENDATION
That the report of the Manager of Audits and Capital Planning concerning 2013 yearend transfers to reserves be received and the recommendations contained therein be approved.

Respectfully submitted,

Jacob Bruzas, CPA, CA
Manager of Audits & Capital Planning

Recommended for approval,

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

Recommended for approval,

Joseph M. Fratesi
Chief Administrative Officer

JB/kl
attachment

CORPORATION OF THE CITY OF SAULT STE. MARIE
RESERVE TRANSFERS TO BE APPROVED BY COUNCIL
DECEMBER 31, 2013

Details		From Reserve $	To Reserve $
Best for Kids Reserve New reserve requested to be set up. Ongoing transfer requested.			23,009.50
Landfill Reserve Annual funding for CLA for additional recycling. Ongoing transfer requested.		20,000.00	
Facilities Maintenance Reserve Remaining commitment for Museum renovations resulting from a flood transferred to reserve for use in 2014.			15,054.49
Transit Equipment Reserve Funds budgeted in 2013 but not spent requested to be transferred to reserve for use in 2014 for the purchase of two off-lease police vehicles.			11,340.00
	Total	20,000.00	49,403.99
	net		29,403.99

COUNCIL REPORT

April 14, 2014

TO: Mayor Debbie Amaroso and Members of City Council

AUTHOR: Shelley J. Schell, CPA, CA, Manager of Finance and Budgets

DEPARTMENT: Finance Department

RE: ONTARIO REGULATION 284/09

PURPOSE

This report is presented in accordance with Ontario Regulation 284/09.

BACKGROUND

Ontario Regulation 284/09 allows municipalities to exclude amortization expenses, post-employment benefit expenses, solid waste landfill closure and post-closure expenses from the annual budget. If municipalities do not budget for these expenses a report is to be submitted to Council with respect to the exclusions.

ANALYSIS

The effect of the excluded expenses from the City's budget is as follows:

1) Amortization is the asset cost allocated to the periods in which it is used. It is partially funded by reserve and capital transfers included in the levy. This allows for current and future asset replacement. A capital allocation is provided in the operating budget to fund capital road construction/improvement, capital equipment replacement and sanitary sewer capital repairs.

2) Post employment benefits are based upon an actuarial valuation. The City budgets for the current year actual cost in the operating budget. These costs will fluctuate based upon the average age of our workers.

3) The landfill closure and post closure costs are being partially funded through a reserve transfer included in the levy. This will be evaluated each year at budget. Future costs will be levied as required. The City has a net reserve of $11.3 million available for these expenses as of December 31, 2013.

IMPACT
The effect of excluding these expenses in the budget is an increase in the City's accumulated net surplus. Attached to this report is a schedule outlining the effect of each of the excluded expenses.

STRATEGIC PLAN
Not applicable.

RECOMMENDATION
That the report of the Manger of Finance and Budgets concerning Ontario Regulation 284/09 be approved for the budget year 2014.

Respectfully submitted,

Shelley J. Schell, CPA, CA
Manager of Finance & Budgets

Recommended for approval,

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

Recommended for approval,

Joseph M. Fratesi
Chief Administrative Officer

SJS/

attachment

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

Ontario Regulation 284/09: Budget Restatement
Year ended December 31, 2014

Amortization:	
Amortization estimate for 2014	$ (15,320,000)
Capital Fund Revenues not included in budget	4,350,500
Reserve/Capital Fund transfers included in budget	20,301,790
Increase to 2014 accumulated net revenue	9,332,290
Landfill Closure/Post Closure Expenses:	
Increase to Landfill Closure Liability	$ (791,900)
Reserve transfer included in budget	1,003,775
Increase to 2014 accumulated net revenue	211,875
Post Employment Benefits Expense:	
Decrease to 2014 accumulated net revenue	(2,871,691)
Total increase/(decease) to accumulated net revenue	**6,672,474**

COUNCIL REPORT

April 14, 2014

TO: Mayor Debbie Amaroso and Members of City Council

AUTHOR: William Freiburger, CPA, CMA, Commissioner of Finance and Treasurer

DEPARTMENT: Finance Department

RE: Status of 5% Subdivider Reserve Fund

PURPOSE

This report is in response to the following Council resolution dated April 7, 2014.

Mover: Councillor R. Niro

Seconder: Councillor L. Turco

Whereas Council has authorized moving forward with the Bicycle Pump Track at Esposito Park; and

Whereas the preliminary design estimate for the Pump Track by the consultant is $250,000 including a contingency amount; and

Whereas Council has committed a financial contribution of $50,000 towards its construction; and

Whereas the group has raised $75,000 towards the proposed hard surfaced Pump Track; and Whereas the Pump Track is referred to in the City's Corporate Strategic Plan under "Strategic Direction 3, Enhancing Quality of Life";

Now Therefore Be It Resolved that the remaining cost of $125,000 for the Pump Track be referred to budget deliberations to consider funding this amount from the City's 5% Subdivider Reserve Fund; and

Further Be It Resolved that the Commissioner of Finance and Treasurer provide Council with an update of the said Reserve Fund including projects to be funded and its present balance available.

BACKGROUND

The relevant section of the Planning Act is listed below referencing the use of the subdivider fee.

Parkland

51.1 (1) The approval authority may impose as a condition to the approval of a plan of subdivision that land in an amount not exceeding, in the case of a subdivision proposed for commercial or industrial purposes, 2 per cent and in all other cases 5 per cent of the land included in the plan shall be conveyed to the local municipality for **park or other public recreational purposes** or, if the land is not in a municipality, shall be dedicated for park or other public recreational purposes.

ANALYSIS

The attached schedule indicates the 2013 yearend balance along with committed and proposed allocations from the reserve fund.

The above definition of spending for park or other public recreational purposes could include new or maintenance on existing assets. There are also items in the 2014 Capital From Current list relating to recreation that have not been funded.

Additionally, there are numerous existing assets which qualify under this definition and which are in need of repair and or replacement.

Also, a City Council resolution dated June 24, 2013 approved annual operating costs of $8,700 for the Bicycle Pump Track.

IMPACT

Not applicable.

STRATEGIC PLAN

Not applicable

RECOMMENDATION

This report is provided for the information of Council.

Respectfully submitted,	Recommended for approval,
W. Freiburger CPA, CMA Commissioner of Finance and Treasurer	Joseph M. Fratesi Chief Administrative Officer

Attachment

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City of Sault Ste. Marie

Summary of the 5% Subdivider Reserve Fund

Balance at December 31 ,2013			$ 504,038.48
Commitments:			
Strathclair Park Lighting	2009 allocation	55,000	
Leash Free Dog Park	Leash Free Dog Park Dec 3, 2012 Updated Council June 24, 2013 5 p Council approved $8,500 for annual operating costs	45,000	
McDonald Park	McDonald Park approved June 24, 2013 5 q $1,050 to be added to the 2014 budget ($11,500 approved amount)	4,404	
Indoor Golf	Proposed in the 2014 Budget	40,000	
Bicycle Pump Track	Community Bicycle Park June 24, 2013 5 o Council approved $8,700 for annual operationg costs	50,000	194,404
	Balance before other potential allocations		309,634
Potential Allocations:			
Outdoor Fitness Equipment	Outdoor Fitness Equipment Update report June 24, 2013 5 n for the information of Council	31,500	
Strathclair Park Lighting	Additional allocation to finance the project per below summary	100,000	
Leash Fee Dog Park	Additional allocation estimated to complete project per N. Apostle	10,000	
Bicycle Pump Track	Council resolution April 7, 2014	125,000	266,500
	REMAINING BALANCE AFTER POTENTIAL ALLOCATIONS		43,134

Summary of Strathclair Park Lighting

2009 allocation from 5% subdivider	55,000
2009 capital from current allocation	35,000
Strathclair concession profits in reserve	40,000
User group contribution	20,000
Additional allocation in 2014	100,000
Total estimated cost for Strathclair Park Lighting	250,000

COUNCIL REPORT

April 14, 2014

TO: Mayor Debbie Amaroso and Members of City Council

AUTHOR: Nicholas J. Apostle, Commissioner Community Services

DEPARTMENT: Community Services Department

RE: Status of Projects That Are Being Funded From The 5% Subdivider Reserve Fund

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PURPOSE

This report is in response to the following resolution from the April 7, 2014 Council meeting:

Whereas Council has authorized moving forward with the Bicycle Pumptrack at Esposito Park, and
Whereas the preliminary design estimate for the Pumptrack by the consultant is $250,000.00 including a contingency amount, and
Whereas Council has committed a financial contribution of $50,000.00 towards its construction, and
Whereas the group has raised $75,000.00 towards the proposed hard surfaced Pumptrack, and
Whereas the Pumptrack is referred to in the City's Corporate Strategic Plan under "Strategic Direction 3, Enhancing Quality of Life",
Now therefore be it resolved that the remaining cost of $125,000.00 for the Pumptrack be referred to budget deliberations to consider funding this amount from the City's 5% Subdivider Reserve Fund, and
Be it further resolved that the Commissioner of Finance and Treasurer provide Council with an update of the said Reserve Fund including projects to be funded and its present balance available.

BACKGROUND

Elsewhere on your Agenda is a report from the Commissioner of Finance regarding the financial status of the 5% Subdivider Reserve Fund.

This Reserve Fund has been used (or is being proposed to be used) for the following projects: Pumptrack at Esposito Park, Leash-Free Dog Park, McDonald Park Playground Equipment, Strathclair Park Lighting for Slo-Pitch, Indoor Golf Range at the Northern Community Centre, and Outdoor Fitness Equipment.

Status of Projects

Pumptrack at Esposito Park

Council has provided $50,000 towards this project. The Committee has raised $75,000 in funding. The shortfall in the funding for the project (estimated total of $250,000) is $125,000. Council also approved operational funds for the maintenance of the Pumptrack.

Council was originally asked to fund to a maximum amount of $50,000.

Leash-Free Dog Park

Council approved $45,000 towards this project. Of the $25,000 they expected to fundraise, the Committee has raised approximately $10,000 to date and expects to raise another $5,000 to $10,000. This leaves a shortfall of $5,000 to $10,000.

Council was originally asked to fund to a maximum amount of $45,000.

McDonald Park Playground Equipment

The playground equipment has been received. It will be installed later this spring. Mr. Albert Williams donated $7,000 towards this project.

Strathclair Park Lighting for Slo-Pitch

In 2009 Council approved $90,000 towards this project. The project was under-estimated and the new cost to complete the project is $250,000. The Slo-Pitch Association has raised $20,000 towards this project. The shortfall is $140,000. There are two reserve funds that could be used to fund the shortfall, they are identified in the Commissioner of Finance's report.

Indoor Golf Range at the Northern Community Centre

In the fall of 2013 it was reported to Council that the estimated cost of this project is $40,000. Staff has continued to do research into this project and is developing a more comprehensive business plan.

Outdoor Fitness Equipment

A comprehensive report was provided to Council last fall. The estimated cost of $31,500 was referred to the 2014 budget and is identified in the Commissioner of Finances' report.

ANALYSIS

The section does apply to this report.

IMPACT

In addition to the above projects there are many areas of existing operations that the 5% Subdivider Reserve Fund could be used for as well as the asset management items that will need to be addressed. In addition, there are many Capital from Current items that could also be funded from this Reserve.

STRATEGIC PLAN

The Pumptrack at Esposito Park, Leash-free Dog Park, McDonald Park Playground Equipment, and Strathclair Park Lighting for Slo-Pitch projects are listed under Strategic Direction 3: Enhancing Quality of Life Objective 3A – Recreational/Cultural Infrastructure.

RECOMMENDATION

That the report of the Commissioner of Community Services regarding the Status of Projects Funded From The 5% Subdivider Reserve Fund be received as information.

Respectfully submitted,

NJ Apostle

Nicholas J. Apostle
Commissioner Community Services

jb/

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

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P.O. Box 580, Civic Centre
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2014 04 14

Mayor Debbie Amaroso and
Members of City Council

RE: 2014 BUDGET

Dear Council:

We are pleased to submit to you the 2014 Budget which has been prepared by Bill Freiburger, Commissioner of Finance and Treasurer and Shelley Schell, Manager of Finance and Budgets. As in previous years, all City budgets were to be prepared based on a global allocation approach that has been in use now for many years. Instructions were given to each department that there would be no increases over the 2013 allocations, save and except for wage increases negotiated/awarded or anticipated, as well as benefit cost increases. Staff continues to be very mindful of the fairly significant factors currently at play in our community, not the least of which is the continued struggling rebound in the world economy.

No one is ever happy about tax increases. However, most ratepayers understand that in order to maintain existing levels of service and quality of life, increases in taxes are inevitable to meet increasing costs. Again, in this year’s message, I have spent a bit of time reconfirming the manner in which municipal taxes are calculated in all Ontario municipalities.

How Municipal Taxes are Calculated

Local governments are in place to provide a host of important services to members of the community who would otherwise be unable to enjoy these services, were it not for a collective effort. Individually, we could not afford to provide police, fire or ambulance services to ourselves. We could not build, maintain or snow plough roadway systems which connect us to each other. We could not build and maintain safe sewage and water systems or handle refuse on an individual basis. Individually, we could not provide ourselves with recreational and cultural opportunities for our enjoyment.

Municipal Councils, therefore, are in place so that collectively we can have these services that individually we could not physically or financially otherwise have. These elected Councils determine what services and what level of services the community needs, wants and can afford. Many of these services are mandated by law. Many, though not mandated, are considered essential. Others are discretionary and deemed to be important in achieving a desirable quality of life for our residents. The money we pay in municipal realty taxes helps to pay for some of these services. Some of our services are paid in whole or in part by the people who use them, through user fees.

In Ontario, municipal tax is not based on the income of individuals or corporations, but is based on the value of the real property owned by these individuals or corporations. All of the land in our cities is divided into different classes, such as single family residential, multi-residential/condos, commercial such as stores and malls, industrial/factories, etc. While some of these properties are exempt from paying taxes (i.e. schools and hospitals), most are, in fact, considered taxable properties.

These properties form the tax base of our City. A dollar value is placed on each and every property that appears on our tax rolls. That dollar value attempts to reflect current market value for the land and building(s) which comprise that property. Determining the current market value of all properties throughout Ontario is the responsibility of the Municipal Property Assessment Corporation (MPAC) and not each individual community. The result of MPAC's work results in "assessments" for each property and represents current market value.

As one might expect, the higher a property is assessed by MPAC, in comparison to other properties in the same class, the more that property owner will pay in municipal taxes. For example, a person owning a single family residence, assessed at $200,000 in Sault Ste. Marie should expect to pay exactly two times what a person would pay for a single family home assessed at $100,000 in Sault Ste. Marie. Notwithstanding, that these two houses may be on the same size of property, on the same street and getting exactly the same services from our municipality, one will pay twice as much as the other, based on the assessments. This is how the government of Ontario has determined that municipal property tax should work throughout the whole of the Province.

While the same tax <u>rate</u> is applied to the assessments of every property within the same class (i.e. single family), different tax rates are applied to different classes of properties. As a result, Sault Ste. Marie, like most other Ontario communities, receives a higher level of taxes from every dollar of industrial assessments (about 4 to 1) and commercial assessments (about 2 to 1) than it does with every dollar of residential assessment. This is very important to note when changes in assessment brought on by reassessment, result in significantly different changes in each class. This, in fact, is what is currently occurring in our community and will be discussed further in this report and others that will be brought forward to Council.

Once a Municipal Council has determined those services that it wishes to provide to its ratepayers in the current year and calculates its expenditures to do so, it will firstly reduce this amount by other sources of revenue such as grants from the senior levels of government. In Sault Ste. Marie, the OMPF grant has played a prominent role in determining the outcome of our municipal tax rates.

The expenditures to operate the municipality are also reduced by revenues that we expect to collect from user fees (i.e. tipping fees, cemetery fees, parking, etc.). Council, earlier this year, approved increases to such user fees. Other smaller sources of revenue such as licensing fees, permit fees and charges to other municipalities for providing services, are also used and applied towards the expenditures.

After all of the above sources of revenue are applied to the total expenditure amount, the difference is then deemed to be the "levy" which is the amount that must be collected by way of property taxes to balance our total revenues against our total expenditures. As referred to earlier, how a levy is divided amongst the various properties and taxpayers in any given community in Ontario is stipulated by Provincial legislation. MPAC, in consultation with the Provincial government, decides when and how assessments for property are calculated. If all classes were to be taxed at the same rate, the calculations would be simple. If all properties in our community, regardless of class, had assessment changes which were the same throughout, the calculation would be very simple.

Unfortunately, the rates charged to various classes of properties, differ greatly. The changes in assessment brought on by the 2012 reassessment and the four-year phased in implementation are also significantly different among the various classes. In Sault Ste. Marie, at the same time as we see the average residential property increase in assessed value by about 6.6% per year in 2014, we see commercial assessments increasing by significantly less at about 3.2%.

Revenue from assessment growth for 2013 was 1.7%. This level of growth has not been seen in our community in recent years. Most of the assessment growth (72%) was in the commercial sector. We would, however, caution that building permits do not indicate that this level of growth will continue into 2014.

At the risk of being repetitive, it is important again to note that our total tax revenue is calculated on the basis of different rates where each dollar of industrial and commercial assessment brings in significantly more revenue than each dollar of residential assessment.

In previous years, staff has always presented the budget with calculations and recommendations that have focused on what the "average" residential property in Sault Ste. Marie (property value restated at $137,000 in 2012, $146,260 in 2013 and $156,000 in 2014) could expect as a result of both the combined effect of the new budget and expected increases in assessment brought on by reassessment. Most other communities in Ontario have focused on only that portion over which they have control, i.e. the tax rates or the tax levy. They take the position that because assessment changes are in fact beyond their control and because they do not affect property taxpayers within the same class equally, they are not even referred to. This appears to have worked well in those communities so that when Council passes its budget, it communicates the changes (increase or decrease) in reference to the tax rate that each class can expect and which will consistently be applied to all properties in that particular class. For example, they do not attempt to explain how the municipal budget will affect a residential property owner who has a 2% increase in assessment and compare it to how that same budget will affect another residential property owner who has an 8% increase in assessment. They simply clearly state that the budget increase/decrease that they announce is with respect to the municipal tax rate only and does not take into account any assessment related increases/decreases.

For Sault Ste. Marie, the total urban residential tax rates have been consistently reduced for the last five years (- 4.67% in 2009, - 3.77% in 2010, - 2.83% in 2011, - 3.79% in 2012 and - 4.16% in 2013). You will note later in this report that the staff recommendation is a further tax rate decrease of 4.97% for 2014.

While we should continue to include in our information to Council, how a budget will impact the "average" residential taxpayer in our community, it is again recommended that our focus should shift to changes in our expenditures, our tax levy, and our tax rates.

The Provincial government expects communities to view new assessment brought on by new development or other growth as a source of new revenue for the municipality. In Southern Ontario, where assessments have increased by as much as 10% in many communities annually for the last twenty years, the tax increases announced were modest because new assessments and significantly increasing market values were more than enough to make up the new revenues which were required to support increasing costs. No reference was ever made to assessment related increases. For these communities and for many Northern Ontario communities, the reported increases are related to rates only.

The Province expects that municipalities will take advantage of increased assessments in their communities. The previous formula for the calculation of the OMPF grant funding included a consideration for assessment increases or decreases in Ontario municipalities. Our community enjoyed the Provincial OMPF assistance because of stagnated assessments up until several years ago. However, more recently, our assessments have had appreciable increases due to market changes and our OMPF grant began to decline. Our 2014 OMPF grant has again decreased by a further $984,300 from the 2013 level.

Hopefully this explanation will assist in better understanding the budget which is presented and which has some very different variables applied.

2014 Assessment

Residential real estate values in Sault Ste. Marie have significantly increased over the last several years. **Residential assessments** have increased by an average of 28% as a result of the 2012 reassessment. These increases are being phased in over a four-year period, starting in 2013 and continuing in 2014 and 2015 and 2016. The average residential property increase for 2014 is about 6.6%

Industrial assessments, however, did not increase as a result of the 2012 reassessment. In fact, assessed values in the large industrial class decreased by almost 23%. Staff did not expect the large decrease in the large industrial sector, especially in light of the many previous years of reductions due to appeals. **Commercial assessments** increased 13% as a result of reassessment.

Therefore, again in 2014, even though our total phased-in assessment increased by about 6%, shifting in the burden among assessment classes did not produce any significant new net revenue for the City. Staff and previous Councils are on record in making a commitment to the residential taxpayers of this community to attempt to mitigate as much as possible against assessment related increases. This includes a mandate and commitment to lowering the tax rate, at least in part, to offset these assessment increases. This is mandated also by legislation. This rate reduction occurred in the last five budgets as earlier set out and is repeated in this budget, as the **urban residential tax rate is actually reduced again, for the sixth consecutive year by a further 4.97% for 2014.**

Council is again reminded that every dollar of commercial and industrial assessment provides a much higher level of revenue to the municipality than does every dollar of residential assessment. With the large increases in residential assessments and the stagnated industrial and commercial assessments, there will be **a significant shift in the tax burden from industrial and commercial taxpayers onto residential taxpayers**, with this trend continuing throughout the balance of the reassessment period. Staff continues to recommend the use of the “revenue neutral tax ratios”, which were first implemented in the 2009 budget and continued in 2010, 2011, 2012 and 2013 to mitigate against this shift to residential taxpayers.

<u>2014 Expenditures and Revenues</u>

There are several major factors which affect this year’s budget. **Expenditures, excluding budget allocations of surplus to Capital & Reserves will increase by $2,469,760 or 1.4% for 2014. (2.2% in 2013, 3.6% in 2012, 1.0% in 2011 and 0.1% in 2010)**
NOTE: The uploading of ODSP in 2010 and 2011 significantly impacted the total expenditures in the budget for those years.

Revenues (excluding the tax levy and prior years’ surplus) have decreased by $130,411 or 0.2% (compared to an increase of 0.7% in 2013, 2.7% in 2012 and decreases in 2011 of 2.8% and 2010 of 3.9%). The revenue decreases were primarily as a result of the annual reductions in the OMPF grant from the Province. As stated earlier herein, the 2014 reduction to our OMPF grant is 984,300 compared to 2013.

Included in the increase in expenditures for 2014 is about $2,300,000 to maintain existing services. Amongst other things, included in this provision, are the wage increases of about 2.0%, including annual wage and benefit increases for most employees. These represent settlements negotiated in previous years.

Finance staff has once again done a great job of presenting to Council a summary of those items which are impacting the levy, both as it pertains to expenditures and revenue. The largest item impacting the budget obviously is with respect to wage and benefit increases which had been negotiated and which in fact are lower than the increases of past years. Negotiations are currently underway for Police and Fire Services for 2014 and beyond. For the past several years, budget expenditure increases related to Police and Fire costs have been over and above the amount which is included in the budget for general increases. These amounts represent wage increases, 3/6/9 experience pay and rank movements.

For the first time in many years, there is a net decrease in the DSSAB levy of a total of $343,767 compared to the 2013 levy. Because there was a reduction in caseloads over the past year, there in fact was a surplus realized by the DSSAB of just under $2 million. The DSSAB had expected an increase in caseloads that did not materialize. In fact, there was a decrease experienced in 2013. Staff has had discussions with the DSSAB and all are in agreement that one-half of the 2013 surplus should be carried over and applied to the 2014 DSSAB budget with the other one-half of about $1 million being put in Reserve by the DSSAB to stabilize the cost of unexpected increases of caseloads in the future. The effect of this arrangement is that the net levy to the City for 2014 is in fact reduced by $ 343,767 compared to 2013.

While there are other several smaller amounts affecting the levy as detailed in the budget presentation, the only other large item to be mentioned is the amount which Council will direct from the 2013 surplus ($500,000 in both 2010 and 2011, $1 million in 2012 and $1.5 million in 2013).

It will be again necessary to either raise the levy by this amount or find some other source of funding such as the 2013 surplus to replace this amount in the current budget. We, however, continue to caution Council in this regard and recommend in this and future years that Council begin to wean itself off from reliance on the surplus.

Global Allocation Approach

The global allocation approach to budgeting has served us well in Sault Ste. Marie. In essence, this approach has driven our organization to the application of **best practices and efficiency efforts in providing high levels of service** within a fairly static level of budgetary resources. Aside from new services downloaded to the City, staffing has decreased in most departments, while still providing the same level of service.

As in past years, City departments have again done an excellent job in adhering to this approach to the budget and they are thanked for their hard work, cooperation and diligence that has gone into the preparation of this difficult budget. For the most part, non-wage components of the budget continue to be held to the same level as in previous years. Given that this approach has been used for many years now, we will need to look at specific problems which some departmental budgets may be experiencing, from time to time.

In past years and because of the difficulty with budgets, staff did not recommend, nor did Council approve many of the items which found themselves on the “supplementary” list, especially when approval would mean ongoing budget implications. In the 2014 budget, we are only recommending very minor supplementary items which would increase the levy marginally as they reflect expenses which are already being incurred or which are required to satisfy legislative requirements. In addition, there are several items which have been added as a result of pre-approval by City Council.

Capital Spending

The City continues to take significant pride in recently completed projects. The annual Federal gas tax funds plus the current City allocation has allowed us to reconstruct many of our main streets. We will proceed with the 2014 construction program as approved by Council on June 10, 2013, of more than $11 million, which includes the following:

- Queen St. East – Phase 3 – Pine Street to Gravelle Street
- Forest Avenue – Putney Street to Upton Road
- St. Andrew's Terrace – John Street to North Street
- London Street – North Street to Tancred Street
- March Street – Queen Street East to Wellington Street East
- Bridge and Aqueduct Improvements
- Road resurfacing

Over the last several years, we have significantly **increased the amount of roadwork** that we are able to do in each season. It is apparent, based on the number of projects that are undertaken each year that Council is serious about addressing our road deficiencies over a reasonable period of time.

"Capital from Current"

Council will recognize that many demands have been made on the "Capital from Current" portion of the budget. This amount had remained at $500,000 for many years. In accordance with a recommendation by staff, in 2007 Council agreed that this amount would be increased by $100,000 per year until it grew to $1million per year to satisfy these demands. The list of capital purchases/projects continues to grow and is significant. It is recommended that we continue to increase the Capital from Current by a further $100,000 bringing it to a total of $1.1million for 2014. We would also recommend that Council continue to increase this amount annually by $100,000 to help to address our growing infrastructure deficit. This, along with other measures, would assist in achieving a realistic Asset Management Plan as this account has allowed us to address many of the outstanding needs of the various departments and agencies of the City. Most of these items have been to address either health and safety issues or other unavoidable expenditures.

As Council can see, on the list of "Capital from Current" items, alternative sources of funding, such as existing reserves are recommended to Council. As part of our mandated Asset Management Plan, Finance staff will continue to review the outstanding list and bring forward to Council recommendations with respect to those items which need to be addressed.

Use of Reserves

Council will note that for several past years (except for $100,000 in 2010) no reserve funds were used to assist in lowering the levy. This year, again, **no reserve funds are recommended to reduce the levy**. This is in keeping with a financial plan originally presented in the year 2000. Prior to that, it had been necessary to use as much as $2.4 million from reserves to settle the budget and allow for an acceptable tax rate increase. This action continues to draw **positive comments from the City's bond raters** in our annual rating reports. It also gives Council the ability to address future capital needs.

2013 Surplus

Turning to the surplus from the 2013 budget, the **adjusted year-end surplus stands at $3,620,054** (compared to $ 3,158,355 from 2012, $2,174,205 from 2011, $925,347 from 2010 and $500,000 from 2009**).** For many years now, the Treasurer has been recommending that we move away from our reliance on the previous year's surplus as revenue in the current year's budget. This had been accomplished in 2008. In 2009, contrary to Finance staff's advice, Council opted to use $500,000 of the surplus from the previous year to reduce the tax levy. This was repeated by Council in 2010 and 2011 budgets. In the 2012 budget, Council increased the amount of surplus from the previous year's budget to $1million to help reduce the levy. In the 2013 budget, Council increased the amount of the previous year's surplus that was used as revenue to $1.5 million.

As a principle for future budgets, staff continues to recommend that any surplus from previous years, be allocated for one-time only expenditures or dedicated to a reserve account for future projects or to a contingency reserve. These funds could be made available to assist in paying for unforeseen expenditures such as large industrial assessment appeal refunds, wage/benefit or WSIB matters, or as a buffer to potential increased costs associated with the many City projects planned over the next few years.

For 2014, staff acknowledges Council's wish to return some of the unspent money from last year's budget to the taxpayers by way of using a portion to reduce the current levy. Staff, however, does recommend that Council use a slightly smaller amount of the 2013 surplus as revenue in the current budget and recommend that Council reduce its reliance on the surplus and use $1.4 million of the surplus to reduce the current levy. It is recommended that the balance be allocated as follows:

- Complete the resurfacing of the two northbound lanes of Great Northern Road from Second Line to Terrance Avenue at a cost of about $925,000. This is a project for which Connecting Link funding has been sought for several years without success. Council will be well aware of the deterioration of that section of roadway and the need to resurface this year.

- Complete enhanced City-wide ditching program at a cost of about $300,000 as recommended by the Commissioner of Public Works and Transportation, following the flooding of the fall of 2013.

- Pay off the City's portion of the funding required to complete the new Visitors Centre at the Ematinger/Clergue National Historic Site in the amount of about $750,000. Council will recall that it had not budgeted for this amount in 2013 and that the project and substantial funding from the senior levels of government was in jeopardy if the project did not proceed in a timely fashion. Council agreed that it would debenture these funds if necessary to allow the project to proceed. Using a portion of the surplus for this purpose avoids further debt by the City.

- Construct canopies over various exits at the Northern Community Centre to protect building patrons from any snow or ice that may fall from the roof structure. This problem was reported earlier to Council with various exits being temporarily closed off because of snow and ice conditions, thereby limiting the occupancy load of the building. The building's architects have been asked to design these canopies and while the final price has not been fully determined, it is recommended to Council that $200,000 be set aside from the 2013 surplus to address this issue.

Addressing these four items as recommended, as well as applying the sum of $1.4 million to reducing the 2014 levy will in fact use up the full amount of the 2013 surplus. What these recommendations do is to not only return some of the unspent funds that were raised in 2013, but also allows us to properly prepare for or otherwise avoid future expenses.

Physician Recruitment and Retention

Council has had several presentations and discussions regarding the Physician Recruitment & Retention Program which the City has co-sponsored for well in excess a decade, using both surplus casino revenues and interest from the funds which the City levied and allocated from casino revenues for a municipal contribution to our new hospital. Access to the interest from the hospital funding will be exhausted by the end of 2014. The commitment for the hospital funding will be satisfied in 2014.

The Physician and Recruitment Committee has already appeared before Council and advised that it no longer felt the need to offer financial incentives to prospective physicians, given the immense success of the program over the last 10 years. The amount requested from the City for 2014 was therefore reduced to $100,000, an amount which is considerably less than has been paid over annually by the City in the past.

As well, the 2014 general levy has been reduced by $407,000. Included in the 2014 levy is that portion of the funding which is required to paid over to Sault Area Hospital to complete our Capital obligation for the construction of the new hospital. Council will need to make decisions later in 2014 and in 2015 regarding any further reductions to the levy as well as with respect to the re-allocation of excess casino proceeds, Implementation of a financing plan to satisfy the requirements and needs of our Asset Management Plan , will also need to be considered and settled later this year.

Levels of Service

The City of Sault Ste. Marie provides directly or indirectly a wide range of services and at a very high level to its citizens. During each budget, elected members of Council are challenged to review these services to review firstly, if each of the many services we provide is necessary to be continued and secondly, whether the level at which these services are provided, could or should be scaled back. Every service that is provided has a cost and as new services or facilities are brought on stream or existing ones enhanced, there is an impact to our budget.

There really is no magic as to our budget works. We certainly can trim our budget, if that is the wish of Council. However, that will involve the cutting of services either in their entirety or by a reduction to the levels we currently provide. These are decisions that Council would have to make and they would not be easy decisions as every service we currently do provide is relied on or expected by any given number of our taxpayers.

As in previous years, the budget material contains a listing of the various cost centres (services) that make up our total annual budget. These are broken down into several categories. These categories and amounts are provided in the budget to help Council in assessing whether there are any services or areas where cuts/reductions can be made to realize savings which will reduce our overall expenditures.

Current services and levels of service are in place because of public expectation. While taxpayers do not want to pay higher taxes, generally speaking, they also do not want service reductions. This continues to be confirmed in public surveys and input sessions which have been conducted recently.

Council is reminded that if it wishes to add or subtract further items in this budget, every $100,000 of spending represents a change in the tax rate (*residential urban rate only)* of about .10% ($1 million representing 1.05% increase/decrease). Should Council wish to further reduce the levy, some minor adjustments can be made by staff to some of the projected increases in expenditures and other revenue adjustments. To make any significant reductions, however, Council will be required to direct staff regarding service reductions.

SUMMARY AND RECOMMENDATIONS

The Senior Management Team believes that the 2014 Budget as presented continues to provide a **very high level of service** to the citizens of our community in an effective and efficient manner. This budget and the resulting municipal taxes continue to compare very favourably with other cities in Northern Ontario. The taxes paid by the average homeowner are quite low by comparison. This favourable position is as a result, at least in part, of the approach to budgeting that the City of Sault Ste. Marie has been involved in for many years, and to the dedication of all of the City’s staff in providing the best possible services at the lowest possible cost.

The budget continues to fund the remaining balance of the City's contribution to our new hospital. It continues to fund a significantly higher level of road improvements on a "pay as you go basis". It continues to provide snow removal at a very high level. It does not rely to any great extent on reserves and previous years' surpluses as revenue. It continues to set aside significant annual amounts for future major sewage infrastructure improvements. The Engineering Department is currently studying the need for improvements in our system, including the West End Sewage Treatment Plant. It covers the debt re-payment for the new Essar Centre and Northern Community Centre, as well as other major works. It avoids the debt that had originally been planned for the City's share of the new Visitor's Centre at the Ermatinger/Clergue National Historic Site. It allows for the continued renewal and enhancement of our public Transit system.

We will continue to take full advantage of Provincial/Federal government programs which have provided further opportunities for infrastructure improvement under such programs as the Federal Gas Tax Program, the Provincial Gas Tax Program, and improved roadwork grants.

Ratepayers will want to know how the budget affects them on their individual properties. This is difficult to answer without having specifics about their assessment, changes to their assessment and the classification of their property. However, as in the past, we have presented the budget on the basis of how it will affect the "average" residential property. The "average residential property" has increased because of assessment changes from $124,000 in 2011, $132,000 in 2012, $146,260 in 2013 and $156,000 in 2014.

The "average" residential property in Sault Ste. Marie will experience an assessment increase of about 6.6% in 2014 (28.04% over a four year period). **With the recommendation that $1.4 million of the 2013 surplus be applied to reduce the levy,** the budget as recommended reduces the tax rate (for the sixth year in a row), with the combined effect of the proposed reduced tax rate and assessment increases for the "average residential property" who has the 6.6% assessment increase, will mean the following in 2014:

- ***reduction*** *of 4.97% in tax <u>rate</u>*
- ***increase*** *of 1.35% in taxes paid*
- ***increase*** *of $ 35.47 in taxes paid*

<u>Comparison to other Northern Ontario Cities</u>

In previous years, we presented to City Council, information on what other cities in Northern Ontario have done by way of their budgets. Though all other municipalities have certainly started their budgets, not all have completed them at this point in time with tax bylaws. We repeat below, our best information regarding tax changes for Northern Ontario cities from 2010, 2011, 2012 and 2013 information. As discussed earlier in this report, not all municipalities report the changes in their budget in the same manner. Some report a percentage which represents a change, (usually an increase to the levy). Some report the change (this year both increases and decreases) to the tax rate. Few do as we do in our community and report the increase to the “average homeowner”. Many simply do not make reference to assessment increases. It, therefore, makes it very difficult to compare what other municipalities have done or will be doing in 2014 with their municipal taxes. Council has previously been provided with statistics from the BMA Reports which makes annual comparisons amongst Ontario municipalities for municipal taxes. The City of Sault Ste. Marie continues to be amongst the lowest in Ontario for cities our size or larger and certainly the lowest amongst the Northern Ontario cities. This can be seen in the information which is provided here.

City	BMA - 2010 Average Detached Bungalow Municipal Taxes (Estimated)	BMA - 2011 Average Detached Bungalow Municipal Taxes (Estimated)	BMA - 2012 Average Detached Bungalow Municipal Taxes (Estimated)	BMA - 2013 Average Detached Bungalow Municipal Taxes (Estimated)
Sudbury	$2,523	$2,656	$2,714	$2,790
Thunder Bay	$3,042	$3,096	$3,162	$3,311
North Bay	$3,105	$3,207	$3,390	$3,467
Timmins	$2,840	$2,956	$3,165	$3,359
Sault Ste. Marie	$2,402	$2,528	$2,609	$2,728

Because “average” house values differed greatly from community to community, it would be incorrect, given the vast difference in these values to use a common assessment for comparison purposes. Using the “average” home value is a more realistic way to compare municipal taxes from one community to another.

Conclusion

As can be seen from the information above, we remain **very favourable in comparison to other communities in Northern Ontario.** We continue to be very confident that the property taxes paid in Sault Ste. Marie by the average homeowner for municipal services remain **amongst the lowest in the Province for cities our size.** We are equally confident that the **level of services provided here is among the highest.**

Council and the residents of this community can continue to be proud of the infrastructure improvements that have been made over the last several years, including in areas of road improvement, policing, fire protection, drinking water safety, sewage treatment and recreational facilities. Notwithstanding the fact that the City has faced significant past challenges, it has nonetheless continued to move forward to maintain and improve our major infrastructure, as well as to provide a very good level of service to our ratepayers. **Our debt is manageable and re-payment has already been built into the existing levy.**

In the future, as we renew our infrastructure as guided by our Asset Management Plan, there will be a need to develop a financing plan for the future. We continue to enjoy the confidence of our lenders and an improved credit rating from our bond raters. Our current capital plans for future spending will be discussed with our Bond Raters later this year and we expect to continue to enjoy their full confidence.

Our 2014 budget as presented to you continues in that direction, in what staff believes to be a very responsible manner. This budget is therefore, wholeheartedly recommended to City Council for its consideration and approval.

Respectfully submitted

JMF:bb

Joe Fratesi
Chief Administrative Officer

COUNCIL REPORT

April 14, 2014

TO: Mayor Debbie Amaroso and Members of City Council

AUTHOR: William Freiburger, Commissioner of Finance and Treasurer

DEPARTMENT: Finance Department

RE: 2014 Budget

PURPOSE

This report will highlight a number of important budget issues for 2014.

BACKGROUND

Sault Ste. Marie District Social Services Administration Board

The Sault Ste. Marie District Social Services Administration Board (DSSAB) was created in 1999 to administer Social Services, Child Care and Social Housing. The cost of Land Ambulance was added in 2001. The geographic area for the DSSAB consists of the City of Sault Ste. Marie, the Township of Prince and the area included in the Sault North Planning Board.

The City of Sault Ste. Marie will pay 88.98% of the total DSSAB levy in 2014 as compared to 89.14% in 2013 based on the annual returned property assessment roll. The City provides administrative services to the DSSAB on a contractual basis.

Municipalities had been responsible for 20% of the benefit costs under the Ontario Disability Support Program (ODSP). In 2010, one-half of the municipal share of ODSP or 10% was uploaded to the Province and in 2011 the remaining 10% was uploaded. Also, between 2010 and 2018 the municipal share of the Ontario Works Benefits program will be gradually reduced from 20% to 0%. For 2014, the municipal share of Ontario Works will be reduced from 14.2% to 11.4%.

Comparison of the 2014 and 2013 City DSSAB Levy

	2013	2014	Increase (Decrease)
Ontario Works	6,023,174	5,315,597	(707,577)
Housing Programs	8,508,583	8,703,469	194,886
Community Childcare	1,258,158	1,385,752	127,594
Land Ambulance	2,012,644	1,999,175	(13,469)
DSSAB Executive	214,137	218,157	4,020
Subtotal	18,016,696	17,622,150	(394,546)
Surplus	(952,998)	(902,220)	50,778
Total City DSSAB Levy	17,063,698	16,719,930	(343,768)

	2013	2014	Increase (Decrease)
DSSAB Levy Based on Property Assessment			
City Share of the DSSAB Levy	89.15%	88.98%	(.17%)
Prince Township	1.77	1.80	.03%
Townships without Municipal Organization	9.08	9.22	.14%
Total	100.00%	100.00%	100.00%

The 2014 City DSSAB levy benefitted from the Provincial upload of Ontario Works costs and lower caseloads and was offset by higher costs for housing programs and community childcare.

Ontario Municipal Partnership Fund (OMPF)

On March 31, 2005 the Province announced a new support program for municipalities entitled the Ontario Municipal Partnership Fund (OMPF). This program replaced the Community Reinvestment Fund (CRF).

The OMPF grant was a support program based on property assessment values and social service costs. The OMPF grant formula was an improvement over the CRF program for Sault Ste. Marie since it compensated municipalities with lower and static assessment values.

The City received a grant increase of $4,081,651 to $25,529,651 in 2005 under the new OMPF formula as compared to the 2004 grant of $21,448,000 under the CRF.

Historical Comparison of Ontario Municipal Partnership Funding

Year	Grant	Increase/ (Decrease)
2004	21,448,000	
2005	25,529,651	4,081,651
2006	25,941,091	411,440
2007	26,403,830	462,739
2008	28,835,600	2,431,770
2009	27,883,300	(952,300)
2010	23,813,600	(4,069,700)
2011	19,603,400	(4,210,200)
2012	18,431,700	(1,171,700)
2013	18,229,000	(202,700)
2014	17,244,700	(984,700)

The City had benefited from low property assessments as the OMPF grant provided relief for municipalities with lower than average assessment bases. This trend changed in 2009 with the 2008 reassessment that became the base for the 2009 tax year. The above reductions from 2009 to 2012 reflect the uploading of Provincial social service costs and reduced equalization grants.

A detailed OMPF 2014 grant calculation is listed below for information.

OMPF Programs	2014
Assessment Equalization Grant	$ 6,022,200
Northern and Rural Fiscal Circumstances Grant	1,950,900
Northern Communities Grant	7,397,600
Transitional Assistance Grant	1,874,000
Total	$17,244,700

In 2013, the OMPF formula was changed and the Ministry of Finance introduced a new funding concept known as the Municipal Fiscal Circumstances Index (MFCI) that was developed to measure the relative fiscal circumstances of municipalities. The MFCI measures such factors as weighted assessment per household, median household income and employment rates.

For 2014, Northern Ontario municipalities received 90% of their 2013 OMPF allocation, plus the MFCI calculation for their community. For our 2014 grant, Sault Ste. Marie will receive 94.6% of the 2013 allocation resulting in a grant of $17,244,700 comprised of a base funding of 90% plus an additional 4.6% resulting from the MFCI calculation.

The Province provided the City with an additional OMPF payment in 2013 of $422,600 based on a reconciliation of the 2010 grant formula. The Province also stated that no other previous or future OMPF grants will be reconciled.

Attached in Appendix A is a report to City Council dated November 18, 2013 detailing the 2014 Provincial Allocation OMPF Grant.

The 2014 OMPF grant program allocated $550 million to municipalities and for the next two years the program will be reduced $25 million per year resulting in allocations of $525 million in 2015 and $500 million in 2016.

The Province announced the results of the Provincial – Municipal Fiscal Service Delivery Review in 2008. The following social service uploads will occur over the next 10 years.

2009 – Upload administration costs for the Ontario Disability Support Program. This upload has been estimated at $1,191,200 by the Province and will be offset against other changes in the OMPF grant.

2010 – Upload 10% of the total cost for the Ontario Disability Support Program. Previously, municipalities paid 20% of ODSP program costs. In 2010, the City share was reduced to 10%.

2010 – Began a 9 year phase in process to upload Ontario Works benefit costs. Prior to 2010, municipalities funded 20% of the cost of Ontario Works benefits. The phase-in schedule of municipal costs being uploaded by year is listed below:

2011 – 6%
2012 – 14%
2013 – 29%
2014 – 43%
2015 – 57%
2016 – 71%
2017 – 86%
2018 – 100%

2011 – Ontario Disability Support Program – upload remaining 10% of the total cost.

2012 – Court Security – begin 7 year phase in process to upload costs.

2014 Budget Process

The City has utilized a global budget allocation system. Departments were asked to submit a 2014 budget based on the approved 2013 allocation. Additional requests are included in a list of supplementary items.

The City website was open for public input for the 2014 Budget along with two public meetings.

Surplus included in the Budget as Revenue

We have cautioned Council on using surplus as revenue in the budget. If a surplus is not generated then cost reductions or revenue increases are required to offset the loss of this revenue the following year.

Year	Surplus included as Revenue in the Budget
1998	1,215,000
1999	1,000,000
2000	750,000
2001	500,000
2002	250,000
2003	250,000
2004	200,000
2005	0
2006	432,013
2007	530,000
2008	0
2009	500,000
2010	500,000
2011	500,000
2012	1,000,000
2013	1,500,000

Our goal has been to phase out the use of surplus as a revenue source in the budget. If a surplus does occur it should be utilized for one-time expenditures such as capital projects or a contribution to reserves.

Long Term Debt

2013 Net Long Term Liabilities	$ 12,466,343
2012 Net Long Term Liabilities	14,569,474
Net Decrease in Long Term Liabilities	$ 2,103,131

Total Year End Debt

2013	12,466,343
2012	14,569,474
2011	16,718,442
2010	17,936,258
2009	20,440,876
2008	23,376,288
2007	26,586,752
2006	18,329,293
2005	23,031,325
2004	26,446,776
2003	28,492,740
2002	21,075,992
2001	23,327,226
2000	25,901,858
1999	16,175,994
1998	16,955,181
1997	19,711,034
1996	22,159,369

A Long Term Debt Projection Schedule is attached as Appendix B.

Debt Strategy

We are maintaining our strategy of a Pay As You Go program to finance capital road reconstruction. The 2014 capital roadway construction program will be financed by the capital levy.

Credit Rating

On September 7, 2011 the City's credit rating was revised from an "A" (stable) rating to an "A" (positive) rating.

On November 5, 2012, the City's credit rating was upgraded to "A+" (stable) from "A" (positive).

On November 1, 2013 The City's credit rating was reviewed by Standard and Poor's and was maintained at the rating of "A+" (stable).

The City's credit rating from Standard & Poor's is attached is attached as Appendix C.

Total Debt Requirements in 2013

On February 22, 2010 Council approved the construction of the Northern Community Centre (formerly West End Community Centre).

We expect to issue a debenture in 2014 for approximately $3.6 million to complete the financing of the Northern Community Centre.

The Sault Ste. Marie Public Utilities Commission utilizes $3 million of a $6.2 million line of credit for water infrastructure projects and no debt is forecasted.

No debt provisions have been made at this time for the $1.8 million owing for the purchase of the Gateway Site property. Our financial plan has been to sell the property to a developer and recover our land purchase costs.

Staff are currently preparing an Asset Management Plan that includes a facility condition assessment of our major buildings. Based on the Asset Management Plan, staff will prepare a long term financing plan.

The Engineering Department is undertaking a study to determine costs relating to major upgrades to the West End Sewage Treatment Plant. The project will be funded by sewer surcharge revenues.

Reserves

Reserves provide liquidity for operations along with a form of security for long term debt.

Reserve Funds – 2013 Total	$ 6,481,496
Reserve Funds – 2012 Total	7,539,026
Decrease in 2013	$ (1,057,530)

Reserves – 2013 Total without commitments	$ 25,424,455
Reserves – 2012 Total without commitments	23,854,297
Increase in 2013	$ 1,570,158

The reserve fund total decreased due to the declining hospital reserve that is allocated to doctor recruitment and the allocation of federal gas tax to construction projects.

The major increase in the reserves was due to an increase of $751,274 for the waste disposal site and increased allocations for equipment.

A summary of reserve and reserve funds is included in Appendix D.

The attached Appendix E is a statement listing the balances of our Development Charges Reserve. The City does not currently charge Development Charges but has balances from previous years.

Capital Budget

Major projects will be presented individually to Council for approval. The City is currently undertaking an Asset Management Plan that will be the basis of a new 10 year capital budget.

The City of Sault Ste. Marie's capital budget is composed of the following components.

1. **Capital from Current**

   A budget allocation of $1,100,000 was included in 2014 which is an increase of $100,000 as compared to 2013. Staff recommends an increase each year to fund equipment and facility maintenance.

2. **Sanitary Sewer Surcharge**

   Attached in Appendix F is the budget for the 2014 sanitary sewer surcharge.

   The Engineering Department is currently studying two major capital projects which include major upgrades to the West End Sewage Treatment Plant and a Biosolids Management Plan to dispose of sewage sludge. We are allocating funds in the sewer surcharge budget to finance these future projects and they will be included in our Asset Management Plan.

3. **2014 Road Construction Program**

   Council approved the 2014 Capital Road Construction Plan on June 10, 2013 (Appendix G) and it will be financed by the following allocations in the 2014 budget. Also included in Appendix G is a summary of the 2013 Construction Program.

   City Financing –

2014 Federal Gas Tax- Estimated		$ 4,300,000
2014 Capital Levy – Overall	4,500,000	
2014 Capital Levy – Urban only	1,723,185	6,223,185
Total		10,523,185
2014 Sewer – Financed by Sewer Surcharge		1,250,000
Total		$ 11,773,185

There are additional funds available for future capital projects as a result of savings from previous capital programs. Recommendations for these funds will be provided to Council by the Engineering Department at a future date.

4. Miscellaneous Construction

A total of $1.3 million is allocated annually for Miscellaneous Construction projects.

The following allocation is recommended for 2014.

Asphalt Resurfacing	$ 685,000
Surface Treatment	300,000
Rear Yard Drainage	50,000
Bridge Inspection (Biannual)	50,000
Bridge Inspection	100,000
EA - Bay Street – Andrew to Pim	25,000
McNabb/McDonald Storm Water Management – Environmental Assessment	40,000
Unforeseen/Emergency Projects	50,000
Total 2014 Miscellaneous Construction	$ 1,300,000

Federal Gas Tax

On March 8, 2010 Council approved an agreement with the Association of Municipalities of Ontario for receipt of gas tax revenues.

The City had previously received $4,598,059.80 per year from the Federal Gas Tax program. The Federal Government is expected to announce a new allocation for the 2014 Gas Tax grant based on the last population census.

The staff recommendation will be to continue to use gas tax funding towards road construction and aqueducts unless otherwise directed by Council.

Budget Adjustment for PWT

Staff recommends revising the submitted budget for Public Works and Transportation by transferring $294,915 from administrative overhead to winter control operating supplies. There is no impact on the tax levy.

Casino Revenue – Hospital Contribution

The City approved an agreement with the Ontario Lottery and Gaming Corporation for a revised revenue sharing plan on August 12, 2013.

The City now receives 5.25% of the gross slot revenues from the Sault Ste. Marie Charity Casino along with 4% of Live Table Game Revenue.

A Council resolution passed on March 8, 1999 committed casino revenues to fund six additional Police Officers and one new Fire Prevention Officer.

On September 11, 2000, Council passed a resolution to annually contribute $1,000,000 from casino revenue and $1,100,000 from an additional tax levy for the construction of a new hospital facility based on the estimated cost of $175 million. The funds were held in a Hospital Reserve Fund.

On July 7, 2003, Council passed a resolution to increase the City commitment to $29.5 million with funding completed in 2014.

Summary of Casino Revenues

Revenue	Police and Fire Costs	Doctor Recruitment	Hospital	Other	Total Revenue
1999	234,563		509,101	39,568	783,232
2000	292,709		1,000,000		1,292,709
2001	258,015	353,220	1,000,000		1,611,235
2002	278,456	631,731	1,000,000	15,956	1,926,143
2003	304,774	611,161	1,000,000		1,915,935
2004	314,436	555,915	1,000,000		1,870,351
2005	334,167	242,911	1,000,000		1,577,078
2006	355,020	100,899	1,000,000		1,455,919
2007	383,643	146,564	1,000,000		1,530,207
2008	403,527	113,513	1,000,000		1,517,040
2009	423,554	48,745	1,000,000		1,472,299
2010	441,500	21,585	1,000,000		1,463,085
2011	406,507	0	1,000,000		1,406,507
2012	339,332	0	1,000,000		1,339,332
2013	311,039	0	1,000,000		1,311,039
Total	$ 5,081,242	$ 2,826,244	$ 14,509,101	$ 55,524	$ 22,472,111

Hospital Levy

2001	$ 1,100,000
2002	1,100,000
2003	1,100,000
2004	1,100,000
2005	1,100,000
2006	1,100,000
2007	1,100,000
2008	1,100,000
2009	1,100,000
2010	1,100,000
2011	1,100,000
2012	1,100,000
2013	1,100,000
Total Hospital Levy	14,300,000
Total Casino and Hospital Levy	$ 28,809,101

Application of Hospital Donation

SAH access road 2005	(15,556)	
SAH access road 2006	(458,523)	
SAH access road 2007	(674,389)	
SAH access road 2008	(38,398)	
SAH access road 2008	(10,073)	
Total SAH access road	(1,196,939)	
SAH Building Permit	(1,627,210)	(2,824,149)
Cash Paid to Sault Area Hospital – October 2010		(19,684,952)
2011 Hospital Contribution		(2,100,000)
2012 Hospital Contribution		(2,100,000)
2012 Hospital Contribution		(2,100,000)
Balance December 31, 2013		$ 0

Interest in Reserve

Interest earned on Reserve to 2008	2,636,930
Interest earned in 2009	125,926
Interest earned in 2010	60,677
Interest earned in 2011	18,146
Interest earned in 2012	15,509
Interest earned in 2013	17,050
Total Interest Earned	2,874,238
Allocated to 2008 Doctor Recruiting	(430,000)
Allocated to 2009 Doctor Recruiting	(56,265)
Allocated to 2010 Doctor Recruiting	(452,689)
Allocated to 2011 Doctor Recruiting	(372,123)
Allocated to 2012 Doctor Recruiting	(419,207)
Allocated to 2013 Doctor Recruiting	(599,579)
Reserve Total December 31, 2013	$ 544,375

The 2014 Doctor Recruitment budget is recommended to be funded from the Hospital Reserve Fund.

On September 25, 2006, City Council approved a contract with Mid Canada Construction for the construction of an access road. On April 30, 2007 City Council approved the payment from the hospital reserve for the hospital building permit.

Structure of City Hospital Contribution

Casino Revenue of $1,000,000 to the end of 2013	$ 14,509,101
Hospital levy of $1,100,000 to 2013 with partial payment of $693,000 in 2014	14,993,000
Total Hospital Contribution	$ 29,502,101

At December 31, 2013, the City has funded $28,809,101 or 97.7% of the total contribution of $29,502,101.

Tax Capping

Municipalities rely on the On-line Property Tax Analysis System (OPTA) for tax billing calculations and tax analysis that was developed by the Ministry of Finance and Ministry of Municipal Affairs and Housing.

In accordance with the Province's tax reform legislation, municipalities are required to provide tax capping protection to properties in the commercial, industrial and multi-residential tax classes.

Tax capping reduces the impacts of assessment related tax increases by limiting the property tax increase to a minimum increase of 5%. The range of tax capping is from 5% to 10%. Tax capping does not apply to municipal levy increases.

The tax capping program can be funded by those taxpayers who experience tax decreases within each tax class, which is assigned a claw-back percentage to fund the cap. This claw-back is calculated through the provincially sponsored On-line Property Tax Analysis (OPTA) interactive internet database.

We recommend the 5% tax capping policy, which is the same as in 2013.

The goal of these policies is too reduce the impact of the 2012 reassessment on the commercial, industrial and multi-residential tax classes.

Staff recommends the 2014 tax capping rate for capped classes be set at 5%, which is the same policy as approved in 2013.

Assessment

The Province of Ontario implemented a property reassessment in 2013 based on a valuation date of January 1, 2012. The assessment increases will be phased in over four years (2013 – 2016) based on a 25% phase in per year.

Appendix H is an Assessment Change Summary comparing 2013 and 2014 assessments including growth.

2010 – 2013 Assessment Growth (taxable only)

Property Class	2010	2011	2012	2013
Residential	22,262,710	43,583,773	41,437,591	30,577,349
Multi-Residential	(552,970)	3,029,694	2,125,540	712,425
Commercial	10,546,730	1,791,437	5,940,427	36,893,552
Industrial	(139,449)	645,913	3,226,392	(132,794)
Other	61,449	(10,706)	417,900	(56,313)
Total	32,178,470	49,040,111	53,147,850	67,994,219

Based on 2013 tax rates, the growth assessment generated approximately $1,678,582 of revenue (2012 – $1,059,399) as listed in Appendix I.

Assessments

A long standing assessment appeal by Great Lakes Power for the power generating station is still active for the years 1995-2002. Tax issues relating to this appeal are currently before the courts for interpretation.

Tax Policy Options – Revenue Neutral Tax Ratios

Revenue neutral tax ratios are the tax ratios that if adopted would ensure that each property class generates the same amount of tax revenue after a reassessment as it did before the reassessment.

In the 2012 reassessment, the residential class increased by 28.04%, commercial increased by 13.09% and the large industrial class decreased by 22.91%. Under reassessment, increases are phased in over 4 years while decreases are applied immediately.

While the City's assessment base has increased due to reassessment, this does not result in an increase in the overall property tax revenue received.

A tax shift occurs when a property tax class experiences overall valuation increases more than another property tax class, this reallocates a greater burden of taxes from one class to another.

Municipalities are allowed to protect residential taxpayers from shifts in the tax burden by adopting revenue neutral tax ratios.

Tax ratios represent the amount of taxation to be borne by each property class in relation to the residential class. The ratios reflect how the tax rate of a property class compares to the residential tax rate, with the residential class tax ratio being equal to one.

A tax ratio adjustment is required to mitigate shifts in taxation resulting from the reassessment of properties in order to restore the relative proportion of taxes collected from each property class to the level prior to reassessment.

As listed below, revenue neutral ratios from 2009 – 2014 have maintained the relative proportion of the tax levy for each tax class and the adoption for 2014 would continue that direction.

Summary of 2009 – 2014 % of City Taxes Levied Using Revenue Neutral Ratios

Tax Class	2009	2010	2011	2012	2013	2014
Residential	62.83	62.74	62.66	62.84	62.98	62.54
Multi- Residential	4.83	4.69	4.64	4.66	4.67	4.61
Commercial	21.60	21.81	22.07	21.95	22.21	22.93
Industrial/Large Industrial	10.12	10.13	10.01	9.93	9.53	9.31
Other Classes	.62	.63	.62	.62	.61	.61
Total	100.00	100.00	100.00	100.00	100.00	100.00

Attached in Appendix J are the revenue neutral tax ratios to achieve the same proportional weighting of the tax levy. Revenue neutral tax ratios are based on the total tax class. The net impact of utilizing revenue neutral tax ratios is illustrated in Appendix K.

To protect tax classes other than residential, the province has set a Provincial Threshold for tax ratios that once they exceed an amount, a levy restriction is imposed and only a maximum of 50% of the increased tax levy can be passed onto the class, transferring this tax burden to all other classes. For 2014, a levy restriction will apply to the commercial and industrial tax classes.

After review with City staff and MTE Consultants in 2009, we recommended the revenue neutral tax ratios for all classes to maximize the benefit to the residential tax class. This policy began in 2009 and we recommend that tax neutral ratios be continued for 2014.

Education Tax Rates

The residential education tax rates as set by the Province were reduced from the 2013 level of .00212 to the 2014 rate of .00203. Appendix L lists the education tax rates.

Investment Policy

The attached Appendix M is a list of investments held at yearend 2013 as required by the City's investment policy. The investments relate to funds held in the Perpetual Care Trust Fund.

Financial Assistance Policy

Attached in Appendix N is a list of In-Kind services the City will provide for events.

Economic Diversification Fund

A summary of the 2013 Economic Development Fund appears in Appendix O along with commitments on the 2013 EDF fund.

The 2014 budget includes an allocation of $500,000 of which $50,000 has been allocated, resulting in a remaining balance of $450,000 to be allocated by Council.

There still remains $289,900 to be allocated from past years EDF funds and staff will review the status of EDF projects.

P.U.C. Interest Payment

The City receives $2,545,000 of interest and dividend payments annually from the PUC.

Doctor Recruitment

The Sault Ste. Marie Physician Recruitment & Retention Program (SSMRRP) made a presentation to City Council on December 2, 2013. SSMRRP recommended the City contribute only $100,000 per year to be matched by Group Health Centre and Sault Area Hospital.

On October 21, 2013 Council approved an additional $200,000 of incentive.

Since 2011, no Casino proceeds have been allocated to Doctor Recruitment. Staff will continue to recommend the interest on the Hospital Reserve Fund be used to fund Doctor Recruitment.

It is estimated there will be approximately $100,000 available for the 2015 program from the Hospital Reserve Fund.

Staff recommends the interest from the Hospital Reserve Fund be dedicated to the Doctor Recruitment Program.

Hospital Levy Change

As listed previously in this report under Casino Revenues – Hospital Contribution an amount of $1,100,000 has been levied from 2001 to 2013.

Hospital Levy	$ 1,100,000
Casino Revenue	1,000,000
Annual Hospital Contribution	$ 2,100,000

For 2014, only $693,000 is required for the hospital levy to complete the hospital contribution.

The net change to the tax levy in 2014 is as follows.

Hospital Tax Levy 2013	$ 1,100,000
Revised Hospital Tax Levy 2014	693,000
Reduction in Hospital Levy in 2014	$ 407,000

The tax levy in 2014 will be reduced by $407,000 as compared to 2013 for the reduction in the hospital contribution. The 2015 budget will address the $693,000 reduction for 2015.

It is important to emphasize that only $1,100,000 had been levied for the hospital contribution, not $2.1 million. The additional $1 million was provided from casino revenues.

Casino Revenue

In previous years, the City committed $1 million of annual casino revenues to the hospital contribution. For 2014 these funds are no longer required.

Staff is recommending that $1 million from casino proceeds be allocated to reserve to fund an Asset Management Program. The Asset Management Plan will address upgrades to existing buildings and infrastructure.

Asset Management Plan

An Asset Management Plan will be presented to Council and staff will provide a financing plan at a later date.

2013 Surplus

The surplus for 2013 is $3,620,054 subject to the completion of our external audit. A comparison of budget and actual results for 2013 as prepared by Shelley Schell, Manager of Finance and Budgets is included in Appendix P.

Recommendations

Listed below is a summary of staff budget recommendations.

1. Staff recommends the following allocation of the 2013 surplus of $3,620,054;

i)	**Additional Ditching** **Identified as a one-time supplementary item. Replace existing culverts that have been identified to beyond service life and affecting flow.**	**300,000**
ii)	**Surplus from 2013 as 2014 Revenue** **In the 2013 budget, $1,500,000 of surplus was used as revenue. Our goal is to reduce reliance on surplus.**	**1,400,054**
iii)	**Black Road Railway Crossing** **Referred to Budget Council Meeting July 15, 2013**	**45,000**
iv)	**Resurfacing Great Northern Road –** **Second Line to Terrace Avenue**	**925,000**
v)	**Northern Community Centre** **Door canopies for protection from snow and ice**	**200,000**
vi)	**Heritage Discovery Centre – finance outstanding costs** **Council had approved the issuance of debt for City share, this allocation is estimated to complete the financing for the project.**	**750,000**
	Total	**$ 3,620,054**

2. The 2014 Doctor Recruitment budget is recommended to be funded from the Hospital Reserve Fund.

The allocation of Hospital Reserve Fund interest to the Doctor Recruitment Program will not impact the hospital donation and will allow the program to be funded without a direct impact on the tax levy.

3. Staff recommends the tax capping percentage of 5% for multi-residential, commercial and industrial tax classes.

4. Staff is recommending that $1 million from casino proceeds be allocated to reserve to fund an Asset Management Program. This includes upgrades to existing buildings and infrastructure.

Respectfully submitted,

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

Recommended for approval,

Joseph M. Fratesi
Chief Administrative Officer

WF/kl

attachments

CITY COUNCIL RESOLUTION

Appendix A

Agenda Item
5(5)

Date: November 18, 2013

MOVED BY	Councillor	M. Bruni
SECONDED BY	Councillor	T. Sheehan

Resolved that the report of the Manager of Finance and Budgets dated 2013 11 18 concerning the 2014 Ontario Municipal Partnership Fund (OMPF) grant be received as information.

☑ CARRIED ☐ DEFEATED ☐ AMENDED ☐ DEFERRED
☐ REFERRED ☐ OFFICIALLY READ NOT DEALT WITH

SIGNATURE

☐ C.A.O.	☐ Comm. Community Services	☐ Mayor
☑ City Solicitor	☐ Comm. P.W. & Transportation	☐ Dir. Libraries
☑ Comm. Finance/Treasurer	☐ City Clerk	☐ E.D.C.
☑ Comm. Eng. & Planning	☐ Fire Chief	☐ Cons. Authority
☐ Comm. Human Resources	☐ Police Chief	☐

5(S)

Shelley J. Schell, CPA, CA
Manager of
Finance and Budgets

Finance Department

2013 11 18

Mayor Debbie Amaroso and
Members of City Council

RE: 2014 ONTARIO MUNICIPAL PARTNERSHIP FUND (OMPF) GRANT

PURPOSE
This report will provide information on the 2014 Ontario Municipal Partnership Fund grant allocation, the Province's main transfer payment to municipalities.

BACKGROUND
The 2014 OMPF grant allocations were announced on November 14, 2013. In 2014, the Province will provide a total of $550 million ($575 million in 2013) in unconditional funding through the OMPF to 388 municipalities across the province.

In 2013 the Province transitioned to a redesigned funding model. The new funding model is made up of four core grants and transitional assistance. The City's allocation is noted:

- Assessment Equalization Grant which provides funding to municipalities with limited property assessment. ($6,022,200)
- Northern Communities Grant in recognition to all northern municipalities' unique challenges. ($7,397,600)
- Rural Communities Grant which is specific to rural municipality challenges. ($0)
- Northern and Rural Fiscal Circumstances Grant is a new grant which is to recognize that not all northern and rural municipalities are not the same. Additional support is provided based upon their northern and rural Municipal Fiscal Circumstances Index (MFCI). ($1,950,900)
- Transitional Assistance which ensures a guaranteed level of support to municipalities based upon their 2013 allocation and their Municipal Fiscal Circumstances Index (MFCI). Municipalities in the North will receive at least 90% of their 2013 allocation while other regions of the province will receive at least 85% of their 2013 allocation. ($1,874,000)

– More –

ANALYSIS
For 2014 the City's OMPF allocation is $17,244,700. This represents a reduction of $984,300 or 5.4% from the 2013 grant of $18,229,000. Our Municipal Fiscal Circumstances Index (MFCI) is 6.3 (6.8 in 2012), thus reflecting a slight improvement. Based upon our MFCI, we are guaranteed funding at 94.6% of our 2013 allocation.

IMPACT
The 2014 budget and tax levy will be impacted by the $984,300 decrease in the OMPF grants. This will be offset by continued provincial uploads for Court Security and OW Benefits. At the time of writing this report, the detailed 2014 Municipal Partnership Fund Workbook for the City was not available so the positive impact of the uploads cannot be quantified at this time.

STRATEGIC PLAN
Not applicable.

RECOMMENDATION
That the report of the Manager of Finance and Budgets concerning the 2014 Ontario Municipal Partnership Fund (OMPF) grant be received as information.

Respectfully submitted,

Shelley J. Schell, CPA, CA
Manager of Finance and Budgets

Recommended for approval,

W. Freiburger, CMA
Commissioner of Finance and Treasurer

attachment

RECOMMENDED FOR APPROVAL

Joseph M. Fratesi
Chief Administrative Officer

5(s)

Ontario Municipal Partnership Fund (OMPF)
2014 Allocation Notice

Ontario

City of Sault Ste Marie 80101

2014 Highlights for the City of Sault Ste Marie

- The City of Sault Ste Marie's combined benefit of the 2014 OMPF and provincial uploads totals $31,615,600 which is the equivalent of 33% of the City's municipal property tax revenue.

- The City's combined benefit includes:
  - $17,244,700 through the OMPF
  - $14,370,900 benefit resulting from the provincial uploads

- This exceeds the City's 2013 combined benefit by $338,400 and payments received in 2004 by $10,167,600.

A	**Total 2014 OMPF**		**$17,244,700**
	1. Assessment Equalization Grant	$6,022,200	
	2. Northern Communities Grant	$7,397,600	
	3. Rural Communities Grant	-	
	4. Northern and Rural Fiscal Circumstances Grant	$1,950,900	
	5. Transitional Assistance	$1,874,000	

B	**2014 Combined Benefit of OMPF and Provincial Uploads (Line B1 + Line B2)**		**$31,615,600**
	1. Total OMPF (Equal to Line A)	$17,244,700	
	2. Provincial Uploads	$14,370,900	

C	**Other Ongoing Provincial Support**		**$4,691,000**
	1. Public Health	$2,781,600	
	2. Land Ambulance	$720,600	
	3. Provincial Gas Tax Program	$1,188,800	

D	**Key OMPF Data Inputs**	
	1. Households	34,407
	2. Total Weighted Assessment per Household	$200,801
	3. Rural and Small Community Measure	10.0%
	4. Northern and Rural Municipal Fiscal Circumstances Index	6.3
	5. 2014 Guaranteed Level of Support	94.6%
	6. 2013 OMPF (Line A from 2013 Allocation Notice)	$18,229,000

Issued: November 2013

5(5)

Ontario Municipal Partnership Fund (OMPF)
2014 Allocation Notice

Ontario

City of Sault Ste Marie 80101

2014 OMPF Allocation Notice - Line Item Descriptions

A	The OMPF grants are described in detail in the OMPF Technical Guide – this document can be found on the Ministry of Finance's website at: http://www.fin.gov.on.ca/en/budget/ompf/2014
A5	If applicable, reflects the amount of transitional support provided to assist the municipality in adjusting to the redesigned OMPF program.
B1	Sum of 2014 OMPF grants. (Equal to Line A)
B2	Estimated 2014 benefit of the Province's upload of social assistance benefit program as well as court security and prisoner transportation costs.
C1	The estimated 2014 municipal benefit of the Province's 75 per cent share of public health funding relative to its 50 per cent share in 2004. Actual municipal savings may not correspond with the Allocation Notice due to budget approvals made by the local Boards of Health. Municipalities may provide additional funding beyond their obligated cost share. Any additional municipal funding is not included in the calculation of the public health figure.
C2	The estimated 2014 municipal benefit of the Province's 50 per cent share of land ambulance funding is relative to its share in 2005. This incremental increase in land ambulance funding delivers on the Province's commitment to strengthen land ambulance services and maintain the 50:50 sharing of land ambulance costs.
C3	Funding provided to the municipality through the 2012-13 provincial gas tax program.
D2	Refers to the total assessment for a municipality weighted by the tax ratio for each class of property (including payments in lieu of property taxes retained by the municipality) divided by the total number of households.
D3	Represents the proportion of a municipality's population that resides in rural areas or small communities. For additional information see the 2014 OMPF Technical Guide.
D4	The northern and rural Municipal Fiscal Circumstances Index (MFCI) measures a municipality's fiscal circumstances relative to other northern and rural municipalities in the province, and ranges from 0 to 10. A lower MFCI corresponds to relatively positive fiscal circumstances, whereas a higher MFCI corresponds to more challenging fiscal circumstances. For additional information see the 2014 OMPF Technical Guide.
D5	Represents the guaranteed level of support the municipality will receive from the Province through the 2014 OMPF. For additional information see the 2014 OMPF Technical Guide.
D6	2013 OMPF allocation.

Note: Provincial funding and other ongoing provincial support initiatives rounded to multiples of $100.

Appendix B

The Corporation of the City of Sault Ste. Marie

Summary of Debt By Function March 2014

		2010	2011	2012	2013	2014	2015	2016	2017	2018
Roadways		0	0	0	0	0	0	0	0	0
Recreation - John Rhodes Centre		3,276,685	3,051,257	2,807,636	2,544,351	2,259,818	1,952,320	1,620,005	1,260,869	873,748
Industrial Land Development - NOHFC		1,123,145	1,123,145	1,123,145	1,123,145	1,123,145	1,123,145	1,123,145	1,123,145	1,123,145
Davey Home		4,190,000	3,225,000	2,210,000	1,135,000	0	0	0	0	0
Essar Centre		9,346,428	8,655,593	7,928,693	7,163,847	6,359,072	5,512,285	4,621,292	3,683,785	2,697,337
West End Community Centre - NOHFC			663,447	500,000	500,000	500,000	444,365	386,895	327,530	266,205
Total City Debt Issued to Date		17,936,258	16,718,442	14,569,474	12,466,343	10,242,035	9,032,115	7,751,337	6,395,329	4,960,435
West End Community Centre - $3.6 million for 7 years						3,600,000	3,137,669	2,659,015	2,163,462	1,650,412
Total Debt		17,936,258	16,718,442	14,569,474	12,466,343	13,842,035	12,169,784	10,410,352	8,558,791	6,610,847
Per Capital based on a population of	75141	239	222	194	166	184	162	139	114	88

Notes - PUC debt and interest costs are fully recoverable from PUC water revenues.
PUC Water Operations has a line of credit of $6,200,000.
PUC provided a 10 year water plan to the City on March 5, 2012 that indicated they will access up to $3 million of the line of credit and will not require long term debt.
The Heritage Discovery Visitor Centre is being funded from the 2013 surplus - no debt required.

Other Possible Debt Issues

The City has not funded the $2 million purchase of the Gateway property. A debenture issue is an option.
The City is currently undertaking a Environmental Assessment relating to the future disposal of waste at the landfill site due to the site limitations.
The City is undertaking an Asset Management Plan which includes a facilities condition assessment that has not been included in this estimate.
The City is currently studying upgrades to the West End Sewage Treatment Plant,and will provide financing recommendations in the future.
The City is considering LED streetlighting and is working with the PUC on a financing plan.
The total debt of $12,466,343 in 2013 is composed as follows;
67% debentures, 13% Provincial loans and, 20% leases.

CITY COUNCIL RESOLL . ION

Appendix C

Agenda Item
5 (v)

Date: November 4, 2013

MOVED BY Councillor F. Fata
SECONDED BY Councillor S. Myers

Resolved that the report of the Commissioner of Finance and Treasurer dated 2013 11 04 concerning City of Sault Ste. Marie Credit Rating be received as information.

☒ CARRIED ☐ DEFEATED ☐ AMENDED ☐ DEFERRED
☐ REFERRED ☐ OFFICIALLY READ NOT DEALT WITH

P. A. Mick
SIGNATURE

☐ C.A.O.
☑ City Solicitor
☑ Comm. Finance/Treasurer
☑ Comm. Eng. & Planning
☐ Comm. Human Resources
☐ Comm. Community Services
☐ Comm. P.W. & Transportation
☐ City Clerk
☐ Fire Chief
☐ Police Chief
☐ Mayor
☐ Dir. Libraries
☐ E.D.C.
☐ Cons. Authority
☐

5(v)

William Freiburger, CMA
Commissioner of Finance
and Treasurer

Finance Department

2013 11 04

Mayor Debbie Amaroso and
Members of City Council

RE: THE CITY OF SAULT STE. MARIE CREDIT RATING

PURPOSE
The purpose of this report is to provide information on the City's credit rating.

BACKGROUND
Each year the City has a credit review by the Standard and Poor's Rating Service. The credit rating for the City of Sault Ste. Marie has been maintained at "A+" (stable). The rating last changed November 9, 2012 when the City of Sault Ste. Marie was upgraded to "A+" (stable) from "A" (positive).

ANALYSIS
The strengths of the City's finances include a low debt burden and strong liquidity position. The strengths are mitigated by slow population growth and low levels of household income.

IMPACT
N/A

STRATEGIC PLAN
N/A

RECOMMENDATION
That the report of the Commissioner of Finance and Treasurer concerning City of Sault Ste. Marie Credit Rating be received as information.

Respectfully submitted,

W. Freiburger, CMA
Commissioner of Finance and Treasurer

RECOMMENDED FOR APPROVAL

Joseph M. Fratesi
Chief Administrative Officer

WF/kl
attachment

5(v)

STANDARD
& POOR'S
RATINGS SERVICES

RatingsDirect®

Research Update:

City of Sault Ste. Marie 'A+' Ratings Affirmed On Low Debt And Very Positive Liquidity; Outlook Stable

Primary Credit Analyst:
Adam J Gillespie, Toronto 416-507-2565; adam.gillespie@standardandpoors.com

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Table Of Contents

5(v)

Research Update:

City of Sault Ste. Marie 'A+' Ratings Affirmed On Low Debt And Very Positive Liquidity; Outlook Stable

Overview

- We are affirming our 'A+' long-term issuer credit and senior unsecured debt ratings on the City of Sault Ste. Marie.
- The affirmation reflects our view of the city's very low debt burden, "very positive" liquidity position, and the "predictable and well-balanced" institutional framework for Canadian municipalities.
- The stable outlook reflects our expectations that tax-supported debt will not account for more than 30% of adjusted operating revenues, and that budgetary performance will be stable.

Rating Action

On Nov. 1, 2013, Standard & Poor's Ratings Services affirmed its 'A+' long-term issuer credit and senior unsecured debt ratings on the City of Sault Ste. Marie, in the Province of Ontario. The outlook is stable.

Rationale

The ratings reflect Standard & Poor's view of the city's very low debt burden, which is lower than many of its similarly rated international and domestic peers, and its "very positive" liquidity position. The rating also reflects our view of the "predictable and well-balanced" institutional framework for Canadian municipalities and modest contingent liabilities. We believe that Sault Ste. Marie's slow population growth and low levels of household income (which hinder its economic prospects), lower operating performance in the past three years, and constrained budgetary flexibility on the expenditure side partially mitigate the credit strengths.

We believe Canadian municipalities benefit from a predictable and well-balanced local and regional government framework that has demonstrated a high degree of institutional stability. Although provincial governments mandate a significant proportion of municipal spending, they also provide operating fund transfers and impose fiscal restraint through legislative requirements to pass balanced operating budgets. Municipalities generally have the ability to match expenditures well with revenues, except for capital spending, which can be intensive. Any operating surpluses typically fund capital expenditures and future liabilities (such as postemployment obligations and landfill closure costs) through reserve contributions.

We believe the city demonstrates good financial management, which has a neutral impact on its credit profile. Disclosure and transparency are what we view as good, annual financial statements are audited and unqualified, and Sault Ste. Marie prepares annual operating and capital budgets. However, the city lacks a long-term capital plan, which obscures both its spending and related borrowing plans. We expect that the city will reintroduce a long-term capital plan upon the completion of its capital asset management plan sometime next year.

In our view, Sault Ste. Marie's very low debt burden relative to that of peers continues to support its credit profile. Total tax-supported debt at year-end 2012 was C$14.6 million, equal to 7.8% of adjusted operating revenue. This is down from 17.7% in 2005, and although there is some uncertainty regarding the city's borrowing plans in the next several years, we do not believe that this ratio will exceed 30% during the next two years even under a downside scenario. In our opinion, Sault Ste. Marie's contingent liabilities (stemming mostly from standard future employee benefits and landfill post-closure liabilities) are modest, at about 28% of adjusted operating revenues and do not have a significant impact on its credit profile.

The city's budgetary performance was stable in 2012, although volatile operating revenue growth, partially due to declining provincial grants, and steadily rising operating expenses have resulted in operating surpluses declining to about 9% of operating revenues in 2011 and 2012 from more than 15% earlier. We expect that current trends will continue during the next several years, but that operating surpluses will remain above 5% of adjusted operating revenues and after-capital deficits will remain below 5% of total adjusted revenues.

In our opinion, Sault Ste. Marie's slow population growth and low household income levels continue to constrain its economic prospects. Although the city continues to gradually diversify away from its traditional resource-based roots, we believe that new investment and related GDP growth will remain muted relative to some of its peers.

Sault Ste. Marie, like most Canadian municipalities, has somewhat limited budgetary flexibility on the expenditure side, given provincially mandated service levels, labor contracts, inflation, and political pressures. The ability to set property taxes, utility rates, and user fees grants the city significant revenue-raising capabilities (modifiable revenues account for about 84% of its operating revenue) and limits revenue volatility; however, political and economic pressures can limit the degree to which it uses these.

Liquidity

Sault Ste. Marie maintains what we view as a very positive liquidity position, similar to most Canadian municipalities, and has been a net creditor since 2006. Free cash and liquid assets of about C$46 million at year-end 2012 were sufficient to cover more than 16x the estimated debt service for 2013. We

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believe the city will maintain its solid liquidity and net creditor positions during our two-year outlook horizon.

In our view, Sault Ste. Marie has satisfactory access to external liquidity, given its proven ability to issue into public debt markets and the presence of a secondary market for Canadian municipal debt instruments.

Outlook

The stable outlook reflects Standard & Poor's expectations that, within the two-year outlook horizon, Sault Ste. Marie's tax-supported debt burden will not increase materially as a proportion of adjusted operating revenue, and that budgetary performance will remain fairly stable with operating surpluses above 5% of adjusted operating revenues and modest after-capital deficits not exceeding 5% of total adjusted revenues. We could revise the outlook to positive or raise the ratings if the city meets these expectations and enacts detailed long-range capital and borrowing plans that do not differ substantially from our current estimates. Although we view a negative rating action as unlikely in the next two years, we could revise the outlook to negative or lower the rating if Sault Ste. Marie were to issue considerably more debt than expected, liquidity were to erode meaningfully, or there were a significant decline in budgetary performance.

Published Rating Factor Scores

Table 1

City of Sault Ste. Marie -- Summary of Published Rating Factor Scores*

Rating factor	Score
Institutional framework	Predictable and well-balanced
Financial management	Neutral
Liquidity	Very positive

*Standard & Poor's ratings on local and regional governments are based on, among other things, a scoring system that covers eight main rating factors, as further explained in our criteria (see below). We publish our scores for the three rating factors above.

Key Sovereign Statistics

Sovereign Risk Indicators, July 1, 2013

Key Statistics

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Table 2

City of Sault Ste. Marie -- Economic Statistics

	--Fiscal year ended Dec. 31--		
(%)	**2010**	**2011**	**2012**
Population	75,103	75,141	75,683
Population growth	0.05	0.05	0.72
GDP per capita (C$)	36,097	35,959	35,279
Real GDP growth	1.92	(0.33)	(1.18)
Unemployment rate	10.00	8.90	7.50

Sources: City sources and Standard & Poor's.

Table 3

City of Sault Ste. Marie -- Financial Statistics

	--Fiscal year ended Dec. 31--					
(Mil. C$)	**2010**	**2011**	**2012**	**2013bc**	**2014bc**	**2015bc**
Operating revenues	183	179	187	193	198	203
Operating expenditures	163	163	170	176	182	188
Operating balance	20	16	17	17	16	14
Operating balance (% of operating revenues)	11.00	9.01	9.10	8.78	7.96	7.11
Capital revenues	13	14	6	6	9	10
Capital expenditures (capex)	31	30	24	20	29	30
Balance after capital accounts	2	(0)	(1)	3	(4)	(6)
Balance after capital accounts (% of total revenues)	0.94	(0.08)	(0.39)	1.71	(1.93)	(2.83)
Debt repaid	3	2	3	2	3	2
Balance after debt repayment	(1)	(3)	(4)	1	(7)	(8)
Balance after debt repayment (% of total revenues)	(0.71)	(1.34)	(1.92)	0.66	(3.20)	(3.77)
Gross borrowings	0	1	0	0	6	0
Balance after borrowings	(1)	(2)	(4)	1	(0)	(8)
Operating revenue growth (%)	3.34	(1.98)	4.53	2.88	2.51	2.52
Operating expenditure growth (%)	3.14	0.21	4.43	3.24	3.43	3.46
Modifiable revenues (% of operating revenues)	79.71	83.13	84.18	84.98	85.69	86.35
Capital expenditures (% of total expenditures)	16.07	15.64	12.21	10.16	13.77	13.77
Direct debt (outstanding at year-end)	18	20	15	12	16	14
Direct debt (% of operating revenues)	9.80	11.00	7.77	6.46	8.27	7.08
Tax-supported debt (% of consolidated operating revenues)	9.80	11.00	7.77	6.46	8.27	7.08
Interest (% of operating revenues)	0.57	0.53	0.45	0.36	0.37	0.39
Debt service (% of operating revenues)	2.34	1.88	2.03	1.45	1.71	1.37

bc--Base case reflects Standard & Poor's expectations of the most likely scenario. Downside case represents some but not all aspects of Standard & Poor's scenarios that could be consistent with a downgrade. Upside case represents some but not all aspects of Standard & Poor's scenarios that could be consistent with an upgrade.

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Related Criteria And Research

- International Local And Regional Governments Default And Transition Study: 2012 Saw Defaults Spike, March 28, 2013
- Principles Of Credit Ratings, Feb. 16, 2011
- Methodology For Rating International Local And Regional Governments, Sept. 20, 2010

In accordance with our relevant policies and procedures, the Rating Committee was composed of analysts that are qualified to vote in the committee, with sufficient experience to convey the appropriate level of knowledge and understanding of the methodology applicable (see 'Related Criteria And Research'). At the onset of the committee, the chair confirmed that the information provided to the Rating Committee by the primary analyst had been distributed in a timely manner and was sufficient for Committee members to make an informed decision.

After the primary analyst gave opening remarks and explained the recommendation, the Committee discussed key rating factors and critical issues in accordance with the relevant criteria. Qualitative and quantitative risk factors were considered and discussed, looking at track-record and forecasts. The chair ensured every voting member was given the opportunity to articulate his/her opinion. The chair or designee reviewed the draft report to ensure consistency with the Committee decision. The views and the decision of the rating committee are summarized in the above rationale and outlook.

Ratings List

Ratings Affirmed

Sault Ste. Marie (City of)	
Issuer credit rating	A+/Stable/--
Senior unsecured debt	A+

Complete ratings information is available to subscribers of RatingsDirect at www.globalcreditportal.com and at www.spcapitaliq.com. All ratings affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com. Use the Ratings search box located in the left column.

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Appendix D

THE CORPORATION OF THE CITY OF SAULT STE MARIE
RESERVES, RESERVE FUNDS AND TRUST FUND BALANCES
AS OF DECEMBER 31, 2013

	2013	2012	Commitments	Available Reserve Balance	2014 Recommended	
RESERVES:						
WORKING FUND	(1,081,007)	(1,081,007)		(1,081,007)		
COUNCIL COMMUNICATION	(31,717)	(31,717)		(31,717)		
CLERKS HANDBOOKS				-		
EXPERIENCE REFUND	(50,209)	(50,209)		(50,209)		
OMERS PREM REDUCTION	(146,323)	(146,323)		(146,323)		
CONTINGENCY	(1,754,638)	(1,754,638)		(1,754,638)		
ELECTRONC OFFICE EQUIP	(13,337)	(13,337)		(13,337)		
COMPUTER SOFTWARE	-	(35,000)		-		
ELECTION EXPENSE	(180,000)	(120,000)	180,000	-		
H R TRAINING	(1,143)	(1,143)		(1,143)		
ASBESTOS ABATEMENT	(101,862)	(64,033)	25,000	(76,862)	38,000	Asbestos abatement program
FACILITIES MAINTENANCE	(435,678)	(582,619)	144,693	(290,985)	181,820	Various capital from current projects
ARENAS IMPROVEMENT	(5,428)	(5,428)	5,428	-		
ARENA EQUIPMENT	(2,100)	(2,100)	2,100	-		
JOHN RHODES CENTRE	-	(8,840)		-		
ESSAR CEN CAPITAL	(82,305)	(76,162)	69,181	(13,124)		
MARINA RESERVE	(252)	(252)		(252)		
BONDAR PARK EQUIPMENT	(56,072)	(56,072)		(56,072)		
BONDAR PARK IMPROVEMENT	(9,390)	(14,694)		(9,390)		
PARKS & RECREATION	(290,172)	(262,793)	107,120	(183,052)	31,000	Northern Community Centre digital sign and speakers for John Rhodes 1
COMMUNITIES IN BLOOM	(4,378)	(4,378)		(4,378)		
SKATEBOARD PARK	(12,828)	(12,828)		(12,828)		
HISTORIC SITES	7,428	(51)	(7,428)	-		
HERITAGE PROPERTY GRNT	(36,550)	(37,550)		(36,550)		
HERITAGE DISCOVERY CENTRE	(88,487)	(88,487)	88,487	-		
WALK OF FAME	(1,823)	(1,712)		(1,823)		
ENGINEERING EQUIPMENT	(368,539)	(356,456)		(368,539)		
CIVIC CENTRE EQUIPMENT	(5,884)	(45,884)		(5,884)		
CONNECTING LINKS	(242,999)	(242,999)		(242,999)		
SEWER/BRIDGE INSPECT	-	(81,248)		-		
DRYDEN BRIDGE	-	(10,316)		-		
PWT EQUIPMENT	(1,799,069)	(1,768,394)	965,000	(834,069)	60,000	PWT storage garage
WASTE DISPOSAL SITE	(11,728,238)	(10,976,964)	408,527	(11,319,710)	20,000	CLA grant for recylcing-Landfill Operations
HAZARDOUS WASTE DEPOT	-			-		
WINTER CONTROL	(900,000)	(900,000)		(900,000)		
TRANSIT GARAGE	(1,917)	(41,512)		(1,917)		
TRANSIT EQUIPMENT	(605,761)	(178,538)		(605,761)	318,000	Transit buses
PARKING WORKING FUND	(3,614)	(3,614)		(3,614)		
FIRE CAPITAL EQUIP	(1,244,728)	(998,386)	830,000	(414,728)	22,500	Gas air monitoring systems and training
FIRE SPECIAL TRAINING	(19,352)	(17,084)		(19,352)	13,000	Swift water rescue training
POLICE CAPITAL	(615,259)	(450,259)		(615,259)		
POLICE TRAFFIC SCHOOL	(22,047)	(22,047)		(22,047)		
BARRIER REMOVAL	(34,416)	(63,679)	34,400	(16)		
DAYCARE GRANTS	(16,658)	(12,587)	16,659	0		

	2013	2012	Commitments	Available Reserve Balance	2014 Recommended	
LIBRARY EXPANSION	(377,460)	(302,955)		(377,460)		
EDUCATION DONATION	(500,000)	(500,000)	500,000	-		
ECONOMIC DEVELOPMENT FUNDS	(1,665,304)	(1,379,568)	1,375,404	(289,900)		
SERVICED INDUSTRIAL LAND	(492,908)	(492,908)		(492,908)		
LEIGHS BAY RAIL	(64,900)	(64,900)		(64,900)		
HUB TRAIL	(61,961)	(74,041)	31,539	(30,423)	10,000	Cycling trail signage
MISC CONSTRUCT CARRYOVER	(64,144)	(131,411)		(64,144)		
SEAWALL STUDY	-	(15,000)		-		
EA NORTH/SACKVILL/GNR	-	(25,000)		-		
GREEN COMMITTEE	(117,526)	(117,302)	50,000	(67,526)	50,000	John Rhodes rink & condensor control upgrades
COUNCIL TRAVEL	(10,832)	(10,832)		(10,832)		
COMMUNITY DEVELOP FUND	(20,000)	(20,000)	20,000	-		
CIP ELECTRICAL	-	(59,383)	51,063	51,063		
CONFERENCES/SPEC EVENT	(22,500)	(22,500)		(22,500)		
BEST FOR KIDS COMMITTEE/CSD	(23,010)			(23,010)		
CELEBRATE 100	(17,160)	(17,160)		(17,160)		
	(25,424,455)	(23,854,297)	4,897,173	(20,527,283)	744,320	

RESERVE FUNDS:
*denotes obligatory reserve funds

	2013	2012	Commitments	Available Reserve Balance	2014 Recommended
* 5% SUBDIVIDERS	(504,038)	(429,617)		(504,038)	
CEMETERY	(1,269,445)	(939,532)		(1,269,445)	
INDUSTRIAL PARK	(45,238)	(44,748)		(45,238)	
HOSPITAL	(544,376)	(1,126,905)		(544,376)	
* DEVELOPMENT CHARGES	(364,534)	(357,702)		(364,534)	
PROPERTY PURCHASE	(1,243,115)	(1,268,378)		(1,243,115)	
POLICE OMERS	(10,258)	(10,147)		(10,258)	
SEWAGE PLANTS	(497,484)	(483,821)		(497,484)	
CONNECTING LINK	(94,601)	(93,577)		(94,601)	
* PROVINCIAL GAS TAX	(112,942)	(61,183)		(112,942)	
* FEDERAL GAS TAX	(572,990)	(1,436,590)		(572,990)	
WEB PORTAL	(48,234)	(75,094)		(48,234)	
* BLDG PERMIT	(1,174,239)	(1,211,730)		(1,174,239)	
	(6,481,496)	(7,539,026)	-	(6,481,496)	-

TRUST FUNDS:

	2013	2012	Commitments	Available Reserve Balance	2014 Recommended
CARE & MAINTENANCE	(4,972,901)	(4,828,055)		(4,972,901)	
PRENEED ASSURANCE	(2,202,200)	(2,142,592)		(2,202,200)	
TRANSIT PENSION	(73,375)	(72,575)		(73,375)	
POA TRUST	(2)	(2)		(2)	
HISTORIC SITES	(9,229)	(111,445)		(9,229)	
HERITAGE SSM	(25,056)	(58,270)		(25,056)	
OHRP HOMEOWNER PROGRAM	(19,174)	(20,934)		(19,174)	
CULTURAL ENDOWMENT	(12,661)	(10,000)		(12,661)	
	(7,314,598)	(7,243,873)	-	(7,314,598)	-

Appendix E

CORPORATION OF THE CITY OF SAULT STE. MARIE
Development Charges

December 31, 2013

	Sewer Charge	Parkland Charge	Lot Severance Charge	Total
Balance January 1, 2012	332,503.54	0.00	5,121.08	337,624.62
Development charges received	0.00	0.00	0.00	0.00
Development charges refunded or allocated to other services	0.00	0.00	0.00	0.00
Interest	26,501.43	0.00	408.16	26,909.59
Balance December 31, 2013	**359,004.97**	**0.00**	**5,529.24**	**364,534.21**

Appendix F

THE CORPORATION OF THE CITY OF SAULT STE MARIE
CAPITAL SEWER SURCHARGE BUDGET 2014

			2014 Budget
Sewage Surcharge Revenue			16,200,000
Operating Expenditures			
Operating costs of Sewage Treatment Plants		4,800,000	
PWT sewage operations		1,568,360	
GIS funding for sewage system data		150,505	6,518,865
Balance of Revenue for Capital Expenditures			9,681,135
2014 Capital Expenditures			
- Clark Creek SPS valves			
- Capital maintenance/repairs waste treatment plants		1,000,000	
- Capital roads construction		1,250,000	
- Small pump station upgrade		100,000	
- Infiltration elimination/flow monitoring		100,000	
- Emergency repairs-PWT		500,000	
- Capital Reserve for West End Plant/Biosolids Mgmt		6,731,135	9,681,135
Total Unallocated Sewer Surcharge Revenue			-

Summary of 2013 Sewer Surcharge Yearend Balance

Outstanding Commitments				
2009 Budget projects				
- Sewer Diversion Project/SCADA		100,000		
- West End Capital Upgrade Study		35,000	135,000	
Upgrade Biofilter East End Plant			50,000	
Small pump station upgrade 2013			150,000	
Sewer Flusher Truck PWT 2013			400,000	
East end plant fementer recycling project 2013			90,000	
Forcemain Infiltration Study 2013			100,000	925,000
Clark Creek SPS valves 2010/2011			300,000	
Clark Creek SPS valves 2013			1,800,000	2,100,000
Capital Reserve for West End Plant Upgrade	2010		500,000	
and Biosolids Management Plan	2011		1,848,275	
	2012		3,956,180	
	2013		2,813,460	
			9,117,915	
OSTAR additional funds received in 2011 for the East End Sewage Treatement Plant from Canada - to be allocated to the West End Sewage Treatment Plant Upgrade			4,821,858	
Uncommitted - to be allocated to West End Sewage Plant Upgrades 2012/2013			2,253,818	16,193,591
Sewage Surcharge Balance December 31, 2013				19,218,591

CITY COUNCIL RESOLUTION

Appendix G

Agenda Item 5(r)

Date: June 10, 2013

MOVED BY	Councillor	F. Manzo
SECONDED BY	Councillor	P. Christian

Resolved that the report of the Director of Engineering Services dated 2013 06 10 concerning 2014 Capital Road Reconstruction Plan and Update on 2013 Plan be received as information and that the:

1. 2014 capital works program be approved;
2. Engineering Division be authorized to proceed with any remaining local improvement rolls and notices for 2014 works;
3. Engineering Division report back to City Council with a recommendation for the retention of consulting engineers for engineering projects that will not be completed in-house; and
4. engineering fee estimate for the Fort Creek Aqueduct (STEM Engineering agreement) be revised to $352,000 (funds included in the capital works program budget).

- [x] CARRIED
- [ ] DEFEATED
- [ ] AMENDED
- [ ] DEFERRED
- [ ] REFERRED
- [ ] OFFICIALLY READ NOT DEALT WITH

SIGNATURE

- [ ] C.A.O.
- [x] City Solicitor
- [x] Comm. Finance/Treasurer
- [x] Comm. Eng. & Planning
- [ ] Comm. Human Resources
- [ ] Comm. Community Services
- [ ] Comm. P.W. & Transportation
- [ ] City Clerk
- [ ] Fire Chief
- [ ] Police Chief
- [ ] Mayor
- [ ] Dir. Libraries
- [ ] E.D.C.
- [ ] Cons. Authority
- [ ]

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Jerry D. Dolcetti, RPP
Commissioner

Don Elliott, P. Eng.
Director of Engineering Services

ENGINEERING & PLANNING
DEPARTMENT

Engineering & Construction Division

2013 06 10

Our File: B-97-09

Mayor Debbie Amaroso
Members of Council

RE: 2014 CAPITAL ROAD RECONSTRUCTION PLAN AND UPDATE ON 2013 PLAN

PURPOSE

The purpose of this report is to provide an update on the 2013 capital works reconstruction program, and obtain Council approval for the 2014 program. Approval of the 2014 program will permit pre-engineering and the local improvement process to be well underway in the fall.

BACKGROUND

Road improvements for the City of Sault Ste. Marie are carried out under a number of programs. These programs include capital road construction, infrastructure improvement programs, connecting links, and miscellaneous construction. The capital road construction plan emphasizes the reconstruction of arterial and collector streets, which are critical to the City's movement of traffic while at the same time attempting to address the needs of local/residential streets.

Funding for capital reconstruction comes from our **$6,300,000** annual budget; **$1,800,000** from the urban only levy for storm sewers, and **$4,500,000** from the general levy for capital roadwork. Approximately **$500,000** is allocated for the City's portion of the annual MTO connecting link project, leaving a budget of **$5,800,000** for capital reconstruction. The Province has recently cancelled the Connecting Link Program and Council is aware that requests have been sent to the Minister for reinstatement or replacement of that funding. Sanitary sewer costs are funded from the sewer surcharge. This budget has not been increased for many years. Fortunately the gas tax rebate has increased the capital budget for the last several years. This plan assumes that the AMO approved gas tax amount of **$4,598,000** will be allocated in full to the capital program for 2014 bringing the total budget to **$10,898,000**, excluding sanitary sewer costs.

The Corporation of the City of Sault Ste. Marie
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ANALYSIS

In the preparation of this capital plan, the priority is to complete the roads listed in the 5 year capital plan approved by Council at the 2011 06 27 meeting. That plan mixes arterial/collector and local streets. It should be understood, however, that arterial/collectors are usually emphasized due to the fact that they have the greatest need and their reconstruction benefits the most people. All roads are evaluated and scored based on many factors, including but not limited to road surface condition, road structure, drainage, condition of sanitary and storm sewers, level of required maintenance and traffic volume.

Update on 2013 Capital Program

The progress on the 2013 capital program is progressing well, and tracking under budget. The following project specific comments are provided for Council's information.

Fort Creek Aqueduct

The first phase of the replacement of the Fort Creek Aqueduct has been awarded and has begun. It is the first of at least four phases of construction between Queen Street and Wellington. The project is estimated to be slightly higher than the $3M allowance for the first phase, but this is covered by projected under-runs on other capital projects. We learned last year from the Conservation Authority that the project is not eligible for the 50% Water Erosion Control Infrastructure (WECI) program funding through the MNR, as the Fort Creek Aqueduct is not owned by the Authority.

An engineering agreement with STEM Engineering was approved at the 2012 01 13 meeting of Council for the reconstruction of the Fort Creek aqueduct south of John Street, with a fee estimate of $297,720. This included all of the flow monitoring and hydrological design work for all phases of the project. During flow analysis, it was determined that the profile and cross section of this structure are very inconsistent. This means that its capacity varies considerably along its length. In order to properly design and size the replacement structure to carry the appropriate design storm, a detailed flow analysis was carried out, with considerable input from flow data gathered in the field using our precipitation gauges and flow meters.

It has been determined that the reconstruction of the aqueduct should be completed in four phases, beginning at Queen Street to the south, and moving upstream to the inlet at John Street near Wellington. In order to complete the design and construction administration of the first phase, the engineering fee estimate under the agreement should be increased to $352,000. The Engineering Division will return to Council for approval to add engineering fees for each subsequent phase of reconstruction.

Capital Road Projects

Other current projects include the second phase of the Queen Street reconstruction, from Simpson to Pine; Kohler Street from Queen to Wellington; and Maretta Street from Wallace Terrace to Henrietta. These projects are all forecasted to be under the individual capital budget allowances in the 2013 plan. Resurfacing projects include Wellington from Lake to Hugill; Pim from MacDonald to McNabb; John from Elm to Carmen; Terrance from Old Garden River Road to Great Northern Road; Eastwood from Terrance to Northwood; River Road from Dacey to Royal York; Allen's Side Road from Civic 1190 to Fourth Line; and

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Fourth Line from Allen's Side Road easterly. Resurfacing tenders also came in under the project budget. In summary, the 2013 program is within budget, and projects are currently on schedule for completion in the fall. The replacement of the East Davignon Creek culvert on Fourth Line is also underway with funds from under-runs in the 2012 program.

Recommended 2014 Program
The attached recommended 2014 program is identical to that approved in the 2011-2015 five year capital plan.

The following are comments on specific projects recommended for 2014.

1) **Queen Street – Pine to Gravelle (Resurfacing only)**
This project is the third phase of the Queen Street improvements as scheduled in the approved five year plan. It will consist of resurfacing, Hub Trail improvements and a sidewalk on the south side, where feasible. It is anticipated that the three versus four lane environmental assessment will be complete well in advance of project completion. The intention is to complete the top lift of asphalt for all three phases of Queen Street in 2014, and provide paint markings in accordance with the outcome of the EA – either four lanes, or two lanes with a center left turn lane and curbside cycling lanes.

2) **Forest Avenue – Putney Street to Upton Road**
This project was scheduled in the 5 year plan for 2014. It has a sanitary sewer in particular that is in urgent need of replacement. Forest requires full reconstruction to a class A urban standard cross section.

3) **St. Andrew's Terrace – John Street to North Street**
This portion of St. Andrew's Terrace requires full reconstruction to a class A urban standard cross section. The project was scheduled in the approved 5 year capital plan for 2014.

4) **London Street – North Street to Tancred Street**
London Street has long been in need of full reconstruction. It will receive full reconstruction to a class A urban standard cross section. The project was also scheduled in the approved 5 year capital plan for 2014.

5) **March Street – Queen Street to Wellington Street**
This project was scheduled in the 5 year plan for 2014. March Street is one of only a few streets in the downtown core that has not been reconstructed within the last few decades. It requires full reconstruction to a class A urban standard cross section.

6) **Connecting Link Allowance**
It has been an annual routine to allocate the City's 25% share of the annual MTO connecting link project, however, the Province has cancelled the Connecting Link Program. We are awaiting a response to our request for provincial assistance with connecting links. It is recommended that the 2014 allowance remain in the budget. The planned project for 2014 is to widen and resurface Second Line from Pine Street to the bottom of the hill.

5(r)

7) **Bridges and Aqueducts**
Council is aware that considerable capital spending has had to be diverted to bridges and aqueducts over the past several years. While some of the funding was provided by grants from senior levels of government, unfortunately it has become necessary to divert capital road reconstruction dollars to bridges and aqueducts.

Biennial inspections of aqueducts are carried out in odd numbered years, and bridge inspections in even numbered years. In order to better forecast major capital expenditures to this infrastructure, the Engineering Division developed 5 to 10 year capital forecasts for bridges and aqueducts.

Bridges: The highest priority for bridges is the replacement of the four single lane structures we share with Prince Township. Council will recall they are the subject of a recent application to the MIII Funding Program. We have been advised that the funding application was not successful. It should be the subject of future applications for infrastructure funding programs.

Aqueducts: The 2014 capital program includes the reconstruction of the second phase of the Fort Creek Aqueduct. The structural consultant is recommending the City continue the reconstruction of this structure based on the results of the biennial inspections and the spot failures we have experienced in the roof of the structure.

8) **Resurfacing Various Roads**
A portion of the 2014 capital budget is allocated to road resurfacing, as the miscellaneous budget for resurfacing is rapidly becoming insufficient to meet the demand. A separate report will be brought to Council for approval of the resurfacing program in early 2014.

IMPACT
The 2014 capital program is recommended in accordance with the anticipated budget levels, and predesign estimates are based on current prices with an allowance for inflation. Each project will be brought back to Council individually for approval prior to construction. There is no additional budgetary impact anticipated.

STRATEGIC PLAN
The reconstruction of city roads is related to Objective 1B, Transportation Network Improvements under the Developing Solid Infrastructure strategic direction.

RECOMMENDATION
It is recommended that:

- Council approve the attached 2014 capital works program
- Engineering Department proceed with any remaining local improvement rolls and notices for 2014 works.
- The Engineering Division report back to Council with a recommendation for retaining consulting engineers for the projects that will not be completed in house in order to ensure a timely construction start.

5(r)

- The engineering fee estimate in the agreement with STEM Engineering for the Fort Creek Aqueduct be revised to $352,000. These funds have been included in the capital works program budget.

Respectfully Submitted,

Don J. Elliott, P. Eng.
Director of Engineering Services

Recommended for Approval,

Jerry Dolcetti, RPP
Commissioner
Engineering & Planning Department

DE/bb
Attach.

RECOMMENDED FOR APPROVAL

Joseph M. Fratesi
Chief Administrative Officer

5(r)

REMAINING THREE YEARS OF 2011/15 FIVE YEAR C/ (Updated June 2013 for 2014 Plan)

Year	Street	From	To	Estimated Cost	Comments
2013	Queen St E Phase II	Simpson Street	Pine	$ 3,850,000	Reconstruction
2013	Maretta	Wallace Terrace	Henrietta Avenue	$ 950,000	Reconstruction
2013	Kohler Street	Queen Street	Wellington Street	$ 1,550,000	Reconstruction
2013	Connecting Link	Great Northern Road	2nd Line to 3rd Line	$ 773,000	City 25% Share of resurfacing
2013	Bridges & Aqueducts			$ 3,250,000	Fort Creek Aqueduct
2013	Various Roads			$ 400,000	Road resurfacing allowance
			Subtotal	$ 10,773,000	*($11,698,000 budget* including sanitary)*
2014	**Queen St E Phase III**	**Pine Street**	**200 m east of Gravelle**		**Resurface, sidewalk and possible lane reconfiguration**
2014	**Forest Avenue**	**Putney Road**	**Upton Road**		**Reconstruction**
2014	**St. Andrew's Terrace**	**John Street**	**North Street**		**Reconstruction**
2014	**London**	**North Street**	**Tancred Street**		**Reconstruction**
2014	**March Street**	**Queen Street**	**Wellington Street**		**Reconstruction**
2014	**Connecting Link**	**Second Line**	**Pine to bottom of hill**		**City 25% Share of widening**
2014	**Bridges & Aqueducts**				
2014	**Various Roads**				**Road resurfacing allowance**
			Subtotal	**$ 11,666,000**	***($11,698,000 budget* including sanitary)***
2015	Bay Street	Andrew Street	Pim Street		Resurface, reduce to three lanes max
2015	Huron Street	Bridge Plaza	Cathcart		Reconstruction
2015	McMeeken Street	Churchill Boulevard	Elizabeth Street		Reconstruction
2015	Upton Road	Queen Street	Wellington Street		Reconstruction
2015	Connecting Link	Second Line	bottom of hill to Black		City 25% Share of widening
2015	Bridges & Aqueducts				
2015	Various Roads				Road resurfacing allowance
			Subtotal	**$ 11,645,000**	*($11,698,000 budget* including sanitary)*

Notes:

* Annual budget includes $4,598,000 gas tax, $4.5M capital, $1.8M urban-only and sanitary surcharge

- Estimated costs are very preliminary and could differ considerably from detailed design cost estimates, consequently the timing of some projects may have to change once accurate estimates are available.

5(r)

Resurfacing

The following roads will be resurfaced using recycled asphalt techniques. Asphalt from urban roads is donated to rural roads.
Funding will come from the annual capital reconstruction program surplus, if any, and the miscellaneous reconstruction budget.

Class A Urban Roads Resurfacing short list

Street	From	To	Comments
Wellington Sreet	Lake Street	Hugill Street	Resurface
Pim Street	Summit Avenue	McNabb Street	Resurface
John Street	Elm Street	Carmen's Way	Resurface
Pine Street	McNabb Street	Willoughby	Resurface
Queen Street	Pim Street	Andrew Street	Resurface
Northern Avenue	Reid Street	Pine Street	Resurface
Wallace Terrace	Korah Road	Goulais Avenue	Resurface
McNabb Street	Pim Street	Lake Street	Resurface

Class B Rural Roads Resurfacing short list

Street	From	To	Comments
Fourth Line West	Allen's Side Road	Goulais Avenue	Resurface
Base Line Road	Carpin Beach Road	Airport Road	Resurface
Fourth Line East	Old Goulais Bay Rd	Great Northern Road	Resurface
Fourth Line West	Brule Road	Peoples Road	Resurface

2013 ROAD CONSTRUCTION PROGRAM SUMMARY
DECEMBER 31, 2013

Project	Total Expenditures to Dec 31, 2013	Total Funding to Dec 31, 2013	Original Budget	Est to complete	Budget to Actual Variance
QUEEN-SIMPSON TO PINE RECONSTR	$ 2,540,714	$ 2,540,714	$ 4,250,000	$ 1,300,000	(409,285.58)
MARETTA ST-HENRIETTA-WALLACE	$ 755,541	$ 755,541	$ 1,450,000	$ 70,000	(624,458.64)
KOHLER ST-WELL ST E-QUEEN ST E	$ 1,256,760	$ 1,256,760	$ 1,750,000	$ 120,000	(373,240.14)
Connecting Link Great Nrthrn Rd: 2nd to 3rd Line	$ -	$ -	$ 773,000	$ 773,000	-
Bridges & Aqueducts	$ 2,951,367	$ 2,951,367	$ 3,000,000	$ 375,000	326,367.17
Various Roads	$ -	$ -	$ 400,000		(400,000.00)
Totals	$ 7,504,383	$ 7,504,383	$ 11,623,000	$ 2,638,000	-$ 1,480,617

Appendix H

CITY OF SAULT STE MARIE
ASSESSMENT CHANGE SUMMARY

Columns Calculation	Column 1 1	Column 2 2	Column 3 3	Column 4 2 – 1	Column 5 3 – 2	Column 6 3 – 1	Column 7 4 / 1	Column 8 5 / 2
PROPERTY CLASS	Total 2013 Returned Roll	Total 2013 Year End Roll	Total 2014 Phased In Assessment	$ Change 2013 Returned Roll vs 2013 YE Roll (Growth)	$ Change 2013 YE Roll vs 2014 Phased In Assessment	$ Change 2013 Returned Roll vs 2014 Phased In Assessment	% Change (Growth)	% Change 2013 YE 2014 PI
TAXABLE								
RESIDENTIAL	3,942,765,001	3,973,342,350	4,237,345,310	30,577,349	264,002,960	294,580,309	0.78%	6.64%
MULTI-RESIDENTIAL	229,594,723	230,307,148	242,741,865	712,425	12,434,717	13,147,142	0.31%	5.40%
COMMERCIAL	532,797,156	566,884,772	587,004,179	34,087,616	20,119,407	54,207,023	6.40%	3.55%
SHOPPING CENTRES	132,623,847	133,248,552	135,549,315	624,705	2,300,763	2,925,468	0.47%	1.73%
OFFICE BUILDINGS	10,150,288	12,331,519	12,852,748	2,181,231	521,229	2,702,460	21.49%	4.23%
INDUSTRIAL	40,102,923	40,258,763	42,056,566	155,840	1,797,803	1,953,643	0.39%	4.47%
LARGE INDUSTRIAL	103,443,456	103,154,822	103,605,756	(288,634)	450,934	162,300	-0.28%	0.44%
OTHER	24,520,600	24,464,287	24,992,292	(56,313)	528,005	471,692	-0.23%	2.16%
TOTAL TAXABLE	5,015,997,994	5,083,992,213	5,386,148,031	67,994,219	302,155,818	370,150,037	1.36%	5.94%

Appendix I

2013 Additional Revenue from 2013 Assessment Growth

Sault Ste Marie City, 5761

Class	2013 Total Taxation Based on Returned Roll		2013 Total Year End Taxation (1)		Difference Between Returned Roll and Year End			
					CVA		Municipal	
	CVA	Municipal	CVA	Municipal	$	%	$	%
Taxable								
Residential	3,942,765,001	61,927,896	3,973,342,350	62,401,524	30,577,349	0.78%	473,628	0.76%
Multi-residential	229,594,723	4,589,561	230,307,148	4,603,803	712,425	0.31%	14,242	0.31%
Com. Occupied	515,195,028	16,458,207	548,613,888	17,522,016	33,418,860	6.49%	1,063,809	6.46%
Com. Exc. Land	5,132,067	114,594	5,264,406	117,484	132,339	2.58%	2,890	2.52%
Shopping Occ.	132,623,847	4,503,037	133,248,552	4,524,248	624,705	0.47%	21,211	0.47%
Office Occupied	10,150,288	474,167	12,331,519	576,063	2,181,231	21.49%	101,895	21.49%
Parking/Vac. Land	12,470,061	294,576	13,006,478	307,261	536,417	4.30%	12,685	4.31%
Ind. Occupied	35,777,721	1,509,490	35,887,900	1,514,184	110,179	0.31%	4,694	0.31%
Ind. Exc. Land	680,302	18,768	691,138	19,072	10,836	1.59%	304	1.62%
Ind. Vac. Land	3,644,900	100,703	3,679,725	101,664	34,825	0.96%	961	0.95%
Large Ind. Occ.	100,333,085	7,592,313	100,034,906	7,569,749	-298,179	-0.30%	-22,564	-0.30%
Large Ind. Exc.	3,110,371	152,987	3,119,916	153,457	9,545	0.31%	469	0.31%
Pipelines	21,218,750	589,184	21,409,000	594,463	190,250	0.90%	5,278	0.90%
Farm	1,743,925	6,614	1,497,362	5,693	-246,563	-14.14%	-921	-13.93%
Managed Forests	1,557,925	5,925	1,557,925	5,925	0	0.00%	0	0.00%
Commercial Total Ta›	675,571,291	21,844,581	712,464,843	23,047,071	36,893,552	5.46%	1,202,490	5.50%
Industrial Total Taxab	143,546,379	9,374,261	143,413,585	9,358,125	-132,794	-0.09%	-16,135	-0.17%
Total Taxable	5,015,997,994	98,338,021	5,083,992,213	100,016,604	67,994,219	1.36%	1,678,582	1.71%
Payment in Lieu								
Residential	2,019,425	31,746	2,020,000	31,755	575	0.03%	9	0.03%
Com. Occupied	75,867,530	2,414,261	75,712,030	2,409,287	-155,500	-0.20%	-4,974	-0.21%
Com. Exc. Land	132,000	2,955	132,000	2,955	0	0.00%	0	0.00%
Office Occupied	31,054,601	1,450,705	31,054,601	1,450,705	0	0.00%	0	0.00%
Parking/Vac. Land	1,157,625	27,374	1,117,125	26,417	-40,500	-3.50%	-958	-3.50%
Ind. Vac. Land	88,250	2,444	88,250	2,444	0	0.00%	0	0.00%
Commercial Total PIL	108,211,756	3,895,296	108,015,756	3,889,364	-196,000	-0.18%	-5,931	-0.15%
Industrial Total PIL	88,250	2,444	88,250	2,444	0	0.00%	0	0.00%
Total PIL	110,319,431	3,929,486	110,124,006	3,923,563	-195,425	-0.18%	-5,923	-0.15%
Commercial Grand Tc	783,783,047	25,739,877	820,480,599	26,936,435	36,697,552	4.68%	1,196,559	4.65%
Industrial Grand Total	143,634,629	9,376,705	143,501,835	9,360,570	-132,794	-0.09%	-16,135	-0.17%
Grand Total	5,126,317,425	102,267,507	5,194,116,219	103,940,167	67,798,794	1.32%	1,672,660	1.64%

1. The Year-End Total Taxation columns include the additional revenue from in-year assessment changes and the year-end changes that were returned on the following year assessment roll.

City of Sault Ste. Marie

2014 Comparison of Starting and Revenue Neutral Ratios

Property Class	2014 Unadjusted Tax Ratios	Revenue Neutral Ratios	Change Percentage	Provincial Threshold
Residential	1.000000	1.000000	0.00%	
Farm	0.250000	0.250000	0.00%	
Managed Forests	0.250000	0.250000	0.00%	
Specified Res. Classes - Total	1.000000	1.000000	0.00%	
Multi-residential	1.265828	1.280777	1.18%	2.74
Com. Occupied	2.024814	2.093572	3.40%	
Com. Exc. Land	1.417370	1.465501	3.40%	
Shopping Occ.	2.149472	2.222463	3.40%	
Shopping Exc.	1.504630	1.555724	3.40%	
Office Occupied	2.957338	3.057763	3.40%	
Office Exc. Land	2.070137	2.140434	3.40%	
Parking/Vac. Land	1.497007	1.547842	3.40%	
Commercial Classes - Total	2.084703	2.155495	3.40%	1.98
Ind. Occupied	2.697296	2.845272	5.49%	
Ind. Exc. Land	1.753242	1.849427	5.49%	
Ind. Vac. Land	1.753242	1.849427	5.49%	
Large Ind. Occ.	4.790467	5.053276	5.49%	
Large Ind. Exc.	3.113804	3.284629	5.49%	
Industrial Classes - Total	4.198160	4.428475	5.49%	2.63
Pipelines	1.835962	1.922295	4.70%	

Summary

Residential - Total	1.000000	1.000000	0.00%	
Multi-residential	1.265828	1.280777	1.18%	2.74
Commercial Classes - Total	2.084703	2.155495	3.40%	1.98
Industrial Classes - Total	4.198160	4.428475	5.49%	2.63
Pipelines	1.835962	1.922295	4.70%	

Provincial Thresholds

Since the Commercial and Industrial ratios as listed above are above the Provincial Threshold, only 50% of the municipal tax levy can be allocated to those tax classes.

CITY OF SAULT STE MARIE

2014 STARTING TAX RATIO'S COMPARED TO REVENUE NEUTRAL TAX RATIO'S

PROPERTY CLASS	2014 STARTING TAX RATIOS	2014 REVENUE NEUTRAL TAX RATIOS	$ CHANGE STARTING VS REV. NEUTRAL
TAXABLE			
RESIDENTIAL	63,976,776	63,131,637	845,139
MULTI-RESIDENTIAL	4,639,255	4,632,034	7,221
COMMERCIAL	22,748,035	23,209,800	- 461,765
INDUSTRIAL	9,057,568	9,428,258	- 370,690
OTHER	616,488	636,393	- 19,905
TOTAL TAXABLE	101,038,122	101,038,122	-

Appendix L

	2013 Education Tax Rates vs 2014 Education Tax Rates		
Tax Class	2013 Education Rate	2014 Education Rate	Percentage Change
Residential	0.00212000	0.00203000	-4.25%
Multi-Residential	0.00212000	0.00203000	-4.25%
Commercial	0.01260000	0.01220000	-3.17%
Commercial-Excess Land	0.00882000	0.00854000	-3.17%
Commercial-Vacant land	0.01260000	0.01220000	-3.17%
New Commercial -Excess Land	0.00882000	0.00854000	-3.17%
New Commercial Construction	0.01260000	0.01220000	-3.17%
Shopping Centres	0.01260000	0.01220000	-3.17%
Office Buildings	0.01260000	0.01220000	-3.17%
Parking Lots	0.01260000	0.01220000	-3.17%
Industrial	0.01260000	0.01220000	-3.17%
New Industrial Construction	0.01260000	0.01220000	-3.17%
Industrial Vacant and Excess Land	0.00819000	0.00793000	-3.17%
New Construction Industrial-Excess Land	0.00819000	0.00793000	-3.17%
Large Industrial	0.01260000	0.01220000	-3.17%
Large Industrial Vacant and Excess Land	0.00819000	0.00793000	-3.17%
Pipelines	0.01260000	0.01220000	-3.17%
Farm	0.00053000	0.00050800	-4.15%
Managed Forest	0.00053000	0.00050800	-4.15%

Appendix M

RBC Dominion Securities Inc.
CANADIAN DOLLAR ACCOUNT STATEMENT

DEC. 31 2013

Your Account Number:

ASSET REVIEW

(Exchange rate 1USD = 1.0621 CAD as of DEC. 31, 2013)

	SECURITY SYMBOL	QUANTITY/ SEGREGATED	MKT. PRICE	BOOK VALUE	MARKET VALUE
FIXED INCOME					
CPN PROVINCE OF ONTARIO DUE 05/03/2014 YTM AT PURCHASE DATE 4.300%		110,203 110,203	99.650	84,371.41	$109,817.29
ONTARIO SAVINGS BOND STEPUP SER 2009 ANNUAL 0.75,1.50,2.50,3.50,4.50% DUE 06/21/2014 4.500%		1,205,700 1,205,700	100.000	1,207,928.19	$1,234,389.05 ¹
ONTARIO SAVINGS BOND STEPUP SER 2009 COMPOUND 0.75,1.50,2.50,3.50,4.50% DUE 06/21/2014 4.500%		350,000 350,000	112.140	350,000.00	$392,490.00
CPN PROVINCE OF ONTARIO BOOK ENTRY ONLY DUE 12/02/2014 YTM AT PURCHASE DATE 4.710%		78,782 78,782	98.920	55,950.97	$77,931.15
ONTARIO SAVINGS BOND STEP UP ANNUAL SER 2010 1%,2,3%,.3.75%,4.25% DUE 06/21/2015 3.750%		147,400 147,400	100.000	147,400.00	$150,322.76 ¹
FARM CREDIT CANADA DUE 10/15/2015 4.100% AO 15		30,000 30,000	104.300	32,628.00	$31,549.48 ¹
GOVERNMENT OF CANADA PKG 5.25% S/A 06/01/03-12/1/15 DUE 12/01/2015 5.250% JD 01		62,000 62,000	107.284	70,410.30	$66,783.61 ¹
CANADA HOUSING TRUST NO.1 CMBS SERIES 37 144A DUE 12/15/2015 2.450% JD 15		100,000 100,000	102.412	104,364.00	$102,519.40 ¹
CPN PROVINCE OF ONTARIO GLOBAL BOOK ENTRY DUE 08/07/2016 YTM AT PURCHASE DATE 4.030%		132,399 132,399	95.960	100,000.96	$127,050.08
ONTARIO SAVINGS BOND STEP-UP SER 2012 ANNUAL 1.25% 1.50%, 1.75 %,2.00%, 2.25% DUE 06/21/2017 1.500%		237,600 237,600	99.900	237,837.60	$239,246.93 ¹
ONTARIO SAVINGS BOND STEP-UP COMPOUND INT SER 2013 1.25%, 1.50%, 1.75%, 2%,2.25% DUE 06/21/2018 1.250%		362,300 362,300	99.900	362,300.00	$361,937.70
CPN PROVINCE OF ONTARIO BOOK ENTRY ONLY DUE 12/02/2018 YTM AT PURCHASE DATE 3.700%		211,215 211,215	88.020	160,164.33	$185,911.44

- CONTINUED ON NEXT PAGE -

RBC Wealth Manag ient
Dominion Securities

RBC Dominion Securities Inc.
CANADIAN DOLLAR ACCOUNT STATEMENT

DEC. 31 2013

Your Account Number:

ASSET REVIEW

(Exchange rate 1USD = 1.0621 CAD as of DEC. 31, 2013)

	SECURITY SYMBOL	QUANTITY/ SEGREGATED	MKT. PRICE	BOOK VALUE	MARKET VALUE
REGIONAL MUNICIPALITY OF OTTAWA-CARLETON DUE 09/10/2019 6.200% MS 10		137,000 137,000	117.593	170,845.85	$163,708.79 [1]
CITY OF VANCOUVER SINKING FUND DEBS DUE 12/02/2019 4.900% JD 02		61,000 61,000	110.988	70,723.40	$67,940.16 [1]
ONTARIO SAVINGS BOND 10YR ANNUAL FIXED SER 2010 DUE 06/21/2020 4.250%		139,500 139,500	100.000	139,500.00	$142,634.93 [1]
CPN PROVINCE OF BRITISH COLUMBIA BOOK ENTRY ONLY DUE 08/23/2020 YTM AT PURCHASE DATE 4.480%		219,344 219,344	81.600	138,778.94	$178,984.70
Total Value of Fixed Income				3,433,203.95	$3,633,217.47

Financial Assistance Policy
IN-KIND REQUESTS
2014

	2013 Actual Costs				2014 Request/Budget			
	CSD	PWT	Police	2013 Total	CSD	PWT	Police	2014 Total
Event:								
Rotary Club of Sault Ste. Marie:								
1) Rotaryfest		27,164	2,750	29,914		27,979	2,833	30,811
2) Santa Claus Parade	1,500	761	4,450	6,711	1,545	784	4,584	6,913
The Great Tugboat Race	443	375	-	818	445	380		825
Canadian Cancer Society Relay for Life		2,697	1,450	4,147		2,778	1,494	4,272
Bon Soo Winter Carnival Inc.	3,100	19,175	-	22,275	3,193	19,750	-	22,943
SSM International Youth Assoc.: Buskerfest		500	-	500		515		515
Walleye Tournament	756	-		756	750			756
	5,799	50,672	8,650	65,121	5,933	52,186	8,910	67,035

Appendix N

Appendix O

CORPORATION OF THE CITY OF SAULT STE. MARIE

ECONOMIC DIVERSIFICATION FUND 2013 (RESERVE ACCT 10-000-0000-3713)

Actual to Dec 31, 2013

	Date	Allocation	Projection
Total Economic Diversification Fund	2013 Budget	500,000.00	500,000.00
SSM Airport Development Corp hangar expansion ($200,000 over 4yrs)	18-Jul-11	25,000.00	25,000.00
Next Generation Lottery and Gaming	Dec 2, 2013 6(8)' c'	150,000.00	150,000.00
Downtown Development Initative - Phase 2	Feb 3, 2014 6.21	300,000.00	300,000.00
CN Rail - Cancellation of Passenger Service	Feb 18, 2014 6.23	25,000.00	25,000.00
$50,000 allocated in total - $25,000 to 2013 - $25,000 to 2014			
		500,000.00	500,000.00
	Total	-	-
		available funds	

2014 Economic Development Fund	500,000.00
FUTURE EDF COMMITTMENTS:	
	2014
SSM Airport Development Corp hangar expansion ($200,000 over 4yrs)	25,000.00
CN Rail - Cancellation of Passenger Service	25,000.00
	50,000.00
2014 Unallocated	450,000.00

Appendix P

CITY OF SAULT STE MARIE OPERATING FUND

2013 - FOURTH QUARTER

	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem	2012 Actual
REVENUE					
Taxation	($102,063,300.12)	(101,029,465.00)	1,033,835.12	(1.02%)	*(98,734,596.43)*
Payment in Lieu of taxes	(4,432,019.53)	($4,317,240.00)	$114,779.53	(2.66%)	*($4,665,890.24)*
Fees and user charges	(45,124,834.51)	($45,906,969.00)	($782,134.49)	1.70%	*($43,790,371.49)*
Government grants	(22,404,717.26)	($21,627,910.00)	$776,807.26	(3.59%)	*($22,363,162.99)*
Investment income	(5,484,368.26)	($4,071,500.00)	$1,412,868.26	(34.70%)	*($4,490,072.66)*
Contribution from own funds	(1,640,385.56)	($829,397.00)	$810,988.56	(97.78%)	*($1,972,862.60)*
Other income	(1,788,453.58)	($1,532,070.00)	$256,383.58	(16.73%)	*($1,916,265.30)*
Prior year surplus	(3,158,356.00)	($3,158,356.00)	$0.00		*($2,174,205.00)*
	(186,096,434.82)	($182,472,907.00)	$3,623,527.82	(1.99%)	*($180,107,426.71)*
EXPENDITURES					
Salaries and benefits	88,063,615.93	$89,744,133.00	$1,680,517.07	1.87%	*$85,370,645.89*
Travel and training	527,759.46	$837,655.00	$309,895.54	37.00%	*$468,175.80*
Vehicle allowance, maintenance and repairs	3,984,383.73	$4,015,210.00	$30,826.27	0.77%	*$3,199,843.04*
Utilities and Fuel	8,757,744.04	$8,086,500.00	($671,244.04)	(8.30%)	*$7,866,561.01*
Materials and supplies	8,190,266.84	$6,705,620.00	($1,484,646.84)	(22.14%)	*$8,379,505.76*
Maintenance and repairs	2,457,140.85	$2,188,330.00	($268,810.85)	(12.28%)	*$2,404,219.93*
Program expenses	104,478.45	$82,950.00	($21,528.45)	(25.95%)	*$184,637.75*
Goods for resale	640,440.22	$608,920.00	($31,520.22)	(5.18%)	*$702,286.58*
Rents and leases	516,807.68	$541,100.00	$24,292.32	4.49%	*$496,782.87*
Taxes and licenses	2,062,852.95	$2,132,820.00	$69,967.05	3.28%	*$2,162,315.87*
Financial expenses	2,552,976.31	$2,586,677.00	$33,700.69	1.30%	*$2,615,940.13*
Purchased and contracted services	10,000,324.28	$10,152,710.00	$152,385.72	1.50%	*$9,751,437.66*
Grants to others	27,742,429.40	$27,638,805.00	($103,624.40)	(0.37%)	*$27,463,666.24*
Long term debt	9,122,048.97	$9,787,935.00	$665,886.03	6.80%	*$9,112,748.97*
Transfer to own funds	17,514,258.91	$16,885,667.00	($628,591.91)	(3.72%)	*$16,685,197.30*
Capital expense	799,272.51	$806,005.00	$6,732.49	0.84%	*$875,271.93*
Depreciation		$0.00	$0.00		*$14,751,356.96*
Gain/Loss on Disposal of Capital Assets		$0.00	$0.00		*($86,484.35)*
Less: recoverable costs	(560,419.71)	($328,130.00)	$232,289.71	(70.79%)	*($790,166.04)*
	94,412,764.89	$92,728,774.00	($1,683,990.89)	(1.82%)	*$106,243,297.41*
	182,476,380.82	$182,472,907.00	($3,473.82)	(0.00%)	*$191,613,943.30*
NET (REVENUE)/EXPENDITURE	**(3,620,054.00)**	**$0.00**	**$3,620,054.00**		*$11,506,516.59*
				Depreciation	*($14,751,356.96)*
				Disposal of Assets	*$86,484.35*
				2012 surplus	*(3,158,356.02)*

THE CORPORATION OF THE CITY OF SAULT STE. MARIE
2013 BUDGET VARIANCE
NET (REVENUE) EXPENSE
FOR THE YEAR ENDING DECEMBER 31, 2013

	YTD	YTD		Percentage
	Actual	**Budget**	**Variance**	**Budget-Rem**
Mayor and Council	656,042.10	708,233.00	52,190.90	7.37%
Chief Administrative Officer	354,419.98	358,368.00	3,948.02	1.10%
Human Resources	1,548,763.50	1,534,987.00	(13,776.50)	(0.90%)
Clerks	949,311.92	977,330.00	28,018.08	2.87%
Finance	6,704,649.78	7,088,678.00	384,028.22	5.42%
Legal	1,108,469.78	1,086,318.00	(22,151.78)	(2.04%)
Fire Services	12,969,245.45	13,185,852.00	216,606.55	1.64%
Police Services	23,425,557.29	23,469,180.00	43,622.71	.19%
Engineering and Planning	13,064,888.14	12,984,531.00	(80,357.14)	(0.62%)
Public Works and Transportation	32,097,851.19	31,718,168.00	(379,683.19)	(1.20%)
Community Services Department	4,706,318.15	5,176,777.00	470,458.85	9.09%
Social Services	16,452,445.09	16,445,839.00	(6,606.09)	(0.04%)
Levy Board	2,145,038.00	2,145,040.00	2.00	.00%
Outside Agencies	4,299,092.20	4,335,070.00	35,977.80	.83%
Outside Agencies - Other	2,033,364.51	2,032,685.00	(679.51)	(0.03%)
Economic Development	500,000.00	500,000.00	-	.00%
Corporate	(136,074,404.77)	(133,184,991.00)	2,889,413.77	(2.17%)
Capital and Debt	9,438,893.69	9,437,935.00	(958.69)	(0.01%)
	(3,620,054.00)	-	3,620,054.00	

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MAYOR & COUNCIL

2013 - FOURTH QUARTER

	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem	2012 Actual
REVENUE					
Government grants	($7,538.01)	$0.00	$7,538.01		*($27,185.67)*
	(7,538.01)	$0.00	$7,538.01		*($27,185.67)*
EXPENDITURES					
Salaries and benefits	522,915.48	$506,498.00	($16,417.48)	(3.24%)	*$525,725.07*
Travel and training	29,219.73	$68,710.00	$39,490.27	57.47%	*$19,755.53*
Vehicle allowance, maintenance and repairs	31,213.85	$36,030.00	$4,816.15	13.37%	*$30,907.52*
Materials and supplies	52,793.35	$65,645.00	$12,851.65	19.58%	*$52,042.96*
Maintenance and repairs		$250.00	$250.00	100.00%	*$0.00*
Purchased and contracted services	7,437.70	$6,100.00	($1,337.70)	(21.93%)	*$6,480.38*
Grants to others	20,000.00	$25,000.00	$5,000.00	20.00%	*$75,000.00*
Transfer to own funds		$0.00	$0.00		*$10,000.00*
Capital expense		$0.00	$0.00		*$305.74*
Depreciation		$0.00	$0.00		*$2,910.58*
	140,664.63	$201,735.00	$61,070.37	30.27%	*$197,402.71*
	663,580.11	$708,233.00	$44,652.89	6.30%	*$723,127.78*
NET (REVENUE)/EXPENDITURE	**656,042.10**	**$708,233.00**	**$52,190.90**	**7.37%**	*$695,942.11*

CHIEF ADMINISTRATIVE OFFICER

2013 - FOURTH QUARTER

	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem	2012 Actual
REVENUE					
Government grants	($4,845.87)	$0.00	$4,845.87		*$0.00*
Other income	(473.00)	$0.00	$473.00		*$0.00*
	(5,318.87)	$0.00	$5,318.87		*$0.00*
EXPENDITURES					
Salaries and benefits	345,430.80	$330,738.00	($14,692.80)	(4.44%)	*$335,420.91*
Travel and training	710.65	$10,215.00	$9,504.35	93.04%	*($511.92)*
Vehicle allowance, maintenance and repairs	4,055.19	$4,550.00	$494.81	10.87%	*$4,008.74*
Materials and supplies	8,973.12	$12,365.00	$3,391.88	27.43%	*$10,085.21*
Maintenance and repairs		$150.00	$150.00	100.00%	*$0.00*
Purchased and contracted services		$150.00	$150.00	100.00%	*$124.15*
Capital expense	569.09	$200.00	($369.09)	(184.55%)	*$0.00*
Depreciation		$0.00	$0.00		*$1,816.15*
	14,308.05	$27,630.00	$13,321.95	48.22%	*$15,522.33*
	359,738.85	$358,368.00	($1,370.85)	(0.38%)	*$350,943.24*
NET (REVENUE)/EXPENDITURE	**354,419.98**	**$358,368.00**	**$3,948.02**	**1.10%**	*$350,943.24*

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HUMAN RESOURCES

2013 - FOURTH QUARTER

	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem	*2012 Actual*
REVENUE					
Government grants		($20,625.00)	($20,625.00)	100.00%	*($2,513.70)*
		($20,625.00)	($20,625.00)	100.00%	*($2,513.70)*
EXPENDITURES					
Salaries and benefits	1,165,805.96	$1,144,067.00	($21,738.96)	(1.90%)	*$1,119,639.88*
Travel and training	38,192.68	$56,685.00	$18,492.32	32.62%	*$32,726.70*
Vehicle allowance, maintenance and repairs	488.03	$1,000.00	$511.97	51.20%	*$838.87*
Materials and supplies	71,375.42	$67,085.00	($4,290.42)	(6.40%)	*$83,676.74*
Maintenance and repairs	2,324.43	$4,500.00	$2,175.57	48.35%	*$1,300.01*
Purchased and contracted services	223,426.15	$270,775.00	$47,348.85	17.49%	*$169,402.78*
Transfer to own funds	37,829.50	$0.00	($37,829.50)		*$28,757.60*
Capital expense	9,321.33	$11,500.00	$2,178.67	18.94%	*$5,132.73*
Depreciation		$0.00	$0.00		*$2,467.35*
	382,957.54	$411,545.00	$28,587.46	6.95%	*$324,302.78*
	1,548,763.50	$1,555,612.00	$6,848.50	0.44%	*$1,443,942.66*
NET (REVENUE)/EXPENDITURE	**1,548,763.50**	**$1,534,987.00**	**($13,776.50)**	**(0.90%)**	*$1,441,428.96*

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CLERK'S DEPARTMENT

2013 - FOURTH QUARTER

	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem	2012 Actual
REVENUE					
Fees and user charges	($46,920.00)	($48,000.00)	($1,080.00)	2.25%	*($45,960.00)*
Government grants	(27,500.00)	($27,500.00)	$0.00		*($1,256.85)*
Contribution from own funds	(5,500.00)	$0.00	$5,500.00		*($35,358.31)*
Other income	(11,737.50)	($1,800.00)	$9,937.50	(552.08%)	*($6,473.05)*
	(91,657.50)	($77,300.00)	$14,357.50	(18.57%)	*($89,048.21)*
EXPENDITURES					
Salaries and benefits	738,000.90	$739,785.00	$1,784.10	0.24%	*$709,722.62*
Travel and training	6,680.75	$5,790.00	($890.75)	(15.38%)	*$6,447.32*
Vehicle allowance, maintenance and repairs	699.20	$550.00	($149.20)	(27.13%)	*$566.12*
Materials and supplies	105,519.17	$96,355.00	($9,164.17)	(9.51%)	*$168,276.89*
Maintenance and repairs	2,013.94	$3,550.00	$1,536.06	43.27%	*$1,791.44*
Goods for resale	19,200.00	$19,200.00	$0.00		*$19,200.00*
Rents and leases	2,770.79	$7,850.00	$5,079.21	64.70%	*$4,551.72*
Financial expenses	415.68	$0.00	($415.68)		*$454.44*
Purchased and contracted services	80,324.39	$115,050.00	$34,725.61	30.18%	*$77,808.31*
Grants to others	1,889.10	$2,000.00	$110.90	5.55%	*$1,997.18*
Transfer to own funds	82,891.59	$60,000.00	($22,891.59)	(38.15%)	*$60,002.82*
Capital expense	563.91	$4,500.00	$3,936.09	87.47%	*$677.25*
Depreciation		$0.00	$0.00		*$2,928.46*
Less: recoverable costs		$0.00	$0.00		*($65,000.00)*
	302,968.52	$314,845.00	$11,876.48	3.77%	*$279,701.95*
	1,040,969.42	$1,054,630.00	$13,660.58	1.30%	*$989,424.57*
NET (REVENUE)/EXPENDITURE	**949,311.92**	**$977,330.00**	**$28,018.08**	**2.87%**	*$900,376.36*

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FINANCE DEPARTMENT

2013 - FOURTH QUARTER

	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem	2012 Actual	
REVENUE						
Fees and user charges	($273,025.60)	($274,625.00)	($1,599.40)	0.58%	*($277,466.13)*	
Government grants	(16,536.00)	($50,000.00)	($33,464.00)	66.93%	*($117,285.00)*	
Contribution from own funds	(61,859.66)	$0.00	$61,859.66		*($40,532.09)*	
Other income	(94,987.38)	($103,670.00)	($8,682.62)	8.38%	*($99,475.01)*	
	(446,408.64)	($428,295.00)	$18,113.64	(4.23%)	*($534,758.23)*	
EXPENDITURES						
Salaries and benefits	3,486,464.05	$3,565,821.00	$79,356.95	2.23%	*$3,449,810.71*	
Travel and training	14,678.41	$10,540.00	($4,138.41)	(39.26%)	*$9,596.37*	
Vehicle allowance, maintenance and repairs	618.97	$1,750.00	$1,131.03	64.63%	*$851.77*	
Materials and supplies	(36,791.87)	$217,760.00	$254,551.87	116.90%	*($15,858.64)*	Note 1
Maintenance and repairs	513,777.10	$526,655.00	$12,877.90	2.45%	*$503,195.83*	
Financial expenses	2,479,680.58	$2,538,147.00	$58,466.42	2.30%	*$2,467,010.69*	
Purchased and contracted services	590,483.93	$550,325.00	($40,158.93)	(7.30%)	*$586,979.61*	
Transfer to own funds		$0.00	$0.00		*$40,212.06*	
Capital expense	102,147.25	$105,975.00	$3,827.75	3.61%	*$106,159.39*	
Depreciation		$0.00	$0.00		*$540,055.04*	
Less: recoverable costs		$0.00	$0.00		*($4,543.10)*	
	3,664,594.37	$3,951,152.00	$286,557.63	7.25%	*$4,233,659.02*	
	7,151,058.42	$7,516,973.00	$365,914.58	4.87%	*$7,683,469.73*	
NET (REVENUE)/EXPENDITURE	**6,704,649.78**	**$7,088,678.00**	**$384,028.22**	**5.42%**	*$7,148,711.50*	
Note 1			(230,360.00)			
			153,668.22	2.17%		

Materials and Supplies includes IT-GIS recovery from other departments of $230,360 not shown in budget. Offset by negative variance in Engineering and Corporate (Sewer surcharge).

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LEGAL DEPARTMENT

2013 - FOURTH QUARTER

	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem	2012 Actual
REVENUE					
Fees and user charges	($2,194,431.59)	($2,142,965.00)	$51,466.59	(2.40%)	*($2,036,090.72)*
Investment income	(13,360.32)	$0.00	$13,360.32		*($8,878.20)*
Other income	(50.00)	$0.00	$50.00		*($100.00)*
	(2,207,841.91)	($2,142,965.00)	$64,876.91	(3.03%)	*($2,045,068.92)*
EXPENDITURES					
Salaries and benefits	1,000,966.56	$954,023.00	($46,943.56)	(4.92%)	*$978,359.84*
Travel and training	10,531.40	$12,730.00	$2,198.60	17.27%	*$7,529.54*
Vehicle allowance, maintenance and repairs		$250.00	$250.00	100.00%	*$0.00*
Materials and supplies	66,363.05	$78,630.00	$12,266.95	15.60%	*$154,139.37*
Maintenance and repairs		$7,410.00	$7,410.00	100.00%	*$2,391.24*
Rents and leases	72,324.64	$26,700.00	($45,624.64)	(170.88%)	*$52,274.86*
Taxes and licenses	1,660,188.97	$1,610,240.00	($49,948.97)	(3.10%)	*$1,681,024.78*
Purchased and contracted services	195,928.80	$255,100.00	$59,171.20	23.20%	*$267,677.64*
Transfer to own funds	305,962.52	$275,200.00	($30,762.52)	(11.18%)	*$305,392.24*
Capital expense	4,045.75	$9,000.00	$4,954.25	55.05%	*$9,152.25*
Depreciation		$0.00	$0.00		*$4,065.30*
Gain/Loss on Disposal of Capital Assets		$0.00	$0.00		*($27,305.01)*
	2,315,345.13	$2,275,260.00	($40,085.13)	(1.76%)	*$2,456,342.21*
	3,316,311.69	$3,229,283.00	($87,028.69)	(2.69%)	*$3,434,702.05*
NET (REVENUE)/EXPENDITURE	**1,108,469.78**	**$1,086,318.00**	**($22,151.78)**	**(2.04%)**	*$1,389,633.13*

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FIRE SERVICES

2013 - FOURTH QUARTER

	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem	*2012 Actual*
REVENUE					
Fees and user charges	($4,665,042.44)	($4,951,552.00)	($286,509.56)	5.79%	*($4,546,482.93)*
Other income	(301.42)	$0.00	$301.42		*($3,877.65)*
	(4,665,343.86)	($4,951,552.00)	($286,208.14)	5.78%	*($4,550,360.58)*
EXPENDITURES					
Salaries and benefits	16,133,910.71	$16,580,889.00	$446,978.29	2.70%	*$15,688,013.92*
Travel and training	33,766.39	$40,650.00	$6,883.61	16.93%	*$22,961.69*
Vehicle allowance, maintenance and repairs	176,686.61	$176,415.00	($271.61)	(0.15%)	*$153,923.16*
Utilities and Fuel	299,028.97	$292,035.00	($6,993.97)	(2.39%)	*$286,459.58*
Materials and supplies	332,459.07	$419,635.00	$87,175.93	20.77%	*$300,237.17*
Maintenance and repairs	155,091.04	$137,600.00	($17,491.04)	(12.71%)	*$127,598.77*
Rents and leases	2,429.04	$2,500.00	$70.96	2.84%	*$2,429.04*
Taxes and licenses	47,662.30	$64,600.00	$16,937.70	26.22%	*$55,819.64*
Financial expenses	2,307.36	$1,800.00	($507.36)	(28.19%)	*$1,711.59*
Purchased and contracted services	108,377.29	$135,000.00	$26,622.71	19.72%	*$97,089.69*
Transfer to own funds	316,728.95	$252,500.00	($64,228.95)	(25.44%)	*$315,719.52*
Capital expense	26,141.58	$33,780.00	$7,638.42	22.61%	*$28,257.55*
Depreciation		$0.00	$0.00		*$384,878.98*
	1,500,678.60	$1,556,515.00	$55,836.40	3.59%	*$1,777,086.38*
	17,634,589.31	$18,137,404.00	$502,814.69	2.77%	*$17,465,100.30*
NET (REVENUE)/EXPENDITURE	**12,969,245.45**	**$13,185,852.00**	**$216,606.55**	**1.64%**	*$12,914,739.72*

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POLICE SERVICES

2013 - FOURTH QUARTER

	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem	2012 Actual
REVENUE					
Fees and user charges	($447,044.05)	($291,505.00)	$155,539.05	(53.36%)	($404,029.76)
Government grants	(1,244,188.21)	($1,195,500.00)	$48,688.21	(4.07%)	($1,125,820.21)
Contribution from own funds		$0.00	$0.00		($101,985.54)
Other income	(94,992.19)	$0.00	$94,992.19		($212,122.98)
	(1,786,224.45)	($1,487,005.00)	$299,219.45	(20.12%)	($1,843,958.49)
EXPENDITURES					
Salaries and benefits	21,834,331.87	$21,564,565.00	($269,766.87)	(1.25%)	$21,161,196.67
Travel and training	231,252.27	$383,215.00	$151,962.73	39.65%	$214,354.76
Vehicle allowance, maintenance and repairs	504,990.61	$496,630.00	($8,360.61)	(1.68%)	$416,167.66
Utilities and Fuel	374,351.93	$383,840.00	$9,488.07	2.47%	$364,855.56
Materials and supplies	537,555.99	$658,235.00	$120,679.01	18.33%	$570,640.02
Maintenance and repairs	367,522.79	$271,455.00	($96,067.79)	(35.39%)	$393,551.49
Rents and leases	101,307.78	$117,700.00	$16,392.22	13.93%	$79,301.74
Taxes and licenses	100,449.16	$83,000.00	($17,449.16)	(21.02%)	$82,403.72
Financial expenses	1,480.65	$0.00	($1,480.65)		$554.95
Purchased and contracted services	514,459.52	$435,930.00	($78,529.52)	(18.01%)	$473,306.10
Transfer to own funds	165,000.00	$165,000.00	$0.00		$165,000.00
Capital expense	479,079.17	$396,615.00	($82,464.17)	(20.79%)	$498,671.90
Depreciation		$0.00	$0.00		$521,357.80
Gain/Loss on Disposal of Capital Assets		$0.00	$0.00		$26,690.53
	3,377,449.87	$3,391,620.00	$14,170.13	0.42%	$3,806,856.23
	25,211,781.74	$24,956,185.00	($255,596.74)	(1.02%)	$24,968,052.90
NET (REVENUE)/EXPENDITURE	**23,425,557.29**	**$23,469,180.00**	**$43,622.71**	**0.19%**	$23,124,094.41

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ENGINEERING AND PLANNING

2013 - FOURTH QUARTER

	YTD	YTD		Percentage	2012
	Actual	**Budget**	**Variance**	**Budget-Rem**	*Actual*
REVENUE					
Fees and user charges	($1,288,500.26)	($821,250.00)	$467,250.26	(56.90%)	*($807,151.19)*
Government grants	(43,173.78)	($35,000.00)	$8,173.78	(23.35%)	*($96,478.56)*
Contribution from own funds	(37,491.12)	($294,547.00)	($257,055.88)	87.27%	*($509,994.21)*
Other income	(13,407.96)	$0.00	$13,407.96		*($44,677.97)*
	(1,382,573.12)	($1,150,797.00)	$231,776.12	(20.14%)	*($1,458,301.93)*
EXPENDITURES					
Salaries and benefits	4,086,746.99	$4,270,288.00	$183,541.01	4.30%	*$4,051,864.64*
Travel and training	33,156.87	$45,695.00	$12,538.13	27.44%	*$43,990.03*
Vehicle allowance, maintenance and repairs	127,192.78	$72,950.00	($54,242.78)	(74.36%)	*$34,033.78*
Utilities and Fuel	3,404,464.55	$3,156,900.00	($247,564.55)	(7.84%)	*$3,064,290.09*
Materials and supplies	245,997.38	$268,345.00	$22,347.62	8.33%	*$226,231.00*
Maintenance and repairs	201,527.01	$213,950.00	$12,422.99	5.81%	*$236,075.21*
Rents and leases	100,000.00	$100,000.00	$0.00		*$100,000.00*
Financial expenses	546.43	$0.00	($546.43)		*$556.77*
Purchased and contracted services	4,851,366.11	$4,616,500.00	($234,866.11)	(5.09%)	*$4,638,080.42*
Grants to others		$0.00	$0.00		*$58,656.66*
Transfer to own funds	1,368,438.81	$1,340,000.00	($28,438.81)	(2.12%)	*$1,168,073.18*
Capital expense	28,024.33	$50,700.00	$22,675.67	44.73%	*$19,463.06*
Depreciation		$0.00	$0.00		*$9,636,051.18*
Gain/Loss on Disposal of Capital Assets		$0.00	$0.00		*$124.50*
	10,360,714.27	$9,865,040.00	($495,674.27)	(5.02%)	*$19,225,625.88*
	14,447,461.26	$14,135,328.00	($312,133.26)	(2.21%)	*$23,277,490.52*
NET (REVENUE)/EXPENDITURE	**13,064,888.14**	**$12,984,531.00**	**($80,357.14)**	**(0.62%)**	*$21,819,188.59*

PUBLIC WORKS AND TRANSPORTATION

2013 - FOURTH QUARTER

	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem	2012 Actual
REVENUE					
Fees and user charges	($7,367,481.51)	($7,286,350.00)	$81,131.51	(1.11%)	($7,522,139.07)
Government grants	(1,862,771.63)	($1,755,000.00)	$107,771.63	(6.14%)	($2,012,348.18)
Contribution from own funds	(199,235.80)	($70,000.00)	$129,235.80	(184.62%)	($143,883.69)
Other income	(153,747.23)	($1,000.00)	$152,747.23	(15,274.72%)	($84,333.11)
	(9,583,236.17)	($9,112,350.00)	$470,886.17	(5.17%)	($9,762,704.05)
EXPENDITURES					
Salaries and benefits	24,727,192.46	$25,054,047.00	$326,854.54	1.30%	$23,415,375.08
Travel and training	60,415.10	$99,245.00	$38,829.90	39.13%	$56,391.12
Vehicle allowance, maintenance and repairs	3,104,685.52	$3,172,650.00	$67,964.48	2.14%	$2,513,118.42
Utilities and Fuel	3,280,692.97	$2,893,825.00	($386,867.97)	(13.37%)	$2,871,232.50
Materials and supplies	4,397,008.07	$3,156,150.00	($1,240,858.07)	(39.32%)	$4,604,050.21
Maintenance and repairs	371,440.42	$339,150.00	($32,290.42)	(9.52%)	$393,573.97
Taxes and licenses	254,076.52	$373,595.00	$119,518.48	31.99%	$341,817.73
Financial expenses	7,321.25	$4,000.00	($3,321.25)	(83.03%)	$7,417.40
Purchased and contracted services	3,086,781.12	$3,332,570.00	$245,788.88	7.38%	$3,109,386.08
Transfer to own funds	2,931,408.88	$2,709,521.00	($221,887.88)	(8.19%)	$3,445,633.68
Capital expense	20,484.76	$23,895.00	$3,410.24	14.27%	$14,351.48
Less: recoverable costs	(560,419.71)	($328,130.00)	$232,289.71	(70.79%)	($717,922.94)
	16,953,894.90	$15,776,471.00	($1,177,423.90)	(7.46%)	$16,639,049.65
	41,681,087.36	$40,830,518.00	($850,569.36)	(2.08%)	$40,054,424.73
NET (REVENUE)/EXPENDITURE	**32,097,851.19**	**$31,718,168.00**	**($379,683.19)**	**(1.20%)**	$30,291,720.68

Operations	15,756,238	14,459,701	(1,296,537)
Winter Control: Roadways and Sidewalks	7,241,325	6,197,030	(1,044,295)
Sanitary Sewers	1,344,724	1,429,695	84,971
Storm Sewers	574,380	555,410	(18,970)
Roadways and Sidewalks	3,545,329	3,435,711	(109,618)
Supervision and Overhead	3,050,480	2,841,855	(208,625)
Traffic & Communications	1,693,009	1,686,390	(6,619)
Carpentry	568,809	557,435	(11,374)
Administration	1,047,790	1,420,415	372,625
Buildings & Equipment	2,020,107	1,981,565	(38,542)
Waste Management	1,974,481	2,450,950	476,469
Parks	2,731,584	2,910,760	179,176
School Guards	267,886	279,000	11,114
Transit	5,861,399	5,741,300	(120,099)
Parking	176,548	230,645	54,097
	32,097,851	31,718,161	(379,690)

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COMMUNITY SERVICES DEPARTMENT

2013 - FOURTH QUARTER

	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem	2012 Actual
REVENUE					
Fees and user charges	($5,135,468.82)	($4,913,180.00)	$222,288.82	(4.52%)	*($5,066,749.36)*
Government grants	(198,575.76)	($104,180.00)	$94,395.76	(90.61%)	*($186,473.82)*
Contribution from own funds	(7,479.21)	$0.00	$7,479.21		*($45,960.50)*
Other income	(61,189.66)	($25,600.00)	$35,589.66	(139.02%)	*($73,214.03)*
	(5,402,713.45)	($5,042,960.00)	$359,753.45	(7.13%)	*($5,372,397.71)*
EXPENDITURES					
Salaries and benefits	6,441,172.76	$6,730,247.00	$289,074.24	4.30%	*$6,466,319.89*
Travel and training	8,570.70	$14,880.00	$6,309.30	42.40%	*$4,688.25*
Vehicle allowance, maintenance and repairs	4,744.73	$8,070.00	$3,325.27	41.21%	*$4,528.83*
Utilities and Fuel	1,374,803.48	$1,333,900.00	($40,903.48)	(3.07%)	*$1,259,749.27*
Materials and supplies	310,004.53	$427,900.00	$117,895.47	27.55%	*$363,668.91*
Maintenance and repairs	839,651.36	$665,060.00	($174,591.36)	(26.25%)	*$735,652.77*
Program expenses	104,478.45	$82,950.00	($21,528.45)	(25.95%)	*$184,637.75*
Goods for resale	621,240.22	$589,720.00	($31,520.22)	(5.34%)	*$683,086.58*
Rents and leases	8,326.08	$12,850.00	$4,523.92	35.21%	*$12,237.63*
Taxes and licenses	476.00	$1,385.00	$909.00	65.63%	*$1,250.00*
Financial expenses	38,479.17	$42,730.00	$4,250.83	9.95%	*$33,784.78*
Purchased and contracted services	206,219.31	$219,665.00	$13,445.69	6.12%	*$181,541.60*
Grants to others	13,314.86	$14,410.00	$1,095.14	7.60%	*$2,297.19*
Transfer to own funds	111,860.29	$26,630.00	($85,230.29)	(320.05%)	*$141,053.86*
Capital expense	25,689.66	$49,340.00	$23,650.34	47.93%	*$72,414.43*
Depreciation		$0.00	$0.00		*$1,455,278.14*
Less: recoverable costs		$0.00	$0.00		*($2,700.00)*
	3,667,858.84	$3,489,490.00	($178,368.84)	(5.11%)	*$5,133,169.99*
	10,109,031.60	$10,219,737.00	$110,705.40	1.08%	*$11,599,489.88*
NET (REVENUE)/EXPENDITURE	**4,706,318.15**	**$5,176,777.00**	**$470,458.85**	**9.09%**	*$6,227,092.17*

Recreation & Culture	1,143,189	1,274,394	131,205
Community Centres	2,725,563	2,968,362	242,799
John Rhodes Community Centre	1,307,874	1,219,459	(88,415)
McMeeken Centre	127,682	138,689	11,007
Essar Centre	427,188	577,502	150,314
Northern Community Centre	(60,069)	103,070	163,139
Outdoor Pools/Concessions	59,610	81,352	21,742
Administration	863,278	848,290	(14,988)
Daycare	363,989	467,545	103,556
Administration	473,577	466,476	(7,101)
	4,706,318	5,176,777	470,459

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SOCIAL SERVICES

2013 - FOURTH QUARTER

	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem	2012 Actual
REVENUE					
Fees and user charges	($8,665,762.80)	($9,705,542.00)	($1,039,779.20)	10.71%	*($8,617,503.79)*
Government grants	(313,467.00)	($211,105.00)	$102,362.00	(48.49%)	*($307,622.00)*
Contribution from own funds		$0.00	$0.00		*($1,497.24)*
	(8,979,229.80)	($9,916,647.00)	($937,417.20)	9.45%	*($8,926,623.03)*
EXPENDITURES					
Salaries and benefits	7,432,458.42	$8,191,311.00	$758,852.58	9.26%	*$7,367,980.22*
Travel and training	60,584.51	$89,300.00	$28,715.49	32.16%	*$50,246.41*
Vehicle allowance, maintenance and repairs	29,008.24	$44,365.00	$15,356.76	34.61%	*$40,898.17*
Utilities and Fuel	24,402.14	$26,000.00	$1,597.86	6.15%	*$19,974.01*
Materials and supplies	230,686.74	$350,665.00	$119,978.26	34.21%	*$245,274.22*
Maintenance and repairs	3,792.76	$18,600.00	$14,807.24	79.61%	*$9,089.20*
Rents and leases	229,649.35	$273,500.00	$43,850.65	16.03%	*$245,987.88*
Purchased and contracted services	105,022.96	$184,545.00	$79,522.04	43.09%	*$107,914.89*
Grants to others	17,206,627.01	$17,063,700.00	($142,927.01)	(0.84%)	*$16,931,438.07*
Transfer to own funds	6,237.08	$0.00	($6,237.08)		*$0.00*
Capital expense	103,205.68	$120,500.00	$17,294.32	14.35%	*$120,686.15*
	17,999,216.47	$18,171,175.00	$171,958.53	0.95%	*$17,771,509.00*
	25,431,674.89	$26,362,486.00	$930,811.11	3.53%	*$25,139,489.22*
NET (REVENUE)/EXPENDITURE	**16,452,445.09**	**$16,445,839.00**	**($6,606.09)**	**(0.04%)**	*$16,212,866.19*

LEVY BOARDS

2013 - FOURTH QUARTER

	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem	2012 Actual
REVENUE					
EXPENDITURES					
Grants to others	$2,145,038.00	$2,145,040.00	$2.00	0.00%	*$2,118,345.00*
	2,145,038.00	$2,145,040.00	$2.00	0.00%	*$2,118,345.00*
	2,145,038.00	$2,145,040.00	$2.00	0.00%	*$2,118,345.00*
NET (REVENUE)/EXPENDITURE	**2,145,038.00**	**$2,145,040.00**	**$2.00**	**0.00%**	*$2,118,345.00*

Algoma Public Health annual levy.

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OUTSIDE AGENCIES

2013 - FOURTH QUARTER

	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem	2012 Actual
REVENUE					
Fees and user charges	($2,240.00)	$0.00	$2,240.00		*($2,138.00)*
	(2,240.00)	$0.00	$2,240.00		*($2,138.00)*
EXPENDITURES					
Grants to others	4,221,332.20	$4,255,070.00	$33,737.80	0.79%	*$4,209,205.73*
Transfer to own funds	80,000.00	$80,000.00	$0.00		*$80,000.00*
	4,301,332.20	$4,335,070.00	$33,737.80	0.78%	*$4,289,205.73*
	4,301,332.20	$4,335,070.00	$33,737.80	0.78%	*$4,289,205.73*
NET (REVENUE)/EXPENDITURE	**4,299,092.20**	**$4,335,070.00**	**$35,977.80**	**0.83%**	*$4,287,067.73*

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OUTSIDE AGENCIES-OTHER

2013 - FOURTH QUARTER

	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem	2012 Actual
REVENUE					
Fees and user charges	($200,000.00)	($200,000.00)	$0.00		*($200,000.00)*
Contribution from own funds	(599,578.69)	($464,850.00)	$134,728.69	(28.98%)	*($419,206.88)*
	(799,578.69)	($664,850.00)	$134,728.69	(20.26%)	*($619,206.88)*
EXPENDITURES					
Materials and supplies	799,578.69	$664,850.00	($134,728.69)	(20.26%)	*$619,206.88*
Grants to others	2,033,364.51	$2,032,685.00	($679.51)	(0.03%)	*$1,965,879.63*
	2,832,943.20	$2,697,535.00	($135,408.20)	(5.02%)	*$2,585,086.51*
	2,832,943.20	$2,697,535.00	($135,408.20)	(5.02%)	*$2,585,086.51*
NET (REVENUE)/EXPENDITURE	**2,033,364.51**	**$2,032,685.00**	**($679.51)**	**(0.03%)**	*$1,965,879.63*

Includes Queenstown Business Improvement Area, Economic Development Corporation and Physician Recruitment

ECONOMIC DIVERSIFICATION PROJECTS

2013 - FOURTH QUARTER

	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem	2012 Actual
REVENUE					
Government grants	($34,521.00)	$0.00	$34,521.00		*($54,479.00)*
Contribution from own funds	(714,263.40)	$0.00	$714,263.40		*($674,444.14)*
Other income	(10,000.00)	$0.00	$10,000.00		*($25,000.00)*
	(758,784.40)	$0.00	$758,784.40		*($753,923.14)*
EXPENDITURES					
Materials and supplies	758,784.40	$0.00	($758,784.40)		*$753,923.14*
Transfer to own funds	500,000.00	$500,000.00	$0.00		*$500,000.00*
	1,258,784.40	$500,000.00	($758,784.40)	(151.76%)	*$1,253,923.14*
	1,258,784.40	$500,000.00	($758,784.40)	(151.76%)	*$1,253,923.14*
NET (REVENUE)/EXPENDITURE	**500,000.00**	**$500,000.00**	**$0.00**		*$500,000.00*

Includes all approved Economic Diversification Projects approved by Council and annual $500,000 allocation to the EDF.

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CORPORATE FINANCIALS

2013 - FOURTH QUARTER

	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem	2012 Actual
REVENUE					
Taxation	($102,063,300.12)	(101,029,465.00)	1,033,835.12	(1.02%)	*(98,734,596.43)*
Payment in Lieu of taxes	(4,432,019.53)	($4,317,240.00)	$114,779.53	(2.66%)	*($4,665,890.24)*
Fees and user charges	(14,455,762.16)	($14,922,000.00)	($466,237.84)	3.12%	*($13,904,462.72)*
Government grants	(18,651,600.00)	($18,229,000.00)	$422,600.00	(2.32%)	*($18,431,700.00)*
Investment income	(5,471,007.94)	($4,071,500.00)	$1,399,507.94	(34.37%)	*($4,481,194.46)*
Contribution from own funds	(14,977.68)	$0.00	$14,977.68		*$0.00*
Other income	(1,347,567.24)	($1,400,000.00)	($52,432.76)	3.75%	*($1,366,991.50)*
Prior year surplus	(3,158,356.00)	($3,158,356.00)	$0.00		*($2,174,205.00)*
	(149,594,590.67)	($147,127,561.00)	$2,467,029.67	(1.68%)	*($143,759,040.35)*
EXPENDITURES					
Salaries and benefits	148,218.97	$111,854.00	($36,364.97)	(32.51%)	*$101,216.44*
Materials and supplies	309,959.73	$222,000.00	($87,959.73)	(39.62%)	*$243,911.68*
Financial expenses	22,745.19	$0.00	($22,745.19)		*$104,449.51*
Purchased and contracted services	30,497.00	$31,000.00	$503.00	1.62%	*$35,646.01*
Grants to others	2,100,863.72	$2,100,900.00	$36.28	0.00%	*$2,100,846.78*
Transfer to own funds	10,907,901.29	$11,476,816.00	$568,914.71	4.96%	*$9,725,352.34*
	13,371,966.93	$13,830,716.00	$458,749.07	3.32%	*$12,210,206.32*
	13,520,185.90	$13,942,570.00	$422,384.10	3.03%	*$12,311,422.76*
NET (REVENUE)/EXPENDITURE	**(136,074,404.77)**	**($133,184,991.00)**	**$2,889,413.77**	**(2.17%)**	*($131,447,617.59)*

Taxation budget surplus is due to supplementary taxes being significantly higher than budget. The majority of the supplementaries issued were for the commercial sector.

Investment Income relates to penalties and interest on taxes and accounts receivable, investment income from the PUC and interest earned on our bank accounts. The budget variance is due mainly to higher interest and penalties and taxes than estimated.

Government Grants budget surplus is due to receiving a final reconciliation of the OMPF grant relating to 2011. This is the final reconciliation under the old formula. No budget was estimated for this payment.

CAPITAL AND DEBENTURE DEBT

2013 - FOURTH QUARTER

	YTD Actual	YTD **Budget**	**Variance**	**Percentage Budget-Rem**	*2012 Actual*
REVENUE					
Fees and user charges	($383,155.28)	($350,000.00)	$33,155.28	(9.47%)	*($360,197.82)*
	(383,155.28)	($350,000.00)	$33,155.28	(9.47%)	*($360,197.82)*
EXPENDITURES					
Long term debt	9,122,048.97	$9,787,935.00	$665,886.03	6.80%	*$9,112,748.97*
Transfer to own funds	700,000.00	$0.00	($700,000.00)		*$700,000.00*
	9,822,048.97	$9,787,935.00	($34,113.97)	(0.35%)	*$9,812,748.97*
	9,822,048.97	$9,787,935.00	($34,113.97)	(0.35%)	*$9,812,748.97*
NET (REVENUE)/EXPENDITURE	**9,438,893.69**	**$9,437,935.00**	**($958.69)**	**(0.01%)**	*$9,452,551.15*

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2013 RESIDENTIAL PROPERTY TAX COMPARISONS

	(Note 1) Taxes on $100,000 MPAC Assessed Property	Weighted Median Value of Dwelling** Full CVA	(Note 2) 2013 Residential Taxes-Detached Bungalow** Phased In CVA	Ontario Government per Household Property Tax Subsidy Paid to City for 2014
SAULT STE MARIE	1,571	171,000	2,728	502
Oakville	696	554,000	3,471	
Mississauga	715	438,000	3,829	
Barrie	1,109	268,000	3,168	
Kingston	1,174	255,000	3,160	
Peterborough	1,179	225,000	3,102	
Sudbury	1,243	223,000	2,790	423
North Bay	1,368	220,000	3,467	323
Thunder Bay	n/a	172,000	3,311	485
Timmins	n/a	163,000	3,359	524

**BMA Consulting Inc. 2013 Municipal Study

Notes:

1) Per Ontario Ministry of Finance as published in The Sault Star, Saturday March 29, 2013 by David Orazeietti, MPP

2) Detached Bungalow as defined by BMA Consulting Inc. 2013 Study: 3 bedroom single story home with 1.5 bathrooms and a one car garage. Total area of house is approximately 1,200 sq ft and the property is situated on a lot that is approximately 5,500 sq ft

Property Type Single Family	**Building Type**House	**Storeys**2
	Land Size60.01 X 125	**Built in**2010

Sault Ste Marie, ON
$409,900 List Price

Property Type Single Family	**Building Type**House	**Storeys**1.5
		Land Size50.00x125.00 FT

Mississauga, ON
$410,000 List Price

2013 MPAC ASSESSMENT: $78,500
2013 TAXES: $1,406.13

2013 MPAC ASSESSMENT: $74,750
2013 TAXES: $1,338.96

2013 MPAC ASSESSMENT: $79,000
2013 TAXES: $1,415.09

2013 MPAC ASSESSMENT: $83,000
2013 TAXES: $1.486.74

2013 MPAC ASSESSMENT: $74,500
2013 CITY TAXES: $1,334.48

2013 MPAC ASSESSMENT: $57,000
2013 TAXES: $1,021.01

2013 MPAC ASSESSMENT: $62,500
2013 TAXES: $1,119.53

2013 MPAC ASSESSMENT: $71,750
2013 TAXES: $1,285.22

2013 MPAC ASSESSMENT: $76,000
2013 TAXES: $1,361.35

“Wartime” Style Houses

2012 CURRENT VALUE ASSESSMENT(CVA)	2013 PHASED IN ASSESSMENT	2013 TAX LEVY
101,000	78,500	$ 1,406.13
95,000	74,750	$ 1,338.96
97,000	79,000	$ 1,415.09
107,000	83,000	$ 1,486.74
88,000	74,500	$ 1,334.48
72,000	57,000	$ 1,021.01
79,000	62,500	$ 1,119.53
92,000	71,750	$ 1,285.22
97,000	76,000	$ 1,361.35

AVERAGE CVA	92,000
AVERAGE PHASE IN	73,000
AVERAGE TAX LEVY	$ 1,307.61

ONTARIO GOVERNMENT SUBSIDY FOR SAULT PROPERTY TAXPAYERS

2013 Residential Property Tax Rate Comparisons

Municipalities	MUNICIPAL RESIDENTIAL PROPERTY TAX RATE		$100,000 MPAC ASSESSED PROPERTY			$200,000 MPAC ASSESSED PROPERTY			Ontario Government per Household Property Tax Subsidy Paid to City
	Base Tax Rate	Average Rate Including Special Rate	Taxes on $100, 000 MPAC Assessed Property	$ Difference from Sault Ste. Marie	% Difference from Sault Ste. Marie	Taxes on $200, 000 MPAC Assessed Property	$ Difference from Sault Ste. Marie	% Difference from Sault Ste. Marie	
Oakville	0.663%	0.696%	$696	-$875	-55.68%	$1,392	-$1,749	-55.68%	$0
Mississauga	0.715%	0.715%	$715	-$856	-54.50%	$1,429	-$1,712	-54.50%	$0
Barrie	1.109%	1.109%	$1,109	-$462	-29.42%	$2,217	-$924	-29.42%	$0
Kingston	1.016%	1.174%	$1,174	-$397	-25.26%	$2,348	-$793	-25.26%	$0
Peterborough	1.179%	1.179%	$1,179	-$392	-24.95%	$2,358	-$784	-24.95%	$0
Sudbury	1.057%	1.243%	$1,243	-$328	-20.87%	$2,486	-$656	-20.87%	$423
North Bay	1.368%	1.368%	$1,368	-$203	-12.90%	$2,736	-$405	-12.90%	$323
Sault Ste. Marie	1.511%	1.571%	$1,571			$3,141			$501

Source: Ontario Ministry of Finance

For more information on provincial government initiatives, please contact:

David Orazietti, M.P.P.

Email: dorazietti.mpp.co@liberal.ola.org

Website: www.davidorazietti.onmpp.ca

2014 FINAL
APRIL 14, 2014

2014 FINAL BUDGET AGENDA

- 2013 Surplus and Recommendations
- 2014 Supplementary Items
- Final Budget Levy
- 2014 Assessment Changes and Tax Rates
- 2014 Capital from Current
- 2014 Capital Works Projects
- Long Term Debt

2013 SURPLUS

Fire Services-underspent salaries/benefits (non-EMS)	**266,200**
PWT-Winter Control	**(1,044,295)**
PWT-Administration	**372,625**
PWT-landfill operations higher grants, lower costs	**476,469**
CSD	**470,459**
Corporate-supplementary taxes	**1,033,835**
Corporate-Payment in Lieu	**114,780**
Corporate-2011 OMPF reconciliation payment	**422,600**
Corporate-Interest & Penalties on taxes	**1,161,380**
Other	**346,001**
Total Surplus	**3,620,054**

2013 SURPLUS ALLOCATION

$3,620,054

Supplementary Requests

PWT Ditching Program $300,000

Black Road Rail Crossing $45,000

Resurfacing Great Northern

$925,000

Heritage Discovery Centre

$750,000

Northern Community Centre

$200,000

Levy Reduction

$1,400,054

RECOMMENDED SUPPLEMENTARY REQUESTS

REQUEST	Source	COST
MacDonald Park playground equipment maintenance (resolution June 24/13 5(q))	Ongoing Levy adjustment	$1,150
Indoor Golf Driving Range	Ongoing Revenue offsets additional costs	$0

2014 FINAL BUDGET CHANGES

Decrease in DSSAB Levy

$(343,770)

Increase in Algoma Public Health Levy

$53,730

$(303,890)

St. Mary's River Marine Heritage Centre (M.S. Norgoma Funding

$15,000

Other Changes to Operating Budget

$(28,850)

2014 FINAL BUDGET (millions)

Expenses	Other Revenue	Municipal Tax Levy
Preliminary $183.5	Preliminary $80.8	Preliminary $102.7
Final $183.3	Final $80.9	**Final $102.4 After Surplus $101.0**

	2013 BUDGET	2014 BUDGET	$ Change (2014 to 2013)	% Change (2014 to 2013)
PRELIMINARY BUDGET AS PRESENTED FEBRUARY 3, 2014	98,338,005	102,743,216	4,405,211	4.48%
Supplementary Requests			1,150	
Capital from current			100,000	
Short term interest expense			(50,000)	
Investment income: bank interest			(80,000)	
Norgoma Funding (one year only)			15,000	
Algoma Public Health Levy Change			53,730	
DSSAB levy			(343,770)	
Recommended Tax Levy		102,439,326	4,101,321	4.17%
Surplus - 2013		(1,400,054)	(1,400,054)	
FINAL TAX LEVY		101,039,272	2,701,267	2.75%
Budget transfers:				
To:	From:			
Sewage Treatment Plant Operations increase for energy	$302,500 sewer surcharge			
Increase to PWT sewer operation re: repairs	$170,000 sewer surcharge			
PWT Winter Control Operating Supplies	$294,915 PWT-Admin overhead			

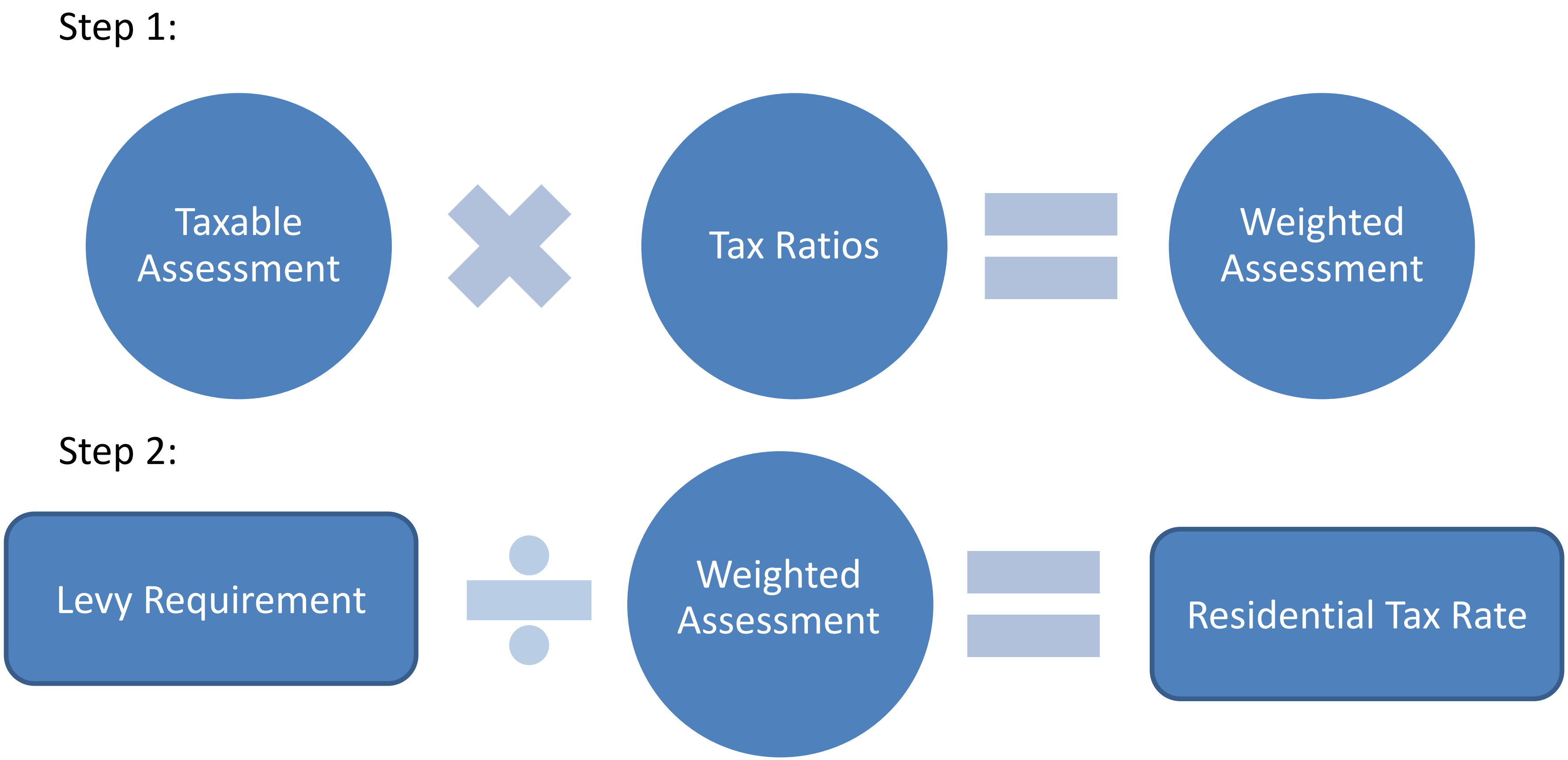
2014 Levy Increase 2.75%

2.0%	• **MAINTAINING SERVICES** • Contractual obligations
1.0%	• **DECREASE IN SENIOR LEVEL GOVERNMENT FUNDING** • OMPF decrease of 5.4%
(1.4%)	• **HOSPITAL CONTRIBUTION** • Last payment due in 2014 of $693,000 • 2013: $2.1 million
1.0%	• **CASINO REVENUE REALLOCATION TO ASSET MANAGEMENT** • $1 million allocated to reserve for asset management • 2013: allocated to hospital contribution funding
0.15%	• **OTHER ADJUSTMENTS** • $100,000 decrease in surplus used to reduce levy over 2013 budget • $15,000 added to levy to fund Norgoma for one additional year

Hospital Contribution

Casino Revenue	Tax Levy	Total Hospital Contribution
2013 $1.0 million	2013 $1.1 million	2013 2.1 million
2014 $0	2014 $693,000	2014 $693,000
Change ($1.0 million)	Change ($407,000)	Change ($1.4 million)

How Tax Rate Is Calculated



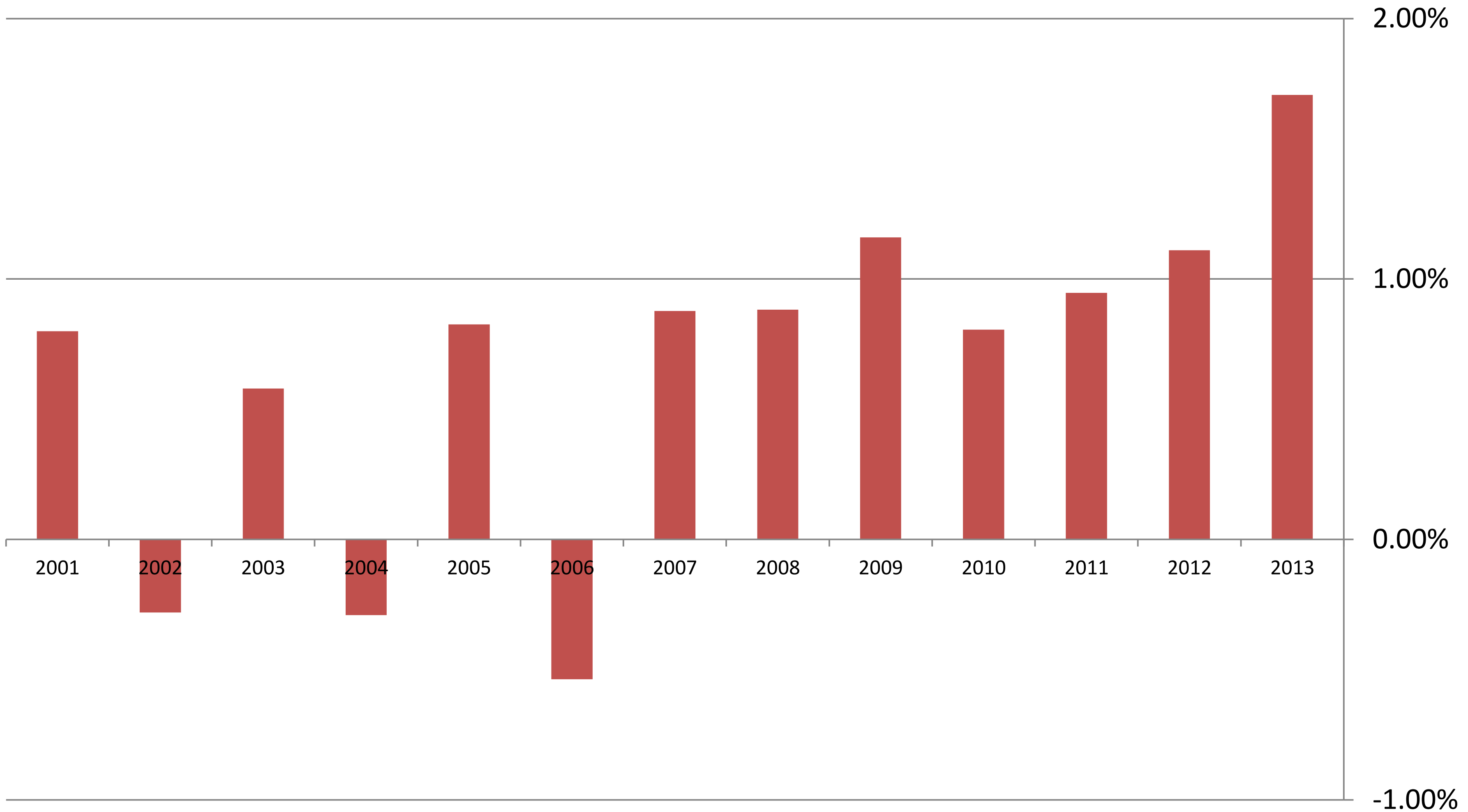
REASSESSMENT CHANGES $(000)
2014 Phase-In

PROPERTY CLASS	2013 Year End	2014 Phased-In	Change in Value	% Change in Value
RESIDENTIAL	3,973,342	4,237,345	264,003	6.6%
MULTI-RESIDENTIAL	230,307	242,742	12,435	5.4%
COMMERCIAL	566,885	587,004	20,119	3.6%
SHOPPING CENTRES	133,248	135,549	2,301	1.7%
OFFICE BUILDINGS	12,332	12,853	521	4.2%
INDUSTRIAL	40,259	42,057	1,798	4.5%
LARGE INDUSTRIAL	103,155	103,606	451	0.4%
OTHER	24,464	24,992	528	2.2%
TOTAL TAXABLE	**5,083,992**	**5,386,148**	**302,156**	**5.9%**

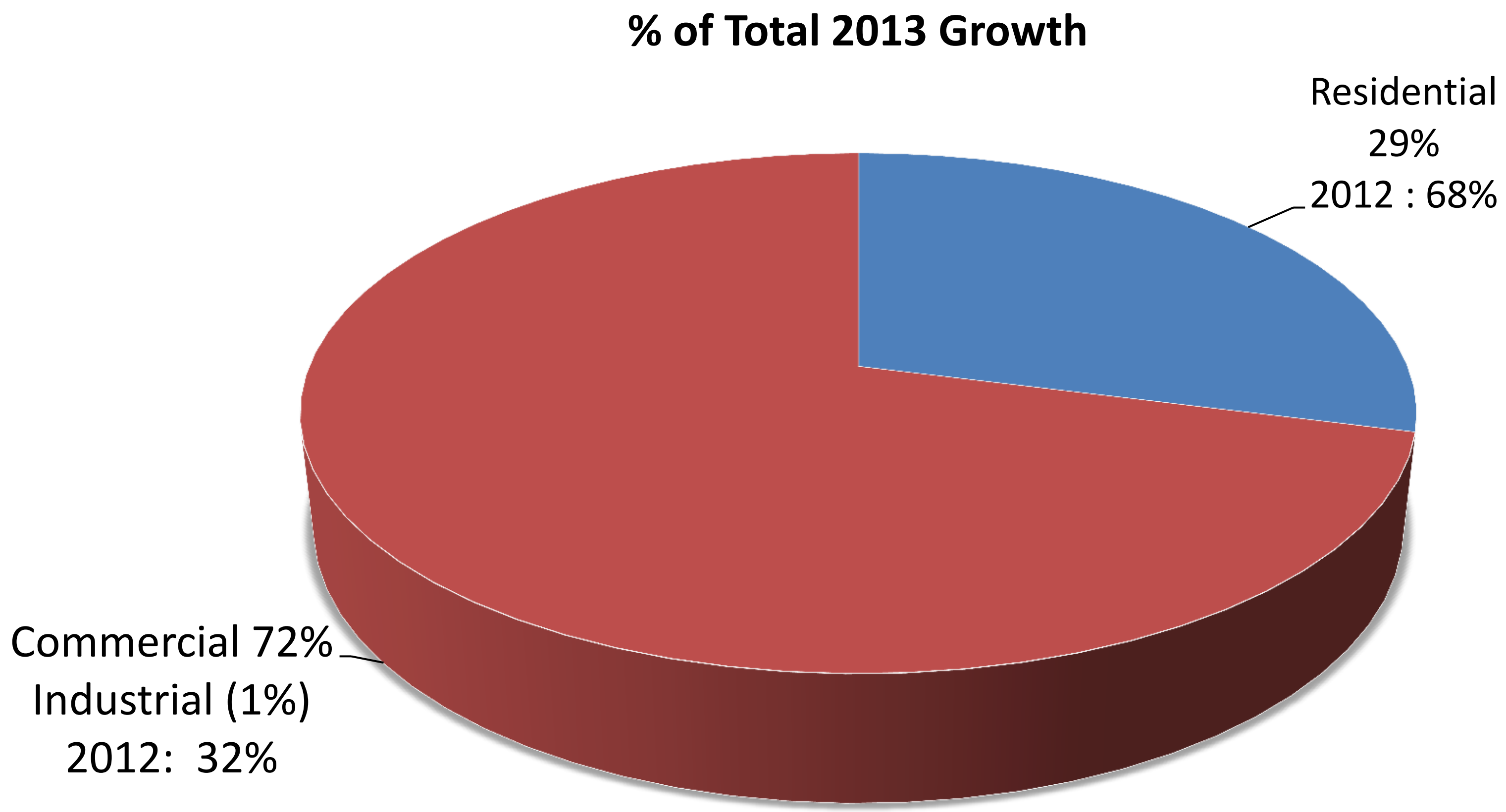
ASSESSMENT GROWTH

- Growth is new assessment, thus decreasing the tax burden amongst the individual properties in the class
- In addition to the 2014 Phase-In Assessment Change of 5.9%, there is 1.36% growth
- Expressed in dollars, this adds approximately $1.7 million additional tax revenue

Assessment Growth



Where Was the Growth?



Tax Ratios

- Tax ratios are a means of weighting assessment in comparison to the residential class to affect the relative tax burdens
- Previous tax policy is to maintain the relative share of tax between the classes.
- Adopting Revenue Neutral Ratios in previous years has maintained the tax burden between classes.

Education Tax

Property Tax Class	Tax Levy 2013 $	Share	Tax Levy 2014 $	Share	Change $
Residential	8,358,666	43.2%	8,601,871	42.9%	243,205
Multi-Residential	486,741	2.5%	492,766	2.5%	6,025
Commercial	6,675,544	34.5%	7,121,129	35.5%	445,585
Shopping Centres	1,671,060	8.6%	1,653,702	8.3%	(17,358)
Office Buildings	127,894	0.7%	156,804	0.8%	28,910
Industrial	486,223	2.5%	492,645	2.5%	6,422
Large Industrial	1,289,671	6.7%	1,250,408	6.2%	(39,263)
Other	269,106	1.4%	267,650	1.3%	(1,456)
	19,364,905	**100.0%**	**20,036,975**	**100.0%**	**672,070**

AVERAGE ASSESSMENT FOR RESIDENTIAL CLASS

2013 $146,260 | Increase of 6.6% | 2014 $156,000

EFFECT ON AVERAGE RESIDENTIAL TAXPAYER (including education levy)

Final Budget No Surplus : $102,439,326 municipal levy	• 2.82% increase ($74)
$1.4 million levy reduction: $101,039,272 levy	• 1.35% increase ($35)

(Revenue Neutral Ratios)

What Does the **Residential** Assessment Increase Mean?

FROM MPAC ASSESSMENT NOTICE:

2014 Property tax year
Your phased-in assessment has changed by **5.75%** since the 2013 property tax year.
The average phased-in assessment of residential properties in your municipality/local taxing authority changed by **6.6%** (at time of printing) since the 2013 property tax year.

- Property change of 5.75% is less than average of residential properties of 6.6%
  - Property tax change will be less than average residential increase
- If property change is more than 6.6%, property tax change will be more than the average residential increase

BMA Study Comparisons - 2013

	Taxes-Detached Bungalow ($)	Unweighted CVA/capita ($)	Tax Burden % of Income
Sault Ste Marie	2,728	66,461	3.8%
North Bay	3,467	84,789	4.9%
Sudbury	2,790	85,226	3.7%
Thunder Bay	3,311	67,434	4.3%
Timmins	3,359	62,997	3.7%
Oakville	3,471	198,962	3.5%
Mississauga	3,829	150,814	4.1%

Historical Residential Tax Rates (including education)

Year	Residential Urban Rate	% Change
2014	.01702147	(4.97)
2013	.01791249	(4.16)
2012	.01868951	(3.79)
2011	.01942494	(2.83)
2010	.01999068	(3.77)

CAPITAL FROM CURRENT

- $1.1 million annual allocation plus $854,320 from reserves and other sources
  - Most items address either health and safety or other unavoidable expenditures
- Includes recommended increase of $100,000 to help address our growing infrastructure deficit
  - This along with other measures assist in achieving a realistic Asset Management Plan

CAPITAL FROM CURRENT PROJECTS

PROJECT		COST
Asset management facility condition assessment		$81,000
Essar Centre-arena glass posts and face plates		$17,000
Essar Centre-circulating fans		$150,000
Memorial Tower rehabilitation		$30,000
McMeeken Centre-ice resurfacer replacement (½ funded in 2014, ½ funded in 2015		$54,000
John Rhodes Centre-speaker replacement Arena 1		$9,000
Northern Community Centre-indoor golf driving range		$40,000
Northern Community Centre-digital sign		$22,000
Bellevue Marina –service building roof		$11,700
Bellevue Marina-dock upgrades		$10,000
Bondar Marina-fuel wall docks		$16,800

CAPITAL FROM CURRENT PROJECTS

PROJECT		COST
Bondar Marina-washroom repairs		$20,000
Steelton Senior Centre-entrance canopy roof		$50,320
Steelton Senior Centre-east extension		$65,500
Seniors Drop-In Centre-south parking lot improvements		$61,000
Civic Centre window replacement plan		$25,000
Civic Centre humidification		$55,000
Cycling trail signage		$10,000
Enhanced information technology backup plan		$50,000
Fire Services-swift water rescue training		$13,000
Fire Services Main Fire Hall-exterior repairs		$28,000
Fire Services training device for forcible entry		$8,500
Fire Services gas air monitoring systems		$14,000

CAPITAL FROM CURRENT PROJECTS

PROJECT		COST
PWT storage garage concrete floor		$60,000
PWT water main replacement		$175,000
PWT salt dome fabric replacement		$15,000
PWT Mechanics Shop underground waste oil tank removal		$40,000
PWT deteriorating asbestos pipe encapsulation		$38,000
New Greenwood Cemetery storm water management plan		$20,000
Pointe Des Chenes Day Park picnic shelter replacement		$10,000
Traffic uninterrupted power supply at intersections		$88,500
Traffic automated pedestrian detection system trial		$15,000
Traffic above ground vehicle detection trial		$45,000
Transit parabus replacement (2)		$150,000
Transit mid-size bus replacement (2)		$320,000

CAPITAL FROM CURRENT PROJECTS

PROJECT		COST
Transit mechanic shop fall protection system		$15,000
Transit air conditioner recovery unit for repairs		$8,000
Transit mechanic shop bus hoist concrete floor repair		$15,000
Conservation Authority-excavator for flood control		$63,000
Conservation Authority-dam safety review for Fort Creek Dam		$25,000
Sault Ste. Marie Museum-Clock Tower roof repair		$10,000

2014 ROAD CONSTRUCTION PROGRAM

- Queen Street East Phase 3 – Pine Street to Gravelle Street
- Forest Avenue – Putney Street to Upton Road
- St. Andrew's Terrace-John Street to North Street
- London Street-North Street to Tancred Street
- March Street-Queen Street East to Wellington Street East
- 2nd Line Widening-Phase 2
- Bridge and Aqueduct Improvements
- Road Resurfacing
  - Plus $985,000 of the $1.3 million Miscellaneous Construction budget

LONG TERM DEBT

- Total Long Term Debt as of December 31, 2013 $12,466,343
  - Decrease of $2.1 million from 2012
  - Lowest debt level since before 1996
- Maintaining our strategy of a Pay As You Go program to finance capital road reconstruction.
- Credit rating maintained at A+(stable) by Standard and Poor's
- 2014 debt issue of $3.6 million for Northern Community Centre

LONG TERM DEBT – FUTURE CONSIDERATIONS

- No provision has been made at this time for the $1.8 million unfunded for the Gateway Site property as financial plan was to fund from sale
- Staff are currently preparing an Asset Management Plan that includes a facility condition assessment of major buildings.
  - Long term financing plan will be prepared to address funding

FUTURE OUTLOOK

- Asset Management Plan
  - Facility condition review completed and presented to Council
  - Plan for required funding for infrastructure deficit next step
- Ongoing assessment changes and potential shifts
- Low value of building permits anticipated for 2014, thus low growth.

Danny Krmpotich
Local Immigration
Partnership Coordinator

Social Services
Local Immigration
Partnership

COUNCIL REPORT

April 7, 2014

TO: Mayor Debbie Amaroso and Members of City Council

AUTHOR: Danny Krmpotich, Local Immigration Partnership Coordinator

DEPARTMENT: Social Services Department

RE: Local Immigration Partnership Contribution Agreement Amendment – 2014-2016 Fiscal Years

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PURPOSE

The purpose of this report is to request Council's authorization to enter into an amendment to the Contribution Agreement between the City and Citizenship and Immigration Canada (CIC), for the continuation of Sault Ste. Marie's Local Immigration Partnership (LIP).

BACKGROUND

CIC began providing full funding to the City of Sault Ste. Marie in September 2009 for the formation of a LIP. The City and CIC entered into a contribution agreement authorized by By-law 2013-59 on April 8, 2013. Thereafter, Council has authorized various amendments to the Contribution Agreement to continue the City's LIP. The LIP is currently made up of over 50 local organizations representing all sectors of the community. LIP concentrates on the formation of strong partnerships to implement strategies and initiatives that assist in the settlement and integration of newcomers to our community.

ANALYSIS

CIC is proposing full funding for the LIP from April 1 2014 to March 31, 2016 to deliver and implement action items outlined in Sault Ste. Marie's Settlement Strategies.

IMPACT

The LIP is fully funded by CIC. The community as a whole will benefit from the implementation of strategic plans, initiatives and programs developed through LIP.

STRATEGIC PLAN

This item is linked to Strategic Direction 3: Enhancing Quality of Life, Objective 3B – Planning for the Future.

RECOMMENDATION

Resolved that By-law 2014-71 authorizing execution of a Local Immigration Partnership Contribution Agreement Amendment between the City and Her Majesty the Queen in right of Canada as represented by the Minister of Citizenship, Immigration and Multiculturalism for the continuation of Sault Ste. Marie's Local Immigration Partnership region development for the time period of April 1, 2014 to March 31, 2016 be passed in open Council this 14th day of April, 2014.

Respectfully submitted, Recommended for approval,

Danny Krmpotich
Local Immigration Partnership Coordinator

Mike Nadeau
Commissioner Social Services

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2014-71

<u>AGREEMENT</u>: (C2.13(6)) A by-law to authorize the execution of a Local Immigration Partnership Contribution Agreement Amendment between the City and Her Majesty the Queen in Right of Canada, as represented by the Minister of Citizenship, Immigration and Multiculturalism for the continuation of Sault Ste. Marie's Local Immigration Partnership region development for the time period of 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. **<u>EXECUTION OF DOCUMENTS</u>**

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 Local Immigration Partnership Contribution Agreement Amendment in the form of Schedule "A" attached hereto and dated the 14th day of April, 2014 and made between the City and Her Majesty the Queen in Right of Canada, as represented by the Minister of Citizenship, Immigration and Multiculturalism for the continuation of Sault Ste. Marie's Local Immigration Partnership region development for the time period of April 1, 2014 to March 31, 2016.

2. **<u>SCHEDULE "A"</u>**

Schedule "A" attached forms part of this by-law.

3. **<u>EFFECTIVE DATE</u>**

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

PASSED in open Council this 14th day of April, 2014.

MAYOR – DEBBIE AMAROSO

CITY CLERK – MALCOLM WHITE

cf\LEGAL\STAFF\BYLAWS\2014\2014-71 LIP contribution agreement

Schedule "A"

Citizenship and Immigration Canada | Citoyenneté et Immigration Canada

AMENDMENT TO THE CONTRIBUTION AGREEMENT

AGREEMENT NUMBER: S143295049

AMENDMENT NUMBER: 7

BETWEEN: **HER MAJESTY THE QUEEN IN RIGHT OF CANADA**, represented by the Minister of Citizenship, Immigration and Multiculturalism (hereinafter referred to as the "Department").

AND: The Corporation of The City of Sault Ste. Marie, hereinafter referred to as the "Service Provider".

THIS AMENDMENT TESTIFIES that, in consideration of the mutual covenants herein, the parties agree to amend the Agreement above referenced. The components of the Agreement that will be amended are as follows:

- ☐ The Contribution Agreement (see attached);
- ☑ Schedule 1, entitled *Statement of Planned Activities and Intended Results (see attached);*
- ☑ Schedule 2.1, entitled *Description of Eligible Costs for the Settlement Program (see attached);*
- ☐ Schedule 2.2, entitled *Description of Eligible Costs for the Resettlement Assistance Program (RAP) Stream B - Indirect Services (see attached);*
- ☐ Schedule 2.3, entitled *Description of Eligible Costs for the Resettlement Assistance Program (RAP) Stream A - Direct Services (see attached);*
- ☐ Schedule 3, entitled *Terms of Payments (see attached);*
- ☐ Schedule 4, entitled *Supplementary Terms and Conditions (see attached)*

PRECEDENCE

All other clauses and schedules contained in the Contribution Agreement remain unchanged, and in the event of any inconsistencies, the provisions of the current Agreement including this amendment, take precedence over those of the original Contribution Agreement and any previous amendment(s).

The parties hereto have signed this Amendment to the Agreement through duly authorized representatives.

Service Provider	**Service Provider**
Name (Print)	Name (Print)
Position	Position
Signature	Signature
Date (YYYY-MM-DD)	Date (YYYY-MM-DD)

The Department

Name (Print)	Signature
Position	Date (YYYY-MM-DD)

IMM5712E (03-2012)

Canada

Integration Programs - Schedule 1
Statement of Planned Activities and Intended Results

☒ Settlement Program ☐ Resettlement Program – Direct Services ☐ Resettlement Program – Indirect Services	OFFICE USE		
	100	FILE NUMBER S143295049	
	101	1. ORIGINAL 2. AMENDMENT	2
	102	AMENDMENT NUMBER	7
1 NAME OF RECIPIENT The Corporation of the City of Sault Ste. Marie			

STATEMENT OF PLANNED ACTIVITIES AND INTENDED RESULTS

LOCAL IMMIGRATION PARTNERSHIPS (LIPS)

PROJECT DESCRIPTION AND OBJECTIVE(S):

Local Immigration Partnerships (LIPs) are community-based partnerships that:

- Systematize local engagement of service providers and other institutions in newcomers' integration process;
- Support community-level research and strategic planning; and,
- Improve coordination of effective services that facilitate immigrant settlement and integration.

LIPs do not deliver services directly to newcomers, but provide a collaborative framework to facilitate the development and implementation of sustainable solutions for the successful integration of newcomers that are local and regional in scope.

The overall objective of the LIPs initiative is to enhance collaboration, coordination and strategic planning at the community level in order to foster more welcoming and inclusive communities and improve settlement and integration outcomes.

PLANNED ACTIVITIES:

To achieve the overall objective of the project, the recipient agrees to conduct these activities during the funding period and as otherwise specified in this agreement:

a) Establish an inclusive **partnership council** that is broad-based and representative of the community, and create terms of reference

b) Conduct **research** on newcomers needs and the community's assets and gaps, and raise awareness of these needs with the partnership's members and the wider community

c) Establish a local settlement **strategy** identifying key priorities for the community

d) Develop **action plans** with specific, measurable and time-bound activities to implement the community's strategic priorities

e) Support the **implementation** of action plans and report on results achieved

Definition of a Partnership Council

For the purpose of this agreement, a **partnership council** is defined as a group made up of representatives from community organizations that provide services to or have an interest in the integration of newcomers. Members should be drawn from all levels of government, immigrant serving agencies, language training providers, public institutions, Francophone organizations or networks, regional employment networks, employers, local associations and other key community stakeholders. Outreach to these stakeholders is to be included in the LIP's work plan and encouraged throughout the LIP process to support participation of partners not initially included on the LIP council. The partnership council is to meet regularly to develop a coordinated, comprehensive and strategic approach to immigration and integration that fits the needs of the community it represents.

EXPECTED PROJECT OUTPUTS/TARGETS:

With respect to the **establishment of a partnership council**, the recipient agrees to provide to CIC the following deliverables:

- The partnership council's terms of reference, to be submitted to CIC within three months of the start of the funding period. The terms of reference are to include, at a minimum:
  - Guiding values and ethics
  - Schedule for frequency of meetings
  - Procedures and processes on the establishment of the council, selection of members, decision-making, quorum and governance
  - A list of all members, including members' names and the organization(s) they represent
  - A policy on conflict of interest
- Holding a minimum of 6 meetings per year.
- Minutes for each meeting to be submitted to CIC with the subsequent payment claim and narrative report on the activities of the council.

With respect to the **development of a local settlement strategy,** the recipient agrees to provide to CIC the following deliverables:

- A work plan for the development of a local settlement strategy that identifies key tasks, milestones, roles and responsibilities.
- A report on the research undertaken on the community context and newcomers' needs. This can include, but is not limited to:
  - Demographics and trends in the community and its immigrant population;
  - Available services (settlement and mainstream services) and the capacity of service providers to support newcomers' settlement and integration needs;
  - Barriers to integration in a number of domains (e.g. employment, housing, education, health care);
  - A summary of consultations held with newcomers, employers, service providers and other stakeholders in the community.

  N.B. Efforts should be made to include the specific needs of newcomers having never accessed settlement services.
- A local settlement strategy that presents the vision for the community and identifies key priorities to achieve it. The strategy should indicate how it contributes to the short and/or long term outcomes for the LIP initiative (see below), but is not limited by them.

With respect to **an action plan to implement the local settlement strategy** after it is developed, the recipient agrees to provide to CIC the following deliverables:

- A detailed action plan with the activities to be implemented to support the priorities of the local strategy and the LIP's expected outcomes. The action plan should include:
  - The specific tasks and activities to undertake, and the timelines for implementation;
  - Key partners as well as their roles and responsibilities in implementation;
  - A plan to leverage funding from a diversity of sources to support the implementation of the proposed activities;
  - A plan to report on the implementation of activities.

With respect to the **implementation of the action plan**, the recipient agrees to provide to CIC a report on activities undertaken, results achieved and how they support the expected project outcomes listed below. Where developed, performance measurement and/or evaluation reports assessing the progress of the community against set targets and indicators should also be submitted to CIC.

Dates for Deliverables

The recipient agrees to submit to CIC the following deliverables on the dates specified below:

Deliverables (April 2014 to March 2016):

The proposal for the continued development and implementation of the Local Immigration Partnership and the Settlement and Integration Strategy for the **(The Corporation of the City of Sault Ste Marie)** was submitted on (***March 11, 2014***). The partnership council agrees to meet the following deliverables as stated in their detailed work plan by the specified date.

- Community Awareness Campaign ongoing April 2014 – March 2016
- Complete two Immigration Forums for 2015 and 2016
- Canadian Coalition of Municipalities Against Racism and Discrimination April 2014 – March 2016
- Focus Area Action Plan April 2014 - 2016
- Regional Expansion April 2014 - 2016

EXPECTED PROJECT OUTCOMES:

LIPs are expected to contribute to the following outcomes:

Short-term outcomes:

- Enhanced engagement of a diversity of members in settlement and integration of newcomers;
- Broad-based partnerships developed for planning and setting community priorities;
- Community and newcomer needs assessed in a coordinated manner, and enhanced awareness of needs among a wider array of local actors;
- Increased capacity to support the integration of newcomers and to foster welcoming communities, including welcoming and receptive labour markets at the community level.

Long-term outcomes:

- Enhanced responsiveness of non-settlement services to the needs of newcomers and communities;
- Improved coordination of services at the community level and thereby enhanced accessibility and uptake;
- Sustaining partnerships at the community level;
- Improved outcomes for newcomers.

REPORTING:

The Recipient agrees to submit to the department:

FORECAST OF CASH FLOW

- The Department may request submission of a revised cash flow for the project.

CLAIMS

- Claims for reimbursement of eligible costs that support the achievement of objectives shall be submitted by the Recipient on a **QUARTERLY** basis and shall be accompanied by a progress report on the actual achievements of the project against planned activities and expected results identified in Schedule 1. This report is to be submitted to CIC within 30 days of the end of the reporting period.

FINAL CLAIM AND ANNUAL REPORT

- Following completion of the project, the recipient shall submit a final claim of eligible costs accompanied by the *Annual Performance Report for Community Partnerships* detailing the achievements of the project against the project objective(s), planned activities, and expected results. This report is to be submitted to CIC within 60 days of the end of the funding period.

ANNUAL AUDITED FINANCIAL STATEMENTS

- For multi-year agreements, the Recipient shall submit to the Department, the organizational annual financial statements (audited if available), within 6 months of the Recipient's fiscal year end date.

Citizenship and Immigration Canada / Citoyenneté et Immigration Canada

PART A: INTEGRATION PROGRAMS - SCHEDULE 2

Description of Eligible Costs

☑ Settlement Program

☐ Resettlement Program - Direct Services

☐ Resettlement Program - Indirect Services

1 Name of Recipient: Corporation of the City of Sault Ste. Marie		OFFICE USE ONLY — 100 File number: S143295049
2 Address: 99 Foster Drive, P.O. Box 580, Sault Ste. Marie, ON, P6A 5X6		101 Original ☐ Amendment ☑
3 Telephone number: (705) 541-7301	4 Facsimile number: (705) 759-1796	102 Amendment number: 7
5 Description of services: Local Immigration Partnership (LIP) for the Sault Ste. Marie community		

6 Duration of activity / Funding period — From: 2014-04-01 (YYYY-MM-DD) To: 2016-03-31 (YYYY-MM-DD) Fiscal years: 2

CIC CONTRIBUTION - SEE ATTACHED FOR COST ITEMS DETAILS

7 COST CATEGORY	FY 1 2014 - 2015	FY 2 2015 - 2016	FY 3	FY 4	FY 5	COST CATEGORY TOTAL
ADMINISTRATIVE	$4,365	$4,365				$8,730
PROGRAM DELIVERY	$218,267	$218,268				$436,535
CAPITAL						
TOTAL CONTRIBUTION PER FISCAL YEAR	$222,632	$222,633				$445,265

8 *For amendments only:* ☑ Increase ☐ Decrease ☐ No change in agreement value By Amount: $445,265

Reason for amendment:
The Contribution was amended to provide additional funding for fiscal years 2014-2015 and 2015-2016 to continue to support the activities of the Local Immigration Partnerships (LIPs)in Sault Ste. Marie and the Algoma District.

Canada

INTEGRATION PROGRAMS - SCHEDULE 2
Breakdown of Eligible Costs

1 Name of Recipient	100 File number
Corporation of the City of Sault Ste. Marie	S143295049
	112 Cost items for
	FY 1 2014 - 2015

ADMINISTRATIVE

Qty	Line item	Percentage (%)	Amount for fiscal year
	Administrative rate (2%)		$4 365

Total Administrative: $4,365

PROGRAM DELIVERY

Qty	Line item	Description / Details	Amount for fiscal year
	Salaries, wages and benefits		$195 497
	Travel, accommodation and related costs		$0
	Conferences and workshops		$11 000
	Publicity		$11 530
	Eligible GST/HST		$240

Total Program Delivery: $218,267

CAPITAL

Qty	Line item	Description / Details	Amount for fiscal year
	Please select one		

Total Capital:

Total Maximum CIC Contribution for Fiscal Year: $222,632

FY 1 2014 - 2015

INTEGRATION PROGRAMS - SCHEDULE 2
Breakdown of Eligible Costs

1 Name of Recipient	100 File number
Corporation of the City of Sault Ste. Marie	S143295049
	112 Cost items for
	FY 2 2015 - 2016

ADMINISTRATIVE

Qty	Line Item	Percentage (%)	Amount for fiscal year
	Administrative rate (2%)		$4 365

Total Administrative: $4,365

PROGRAM DELIVERY

Qty	Line Item	Description / Details	Amount for fiscal year
	Salaries, wages and benefits		$205 789
	Travel, accommodation and related costs		$0
	Conferences and workshops		$9 000
	Publicity		$3 239
	Eligible GST/HST		$240

Total Program Delivery: $218,268

CAPITAL

Qty	Line Item	Description / Details	Amount for fiscal year
	Please select one		

Total Capital:

Total Maximum CIC Contribution for Fiscal Year: $222,633

FY 2 2015 - 2016

COUNCIL REPORT

April 14, 2014

TO: Mayor Debbie Amaroso and Members of City Council

AUTHOR: Jeff Barban, Manager of Housing Programs

DEPARTMENT: Social Services Department

RE: Homelessness Partnering Strategy (HPS) and Homeless Individuals and Families Information System (HIFIS)

PURPOSE

On April 7, 2014, Housing Programs received formal notification that the Government of Canada is renewing the Homelessness Partnering Strategy commencing April 2014 until March 2019, with the same allocation as in previous years. On March 28, 2014, notification was also received that the Government of Canada is renewing Homeless Individuals and Families Information Systems. In order to continue accessing these funds, it is recommended that the City of Sault Ste. Marie Social Services Department continue in their role as the Community Entity.

BACKGROUND

The City of Sault Ste. Marie-Social Services Department has been the Community Entity for the Federal Homelessness Initiative since 2002 and as such, has held the responsibility of accessing and administering Federal funding, aiding in the development, implementation and support of services and programs for the homeless and those at risk of homelessness.

The resolution passed by Council on December 13, 2010, approved the Social Services Department of the Corporation of the City of Sault Ste. Marie to continue in their role as the Community Entity under the Homelessness Partnering Strategy (HPS) until March 2014.

To access this next round of funding, the Federal Government will require an update of the City of Sault Ste. Marie 2011 Community Plan. The Community Plan Assessment and Update committee, made up of twenty-eight (28) community stakeholders identified eight community issues, of which only five were eligible for HPS. The five priorities were as follows:

<u>Priority #1: Enhanced Prevention/ Intervention Services for the At Risk of Homelessness Population</u>

<u>Priority # 2: Increase Communication, Coordination, Collaboration & Partnerships to Address the Needs of the Homeless and those at Risk of Homelessness</u>

<u>Priority # 3: Semi Independent Living or Supportive Housing for the Homeless Population</u>

<u>Priority #4: Enhance Client Skill Development</u>

<u>Priority # 5: Emergency (non-shelter) Short Term Housing</u>

Sault Ste. Marie has been receiving Federal Homelessness funds in the amount of $136,060 annually since 2002 and has been allotted for the same funding level for each year up to 2019.

ANALYSIS

The previous homelessness priorities have been carried over for what is referred to as a "transitional year", April 2014 to March 2015 as follows:

- Homelessness Prevention Services & Supports
    - United Way-Community Assistance Trust in the amount of $42,760. This Program assists the most vulnerable citizens with emergency dental, food, eyeglasses, transportation, utilities, home heating, rent, prescriptions and baby safety items.

- Shelter (Transitional) Services and/or Supports
    - Pauline's Place Youth Shelter in the amount of $33,256.
    - Vincent Place Men's Shelter in the amount of $46,420.

IMPACT

There is no impact on the city budget as these funds are 100 percent federal dollars.

STRATEGIC PLAN

To implement the Community Plan to address homelessness in Sault Ste. Marie and utilize the HPS funding allocation over the next five years (2014-2019), summarized as follows:

- The Social Development Council (SDC) will remain as the Community Advisory Board for Federal Homelessness funding purposes.
- In the fall of 2014, a call for proposals will be solicited from the community to address the updated priorities for the fiscal years 2015-2017. The Community Advisory Board, Community Entity Review Committee, and the same process will be followed as in the past:
    - Information packages and service scopes will be developed.
    - Interested parties will be asked to contact Housing Programs for an information package.
    - Proposals from the candidates will be received and reviewed by the Community Advisory Board (Social Development Council), who will recommended they precede to the next step.
    - The Community Entity Review Committee will structure a review committee to score the proposals to determine which "Lead Agency" would be approved for HPS funds.

Housing Programs will complete and monitor contractual agreements with the successful "Lead Agencies".

RECOMMENDATION

By-law 2014-80 is included on the agenda and is recommended for your approval.

Respectfully submitted,	Recommended for approval,
'Jeff Barban'	'Mike Nadeau'
Jeff Barban Housing Programs Manager	Mike Nadeau Commissioner of Social Services

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2014-80

AGREEMENT: (S3) A by-law to authorize the execution of a Funding Agreement between the City and Her Majesty the Queen in Right of Canada, as represented by the Minister of Employment and Social Development Canada for the Homelessness Partnering Strategy – Designated Communities funding.

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 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 Funding Agreement in the form of Schedule "A" attached hereto and dated the 14th day of April, 2014 and made between the City and Her Majesty the Queen in Right of Canada, as represented by the Minister of Employment and Social Development Canada for the Homelessness Partnering Strategy – Designated Communities funding for the time period of April 1, 2014 to March 31, 2019.

2. **SCHEDULE "A"**

   Schedule "A" attached 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 14th day of April, 2014.

____

MAYOR – DEBBIE AMAROSO

____

CITY CLERK – MALCOLM WHITE

cf\LEGAL\STAFF\BYLAWS\2014\2014-80 Homelessness Partnering Strategy

Employment and Social Development Canada | Emploi et Développement social Canada

Project #: 012621785

Homelessness Partnering Strategy

Community Entity

Designated Communities

FUNDING AGREEMENT

BETWEEN

Her Majesty the Queen in Right of Canada (hereinafter referred to as "Canada"), as represented by the Minister of Employment and Social Development Canada AND

Corporation of the City of Sault Ste. Marie
(hereinafter referred to as "the Recipient")

Hereinafter collectively referred to as "the Parties"

Articles of Agreement

Whereas Canada has established the Homelessness Partnering Strategy (hereinafter referred to as "the Program") to support projects aimed at reducing homelessness, primarily through the Housing First approach, and includes projects aimed at preventing individuals and families at imminent risk from becoming homeless;

Whereas the Recipient has applied to Canada for funding to carry out the project described in Schedule A;

Whereas Canada has determined that the Recipient is eligible to apply for funding under the Program and that the Project qualifies for support under the Program; and

Whereas Canada has agreed to make a contribution to the Recipient towards the costs of the Project;

Now, therefore, Canada and the Recipient agree as follows:

1.0 AGREEMENT

1.1 The following documents, and any amendments thereto, constitute the entire agreement between the Recipient and Canada with respect to its subject matter and supersedes all previous understandings, agreements, negotiations and documents collateral, oral or otherwise between them relating to its subject matter:

(a) These Articles of Agreement;

(b) Schedule A - entitled "Project Description";

(c) Schedule B - entitled "Financial Provisions"; and

(d) Schedule C - entitled "Additional Provisions".

2.0 INTERPRETATION

2.1 Unless the context requires otherwise, the expressions listed below have the following meanings for the purposes of this Agreement:

"Eligible Expenditures" means the expenditures which are listed in the Project Budget in Schedule B, and in compliance with the Conditions Governing the Eligibility of Expenditures set out in Schedule B;

"Fiscal Year" means the period commencing on April 1 in one calendar year and ending on March 31 in the next calendar year;

"Project" means the project described in Schedule A;

"Project Period" means the period beginning on the Project Start Date specified in Schedule A and ending on the Project End Date specified in Schedule A; and

"Working Day" means Monday through Friday except statutory holidays

3.0 EFFECTIVE DATE AND DURATION

3.1 This Agreement shall come into effect on the date it is signed by the last of the Parties to do so and, subject to section 3.2, shall expire at the end of the Project Period unless the Agreement is terminated on a prior date in accordance with the terms of this Agreement.

3.2 All obligations of the Recipient shall expressly or by their nature survive termination or expiry of this Agreement and shall continue in full force subsequent to and notwithstanding such termination or expiry until and unless they are satisfied or by their nature expire

4.0 PURPOSE OF THE CONTRIBUTION

4.1 The purpose of Canada's funding is to enable the Recipient to carry out the Project. The funding shall be used by the Recipient solely for the purpose of paying the Eligible Expenditures

5.0 CANADA'S CONTRIBUTION

5.1 Subject to the terms and conditions of this Agreement, Canada agrees to make a contribution to the Recipient in respect of the Eligible Expenditures. The amount of Canada's contribution shall not exceed the total maximum amount specified in section 1.1 of Schedule B.

5.2 Where the Project Period covers more than one Fiscal Year, the amount payable by Canada on account of its contribution in each Fiscal Year of the Project Period shall not exceed the amount shown in section 1.2 of Schedule B for that Fiscal Year

6.0 APPROPRIATION

6.1 Any payment under this Agreement is subject to the appropriation of funds by Parliament for the Fiscal Year in which the payment is to be made.

7.0 REDUCTION OR TERMINATION OF FUNDING

7.1 If

(a) the Program named in this Agreement is cancelled,

(b) the level of funding for the Program named in this Agreement for any Fiscal Year in which payment is to be made under the Agreement is reduced as a result of a governmental or departmental spending decision, or

(c) Parliament reduces the overall level of funding for the programs of the Department of Employment and Social Development for any Fiscal Year in which payment is to be made under the Agreement,

Canada may, upon not less than ninety (90) days notice, reduce its funding under this Agreement or terminate the Agreement.

7.2 Where, pursuant to section 7.1, Canada gives notice of its intention to reduce its funding, and where, as a result of the reduction in funding, the Recipient is of the opinion that it will be unable to complete the Project or will be unable to complete the Project in the manner desired by the Recipient, the Recipient shall notify Canada of same as soon as possible after receiving notice of the funding reduction and may, upon not less than thirty (30) days written notice to Canada, terminate the Agreement.

8.0 RECIPIENT DECLARATIONS

8.1 The Recipient

(a) declares that it has provided Canada with a true and accurate list of all amounts owing to the Government of Canada under legislation or funding agreements which were past due and in arrears at the time of the Recipient's application for funding under the Program named in this Agreement,

(b) agrees to declare any amounts owing to the Government of Canada under legislation or funding agreements which have become past due and in arrears following the date of its application for funding, and

(c) recognizes that Canada may recover any amounts referred to in paragraph (a) or (b) that are owing by deducting or setting off such amounts from any sum of money that may be due or payable to the Recipient under this Agreement.

8.2 The Recipient declares that any person who has been lobbying on its behalf to obtain the contribution that is the subject of this Agreement was in compliance with the provisions of the Lobbying Act [R.S.C. 1985 c. 44 (4th Supp.)], as amended from time to time, at the time the lobbying occurred and that any such person to whom the aforementioned act applies, has received, or will receive, no payment, directly or indirectly, from the Recipient that is in whole or in part contingent on obtaining this Agreement.

9.0 PROJECT RECORDS

9.1 The Recipient shall

(a) keep proper books and records, in accordance with generally accepted accounting principles, of all expenditures and revenues relating to the Project, including cash contributions received from Canada and cash contributions from other sources, as well as records substantiating the receipt and value of any in-kind contributions to the costs of the Project referred to in the Project Budget in Schedule B,

(b) keep records of all Project-related contracts and agreements and all invoices, receipts and vouchers relating to Eligible Expenditures, and

(c) keep records of all Project-related activity, progress and evaluation reports and reports of Project reviews or audits carried out by, or on behalf of, the Recipient.

9.2 The Recipient shall retain the books and records referred to in section 9.1 for a period of six (6) years following the Project Period

10.0 CANADA'S RIGHT TO AUDIT

10.1 During the Project Period and for a period of six (6) years thereafter, the Recipient shall, upon request, grant representatives of Canada access to the books and records referred to in section 9.0 for the purpose of conducting an audit to verify compliance with the terms and conditions of this Agreement and verify expenses claimed by the Recipient as Eligible Expenditures. The Recipient shall permit Canada's representative(s) to take copies and extracts from such accounts and records. The Recipient shall also provide Canada with such additional information as Canada may require with reference to such books and records.

11.0 FINANCIAL AND ACTIVITY MONITORING

11.1 During the Project Period, the Recipient shall grant representatives of Canada reasonable access to the Project site and business premises of the Recipient, if different from the Project site, and to all Project-related books and records referred to in section 9.0 at all reasonable times for the purpose of conducting periodic financial and activity monitoring reviews of the Project. The Recipient shall also, upon request, provide representatives of Canada with copies and extracts from such books and records.

12.0 INQUIRY BY THE AUDITOR GENERAL OF CANADA

12.1 If, during the Project Period or within a period of six years thereafter, the Auditor General of Canada, in relation to an inquiry conducted under subsection 7.1(1) of the *Auditor General Act* [R.S.C., 1985, c. A-17], requests that the Recipient provide him or her with any records, documents or other information pertaining to the utilization of the funding provided under this Agreement, the Recipient shall provide the records, documents or other information within such period of time as may be reasonably requested in writing by the Auditor General of Canada

13.0 FINAL REPORT

13.1 Unless the Recipient is required under a schedule to this Agreement to provide another, more specific, final report outlining the results of the Project, the Recipient shall provide Canada with a final report that summarizes the Project scope, describes the results achieved, explains any discrepancies between the results and the planned or expected results and contains such other information as Canada may specify in writing to the Recipient. The Recipient shall provide Canada with the final report within sixty (60) days following the Project Period.

14.0 EVALUATION

14.1 The Recipient agrees to cooperate with Canada in the conduct of any evaluation of the Project and/or the Program named in this agreement that Canada may carry out during the Project Period or within a period of three years thereafter. Without limiting the generality of the foregoing, if requested by Canada to do so for the purpose of conducting an evaluation, the Recipient agrees to

(a) participate in any survey, interview, case study or other data collection exercise initiated by Canada; and

(b) subject to section 14.2, provide Canada with contact information of the Project partner organizations, if any, who participated in the Project, and of the members of the board of directors of the Recipient.

14.2 The Recipient shall provide Canada with the contact information of a person (name, address, phone number and e-mail address) referred to in paragraph 14.1(b) only if the person has given their written consent to the release of the information to Canada. The Recipient agrees to make all reasonable efforts to secure such consent during the Project Period. When providing a person's contact information to Canada, the Recipient shall provide Canada with an accompanying written statement certifying that the person has given their consent to the sharing of their contact information with Canada

15.0 CONTRACTING PROCEDURES

Contracting

15.1 (1) Subject to subsection (2), the Recipient shall use a fair and accountable process, involving soliciting a minimum of three bids or proposals, when procuring goods and services from contractors in relation to the Project. The Recipient shall select the bid or proposal offering the best value at the lowest cost.

(2) The requirement under subsection (1) shall apply, unless otherwise authorized in writing by Canada, to all goods or services contracts valued at $25,000 or more (including taxes and duties) The Recipient must not unnecessarily divide a requirement for goods or services into a number of smaller contracts to avoid this requirement

Restrictions Regarding Non Arms-Length Contracts

15.2 (1) Unless otherwise authorized in writing by Canada, all goods or services contracts, regardless of their value, entered into in relation to the Project between the Recipient and

(a) an officer, director or employee of the Recipient,

(b) a member of the immediate family of an officer, director or employee of the Recipient,

(c) a business in which an officer, director or employee of the Recipient, or a member of their immediate family, has a financial interest, or

(d) a business which is related to, or associated or affiliated with, the Recipient,

require the prior written approval of Canada. In any such contract, the Recipient shall ensure that Canada has a right of access to the relevant records of the supplying entity for the purpose of verifying, if necessary, the amount of the expenditure claimed by the Recipient in relation to a contract referred to in this subsection.

(2) In this section, "immediate family" means the father, mother, step-father, step-mother, brother, sister, spouse (including common law partner), child (including child of common law partner), step-child, ward, father in law, mother in law or relative permanently residing in the household of the officer, director or employee.

Restrictions Regarding Sub-contracting of Recipient Duties or Responsibilities

15.3 The Recipient shall not subcontract the performance of any of its duties or responsibilities in managing the Project to another party without the prior written consent of Canada unless the Recipient has already indicated in the approved Project Description attached as Schedule A to this Agreement that it intends to use a subcontractor or subcontractors to perform those duties or responsibilities.

16.0 TERMINATION OF AGREEMENT

Termination for Default

16.1 (1) The following constitute Events of Default:

(a) the Recipient becomes bankrupt, has a receiving order made against it, makes an assignment for the benefit of creditors, takes the benefit of the statute relating to bankrupt or insolvent debtors or an order is made or resolution passed for the winding up of the Recipient;

(b) the Recipient ceases to operate;

(c) the Recipient is in breach of the performance of, or compliance with, any provision of this Agreement;

(d) the Recipient, in support of its application for Canada's contribution or in connection with this Agreement, has made materially false or misleading representations, statements or declarations, or provided materially false or misleading information to Canada; or

(e) in the opinion of Canada, there is a material adverse change in risk in the Recipient's ability to complete the Project or to achieve the expected results of the Project set out in Schedule A.

(2) If

(a) an Event of Default specified in paragraph (1)(a) or (b) occurs; or

(b) an Event of Default specified in paragraphs (1)(c), (d) or (e) occurs and has not been remedied within thirty (30) days of receipt by the Recipient of written notice of default, or a plan satisfactory to Canada to remedy such Event of Default has not been put into place within such time period,

Canada may, in addition to any remedies otherwise available, immediately terminate the Agreement by written notice. Upon providing such notice of termination, Canada shall have no obligation to make any further contribution to the Recipient.

(3) In the event Canada gives the Recipient written notice of default pursuant to paragraph (2)(b), Canada may suspend any further payment under this Agreement until the end of the period given to the Recipient to remedy the Event of Default.

(4) The fact that Canada refrains from exercising a remedy it is entitled to exercise under this Agreement shall not be considered to be a waiver of such right and, furthermore, partial or limited exercise of a right conferred upon Canada shall not prevent Canada in any way from later exercising any other right or remedy under this Agreement or other applicable law.

Termination for Convenience

16.2 Canada may also terminate this Agreement at any time without cause upon not less than ninety (90) days written notice of intention to terminate.

Obligations Relating to Termination under section 7.1 or 16.2 and Minimizing Cancellation Costs

16.3 In the event of a termination notice being given by Canada under section 7.1 or 16.2,

(a) the Recipient shall make no further commitments in relation to the Project and shall cancel or otherwise reduce, to the extent possible, the amount of any outstanding commitments in relation thereto; and

(b) all Eligible Expenditures incurred by the Recipient up to the date of termination will be paid by Canada, including the Recipient's costs of, and incidental to, the cancellation of obligations incurred by it as a consequence of the termination of the Agreement; provided always that payment and reimbursement under this paragraph shall only be made to the extent that it is established to the satisfaction of Canada that the costs mentioned herein were actually incurred by the Recipient and the same are reasonable and properly attributable to the termination of the Agreement.

16.4 The Recipient shall negotiate all contracts related to the Project, including employment contracts with staff, on terms that will enable the Recipient to cancel same upon conditions and terms that will minimize to the extent possible their cancellation costs in the event of a termination of this Agreement. The Recipient shall cooperate with Canada and do everything reasonably within its power at all times to minimize and reduce the amount of Canada's obligations under section 16.3 in the event of a termination of this Agreement.

17.0 INDEMNIFICATION

17.1 The Recipient shall, both during and following the Project Period, indemnify and save Canada harmless from and against all claims, losses, damages, costs, expenses and other actions made, sustained, brought, threatened to be brought or prosecuted, in any manner based upon, occasioned by or attributable to any injury or death of a person, or loss or damage to property caused or alleged to be caused by any wilful or negligent act, omission or delay on the part of the Recipient or its employees or agents, and participating employers or Project participants, if any, in connection with anything purported to be or required to be provided by or done by the Recipient pursuant to this Agreement or done otherwise in connection with the implementation of the Project.

18.0 INSURANCE

18.1 The Recipient shall arrange and maintain, during the Project Period, appropriate comprehensive general liability insurance coverage to cover claims for bodily injury or property damage resulting from anything done or omitted by the Recipient or its employees, agents or Project participants, if any, in carrying out the Project.

19.0 RELATIONSHIP BETWEEN THE PARTIES AND NON-LIABILITY OF CANADA

19.1 The management and supervision of the Project are the sole and absolute responsibility of the Recipient. The Recipient is not in any way authorized to make a promise, agreement or contract on behalf of Canada. This Agreement is a funding agreement only, not a contract for services or a contract of service or employment. Canada's responsibility is limited to providing financial assistance to the Recipient towards the Eligible Expenditures. The parties hereto declare that nothing in this agreement shall be construed as creating a partnership, an employer-employee, or agency relationship between them. The Recipient shall not represent itself as an agent, employee or partner of Canada.

19.2 Nothing in this Agreement creates any undertaking, commitment or obligation by Canada respecting additional or future funding of the Project beyond the Project Period, or that exceeds the maximum contribution specified in Schedule B. Canada shall not be liable for any loan, capital lease or other long-term obligation which the Recipient may enter into in relation to carrying out its responsibilities under this Agreement or for any obligation incurred by the Recipient toward another party in relation to the Project.

20.0 CONFLICT OF INTEREST

20.1 No current or former public servant or public office holder to whom the *Conflict of Interest Act [S.C. 2006, c. 9, s. 2]*, the *Policy on Conflict of Interest and Post-Employment* or the *Values and Ethics Code for the Public Sector* applies shall derive a direct benefit from the Agreement unless the provision or receipt of such benefit is in compliance with the said legislation or codes.

20.2 No member of the Senate or the House of Commons shall be admitted to any share or part of the Agreement or to any benefit arising from it that is not otherwise available to the general public.

21.0 INFORMING CANADIANS OF THE GOVERNMENT OF CANADA'S CONTRIBUTION

21.1 The Recipient shall allow Canada sixty (60) days from the date of signature of the Agreement to announce the Project. During this 60 day period, the Recipient shall not make any public announcements of funding, deferring all questions to Canada. After the expiry of the 60 day period, the Recipient may begin its own communication activities for the Project.

21.2 The Recipient shall notify Canada twenty (20) working days in advance of any initial and subsequent official ceremonies related to the announcement of the funding and promotion of the Project. Canada reserves the right to approve the time, place and agenda of the ceremony.

21.3 The Recipient shall notify Canada fifteen (15) working days in advance of any and all communications activities, publications, advertising and press releases planned by the Recipient or by a third party with whom it has an agreement relating to the Project.

21.4 The Recipient shall ensure that in any and all communication activities, publications, advertising and press releases regarding the Project, recognition, in terms and in a form and manner satisfactory to Canada, are given to Canada's financial assistance to the Project

21.5 The Recipient agrees to display such signs, plaques or symbols as Canada may provide in such locations on its premises as Canada may designate.

21.6 The Recipient shall cooperate with representatives of Canada during any official news release or ceremonies relating to the announcement of the Project

22.0 ACCESS TO INFORMATION

22.1 The Recipient acknowledges that Canada is subject to the *Access to Information Act* [RSC 1985, Chapter A-1], and information obtained by Canada pertaining to this Agreement may be disclosed by Canada to the public upon request under the aforementioned act.

23.0 PROACTIVE DISCLOSURE

23.1 The Recipient acknowledges that the name of the Recipient, the amount of the contributions and the general nature of the Project may be made publicly available by Canada in accordance with the Government of Canada's commitment to proactively disclose the awarding of grants and contributions.

24.0 DISPOSITION OF CAPITAL ASSETS

24.1 During the Project Period, the Recipient shall preserve any capital asset purchased by the Recipient with funding provided under this Agreement and shall not dispose of it unless Canada authorizes its disposition.

24.2 At the end of the Project Period, or upon termination of this Agreement, if earlier, Canada reserves the right to direct the Recipient to dispose of any capital asset purchased by the Recipient with funding provided under this Agreement by:

(a) selling it at fair market value and applying the funds realised from such sale to offset Canada's contribution to the Eligible Expenditures;

(b) turning it over to another organization or to an individual designated or approved by Canada; or

(c) disposing of it in such other manner as may be determined by Canada

24.3 Where Canada elects to exercise its right under section 24.2 , the Recipient agrees to comply with the related direction provided by Canada

24.4 For the purposes of section 24.0, "capital asset" means any single item, or a collection of items which form one identifiable functional unit, that

(a) is not physically incorporated into another product or not fully consumed by the end of the Project, and

(b) has a purchase or lease value of more than $1,000 (before taxes),

but does not include land or buildings purchased or leased by the Recipient in connection with the implementation of the Project.

25.0 INTELLECTUAL PROPERTY

25.1 Where in the course of carrying out the Project, the Recipient produces any work using funds provided by Canada, the copyright in the work shall vest in the Recipient. However, the Recipient hereby grants to Canada a non-exclusive, irrevocable and royalty free license to use, translate, adapt, record by any means or reproduce, except for commercial sale in competition with the Recipient, any such work which is produced by the Recipient.

25.2 The license granted under section 25.1 shall be for the duration of the copyright and shall include:

(a) the right to sub-license the use of the work to any contractor engaged by Canada solely for the purpose of performing contracts with Canada; and

(b) the right to distribute the work outside the Department of Employment and Social Development as long as the distribution does not undermine any commercial use of the work intended by the Recipient.

25.3 The Recipient agrees to execute any acknowledgements, agreements, assurances or other documents deemed necessary by Canada to establish or confirm the license granted under section 25.1.

25.4 Additionally, with respect to any work licensed under section 25.1, the Recipient:

(a) warrants that the work shall not infringe on the copyrights of others;

(b) agrees to indemnify and save harmless Canada from all costs, expenses and damages arising from any breach of any such warranty; and

(c) shall include an acknowledgment, in a manner satisfactory to Canada, on any work which is produced by it with funds contributed by Canada under this Agreement, acknowledging that the work was produced with funds contributed by Canada and identifying the Recipient as being solely responsible for the content of such work.

25.5 The Recipient shall include in the final report for the Project, which the Recipient is required to submit to Canada under the terms of this Agreement, a copy of any work licensed under section 25.1.

26.0 NOTICES

26.1 Any notices to be given and all reports, information, correspondence and other documents to be provided by either party under this Agreement shall be given or provided by personal delivery, mail, courier service, fax or email at the postal address, fax number or email address, as the case may be, of the receiving party as shown in Schedule A. If there is any change to the postal address, fax number or email address or contact person of a party, the party concerned shall notify the other in writing of the change as soon as possible

26.2 Notices, reports, information, correspondence and other documents that are delivered personally or by courier service shall be deemed to have been received upon delivery, or if sent by mail five (5) working days after the date of mailing, or in the case of notices and documents sent by fax or email, one (1) working day after they are sent.

27.0 DISPUTE RESOLUTION

27.1 In the event of a dispute arising under the terms of this Agreement, the Parties agree to make a good faith attempt to settle the dispute. In the event that the Parties are unable to resolve the dispute through negotiation, they agree to give good faith consideration to resorting to other alternate dispute resolution processes to resolve the dispute. However, the Parties agree that nothing contained in this section shall affect, alter or modify the rights of either Party to terminate the Agreement.

28.0 ASSIGNMENT OF THE AGREEMENT

28.1 The Recipient shall not assign this Agreement or any part thereof without the prior written consent of Canada.

29.0 SUCCESSORS AND ASSIGNS

29.1 This Agreement is binding upon the parties and their respective successors and assigns.

30.0 COMPLIANCE WITH LAWS

30.1 The Recipient shall carry out the Project in compliance with all applicable federal, provincial and municipal laws, by-laws and regulations, including any environmental legislation and legislation related to protection of information and privacy. The Recipient shall obtain, prior to the commencement of the Project, all permits, licenses, consents and other authorizations that are necessary to the carrying out of the Project.

31.0 APPLICABLE LAW

31.1 This Agreement shall be governed by and construed in accordance with the applicable laws of the province or territory where the Project will be performed or, if the Project is to be carried out in more than one province or territory, of the province or territory where the Recipient has its main place of business

32.0 AMENDMENT

32.1 This Agreement may be amended by mutual consent of the parties. To be valid, any amendment to this Agreement shall be in writing and signed by the parties

33.0 UNINCORPORATED ASSOCIATION

33.1 If the Recipient is an unincorporated association, it is understood and agreed by the persons signing this Agreement on behalf of the Recipient that in addition to signing this Agreement in their representative capacities on behalf of the members of the Recipient, they shall be personally, jointly and severally liable for the obligations of the Recipient under this Agreement, including the obligation to pay any debt that may become owing to Canada under this Agreement.

34.0 COUNTERPARTS

34.1 This Agreement may be executed in counterparts, each of which shall be deemed an original but both of which taken together shall constitute one and the same agreement. The exchange of copies of this Agreement and of signature pages by facsimile or electronic transmission shall constitute effective execution and delivery of this Agreement as to the parties and may be used in lieu of the original Agreement for all purposes. Signatures of the parties transmitted by facsimile or electronic transmission shall be deemed to be their original signatures for all purposes.

SIGNATURES

Signed this ______________ day of ______________________ , ___________

For the Recipient, by the following authorized officer(s):

(Name, please print)	(Name, please print)
(Signature)	Signature
(Position)	(Position)

And signed this ______________ day of ______________________ , ___________

For Canada, by the following authorized officer:

(Name, please print)

(Signature)

(Position)

SCHEDULE A

PROJECT DESCRIPTION

NAME OF RECIPIENT: Corporation of the City of Sault Ste Marie
PROJECT TITLE: HPS 2014-2019

Recipient	Canada
Complete Mailing Address:	**Complete Mailing Address:**
180 Brock St. Sault Ste. Marie, Ontario P6A 3B7 Canada	25 St Clair Avenue East, 3rd Floor Toronto, Ontario M4T 1M2 Canada
Primary Contact Jeff Barban	**Primary Contact** Glenn Budgell
Telephone Number 705-759-5004	**Telephone Number** 705-670-6721
Fax Number	**Fax Number** 705-670-6669
Email Address j barban@cityssm on ca	**Email Address** glenn budgell@servicecanada gc ca
Secondary Contact Joanne Pearson	**Secondary Contact** Iaian Burraway
Telephone Number 705-759-5204	**Telephone Number** 647-252-0141
Fax Number	**Fax Number** 416-973-2700
Email Address j.pearson@cityssm on ca	**Email Address** iain burraway@servicecanada.gc.ca

Project Start Date	Project End Date	
yyyy-mm-dd 2014-04-01	yyyy-mm-dd 2019-03-31	Total Number of Participants: (If applicable) N/A

Project Description

Objectives

For the duration of April 01, 2014 to March 31, 2019, the City of Sault Ste Marie as the Community Entity (CE) will administer HPS – Designated Communities funding, thereby responding to the Community Plan priorities of the people who are homeless or at imminent risk of homelessness in Sault Ste Marie.

The annual Designated Communities allocation for Sault Ste Marie is $ 136,060.

HPS funds will be used to fund projects, based on Community Plan priorities, eligible under the terms and conditions and related policies and directives of the HPS and recommendations from the CAB.

Activities

The City of Sault Ste Marie will administer the HPS Designated Communities funding as the CE for Sault Ste Marie. This will include the following activities which will be monitored against milestones in the Work Plan:

The CE is responsible for implementing strategies to address Community Plan priorities, as well as providing a leadership role in the local implementation of Housing First. The CE will engage the community stakeholders and funding partners to actively work together to prevent and reduce homelessness. The CE will identify funding other than the HPS from partners to meet the community contribution matching requirement.

The CE is responsible for providing support and guidance to the CAB regarding program delivery and administration and assisting to establish the terms of reference for the project selection and recommendation processes. The CE will implement selection processes and solicit and confirm eligibility criteria of sub-project proposals in an open, impartial and fair manner. The CE will assess, approve and enter into funding agreements with sub-agreement holders recommended by the CAB that meet the Community Plan priorities and terms and conditions of the HPS and related policies and directives including eligible activities under the following activity areas: Housing First; Support Services; Capital Investments; Coordination of Resources and Leveraging; and Data Collection and Use.

The CE is responsible for the management of sub-project funding agreements, including financial and activity monitoring of sub-projects to ensure compliance with sub-agreements, and monitoring sub-projects for achievement of expected results. The CE will inform the CAB about the status of sub-projects (including results) and other activities related to the prevention and reduction of homelessness in the community. The CE will report on its activities, including the management of sub-agreements, to Canada in accordance with the reporting requirements described in the HPS funding agreement, as well as any additional reporting as required by the HPS.

The CE will ensure the participation and representation of Aboriginal organizations in the planning and implementation of the Community Plan priorities.

Expected Results

Outputs:

By March 31, 2019, the City of Sault Ste Marie as the CE will fully invest the HPS – Designated Communities funding to address priorities identified in the Community Plan.

The City of Sault Ste Marie will ensure implementation of the Community Plan as established by the CAB and approved by Canada.

HPS funding will be matched with local community funding partners in the implementation of the Community Plan.

Outcomes:

Increased investments in Housing First activities to house the chronically and episodically homeless population which will be identified and reported on annually in the Community Plan update.

Sault Ste Marie as a designated community with an allocation of $200K or less does not have specific targets; however a shift to Housing First is encouraged.

Reduction in the number of homeless individuals and families using emergency shelters, moving them into stable living environments with access to the services and supports leading to increased self-sufficiency, and the prevention of returning to homelessness.

Creation and maintenance of partnerships to improve services and facilities for homeless individuals and families.

Best use of investments toward alleviating homelessness based on an inclusive decision making process.

Specific performance indicators will be included in the Community Plan, which will form part of the funding agreement. Targets will be established by the CAB, in consultation with community stakeholders, based on baseline data that will also be established in the Community Plan. Achievement of project objectives will be reviewed periodically and continuation of funding is subject to demonstrated progress against established targets.

Signatures		
RECIPIENT	RECIPIENT	CANADA
DATE	DATE	DATE

SCHEDULE B

FINANCIAL PROVISIONS

LEGAL NAME OF RECIPIENT: Corporation of the City of Sault Ste Marie
PROJECT TITLE: HPS 2014-2019

1.0 MAXIMUM CONTRIBUTION OF CANADA

1.1 The total maximum amount of Canada's contribution towards the Eligible Expenditures of the Project is: $680,300.

1.2 The maximum amount payable by Canada in each Fiscal Year of the Project Period on account of the contribution is as follows, unless otherwise authorized in writing by Canada.
$136,060 in Fiscal Year 2014/2015
$136,060 in Fiscal Year 2015/2016
$136,060 in Fiscal Year 2016/2017
$136,060 in Fiscal Year 2017/2018
$136,060 in Fiscal Year 2018/2019

2.0 INTEREST EARNED ON CONTRIBUTION

2.1 If, under section 8.0 of this Schedule, Canada has made payment of its contribution by way of advances, and if the amount of interest earned on the advance payments is in excess of one hundred dollars ($100), such interest is deemed to be part payment of Canada's contribution and will be taken into account in the calculation of the final payment by Canada, or repayment by the Recipient, as may be appropriate in the circumstances.

3.0 REPAYMENT REQUIREMENTS

3.1 In the event payments made to the Recipient exceed the amount to which the Recipient is entitled under this agreement, the amount of the excess is a debt owing to Canada and shall be promptly repaid to Canada upon receipt of notice to do so and within the period specified in the notice. Without limiting the generality of the foregoing, amounts to which the Recipient is not entitled include

(a) the amount of any expenditures paid for with the contribution which are disallowed or determined to be ineligible, and

(b) any amount paid in error or any amount paid in excess of the amount of the expenditure actually incurred.

3.2 Interest shall be charged on overdue repayments owing under section 3.1 in accordance with the Interest and Administrative Charges Regulations (SOR/96-188) (the "Regulations") made pursuant to the Financial Administration Act (R.S.C., 1985, c. F-11). Interest is calculated and compounded monthly at the "average bank rate", within the meaning of such expression as contained in the Regulations, plus three per cent (3%) during the period beginning on the due date specified in the notice to repay and ending on the day before the day on which payment is received by Canada.

3.3 The Recipient acknowledges that where an instrument tendered in payment or settlement of an amount due to Canada under section 3.1 is, for any reason, dishonoured, an administrative charge of $15 is payable by the Recipient to Canada in accordance with the Regulations.

4.0 OTHER SOURCES OF FUNDING

4.1 The Recipient declares that the funding received from Canada under this Agreement is the sole source of funding for the Project.

4.2 The Recipient agrees to inform Canada promptly in writing of any change to the declaration made under section 4.1.

4.3 The Recipient agrees that where there is a change to the declaration made in section 4.1, Canada may, in its discretion, reduce the amount of its maximum contribution to the Project by such amount, not exceeding the amount of the change in assistance received, that it considers appropriate.

4.4 If the amount of Canada's contribution already paid to the Recipient exceeds the reduced maximum contribution, as determined under section 4.3, the amount of the excess shall be deemed to be an amount to which the Recipient is not entitled and shall be repaid to Canada in accordance with section 3.0 of this Schedule (Repayment Requirements).

4.5 Upon completion of the Project, and if the amount set out in section 1.1 is in excess of $100,000, the Recipient agrees to provide Canada with a statement identifying the total funding provided from all sources for the Project, including total funding received for the Project from federal, provincial/territorial and municipal governments.

5.0 PROJECT BUDGET

5.1 The following is the Project Budget:

COST CATEGORIES	ESDC	OTHER SOURCES		TOTAL
		CASH	IN-KIND	
1 Administrative Costs				
a. Administrative costs				
b Sub-projects Administrative Costs				
2. Capital Costs	$0.00			
a Facilities				
b. Capital assets				
3. Direct Costs	$680300.00			
a. Staff wages *	$68,030 00			
b. Participant costs				
c. Project costs				
d. Partnership development				
e Child care costs				
f Sub-projects Project Costs *	$612,270.00			
TOTAL	$680300.00			$680,300.00

Budget notes:

"Administrative Costs" means any expenditure incurred by the Recipient in the course of its regular or ongoing operations that, though indirectly related to the Project, enable the Recipient to manage the Project successfully;

"Sub-Project Administrative Costs" means any expenditure incurred by a Third Party in the course of its regular or ongoing operations that, though indirectly related to the Sub-Project, enable the Third Party to manage the Sub-Project successfully;

"Facilities" means any expenditure incurred by the Recipient, in direct relation to a Project activity, towards the purchase of land or a building, construction or renovation of a building, or accomplishing any pre-development activities leading up to any of the latter ends;

"Capital Assets" means any expenditure incurred by the Recipient towards the purchase or leasing-to-own of materials subject to the provisions of section 24.0 of the Articles of Agreement;

"Staff Wages" means any wages, mandatory employment related costs (as required by law) or benefits (as required by a collective agreement or company policy) paid by the Recipient to, or on behalf of, an employee of the Recipient working directly on the Project;

"Participant Costs" means any wages, mandatory employment related costs (as required by law) or benefits (as required by a collective agreement or company policy), and any support payments (for travel, emergencies, disability, living expenses, dependent care, materials, etc.), tuition fees, or program participation or completion bonuses paid by the Recipient to, or on behalf of, Project Participants;

"Project Costs" means any expenditure incurred by the Recipient in direct relation to the Project activities that is not covered by any other cost category in the Project Budget;

"Partnership Development" means any expenditure incurred by the Recipient towards the development or maintenance of partnerships that support or contribute materially to the goals of the Project;

"Child Care Costs" means any expenditure incurred by the Recipient in support of child care service offerings to aboriginal persons that are adapted the particular needs of this clientele; and

"Sub-Project Project Costs" means any expenditure incurred by a Third Party in respect of a Sub-Project that does not meet the definition of expenditures included in the Sub-Project Administrative Costs cost category

6.0 BUDGET FLEXIBILITY

6.1 The Recipient may, except in cases specified in section 6.2, make adjustments to its allocation of funds between any of the cost categories identified in the Project Budget without having to obtain Canada's approval, provided the adjustments do not result in an increase in Canada's maximum contribution set out in section 1 1. However, where the Recipient makes an adjustment allowed by this section, it shall notify Canada promptly in writing of the adjustment.

6.2 The Recipient must obtain Canada's written approval prior to making an adjustment to the Project Budget that increases or decreases the subtotal amount budgeted for,

(i) any cost category identified with an asterisk (*) by any amount, or
(ii) any other cost category by more than 10%;

6.3 Depending upon the extent and significance of the adjustments, written approval by Canada of adjustments made under section 6.2 may be required by Canada to be documented by way of a formal amending agreement signed by both parties

7.0 CONDITIONS GOVERNING THE ELIGIBILITY OF EXPENDITURES

7.1 The expenditures set out in the Project Budget above are subject to the following conditions:

(a) expenditures must, subject to section 7.2, be incurred during the Project Period;

(b) expenditures must, in the opinion of Canada, be reasonable,

(c) the portion of the cost of any travel, meals and accommodation costs that exceeds the rates for public servants set out in the National Joint Council of Canada's Travel Directive is not eligible for reimbursement;

(d) the portion of hospitality costs that exceed the rates set out in the Directive on Travel, Hospitality, Conference and Event Expenditures, Appendix 2 of Canada's Treasury Board is not eligible for reimbursement;

(e) the portion of the cost of any goods and services purchased by the Recipient for which the Recipient may claim a tax credit or reimbursement is not eligible for reimbursement;

(f) depreciation of capital assets is not eligible for reimbursement.;

(g) fines and penalties are not eligible for reimbursement;

(h) the cost of alcoholic beverages are not eligible for reimbursement;

(i) costs associated with software development and/or the purchase of hardware for the collection and/or management of homelessness data that results in an inability to participate in the National Homelessness Information System initiative (NHIS); and that constitutes a redundant use of funds and duplicates activities already offered through the Homeless Individuals and Families Information System (HIFIS) software are not eligible for reimbursement.

7.2 If, under the terms of this Agreement, the Recipient is required to provide to Canada an audited annual financial report at the end of the Project Period, and if the cost of the audit is otherwise an Eligible Expenditure, the audit cost is an Eligible Expenditure notwithstanding that it is incurred outside the Project Period

8.0 TERMS OF PAYMENT

8.1 Subject to section 8.2, Canada will make payments of its contribution by way of advances Each payment shall cover a quarterly period (herinafter referred to as the "Payment Period") during the Project Period.

8.2 (1) Subject to subsection (2), Canada may, at any time and in its sole discretion,

(a) change the basis of payments of its contribution to the Recipient to progress payments for any period during the Project Period, or

(b) change the Payment Period to a monthly period, or

(c) change both (a) and (b).

(2) Where Canada decides to make a payment change pursuant to subsection (1), Canada shall notify the Recipient in writing of the change and of the period during which the change will be applicable.

(3) For the purposes of this Schedule,

"progress payments" means payments to reimburse the Recipient for Eligible Expenditures after they have been incurred,

"monthly period" means a calendar month that falls within the Project Period or, if the calendar month falls only partially within the Project Period, such portion thereof, and

"quarterly period", in relation to a series of consecutive three-month periods encompassing the Project Period and beginning on the first day of the calendar month determined by Canada for purposes of administering this agreement, means such a quarter that falls within the Project Period or, if the quarter falls only partially within the Project Period, such portion thereof.

8.3 (1) Where Canada makes payments of its contribution to the Recipient by way of advances,

(a) each advance shall cover the Recipient's estimated financial requirements for each Payment Period. Such estimate shall be based upon a cash flow forecast that, in the opinion of Canada, is reliable and up-to-date; and

(b) if the amount of an advance payment for a Payment Period exceeds the actual amount of Eligible Expenditures incurred by the Recipient during the Payment Period, Canada reserves the right to deduct the excess amount from any subsequent advance payment to be made under this Agreement.

(2) Where Canada makes payments of its contribution to the Recipient by way of progress payments, each progress payment shall cover the Recipient's actual Eligible Expenditures incurred during the Payment Period as approved by Canada following submission by the Recipient of the financial claim referred to in section 8.4 (1).

8.4 (1) Following the end of each Payment Period of the Agreement, the Recipient shall provide Canada with a financial claim using a form provided by Canada and signed/certified as true and accurate by an authorized official (or officials) of the Recipient. The financial claim shall contain:

(a) a summary breakdown, per cost category in the Project Budget, of Eligible Expenditures incurred during the Payment Period;

(b) an updated forecast of Project expenditures,

(c) an activity report describing the work completed on the Project during the Payment Period; and

(d) any supporting documentation relative to the financial claim that may be requested by Canada (e.g. a copy of the general ledger)

(2) The Recipient shall submit the financial claim required under subsection (1) no later than,

(a) if the Payment Period is monthly, **forty-five (45) days** following the Payment Period;

and

(b) if the Payment Period is quarterly, **sixty (60) days** following the Payment Period.

8.5 (1) Canada may withhold any advance payment due to the Recipient under this Agreement

(a) if the Recipient has failed to submit when due

(i) a financial claim under section 8.4 (1); or
(ii) any other document required by Canada under this Agreement; or

(b) pending the completion of an audit of the Recipient's books and records, should Canada decide to undertake such an audit.

(2) Canada may also withhold any progress payment due to the Recipient under this Agreement

(a) if the Recipient has failed to submit when due any other document required by Canada under this agreement; or

(b) pending the completion of an audit of the Recipient's books and records, should Canada decide to undertake such an audit

8.6 Canada may retain a holdback of an amount up to 10% of its maximum contribution at the end of the Project Period pending

(a) receipt and verification by Canada of a final financial claim for the last Payment Period where advances have been made,

(b) receipt and acceptance by Canada of the final report for the Project that the Recipient is required to submit to Canada under the terms of this Agreement, and

(c) receipt of any other Project-related record that may be required by Canada.

9.0 ANNUAL FINANCIAL REPORTS

9.1 (1) Within one hundred and twenty (120) days following the end of each "Reporting Period" during the Project Period, the Recipient shall provide to Canada a financial report containing,

(a) a statement setting out:

(i) the total amount received from Canada under this Agreement during the Reporting Period,

(ii) the total revenue received from other sources for the Project during the Reporting Period, including cash and the value of in-kind contributions,

(iii) the total amount of GST/HST rebates and interest earned by the Recipient during the Reporting Period on advances of Canada's contribution if the amount of interest earned is in excess of one hundred dollars ($100), and

(iv) the amounts realized during the Reporting Period from the disposition of any capital assets that had been originally purchased with funds from Canada's contribution under this Agreement, and

(b) an itemized statement setting out, by expenditure category as per the Project Budget, the total amount of the expenditures incurred during the Reporting Period in relation to the Project and to the corresponding approved Investment Plan.

(2) For greater certainty, failure on the part of the Recipient to submit financial reports within the timeframe specified under subsection (1) may result in Canada withholding payment of an advance or progress payment in accordance with subsections 8.5(1) or (2) of this Schedule or withholding payment of any holdback retained by Canada in accordance with section 8.6 of this Schedule.

(3) For the purposes of this section, "Reporting Period" means each Fiscal Year that falls within the Project Period or, if the Fiscal Year falls only partially within the Project Period, such portion thereof.

9.2 Each financial report submitted to Canada pursuant to section 9.1 shall be accompanied by such supporting documentation as may be requested by Canada

Audit Requirement

9.3 (1) Unless otherwise notified by Canada in writing, the Recipient shall engage an independent licensed public accountant to audit, in accordance with Canadian generally accepted auditing standards, each financial report required under section 9.1. The Recipient's letter of audit engagement shall include the requirements set out under section 9.1

(2) If requested by Canada to do so, the Recipient shall allow representatives of Canada to discuss any audited financial report referred to in this section with the Recipient's auditors. The Recipient shall execute such directions, consents and other authorizations as may be required in order to permit its auditors to discuss the report with representatives of Canada and provide any requested information to them in relation

to the audit.

Signatures		
RECIPIENT	RECIPIENT	CANADA
DATE	DATE	DATE

SCHEDULE C

ADDITIONAL CONDITIONS

LEGAL NAME OF RECIPIENT: Corporation of the City of Sault Ste Marie
PROJECT TITLE: HPS 2014-2019

1.0 WORK PLAN

1.1 For each Fiscal Year that falls within the Project Period or, if the Fiscal Year falls only partially within the Project Period, such portion thereof, the Recipient shall provide to Canada for approval a "Work Plan" outlining the activities to be undertaken by the Recipient in implementing the Project during the Fiscal Year or part thereof. Each Work Plan shall be prepared in accordance with guidelines issued by Canada.

1.2 The Recipient's approved Work Plan for the first Fiscal Year or part thereof of the Project Period is attached to and forms an integral part of Schedule A (Project Description) to this Agreement. The Work Plan for each subsequent Fiscal Year or part thereof shall be provided to Canada for approval no later than sixty (60) days prior to the beginning of each Fiscal Year to which it relates.

1.3 Canada will notify the Recipient of its approval of each subsequent Work Plan no later than thirty (30) days following receipt of each plan. Upon approval, each subsequent Work Plan shall be attached to and form an integral part of Schedule A.

1.4 The Recipient shall implement the Project in accordance with the approved Work Plans. The Recipient shall not make any material change to an approved Work Plan without the written approval of Canada.

2.0 REDISTRIBUTION OF FUNDING TOWARDS SUB-PROJECTS

Interpretation

2.1 For the purposes of this Agreement,

"Sub-Agreement Holder" means an organization other than the Recipient, to whom funding provided to the Recipient under this Agreement is further distributed to enable the organization to carry out a Sub-Project; and

"Sub-Project" means:

(a) an activity eligible for financial support under the Project which is implemented by a Sub-Agreement Holder, or

(b) an activity eligible for financial support under the Project implemented directly by the Recipient

Sub-Project Selection Process

2.2 (1) The Recipient shall put into place a process satisfactory to Canada for ensuring that proposals for Sub-Projects to be funded with Canada's contribution, including Sub-Projects implemented directly by the Recipient, are assessed and selected in an open, impartial and fair manner. The Recipient agrees that part of the process will involve consultation on all such proposals with the Community Advisory Board. The Recipient must ensure that Sub-Project proposals of a capital nature address their sustainability; for Sub-Projects of a capital nature Canada will provide a form to address this aspect that is to be included as part of such proposals.

(2) The Recipient shall also put into place written operational policies and procedures relating to its financial management of the Project and its administration of Sub-Projects, and shall provide a copy of those policies and procedures to Canada, together with the names and positions of personnel within the Recipient's organization with responsibilities for the financial management and decision making in connection with the carrying out of the responsibilities of the Recipient under this Agreement. The Recipient shall notify Canada promptly of any changes in such personnel that occur from time to time.

(3) A sub-project shall not be funded under this Agreement unless the organization demonstrates that it applies sound financial management practices and respects the highest level of integrity.

(4) Without limiting the foregoing and subject to subsection 5, a sub-project shall not be funded under this Agreement if a review, audit or investigation conducted by the federal government, the government of a province or a public body created under the law of a province in the previous 3 years concludes to irregularities in the organization's financial management practices or raises integrity issues

(5) The restriction in subsection 4 does not apply if an organization demonstrates that the irregularities and issues have been resolved and that measures have been diligently put in place to prevent reoccurrence.

Agreements with Sub-Agreement Holders

2.3 (1) When the Recipient provides funding to a Sub-Agreement Holder to support the costs of a Sub-Project, the Recipient shall ensure that there is a written agreement between it and the Sub-Agreement Holder that sets out the terms and conditions under which the Recipient is providing funding to the Sub-Agreement Holder.

(2) The written agreement referred to in subsection (1) shall include:

(a) an identification of the Sub-Agreement Holder (proper legal name and address);

(b) a description of the purpose of the funding;

(c) the effective date, the date of signing and the duration of the agreement;

(d) the financial and/or non-financial conditions attached to the funding and the consequence of failing to adhere to these conditions, including provision for a right of termination of the agreement in the event of a breach of the agreement;

(e) the costs of the Sub-Project eligible for reimbursement;

(f) the conditions to be met before payment is made and the schedule and basis of payment;

(g) the maximum amount payable;

(h) the provision of such reports by the Sub-Agreement Holder on its Sub-Project, outcomes and results as may be specified by Canada in any reporting guidelines or instructions provided to the Recipient by Canada or as may be specified elsewhere in this Agreement;

(i) a provision giving both Canada and the Recipient the right to conduct an audit of the books and records of the Sub-Agreement Holder, even though an audit may not always be undertaken, and to have access to the business premises and business site of the Sub-Agreement Holder to monitor and inspect the administration of the Sub-Project;

(j) a requirement for the Sub-Agreement Holder to repay to the Recipient the amount of any funding provided to which it is not entitled. The agreement should specify that amounts to which it is not entitled include the amount of any payments:

(i) made in error;

(ii) made for costs in excess of the amount actually incurred for those costs; and

(iii) that were used for costs that were not eligible for reimbursement under the agreement,

(k) if the Sub-Project involves an activity described in section 4.1 or 4.3,

(i) a repayment requirement modeled on the provisions of section 4.1 or 4.3, as the case may be, except that every reference to "Recipient" in those provisions shall be replaced by a reference to the term used by the Recipient to identify the Sub-Agreement Holder in its agreement with the Sub-Agreement Holder and every reference to "Canada" shall be replaced by a reference to the term used by the Recipient to identify itself in its agreement with the Sub-Agreement Holder; and

(ii) a provision giving both Canada and the Recipient, for the number of years following the end-date of the Sub-Project in respect of which the repayment requirement referred to in subparagraph (i) applies to the Sub-Agreement Holder, the right to inspect the operation of the facility referred to in section 4.1 or 4.3 at any reasonable time to verify the continuing use of the facility for the purposes for which it was funded; and

(iii) a provision stipulating that the Sub-Agreement holder shall not mortgage, charge or otherwise encumber the facility property during the period of the Sub-Project, or for the number of years following the end-date of the Sub-Project in respect of which the repayment requirement referred to in subparagraph (i) applies to the Sub-Agreement Holder, without the prior written approval of the Recipient; and

(iv) a provision stipulating that the Sub-Agreement Holder shall ensure that all environmental protection measures, standards and rules relating to the Sub-Project established by competent authorities are respected;

(l) a provision stipulating that payment of any funding under the agreement is subject to the availability of funds and that payment of funding may be cancelled or reduced in the event that Canada cancels or reduces its funding to the Recipient;

(m) a requirement for the Sub-Agreement Holder to give appropriate recognition of the contribution of Canada to the Sub-Project being carried out in its publicity and signage relating to the Sub-Project, including any information provided to the public on any web site maintained by the Sub-Agreement Holder;

(n) a requirement that the Sub-Agreement Holder notify the Recipient (Community Entity) twenty (20) working days in advance of any and all communications activities, publications, advertising and press releases planned by the Sub-Agreement Holder relating to the Sub-Project; and

(o) a requirement for the Sub-Agreement Holder to cooperate with representatives of Canada during any official news release or ceremonies relating to the announcement of the Sub-Project.

Internal Memoranda of Understanding (MOU)

2.4 When the Recipient is implementing a Sub-Project directly, the Recipient shall ensure that there is an internal memorandum of understanding (MOU) with the head of the branch or division of its organization responsible for implementing the Sub-Project, as if the head of the branch or division implementing the Sub-Project was a Sub-Agreement Holder, setting out terms and conditions of the funding modelled on the requirements of section 2.3, with such modifications as the circumstances may require

Provision of Copies of Agreements and MOUs

2.5 Upon request, the Recipient shall provide Canada with a copy of any or all agreements with Sub-Agreement Holders and MOUs referred to in sections 2.3 and 2.4, respectively

Monitoring and Audit of Sub-Projects

2.6 The Recipient shall exercise due diligence in the administration of its agreements with Sub-Agreement

Holders and of its MOUs referred to in section 2.4. Without limiting the generality of the foregoing, in exercising due diligence, the Recipient shall take appropriate measures for ensuring compliance by Sub-Agreement Holders and, in the case of MOUs referred to in section 2.4, by the responsible branch or division head of the Recipient, with the terms and conditions of the agreement or MOU, as the case may be, including:

(a) monitoring the Sub-Project through, as appropriate, periodic visits to the Sub-Project site or other means such as telephone calls and questionnaires,

(b) undertaking periodic audits or inspections of financial records to verify that costs claimed under the agreement or MOU, were actually incurred and were in accordance with the agreement or MOU, as the case may be,

(c) furnishing the Sub-Agreement Holder or the branch or division head of the Recipient, as the case may be, with necessary advice, support and training to assist it in carrying out the Sub-Project and in realizing the objectives and achieving the results of the Sub-Project,

(d) where there are breaches of the agreement or MOU, taking appropriate measures to resolve the situation, including, in the case of an agreement with a Sub-Agreement Holder, termination of the agreement with the Sub-Agreement Holder or legal action to enforce compliance with the agreement, and

(e) in the case of an agreement with a Sub-Agreement Holder, making all reasonable efforts to recover any overpayments under the agreement.

2.7 The Recipient shall provide to Canada, upon request, a report of any monitoring review or audit of a Sub-Project undertaken by the Recipient under section 2.6.

2.8 Where Canada desires to exercise its right to audit the books and records of a Sub-Agreement Holder or to monitor and inspect its Sub-Project, Canada shall notify the Recipient of its desire to do so. The Recipient shall cooperate with Canada in obtaining access to the financial records and, if required by Canada, it shall take all necessary steps to enforce the Recipient's and Canada's right of access to the Sub-Agreement Holder's records, including taking legal proceedings against the Sub-Agreement Holder.

3.0 REPORTING

Report of Approved Sub-Projects

3.1 Each financial claim submitted to Canada pursuant to section 8 (Terms of Payment) of Schedule B to this Agreement shall be accompanied by a report identifying all agreements with Sub-Agreement Holders and MOUs approved by the Recipient to date containing the following information about each Sub-Project:

(a) the Sub-Project file identifier;

(b) in the case of agreements with Sub-Agreement Holders, the legal name of the Sub-Agreement Holder and Sub-Agreement Holder contact information;

(c) in the case of MOUs, the name of the branch or division within the Recipient's organization responsible for carrying out the Sub-Project and Recipient branch or division contact information;

(d) the amount of funding provided under this Agreement to be provided by the Recipient for the Sub-Project;

(e) identification of the applicable HPS funding stream;

(f) the Sub-Project start and end dates, and

(g) the activity areas(s) supported by the Sub-Project, i.e. (i) Housing First; (ii) support services; (iii) capital investments; (iv) activities to ensure coordination or resources and leveraging; or (v)activities to improve data collection and use.

Results Reporting

3.2 Within thirty (30) days of the start date of each Sub-Project, the Recipient shall provide to Canada, using an online results reporting system provided by Canada, a "Project Details Report", acceptable to Canada in both scope and detail, that sets out the detailed description of the Sub-Project. Any changes to the funding amount, activities, or end date of a Sub-Project approved by the Recipient will require a revised Project Details Report that must be provided to Canada, using the online system, within thirty (30) days of the change.

3.3 Where applicable, the Recipient shall provide to Canada, no later than forty-five (45) days following each Fiscal Year that falls within the period of the Sub-Project, an "Annual Results Report" detailing the outputs and outcomes achieved in implementing each Sub-Project during the Fiscal Year. Each Annual Results Report shall be provided to Canada using the on-line system referred to in section 3.2

Annual Community Plan Update

3.4 If the Recipient is funded by the HPS Designated Communities funding stream, or funded by the Aboriginal Homelessness funding stream with a community allocation greater than $200,000, the Recipient shall provide annually to Canada, using a form provided by Canada, no later than sixty (60) days following the period covered by the report, a report, satisfactory to Canada in scope and detail, on

(a) progress in meeting Community Plan priorities
(b) expenditures supporting investment targets including minimum Housing First requirement mentioned under Expected Results in Schedule A,
(c) Community Contribution received (for Designated Communities funding stream only),
(d) updating Community Plan priorities and targets for subsequent years (if required); and
(e) any other update as may be required by Canada.

4.0 REQUIREMENTS IN RESPECT OF FACILITY PROPERTY AND REPAYMENT

Project Funding Used to Purchase Land or a Building for a Facility

4.1 If

(a) funding provided for a Sub-Project is used towards the costs of purchasing land or a building to establish a new facility to provide shelter space, transitional or supportive housing or other services for the homeless, and

(b) the amount of the funding referred to in paragraph (a) is in excess of $50,000,the Recipient shall repay as a debt owing to Canada,

(c) an amount equal to 100% of the funding referred to in paragraph (a) if,

(i) five (5) years following the end date of the Sub-Project, a facility that provides shelter space, transitional or supportive housing or other services for the homeless has not been established on the property referred to in paragraph (a), or

(ii) at any time during the five-year period following the end date of the Sub-Project, Canada concludes, based on

(A) information provided by the Recipient under section 4.7, or

(B) the results of a site inspection conducted by Canada under section 4.9

that the facility referred to in paragraph (a) will not be established during said five-year period and notifies the Recipient of such conclusion in writing, and

(d) an amount determined in accordance with section 4.2 if, within five (5) years following the end date of the Sub-Project, the land or building referred to in paragraph (a) is sold and the proceeds of disposition are not forthwith committed to supporting a facility providing similar services to the homeless that is approved by Canada.

4.2 The amount repayable by the Recipient under paragraph 4.1(d), if the event referred to in that paragraph occurs, shall be determined as follows:

(a) if the event occurs within one year of the end date of the Sub-Project, a sum equal to 100% of the funding referred to in paragraph 4.1(a);

(b) if the event occurs within two years, but after one year of the end date of the Sub-Project, a sum equal to 80% of the funding referred to in paragraph 4.1(a);

(c) if the event occurs within three years, but after two years of the end date of the Sub-Project, a sum equal to 60% of the funding referred to in paragraph 4.1(a);

(d) if the event occurs within four years, but after three years of the end date of the Sub-Project, a sum equal to 40% of the funding referred to in paragraph 4.1(a); or

(e) if the event occurs within five years, but after four years of the end date of the Sub-Project, a sum equal to 20% of the funding referred to in paragraph 4.1(a).

Project Funding Used for Construction or Renovations

4.3 If

(a) funding provided for a Sub-Project is used towards the costs of constructing or renovating a building to establish a new facility to provide shelter space, transitional or supportive housing or other services for the homeless, or towards the costs of expanding or renovating an existing facility that provides shelter space, transitional or supportive housing or other services for the homeless, and

(b) the amount of the funding referred to in paragraph (a) is in excess of $50,000,the Recipient shall repay as a debt owing to Canada,

(c) an amount equal to 100% of the funding referred to in paragraph (a) if the Sub-Project referred to in that paragraph is not completed by the end date of the Sub-Project, and

(d) an amount determined in accordance with section 4.4 if the activity referred to in paragraph (a) is completed by the end date of the Sub-Project but within five (5) years following the end date of the Sub-Project either of the following events occurs:

(i) the facility ceases to operate for its intended purpose and is not used for some other service approved by Canada in support of the homeless but is converted to some other use, or

(ii) the facility is sold and the proceeds of disposition are not forthwith committed to supporting a facility providing similar services to the homeless that is approved by Canada.

4.4 The amount repayable by the Recipient under paragraph 4.3(d) if either event referred to in subparagraph 4.3(d)(i) or (ii) occurs shall be determined as follows:

(a) for renovations representing 30% or less of the market value of the facility established as part of the project assessment process, if the event occurs within:

(i) one year of the end date of the Sub-Project a sum equal to 100% of the funding referred to in paragraph 4.3(a), or

(ii) two years, but after one year of the end date of the Sub-Project, a sum equal to 80% of the funding referred to in paragraph 4.3(a), and

(b) for construction and for renovations representing more than 30% of the market value of the facility established as part of the project assessment process, if the event occurs within.

(i) one year of the end date of the Sub-Project, a sum equal to 100% of the funding referred to in paragraph 4.3(a);

(ii) two years, but after one year of the end date of the Sub-Project, a sum equal to 80% of the funding referred to in paragraph 4 3(a);

(iii) three years, but after two years of the end date of the Sub-Project, a sum equal to 60% of the funding referred to in paragraph 4.3(a);

(iv) four years, but after three years of the end date of the Sub-Project, a sum equal to 40% of the funding referred to in paragraph 4.3(a); or

(v) five years, but after four years of the end date of the Sub-Project, a sum equal to 20% of the funding referred to in paragraph 4.3(a).

4.5 For greater certainty, the Recipient acknowledges that the repayment requirements in sections 4.1 and 4.3 apply to it not only where the Sub-Project is implemented by it directly but also where it is being implemented by a Sub-Agreement Holder Consequently, where the Recipient provides funding to a Sub-Agreement Holder for a Sub-Project that involves an activity referred to in section 4.1 or 4.3, the Recipient must ensure pursuant to paragraph 2.3(k) that its agreement with the Sub-Agreement Holder includes repayment obligations on the part of the Sub-Agreement Holder that are modeled on the provisions of section 4.1 or 4.3, as the case may be, except that every reference to "Recipient" in those provisions shall be replaced by a reference to the term used by the Recipient to identify the Sub-Agreement Holder in its agreement with the Sub-Agreement Holder and every reference to "Canada" shall be replaced by a reference to the term used by the Recipient to identify itself in its agreement with the Sub-Agreement Holder.

Repayment to Canada of Amounts Recovered from Sub-Agreement Holders

4.6 Where a Sub-Agreement Holder is required, under the terms of its agreement with the Recipient, to repay an amount to a Recipient pursuant to a repayment obligation referred to in section 4.5, the Recipient shall repay to Canada any such amount recovered by the Recipient from the Sub-Agreement Holder.

Annual Monitoring of, and Declaration on, Facility Establishment and/or Utilization Following Completion

4.7 If a Sub-Project involves an activity described in section 4 1 or 4 3, the Recipient shall, for the number of years following the end-date of the Sub-Project in respect of which the repayment requirements in section 4.2 or 4.4, as the case may be, are applicable (hereinafter "the Monitoring Period")

(a) annually monitor, as the case may be.

(i) progress made towards the establishment of the facility, or

(ii) the use of the facility to verify its continuing use for the purposes for which the Recipient had provided its funding, and

immediately notify Canada if the activities leading to the establishment of a facility have ceased, the facility property has been sold or the facility has ceased to be used for its intended purposes, and

(b) provide annually to Canada, using a form provided by Canada, a declaration regarding, as the case may be,

(i) the progress made towards the establishment of the facility during the year covered by the declaration, or

(ii) utilization of the facility during the year covered by the declaration.

4.8 Each annual declaration referred to in section 4.7 shall be provided to Canada no later than ninety (90) days following the end of the year covered by the declaration.

4.9 During the Monitoring Period, the Recipient shall ensure that representatives of Canada are allowed to inspect the operation of the facility at any reasonable time to verify its continuing use for the purposes for which it was funded

No Mortgaging or Charging of Facility Property

4.10. If the Recipient itself carries out a Sub-Project involving an activity described in section 4.1 or 4 3, the Recipient shall not mortgage, charge or otherwise encumber the facility property during the period of the Sub-Project or during the Monitoring Period, without the prior written approval of Canada. Canada undertakes that its approval shall not be unreasonably withheld.

4.11 If a Sub-Agreement Holder is carrying out a Sub-Project involving an activity described in section 4 1 or 4.3, the Recipient shall ensure that the Sub-Agreement Holder does not mortgage, charge or otherwise encumber the facility property during the period of the Sub-Project or during the Monitoring Period, without the prior written approval of the Recipient

5.0 ENVIRONMENTAL PROTECTION

5.1 The Recipient shall:

(a) maintain and implement any and all environmental protection measures prescribed by Canada for ensuring that the harm to the environment resulting from the Project, if any, will remain minimal; and

(b) ensure that all environmental protection measures, standards and rules relating to the Project established by competent authorities are respected.

6.0 OFFICIAL LANGUAGES

6.1 The Recipient shall:

(a) make Project-related documentation and announcements (for the public and prospective Project participants, if any) in both official languages;

(b) actively offer Project-related services in both official languages;

(c) encourage members of both official language communities to participate in the Project; and

(d) provide its services, where appropriate, in such a manner as to address the needs of both official language communities.

Signatures		
RECIPIENT	RECIPIENT	CANADA
DATE	DATE	DATE

Human Resources and Skills Development Canada | Ressources humaines et Développement des compétences Canada

Legal Signing Officers for Agreement Purposes

Title	Name	Specimen Signature	**Effective Date
Mayor	Debbie Amaroso		December 1, 2010
City Clerk	Malcolm White		March 1, 2010
Deputy Clerk	Rachel Tyczinski		March 1, 2010

**Effective Date: Date of the legal signing officer officially granted to sign the agreement.

How many of the above signatures (according to your letters patent or other incorporating documents) are required to bind your organization into a legal agreement? ___2 (two)_____

What combination of signatures (according to your letters patent or other incorporating documents) is required to bind your organization into a legal agreement? ____Mayor and City Clerk or Mayor and Deputy City Clerk____

Legal Signing Officers for Cheque Purposes

Title	Name	Specimen Signature	**Effective Date
CAO	Joseph Fratesi		February 1, 1996
Commissioner of Finance & Treasurer	William Freiburger		June 27, 1994
Mayor	Debbie Amaroso		December 1, 2010
Manager of Finance and Budgets	Shelley Schell		January 7, 2013

**Effective Date: Date of the legal signing officer officially granted to sign cheque.

How many of the above signatures are required to sign a cheque on behalf of your organization? ___2 (two)____

What combination of signatures is required to sign a cheque on behalf of your organization? Any 2 to sign____

Signing Officers for Payment Claims or other Reports submitted to HRSDC

Title	Name	Specimen Signature	**Effective Date
Commissioner Social Services	Mike Nadeau		March 20, 2013
Financial Manager Ontario Works	David Petersson		April 18, 2012
Manager Housing Programs	Jeff Barban		January 1, 2014

**Effective Date: Date of the legal signing officer officially granted to sign payment claims and reports.

How many of the above signatures are required to sign a payment claim form or other report submitted to HRSDC?
2 (two)_____

What combination of signatures is required to sign a payment claim form or other report submitted to HRSDC? ____
Any two to sign______

Date completed: 2014/01/24
(YY/MM/DD)

Canada