



The Corporation of the City of Sault Ste. Marie
Regular Meeting of City Council
Agenda

Monday, June 29, 2020

4:30 pm

Council Chambers
Civic Centre

	Pages
1. Adoption of Minutes	12 - 26
Mover Councillor P. Christian	
Seconder Councillor C. Gardi	
Resolved that the Minutes of the Regular Council Meeting of 2020 06 08 be approved.	
2. Questions and Information Arising Out of the Minutes and not Otherwise on the Agenda	
3. Declaration of Pecuniary Interest	
4. Approve Agenda as Presented	
Mover Councillor S. Hollingsworth	
Seconder Councillor M. Scott	
Resolved that the Agenda for 2020 06 29 City Council Meeting as presented be approved.	
5. Proclamations/Delegations	
5.1 PUC Group of Companies – Report to Shareholder 2019	27 - 36
Jim Boniferro, Chair and Rob Brewer, CEO and President	
6. Communications and Routine Reports of City Departments, Boards and Committees – Consent Agenda	

Mover Councillor P. Christian

Seconder Councillor M. Scott

Resolved that all the items listed under date 2020 06 29 – Agenda item 6 – Consent Agenda be approved as recommended.

6.1

Finance Committee – 2021 Budget Schedule

37 - 39

A report of the Chief Financial Officer and Treasurer is attached for the consideration of Council.

Mover Councillor P. Christian

Seconder Councillor M. Scott

Resolved that the report of the Chief Financial Officer and Treasurer dated 2020 06 29 concerning 2021 Budget be received and that the 2021 Budget Schedule be approved.

6.2

RFP – Engineering Services – Structural Inspections – GFL Memorial Gardens

40 - 41

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

The relevant By-law 2020-132 is listed under item 11 of the Agenda and will be read with all by-laws under that item.

6.3

RFP – Credit Rating Services

42 - 43

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

The relevant By-law 2020-126 is listed under item 11 of the Agenda and will be read with all by-laws under that item.

6.4

Pregnancy and Parental Leave for Members of Council

44 - 47

A report of the Director of Human Resources is attached for the consideration of Council.

Mover Councillor P. Christian

Seconder Councillor M. Scott

Resolved that the report of the Director of Human Resources dated 2020 06 29 concerning Pregnancy and Parental Leave for Members of Council be received and that the attached policy be adopted.

6.5

Delegated Authority for Economic Development and Tourism Activities

48 - 51

A report of the Deputy CAO, Community Development and Enterprise Services is attached for the consideration of Council.

The relevant By-law 2020-118 is listed under item 11 of the Agenda and will

be read with all by-laws under that item.

6.6	Emergency Support Fund for Heritage Organizations – Museums Assistance Program	52 - 53
A report of the Curator, Ermatinger Clergue National Historic Site is attached for the consideration of Council.		
Mover Councillor P. Christian Seconder Councillor C. Gardi Resolved that the report of the Curator, Ermatinger Clergue National Historic Site dated 2020 06 29 be received and that Council authorize the application to the Canadian Heritage, Museums Assistance Program for the COVID 19 Emergency Support Fund.		
6.7	Heritage Property Tax Rebate Program – 238 Queen Street East	54 - 55
A report of the Manager of Recreation and Culture is attached for the consideration of Council.		
Mover Councillor S. Hollingsworth Seconder Councillor C. Gardi Resolved that the report of the Manager of Recreation and Culture dated 2020 06 29 concerning Heritage Property Tax Rebate Program be received and that the recommendation of the Sault Ste. Marie Municipal Heritage Committee that 238 Queen Street East be enrolled in the Heritage Property Tax Rebate Program be approved.		
6.8	Dennis Street Terminal Relocation	56 - 61
A report of the Director of Community Services is attached for the consideration of Council.		
Mover Councillor P. Christian Seconder Councillor C. Gardi Resolved that the report of the Director of Community Services dated 2020 06 29 concerning Dennis Street Terminal Relocation be received and that a consultant be retained to administer a public consultation once City facilities are reopened. Should a public open house not occur by August 31, 2020 due to COVID-19 restrictions, staff may conduct consultation using a digital option following the Environmental Assessment process.		
6.9	Partnership with Sault YMCA for Day Camp Services	62 - 66
A report of the Director of Community Services is attached for the consideration of Council.		
Mover Councillor P. Christian		

Seconder Councillor M. Scott

Resolved that the report of the Director of Community Services dated 2020 06 29 concerning Partnership with Sault YMCA for Day Camp Services be received and that rental and labour fees in the amount of \$38,432 for the use of the Northern Community Centre and John Rhodes Centre by the YMCA be waived.

6.10	On Demand Transit Service Pilot Update	67 - 84
	A report of the Director of Community Services is attached for the consideration of Council.	
	The relevant By-law 2020-124 is listed under item 11 of the Agenda and will be read with all by-laws under that item.	
6.11	ESDC Enabling Accessibility Fund – Grant Application 2020	85 - 86
	A report of the Accessibility Coordinator is attached for the consideration of Council.	
	Mover Councillor S. Hollingsworth	
	Seconder Councillor M. Scott	
	Resolved that the report of the Accessibility Coordinator dated 2020 06 29 concerning Enabling Accessibility Fund – Grant Application be received and that staff be authorized to apply to the Employment and Social Development Canada – Enabling Accessibility Fund to make the necessary improvements to the existing ramp which will remove this recognized barrier to access to the Civic Centre.	
6.12	Municipal Law Enforcement Officers	87 - 87
	A report of the Manager of Transit and Parking is attached for the consideration of Council.	
	The relevant By-law 2020-127 is listed under item 11 of the Agenda and will be read with all by-laws under that item.	
6.13	Contract 2020-8E – Trunk Road Resurfacing	88 - 90
	A report of the Manager of Design and Transportation Engineering is attached for the consideration of Council.	
	The relevant by-law authorizing execution of the contract is listed under item 11 of the Agenda and will be read with all by-laws under that item.	
	Mover Councillor P. Christian	
	Seconder Councillor C. Gardi	
	Resolved that the report of the Manager of Design and Transportation Engineering dated 2020 06 29 concerning the resurfacing of Trunk Road be received and that scope of work be extended to include a total project limit from the east City limit to South Market Street through a non-competitive	

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purchase of the additional amounts in the tender quantities under section 22(3)(f) of the procurement by-law; and that Contract 2020-8E be awarded to Pioneer Construction Incorporated.

6.14	Curb and Sidewalk Program – 2020	91 - 95
	A report of the Director of Public Works is attached for the consideration of Council.	
	Mover Councillor S. Hollingsworth	
	Seconder Councillor M. Scott	
	Resolved that the report of the Director of Public Works dated 2020 06 29 concerning 2020 Curb and Sidewalk Program be received as information.	
6.15	Steelton Seniors Centre – Sale of Property	96 - 100
	A report of the Assistant City Solicitor/Senior Litigation Counsel is attached for the consideration of Council.	
	The relevant By-laws 2020-130 and 2020-131 are listed under item 11 of the Agenda and will be read with all by-laws under that item.	
6.16	Huron Street – Machine Shop Hub Trail Spoke (Part 2)	101 - 103
	A report of the Director of Planning and Enterprise Services is attached for the consideration of Council.	
	The relevant By-law 2020-128 is listed under item 11 of the Agenda and will be read with all by-laws under that item.	
7.	Reports of City Departments, Boards and Committees	
7.1	Administration	
7.1.1	COVID-19 Update – Stage 2 Re-opening	104 - 109
	A report of the Chief Administrative Officer is attached for the consideration of Council.	
	The relevant by-laws 202-135 and 202-136 are listed under item 11 of the Agenda and will be read with all by-laws under that item.	
7.2	Corporate Services	
7.3	Community Development and Enterprise Services	
7.4	Public Works and Engineering Services	
7.5	Fire Services	

- 7.6 Legal
- 7.7 Planning
- 7.8 Boards and Committees
 - 7.8.1 PUC Shareholder Meeting
 - Mover Councillor P. Christian
 - Seconder Councillor M. Scott
 - Resolved that City Council is now authorized to meet in open session as the sole shareholder of PUC Inc.; and
 - Further Be It Resolved that City Council appoints Mayor Christian Provenzano as Council's proxy to vote on the resolutions of the shareholder of PUC Inc.
 - 7.8.1.1 PUC Inc. and PUC Services Inc. Shareholder Resolutions 110 - 111
 - 7.8.1.2 2019 Sustainability Report 112 - 138
 - 7.8.1.3 2019 Financial Statements 139 - 232
- 7.8.2 Sault Ste. Marie Community Theatre Centre Board Appointments
 - Mover Councillor S. Hollingsworth
 - Seconder Councillor C. Gardi
 - Resolved that Mike Butler, Norman Fera, and Brian Wilson be appointed to the Community Theatre Centre Board effective June 29, 2020 to June 17, 2022.
- 7.8.3 Fence Viewers Committee Appointment
 - The relevant By-law 2020-134 is listed under item 11 of the Agenda and will be read with all by-laws under that item.
- 8. Unfinished Business, Notice of Motions and Resolutions Placed on Agenda by Members of Council
- 9. Committee of the Whole for the Purpose of Such Matters as are Referred to it by the Council by Resolution
- 10. Adoption of Report of the Committee of the Whole
- 11. Consideration and Passing of By-laws
 - Mover Councillor P. Christian
 - Seconder Councillor M. Scott

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Resolved that all By-laws under item 11 of the Agenda under date 2020 06 29 be approved.

11.1	By-laws before Council to be passed which do not require more than a simple majority	
11.1.1	By-law 2020-118 (Agreements) Economic Development and Tourism Delegated Authority	233 - 266
	A report from the Deputy CAO, Community Development & Enterprise Services is on the Agenda.	
	Mover Councillor S. Hollingsworth	
	Seconder Councillor M. Scott	
	Resolved that By-law 2020-118 being a by-law to approve the standard forms of Agreements; and further delegate to the Director of Tourism and Community Development and the Director of Economic Development, or her/his delegate, signing authority to execute same on behalf of the City of Sault Ste. Marie be passed in open Council this 29th day of June, 2020.	
11.1.2	By-law 2020-124 (Agreement) On Demand Transit Extension	267 - 300
	A report from the Director of Community Services is on the Agenda.	
	Mover Councillor S. Hollingsworth	
	Seconder Councillor M. Scott	
	Resolved that By-law 2020-124 being a by-law to authorize the execution of the Agreement between the City and Via Mobility LLC to continue with a two (2) year extension of service supported by the Agreement approved by Council on July 15, 2019 be passed in open Council this 29th day of June, 2020.	
11.1.3	By-law 2020-125 (Street Assumption) 183 Chambers Avenue	301 - 302
	Mover Councillor S. Hollingsworth	
	Seconder Councillor M. Scott	
	Resolved that By-law 2020-125 being a by-law to assume for public use and establish as a public street the portion of Chambers Avenue described as PIN 31495-0170 (LT) 1 FT RESERVE PL H493 RANKIN LOCATION AS IN T62138 (FIRSTLY & SEVENTHLY) W OF SOUTH MARKET ST; SAULT STE. MARIE be passed in open Council this 29th day of June, 2020.	
11.1.4	By-law 2020-126 (Agreement) S & P Global Canada Corp. Credit Rating Services	303 - 319
	A report from the Manager of Purchasing is on the Agenda.	
	Mover Councillor S. Hollingsworth	
	Seconder Councillor M. Scott	

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Resolved that By-law 2020-126 being a by-law to authorize the execution of the Engagement Letter Agreement between the City and S&P Global Canada Corp. for the provision of Credit Rating Services as required by the Finance Department-Corporate Services for the five (5) year period commencing June 2020 (with the option for up to three (3) additional years by mutual agreement) be passed in open Council this 29th day of June, 2020.

11.1.5	By-law 2020-127 (Parking) Municipal By-law Officers	320 - 322
A report from the Manager of Transit and Parking is on the Agenda.		
Mover Councillor S. Hollingsworth Seconder Councillor M. Scott Resolved that By-law 2020-127 being a by-law to appoint Municipal Law Enforcement Officers to enforce the by-laws on various private properties and to amend Schedule "A" to By-law 90-305 be passed in open Council this 29th day of June, 2020.		
11.1.6	By-law 2020-128 (Agreement) Huron Street Hub Trail Spoke	323 - 327
A report from the Director of Planning is on the Agenda.		
Mover Councillor S. Hollingsworth Seconder Councillor M. Scott Resolved that By-law 2020-128 being a by-law to authorize the execution of the Agreement between the City and 1188004 Ontario Inc. (Tony Porco) to complete the Hub Trail spoke from Canal Drive to Huron Street be passed in open Council this 29th day of June, 2020.		
11.1.7	By-law 2020-129 (Agreement) PUC Huron Street Welcome Sign	328 - 335
Council report was passed by Council resolution on June 8, 2020.		
Mover Councillor S. Hollingsworth Seconder Councillor M. Scott Resolved that By-law 2020-129 being a by-law to authorize the execution of the Agreement between the City and PUC Distribution Inc. for the use of property at the northeast corner of Huron Street and Queen Street West for a local community park area and welcome sign be passed in open Council this 29th day of June, 2020.		
11.1.8	By-law 2020-130 (Property Sale) 272 Wellington Street West	336 - 337
A report from the Assistant City Solicitor/Senior Litigation Counsel is on the Agenda.		
Mover Councillor S. Hollingsworth Seconder Councillor M. Scott Resolved that By-law 2020-130 being a by-law to declare the City owned		

property legally described as PIN 31572-0102(LT) LT 183-184 BLK 5 PL402 KORAH; SAULT STE. MARIE, being civic 272 Wellington Street West (Parking Lot) as surplus to the City's needs and to authorize the disposition of the said property to the District of Sault Ste. Marie Social Services Administration Board or as otherwise directed be passed in open Council this 29th day of June, 2020.

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| 11.1.9 | By-law 2020-131 (Property Sale) 235 Wellington Street West | 338 - 339 |
| A report from the Assistant City Solicitor/Senior Litigation Counsel is on the Agenda. | | |
| 11.1.10 | By-law 2020-132 (Agreement) GFL Memorial Gardens Structural Inspections | 340 - 376 |
| A report from the Manager of Purchasing is on the Agenda. | | |
| 11.1.11 | By-law 2020-133 (Agreement) Trunk Road Resurfacing | 377 - 379 |
| A report from the Manager of Design and Transportation is on the Agenda. | | |
| 11.1.12 | By-law 2020-134 (Appointment) Amend By-law 2019-12 Local Boards Committee | 380 - 380 |
| A report from the Manager of Design and Transportation is on the Agenda. | | |

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Marie be passed in open Council this 29th day of June, 2020.

- 11.1.13 **By-law 2020-135 (Taxation) Waiving Interest on Municipal Accommodation Tax** 381 - 381
A report from the Chief Administration Officer is on the Agenda.
Mover Councillor S. Hollingsworth
Seconder Councillor M. Scott
Resolved that By-law 2020-135 being a by-law to amend the Municipal Accommodation Tax By-law 2018-218 by waiving the penalty and interest provisions for remittance of the Municipal Accommodation Tax until August 31, 2020 be passed in open Council this 29th day of June, 2020.
- 11.1.14 **By-law 2020-136 (Finance) Waiving Interest on Accounts Receivable** 382 - 382
A report from the Chief Administration Officer is on the Agenda.
Mover Councillor S. Hollingsworth
Seconder Councillor M. Scott
Resolved that By-law 2020-136 being a by-law to amend User Fees By-law 2019-222 (Schedule "F") by waiving the interest on accounts receivable until August 31, 2020, be passed in open Council this 29th day of June, 2020.
- 11.2 **By-laws before Council for FIRST and SECOND reading which do not require more than a simple majority**
- 11.3 **By-laws before Council for THIRD reading which do not require more than a simple majority** 383 - 386
- 11.3.1 **By-law 2017-248 (Lane/Street Closing and Conveyance) Part Hudson Street**
Council report was passed by Council resolution on December 11, 2017.
Mover Councillor S. Hollingsworth
Seconder Councillor M. Scott
Resolved that By-law 2017-248 being a by-law to stop up, close and authorize the conveyance of a portion of a lane in the Hudson Bay Subdivision, PIN 31576-0010 (LT) PT LANE PL 4175 ST. MARY'S BEING PT 1 1R13643 SAULT STE. MARIE and part of Hudson Street, Town Plot of St. Mary's, PART PIN 31576-0329 (LT) PT HUDSON STREET PL TOWN PLOT OF ST. MARY'S BEING PART 2 1R13643; SAULT STE. MARIE be read a THIRD time in open Council and passed this 29th day of June, 2020.
12. **Questions By, New Business From, or Addresses by Members of Council Concerning Matters Not Otherwise on the Agenda**
13. **Closed Session**

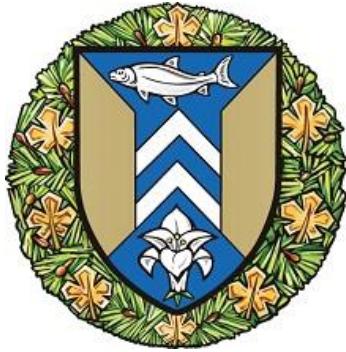
14.

Adjournment

Mover Councillor S. Hollingsworth

Seconder Councillor C. Gardi

Resolved that this Council now adjourn.



REGULAR MEETING OF CITY COUNCIL

MINUTES

Monday, June 8, 2020

4:30 pm

Council Chambers

Civic Centre

by videoconference

Present: Mayor C. Provenzano, Councillor P. Christian, Councillor S. Hollingsworth, Councillor L. Dufour, Councillor L. Vezeau-Allen, Councillor D. Hilsinger, Councillor M. Shoemaker, Councillor M. Bruni, Councillor R. Niro, Councillor C. Gardi, Councillor M. Scott

Officials: M. White, R. Tyczinski, L. Girardi, T. Vair, S. Schell, K. Fields, P. Johnson, D. McConnell, S. Hamilton Beach, D. Elliott, B. Lamming, M. Zuppa, C. Rumiel, C. Taddo, K. Fisher, F. Coccimiglio, T. Vecchio, T. Reid, M. Blanchard, S. Lavergne

13. Closed Session

Moved by: Councillor S. Hollingsworth

Seconded by: Councillor M. Scott

Resolved that this Council proceed into closed session to discuss:

- two proposed acquisitions or dispositions of land; and
- one matter subject to solicitor/client privilege

Further Be It Resolved that should the said closed session be adjourned, the Council may reconvene in closed session to continue to discuss the same matter without the need for a further authorizing resolution.

Municipal Act section 239(2)(c) a proposed or pending acquisition or disposition of land by the municipality or local board; and section 239(2)(f) advice that is subject to solicitor-client privilege, including communications necessary for that purpose.

Carried

1. Adoption of Minutes

Moved by: Councillor S. Hollingsworth
Seconded by: Councillor C. Gardi

Resolved that the Minutes of the Regular Council Meeting of 2020 05 25 be approved.

Carried

2. Questions and Information Arising Out of the Minutes and not Otherwise on the Agenda

3. Declaration of Pecuniary Interest

3.1 Councillor M. Shoemaker – Northern Avenue Improvements

Contractor is a client of law firm.

3.2 Councillor M. Shoemaker – By-law 2020-123 (Agreement) Northern Avenue Improvements

Contractor is a client of law firm.

4. Approve Agenda as Presented

Moved by: Councillor P. Christian
Seconded by: Councillor M. Scott

Resolved that the Agenda for 2020 06 08 City Council Meeting as presented be approved.

Carried

5. Proclamations/Delegations

5.1 June is Parks and Recreation Month

5.2 Black Lives Matter

Whereas George Floyd was killed by a police officer on May 25th, 2020, in Minneapolis, Minnesota, in the presence of three additional police officers; and

Whereas since George Floyd's death there have been protests and demonstrations across the United States and in Canada in support of Black Lives Matter and standing against police brutality, anti-Black racism, and the killing of Black people; and

Whereas racism and anti-Black racism is not limited to the United States. Racism and anti-Black racism exists here in Canada and our own community of Sault Ste. Marie; and

Whereas racism is not limited to explicitly hateful, discriminatory or prejudiced comments and actions. Racism can exist in institutional and systemic policies and practices; and

Whereas all people are created equal and all people have the right to be treated equally in accord with our prescriptive law and the principles of natural justice; and

Whereas in order to create a free and just society, each of us have a responsibility to not only stand against racism but to actively encourage equality through the way we treat one another and by challenging the systems and practices that permit or support racism:

Now Therefore, I, Christian Provenzano, as Mayor of the City of Sault Ste. Marie, do hereby explicitly acknowledge that racism and anti-Black racism exists in Sault Ste. Marie and that racism hurts the people it is directed towards and it weakens our larger community. I hereby call on and ask all of the residents of our community to examine and contribute our own attitudes, perspectives and conduct to determine where and how we can improve and contribute to the fight against racism and anti-Black racism so that all members of our community feel welcome, respected, included and safe and so that we can build a stronger community that is a model to others.

6. Communications and Routine Reports of City Departments, Boards and Committees – Consent Agenda

Moved by: Councillor S. Hollingsworth

Seconded by: Councillor C. Gardi

Resolved that all the items listed under date 2020 06 08 – Agenda item 6 – Consent Agenda save and except Agenda item 6.7 be approved as recommended.

Carried

6.1 Tenders for Equipment

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

Moved by: Councillor S. Hollingsworth

Seconded by: Councillor M. Scott

Resolved that the report of the Manager of Purchasing dated 2020 06 08 concerning tenders for equipment be received and the that the tenders for the supply and delivery of various pieces of equipment be awarded as follows:

One (1) Forestry Aerial Lift Truck	Altec Industries Ltd.	\$255,112.00
One (1) Articulated Wheel Loader	Toromont CAT	\$261,970.00
One (1) 25-ton Articulated Haul Truck	Toromont CAT	\$407,725.00

One (1) 4x4 Pickup Truck	Prouse Chevrolet	\$40,249.00
One (1) 4x2 Pickup Truck	Prouse Chevrolet	\$34,392.00

for a total amount of \$999,448.00, HST extra.

Carried

6.2 Community Museum Operating Grant ECNHS

The report of the Curator, Ermatinger-Clergue National Historic Site was received by Council.

The relevant By-law 2020-121 is listed under item 11 of the Minutes.

6.3 Disabled Advanced Left Turn Traffic Signals

The report of the Manager of Design and Transportation Engineering was received by Council.

Moved by: Councillor P. Christian

Seconded by: Councillor C. Gardi

Resolved that the report of the Manager of Design and Transportation Engineering dated 2020 06 08 concerning Disabled Advanced Left Turn Traffic Signals be received as information.

Carried

6.4 Northern Avenue Improvements

Councillor M. Shoemaker declared a conflict on this item. (Contractor is a client of law firm.)

The report of the Manager of Design and Transportation Engineering was received by Council.

The relevant By-law 2020-123 is listed under item 11 of the Minutes.

6.5 Pointe Des Chenes – Lions Club Operating Agreement

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

The relevant By-law 2020-119 is listed under item 11 of the Minutes.

6.6 Transition of Blue Box to Full Producer Responsibility

The report of the Director of Public Works was received by Council.

Moved by: Councillor P. Christian

Seconded by: Councillor C. Gardi

Resolved that the report of the Director of Public Works dated 2020 06 08 concerning the Transition of Blue Box to Full Producer Responsibility be received; further,

Whereas the amount of single-use plastics leaking into our lakes, rivers, waterways is a growing area of public concern; and

Whereas reducing the waste we generate and reincorporating valuable resources from our waste stream into new goods can reduce greenhouse gases significantly; and

Whereas the transition to full producer responsibility for packaging, paper and paper products is critical to reducing waste, improving recycling and driving better economic and environmental outcomes; and

Whereas the move to a circular economy is a global movement, and that the transition of Blue Box programs would go a long way toward this outcome; and

Whereas the City of Sault Ste. Marie is supportive of a timely, seamless and successful transition of Blue Box programs to full financial and operational responsibility by producers of packaging, paper and paper products; and

Whereas the Association of Municipalities of Ontario has requested municipal governments with Blue Box programs to provide an indication of the best date to transition our Blue Box program to full producer responsibility;

Now Therefore Be It Resolved that the City of Sault Ste. Marie would like to transition its Blue Box program to full producer responsibility by September 30, 2023 and

That this decision is based on the following rationale:

1. The City's current contract with GFL for the collection and processing of blue box material expires September 30, 2022 with an option to extend.
2. If the City and GFL are able to agree on a contract extension, it would allow the City of Sault Ste. Marie to continue with its current collection system while concurrently working towards our transition to full producer responsibility.
3. Support of recycling industry, business and free enterprise.

And that the City of Sault Ste. Marie would be interested in providing contract administration services to Producers should we be able to arrive at mutually agreeable commercial terms.

Carried

6.8 Licensing By-law 93-206 Amendment

The report of the Solicitor/Prosecutor was received by Council.

The relevant By-law 2020-114 is listed under item 11 of the Minutes.

6.9 COVID-19 – Outdoor Patios

The report of the Director of Planning and Enterprise Services was received by Council.

The relevant By-law 2020-122 to approve a standard form of agreement and to delegate signing authority to the Director of Planning and Enterprise Services (or delegate) is listed under item 11 of the Minutes.

Moved by: Councillor S. Hollingsworth
Seconded by: Councillor M. Scott

Resolved that the report of the Director of Planning and Enterprise Services dated 2020 06 08 concerning outdoor patios be approved subject to the following:

1. All existing patio licence of occupation approvals be repealed and re-issued to include the required 2 m separation for the patio and all components including seating, walkway, entranceway, etc. All new patio approvals will have to be designed to meet the 2 m physical distancing recommendation. This will be done at no cost to the business.
2. Seasonal patios may occupy up to 25% of the total required parking spaces in any yard that does not abut a residentially zoned lot for a maximum of six consecutive months.
3. All fees be waived for patio approvals through to December 31, 2020.

Carried

6.10 Huron Street Welcome Sign

The report of the Director of Planning and Enterprise Services was received by Council.

Moved by: Councillor P. Christian
Seconded by: Councillor C. Gardi

Resolved that the report of the Director of Planning and Enterprise Services dated 2020 06 08 concerning the Huron Street welcome sign be received and that Council authorize an expenditure not to exceed \$40,000 of previously approved funds to complete this project.

Carried

6.7 Elimination of Single Source Plastics

The report of the Supervisor of Waste Management was received by Council.

Moved by: Councillor S. Hollingsworth
Seconded by: Councillor C. Gardi

Resolved that the report of the Supervisor of Waste Management dated 2020 06 08 concerning Elimination of Single Source Plastics be received and that Council support staff participation as a municipal stakeholder in the consultation process regarding transition of the blue box to full producer responsibility.

Majority	For	Against	Absent
Mayor C. Provenzano	X		
Councillor P. Christian	X		
Councillor S. Hollingsworth	X		
Councillor L. Dufour	X		
Councillor L. Vezeau-Allen	X		

Councillor D. Hilsinger	X		
Councillor M. Shoemaker	X		
Councillor M. Bruni	X		
Councillor R. Niro	X		
Councillor C. Gardi	X		
Councillor M. Scott	X		
Results	11	0	0

Carried

7. Reports of City Departments, Boards and Committees

7.1 Administration

7.2 Corporate Services

7.3 Community Development and Enterprise Services

7.4 Public Works and Engineering Services

7.4.1 West End Sewage Treatment Plant Phase I Upgrades

The report of the Land Development and Environmental Engineer was received by Council.

The relevant By-laws 2020-116 and 2020-117 are listed under item 11 of the Minutes.

7.5 Fire Services

7.6 Legal

7.7 Planning

7.8 Boards and Committees

8. Unfinished Business, Notice of Motions and Resolutions Placed on Agenda by Members of Council

8.1 Waiving Building Permit Fees

Moved by: Councillor M. Shoemaker

Seconded by: Councillor M. Scott

Whereas the economic impact of COVID-19 is likely to affect the local and global economy for many months beyond the return of the economy to relative normalcy; and

Whereas governments around the world, and at all levels across Canada are attempting to stimulate the economy into recovery for the benefit of their residents; and

Whereas the City of Sault Ste. Marie wishes to contribute to the stimulation of the local economy for the benefit of local residents and businesses;

Now Therefore Be It Resolved that staff examine the impact of a reduction of up to 25% in local building permit fees and make a recommendation on whether a reduction can be implemented, and a recommendation on the extent of any proposed reduction to spur or advance local developments that might not otherwise have been completed in 2020;

Further Be It Resolved that any proposed reduction expire as of December 31, 2020 and that staff report on any proposed reduction by July 2020.

Majority	For	Against	Absent
Mayor C. Provenzano		X	
Councillor P. Christian		X	
Councillor S. Hollingsworth		X	
Councillor L. Dufour		X	
Councillor L. Vezeau-Allen		X	
Councillor D. Hilsinger		X	
Councillor M. Shoemaker	X		
Councillor M. Bruni		X	
Councillor R. Niro		X	
Councillor C. Gardi	X		
Councillor M. Scott	X		
Results	3	8	0

Defeated

8.2 Broadband Internet Access

Moved by: Councillor P. Christian

Seconded by: Councillor C. Gardi

Whereas the COVID-19 pandemic has had a significant impact on our economy and our education system; and

Whereas a number of people have had to work from home and all of our students, at every level, have had to migrate to online learning from home; and

Whereas the transition from external workspace and education space to home work space and education space requires affordable access to the internet and dependable, quality connectivity; and

Whereas it is clearly evident that not all parts of Sault Ste. Marie, or areas of the larger Algoma community where many people who work and learn in Sault Ste. Marie reside, have access to an affordable, dependable and quality internet connection;

Now Therefore Be It Resolved that Sault Ste. Marie City Council hereby calls on both the Provincial and Federal Governments to prioritize an immediate investment in broadband infrastructure to ensure that all people and communities within Sault Ste. Marie and Algoma have access to affordable, dependable and quality internet.

Further Be it Resolved that the City work with any interested community partners, specifically including the Sault Ste. Marie Innovation Centre, to lobby both the Provincial and Federal Governments to make said investment.

Majority	For	Against	Absent
Mayor C. Provenzano	X		
Councillor P. Christian	X		
Councillor S. Hollingsworth	X		
Councillor L. Dufour	X		
Councillor L. Vezeau-Allen	X		
Councillor D. Hilsinger	X		
Councillor M. Shoemaker	X		
Councillor M. Bruni	X		
Councillor R. Niro	X		
Councillor C. Gardi	X		
Councillor M. Scott	X		
Results	11	0	0

Carried

8.3 Regional Reopening (COVID-19)

Moved by: Councillor D. Hilsinger

Seconded by: Councillor S. Hollingsworth

Whereas Ontario has for several months now been in the grips of a COVID-19 pandemic which has caused many Ontarians to be ill and has taken a terrible toll in lives lost, especially among our elderly citizens; and

Whereas on the advice of Provincial public health officials significant lockdown orders were issued on a province-wide basis which brought about the closure of most businesses and many public spaces and facilities in an effort to contain the spread of the COVID-19 virus; and

Whereas while those measures did help to contain the spread of the virus and save lives here in the Sault and in Algoma generally, they also had the effect of putting many people out of work and placing many businesses and people under severe financial stress; and

Whereas acknowledging that the spread of the virus and its impact on people has been uneven across the province, with the Greater Toronto area facing much bigger challenges while communities like the Sault have seen relatively fewer of the potentially devastating effects of COVID-19; and

Whereas since the City of Sault Ste. Marie and District of Algoma generally have been relatively successful in containing the spread of the virus and limiting the strain on the health care system and as such have very positive results as measured against the indicators commonly suggested as a guide to re-opening; and

Whereas given that the continuation of the province-wide shutdown of businesses and other facilities and enterprises in Sault Ste. Marie will unnecessarily cause continued unemployment, financial hardship, damage to business and the economy and increased stress among citizens,

Now Therefore Be It Resolved that:

1. The Mayor be authorized to write to the Chief Medical Officer of Health for Algoma, the Chief Medical Officer of Health for Ontario, the member of Provincial Parliament for Sault Ste. Marie and Algoma, the Minister of Health for Ontario and the Premier of Ontario expressing strong support for the implementation of a regional approach to reopening if communities can meet defined public health metrics and requesting that the City of Sault Ste. Marie and Algoma District should be permitted to develop and implement such a reopening plan of its own.
2. The letter convey to the recipients both a concern for other areas of the province harder hit than Sault Ste. Marie, but also a clear recognition of the fact that circumstances have fortunately been much better in our city, and that ongoing application of a province wide shutdown approach will cause continued unnecessary economic and social disruption including high unemployment, financial hardship, business failure and social problems in Sault Ste. Marie whereas our own area's reopening plan will give us an opportunity to get people back to work and see life return to at least a new normal for the people of our city and district.
3. City staff be directed to develop, for discussion with the District Medical Officer of Health and the community at large, a responsible re-opening plan, based on the Framework for Reopening the Province, which reflects the readiness of Sault Ste. Marie and the Algoma District to reopen more rapidly and provides a framework within which this can be done safely and respecting public health requirements in areas such as child care, hospitality and public transportation, to report back to City Council as soon as possible.

Majority	For	Against	Absent
Mayor C. Provenzano	X		
Councillor P. Christian	X		
Councillor S. Hollingsworth	X		
Councillor L. Dufour	X		
Councillor L. Vezeau-Allen	X		
Councillor D. Hilsinger	X		
Councillor M. Shoemaker	X		
Councillor M. Bruni	X		
Councillor R. Niro	X		
Councillor C. Gardi	X		
Councillor M. Scott	X		
Results	11	0	0

Carried

8.4 Financial Assistance for Municipalities (COVID-19)

Moved by: Councillor R. Niro

Seconded by: Councillor C. Gardi

Whereas the 2019 novel coronavirus (COVID-19) has impacted municipalities throughout Canada including our own community of Sault Ste. Marie; and

Whereas during this pandemic, the Federal and Provincial Governments have rolled out numerous support programs for large and small businesses, employers, employees, seniors, and students; and

Whereas the Federal and Provincial Governments have provided billions of dollars in relief during this pandemic to these various groups through their support programs; and

Whereas despite repeated requests by the Federation of Canadian Municipalities (FCM), and the Association of Municipalities of Ontario (AMO), to date, there have been no announcements regarding relief funding to cope with municipal budget deficits created by the pandemic; and

Whereas the COVID-19 financial impact to the City of Sault Ste. Marie to May 31, 2020 is \$1,000,000 to the Operating Budget, and a further \$2,000,000 to the Capital Funding Budget; and

Whereas if closures and other COVID-19 restrictions last into the fall our City's budget deficit can only increase; and

Whereas reopening City Services after COVID-19 may result in additional expenses as municipalities adhere to new restrictions of providing services; and

Whereas municipalities, including Sault Ste. Marie, have no freedom to run deficits, and the only primary means of collecting revenue to provide City services is through property taxation, facility rentals, and Transit revenue; and

Whereas during COVID-19 the Federal and Provincial governments have done commendable work in getting through the health side of this pandemic, as well as providing financial relief to the various groups;

Now Therefore Be It Resolved that the City of Sault Ste. Marie request that the Federal and Provincial governments extend emergency funding to municipalities to mitigate the financial impact of COVID-19 so that Sault Ste. Marie can continue to provide essential services without considering cuts in service or increases to the taxpayers who may have already been negatively impacted by COVID-19; and

Further Be It Resolved that copies of this resolution, along with a letter from Mayor Provenzano, be forwarded to: the Right Honourable Justin Trudeau, Prime Minister of Canada, the Honourable Doug Ford, Premier of Ontario, the Honourable Catherine McKenna, Minister

of Infrastructure and Communities, Terry Sheehan, MP City of Sault Ste. Marie, the Honourable Steve Clark, Minister of Municipal Affairs and Housing, the Honourable Ross Romano, Minister of Colleges and Universities, MPP City of Sault Ste. Marie.

Majority	For	Against	Absent
Mayor C. Provenzano	X		
Councillor P. Christian	X		
Councillor S. Hollingsworth	X		
Councillor L. Dufour	X		
Councillor L. Vezeau-Allen	X		
Councillor D. Hilsinger	X		
Councillor M. Shoemaker	X		
Councillor M. Bruni	X		
Councillor R. Niro	X		
Councillor C. Gardi	X		
Councillor M. Scott	X		
Results	11	0	0

Carried

9. Committee of the Whole for the Purpose of Such Matters as are Referred to it by the Council by Resolution

10. Adoption of Report of the Committee of the Whole

11. Consideration and Passing of By-laws

Moved by: Councillor P. Christian

Seconded by: Councillor C. Gardi

Resolved that all By-laws under item 11 of the Agenda under date 2020 06 08 save and except By-law 2020-123 be approved.

Carried

11.1 By-laws before Council to be passed which do not require more than a simple majority

11.1.1 By-law 2020-114 (Licensing) Amending By-law 93-206 (Lotteries)

Moved by: Councillor P. Christian

Seconded by: Councillor C. Gardi

Resolved that By-law 2020-114 being a by-law to amend By-law 93-206 (being a by-law to provide for licensing of lotteries) be passed in open Council this 8th day of June, 2020.

Carried

11.1.2 By-law 2020-116 (Engineering) West End Waste Water Treatment Plant Maple Reinders Constructors Ltd.

Moved by: Councillor P. Christian
Seconded by: Councillor C. Gardi

Resolved that By-law 2020-116 being a by-law to authorize the execution of the Contract between the City and Maple Reinders Constructors Ltd. for the West End Water Treatment Plant Phase I Upgrades (Contract 2019-13E) be passed in open Council this 8th day of June, 2020.

Carried

11.1.3 By-law 2020-117 (Engineering) AECOM Fee Addendum

Moved by: Councillor P. Christian
Seconded by: Councillor C. Gardi

Resolved that By-law 2020-117 being a by-law to authorize the execution of the Fee Addendum Authorization for the West End Water Pollution Control Plant Phase I Upgrades be passed in open Council this 8th day of June, 2020.

Carried

11.1.4 By-law 2020-119 (Agreement) Pointe Des Chenes

Moved by: Councillor P. Christian
Seconded by: Councillor C. Gardi

Resolved that By-law 2020-119 being a by-law to authorize the execution of the Agreement between the City and The Lions Club of Sault Ste. Marie for the maintenance and operation of the campground be passed in open Council this 8th day of June, 2020.

Carried

11.1.5 2020-120 (Street Assumptions) Various

Moved by: Councillor P. Christian
Seconded by: Councillor C. Gardi

Resolved that By-law 2020-120 being a by-law to assume for public use and establish as public streets various parcels of land conveyed to the City be passed in open Council this 8th day of June, 2020.

Carried

11.1.6 By-law 2020-121 (Grant) Community Museums

Moved by: Councillor P. Christian
Seconded by: Councillor C. Gardi

Resolved that By-law 2020-121 being a by-law to authorize the approval to apply for the annual Community Museums Operating Grant (CMOG), Ministry of Culture, through Grants Ontario be passed in open Council this 8th day of June, 2020.

Carried

11.1.7 By-law 2020-122 (Agreement) Outdoor Patios

Moved by: Councillor P. Christian
Seconded by: Councillor C. Gardi

Resolved that By-law 2020-122 being a by-law to approve the standard form of a Outdoor Patio Agreement and further to delegate to the Director of Planning and Enterprise Services, or his/her delegate, signing authority to execute same on behalf of the City of Sault Ste. Marie be passed in open Council this 8th day of June, 2020.

Carried

11.1.8 By-law 2020-123 (Agreement) Northern Avenue Improvements

Councillor M. Shoemaker declared a conflict on this item. (Contractor is a client of law firm.)

Moved by: Councillor P. Christian
Seconded by: Councillor C. Gardi

Resolved that By-law 2020-123 being a by-law to authorize the execution of the Contract between the City and Avery Construction Ltd. for the Northern Avenue Improvements (Contract 2020-5E) be passed in open Council this 8th day of June, 2020.

Majority	For	Against	Absent
Mayor C. Provenzano	X		
Councillor P. Christian	X		
Councillor S. Hollingsworth	X		
Councillor L. Dufour	X		
Councillor L. Vezeau-Allen	X		
Councillor D. Hilsinger	X		
Councillor M. Shoemaker			
Councillor M. Bruni	X		
Councillor R. Niro	X		
Councillor C. Gardi	X		
Councillor M. Scott	X		
Results	10	0	0

Carried

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

- 11.3 By-laws before Council for THIRD reading which do not require more than a simple majority**
- 12. Questions By, New Business From, or Addresses by Members of Council Concerning Matters Not Otherwise on the Agenda**
- 14. Adjournment**

Moved by: Councillor S. Hollingsworth

Seconded by: Councillor M. Scott

Resolved that this Council now adjourn.

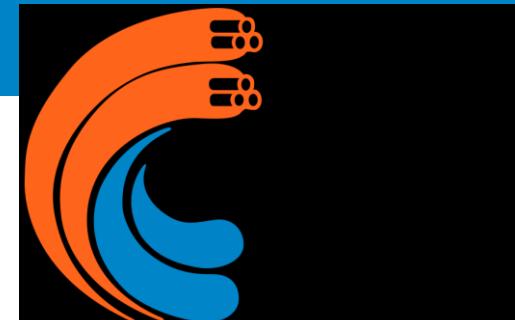
Carried

Mayor

City Clerk

PUC Group of Companies Report to Shareholder 2019

Sault Ste. Marie City Council Meeting
June 29, 2020





In the communities where we operate, PUC is committed to having a positive impact. By embracing change and innovation, we are investing in the communities we serve for the long-term. PUC is modernizing infrastructure, innovating systems, and leading the industry in projects that will change the way we deliver utility services.

In 2019, PUC Re-Invested over **\$15.8 Million** into the communities we serve.

PUC's total Annual Revenue was approx. **\$150 million**



Investing in Sustainable Growth

PUC acquired Northern Waterworks Inc. (NWI), a leading water and wastewater services provider located in Red Lake, Ontario. With approximately \$164 million in assets under management, the acquisition of NWI has increased shareholder value and positions PUC's group of companies as the second-largest service provider of water and wastewater operations in Ontario.

**PUC now serves 40 municipalities
and 127 First Nation communities
across Ontario.**



to



Investing in our Communities

- Caution & Chance Program reached over **500** elementary school students in 2019.
- Conservation Programs:
 - Through the Save on Energy Program in 2019, PUC assisted businesses within the community to achieve a total combined savings of **1.1 million kWh**
 - PUC's efforts to promote and deliver the province's AffordAbility Fund saved a total of **\$2.4 million** for customers to date and allocated approximately **\$5 million** to local businesses to date.
- In 2019, PUC offered electrical safety awareness training for educational purposes to workplaces in the City of Sault Ste. Marie.



Health & Safety Culture

The health and safety of PUC employees
is a core value of everything we do.



296 DAYS

without a lost time incident

= Approx. 520,000 hours of employee time

- In 2019, we:
 - Established a Safety Awareness Team
 - Improved tracking system for key KPIs
 - Had an active Joint Health and Safety Committee

2019 Financial Results (in \$000's)



PUC Inc.	2017	2018	2019
Revenue	\$2,239.3	\$2,281.6	\$3,489.4
OM&A	\$2,193.6	\$2,232.4	\$2,279.6
Income	\$24.9	\$35.1	\$1,217.9

PUC Distribution Inc.	2017	2018	2019
Revenue *	\$18,876.8	\$20,356.0	\$22,416.5
OM&A	\$11,649.8	\$11,601.5	\$11,470.2
Income	\$127.3	\$1,539.8	\$3,040.2
Capital Expenditures	\$6,389.9	\$5,770.3	\$5,833.4

* Net of CDM program revenue

2019 Financial Results (in \$000's)

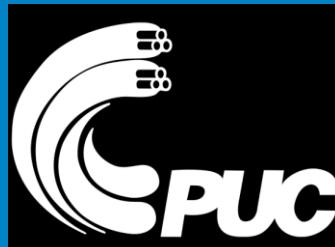


PUC Services Inc.	2017	2018	2019
Revenue	\$16,641.3	\$17,495.6	\$21,850.5
OM&A	\$14,210.0	\$13,818.8	\$17,615.3
Income	(\$312.2)	\$1,271.9	\$1,316.2
Capital Expenditures	\$918.2	\$2,649.5	\$1,934.6

Public Utilities Commission	2017	2018	2019
Revenue	\$19,721.2	\$20,745.6	\$21,566.8
OM&A	\$12,960.8	\$13,399.5	\$13,525.6
Annual Surplus	\$4,107.9	\$4,656.8	\$5,335.8
Capital Expenditures	\$4,780.6	\$4,102.2	\$5,314.2

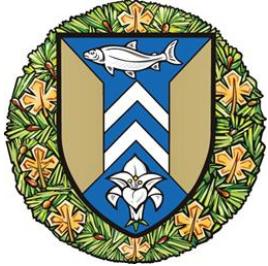
2019 Financial Highlights

- **Highest earnings** in history for PUC Group of Companies
 - Through increased earnings from outside SSM from strategic investments over the past few years
- Distributions made to Shareholder of \$2.9M, an **increase of \$400k** in special dividends



QUESTIONS?





The Corporation of the City of Sault Ste. Marie

COUNCIL REPORT

June 29, 2020

TO: Mayor Christian Provenzano and Members of City Council
AUTHOR: Shelley J Schell, CPA, CA Chief Financial Officer &
Treasurer
DEPARTMENT: Corporate Services
RE: Finance Committee – 2021 Budget Schedule

PURPOSE

The purpose of this report is to seek Council approval of the recommendation of the Finance Committee for the 2021 Budget Schedule.

BACKGROUND

The Finance Committee met on June 17, 2020. The 2021 Budget Schedule (attached) was reviewed. The following recommendation is provided for Council approval.

Moved by: A. Burgoyne
Seconded by: L. Dufour

“The Finance Committee has reviewed the timetable for the 2021 Operating and Capital Budgets and recommends to Council the deliberation schedule.”

ANALYSIS

Not applicable.

FINANCIAL IMPLICATIONS

There are no direct financial implications related to the budget schedule.

STRATEGIC PLAN / POLICY IMPACT

This is an operational matter not articulated in the Strategic Plan.

Finance Committee – 2021 Budget Schedule

2020 06 29

Page 2.

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the recommendation of the Finance Committee for the 2021 Operating and Capital schedule be approved.

Respectfully submitted,



Shelley J. Schell, CPA, CA
Chief Financial Officer/Treasurer
705.759.5355
s.schell@cityssm.on.ca

THE CORPORATION OF THE CITY OF SAULT STE MARIE

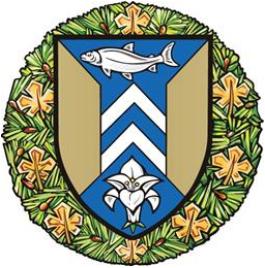
2021 BUDGET SCHEDULE

OPERATING & CAPITAL BUDGET

	Completion Date
● Capital budget evaluation matrix to Finance Committee for review/recommendation	July 22, 2020
● Deadline for outside agency grant applications	September 1, 2020
● O/S Agency presentations	November 30, 2020
● Preliminary Budget to Council-Operating & Capital User Fees approval	November 30, 2020
● Budget deliberation	December 7 & 8, 2020
	At discretion of Council. Direction to be confirmed in August.
	Regular Council meeting

Post Budget Approval

● Tax Policy Analysis, Options and Tax Rates	March 2021
● Capping Options (date is dependent upon release of Education Rates by Province)	April 2021



The Corporation of the City of Sault Ste. Marie

C O U N C I L R E P O R T

June 29, 2020

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Tim Gowans, Manager of Purchasing

DEPARTMENT: Finance Department

RE: RFP – Engineering Services – Structural Inspections - GFL Memorial Gardens

PURPOSE

This report has been prepared for your information and consideration. Staff is seeking Council Approval of the signature of an Agreement with Tulloch Engineering Inc. for the provision of engineering services associated with the provision of Structural Inspections in 2020 of the GFL Memorial Gardens and the Memorial Tower as well as ongoing Rigging Reviews for Events at the GFL Memorial Gardens for a five (5) year period commencing June 1, 2020 as required by the Arenas Division of Community Development and Enterprise Services (CDES).

BACKGROUND

Structural Inspections are required on a repetitive five (5) year basis for various City facilities. In addition, Structural Beam Load Evaluations (Rigging Reviews) are required on an event by event basis.

A Request for Proposal for the provision of engineering services associated with the provision of Structural Inspections and Rigging Reviews for the GFL Memorial Gardens and the Memorial Tower was forwarded to all firms on the City's Vendor of Record List for the Buildings, Architectural, Mechanical, Electrical Category. Proposals were required to be submitted for consideration no later than 4:00 p.m. on May 8, 2020.

ANALYSIS

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

Tulloch Engineering Inc., Sault Ste. Marie, ON

The Proposal received was evaluated by a committee comprised of staff from Community Development and Enterprise Services; and from the Purchasing Division - Corporate Services.

Subsequent to Proposal evaluation, provision of the required Engineering Services was awarded to Tulloch Engineering Inc. of Sault Ste. Marie, ON. Tulloch has proposed fees of approximately \$16,300 including estimated disbursements and non-rebatable HST for provision of the Structural Inspections; and approximately \$2,550 including estimated disbursements and non-rebatable HST for provision of the Rigging Reviews on an as needed basis. The fees proposed were within the staff approval levels as authorized in the Purchasing By-law.

FINANCIAL IMPLICATIONS

The Engineering Fees as proposed can be accommodated from within the approved Operating Budget for the GFL Memorial Gardens.

STRATEGIC PLAN / POLICY IMPACT

Provision of these services is an operational matter not articulated in the Corporate Strategic Plan.

RECOMMENDATION

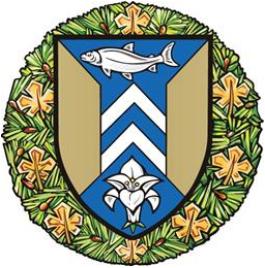
Resolved that the report of the Manager of Purchasing dated 2020 06 29 be received, and the recommendation that signature of the agreement of the Engineering Agreement with Tulloch Engineering Inc. for provision of Structural Inspections and Rigging Reviews for the GFL Memorial Gardens and the Memorial Tower; in accordance with the Proposal as submitted, be approved.

By-law 2020-132 authorizing signature of the agreement appears elsewhere on the Council Agenda.

Respectfully submitted,



Tim Gowans
Manager of Purchasing
705.759.5298
t.gowans@cityssm.on.ca



The Corporation of the City of Sault Ste. Marie

COUNCIL REPORT

June 29, 2020

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Tim Gowans, Manager of Purchasing

DEPARTMENT: Finance Department

RE: RFP – Credit Rating Services

PURPOSE

This report has been prepared for your information and consideration, on behalf of the Evaluation Committee, concerning proposals received for the provision of Credit Rating Services for the City of Sault Ste. Marie for the five (5) year period commencing June 2020 (with the option for up to three (3) additional years by mutual agreement), as required by the Finance Department – Corporate Services. Staff is seeking Council approval of the Evaluation Committee's recommendation.

BACKGROUND

The Request for Proposal was publicly advertised and RFP documents forwarded to all firms on our bidders list. Proposals were required to be submitted for consideration no later than 4:00 p.m. on May 20, 2020.

ANALYSIS

Proposals from four (4) Proponents were received prior to the closing date:

DBRS Morningstar
Fitch Ratings Incorporate – Canada Branch
Moody's Canada Inc.
S&P Global Canada Corp. (S&P Global)

The proposals received have been evaluated by a committee comprised of staff from Community Development and Enterprise Services; and the Finance Department – Corporate Services.

It is the consensus of the Evaluation Committee that the Proponent scoring the highest in the evaluation process is S&P Global Canada Corp. S&P Global has provided Credit Rating Services for the City for many years.

Credit Rating Services

2020 06 29

Page 2

FINANCIAL IMPLICATIONS

S&P Global has proposed fees of approximately \$122,000.00 plus HST for the five (5) years of the engagement. Firm pricing has been provided for each year of the engagement, plus the first possible extension year (only by mutual consent). Sufficient funds have been budgeted within Finance's Consulting Accounts.

STRATEGIC PLAN / POLICY IMPACT

This is an operational matter not articulated in the Corporate Strategic Plan.

RECOMMENDATION

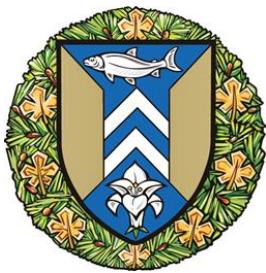
Resolved that the report of the Manager of Purchasing dated 2020 06 29 be received and the recommendation that the Proposal submitted by S&P Global Canada Corp. for the provision of Credit Rating Services, as required by the Finance Department – Corporate Services, be approved; for the five (5) year period commencing June 2020 (with the option for up to three (3) additional years by mutual agreement); be approved.

By-law 2020-126 authorizing signature of the Letter of Engagement for provision of these services appears elsewhere on the Council Agenda.

Respectfully submitted,



Tim Gowans
Manager of Purchasing
705.759.5298
t.gowans@cityssm.on.ca



The Corporation of the City of Sault Ste. Marie

C O U N C I L R E P O R T

June 29, 2020

TO: Mayor Christian Provenzano and Members of City Council
AUTHOR: Peter Niro, Director of Human Resources
DEPARTMENT: Corporate Services
RE: Pregnancy and Parental Leave for Members of Council

PURPOSE

The purpose of this report is to obtain approval of a Pregnancy and Parental Leave policy for members of Council.

BACKGROUND

The *Municipal Act 2001* requires municipalities to adopt and maintain policies regarding pregnancy and parental leave for members of Council.

The Act provides that a member of Council is entitled to 20 consecutive weeks of pregnancy/parental leave, not to extend beyond a member's term of office, without the Council seat being declared vacant.

ANALYSIS

A review of pregnancy and parental leave policies for members of Council adopted by other Ontario municipalities was conducted. Most Ontario municipalities provide for a paid leave of up to 20 consecutive weeks with the option to the member to attend Council, board and committee meetings if they choose to do so.

The attached policy provides for a paid leave of up to 20 consecutive weeks. Any request for extension of the leave would be considered by Council resolution. The member will continue to receive communications, agendas and minutes. Council may appoint an interim member to boards or committees if deemed necessary.

FINANCIAL IMPLICATIONS

There are no additional financial impacts beyond the Council honoraria already included in the operating budget.

STRATEGIC PLAN / POLICY IMPACT

This is an administrative issue not articulated in the corporate Strategic Plan.

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the Director of Human Resources dated 2020 06 29 concerning Pregnancy and Parental Leave for Members of Council be received and that the attached policy be adopted.

Pregnancy and Parental Leave for Members of Council

2020 06 29

Page 2.

Respectfully submitted,



Peter Niro

Director of Human Resources

705.759.5366

p.niro@cityssm.on.ca



The City of Sault Ste. Marie
Policy Manual

H-4-7(a)

Subject: Pregnancy and Parental Leave for Members of Council
Service Area: Human Resources
Source: Municipal Act (s. 270 (1) 8)
Date: June 29, 2020

Purpose:

This policy provides guidance as to how the City of Sault Ste. Marie addresses a member of Council's pregnancy and/or parental leave in a manner that respects a Council member's statutory role as an elected representative.

Definitions:

Pregnancy and/or Parental Leave: an absence of 20 consecutive weeks or less as a result of the Council member's pregnancy, the birth of a Council member's child or the adoption of a child by the Council member in accordance with section 259 (1.1) of the *Municipal Act, 2001*.

Policy Statement:

The City of Sault Ste. Marie recognizes the right of a member of Council right to take leave for the member's pregnancy, the birth of a member's child or the adoption of a child by the member in accordance with the *Municipal Act, 2001*.

Scope:

In accordance with section 270 of the *Municipal Act, 2001*, this policy applies to members of Council.

Policy:

City Council supports a member of Council's right to pregnancy and/or parental leave as follows:

1. In accordance with section 259(1.1) of the *Municipal Act 2001*, a member of Council is entitled to 20 consecutive weeks of pregnancy leave and parental leave, not to extend beyond a member's term of office.
2. A member of Council's pregnancy and/or parental leave does not require Council approval, and will not result in a member's seat being declared vacant under section 259(1)(c) of the *Municipal Act* due to the member's absence from Council meetings while on leave.
3. The leave may start up to 10 weeks before the member of Council's date of delivery or before the date when a child has come into the care, custody or control of a parent for the first time.
4. A member of Council should notify the City Clerk, in writing, of their intent to take leave at their earliest convenience but at least 4 weeks before the start of the leave, unless there is an extenuating circumstance.
5. If a member of Council wishes to seek a leave in excess of 20 consecutive weeks, a resolution of Council is required. The member will advise the City Clerk, in writing,

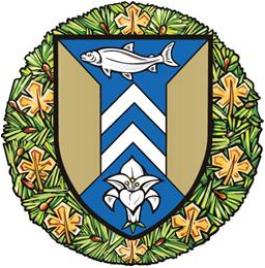


The City of Sault Ste. Marie
Policy Manual

H-4-7(a)

of the request to extend the leave as soon as it is known with details as to the nature of the requested extension.

6. A member of Council will continue to receive Council remuneration and all benefits afforded to them while on pregnancy or parental leave. In the event that a member of Council seeks to extend a leave beyond 20 weeks, the Council resolution referred to in section 5 will address compensation if the extension is approved.
7. The member of Council may attend and participate, in person or by any other means permitted under the *Municipal Act, 2001*, any Council, board or committee meetings which the member is entitled to attend.
8. The member of Council will advise the City Clerk if they choose to attend Council, board or committee meetings during the leave.
9. The member of Council will continue to be included in Council, board and committee communications including notices, agendas and minutes of regular and special Council, board and committee meetings.
10. Council may appoint an interim member of Council to boards or committees to replace the member on leave if deemed necessary (and unless the member on leave has given notice to the City Clerk that they wish to attend meetings of the board or committee to which they were appointed).
11. Upon return from leave, the member of Council will resume all appointments to boards or committees held before the leave unless Council decides otherwise.
12. Council has the authority to waive sections of this policy due to special circumstance.



The Corporation of the City of Sault Ste. Marie

COUNCIL REPORT

June 29, 2020

TO: Mayor Christian Provenzano and Members of City Council
AUTHOR: Tom Vair, Deputy CAO, Community Development and Enterprise Services
DEPARTMENT: Community Development and Enterprise Services
RE: Delegated Authority for Economic Development and Tourism Activities

PURPOSE

The purpose of this report is to seek Council approval of delegated authority related to certain activities of the Economic Development and Tourism & Community Development departments.

BACKGROUND

On December 2, 2019, City Council approved the implementation of a new model for economic development and tourism. Effective January 1, 2020, SSMEDC staff migrated to become city employees within Community Development and Enterprise Services (CDES).

The reorganization of the economic development and tourism functions has improved reporting relationships and realigned activities into a ‘one team’ approach. This has improved communication and it has benefitted planning within CDES. It was anticipated that, in order to ensure a nimble approach to economic development and tourism, certain delegations of authority would be required within City approval processes. There are many activities and functions where delegations of authority are required in order to:

- Ensure timely decision making and provide client support
- Enter into standard form agreements on a frequent basis
- Undertake activities directly within approved budgeted expense line items to carry out normal economic development operations

More detailed examples of such activities are provided below and demonstrate there the need for delegated authority capabilities in order to effectively and efficiently carry out operations:

- Since the integration of economic development within CDES, Provincial

program agreements for Small Business Enterprise Services (Starter Company Plus and Summer Company) have transferred to the City.

These include allocations available for small micro grants to entrepreneurs. The City Legal department has reviewed all agreements and has provided input on legal agreements for client engagement and contribution agreements. These contributions are to a maximum of \$5,000 per individual or company.

- Signing Non-Disclosure Agreements (NDA's) requested by clients in order to exchange confidential business information
- Signing service agreements that permit use of the Millworks Entrepreneurship Centre for incubation and co-working services, training services and counselling and mentoring
- Submitting confidential and competitive information related to bids for events and conferences which may require committing budgeted event attraction funds
- Entering into marketing and promotion agreements with media organizations that fall in line with approved community promotion budget line items

Staff is seeking Council approval for delegated authority for such activities and is proposing a reporting mechanism for the use of this delegated authority. Further, additional safeguards are proposed to address liability to the City with Legal department review of agreements.

There is no change proposed to the existing City procurement policies and staff will continue to follow the requirements and approval process from the Purchasing By-Law.

ANALYSIS

Staff within the Economic Development and Tourism & Community Development departments have transitioned well into the City and are working hard to attract visitors, create opportunities for business start-ups, retain and grow local companies, attract investments and execute strategic projects. Having permission for delegated authority in the aforementioned activities is an important tool required to support progressive economic development and tourism functions.

Staff are seeking the following delegations of authority:

- Ability to enter into agreements directly that bind the Corporation that are limited to:
 - Standard form agreements that have been reviewed and approved by the City Legal department including Provincial

grant programs administered by the City, incubation and co-working agreements, agreements for economic development client support services

- Non-Disclosure Agreements that have been reviewed and approved by the City Legal Department
- Contracts for advertising and promotion services that are approved within annual operating budgets and fall within the parameters of the Purchasing By-Law

The delegation of authority would be provided to the CAO, Deputy CAO - Community Development and Enterprise Services, Director of Tourism and Community Development and the Director of Economic Development. This delegation of authority allows these positions to directly approve the matters identified above and will ensure a more efficient and timely approval process to meet the standards of clients, partners and service providers. It will also help to protect the proprietary information of clients involved in the work of these divisions.

Bi-annual reporting will be provided to City Council that summarizes how this delegated authority was exercised in the preceding six months and indicate the type of delegation exercised if competitive, proprietary or confidential information is involved (e.g., signed a standard form NDA agreement with a manufacturing company looking to locate in Sault Ste. Marie; entered into three Summer Company agreements with youth starting businesses in summer 2020).

If this authority is not approved, there is a risk that the CDES team will not be able to react to opportunities in a timely manner; individual personal information or corporate confidential may be disclosed publicly; and, third party confidential information will require a longer approval process to engage clients. This would have the effect of limiting the performance and effectiveness of the Economic Development and Tourism and Community Development departments.

FINANCIAL IMPLICATIONS

There will be no additional impact to the City levy for the approval of delegated authority. All costs would be clearly identified in the annual plans and operating budgets of the two divisions within CDES. As stated above, staff will adhere to the existing Purchasing Policy.

STRATEGIC PLAN / POLICY IMPACT

This item links directly to corporate Strategic Plan in the following areas:

Maximize economic development & investment - We foster an environment where economic development dollars are maximized so that existing and new business can flourish. Citizens expect true value for their tax dollars. We are

Subject of Report

2020 06 29

Page 4.

committed to maintaining financial viability by strategically embracing our future with careful consideration and calculated risk in all undertakings.

Eliminating barriers to business and streamlining processes - Streamlining processes improves relationship with individual and corporate citizens. Addressing barriers that may impede success and fostering a culture that encourages innovative solutions will result in enhanced service delivery.

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the Deputy CAO, Community Development & Enterprise Services dated 2020 06 29 be received.

By-law 2020-118 appears elsewhere on the Agenda and is recommended for approval.

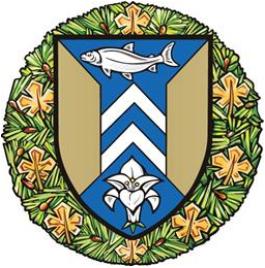
Respectfully submitted,



Tom Vair

Deputy CAO

Community Development and Enterprise Services



The Corporation of the City of Sault Ste. Marie

C O U N C I L R E P O R T

June 29, 2020

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Kathy Fisher, Curator – Ermatinger Clergue National Historic Site

DEPARTMENT: Community Development and Enterprise Services

RE: Application – Emergency Support Fund for
Heritage Organizations – Museums Assistance Program

PURPOSE

To obtain Council's approval on the application to Canadian Heritage – Museums Assistance Program – COVID 19 – Emergency Support Fund.

BACKGROUND

On June 18, 2020, the Canadian Government released the COVID-19 Emergency Support Fund for Heritage Organizations – Museums Assistance Program. Due to a sense of urgency, in that the fund has a limit on assistance for the whole of Canada, the application was placed in order to be first in the queue for consideration.

The City operates Ermatinger-Clergue National Historic Site and desires to provide visitors and residents of Sault Ste. Marie the opportunity to experience the history of the community through the preservation and historic interpretation of the Ermatinger Old Stone House, F.H. Clergue Blockhouse, Heritage Discovery Centre, heritage landscape and gardens, and the artifacts related to the site. In addition, the City oversees the operation of Tourism Sault Ste. Marie, which is responsible for helping visitors plan and book their trips to the City.

With the pandemic, the Museum / Attraction has been closed to the public since March 13, 2020. The operational budget will see a substantial decrease in visitation and revenues for 2020 due to the travel restrictions and cancellation of group tours.

ANALYSIS

The Museums Assistance Program (MAP) supports heritage institutions and workers in the preservation and presentation of heritage collections in Canada. The Program provides financial assistance to Canadian Museums that:

- Facilitate Canadians' access to our heritage;

Application – Emergency Support Fund for
Heritage Organizations – Museums Assistance Program
2020 06 29
Page 2.

- Foster preservation of Canada's diverse and rich cultural heritage; and
- Foster professional knowledge, skills, and practices related to key museum functions.

The aim of the COVID-19 emergency support available under the MAP is to provide emergency financial assistance to organizations in order to allow them to continue to care for their heritage collections under these exceptional circumstances, and remain accessible to Canadians.

FINANCIAL IMPLICATIONS

The application process automatically calculates 10% based from the total 2019 actual operating expenditures. The eligibility calculation is approximately \$43,000 of possible funding relief that could be granted to ECNHS / HSB.

STRATEGIC PLAN / POLICY IMPACT

The application for the ECNHS / HSB meets the eligibility of MAP, and the program mandate, as well as supports the mandate of the Museum and as a National Historic Site.

Eligibility states that municipal museums with a distinct budget must provide public access through regular hours of operation on a “normal” basis.

The ECNHS / HSB has received funding through MAP in past years for projects meeting the mandate and objectives of both Canadian Heritage and the HSB strategic plans.

RECOMMENDATION

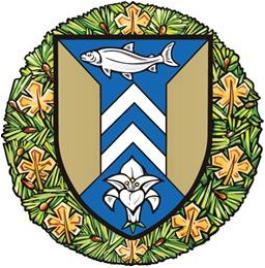
It is therefore recommended that Council take the following action:

Resolved that the report of the Curator, Ermatinger Clergue National Historic Site, dated 2020 06 29 be received, and that Council authorize the application to the Canadian Heritage, Museums Assistance Program for the COVID 19, Emergency Support Fund.

Respectfully submitted,



Kathy Fisher
Curator, Ermatinger Clergue National Historic Site
Community Development & Enterprise Services



The Corporation of the City of Sault Ste. Marie

C O U N C I L R E P O R T

June 29, 2020

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Virginia McLeod, Manager of Recreation and Culture

DEPARTMENT: Community Development and Enterprise Services

RE: Heritage Property Tax Rebate Program – 238 Queen Street East

PURPOSE

The purpose of this report is to seek Council's approval to register one (1) owner of a designated property into the City's Heritage Property Tax Rebate program.

BACKGROUND

One (1) owner of a designated heritage property in Sault Ste. Marie has filed an application to enroll in the City's Heritage Property Tax Rebate Program. The property is located at 238 Queen Street East.

The Ontario Government under Section 365.2 of the Municipal Act (2001, S.O. 2001, c.25 as amended) allows municipalities to grant tax rebates of 10% to 40% on the value of an "eligible" heritage property in order to stimulate the restoration and preservation of Ontario's unique heritage assets.

In 2005, City Council passed a resolution accepting the implementation of a 40% Tax Rebate Program in our community to support owners of Designated Heritage Properties. Bylaw 2005-186 outlines the criteria for the Heritage Property Tax Rebate Program.

ANALYSIS

Heritage properties are an important community resource; however, increased costs are often associated with their restoration and maintenance. Programs such as the Heritage Property Tax Rebate Program recognize these costs and seen as an investment in the community by preserving our City's unique cultural heritage, and supporting owners of heritage properties. In 2019, there were 18 owners of designated heritage properties enrolled in the tax rebate program. There are 38 heritage sites in the City of Sault Ste. Marie designated under Part IV of the Ontario Heritage Act.

Enrolment into the program requires the completion of an application; and once approved by Council a Heritage Property Agreement between the City and the property owner is completed which is then registered on the property title. This allows the City access to the property for inspection purposes to ensure that the owner is fulfilling the terms of the agreement. The Sault Ste. Marie Municipal Heritage Committee in conjunction with City Building Inspection services conducts an annual inspection of all heritage properties enrolled in the program. Owners are provided with a report of the findings, which outlines the maintenance items that need to be addressed. Owners who fail to maintain their heritage properties to an acceptable standard risk losing the annual tax rebate.

At their meeting on May 19, 2020 the Sault Ste. Marie Municipal Heritage Committee reviewed one (1) new application for the Heritage Property Tax Rebate Program and passed the following resolution:

Moved by: N. Curry
Seconded by: S. Meades

“Resolved that the Sault Ste. Marie Municipal Heritage Committee approve 238 Queen Street East be enrolled in the heritage property tax rebate program and that a report be prepared for the approval of City Council.”

CARRIED

FINANCIAL IMPLICATIONS

The estimated amount of the rebate for 238 Queen Street East for the 2019 tax year is \$5,791.03. The municipal portion of the rebate is \$4,286.04.

STRATEGIC PLAN / POLICY IMPACT

Focus Area – Quality of Life: Promotion of our City's arts, culture, historic and heritage sites is an essential component in achieving economic health.

RECOMMENDATION

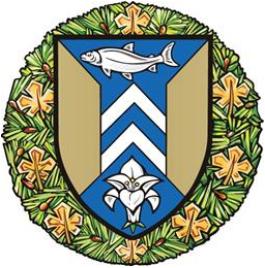
It is therefore recommended that Council take the following action:

“Resolved that the report of the Manager of Recreation and Culture dated 2020 06 29 concerning Heritage Property Tax Rebate Program be received and that the recommendation of the Sault Ste. Marie Municipal Heritage Committee that 238 Queen Street East be enrolled in the Heritage Property Tax Rebate Program be approved.”

Respectfully submitted,

VMcLeod

Virginia McLeod
Manager of Recreation and Culture
705.759.5311
v.mcleod@cityssm.on.ca



The Corporation of the City of Sault Ste. Marie

C O U N C I L R E P O R T

June 29, 2020

TO: Mayor Christian Provenzano and Members of City Council
AUTHOR: Brent Lamming, Director of Community Services
DEPARTMENT: Community Development and Enterprise Services
RE: Dennis Street Terminal Relocation

PURPOSE

To seek Council's approval to conduct an open house for public consultation to focus on the closing of the Dennis Street Terminal and proposed relocation to 111 Huron Street Transit Services location (main office and garage). If a public open house cannot occur by August 31, 2020 due to COVID-19 restrictions, staff alternatively seek approval to conduct a digital consultation supporting the Environmental Assessment process.

BACKGROUND

On March 14, 2018, Ontario signed an Integrated Bilateral Agreement (IBA) with the federal government for \$11.8 billion in federal funding under the Investing in Canada Infrastructure Program (ICIP) across four streams:

- Public Transit \$8.3 Billion
- Green Infrastructure \$2.8 Billion
- Community Culture and Recreation \$407 Million
- Rural and Northern \$250 Million

For the Public Transit stream, the IBA includes \$8.3 billion of federal and \$7.3 billion of provincial funding that could support transit projects in Ontario for up to 96 municipalities and Metrolinx. Under ICIP, the federal government will contribute up to 40% to most projects with the Province contributing up to 33.33% and municipalities contributing up to 26.67%. For rehabilitation projects, the federal government will contribute up to 50% with the Province contributing up to 33.33% and municipalities and other organizations contributing up to 16.67%.

The City of Sault Ste. Marie has been allocated \$43,354,392 over eight (8) years (2019-2026) with the City share being \$11,610,622. This presents the City with an excellent opportunity to reinvest in Transit Infrastructure. The City has one of the oldest fleets

averaging 12.6 years compared to the Canadian average of 8.5 years and Ontario of 7.4 years.

At a Council meeting dated May 21, 2019 the following resolution was passed.

Investing in Canada Infrastructure Program

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

"Resolved that the report of the Director of Community Services dated 2018 05 21 concerning application to the Infrastructure Canada Investment Program for 2019-2021 be approved. The Transfer Payment Agreement will appear on a future Council Agenda."

ANALYSIS

As part of the three-year investment plan (Appendix A) authorized at the May 21, 2019 Council meeting, it was identified that the downtown terminal would be relocated at an estimated cost of \$2 million (City share \$533,400 after ICIP contributions from both the Provincial and Federal Government).

The Dennis Street Terminal continues to experience the following challenges:

1. Accessibility and barrier-free concerns with the current washroom setup and no easy options to re-configure.
2. Remaining useful life of asset.
3. Challenges with security and safety concerns on occasion.

Transit Services has a very good option for relocation to take place at the 111 Huron Street Transit Depot facility.

A number of years ago drawings were completed reconfiguring the space at 111 Huron Street which would have everything under one roof (Appendix B). The terminal would continue to remain in the core of the City, which would improve efficiency from drivers not having to be transported to the Dennis terminal site for shift change. It would also improve oversight and increase presence, which would aid in public safety.

The objective of this project is to relocate the downtown bus terminal to the main Transit building. The downtown terminal is a facility that is near the end of its useful life given its current configuration. Relocation of the terminal to the current Transit building will provide a safe place for passengers to transfer, while remaining downtown close to amenities. The goal is to improve communication between all areas of Transit staff (Management, Operations and Maintenance) which will result in an improved overall operation and ensure that staff feels safe and comfortable during working hours. The project will meet the highest accessibility standard and Transit will work with the

Accessible Advisory Committee (AAC) with the aim of being barrier free. This project will also meet the highest applicable energy efficiency standards.

The project will entail consultation with engineers to reconfigure the current Transit building to accommodate a full-service terminal, which will include the parking area to accommodate all buses as they pull into the new terminal. All seven routes will have to be re-routed so they start and end at the new terminal, and all applicable bus stops will have to be evaluated.

If funding is approved and a provincial assessment is required, the City will proceed with one. In addition, if a Canadian Environmental Assessment (CEA) is required we will proceed with one as well. The City's Director of Engineering recommends that an open house be held for the public and that a consultant be retained to administer it.

Relocation of the Dennis Street Terminal will also allow for the repurposing of the Dennis street property. Options for redevelopment will be brought forward at a future Council meeting.

Every effort will be made to engage and consult with the public either through an open house process or digital consultation process. Information on the digital consultation process can be accessed below.

<file:///H:/Transit/EA%20Public%20and%20Digital%20Consultation/Webinar%20-%20Effective%20Consultation%20-%20COVID%20April%202023%202020.pdf>

FINANCIAL IMPLICATIONS

Staff recommends that a capital request be submitted as part of the 2021 Budget prioritization exercise. The total estimated project cost is \$2,000,000. The estimated breakdown is:

- Professional Fees - \$150,000
- Construction - \$1,754,000
- Contingency - \$96,000

Elimination of the downtown terminal will result in the reduction of a portion of the ongoing maintenance and repair costs associated with the Dennis Street Terminal (currently represents \$86,206 of the \$113,114 in budget for 2020). However, some costs will continue to occur at a lower rate (utilities, cleaning, snow removal etc.) at the new expanded facility.

Consultant fees to administer the open house can be covered within the existing operational budget. It is anticipated this would be an eligible cost, which would then be included in the ICIP funding to be reimbursed at 73.33%.

STRATEGIC PLAN / POLICY IMPACT

The recommendation supports the focus area of the Community Strategic Plan for 2016-2020 in a number of ways.

- Within the Service Delivery focus area, it continues to assist in delivering excellent customer service to citizens.
- Additionally, it supports the focus area of infrastructure, as it will assist in Maintaining Existing Infrastructure.
- It demonstrates Fiscal Responsibility in managing municipal finances in a responsible and prudent manner.

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the Director, Community Services concerning Dennis Street Terminal Relocation dated 2020 06 29 be received.

Furthermore, that a consultant be retained to administer a public consultation when City facilities are reopened be approved. If a public open house cannot occur by August 31, 2020 due to COVID-19 restrictions staff alternatively seek approval to conduct consultation using a digital option following the Environmental Assessment process.

Respectfully submitted,

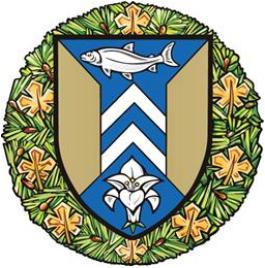


Brent Lamming, PFP, CPA, CMA
Director, Community Services
Community Development & Enterprise Services
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APPENDIX A - 3 YEAR CAPITAL SUBMISSION TO ICIP							
	Project Title	Qty	Cost per unit	Total Cost	City's Share		
Year One -2019	Replace three 40' Buses	3	\$ 575,000	\$ 1,725,000	\$ 460,058	Capital	
	Replace 40' buses with 35' buses	2	\$ 565,000	\$ 1,130,000	\$ 301,371	Capital	
	Replace one Para Bus with Low Floor Unit	1	\$ 145,000	\$ 145,000	\$ 38,672	Capital	
	Replace existing AVL	40	\$ 12,500	\$ 500,000	\$ 133,350	Capital	
	Transit Shelters installed	5	\$ 10,000	\$ 50,000	\$ 13,335	Capital	
	Northern Transfer Point	1	\$ 500,000	\$ 500,000	\$ 133,350	Capital	
	Total Capital Cost for 2019			\$ 4,050,000	\$ 1,080,135		
Year Two - 2020	Replace three 40' Buses	3	\$ 575,000	\$ 1,725,000	\$ 460,058	Capital	
	Replace two 40' buses with 35' buses	2	\$ 565,000	\$ 1,130,000	\$ 301,371	Capital	
	Replace one Para Bus with Low Floor Unit	2	\$ 145,000	\$ 290,000	\$ 77,343	Capital	
	New Community Buses	2	\$ 150,000	\$ 300,000	\$ 80,010	Capital	
	Replace one Transit Vehicle	1	\$ 50,000	\$ 50,000	\$ 13,335	Capital	
	Replace Fare Boxes	40	\$ 25,000	\$ 1,000,000	\$ 266,700	Capital	
	Transit Shelters installed	10	\$ 10,000	\$ 100,000	\$ 26,670	Capital	
	Total Capital Cost for 2020			\$ 4,595,000	\$ 1,225,487		
Year Three - 2021	Replace three 40' Buses	3	\$ 575,000	\$ 1,725,000	\$ 460,058	Capital	
	Replace one 40' buses with 35' buses	1	\$ 565,000	\$ 565,000	\$ 150,686	Capital	
	Replace two Para Bus with Low Floor Unit	2	\$ 145,000	\$ 290,000	\$ 77,343	Capital	
	New Community Buses	1	\$ 150,000	\$ 150,000	\$ 40,005	Capital	
	Replace one Transit Vehicle	1	\$ 50,000	\$ 50,000	\$ 13,335	Capital	
	Relocate Downtown Terminal	1	\$ 2,000,000	\$ 2,000,000	\$ 533,400	Capital	
	Transit Shelters installed	10	\$ 10,000	\$ 100,000	\$ 26,670	Capital	
	Total Capital Cost for 2021			\$ 4,880,000	\$ 1,301,496		
	Total Capital Costs for 2019-2021			\$ 13,525,000	\$ 3,607,118		

Appendix B – Proposed 111 Huron St. Reconfiguration





The Corporation of the City of Sault Ste. Marie

C O U N C I L R E P O R T

June 29, 2020

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Brent Lamming, Director of Community Services

DEPARTMENT: Community Development and Enterprise Services

RE: Partnership with Sault YMCA for Day Camp Services

PURPOSE

This report has been prepared for Council's approval to waive rental fees in support of the Sault YMCA providing day camp services at both the Northern Community Centre and John Rhodes Community Centre for the timeframe July 6, 2020 to August 28, 2020.

BACKGROUND

The YMCA has been a long time provider of day camps for youth in our community during the summer months. Due to COVID-19 there have been restrictions placed on the number of participants that may be in a space at one time therefore limiting the number of youth that can attend day camps at existing locations.

In addition, there are new, extensive cleaning protocols and social distancing requirements that must be followed. The YMCA continues to work closely with Algoma Public Health to determine the steps required to deliver impacted programming.

<https://www.ssmymca.ca/news/summer-day-camp-registration-process>

The YMCA has reached out to the City to request access to make use of any facilities that could support programming (Appendix A) that traditionally have been accommodated at existing YMCA locations that are now constrained.

The Province announced that day camps might be possible for July and August under the direction of provincial and local health authorities. Day camps for children may open if they operate in a manner consistent with the document entitled "COVID-19 Guidance: Summer Day Camps", dated June 1, 2020 and available on a website of the Government of Ontario.

ANALYSIS

City staff has reviewed various options that could support required programming. Given that many of our recreation facilities continue to be closed with limited access, it was determined that both the Northern Community Centre and John Rhodes Centre would be prime locations that could support programming. The main reasons these locations were recommended are based on the following:

1. Prime access points servicing the east and west ends of the community.
2. Fully accessible locations.
3. Ability to assist with cleaning requirements utilizing City Staff.
4. Proximity to nearby amenities.
5. Utilize otherwise closed areas in a more efficient manner to support the community at large.

The YMCA will deliver all programming with their trained staff and provide spot cleaning throughout the day to high touch point areas. YMCA staff will also be responsible to ensure all guidelines are followed under directives provided both locally through APH and under Provincial order. The City will ultimately remain responsible as the owner of the facilities and will work closely with the YMCA to ensure ongoing compliance.

The support of youth and families during this difficult time is in great need. Staff recommend supporting the request as presented.

FINANCIAL IMPLICATIONS

There will be a projected operational cost of approximately \$19,200 for the timeframe July 6, 2020 to August 28, 2020. The forgone waived user rental fees amount to \$19,232. It should be noted that at this time both facilities remain closed in turn preventing the opportunity for rental collection. The net budgets for the community centres is reflecting a deficit position due to COVID-19. The costs for staffing of \$19,200 would normally be incurred with the regular staff complement but, in light of Covid-19, will increase the deficit position by this amount.

Operational Requirements	Hours/Wk.	Hourly/Rate	No. of Wks.	Total
Labour	160	\$ 15.00	8	\$ 19,200
Location	Per Day	Days/Wk.	No. of Wks.	
Rental Fee - JR Meeting Rm 1	\$ 120	5	8	\$ 4,808
Rental Fee - JR Meeting Rm 2	\$ 120	5	8	\$ 4,808
Rental Fee - NCC Meeting Rm	\$ 120	5	8	\$ 4,808
Rental Fee - NCC Space	\$ 120	5	8	\$ 4,808
Subtotal				\$ 19,232
Total				\$ 38,432

STRATEGIC PLAN / POLICY IMPACT

The recommendation supports the focus area of the Community Strategic Plan for 2016-2020 in a number of ways.

- Within the Service Delivery focus area, it continues to assist in delivering excellent customer service to citizens. We will work together to provide inclusive and accessible services to our diverse community.
- Under Community Development and Partnerships, this demonstrates our commitment to developing partnerships with our key stakeholders.

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the Director, Community Services – Community Development & Enterprise Services dated 2020 06 29 concerning Partnership with Sault YMCA for Day Camp Services and the recommendation to provide use of the Northern Community Centre and John Rhodes Centre by the YMCA and waive the rental and labour fees of \$38,432 be approved.

Respectfully submitted,



Brent Lamming, PFP, CPA, CMA
Director, Community Services
Community Development & Enterprise Services
(705)759-5314
b.lamming@cityssm.on.ca



APPENDIX A

Sault Ste. Marie YMCA
235 McNabb Street
Sault Ste. Marie, ON P6B 3Z2
T. 705.949.3133 F.705.949.3344
sssymca.ca

June 16, 2020

Mayor and Council
CITY OF SAULT STE. MARIE
99 Foster Drive, Sault Ste. Marie, ON
P6A 5X6

Dear Mayor and Council,

I am writing this letter to request your consideration for a unique partnership opportunity between the City of Sault Ste. Marie and the Sault Ste. Marie YMCA. The Y has been serving the families and children in our community for over 120 years. This includes quality licensed childcare, wellness opportunities, programming and summer daycamps that are accessible to everyone. In a typical summer we would provide a safe and fun summer experience for over 2000 children in Sault Ste. Marie and Algoma.

The YMCA like other facilities in Sault Ste. Marie shut down operations on March 16th to support community efforts to fight COVID-19. Since then we have pivoted our work from a traditional facility based setting to provide free services for the community when they were needed most. This included being the first site to provide emergency childcare opening April 13th, collaborating with other YMCA's to provide YMCA at Home (a virtual Y experience) and moving important services such as employment and fitness programming online.

As the Province has moved into Phase 2 of recovery, we have been provided with important direction and protocols in order to be able to provide daycamp services once again. Due to restrictions on permitted cohort numbers for camps at our facility, our capacity has been greatly reduced. In addition to reduced capacity the closure of our facility since mid-March has had a significant impact on our revenue.

We do plan to offer daycamps to those who need this service starting July 6th for 8 weeks. It is our hope that you will consider a partnership opportunity to provide space at the John Rhodes Community Centre and the Northern Community Centre to host 4 additional cohorts for this same 8 week period which would offer 32 weekly daycamp spaces for children in our community. With the donation of this space the Y would provide two additional Pop-Up Camps:

- Registration services including access to subsidy
- Trained staff at a ratio of 8:2



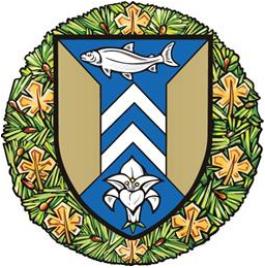
- Sanitization and distancing protocols with the support of Algoma Public Health
- Strict child protection policies which would apply to any offsite camp
- FUN!

I look forward to the opportunity to partner to provide this important community service. Thank you for your consideration and we would be happy to answer any further questions you may have.

Sincerely,

A handwritten signature in blue ink that reads "Tracey Cooke".

Tracey Cooke
Chief Executive Officer
Tracey.cooke@ssymca.ca



The Corporation of the City of Sault Ste. Marie

C O U N C I L R E P O R T

June 29, 2020

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Brent Lamming, Director of Community Services

DEPARTMENT: Community Development and Enterprise Services

RE: On Demand Transit Service Pilot Update

PURPOSE

This report has been prepared to provide an update to Council regarding the On-Demand pilot for Transit Service and to seek Council approval to continue with a two (2) year extension of service supported by the agreement approved by Council on July 15, 2019.

BACKGROUND

At the Council meeting dated September 24, 2018 the following report of the Director of Community Services was approved by Council.

Resolved that the report of the Director, Community Services, Community Development and Enterprise Services dated 2018 09 24 concerning On-Demand Transit Service be approved and that staff be authorized to issue an Expression of Interest to explore on-demand transit options.

At a Council meeting dated April 1, 2019 the following was approved.

Resolved that the report of the Director of Community Services dated 2019 04 01 be received and that staff be directed to issue a request for proposal to enter into a one (1) year pilot for On Demand Transit Service.

Furthermore, at a meeting dated June 17, 2019 the Manager of Purchasing proposed the following resolution which was approved.

Resolved that the report of the Manager of Purchasing dated 2019 06 17 regarding RFP – On-Demand Transit Technology System be received and that the proposal submitted by Via Mobility, LLC to undertake the provision of an On-Demand Transit Technology System for use by the Transit Division of Community Development and Enterprise Services be approved for a one-year Pilot Project with the option to extend for up to three (3)

On Demand Transit Service Pilot Update

2020 06 29

Page 2.

additional years by mutual agreement. A by-law authorizing signature of an agreement for this project will appear on a future Council Agenda.

At the meeting held July 15, 2019 the following by-law was passed.

By-law 2019-149 (Agreement) On-Demand Transit. Resolved that By-law 2019-149 being a By-law to authorize the execution of the Agreement between the City and Via Mobility LLC for the provision of an On-Demand Transit Technology System as required by the Transit Division of Community Development and Enterprise Services be passed in open Council this 15th day of July, 2019.

ANALYSIS

The On-Demand pilot project was launched September 8, 2019 utilizing Via's mobile platform application (Appendix A On-Demand Transit Pilot Statistics). The Pilot commenced September 8, 2019 running weekly on Sunday evenings between 7:15 p.m. to 12:05 midnight, which has traditionally been a period of low ridership.

The City was able to reduce from nine (9) buses, which cover regular routes, to eight (8) buses utilizing on-demand service in a more efficient manner towards the cost of the pilot (Appendix B Pilot Cost information). In addition, there was significant improvement in terms of service delivery as the average wait time for the pilot timeframe was thirteen (13) minutes versus hour service for regular Sunday evenings.

The response to the service change has been positive as supported by a customer service survey (Appendix C Survey Results). This is especially true with post-secondary students and passengers that are comfortable with technology. A dispatcher remains on duty to support individuals and to continue to educate and aid individuals who require assistance. The On-Demand service allows passengers to travel from one pre-existing established stop to another at a time as requested without having to transfer buses. The average completion rate is 79% versus the goal of 75%.

Based on manual counts completed over four (4) weeks throughout January and February 2019, it was estimated that 440 individuals rode the bus. For the same four (4) weeks in 2020, there were 372 completed rides. The average ridership utilizing on demand was 326 for the timeframe December 2019 to February 2020 peaking at 427 completed rides on March 8, 2020. The two main reasons explaining the decrease in ridership are as follows:

1. Utilizing on demand transit eliminates transfers, which are included in the 440 total (thereby improving service delivery).
2. Rides where passengers request to get off early or too far past the drop off point are not included. This is due to software only recognizing the

stated destination and does not facilitate deviation. Via and staff are exploring ways to account for these types of rides not captured.

If these two items were considered ridership would be in a similar range to pre-trial levels.

Important points that were expected as part of the trial:

- Ridership was expected to decrease significantly for the first few months of launch as passengers adapted.
- There was a significant drop in rides in the month of December due to break in school for the holiday season. This is consistent in Transit's overall ridership statistics.
- Several passengers request to be dropped off at a different location from what the algorithm provides. This results in the dispatch needing to cancel the ride once the passenger exits this bus for efficiency purposes and shows as a 'Cancelled Ride' as opposed to a 'Completed Ride'.
- A small percentage of the population discontinued to ride Sunday evenings as they do not own a cell phone, or are not open to change.
- The main factor is that individual behaviours need time to adapt to change. Via had stated at one point that typically takes three (3) months for a launch of On Demand to be successful running at seven (7) days a week, therefore SSM is at a disadvantage as we run this only one day a week for five (5) hours.
- The pilot has not had a negative impact on overall ridership goals. Total ridership was up 378,000 rides from 2019 compared to 2018 (Appendix D Ridership Year over Year).
- Sunday service is 1-hour service. The wait time for On Demand is thirteen (13) minutes, which is much lower than the hour service that ran Sunday evenings.
- The distance from any bus stop to a residential space is 450m. The walking distance for On Demand is between 120 and 180 metres on average (includes virtual stops-safe pick up zones).

Challenges in the execution:

- Infrastructure is limited to 40-foot buses; therefore, we are constricted to driving on the roads that our current routes utilize. This impacts how quickly the bus can get to an individual, and how long it takes that individual to get to their destination. On Demand is ideally designed to use smaller vehicles that can access residential streets.
- Virtual bus stops were added in addition to our current bus stops. These posed a problem during the winter month's as Operators could often not find the individual waiting for the bus as they did not know exactly where to go, and, in addition, these virtual stops are not maintained so pose a liability. We therefore had to remove the majority of these stops.

On Demand Transit Service Pilot Update

2020 06 29

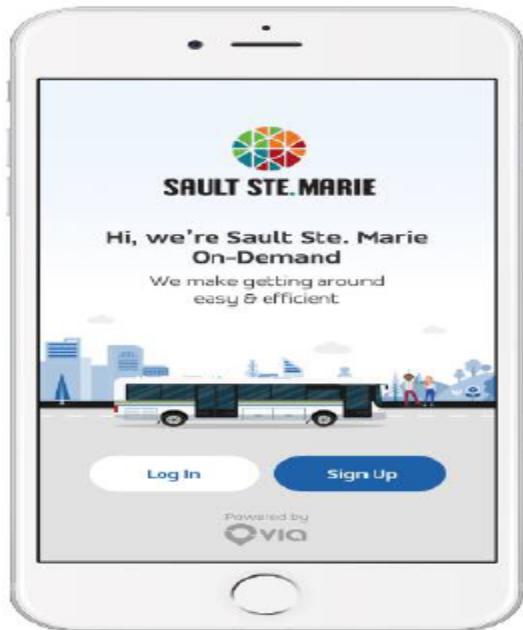
Page 4.

- Dispatch was not expected to be an ongoing cost in this project, however to support our users it was maintained for the pilot.

Initiatives to support usage:

- A detailed marketing plan was implemented in leading up to the launch.
- Launched a referral program which provided a free ride for any referral.
- Sent out a survey via Survey Monkey in December 2019.
- Continued with social media and radio ads for the duration.
- Sending several push notifications reminding passengers of hours and to ride SSM On-Demand.

Via has been a strong partner throughout the pilot and has a solid reputation. With consumer facing services in New York, City, Chicago, Washington, DC, Amsterdam, London and Milton Keynes. To date they have provided more than 50 million rides. Sault Ste. Marie (SSM) is one of the first smaller markets Via has entered. SSM is often used as an example when promoting their service across the Country (Appendix – E CUTA Blog Post). As a reminder, here are a few benefits of the App below.



Rider App

- Beautiful, intuitive app branded for Sault Ste. Marie
- In-app walking Directions
- Pre-scheduled Rides
- Rider notifications & messages
- Real-time vehicle tracking
- Post-ride feedback
- Different payment option capability

For more information please visit <https://ridewithvia.com/>

The Transit Division is excited to extend the pilot for another two (2) years for Sunday evenings. The longer-term goal is to expand the service offering once the conventional fleet can be replenished to a stable level. Smaller units would then be procured to expand On-Demand service. Utilizing smaller units would allow for door-to-door service, reduce wait times and transit could be delivered in a more cost-efficient manner. The Transit Division continues to research and

On Demand Transit Service Pilot Update

2020 06 29

Page 5.

explore new ways to ensure the most appropriate and timely service is being provided to the community. Many municipalities have since partnered with third parties to provide alternative services to meet consumer demand where conventional service does not support in the most economical means.

FINANCIAL IMPLICATIONS

There will be a projected operational cost savings of approximately \$10,800 for the timeframe September 2019 to August 2022 as indicated in Appendix B to extend the pilot for two (2) years. Any further on-demand expansion in service within the two (2) year extension will be accommodated utilizing the operational savings.

The cost savings are mainly attributable to the up set up costs no longer being applicable. The promotion needs of the service can accomplished within the existing marketing budget.

STRATEGIC PLAN / POLICY IMPACT

The recommendation supports the focus area of the Community Strategic Plan for 2016-2020 in a number of ways.

- Within the Service Delivery focus area, it continues to assist in delivering excellent customer service to citizens.
- It supports the Community Development and Partnership focus of Maximizing Economic Development & Investment with the commitment to maintain financial viability.
- Additionally, it supports the focus area of infrastructure, as it will assist in Maintaining Existing Infrastructure.

RECOMMENDATION

It is therefore recommended that Council take the following action:

By-law 2020-124 authorizing execution of the agreement appears elsewhere on the Council agenda for approval.

Respectfully submitted,



Brent Lamming, PFP, CPA, CMA
Director, Community Services
Community Development & Enterprise Services
(705)759-5314
b.lamming@cityssm.on.ca

Appendix A: On-Demand Transit Pilot Statistics

Service Performance Summary

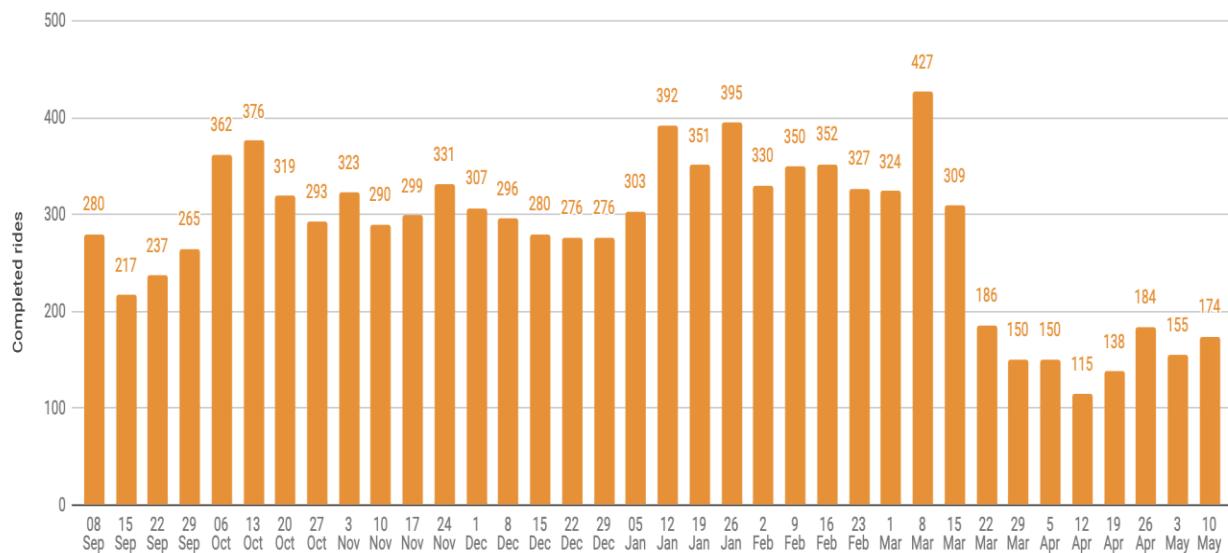
The table below shows a summary of the key performance metrics for SSM On Demand over the last few months. It's important to note that the metrics in the last column have been heavily impacted by COVID-19.

	Sep '19 - Nov '20	Dec '19 - Feb '20	Mar - May
Total Completed Rides	3,592	4,235	2,312
Completed Rides/week	299	326	210
Weekly Users	195	223	145
*Total Requests	4,841	5,202	2,836
*Met Demand	74%	81%	82%
ETA	13.8	15.0	10.7
Utilization	8.8	9.8	6.5

**Within service hours*

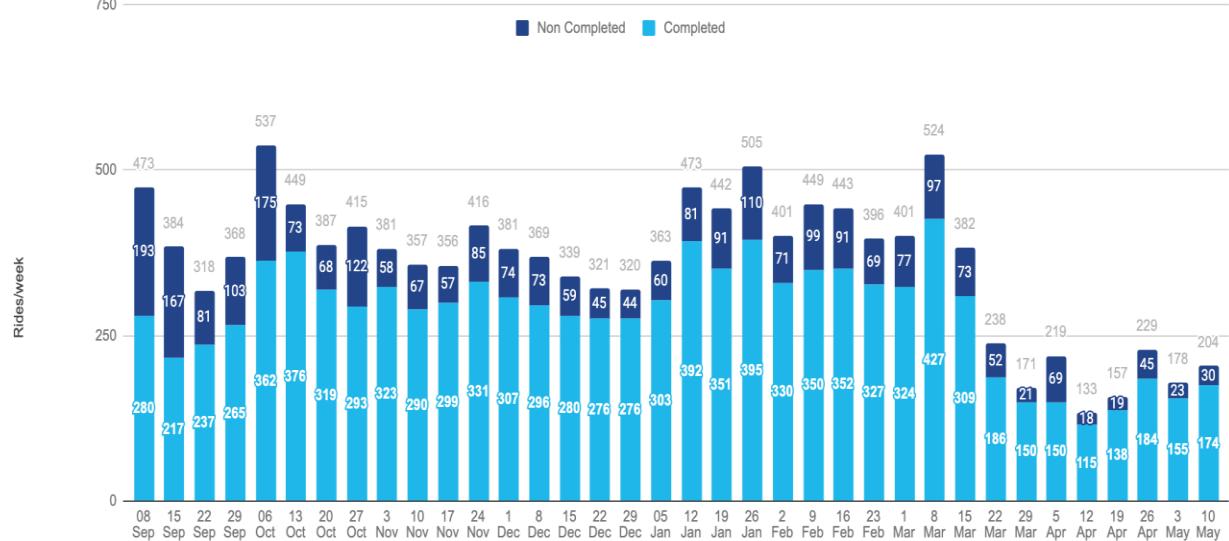
Requests/Rides/Completion Rates

Despite the recent decrease in ridership due to COVID-19, the service has proven to be very successful, with up to 427 rides a week and a steady improvement in completion rates (especially when looking at completion rates only during service hours, which have been up to 88%, one of the highest of all Via partners, proving how the service is successfully addressing demand).



Completion Rates during Service Hours Only

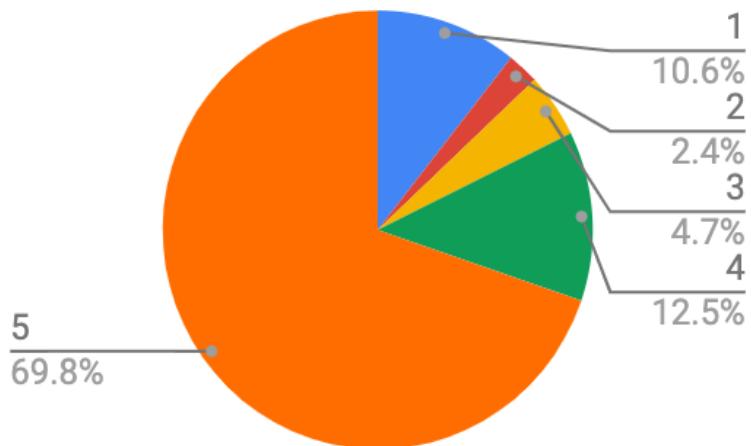
Completed vs. Not Completed Requests/Rides (Only During Service Hours)



App Usage and Ratings

The amount of active users had been growing in a healthy way pre-COVID, and the app ratings through May 10 are positive - with the vast majority of riders evaluating rides with a 4 star or 5 star (out of 5 stars).

Ride Ratings



Operational Metrics

On-time performance has been very variable, but has significantly improved in the past few weeks. Utilization has gone down with the COVID-19 impact, but reached very high levels before that (up to an avg. utilization of 12.6 passengers per vehicle/hour) - one of the highest out of comparable Via partners.

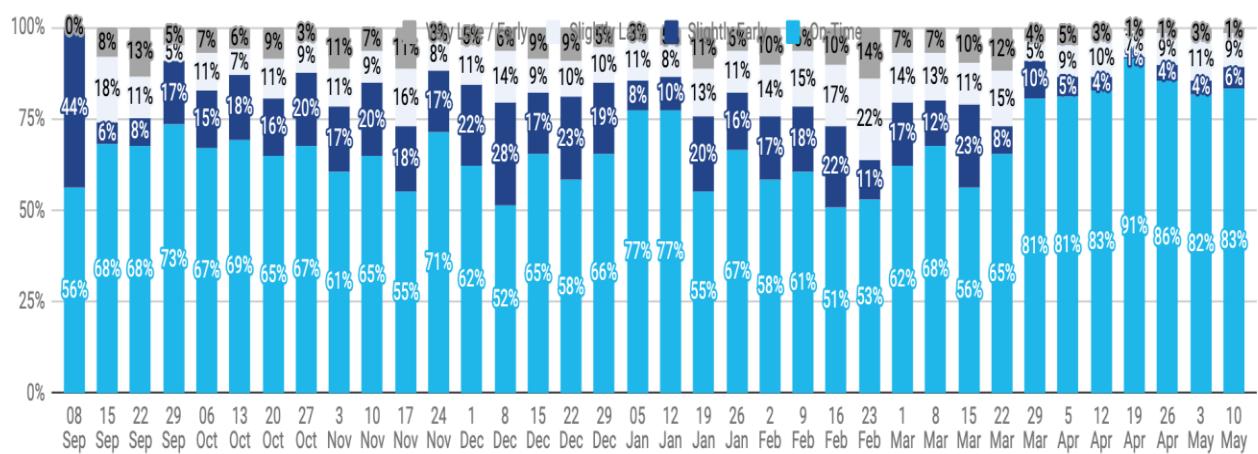
Light blue – On Time

Dark blue – Slightly Early

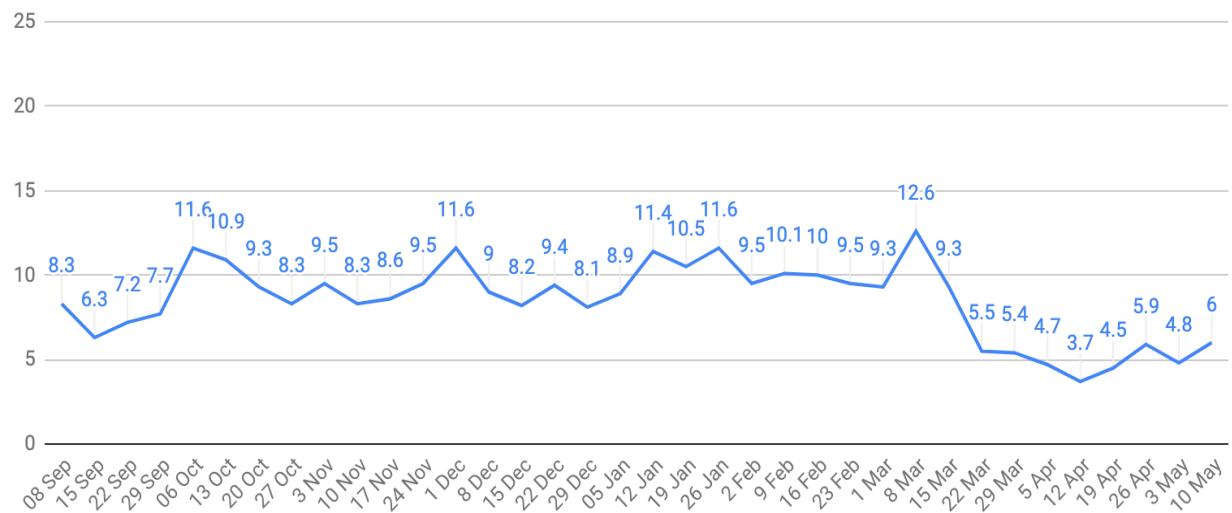
Pale blue – Slightly Late

Grey – Very late/early

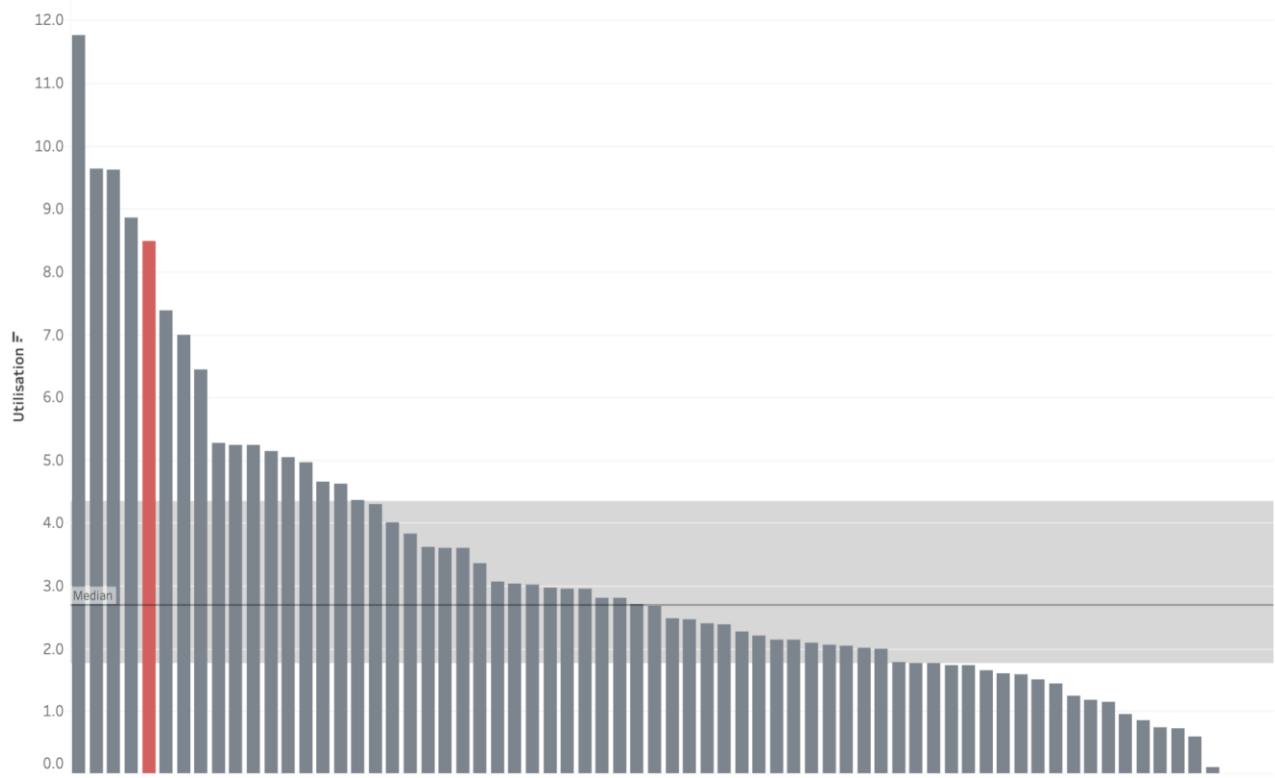
On-Time Performance



Utilization (passengers per vehicle/hour)

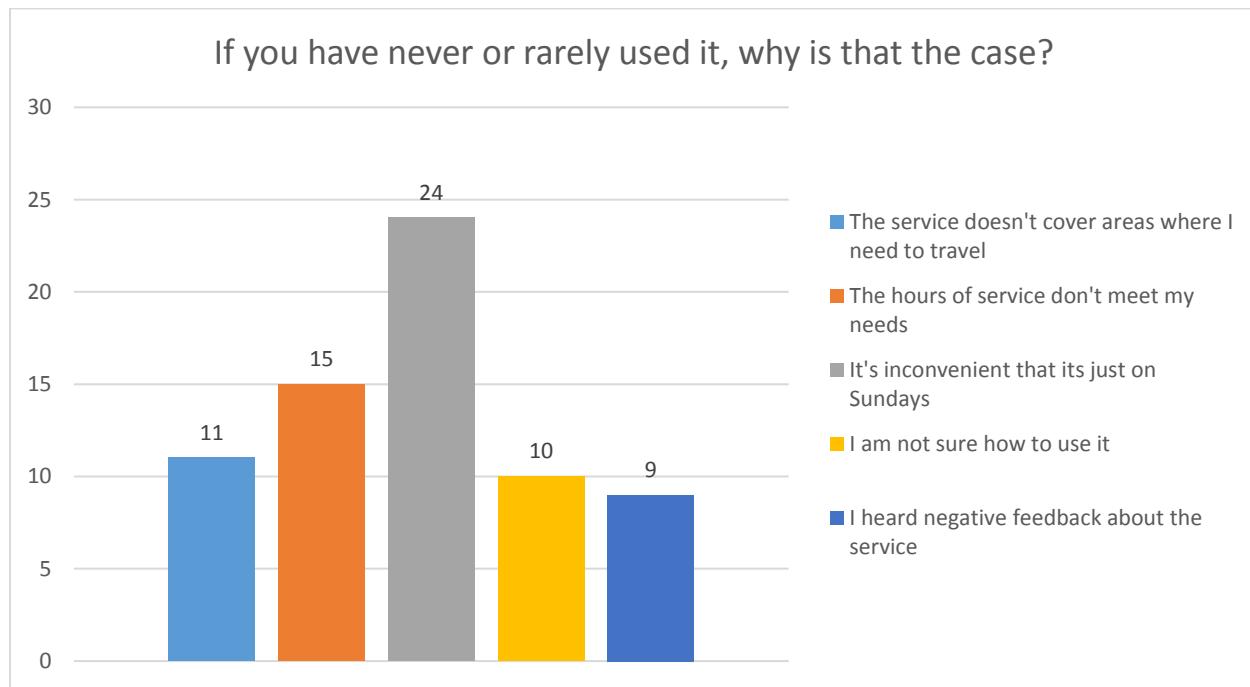
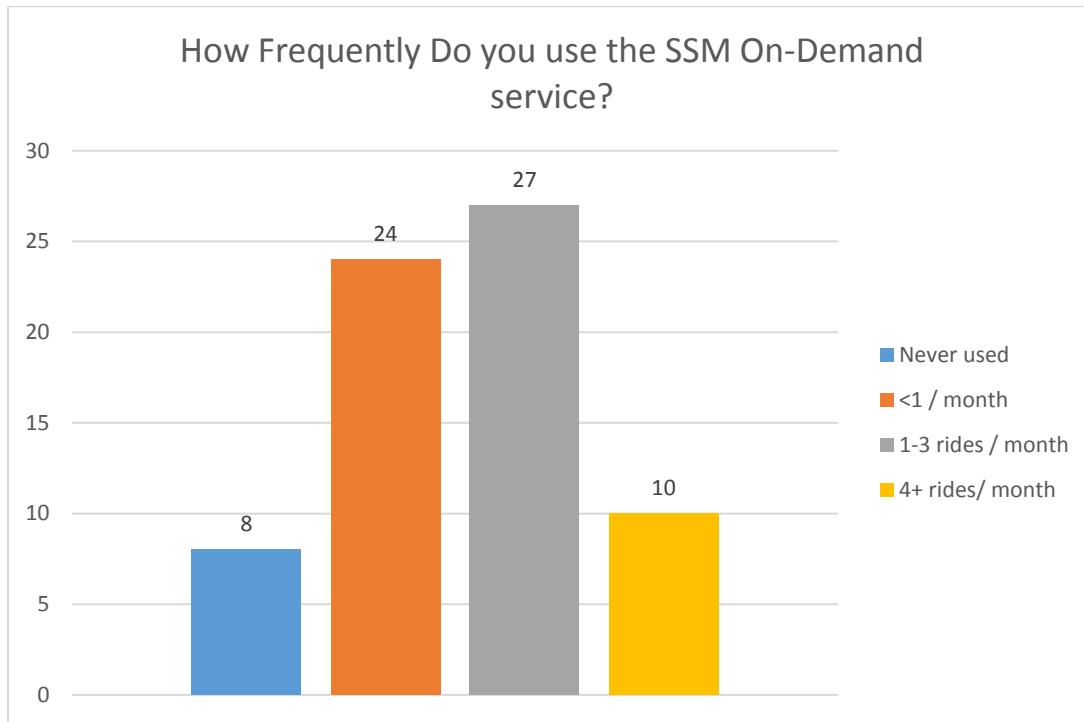


Utilization (passengers per vehicle/hour compared to other SaaS Services

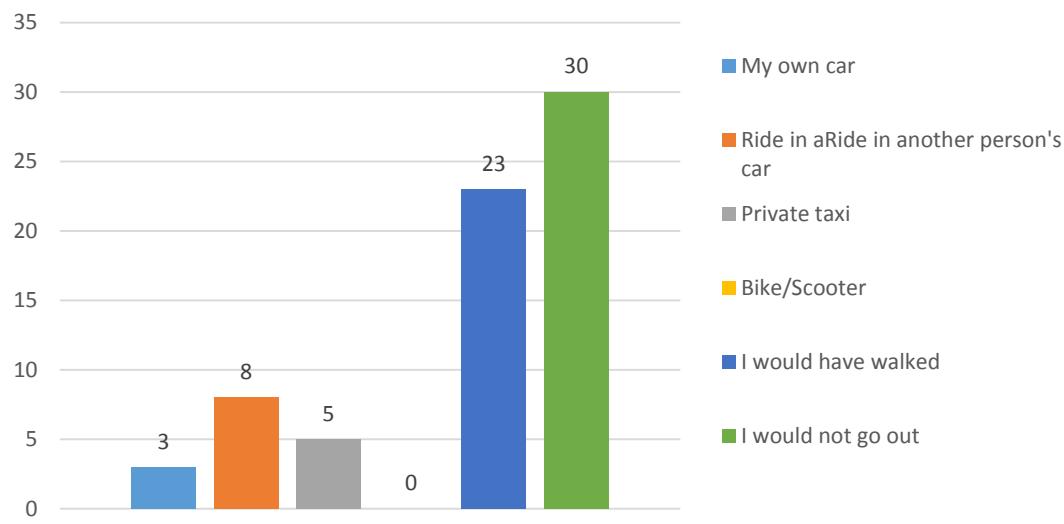


The red bar represents Sault Ste. Marie passengers per vehicle versus other Municipalities utilizing the Via platform. This was anticipated as we are utilizing 40-foot conventional buses.

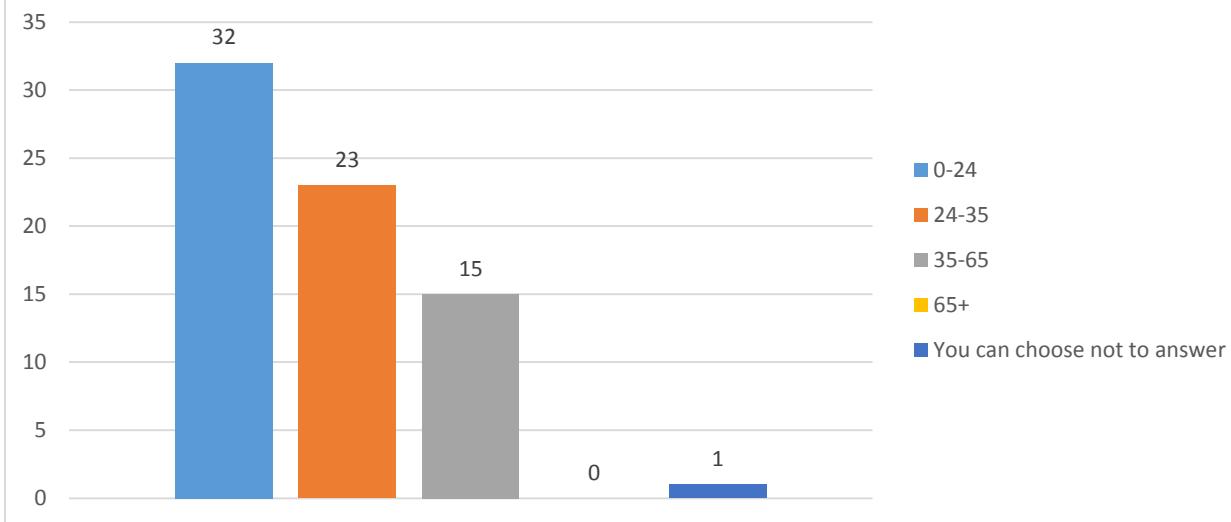
Appendix C SSM On-Demand Transit Pilot Survey

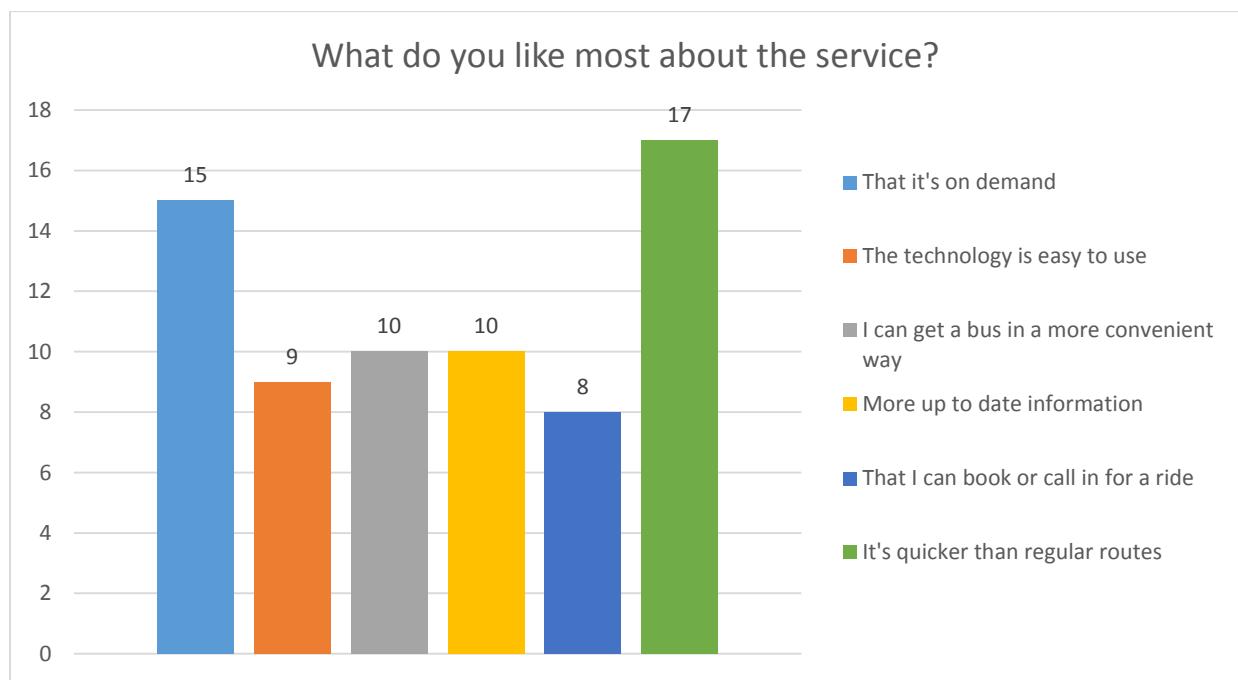
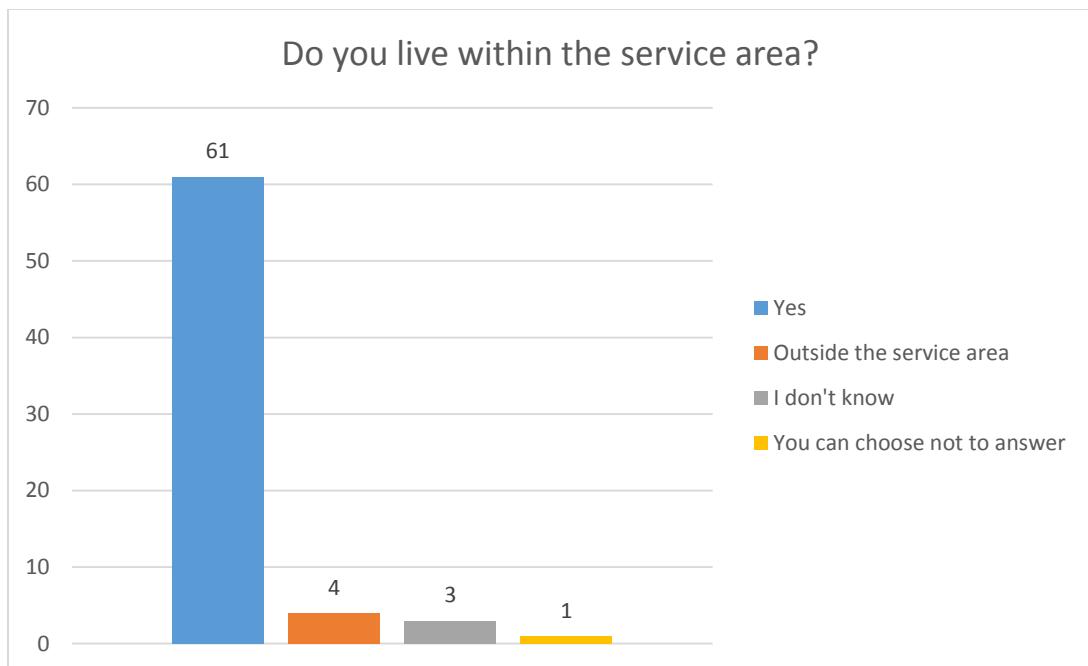


If SSM On-Demand service did not exist, which form of transportation would you use?

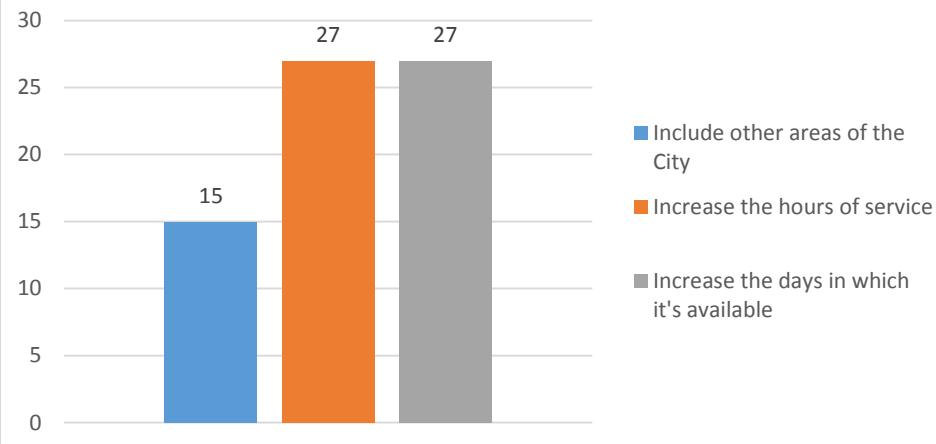


What is your current age?





What would you change about the service to improve it?



Appendix D SSM-3 Year Ridership Trend

		2017	2018	2019	2020	Variance Per Month
JANUARY		135,314	144,661	143,686	195,536	51,850
FEBRUARY		136,909	137,936	133,457	184,832	51,375
MARCH		154,991	155,120	161,946	133,610	-28,336
APRIL		135,255	145,963	150,636	31,957	-118,679
MAY		139,946	139,791	153,167		
JUNE		134,561	104,057	145,232		
JULY		122,974	93,964	145,184		
AUGUST		120,657	92,659	137,519		
SEPTEMBER		137,992	117,759	190,916		
OCTOBER		136,070	132,270	193,089		
NOVEMBER		142,818	138,072	190,522		
DECEMBER		129,802	114,762	149,257		
TOTAL		1,627,289	1,517,014	1,894,611	545,935	(43,790)

SSM On Demand - Two Year Cost Information

Appendix B

THREE YEAR ANALYSIS		
Launch Sept 8 2019		
Total Savings for removing 1 bus for 17 Sundays (2019)	\$ (9,788.47)	
Total Savings for removing 1 bus for 35 Sundays (2020)	\$ (20,152.72)	
Total Savings for removing 1 bus for 52 weeks (term of pilot)	\$ (29,941.19)	
LESS: Total costs	\$ 27,909.54	
LESS: Total cost for dispatch	\$ 9,342.32	
Year 1 - Deficit		\$ 7,310.68
Total Savings for removing 1 bus for 17 Sundays (2020)	\$ (9,250.40)	
Total Savings for removing 1 bus for 35 Sundays (2021)	\$ (19,044.93)	
Total Savings for removing 1 bus for 52 weeks (2nd year of pilot)	\$ (28,295.33)	
LESS: Total costs	\$ 9,623.82	
LESS: Total cost for dispatch	\$ 9,528.22	
Year 2 - Surplus		\$ (9,143.29)
Total Savings for removing 1 bus for 17 Sundays (2021)	\$ (9,250.40)	
Total Savings for removing 1 bus for 35 Sundays (2022)	\$ (19,044.93)	
Total Savings for removing 1 bus for 52 weeks (3rd year of pilot)	\$ (28,295.33)	
LESS: Total costs	\$ 9,623.82	
LESS: Total cost for dispatch	\$ 9,690.46	
Year 3 - Surplus		\$ (8,981.05)
3 Year - Surplus		\$ (10,813.66)

Rebuilding trust in public transit

Hamish Campbell, Country Manager, Via Canada

June 11, 2020

COVID-19 has had a harsh and immediate effect on public transit, cratering ridership in many cities by between 50-90%. Most agencies have responded with service cuts, while trying to maintain reasonable levels of coverage for essential workers.

As cities begin to ease restrictions, the conversation is shifting to what the future of transit will look like, both in the short and longer term. Recent findings show that, people overwhelmingly [don't feel comfortable going back to the office](#), nor do they trust riding transit. Meanwhile, the U.S. Center for Disease Control and Prevention (CDC) recently recommended that people drive alone and avoid shared mobility options.

The Canadian transit industry has worked tirelessly to improve service and grow ridership, but we're potentially facing a new reality: transit ridership, and particularly peak-period ridership, may be much lower for a long time. Health concerns and the possibility of a second wave aside, Canadian companies such as Shopify have declared work-from-home will be the norm rather than the exception. Both the National Post and Globe and Mail recently ran frontpage headlines declaring, "*The office is over*" and "*The year the office died.*" A paradigm shift for transit service delivery may be upon us.

Our challenge as an industry is how to respond and adjust to the new normal of lower ridership and higher operating costs, while collectively rebuilding trust in transit.

At [Via](#), we believe that leveraging technology to do real-time optimization and proactive capacity management will be key to our future success, and that every city – large and small – should be exploring two immediate solutions:

1. **Converting underperforming fixed-routes and transit deserts to “on-demand” zones:** On-demand-- or Demand-Responsive Transit (DRT)-- technology can generate operational and cost efficiencies, provide customers with more personalized service, and expand coverage.
2. **Automating capacity management on long-distance or more popular fixed routes:** Implementing “pre-booking” technology on fixed routes can prevent overcrowding, mitigate erosion of public confidence, and offer customers a

user-friendly reservation system to create a more personalized version of traditional public transit.

No two cities are the same, so what these solutions might look like for your city will vary. The following are a few real examples of how a few innovative agencies are leveraging technology to optimize and improve service delivery.

Replacing an entire fixed route network with on-demand

Converting an entire transit network to on-demand is one option. This is what Sault Ste. Marie has done for the past nine months. Every Sunday evening in “the Soo,” the entire transit network goes on-demand using their existing fleet of 40-foot buses and unionized drivers. Each bus is dynamically routed based on real-time passenger demand. Wait times for riders have gone from a 60-minute headway to just 13 minutes on average, and customers can track their ride in real-time. Meanwhile, the city was able to reduce the number of buses needed, resulting in cost savings.

Co-mingling fixed route and on-demand

There are a variety of ways on-demand can strengthen a fixed route network. Operating fixed routes within an on-demand zone is one option; or, keeping a core grid of fixed routes and filling the gaps in the grid or in transit deserts with on-demand is another. Both are important when it makes sense to retain higher ridership fixed-route lines. This summer, another community in Ontario will launch an on-demand service with Via where one of the city’s eight routes will stay fixed, while the rest of the network goes on-demand. This one route carries 33% of their overall ridership and connects key trip generators, so leaving it fixed makes sense. Via’s technology is sufficiently sophisticated to handle this scenario, knowing when and how to direct riders to the scheduled fixed route service if that is their best option or serve them with an on-demand ride if that makes more sense – from both the rider experience and system efficiency standpoints – based on the origin and destination.

Offering booking for fixed routes

Beyond on-demand, as restrictions ease and ridership begins to increase, agencies are either allowing crowding or running “closed door” due to physical distancing requirements. Some are adding more service and “shadow” buses when they can,

and this works to a point, but there may be a lag in the response resulting in additional wait times and a lack of predictability for riders. Customers and drivers need to have confidence that they can get a safe ride.

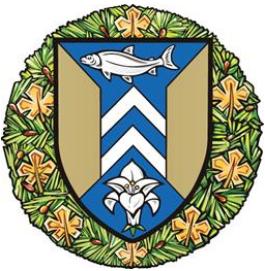
Via is in discussions with several agencies to provide a solution where riders will have to book a ride on fixed route lines. The benefits of “digitizing” fixed routes include providing real-time visibility for riders, increasing consumer confidence, mitigating the need for drivers to enforce capacity constraints, and gaining real-time data and insights to best match capacity and daily vehicle supply, improving cost efficiency.

The future

Nobody can predict the future, but we need to start thinking about what the “new normal” means for our service delivery models. Ridership may be lower for years to come and customers are asking themselves whether their ride will be safe and uncrowded. Drivers are concerned about their health and face a new responsibility – capacity management. Meanwhile, agencies are staring down budget crises and are looking for ways to best optimize remaining resources.

It’s time to rebuild our transit systems in a way that reflects our new reality; embracing technology is a key part of the solution.

Hamish Campbell is the Country Manager at Via, world’s leading partner in reimagining public mobility. To learn more about how Via can help your team, [request a demo](#), or email Hamish@ridewithvia.com.



The Corporation of the City of Sault Ste. Marie

COUNCIL REPORT

June 29, 2020

TO: Mayor Christian Provenzano and Members of City Council
AUTHOR: Nancie Scott, Accessibility Coordinator
DEPARTMENT: Community Development and Enterprise Services
RE: ESDC Enabling Accessibility Fund – Grant Application
2020

PURPOSE

The purpose of this report is to request Council's approval to apply for a grant announced by Employment and Social Development Canada (ESDC) – Enabling Accessibility Fund to make improvements to the existing ramp at the Civic Centre that will enable persons with mobility disabilities access through the front door.

BACKGROUND

The Employment and Social Development Canada - Enabling Accessibility funding program application deadline is July 13, 2020.

The ESDC - Enabling Accessibility Fund is a federal Grants and Contributions program that supports capital costs of construction and renovations related to improving physical accessibility and safety for people with disabilities in Canadian communities and workplaces. The Enabling Accessibility Fund works to enable Canadians with disabilities to participate in their community and the economy.

The objective of the Community Accessibility Stream is to provide funding up to \$100,000 for small projects that make communities and workplaces more accessible for persons with disabilities.

ANALYSIS

The EDSC Enabling Accessibility Grant, Community Accessibility Stream provides funding to improve accessibility and safety for people with disabilities in communities across Canada. Priority will be given to construction projects for ramps, accessible doors and accessible washrooms.

The improvements to the ramp at the Civic Centre are part of a larger program that includes new stairs and waterproofing as per the city's asset management plan. If approved, work will be completed in 2021. The existing ramp was constructed in 1975 and does not meet current barrier free requirements.

ESDC Enabling Accessibility Fund – Grant Application 2020

2020 06 29

Page 2.

Staff is recommending that Council authorize staff to apply for the grant and if successful, the subsequent agreement will appear on a future Council Agenda.

FINANCIAL IMPLICATIONS

The EDSC Enabling Accessibility Fund is now 100% funded to a maximum of \$100,000.

STRATEGIC PLAN / POLICY IMPACT

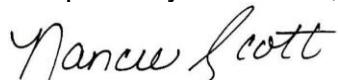
This project supports the Focus Area: Infrastructure – Maintaining Existing Infrastructure.

RECOMMENDATION

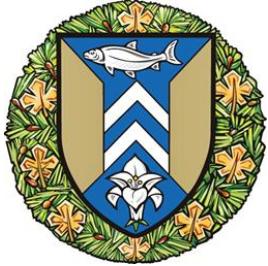
It is therefore recommended that Council take the following action:

Resolved that the report of the Accessibility Coordinator dated 2020 06 29 concerning Enabling Accessibility Fund – Grant Application be received and that staff be authorized to apply to the Employment and Social Development Canada – Enabling Accessibility Fund to make the necessary improvements to the existing ramp which will remove this recognised barrier to access to City Hall.

Respectfully submitted,



Nancie Scott
Accessibility Coordinator
705.541.7310
n.scott@cityssm.on.ca



The Corporation of the City of Sault Ste. Marie

C O U N C I L R E P O R T

June 29, 2020

TO: Mayor Christian Provenzano and Members of City Council
AUTHOR: Nicole Maione, Manager of Transit & Parking
DEPARTMENT: Community Development and Enterprise Services
RE: Municipal Law Enforcement Officers

PURPOSE

The purpose of this report is to update By-law 90-305, which appoints municipal law enforcement officers.

BACKGROUND

By-Law 90-305 is a By-law appointing municipal law enforcement officers and is amended from time to time.

ANALYSIS

Not applicable.

FINANCIAL IMPLICATIONS

There is no budgetary impact.

STRATEGIC PLAN / POLICY IMPACT

This is an operational activity not articulated in the strategic plan.

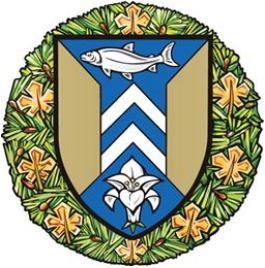
RECOMMENDATION

It is therefore recommended that Council take the following action:

By-law 2020-127 appears elsewhere on the Agenda and is recommended for approval.

Respectfully submitted,

Nicole Maione
Manager of Transit and Parking
705.759.5434
n.maione@cityssm.on.ca



The Corporation of the City of Sault Ste. Marie

C O U N C I L R E P O R T

June 29, 2020

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Carl Rumieli, Manager of Design and Transportation
Engineering

DEPARTMENT: Public Works and Engineering Services

RE: Contract 2020-8E – Trunk Road Resurfacing

PURPOSE

The purpose of this report is to obtain approval to award Contract 2020-8E. The project includes the resurfacing of Trunk Road from the east City limit westerly to approximately the Husky Station Approval is now being sought to extend that to South Market Street. Approval is now being sought to extend that to South Market Street.

BACKGROUND

On May 6, 2020, the Province announced that the City of Sault Ste. Marie had been selected for funding through the Ministry of Transportation 2020-21 Connecting Links Program. The ministry's maximum provincial contribution for 2020 is \$3,000,000 towards the resurfacing of Trunk Road. A total of two (2) tenders were received. Both tenders submitted were found to be complete and without errors. The low tender of \$1,372,226.20 (excluding HST) was received from Pioneer Construction Incorporated.

ANALYSIS

The combined City/Connecting Link budget for this project is \$3,450,000. Given the extremely low tender value, staff asked MTO if the west project limit could be moved to South Market Street if the contractor was willing to hold the unit prices. The Province has confirmed that the City may extend the limits of resurfacing Trunk Road in order to maximize the \$3M Connecting Link Grant. Further, Pioneer Construction has also confirmed that they will allow the City to extend the project limits utilizing the unit prices in the original contract.

As stated in By-law 2016-143, Procurement Policies and Procedure, the purpose of the by-law is in part, to: (1) encourage fair and open competition among suppliers; (2) to maximize savings for taxpayers; (3) to ensure service and product delivery, quality, efficiency and effectiveness; (4) to ensure fairness and objectivity to all bidders; and (5) to ensure openness, accountability and transparency while protecting the financial best interest of the City of Sault Ste. Marie.

The extension of the project from the Husky Station to South Market Street is greater than \$75,000.00 and therefore Council approval must be obtained.

Normally, this process would require a Request for Tender for a purchase that exceeds \$75,000.00. However, given the principles as stated above for the purposes, goals and objectives, retendering the project when the successful bidder's price is now known would not be fair and open competition.

The other method open to Council to approve this extension would be through the non-competitive method of procurement at section 22 of the By-law. Authorization of this method may be considered where "a business case can be made to establish that the purchase is in the best interests of the City." (Section 22(3) (f)).

This method should be used in this case for the following reasons:

- 1) Tendering the project when previous bidder's unit costs are already known is unfair to suppliers;
- 2) Tendering the second phase/section of Trunk Road, would cause delay and a potential increase to the taxpayer;
- 3) Delay will affect the number of days the contractor will have to complete the work, resulting in the potential of all the work not being accomplished in this construction year, and will increase the potential of not meeting funding deadlines;
- 4) The Ministry of Transportation has approved this extra work;
- 5) Getting the work done in 2020 will result in the maximum amount of savings for taxpayers in that the City will be able to take advantage of the extremely low prices. There is no guarantee that paving prices will ever be this low again.
- 6) By accomplishing this, the City will be able to apply for the next sections of the Connecting Link network sooner than planned;
- 7) It allows the City to provide safer roads with less money and earlier completion;
- 8) If a different contractor were to be awarded the second section of the work, it results in Ministry of Labour complications as to who is the constructor on the project;
- 9) If a different contractor were to be awarded the second section of the work, there will be added complexity in closing lanes and in achieving consistent traffic control, with two different sets of traffic control rules, putting the public, and potentially the workers at an increased risk; and
- 10) A second contractor will result in substantial additional administrative effort by the Engineering department.

The approved capital budget is \$3.45M. The tender value is \$1.39M. The addition work will bring the low tender to \$3.16M. For all these reasons, Council approval

is sought for a non-competitive purchase of the additional amounts in the tender quantities, and because it is in the best interests of the City.

FINANCIAL IMPLICATIONS

When non-recoverable HST is added, the cost to complete this project is projected to be \$3,220,000. As per the Connecting Link Grant rules, the Province shall contribute the lesser of a 90% of the project costs or \$3M. Therefore, the City's share is estimated to be \$322,000 which is below the \$450,000 allocation in the approved 2020 Capital Road Budget for this project.

STRATEGIC PLAN / POLICY IMPACT

This report is linked to the new infrastructure focus area of the strategic plan.

RECOMMENDATION

It is therefore recommended that Council take the following action:

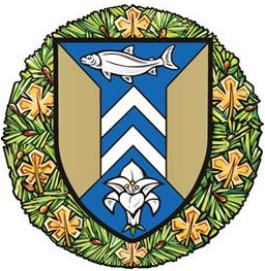
Resolved that the report of the Manager of Design and Transportation Engineering, dated 2020 06 29, concerning the resurfacing of Trunk Road, be received; further that scope of work be extended to include a total project limit from the east City limit to South Market Street through a non-competitive purchase of the additional amounts in the tender quantities under section 22(3)(f) of the procurement by-law; and the recommendation that Contract 2020-8E be awarded to Pioneer Construction Incorporated, be approved.

By-law 2020-133 authorizing execution of Contract 2020-8E appears elsewhere on the Agenda and is recommended for approval.

Respectfully submitted,



Carl Rumiel, P. Eng.
Manager, Design & Transportation Engineering
705.759.5379
c.rumiel@cityssm.on.ca



The Corporation of the City of Sault Ste. Marie

C O U N C I L R E P O R T

June 29, 2020

TO: Mayor Christian Provenzano and Members of City Council
AUTHOR: Susan Hamilton Beach, P. Eng., Director of Public Works
DEPARTMENT: Public Works and Engineering Services
RE: Curb and Sidewalk Program – 2020

PURPOSE

The purpose of this report is to inform Council of the proposed 2020 curb and sidewalk program.

BACKGROUND

Each year the program is reported to Council for their information. This year it is proposed that the program include approximately 1297 square meters of sidewalk, 647 linear metres of curb and 11 accessibility ramps to improve curbs and sidewalks. Attached is the listing of the 2020 locations. The program represents approximately 0.1% of the curb inventory and 0.3% of the sidewalks maintained by the City. The budget for this program is \$471,721.

ANALYSIS

Typically each year, the program has been compiled from requests from Councillors, residents and staff. Budgetary constraints allow for a limited amount of work to be undertaken each year. It is necessary to prioritize the requests and normally not all requests can be accommodated. It should also be noted that due to the pandemic this construction season, there may be a further impact to the planned concrete program.

FINANCIAL IMPLICATIONS

The proposed program maximizes the assigned operational budget for curb and sidewalk program. The budget for this program is \$471,721.

STRATEGIC PLAN / POLICY IMPACT

The sidewalk and curb repair program is linked to the Asset Management, Maintaining Existing Infrastructure component of the Corporate Strategic Plan.

RECOMMENDATION

It is therefore recommended that Council take the following action:

Curb and Sidewalk Program – 2020

2020 06 29

Page 2.

Resolved that the report of the Director of Public Works dated 2020 06 29 concerning the Public Works 2020 curb and sidewalk program, be received as information.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Susan Beach".

Susan Hamilton Beach, P. Eng.
Director of Public Works
705.759.5207
s.hamiltonbeach@cityssm.on.ca

Attach.

CURB AND SIDEWALK PROGRAM 2020

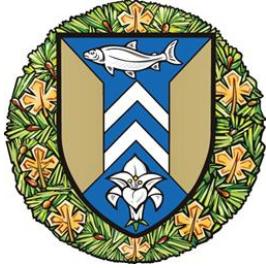
STREET NAME	CIVIC ADDRESS
ALBERT ST. EAST	488
ALBERT ST. WEST	615
BAINBRIDGE ST.	112
BAY ST.	602
BEAUMONT AVE.	27
BEAUMONT AVE.	82
BEAUMONT AVE.	83
BITONTI CRES.	124
BLOOR ST WEST	30
BLOOR ST WEST	161
BONNEY ST.	878
BRETON RD.	50
BROADVIEW DR.	32
CHARLES ST.	422
CHURCHILL BLVD.(2)	130
CUNNINGHAM RD.	88
CUNNINGHAM RD.	37
DENWOOD DR.	153
DOUGLAS ST.	515
DOUGLAS ST.	293
DOUGLAS ST	603
ELIZABETH ST.	139
ESTELLE ST.	100
FAIRMONT DR.	49
FAIRMONT DR.	45
FAIRMONT DR.	92
FARWELL TERR.	400
FARWELL TERR.	404
FARWELL TERR.	416
FARWELL TERR.	424
GLADSTONE AVE.	108
GOULAIIS AVE.	407
GOULAIIS AVE.	381
GOULAIIS AVE.	396
GOULAIIS AVE.	407
GOULAIIS AVE.	636
GOULAIIS AVE.	634
GOULAIIS AVE.	636
HUGILL ST.	100
HUNTINGTON PARK	32
HURON ST.	300
INDIANA DR.	80
KORAH RD.	530
KORAH RD.	706

KORAH RD.	718
LAKE ST.	608
LAKE ST.	982
LAKE ST.	237
LAKE ST.	237
LARONDE AVE.	83
LAURA ST.	37
LAURA ST.	41
LAURA ST.	32
MACDONALD AVE.	111
MARK ST.	66
McMEEKEN ST.	187
McMEEKEN ST.	163
MOLUCH ST.	134
MOLUCH ST.	86
MORRISON AVE.	534
NIAGARA DR.	17
NICOLAS AVE.	42
NICOLAS AVE.	46
NORTH ST.	691
NORTH ST.	689
NORTH ST.	1031
NORTH ST.	382
NORTHRIDGE RD.	22
NORTHRIDGE RD.	21
NORTHRIDGE RD.	29
ONTARIO AVE.	57
PANORAMIC DR.	189
PARKVIEW CT.	95
PARTRIDGE CRT	35
PEOPLES RD.	1078
PINE ST	119
PINE ST	412
POND ST.	28
POZZEBON CRES.	70
PRENTICE AVE.	208
PRENTICE AVE.	140
PRINCE CHARLES CRES.	96
PRINCETON DR.	190
PROMENADE DR.	216
PROMENADE DR.	212
QUEEN ST EAST	1264
RUSHMORE DR.	14
RUSHMORE DR.	42
SECOND LINE WEST	152
SHAFER AVE.	599
SHANNON RD.	560

SHANNON RD.	315
SHERBOURNE ST.	563
SPRUCE ST.	275
ST. ANDREWS TERR.	166
ST. GEORGES AVE WEST	177
ST. GEORGES AVE WEST	171
ST. GEORGES AVE WEST	44
STANLEY ST	103
STANLEY ST	107
SUSSEX RD	387
TEXAS AVE.	19
THIRD AVE.	487
THIRD AVE.	431
THIRD AVE.	391
TURNER AVE.	129
WALLACE TERR.	633
WELLINGTON ST. EAST	445
WELLINGTON ST. EAST	441
WELLINGTON ST. EAST	437
WELLINGTON ST. EAST	69
WELLINGTON ST. EAST	1541
WELLINGTON ST. WEST	606
WESTRIDGE RD,	26
WILCOX AVE.	159
WINDSOR ST.	6

PROGRAM TOTALS

CURB LENGTHS	647 Linear Meters
SIDEWALK LENGTHS	1297 Square meters
ACCESSIBILITY RAMPS	11 Highlighted in red



The Corporation of the City of Sault Ste. Marie

C O U N C I L R E P O R T

June 29, 2020

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Melanie Borowicz-Sibenik, Assistant City Solicitor/Senior Litigation Counsel

DEPARTMENT: Legal Department

RE: Steelton Seniors Centre – Sale of Property

PURPOSE

The purpose of this report is three-fold, specifically:

- (a) to advise Council of an Offer to Purchase from the District of Sault Ste. Marie Social Services Administration Board (“DSSMSSAB”), the Steelton Centre, described as PIN 31572-0051(LT) LT 209-212 BLK 5 PL 402 KORAH EXCEPT PL J6061; SAULT STE. MARIE, being civic 235 Wellington Street West (Steelton Seniors Centre); and the Parking Lot, described as PIN 31572-0102(LT) LT 183-184 BLK 5 PL402 KORAH; SAULT STE. MARIE, being civic 272 Wellington Street West (Parking Lot), expressly reserving a minimum of twelve (12) spots for the public;
- (b) to recommend that Council declare the Parking Lot as surplus to the City’s needs and offer same for sale in accordance with the City’s policy for the disposition of land, on the basis that a minimum of twelve (12) spots shall continue to be reserved for the public; and
- (c) to request Council’s authorization to dispose of the Steelton Seniors Centre and the Parking Lot to the DSSMSSAB each for the sum of \$1.00.

ATTACHMENT

Attached as Schedule “A” to this report is a copy of the detailed breakdown of cost and requirements for the Steelton Centre completed by staff as referenced herein.

BACKGROUND

The Steelton Seniors Centre is a 113-year-old building constructed in 1906 and located at 235 Wellington St. A two-storey addition was added in 1968 and the total square footage of the multi-level facility is 8,413 square feet. The Seniors Centre operating out of the

Steelton Seniors Centre – Sale of Property

2020 06 29

Page 2.

building was relocated to the Northern Community Centre in 2017. At the Closed Session held August 21, 2017, Council authorized the Legal Department to bring forward at an open Council meeting the necessary by-law to declare the Steelton Seniors Centre as surplus to the needs of the municipality and to authorize the disposition of the said property. On September 11, 2017, Council passed By-law 2017-174 which facilitated same. The sale of the Steelton Seniors Centre was advertised in the Sault Star and on the City's website on Saturday, August 11, 2018. Although some interest was garnered, no offers for sale were submitted.

At the closed session of Council dated January 3, 2020 Council directed staff to list the Steelton Seniors Centre for sale again including an option to lease additional parking at the lands comprising the Parking Lot. In addition, Council had requested clarity on the following: 1. Demolition costs for the newer section of the building constructed in 1968 2. Construction of a parking lot in this space and 3. Asset management requirements over the next five years. Further to the direction given, staff advertised the Steelton Seniors Centre for sale through an online press released January 13, 2020 and in the Sault Star. At the close of bidding, one (1) submission was made in the amount of \$50,250 and the bid was not accepted.

Staff has investigated options to demolish the newer section of the building constructed in 1968, construction of a parking lot in this space and asset management requirements over the next five years. A detailed breakdown of costing requirements is attached at Schedule "A" to this report.

In consultation with the Chief Building official for budget purposes, demolition costs were estimated at \$50,000 excluding any significant abatement requirements. The costs to construct a new parking were budgeted at \$78,000 as confirmed by the Engineering department. Capital repairs based on the Morrison Hershfield Condition Assessment amount to approximately \$177,000 over the next five (5) years for the original building that would be maintained. If this were completed there are accessibility issues with the older section being multi storey without suitable elevator access. This places the cost commitment at approximately \$128,000 should the City demolish the newer section and construct a parking lot with hopes of selling or \$305,000 if sale does not occur when including asset management requirements over the next five (5) years.

On March 23, 2020, by By-law 2020-84, and pursuant to community needs and the Provincial emergency orders, Council authorized the lease of the property to the DSSMSSAB. DSSMSSAB has since spent approximately \$280,000 to date to refurbish the building. In general the improvements include the following:

1. Replaced both electric furnaces with gas units (electric was done and a significant risk of failure)
2. Upgraded hot water tank to support facility's new use with two gas fired units
3. Serviced ac units
4. Replaced hot water circulating pump that was seized

5. Replaced boiler pressure relief valve that was not working
6. Repaired all wiring as per electrical inspection
7. Added new plugs as per code
8. Converted an office into two rooms with showers
9. Converted existing bathroom into an accessible bathroom
10. Made an accessible room and another office within existing first floor open space
11. Divided a large second floor meeting room in half and made two family shelter rooms complete with doors
12. Converted small office to laundry room
13. Repaired all drywall that was removed
14. Reinstalled all rad covers
15. Installed security cameras
16. Repaired ceiling openings
17. Painted everything
18. Installed new flooring throughout second floor and baseboard to first floor
19. Installed doors and supplied new doors to new rooms
20. Replaced non functioning stairwell forced air hot water heater and
21. Replaced exterior fixtures that were not LED

DSSMSSAB has now made an Offer to Purchase the Steelton Seniors Centre and the Parking Lot, each for the sum of \$1.00, expressly committing to reserve a minimum of 12 spots for the public, given the money already spent on the Steelton Seniors Centre.

ANALYSIS

City staff supports the sale of Steelton Seniors Centre and Parking Lot as per the offer made by the DSSMSSAB for numerous reasons. First, the present lease between the City and the DSSMSSAB is for a term of one (1) year, expiring March 30, 2021, with an option to extend for an additional period of one (1) year. If the City were to retain the property, the City would be responsible for ongoing capital repairs and asset management requirements which, as set out herein are substantial over the next five years. The City would also be responsible for ongoing operations and maintenance expenses in the sum of \$23,000 annually for both the Steelton Seniors Centre and Parking Lot lands. Given these ongoing costs and the fact that two prior attempts to sell the Steelton Seniors Centre lands were not realized, City staff recommends the sale to the DSSMSSAB.

Second, the DSSMSSAB has invested significantly into the Steelton Seniors Centre and plans to provide housing to people in need. This shall present a significant positive benefit to our community and greatly assist those in need.

Third, the DSSMSSAB's offer commits to reserving a minimum of twelve (12) parking spots for the public in the Parking Lot lands. If sold, the City would no longer need to maintain the Parking Lot and the business community would still have available spots for parking.

FINANCIAL IMPLICATIONS

As indicated, the sale of the Steelton Seniors Centre and Parking Lot would have a positive impact to Operations from an ongoing utilities and maintenance perspective of saving approximately \$23,000 annually. This option will also limit the City's exposure to future capital improvements.

STRATEGIC PLAN / POLICY IMPACT

Not applicable.

RECOMMENDATION

It is therefore recommended that Council take the following action:

- (a) authorize that the City owned property described as PIN 31572-0102(LT) LT 183-184 BLK 5 PL402 KORAH; SAULT STE. MARIE, being civic 272 Wellington Street West (Parking Lot) be declared surplus to the City's needs and authorize the disposition of the said property in accordance with the City's policy for the disposition of land to the District of Sault Ste. Marie Social Services Administration Board for the sum of \$1.00. By-law 2020-130 authorizing same appears elsewhere on the Agenda and is recommended for your approval.
- (b) authorize the disposition of the City owned property described as PIN 31572-0051(LT) LT 209-212 BLK 5 PL 402 KORAH EXCEPT PL J6061; SAULT STE. MARIE, being civic 235 Wellington Street West in accordance with the City's policy for the disposition of land to the District of Sault Ste. Marie Social Services Administration Board for the sum of \$1.00. By-law 2020-131 authorizing same appears elsewhere on the Agenda and is recommended for your approval.

Respectfully submitted,



Melanie Borowicz-Sibenik
Assistant City Solicitor/Senior Litigation
Counsel
705.759.5403
m.borowiczsibenik@cityssm.on.ca

MBS/tj

Enclosure

Schedule "A"

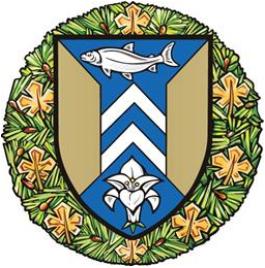
APPENDIX A – STEELTON CENTRE

Projected estimate to construct a parking lot on 1968 Steelton Centre demolished side.

Category	Quantity	units	unit price	Amount	
Parking Lot Creation					Confirmed by Manager, Design & Transportation Engineering
Earth Excavation	225	m ³	\$ 50	\$ 11,250	
Catch Basin	2	ea	\$ 4,000	\$ 8,000	
300mm storm sewer	25	m	\$ 300	\$ 7,500	
Asphalt	70	t	\$ 300	\$ 21,000	
Line Painting	1	LS	\$ 1,000	\$ 1,000	
Lighting	1	LS	\$ 15,000	\$ 15,000	
Signage	1	LS	\$ 1,000	\$ 1,000	
Total				\$ 64,750	
Engineering 10%				\$ 6,475	
Contingency 10%				\$ 6,475	
Total				\$ 77,700	
Demolition Costs (1968 Side)				\$ 50,000	Confirmed by Chief Building Official 1/28/2020; Excluding any abatement
Total Demo and Parking Lot Costing				\$ 127,700	

Asset Management Cost Projection for Original Building

ID	Sum of 2013	Sum of 2014	Sum of 2015	Sum of 2016	Sum of 2017	Sum of 2018	Sum of 2019	Sum of 2020	Sum of 2021	Sum of 2022	Sum of 2023	Sum of 2024	Sum of 2025	Sum of 2026	Sum of 2027	Sum of 2028	Sum of 2029	Sum of 2030
A10 Foundations							\$80,000											
B10 Superstructure	\$24,000																\$24,000	
B2010 Exterior Walls - Brick	\$12,000																\$12,000	
B201011 Joint Sealant	\$19,000																\$12,000	
B2020 Exterior Windows																		
B2030 Exterior Doors																		
C201002 Exterior Stair Construction																		
D101004 Wheelchair Lift																		
D202003 Domestic Water Equipment																		
D302003 Furnaces																		
D3030 Cooling Generating Systems																	\$ 6,000	
D3050 Terminal & Package Units		\$18,000																
D5010 Electrical Service & Distribution																		
D502002 Lighting Equipment																		
D503001 Fire Alarm Systems																		
D503008 Security Systems																	\$ 6,000	
G2030 Pedestrian Paving - Concrete		\$ 6,000					\$11,000											
G2030 Pedestrian Paving - Interlock	\$ 1,000																	
Grand Total	\$56,000	\$24,000					\$91,000						\$6,000		\$ 6,000	\$ 48,000		
																	\$ 177,000	
																		\$ 231,000



The Corporation of the City of Sault Ste. Marie

C O U N C I L R E P O R T

June 29, 2020

TO: Mayor Christian Provenzano and Members of City Council
AUTHOR: Donald B. McConnell MCIP RPP, Director of Planning
DEPARTMENT: Community Development and Enterprise Services
RE: Huron Street – Machine Shop Hub Trail Spoke (Part 2)

PURPOSE

The purpose of this report is to request that Council authorize an agreement between the City and 1188004 Ontario Inc. to complete the Hub Trail spoke from Canal Drive to Huron Street.

BACKGROUND

The former St. Mary's Paper site has undergone a significant transformation since the closure of the paper mill facilities. Now known as the Machine Shop, the current owner has repurposed one of the largest heritage buildings on-site and is completing a new train station for the Agawa Canyon Tour Train. As part of the overall development, the owner and the City agreed to establish a multiuse path connection to the larger John Rowswell Hub Trail system.

ANALYSIS

On December 2, 2019 City Council authorized an agreement with the property owner for the construction of approximately 115 m of the Hub Trail spoke from Huron Street to a point just west of the main Machine Shop building. This work has been completed and paid as per Council's previous approval.

On February 24, 2020, City Council received a report on various active transportation initiatives and authorized staff to implement a number of projects including completion of the Hub Trail spoke from Canal Drive to the Machine Shop as shown as Section "C" on the attached drawing.

The City has received a cost from the property owner for \$128,488.26 to complete this work. This includes the construction of approximately 100 m of trail (Section "C") and installation of nine additional trail lights (Sections "A" and "C").

FINANCIAL IMPLICATIONS

As part of the February 24, 2020 report, staff estimated the cost to complete the project as approximately \$125,000. This is consistent with the actual \$128,488.26 cost.

Huron Street – Machine Shop Hub Trail Spoke (Part 2)

2020 06 29

Page 2.

The report further recommended that this cost be taken from the Ontario Municipal Commuter Cycling Program funding of \$725,669. City Council agreed with this approach.

The City has received \$580,000 in provincial funding, by agreeing to contribute \$145,000, based on an 80/20 cost share agreement (Council has approved \$145,000 as part of previous budgets). This has resulted in a total implementation budget of \$725,000. Ontario Municipal Commuter Cycling program funding must be spent by the end of 2020.

STRATEGIC PLAN / POLICY IMPACT

The completion of this Hub Trail spoke aligns with the City's Corporate Strategic Plan, specifically the Community Development and Partnerships focus area which encourages partnerships with key stakeholders.

RECOMMENDATION

It is therefore recommended that Council take the following action:

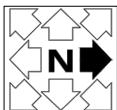
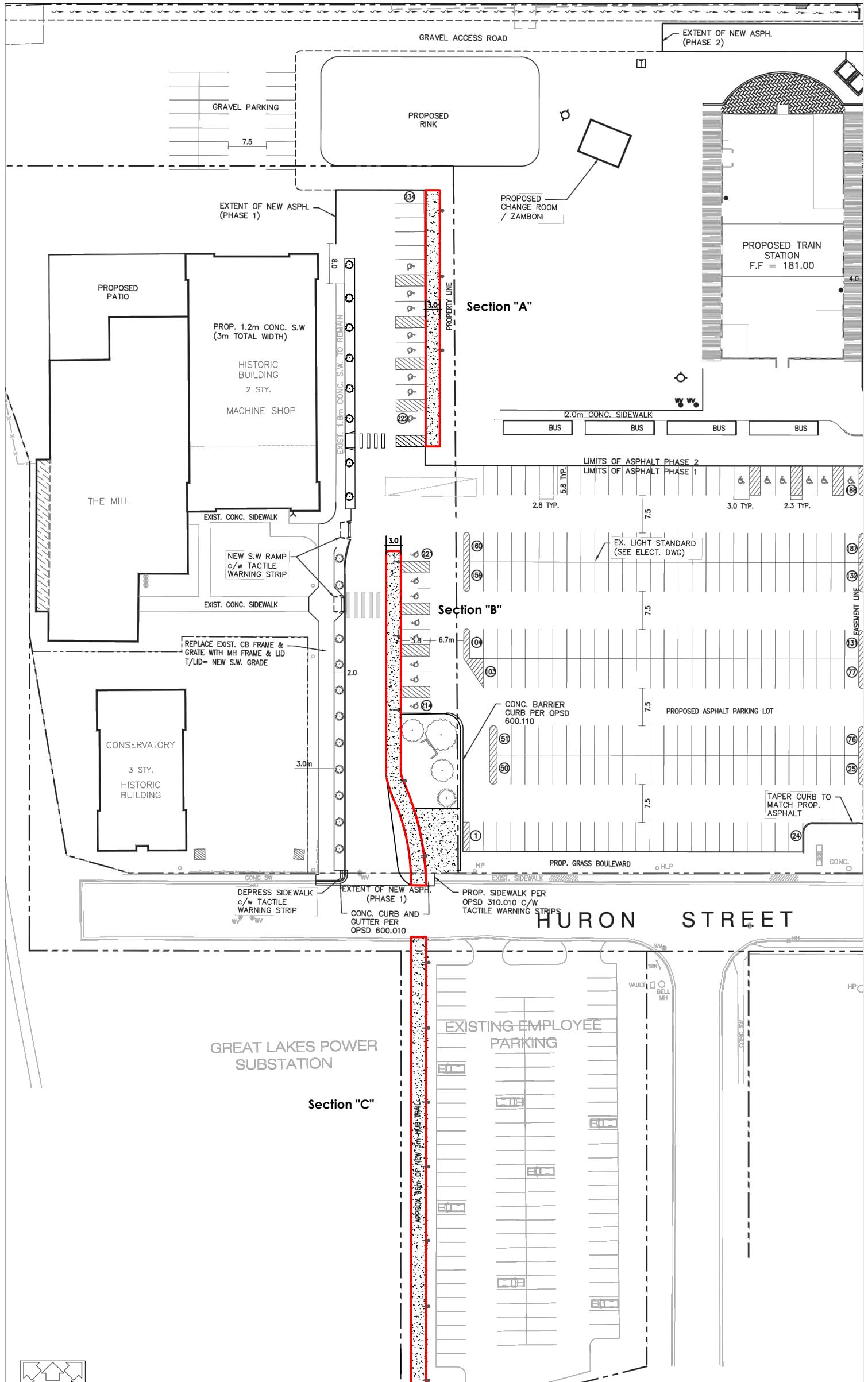
By – law 2020-128 is listed elsewhere on the agenda and is recommended for approval.

Respectfully submitted,

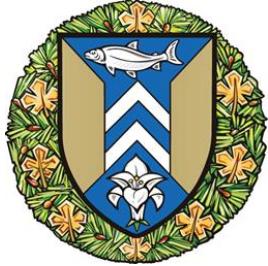


Donald B. McConnell, MCIP RPP
Director of Planning & Enterprise Services
d.mcconnell@cityssm.on.ca
705.759.5375

SCHEDULE "A"



City Easement -



The Corporation of the City of Sault Ste. Marie

C O U N C I L R E P O R T

June 29, 2020

TO: Mayor Christian Provenzano and Members of City Council
AUTHOR: Malcolm White, CAO
DEPARTMENT: Chief Administrative Officer
RE: COVID-19 Update – Stage 2 Re-opening

PURPOSE

To provide information concerning the City's current situation and next steps and to seek Council's approval for the extension of the waiver of interest and penalties for Municipal Accommodation Tax (MAT) payments and account receivables to August 31, 2020.

BACKGROUND

The Algoma Public Health (APH) region, as well as most health regions of Ontario entered Stage 2 re-opening on June 12th. Two additional regions (City of Toronto and Peel Region) were added effective Wednesday, June 24th and the Windsor/Essex area, with limitations, June 25th.

Currently there are no unresolved cases in our area with ongoing surveillance testing of targeted areas as well as symptomatic testing. As noted in previous reports, the community has reacted well in adopting the safety measures recommended by APH and we are cautiously optimistic that community will continue to progress along the re-opening framework outlined by the Province.

ANALYSIS

At the March 23rd Council meeting, Council approved waiving interest and penalty provisions on MAT payments and account receivables until June 30, 2020. As the community proceeds with the re-opening and financial recovery phase of the pandemic staff recommend that these provisions be extended to August 31, 2020. The appropriate by-laws effecting this extension are listed elsewhere on the agenda.

A summary of the current service level for all corporate areas is listed below. Generally, where facilities and services affected by the pandemic are permitted to resume, staff assess the operational requirements which are informed by Provincial legislation and guidance documents, guidance and advice from Algoma Public Health, legal and insurance advice and best practices and respond to the communities needs appropriately.

Community Development & Enterprise Services

Transit Division

The Transit Division has continued to adjust to providing services with rear entry, physical distancing provisions and forgoing fare collection while designing solutions and retrofitting the buses to meet these challenges. The retrofitting of plexiglass shields and adoption of new protocols is almost complete with front entry and fare collection targeted to resume July 6th.

Community Services Division

Most of the recreational facilities operated by this Division remain closed for their intended purpose under Phase 2, but are likely to be permitted to open under stringent conditions in Phase 3. Staff are focused on making the necessary preparations to meet the demands of the community for facility use when permitted to do so. As with other areas, these preparations include complying with Provincial legislation, complying with guidance from Algoma Public Health (often requiring APH site inspections) and factoring in user group requirements informed by terms and guidance from their governing bodies. The status of the various facilities is as follows:

Ermatinger Clergue National Historic Site – now open with required limitations.

John Rhodes Pool – target date of July 13th for limited reopening.

Manzo/Greco Outdoor Pools – target date of July 15th for limited reopening.

Bellevue Park Splash Pad – target date to be finalized after required APH inspection next week.

Northern Community Centre – proposed use for a portion of the facility by YMCA day camps (report elsewhere on the agenda).

John Rhodes Ice Surfaces – likely permitted to reopen on a limited basis under Phase 3. Staff are preparing for this and will be able to accommodate limited use on a timely basis.

GFL Memorial Gardens – facility closed to accommodate temporary field hospital.

McMeeken Centre – closed as per usual practice.

Seniors Centres – closed with re-opening tentatively scheduled for the Fall. Due to the higher risk nature of the senior population these will be the last facilities to offer in-person programming. To fill the service gap staff have implemented comprehensive on-lain programming which has been received well.

Cemeteries Division

The Cemeteries Division has continued to provide full services throughout the pandemic while implementing the required process and practice changes to ensure workforce health and safety and adjusting to meet the legislated requirement to provide 7 day/week services if required.

Planning Division

The Planning Division has continued to provide services and work with clients and the public throughout the pandemic while preparing to proceed with public hearings in either a digital or in-person format, depending on the circumstances permitted. Preparations are complete for in-person Committee of Adjustment hearings with notice being provided very soon. Planning application hearings will resume no later than the August Council meeting. Phase 2 re-openings permitted eating establishments to operate patios, which necessitated timely responses from staff to provide guidance documentation and approvals.

Economic Development Division

The Economic Development Division is providing full services with staff rotating between the Civic Centre and remote work arrangements. While continuing to provide core services staff have been especially focused on assisting local business to deal with pandemic issues and access what supports are available through the Federal and Provincial governments. Staff will continue to assess the pandemic related needs of local business and provide Council with recommendations on any targeted actions that Council can take.

Community Development and Tourism Services Division

The Community Development and Tourism Services Division is providing full services with staff rotating between the Civic Centre and remote work arrangements. Staff are particularly focused on adjusting strategies and services to respond to the significant changes the pandemic has wrought on the tourism and event industry. Further information on this work will be brought to Council through the newly established Tourism Development Committee. As noted elsewhere in the report, staff recommend extending the waiver of interest and penalties on MAT payments until August 31st.

Corporate Services

Clerk's Department

The Clerk's Department is providing most services on a full or modified basis, with staff rotating between the Civic Centre and remote work arrangements. Digital meeting procedures have been implemented for council and committee meetings and adjustments made to provide 7 day/week service for burial permits and cemetery orders.

Finance Department

The Finance Division is providing most services on a full or modified basis, with staff rotating between the Civic Centre and remote work arrangements. The Central Collections counter will open to the public with appropriate limitations on June 29th, primarily to accommodate the next tax due date of July 5th, however the public will still be encouraged to make payments through financial institutions or by cheque at the Civic Centre drop box.

Human Resources

The Human Resources Division is providing full services with staff rotating between the Civic Centre and remote work arrangements. The staff workload has been significantly impacted by response needs of the Corporation to the pandemic, and this continues to present challenges as the City proceeds through re-opening phases while maintaining core HR functions.

Information Technology (IT)

The IT Division is provided full services through onsite and remote means. The Division has been significantly impacted by the need to respond to the pandemic, particularly by the need to accommodate significant remote work by staff and enabling greatly increased digital meetings and interactions by Council, staff and the public. That IT has been able, given its recognized gaps in staff and infrastructure, to respond seamlessly to these needs is especially commendable.

Public Works & Engineering Services

Public Works Division

The Public Works Division has continued to provide services throughout the pandemic while implementing many required process and practice changes to ensure the health and safety of the workforce. Service levels at the landfill have been provided at a modified level through the pandemic. The reopening of the Household Hazardous Waste depot is targeted for July 13th and Saturday service at the landfill is targeted to resume July 18th.

Parks Division

The Parks Division has been providing services to the level permitted by Provincial legislation. Parks have remained open while playground and outdoor fitness equipment remain closed, with permitted use being anticipated in Stage 3 re-opening. Outdoor sport facilities are open for casual use and, when permitted by the Province, will be ready for team play as governed by the various sport associations. Point Des Chenes day use area, the Pump Track, Skateboard facility, Disc Golf and tennis courts are all open.

Engineering Services

Engineering Services has been providing full services with staff rotating between the Civic Centre and remote work arrangements. Staff are assessing the near term and long term changes required to the physical layout of the Civic Centre and work areas to adjust to pandemic related requirements and previously identified access issues.

Building Division

The Building Division has continued to provide full services with staff rotating between the Civic Centre, remote work arrangements and field work.

Fire Services

Fire Services has continued to provide a majority of their services through the pandemic. A reduction in medical call deployment was instituted due to challenges of obtaining adequate supplies of Personal Protective Equipment (PPE). These challenges have lessened recently and medical call deployment is planned to resume in Stage 3. The demand for residential fire permits has more than doubled to 1,500 as residents continue to focus on home based recreational activities. The Emergency Management area has been focused on supporting the Emergency Management Planning Committee, developing and operating the Pandemic Hotline and supporting the community response to the pandemic where required.

Legal Department

The Legal Department continues to provide full services with staff rotating between the Civic Centre and remote work arrangements. The need for review and interpretation of Covid related legislation, guidance material and insurance considerations has added a significant workload to department staff. A number of Provincial Offences Courts around the province will resume in person sittings on July 6th. Sault Ste. Marie is not one of the sites selected for the initial phase – a firm date for resumption has not been provided to us yet. The Ministry of the Attorney General is providing significant direction to municipalities on the measures and facility modifications necessary to resume this function. Initially, the court will need to be held in the Council Chambers to ensure adequate physical distancing.

FINANCIAL IMPLICATIONS

The financial implications of extending the waiver if interest and penalties on account receivables to August 31st are approximately \$4,000. The waiver of interest and penalties on MAT payments allows deferral of those payments for an industry significantly affected by the pandemic.

STRATEGIC PLAN / POLICY IMPACT

This is an operational matter not articulated in the Strategic Plan.

RECOMMENDATION

It is therefore recommended that Council take the following action:

The relevant by-laws 202-135 and 202-136 are listed under item 11 of the Agenda and will be read with all By-laws under that item.

Respectfully submitted,



Malcolm White
Chief Administrative Officer
705.759.5347
m.white@cityssm.on.ca

COVID-19 Update – Phase 2 Reopening

2020 06 29

Page 6.

**RESOLUTION OF THE SHAREHOLDER OF
PUC INC.**

Financial Statements

BE IT RESOLVED THAT the financial statements of PUC Inc. (the Corporation) for the fiscal year ended on December 31st, 2019, together with the report of the auditors thereon, as placed before the undersigned, are hereby approved.

Appointment of Auditors

BE IT RESOLVED THAT the firm of KPMG LLP, Chartered Accountants, is hereby appointed Auditor of the Corporation until the close of the next annual meeting of the shareholder or until their successors are duly appointed at a remuneration to be fixed by the directors, the directors being hereby authorized to fix such remuneration.

The undersigned being the sole Shareholder of the Corporation hereby signs each and every one of the foregoing resolutions pursuant to the provisions of the Ontario Business Corporations Act.

Dated this 29th day of June, 2020

The Corporation of the City of Sault Ste. Marie

Per: _____
Christian Provenzano, Mayor

Per: _____
Rachel Tyczinski, City Clerk

**RESOLUTION OF THE SHAREHOLDER OF
PUC SERVICES INC.**

Financial Statements

BE IT RESOLVED THAT the financial statements of PUC Services Inc. (the Corporation) for the fiscal year ended on December 31st, 2019, together with the report of the auditors thereon, as placed before the undersigned, are hereby approved.

Appointment of Auditors

BE IT RESOLVED THAT the firm of KPMG LLP, Chartered Accountants, is hereby appointed Auditor of the Corporation until the close of the next annual meeting of the shareholder or until their successors are duly appointed at a remuneration to be fixed by the directors, the directors being hereby authorized to fix such remuneration.

The undersigned being the sole Shareholder of the Corporation hereby signs each and every one of the foregoing resolutions pursuant to the provisions of the Ontario Business Corporations Act.

Dated this 29th day of June, 2020

The Corporation of the City of Sault Ste. Marie

Per: _____
Christian Provenzano, Mayor

Per: _____
Rachel Tyscinski, City Clerk



Mayor Christian Provenzano and Members of City Council
City of Sault Ste. Marie
99 Foster Drive
Sault Ste. Marie, ON P6A 5X6

June 23, 2020

Dear Mayor Christian Provenzano and Members of City Council,

Re: PUC 2019 Sustainability Report – *Investing in Our Communities*

I am pleased to present you with PUC's 2019 Sustainability Report. 2019 was a strong year in which we exceeded expectations by achieving success on a number of fronts, and demonstrated our commitment to investing in sustainable growth, our people, and the communities we serve.

In 2019, PUC entered into new business opportunities, took a proactive approach to improving our customer's overall experience, and expanded our footprint to serve over 40 municipalities and 127 First Nation communities across Ontario.

Through initiatives like the Smart Grid, PUC continues to modernize infrastructure, innovate systems, and lead the industry in projects that will change the way we deliver utility services.

Importantly through 2019, PUC remained on track with our long-term strategy to meet or exceed the commitments we made to you, our shareholder. In 2019, we returned \$2.95 million to the City of Sault Ste. Marie, the largest amount in over 15 years, and re-invested a total of \$15.8 million back into the community.

Our focus on sustainable growth yielded major results in 2019, as PUC acquired Northern Waterworks Inc. (NWI), a leading water and wastewater services provider located in Red Lake, Ontario. With approximately \$164 million in assets under management, the acquisition of NWI has increased shareholder value and positions PUC's group of companies as the second-largest service provider of water and wastewater operations in Ontario.

PUC's efforts to promote and deliver the province's AffordAbility Fund saved a total of \$2.4 million for customers and allocated approximately \$5 million to local businesses to date. In addition to this, major investments to enhance the customer experience in 2019 resulted in an exceptional customer satisfaction rating of 94 per cent, compared to 82 per cent in 2017.



The end of 2019 presented one of the most extreme ice storms in Sault Ste. Marie's history. PUC rose to the challenge by restoring power to thousands of households within a four-day period, showcasing our commitment responding to community needs and ensuring the safety of our customers.

The growth of the organization began in 2019 and set the groundwork for continual improvement. PUC's group of companies are well positioned to face future challenges of affordability while developing partnerships in advanced technology to deliver reliable and sustainable products to our customers.

By embracing change and innovation, PUC is investing in the communities we serve for the long-term. I would like to share my immense gratitude for the committed leadership, staff and Board of Directors at PUC whose dedication has been essential to our ongoing success.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim P. Boniferro".

Jim P. Boniferro
Chair, PUC Services Inc./PUC Inc.

A black and white photograph of utility poles and power lines against a bright sky, serving as the background for the title area.

PUC SERVICES INC.

SUSTAINABILITY REPORT

INVESTING IN OUR COMMUNITIES

2
0
1
9

WELCOME TO PUC

Your trusted utility for
a brighter tomorrow

As a trusted utility provider for over 100 years, PUC is constantly changing and evolving the company's best practices to meet the needs of our customers and invest in our communities.



INVESTING IN OUR COMMUNITIES

In the communities where we operate, PUC is committed to having a positive impact. By embracing change and innovation, we are investing in the communities we serve for the long-term. PUC is modernizing infrastructure, innovating systems, and leading the industry in projects that will change the way we deliver utility services.

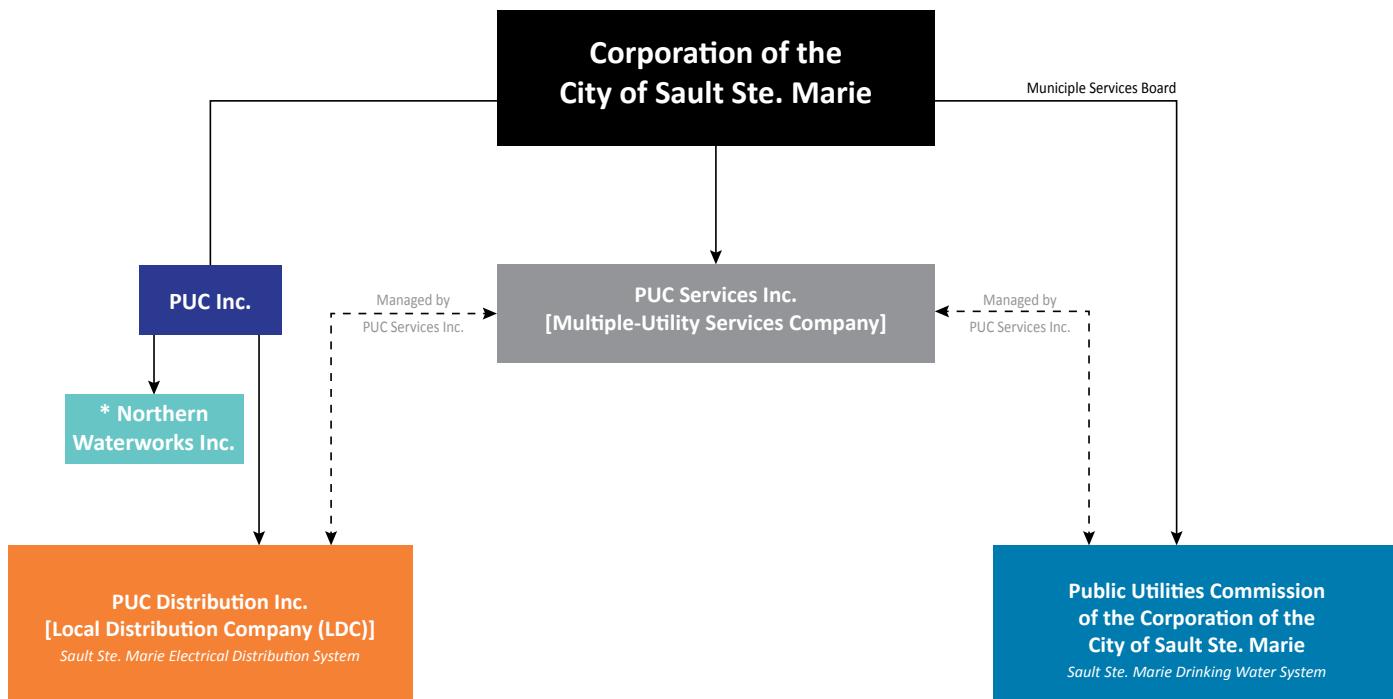
In the past year, PUC has entered into new business opportunities, taken a proactive approach to improving our customer's overall experience, and engaged the community in a meaningful way. As an industry leader that has always been grounded in our community, PUC is proud to be continually moving the utility forward while delivering competitive, high-quality utility related services to our customers.

Not only is PUC investing in our communities, we are investing in our people; those who have served our community for decades, and those who will lead us into the future. It is an exciting time for PUC. We invite you to learn more about PUC in our 2019 Sustainability Report.



ABOUT PUC

CORPORATE STRUCTURE



* In 2019, PUC acquired Northern Waterworks Inc. Through this acquisition, PUC's group of companies became the second-largest service provider of water and wastewater operations in Ontario.



PUC LOGO EXPLAINED

The water mark represents the water and wastewater services PUC Services Inc. provides.



The power lines represent the electricity services PUC Services Inc. provides.



PUC INC.

PUC Inc. is a holding company registered under the Ontario Business Corporations Act and is wholly owned by the Corporation of the City of Sault Ste. Marie with two wholly owned operating companies. PUC Inc. has two subsidiaries: PUC Distribution Inc. and Northern Waterworks Inc. (NWI).



PUC SERVICES INC.

PUC Services Inc. is a utility services company operating as a wholly owned private company of the Corporation of the City of Sault Ste. Marie and is incorporated under the Ontario Business Corporations Act. PUC Services Inc. manages the assets and business of PUC Distribution Inc., manages the assets and businesses of the Public Utilities Commission (city's water treatment and distribution system), and operates the City's wastewater treatment facilities under multi-year contracts. PUC Services Inc. also provides billing and customer care services and manages the operations of Espanola Regional Hydro under multi-year contracts. Water and wastewater services are also provided to several communities and organizations in the Algoma District. The total assets under management of PUC Services Inc. is approximately 1.4 billion.



PUBLIC UTILITIES COMMISSION

The Public Utilities Commission of the City of Sault Ste. Marie owns the water supply and distribution infrastructure and is responsible for the provision of safe, reliable, potable water at-cost to customers within the municipal services boundary of the City of Sault Ste. Marie. Potable water is also supplied to an area of the Rankin Reserve of the Batchewana First Nation through the same distribution system. The management, maintenance and operations of the water treatment plant, wells and the approximately 470 km of watermains in the distribution system are carried out by PUC Services Inc. under a long-term contract.



PUC DISTRIBUTION INC.

PUC Distribution distributes electricity to residences and businesses within the boundaries of the City of Sault Ste. Marie, the Batchewana First Nation (Rankin Reserve), Prince Township and parts of Dennis Township. The management, maintenance and operations of the distribution system is carried out by PUC Services Inc. under a long-term contract.

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CORPORATE PROFILE



CEO Q&A

Q1: WHY DID YOU CHOOSE, "INVESTING IN OUR COMMUNITIES" AS THIS YEAR'S THEME?

I chose it because it's really the role that a municipally owned utility needs to play in our society. PUC companies are investing almost \$22 million into the communities we serve in 2020. We invested \$15.8 million in 2019. We are modernizing infrastructure that in some cases is almost a century old. We are building additional resiliency into our infrastructure, so that our community can have the reliability they deserve for generations to come. We are adding innovative systems that will future proof our electric grid, and we are adding enhanced smart device capabilities throughout our water system. The PUC of tomorrow will look a lot different than the one today.

Q2: THROUGHOUT YOUR JOURNEY WITH PUC, WHAT WAS YOUR PROUDEST MOMENT DURING THE 2019 YEAR?

I am proud of my team every day. I come in with a smile, and I almost always leave with one. They do an unbelievable job of making some of the most complex tasks look easy, and they do it with our customers' interests in mind. If I had to choose a particular moment, I would look to the Ice Storm we had in late December. We had staff cancelling holidays, working 16-hour days in some of the most challenging conditions, and they did it to serve our customers and our city. That was a proud moment for all of us at PUC.

Q3: WHAT STEPS HAS PUC TAKEN TO BE AN INDUSTRY LEADER?

PUC has been leading the electrical distribution market with innovative projects like our Sault Smart Grid, and through innovative customer service with things like our roll-out of Affordability Fund (AFT) and our one-stop-shop initiative. On the water side, we have transformed our water treatment systems with major upgrades to our SCADA control system,



a complete filter media replacement at our water treatment plant, and major upgrades to our well sites and zone 2 booster station. As a result, we have greater insight into the system, can more readily adjust chemical levels, and can continue to deliver the best tasting water in Ontario.

Q4: HOW WERE THE STRATEGIC OUTCOMES OF 2019 ACHIEVED? WHAT WERE THEY?

2019 was a busy year for us. Our goal going into the year was to continue to grow our water services business by adding customers through geographic expansion and to look at additional service offerings. We accomplished that, in part, with the acquisition of Northern Waterworks Inc. (NWI) at the end of May. NWI gave us a significantly larger geographical reach to the point where we are now the second largest service provider in Ontario. On the electric side, one of our major initiatives was to modernize the grid, and our Smart Grid project is doing just that. We will have the first community wide smart grid in North America. Sault Ste. Marie is positioning itself as a leader in North America for innovation and creativity, and we are playing our part. The most important initiative at PUC has been driving engagement and innovation in our teams. We have reset the relationship between management and unionized staff. We have added outcome-based metrics and allowed staff to be creative in solving problems and delivering solutions.

Q5: LOOKING INTO THE FUTURE OF UTILITIES, HOW WILL PUC REMAIN SUSTAINABLE LONG TERM?

Our industries are changing rapidly, and we are changing with it. Gone are the days where we simply acted as a delivery agent for power. Our customers are expecting more of us, and we have put the strategies in place to meet that need. The traditional utility relationship with customers is morphing into a two-way partnership where our customers can, in one moment be our customer, and in the next, our supplier. They will want more services on their side of the meter including solar, battery and electric vehicle hookups, and we are positioned as the trusted partner to deliver them. The future PUC will offer more diverse services in more customer-friendly ways. It is a future we look forward to, and one that, we believe, PUC will thrive in.

mission
vision

We are a
community
leader providing
safe and reliable
utility services.

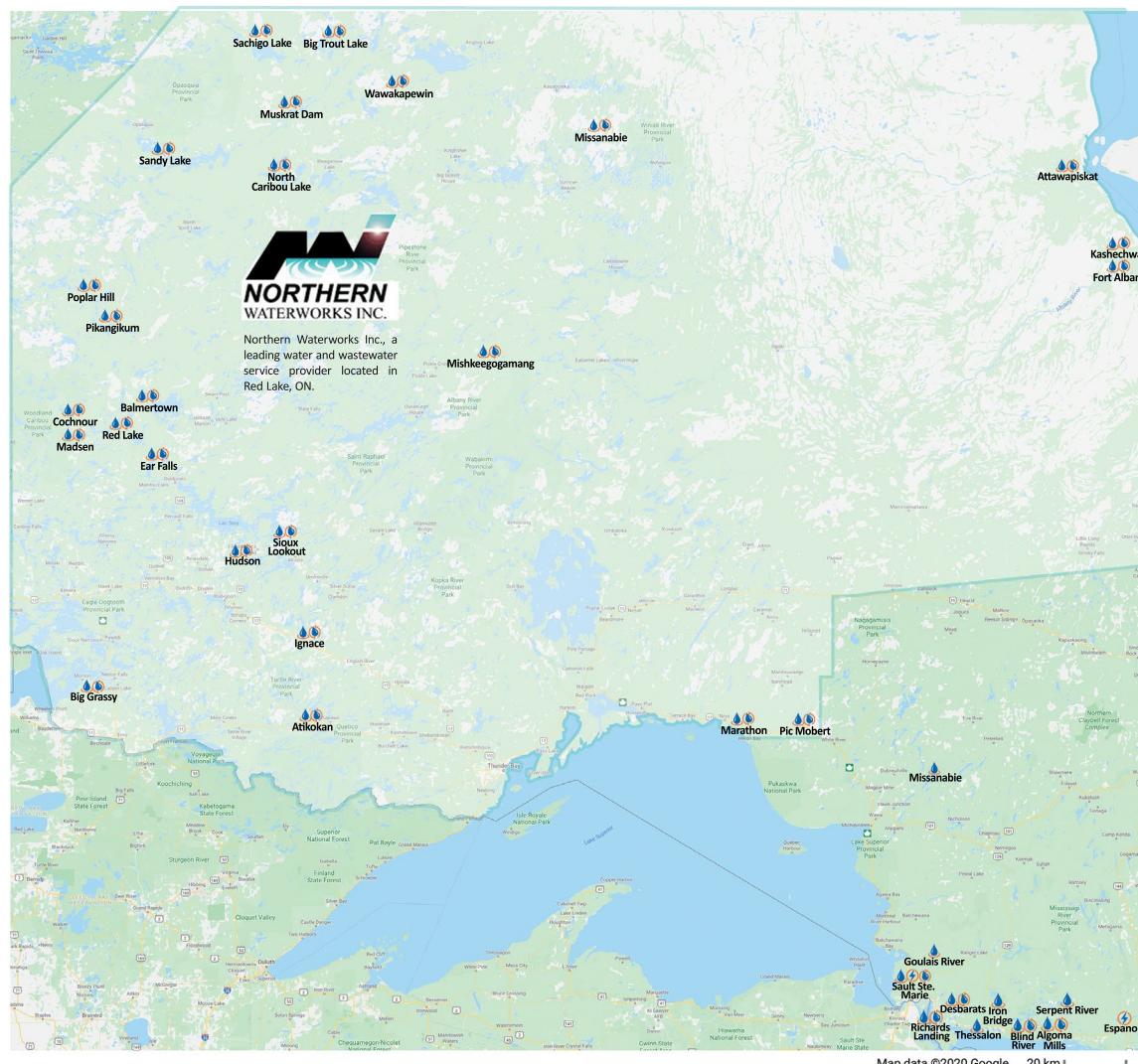
Improving
communities
through curiosity
and innovation.

Safety
Integrity
Customer-Centric
Innovative
Accountable

PUC Service Areas

As we evolve and expand, PUC offers utility related services in Sault Ste. Marie, as well as many towns and communities within Ontario. This map shows the different areas in which PUC offers water, wastewater, and electricity services.

PUC Service Areas (Water, Wastewater and Electricity)



NWI: Since 1997, NWI has operated 35 municipal water and wastewater subsystems at over 60 facilities, providing services to municipal, First Nation and Industrial clients. NWI currently manages 50 per cent of all municipal water and wastewater treatment facilities west of Thunder Bay to the Manitoba border.



Jim P. Boniferro | Chair, PUC Services Inc. and PUC Inc.

PUC SERVICES INC./PUC INC.

Jim P. Boniferro, Chair

"In 2019, PUC's Strategic Plan was brought to life. The Board's vision of the corporation's continued transformation to a customer-centric focus was exciting to see. An annual review of the strategic plan will ensure a dedicated and vibrant commitment to customers and shareholders.

The growth of the organization began in 2019 and set the groundwork for continual improvement. PUC's group of companies are well positioned to face future challenges of affordability while developing partnerships in advanced technology to deliver reliable and sustainable products to our customers.

On behalf of the Board of PUC Inc. and PUC Services Inc., I would like to recognize the hard work and dedication of all employees in working together to achieve success in 2019."

PUC DISTRIBUTION INC.

Jim P. Boniferro, Acting Chair

President and CEO, Boniferro Mill Works

Andy McPhee, Vice-Chair

Retired, Vice President, Great Lakes Power Transmission

Cecilia Bruno

Chief Financial Officer, Sault College

Paul Christian

City Councillor, City of SSM

Christian Provenzano

Mayor, City of SSM

Jim Rennie

Vice President, Human Resources, Irving Shipbuilding

Elaine Pitcher

Lawyer, Pitcher Law

Carla Fabbro

Program Manager, OLG

John Naccarato

Vice President, Strategy, Algoma Steel Inc.

PUBLIC UTILITIES COMMISSION

Mark Howson, Chair

Retired, Senior Maintenance Engineer, Essar Steel Algoma Inc.

Paul Christian

City Councillor, City of SSM

Christian Provenzano

Mayor, City of SSM

Board of Directors

Executive Team

PUC Group of Companies by the Numbers



Rob Brewer, Hon. BSc, MBA
President and CEO



Claudio Stefano, P.Eng, MBA
VP, Operations and Engineering



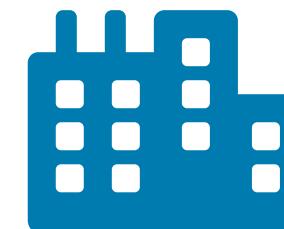
Kelly McLellan, CPA, CMA, M.Acc
VP, Finance and Corporate Support



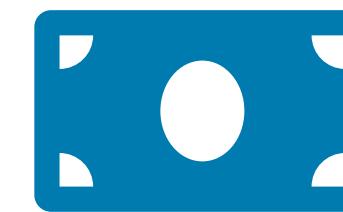
Kevin Bell, P. Eng.
VP, Business Development

100+

YEARS OF SERVICE



SERVES 40 MUNICIPALITIES
AND ALL 127 FIRST NATION
COMMUNITIES IN ONTARIO



TOTAL ANNUAL
REVENUE OF
APPROXIMATELY
\$150 MILLION



IN 2019, **\$15.8 MILLION**
RE-INVESTED IN
COMMUNITIES WE SERVE

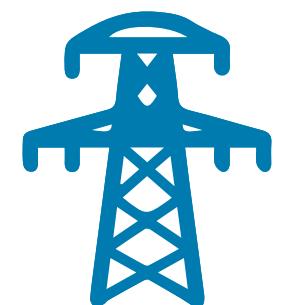


EMPLOYS 220 PEOPLE

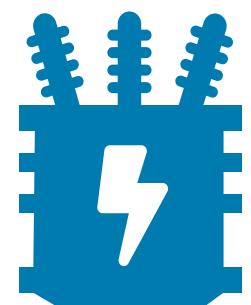
PUC Distribution by the Numbers



33,600 RESIDENTIAL AND BUSINESS CUSTOMERS



2 TRANSMISSION STATIONS



14 DISTRIBUTION STATIONS



740 KM OF LOCAL DISTRIBUTION LINE



12,700 DISTRIBUTION POLES



342 KM² SERVICE TERRITORY

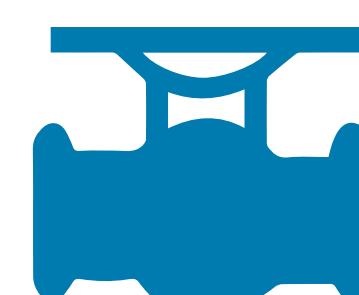
Public Utilities Commission by the Numbers



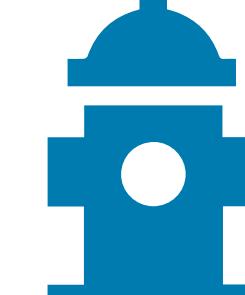
26,250 RESIDENTIAL AND BUSINESS CUSTOMERS



2 SOURCES OF WATER
(GROUND WATER, 6 WELLS - 4 PUMPING STATIONS) (SURFACE WATER, LAKE SUPERIOR, WATER TREATMENT PLANT)



470 KM OF DISTRIBUTION MAINS



2,300 HYDRANTS



10.2 MILLION CUBIC METRES PUMPED PER YEAR

INVESTING IN SUSTAINABLE GROWTH



Leading the Way

PUC ACQUIRES NORTHERN WATERWORKS INC.

In 2019, PUC acquired Northern Waterworks Inc. (NWI), a leading water and wastewater service provider located in Red Lake, ON.

NWI operates 35 municipal water and wastewater subsystems at over 60 facilities, providing these services to municipal, First Nation and Industrial clients for over two decades, since 1997. NWI manages fifty per cent of all municipal water and wastewater treatment facilities west of Thunder Bay to the Manitoba border, and employs over 40 professionals dedicated to setting new industry standards and best practices. They also provide a 24-7 hotline for technical support and emergency response, to every First Nation in Ontario (127 communities) either directly or through the Government of Canada's Department of Indigenous Services Canada (ISC) and the Ontario Ministry of the Environment, Conservation and Parks' (MECP) Spills Action Centre (SAC).

With approximately \$164 million in assets under management, the acquisition of NWI has increased shareholder value and positions PUC's group of companies as the second-largest service provider of water and wastewater operations in Ontario. This purchase helps support PUC's strategic growth objectives and provides sound investment opportunities for shareholders.

The combination of PUC and NWI offers customers additional capacity and value-added services that will further improve the services PUC currently provides.

"NWI's clients, customers and employees will benefit from the long-term sustainability that PUC can provide as well as the company's innovative approaches to protecting public health through its provision of safe drinking water and effective wastewater treatment. – Jason LeBlanc, CAO NWI **"**



17 TREES – MAINTAINING PARTNERSHIPS ACROSS THE PROVINCE

Utility vegetation management continues to be one of PUC's top priorities. Vegetation interference with the distribution system is one of the most common causes for electrical outages.

17 Trees was established in June 2019 to ensure safe, high-quality utility forestry work while maintaining low, competitive rates for customers. A group of Electrical Distribution companies, including PUC Inc., Greater Sudbury Utilities Inc., and North Bay Hydro Services Inc. created the company to service the Algoma, Sudbury and North Bay regions.

17 Trees is committed to maintaining a highly skilled workforce year-round. 17 Trees employees are well-equipped and properly trained to run a safe utility management program in Northern Ontario. The partnership with other utilities in the Province will enable PUC to maintain the system on an ongoing basis and keep workers and the public safe.

Investing in Improvements to the Customer Experience



THE CUSTOMER EXPERIENCE

As a utility services provider, PUC is constantly striving for a higher customer service standard. 2019 was a very busy year, as many improvements were made to enhance the customer experience. Investments were made and time was spent focusing on what customers have said; they want to feel connected, feel valued and want to be dealt with on their terms.

With a priority of ensuring PUC follows an, “easy to do business with” strategy, the PUC team has made interactions with customers more accessible and efficient by proactively:

- Enhancing our communications portfolio including expanding into social media and upgrading our website;
- Developing on-line forms to eliminate the need to come into the office;
- Implementing a one-stop-shop methodology for first point of contact; and
- Promoting an e-billing campaign.

PUC places great emphasis on customer service standards and is always looking to make improvements to our customer’s everyday experience.

Customer service is about the experience customers have with the utility, our products, and services – regardless of the channel for delivering customer service.

The goal is to ensure each customer receives high-quality customer service and an experience that meets or exceeds their expectations on every interaction.



KEY PERFORMANCE INDICATORS				
Performance Year	New Residential/Small Business Services Connected on Time (Target: 90%)	Scheduled Appointments Met on Time (Target: 90%)	Billing Accuracy (Target: 98%)	First Contact Resolution
2019	100.00%	98.88%	99.98%	99.82%
2018	99.12%	98.48%	99.97%	99.80%

CUSTOMER SERVICE

Every two years, PUC conducts a customer satisfaction survey by a credible third party. In every category, the results of the 2019 survey were some of the highest results PUC has seen. The results increased in every category, with an above average result compared to the 2017 results.



INVESTING IN OUR PEOPLE

Investing in our People

At PUC, our most valuable asset is our people. We are always striving to create a culture where leadership, diversity, teamwork, and innovation are valued and celebrated within the company. PUC believes investing in our people means investing in their skills development and future aspirations. In 2019, we offered continuing education and professional development opportunities that employees took advantage of throughout the year to maintain and diversify their abilities and expertise.

Every single PUC employee takes pride in being a community partner who is there for our customers when they need us. As an employer, PUC is proud to support our employees so that they can continue to serve the community.



EMPLOYEE APPRECIATION

In 2019, PUC made a conscious effort to showcase the hard work and talent of all staff members. Opportunities to gather and learn from one another created a greater appreciation of the diversity of roles within the company. From pole climbing to bucket truck rides, staff got together to learn the ins-and-outs of the jobs of their co-workers.

RIDE-ALONGS

Management made an intentional effort to get to know each department within PUC. By implementing what is called, "Ride-Alongs," managers gained a better understanding of the different departments and learned how they operate. This gave management an opportunity to spend time with staff they would not necessarily interact with on a regular basis.

#PUCGOGREEN

PUC is continually making improvements to become a greener utility. In 2019, efforts to 'go green' were brought to life through initiatives like the e-billing campaign for both employees and customers.

When PUC began the transformation to a digital utility, employees fully embraced the change, learning how to do their jobs differently, while making less of an environmental impact. In late 2019, PUC's #PUCGOGREEN team ran a campaign to get 90 per cent of employees registered on e-billing. Going above and beyond, they successfully surpassed this goal, achieving almost 100 per cent registration in a very short period of time.

During the customer e-billing campaign, for every new customer that signed up for e-billing, a five-dollar donation was given to the Student Nutrition Program that supports elementary and secondary schools across the Algoma District. At the end of the two-month campaign, PUC donated 1,420 nutrition meals for the breakfast, lunch, and snack programs. PUC is proud to invest in important community programs like the Student Nutrition Program.



INVESTING IN OUR COMMUNITIES



CAUTION AND CHANCE PROGRAM

PUC's commitment to safety extends to the communities we serve and begins with our youth. For over 25 years, PUC has delivered the Caution and Chance Program to local schools (grades three to five) across the Sault Ste. Marie community. This program is an interactive electrical presentation, taught by knowledgeable members of the PUC team who have worked in the utility industry for many years.

As a partner in school safety, this initiative provides education on electrical safety awareness, thereby increasing knowledge of potential electrical hazards and encouraging a respect for electricity.

PUC is committed to educating youth in our community and fostering a positive understanding of electrical hazards. By cultivating a healthy relationship with electricity at a young age, children will learn to respect and have knowledge of potential dangers with electrical energy.

ELECTRICAL SAFETY AWARENESS TRAINING

As a community partner, the safety of our fellow community members is a top priority.

In 2019, PUC offered electrical safety awareness training for educational purposes to workplaces in the City of Sault Ste. Marie. PUC powerline technicians provided the training to increase knowledge about hazards when working around electricity. The goal was to provide workers with a heightened level of electrical awareness, so that those who may work near electrical circuits or equipment can do so safely and effectively. The training is customized to each workplace and workers are left with the knowledge of how to manage potential work area electrical hazards.



Preparing the Future Workforce

Today's utility workforce is diverse and stretches across a variety of fields and skill sets. As the sector continues to progress, PUC believes in providing opportunities for young people to learn from the knowledge that exists and bring in new ideas and approaches. Having young people in our community succeed and reach their goals is very important to who PUC is as a company – today and into the future.

INTERNSHIP PROGRAM

In 2019, PUC hosted two Northern Ontario Heritage Fund Internships; one in Human Resources and one in Communications. The intent of these internships is to strengthen the competitive advantage of Northern Ontario and to attract and retain new graduates in the North. The program provides recent graduates an opportunity to build their careers and to gain work experience in their field of study.

I was hired as a Human Resource Intern in March of 2019. I have been able to apply the skills and theories that I learned in my classes as well as gained valuable work experience along the way. I am very thankful and lucky to have been given this opportunity to work with such an amazing organization and team.



I started at PUC during my student placement in May of 2019. The experience and contributions I made during that time led me to be a successful applicant in the Communications Coordinator position. I am always learning, collaborating, developing, and growing my skills. For that, I am very grateful.



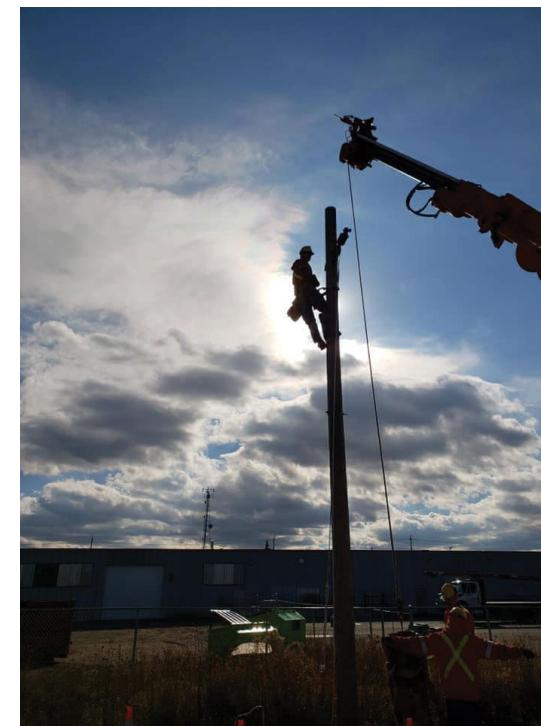
APPRENTICESHIPS & CO-OP WORK TERMS

PUC is a place where powerline technicians (PLT) can learn and develop their skills.

For over 10 years, PUC has proudly supported the Powerline Technician Apprenticeship Program with Cambrian College. PUC powerline technicians are generally hired after completing their post-secondary education having attained a Powerline Technician Diploma, an electrician certification, or a college designation diploma in an electrical field.

PUC has helped in the development of a number of PLT graduates, most recently taking on two first year PLT students for sixteen-week co-op work term placements for the summer of 2019. Also, in 2019 the Line Department hired two apprentice powerline technicians as permanent employees who were graduates of Cambrian and St. Claire College.

Upon hiring, the individual completes a four-year apprenticeship (8000 hours) under a journeyperson. The apprentices are registered with The Ontario College of Trades and for each year of the apprenticeship program, PUC sends the powerline technician to school for comprehensive, Ministry of Colleges and Universities (MTCU) governed, apprenticeship training.

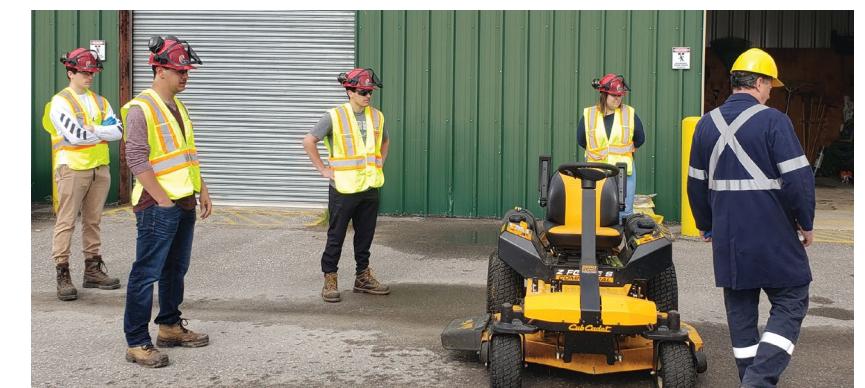


PUC's current apprentice powerline technicians are on their way to becoming certified, recognized, and qualified journeypersons. The Line Department is full of qualified powerline technicians who work hard everyday as a team, safely maintaining the electrical distribution system and keeping the lights on for all customers. PUC is a place where apprentices can grow and learn all aspects of their trade while staying highly focused on worker and public safety.

PUC continues to be highly committed to serving customers and takes great pride in helping prepare the future utility workers of tomorrow.

SUMMER STUDENTS

PUC hired seven students during the summer of 2019. While performing building and property maintenance at various work sites, the students also brought a fresh perspective and positive change to the workplace. PUC mentors the students, instills accountability and provides guidance on how to be successful in future job positions. One of the biggest things PUC offers is how to work safely, plan a job, identify the risks, and mitigate those risks by putting in effective barriers. The PUC summer student program is a great economic investment in the future workforce.



SCHOLARSHIPS

PUC is a proud supporter of the Sault College, Scholarships, Bursaries and Awards Program. For many years, PUC has supported scholarships in both the Office Administration and Electrical Engineering Technology Program. The scholarships recognize students who have demonstrated a willingness to learn and have gone the extra mile to attain their educational goals through academic achievement.

PUC proudly supported the Algoma University Classic Golf Tournament that provided awards to Algoma University students through the Scholarships and Bursaries Program. The funds raised through the tournament are designated to first year students, helping attract new students to Algoma University and awarding them for their academic excellence.

Launched Day In the Life Series

WATER TREATMENT PLANT VIDEO

PUC provides drinking water to many communities across Northern Ontario, each in different capacities. The goal in the creation of A Day in the Life of the Water Treatment Plant was to help provide a better understanding of the lifecycle of water from the intake at Lake Superior to the water running out of the tap in customers homes. This video takes place at the Water Treatment Plant, which provides clean drinking water for over fifty per cent of the population in Sault Ste. Marie. The water we drink goes through a comprehensive cycle from the source, to your glass. In this video, PUC's water treatment plant operator and lead hand take you through the entire lifecycle of drinking water.



WASTEWATER TREATMENT FACILITY VIDEO

The PUC's, A Day in the Life of the Wastewater Treatment Facility, focused on the East End Wastewater Facility, where fifty per cent of the city's wastewater goes after it enters the sewage system. The PUC team at the facility work as plant operators, instrumentation and maintenance electricians and give an overview of the wastewater facility's initial intake, through the plant processing systems and filtration back out into St. Mary's River.



Be sure to check out these videos on our Facebook page or on our YouTube Channel!

Facebook: @SSMPUC, YouTube: PUC Services Inc.

SAVE ON ENERGY

Investments in energy efficiency can help make businesses more competitive and homes more livable.

Through the Save on Energy Program in 2019, PUC assisted businesses within the community to achieve a total combined savings of 1.1 million kWh. To put this in perspective, the average PUC household uses 950 kWh a month, meaning the total kWh savings from the Save on Energy Program is equal to the annual electricity consumption of approximately 96 homes. This combined effort results in a total savings of \$132,000 in electrical costs for customers and \$190,000 in incentives back to local businesses and the community.

BATCHEWANA FIRST NATION

In 2019, PUC helped Batchewana First Nation brighten up the Rankin Arena and reduced their electricity costs by fifty per cent through the Save on Energy Program. PUC worked towards reducing their energy usage by taking advantage of the resources provided to improve the lighting in the arena. The Rankin Arena received an incentive of \$7,906 that they can use towards other small projects in the arena.

The project was well worth the compliments received from the public that use the Rankin Arena with a program that had an easy-to-follow process.
— Edmund Dubois, Capital Projects Coordinator

Conservation Programs

NAPA AUTO PARTS

NAPA was looking for a new way to light up their business and create long-term savings. This Espanola business partnered with PUC and took advantage of the Save on Energy Program. They received a \$2,712 incentive cheque towards energy efficient upgrades.

People have noticed the change, and using energy more efficiently is just the right thing to be doing.
— Paul Deschenes, owner of NAPA Auto Parts



AFFORDABILITY FUND PROGRAM

Since January 2018, the AffordAbility Fund Program (AFT) has helped utility customers in Ontario ease their spending on electricity. In 2019, PUC, AFT and local contractors worked together to help improve energy efficiencies within the home with free energy-saving upgrades that lower home energy use and electricity bills.

PUC saw a tremendous uptake of eligible customers in 2019 that resulted in more than 5,000 verified AFT participants. With Sault Ste. Marie having 0.51 per cent of the provincial population, PUC accounted for 11 per cent of total financial allocations under the program. This equates to \$2.4 million savings for customers on an annual basis. In addition, this partnership has been able to allocate over \$5 million to local businesses that are supporting program delivery until 2021.

"Local participation in the AffordAbility Fund is a reflection of how we have embraced change, how we have created a culture that focuses on innovation and how we have sought to put our customers first," Rob Brewer, President and CEO.

With a multi-faceted approach to the program, the real success is reflected in the success stories collected through customer interviews and posted to PUC's social media platforms.



In 2019, PUC also attended many community events that gave employees an opportunity to engage with customers face-to-face and explain the program. Every customer's situation and eligibility considerations are different so PUC helped each customer begin the process and find out how it could save them electricity costs.

ELECTRIC VEHICLES – INVESTING IN GREEN ENERGY

As a company, PUC values innovation and adopting to new technologies that will lead to more efficiencies in the community. In 2019, PUC joined the electric vehicle revolution and purchased two electric Volkswagen Golf vehicles.

Environmentally, there are many advantages to using an electric vehicle (EV), including the elimination of gasoline, lower emissions, lower maintenance and associated cost savings. An electric vehicle reduces the amount of global warming emissions by 50 percent compared to a similar sized, gas-powered car. PUC embraces change and strives to make sure we support a greener economy.



RESPONDING TO COMMUNITY NEEDS

ELECTRICAL SERVICE

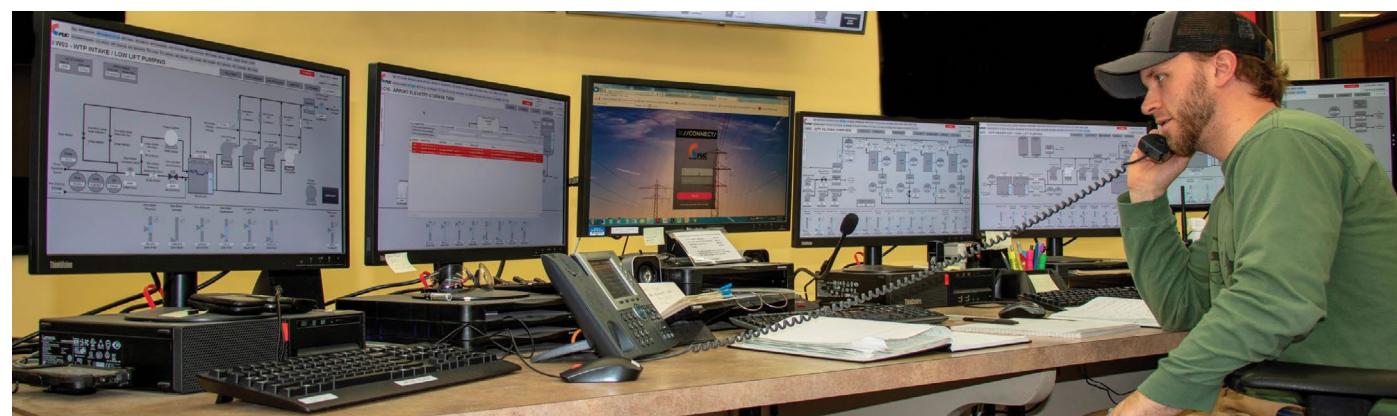
LINE DEPARTMENT AND STATIONS & METERING TEAMS

Northern Ontario winters can be extreme and come with many snowstorms and fallen trees that can cause power outages across the community. This past December was no different, with an outage that affected thousands of PUC customers over the holidays. Departments across the company worked together to manage customers requests, and the demand that came with this major ice storm. The Line Department, Stations and Metering Department, Customer Experience Team and Communications worked tirelessly to maintain updates and restore power to all customers over the four-day period. PUC utilized the corporate emergency preparedness plan to ensure all precautionary methods were followed to handle this emergency situation.

These responses are never handled alone. With multiple partners across the community, PUC worked with the municipality and other organizations to manage the storm and the needs of customers, especially those most vulnerable. Partners include:

- Canadian Red Cross,
- The City of Sault Ste. Marie, (including their Emergency Management Team), and
- Vulnerable Persons Registry (VPR)

Each partner plays a unique role in assisting PUC and our customers through emergency situations and it could not be done without them.



WATER SERVICE

WATER DISTRIBUTION TEAM

The Water Distribution team consists of employees of numerous trades, including pipefitters, work planners, labourers, truck drivers and machine operators, who all work together to improve operational conditions and systems. They respond to emergency main breaks year-round, and ensure the effective management, operation and performance of the water supply and 470 km of distribution mains.



In addition to major contributions to the Sault Area Hospital Foundation and the United Way of Sault Ste. Marie and Algoma District, other community events and contributions include the Student Community Fair, ARCH Golf Tournament, CIBC Run for the Cure, Moonlight Magic, Festival of Trees, and the Christmas Parade.

STUDENT COMMUNITY FAIR

Sault Ste. Marie hosted the first Provincial Student Community Career Fair, highlighting skilled trades, science and tech opportunities in the community. PUC saw the opportunity to educate the youth of today for the jobs of tomorrow and attended the job fair to connect young professionals to PUC and introduce them to highly skilled and specialized opportunities within the organization.



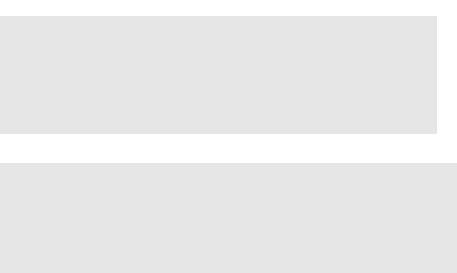
ARCH GOLF TOURNAMENT – PUC'S EMPLOYEE ASSOCIATION

PUC hosted the Fifth Annual Charity Golf Tournament in support of the Algoma Residential Community Hospice (ARCH); an organization that provides quality, compassionate care to families in the Algoma District. The PUC Employee Association was built on the belief that positive work relationships build a more sustainable workplace. Through this organization, PUC is able to proudly support community organizations that are important to all PUC employees.



FESTIVAL OF TREES

The festival of trees is a signature charity fundraiser for the Lung Association of Algoma. PUC's Safety Awareness Team decorated a tree, offered safety prizes and a \$500 bill credit to your PUC bill. PUC was a proud supporter of the twenty-first annual event.



#PUCCARES

CIBC RUN FOR THE CURE

The CIBC Run for the Cure is a five kilometre walk in support of the breast cancer cause through the Canadian Cancer Society. It is the largest single-day, volunteer-led event in Canada. As a community partner, PUC registered a team and raised funds for the cause. On social media platforms, PUC also participated in their social media challenge, #BoobieTrapped, and hosted a company-wide fundraiser. The funds raised were donated directly to innovative research, education, and awareness to make a difference to those affected by breast cancer.



MOONLIGHT MAGIC

As a supporter of local hallmark events, PUC sponsored Moonlight Magic, hosted by the Downtown Association. Every year, it kicks off the festival season and family and friends enjoy late night shopping, ice bar stations and of course, the free s'mores and hand warming stations sponsored by PUC.



CHRISTMAS PARADE

The annual Rotary Santa Clause Parade is a celebration that gathers the community and excites thousands of children and families for the holiday season. PUC employees and their families come together and spent a day decorating PUC trucks and vehicles to ride later in the evening in the parade.



Health & Safety Culture

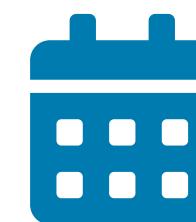
The health and safety of PUC employees is the foundation of everything we do. In 2019, we:

- Renewed monthly departmental Health and Safety meetings;
- Had an active Joint Health and Safety Committee
- Continued with Safety and Environment monthly reports, and monthly "Let's Talk Safety" Message,
- Improved the tracking system for key KPI's (site visits, reporting injuries, public safety, automated vehicle locator (AVL) system),
- Established a Safety Awareness Team



THE SAFETY AWARENESS TEAM (SAT)

The Safety Awareness Team (SAT) started out with four individuals and has since grown into a large committee of employees dedicated to educating staff on how to maintain safety in the workplace in fun and engaging ways. Through teamwork and dedication, the team has been able to run multiple campaigns including the "Safety Message" and "Safety Share" campaign, and sponsor community events like the Annual Festival of Trees.



296 DAYS
without a lost time incident

Regulatory Compliance

For one of the events, the SAT planned a Driver's Safety Day and Personal Protective Equipment (PPE) Fashion Show with special guests from Howson Driving School, Algoma Public Health (APH), and the Canadian Mental Health Association (CMHA).

PUC showcased employees from all departments in the PPE fashion show to show off new and old protective gear.

CHAMBER OF COMMERCE AWARD

PUC was recognized by the Sault Ste. Marie Chamber of Commerce with the Safe Work, Sound Business Award. This award recognizes a business that uses a safe work management system, participates in workplace and/or community injury prevention programs, and has an outstanding injury-free frequency and injury severity performance. Safety is something PUC takes very seriously to make sure all of our workers go home to their families everyday.



Here is one of PUC's Powerline Technicians in the PPE Fashion Show, sporting a mullet and green shaded safety glasses. Their outer layer is made of natural cotton fibre that resists the spread of flames in the event of an arc flash. Arc rated clothing was legislated in the 2009 issue of the Electrical Utility Safety Rules. They are wearing authentic pole climbing gear of the day. Fall protection did not exist in the Occupational Health and Safety Act until 1993, so the pole strap was worn to position himself after free climbing a pole but provided no protection if he were to fall. Apprentices were taught to evaluate the best place to land before they ascended. Things have certainly come a long way when it comes to safety!

MUNICIPAL DRINKING WATER SYSTEM

PUC Services Inc. operates and manages the Sault Ste. Marie Drinking Water System for the Public Utilities Commission of the City of Sault Ste. Marie.

Municipal Drinking Water Systems in Ontario are subject to multiple regulations established in accordance with the Safe Drinking Water Act. Operating Authorities must operate municipal drinking water systems in line with a Municipal Drinking Water Works Permit and a Municipal Drinking Water Licence.

Licences are subject to periodic renewal, a condition of which is the implementation of a Drinking Water Quality Management System. Eligibility for licence renewal is subject to a satisfactory audit of the quality management system by an external auditor appointed by the province.

Led by PUC's Water Treatment Operations Department, PUC received a full scope accreditation license renewal following a comprehensive external audit.

PUC's operation of the drinking water system is also subject to regulatory compliance inspections undertaken by the Province of Ontario. The scope of inspection included PUC's Water Treatment Operations, Water Distribution Operations and PUC's Engineering Department. The bulk of the inspection focused on Water Treatment Operations, providing leadership and coordination during the inspection, and achieving a 100 per cent compliance score in 2019.

PUC's Water Treatment Operations Department is also the accredited operating authority for municipal drinking water systems in Serpent River, Pronto, Desbarats, Blind River and Richards Landing. The PUC team completed regulatory inspections and third-party re-accreditation audits for these systems in 2019. These successes demonstrate the accountability and commitment to delivering quality service as PUC's family and friends live in the communities and they deserve nothing less.



ELECTRICAL DISTRIBUTION SYSTEM

PUC Distribution Inc. is a provincially regulated Local Distribution Company (LDC) and must comply with the requirements issued by the Ontario Energy Board (OEB) with respect to provision of services. As a participant in the Ontario electricity market, PUC Distribution Inc. must comply with many rules, regulations and regulatory bodies including, but not limited to the Independent Electricity System Operator (IESO) and the Electrical Safety Authority (ESA) Regulation 22/04 (Electrical Distribution Safety) established in accordance to the Electricity Act.

ESA's Ontario Regulation 22/04 sets out objective-based electrical safety requirements for the LDC, covering many aspects of the business. The Regulation requires approval of equipment, plans, specifications, and inspections in an effort to ensure safety is paramount. PUC Distribution Inc. is required to complete an audit from an independent auditor on an annual basis to prove compliance. In each of the past six years, PUC Distribution was found to be compliant with Ontario Regulation 22/04. This success is evidence of the strong commitment from many departments to customer service, safety and adherence to regulatory requirements, company policies and procedures that form the basis of PUC Service's culture in the Operations and Engineering Division.

STREETLIGHT SYSTEM

PUC Services Inc. owns and operates an innovative LED streetlight system within the City of Sault Ste. Marie and operates additional systems in surrounding areas.

Municipal streetlight systems are subject to multiple regulations and standards in an effort to provide a safe, reliable lighting system. Coordinated, ongoing efforts between Line Operations and Engineering are completed to operate, maintain, and replace infrastructure ensuring a system that is regulatory compliant, safe and meets the lighting requirements outlined in industry standards.



FINANCIAL RESULTS

PUC INC.

Non-Consolidated Statement of Financial Position

As at December 31, 2019, with comparative information for 2018

	2019	2018
Assets		
Current assets:		
Accounts receivable	\$ 1,152,395	\$ 1,975
Receivable from PUC Services Inc.	2,180,876	6,330,987
Payment in lieu of taxes recoverable	22,258	4,288
Total current assets	3,355,529	6,337,250
Non-current assets:		
Notes receivable from related company	8,310,000	8,310,000
Investments in subsidiaries and associates	50,801,477	46,601,477
Total non-current assets	59,111,477	54,911,477
Total Assets	\$ 62,467,006	\$ 61,248,727
Liabilities and Shareholder's Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 810,526	\$ 25
Long-term debt	31,720,000	31,720,000
Total liabilities	32,530,526	31,720,025
Shareholder's equity:		
Share capital:		
Authorized:		
Unlimited Special shares, non-voting, non-cumulative, redeemable at \$10,000 per share		
100,000 Common shares		
Issued and outstanding:		
1,462 Special shares	14,620,000	14,620,000
21,632 Common shares	14,618,248	14,618,248
Retained earnings	698,232	290,454
Total Liabilities and Shareholder's Equity	\$ 62,467,006	\$ 61,248,727

NOTE: Management has extracted this financial information from the audited financial statements.

PUC INC.

Non-Consolidated Statement Comprehensive Income

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Revenue:		
Interest	\$ 2,244,299	\$ 2,281,626
Dividend income	1,245,126	-
	3,489,425	2,281,626
Expenses:		
Interest on long-term debt	1,934,920	1,934,920
Administrative	80,654	105,236
Business development	264,047	192,217
	2,279,621	2,232,373
Income before payment in lieu of taxes	1,209,804	49,253
Payment in lieu of taxes		
Current	(8,054)	14,145
Net income, being total comprehensive income for the year	\$ 1,217,858	35,108

NOTE: Management has extracted this financial information from the audited financial statements.



PUC SERVICES INC.

Statement of Financial Position

As at December 31, 2019, with comparative information for 2018

	2019	2018
Assets		
Current assets:		
Cash	\$ 3,166,749	\$ 10,906,171
Accounts receivable	7,594,050	2,456,275
Due from related party	9,305,879	3,281,448
Inventories	397,326	360,359
Prepaid expenses	69,990	704,460
Total current assets	20,533,994	17,708,713
Non-current assets:		
Deferred taxes	430,000	630,000
Property, plant and equipment	17,194,358	17,052,065
Intangible assets	447,070	172,200
Total non-current assets	18,071,428	17,854,265
Total assets	\$ 38,605,422	\$ 35,562,978
Liabilities and Shareholder's Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 4,586,074	\$ 3,470,627
Dividends payable	200,000	-
Payment in lieu of taxes	235,871	61,210
Due to related parties	8,429,941	8,086,432
Current portion of long-term debt	85,656	85,656
Total current liabilities	13,537,542	11,703,925
Non-current liabilities:		
Long-term debt	9,143,530	9,229,186
Deferred revenue	10,766,518	10,887,407
Employee future benefit obligations	2,095,366	1,796,238
Total non-current liabilities	22,005,414	21,912,831
Total liabilities	35,542,956	33,616,756
Shareholder's equity:		
Share capital	1,943,300	1,943,300
Accumulated other comprehensive income	251,025	403,227
Surplus (deficit)	868,141	(400,305)
Total shareholder's equity	3,062,466	1,946,222
Total liabilities and shareholder's equity	\$ 38,605,422	\$ 35,562,978

NOTE: Management has extracted this financial information from the audited financial statements.

PUC SERVICES INC.

Statement of Income and Comprehensive Income

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Revenue:		
Management fees	\$ 10,032,484	\$ 10,045,376
Contract services	10,229,457	5,492,457
Other operating revenue	1,740,801	1,548,559
	22,002,742	17,086,392
Expenses:		
Contract service	8,021,317	4,497,868
Administrative	4,585,062	3,740,542
Facilities	2,211,990	2,906,702
Depreciation and amortization	1,902,332	1,866,576
Billing and collection	1,087,607	1,175,980
Customer service	1,018,113	859,677
Street lights	304,806	320,373
New business development	264,047	192,217
Other business and maintenance	122,339	125,410
	19,517,613	15,685,345
Income from operating activities	2,485,129	1,401,047
Net finance costs	454,183	477,591
Income before provision for payment in lieu of taxes	2,030,946	923,456
Payment in lieu of taxes:		
Current	307,625	70,300
Deferred (recovery)	254,875	(9,546)
	562,500	60,754
Income for the year	1,468,446	862,702
Other comprehensive income (loss): items that will not be classified to profit or loss, net of income tax:		
Remeasurement of employee future benefits	(207,077)	556,778
Income tax (recovery) on other comprehensive income	54,875	(147,546)
Other comprehensive income (loss) for the year, net of income tax	(152,202)	409,232
Net income and comprehensive income for the year	\$ 1,316,244	\$ 1,271,934

NOTE: Management has extracted this financial information from the audited financial statements.

PUBLIC UTILITIES COMMISSION OF THE CITY OF SAULT STE. MARIE

Statement of Financial Position

December 31, 2019, with comparative information for 2018

	2019	2018
Financial assets:		
Cash	\$ 1,357,018	\$ 2,288,938
Accounts receivable	3,315,924	2,532,046
Unbilled service revenue	1,003,613	707,707
<u>Receivable from related company, PUC Services Inc.</u>	<u>6,249,064</u>	<u>1,755,445</u>
	11,925,619	7,284,136
Financial liabilities:		
Accounts payable and accrued liabilities	6,066,139	2,895,959
<u>Loan payable</u>	<u>5,158,807</u>	<u>5,917,394</u>
	11,224,946	8,813,353
Total net financial assets (debt)	700,673	(1,529,217)
Non-financial assets:		
Tangible capital assets	92,251,588	89,145,831
Inventory	315,286	315,146
	92,566,874	89,460,977
Accumulated surplus	\$ 93,267,547	\$ 87,931,760

PUBLIC UTILITIES COMMISSION OF THE CITY OF SAULT STE. MARIE

Statement of Operations and Accumulated Surplus

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Revenues:		
Service revenue:		
Residential	\$ 11,536,861	\$ 11,123,565
General	7,746,890	7,688,890
Hydrants	1,434,937	1,325,372
	20,718,688	20,137,827
Other:		
Investment income	102,122	45,682
Non-service revenue	408,923	416,004
Developers contributions	337,059	146,070
	848,104	607,756
Total revenues	21,566,792	20,745,583
Expenditures:		
Purification and pumping	3,839,429	3,886,696
Transmission and distribution	4,183,343	4,212,547
Amortization of tangible capital assets	2,532,089	2,492,717
Hydrants	637,577	488,164
Billing and collection	1,230,376	1,219,605
Interest on long-term debt	173,333	196,532
General and administration	3,634,858	3,592,524
Total expenditures	16,231,005	16,088,785
Operating surplus	5,335,787	4,656,798
Accumulated operating surplus, beginning of year	87,931,760	83,274,962
Accumulated operating surplus, end of year	\$ 93,267,547	\$ 87,931,760

PUC DISTRIBUTION INC.

Statement of Financial Position

December 31, 2019, with comparative information for 2018

	2019	2018
Assets		
Current assets:		
Cash and cash equivalents	\$ 585,387	\$ 614,613
Accounts receivable	5,433,776	5,421,130
Unbilled revenue	12,098,244	8,557,604
Inventory	1,729,484	1,610,428
Prepaid expenses	65,217	445,680
Total current assets	19,912,108	16,649,455
Non-current assets:		
Property, plant and equipment	100,099,858	97,231,587
Total assets	120,011,966	113,881,042
Regulatory balances	3,713,593	655,380
Total assets and regulatory balances	\$ 123,725,559	\$ 114,536,422

NOTE: Management has extracted this financial information from the audited financial statements.



PUC DISTRIBUTION INC.

Statement of Financial Position (continued)

December 31, 2019, with comparative information for 2018

	2019	2018
Liabilities and Shareholder's Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 10,127,802	\$ 8,110,734
Customer deposits	1,067,552	1,099,333
Payment in lieu of taxes	45,036	-
Dividends payable	900,000	-
Due to related parties	9,041,731	3,281,448
Current portion of long-term debt	1,366,680	1,312,680
Total current liabilities	22,548,801	13,804,195
Non-current liabilities:		
Deferred revenue	4,294,948	3,284,967
Deferred tax liability	710,000	72,000
Long-term debt	60,006,988	61,373,667
Total non-current liabilities	65,011,936	64,730,634
Total liabilities	87,560,737	78,534,829
Shareholder's equity:		
Share capital	20,062,107	20,062,107
Retained earnings	14,663,658	12,523,445
Total shareholder's equity	34,725,765	32,585,552
Total liabilities and shareholder's equity	122,286,502	111,120,381
Regulatory balances	1,439,057	3,416,041
Total liabilities, regulatory balances and shareholder's equity	\$ 123,725,559	\$ 114,536,422

NOTE: Management has extracted this financial information from the audited financial statements.

PUC DISTRIBUTION INC.

Statement of Income and Comprehensive Income

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Revenue:		
Electricity sales	\$ 74,373,612	\$ 67,033,504
Distribution revenue	19,071,168	16,960,991
Cost of electricity sold	(76,035,021)	(67,990,141)
	17,409,759	16,004,354
Other operating revenue	6,747,157	3,917,583
Net operating revenue	24,156,916	19,921,937
Expenses:		
Operations and maintenance	6,302,246	6,009,813
General and administrative	3,172,654	3,615,160
Billing and collection	1,354,435	1,381,283
Depreciation and amortization	4,010,672	3,864,131
Community relations	4,680,636	1,334,845
	19,520,643	16,205,232
Income from operating activities	4,636,273	3,716,705
Net finance costs	3,130,511	3,133,507
Income before tax and regulatory items	1,505,762	583,198
Income tax expense (recovery):		
Current	126,958	8
Deferred	638,000	217,000
	764,958	217,008
Income for the year before movements in regulatory deferral account balances	740,804	366,190
Net movement in regulatory deferral account balances related to income or loss	(1,661,409)	(956,636)
Income tax	(638,000)	(217,000)
	(2,299,409)	(1,173,636)
Net income, being total comprehensive income for the year	\$ 3,040,213	\$ 1,539,826

NOTE: Management has extracted this financial information from the audited financial statements.

CONTACT US

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Non-Consolidated Financial Statements of

PUC INC.

And Independent Auditors' Report thereon

Year ended December 31, 2019



KPMG LLP
111 Elgin Street, Suite 200
Sault Ste. Marie ON P6A 6L6
Canada
Telephone (705) 949-5811
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INDEPENDENT AUDITORS' REPORT

To the Shareholder of PUC Inc.

Opinion

We have audited the accompanying non-consolidated financial statements of PUC Inc. (the Company), which comprise:

- the non-consolidated statement of financial position as at December 31, 2019
- the non-consolidated statement of comprehensive income for the year then ended
- the non-consolidated statement of changes in shareholders' equity for the year then ended
- the non-consolidated statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements")

In our opinion, the accompanying financial statements present fairly, in all material respects, the non-consolidated financial position of PUC Inc. as at December 31, 2019, and its non-consolidated financial performance, and its non-consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other responsibilities in accordance with these requirements.

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

Emphasis of Matter – Basis of Preparation

We draw attention to Note 2 to the financial statements which describes the basis of preparation used in these financial statements.

The financial statements are prepared for income tax and shareholder purposes.

Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Non-Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility for the Audit of the Non-Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



A handwritten signature in black ink that reads "KPMG LLP". A thin horizontal line is drawn underneath the signature, and a slightly thicker horizontal line is drawn below that.

Chartered Professional Accountants, Licensed Public Accountants

Sault Ste. Marie, Ontario

May 13, 2020

PUC INC.

Non-Consolidated Statement of Financial Position

As at December 31, 2019, with comparative information for 2018

	2019	2018
Assets		
Current assets:		
Accounts receivable	\$ 1,152,395	\$ 1,975
Receivable from PUC Services Inc. (note 9)	2,180,876	6,330,987
Payment in lieu of taxes recoverable	22,258	4,288
Total current assets	<u>3,355,529</u>	<u>6,337,250</u>
Non-current assets:		
Notes receivable from related company (note 4)	8,310,000	8,310,000
Investments in subsidiaries and associates (note 5)	<u>50,801,477</u>	<u>46,601,477</u>
Total non-current assets	<u>59,111,477</u>	<u>54,911,477</u>
Total Assets	<u><u>\$ 62,467,006</u></u>	<u><u>\$ 61,248,727</u></u>
Liabilities and Shareholder's Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 810,526	\$ 25
Long-term debt (note 6)	31,720,000	31,720,000
Total liabilities	<u>32,530,526</u>	<u>31,720,025</u>
Shareholder's equity:		
Share capital:		
Authorized:		
Unlimited Special shares, non-voting, non-cumulative, redeemable at \$10,000 per share		
100,000 Common shares		
Issued and outstanding:		
1,462 Special shares	14,620,000	14,620,000
21,632 Common shares	14,618,248	14,618,248
Retained earnings	<u>698,232</u>	<u>290,454</u>
	<u>29,936,480</u>	<u>29,528,702</u>
Commitment (note 7)		
Total Liabilities and Shareholder's Equity	<u><u>\$ 62,467,006</u></u>	<u><u>\$ 61,248,727</u></u>

See accompanying notes to non-consolidated financial statements.

On behalf of the Board:

 Director

 Director

PUC INC.

Non-Consolidated Statement Comprehensive Income

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Revenue:		
Interest	\$ 2,244,299	\$ 2,281,626
<u>Dividend income</u>	<u>1,245,126</u>	-
	3,489,425	2,281,626
Expenses:		
Interest on long-term debt	1,934,920	1,934,920
Administrative	80,654	105,236
<u>Business development</u>	<u>264,047</u>	192,217
	2,279,621	2,232,373
Income before payment in lieu of taxes	1,209,804	49,253
Payment in lieu of taxes (note 8)		
Current	(8,054)	14,145
Net income, being total comprehensive income for the year	\$ 1,217,858	35,108

See accompanying notes to non-consolidated financial statements.

PUC INC.

Non-Consolidated Statement of Changes in Shareholders' Equity

Year ended December 31, 2019, with comparative information for 2018

	Share Capital	Retained Earnings	Total
Balance, January 1, 2018	\$ 29,238,248	1,475,506	\$ 30,713,754
Net income, being total comprehensive income	-	35,108	35,108
Dividends on common shares		(1,220,160)	(1,220,160)
Balance, December 31, 2018	29,238,248	290,454	29,528,702
Net income, being total comprehensive income	-	1,217,858	1,217,858
Dividends on common shares	-	(810,080)	(810,080)
Balance, December 31, 2019	\$ 29,238,248	698,232	\$ 29,936,480

See accompanying notes to non-consolidated financial statements.

PUC INC.

Non-Consolidated Statement of Cash Flows

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Cash flows from operating activities:		
Net income, being total comprehensive income	\$ 1,217,858	\$ 35,108
Changes in non-cash operating working capital items:		
Accounts receivable	(1,150,420)	(64)
Payment in lieu of taxes recoverable	(17,970)	20,042
Account payable and accrued liabilities	810,501	25
	<u>859,969</u>	<u>55,111</u>
Cash flows from financing activities:		
Dividends on common shares	(810,080)	(1,220,160)
Cash flows from investing activities:		
Receivable from subsidiary, PUC Services Inc.	4,150,111	1,165,049
Investment in subsidiary, Northern Waterworks Inc.	(3,000,000)	-
Issuance of note receivable	(3,000,000)	-
Repayment of note receivable	2,000,000	-
Investment in associate, 17 Trees Inc.	(200,000)	-
	<u>(49,889)</u>	<u>1,165,049</u>
Cash, beginning and end of year	\$ -	\$ -
Supplemental cash flow information:		
Cash paid during the year for interest	\$ 1,934,920	\$ 1,934,920
Cash received during the year for interest	2,244,299	2,281,626

See accompanying notes to non-consolidated financial statements.

PUC INC.

Notes to Non-Consolidated Financial Statements

Year ended December 31, 2019

1. Reporting entity:

PUC Inc. (the "Company"), is incorporated under the Ontario Business Corporations Act and a successor of the former City of Sault Ste. Marie Public Utilities Commission Electric Utility. The Company's head office is located at 500 Second Line East Sault Ste. Marie, Ontario.

The non-consolidated financial statements are for the Corporation as at and for the year ended December 31, 2019 and reflect the following significant accounting policies:

2. Basis of preparation:

(a) Statement of compliance:

The non-consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs).

These non-consolidated financial statements have been authorized for issue by the Board of Directors on May 13, 2020

(b) Basis of measurement:

The non-consolidated financial statements have been prepared on the historical cost basis, except for the following:

- Derivative instruments, if any, are measured at fair value.

(c) Functional and presentation currency:

These non-consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company.

(d) Use of estimates and judgments:

The preparation of the non-consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next fiscal year are included in note 13.

PUC INC.

Notes to Non-Consolidated Financial Statements

Year ended December 31, 2019

3. Significant accounting policies:

The accounting policies set out below have been applied consistently to all periods presented in these non-consolidated financial statements.

(a) Payment in lieu of taxes:

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

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

(b) Interest income and expense:

Interest income and expense are recognized in the non-consolidated statement of comprehensive income using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability to its fair value at inception. The effective interest rate is established on initial recognition of the financial asset or liability and is not revised subsequently.

The calculation of the effective interest rate includes all fees paid or received and transaction costs and discounts or premiums that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or liability.

(c) Investments in subsidiaries and associates:

The investments in subsidiaries and associates, which are non-marketable equity investments and not traded on an active market, are measured at amortized cost and recorded at cost.

(d) Dividends:

Dividends are recognized as revenue when the Company has a right to receive the dividend.

PUC INC.

Notes to Non-Consolidated Financial Statements

Year ended December 31, 2019

3. Significant accounting policies (continued):

(e) Financial instruments:

i) Financial assets and liabilities:

All financial assets and liabilities under IAS 39 were classified as loans and receivables and all financial liabilities were classified as other liabilities. These financial instruments were recognized initially at fair value plus any directly attributable transaction costs. Subsequently, they are measured at amortized cost using the effective interest method less any impairment for the financial assets. Upon transition to IFRS 9 all financial assets and liabilities are classified as amortized cost. The Company does not enter into derivative instruments.

ii) Share capital:

Common shares:

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

Special shares:

Special shares are classified as equity. Incremental costs directly attributable to the issue of special shares are recognized as a deduction from equity, net of any tax effects.

4. Notes receivable from related company:

	2019	2018
Note receivable from PUC Services Inc., unsecured, bears interest at 7.62% per annum and is receivable one year after demand	\$ 6,990,000	\$ 6,990,000
Note receivable from PUC Services Inc., unsecured and without interest and is receivable one year after demand	1,320,000	1,320,000
	<hr/> <u>\$ 8,310,000</u>	<hr/> <u>\$ 8,310,000</u>

PUC INC.

Notes to Non-Consolidated Financial Statements

Year ended December 31, 2019

5. Investment in subsidiaries and associates:

The Company holds 8,612 common shares of PUC Distribution Inc., an incorporated entity in Ontario, representing 100% equity interest. The investment is carried at cost. The note receivable from PUC Distribution Inc. bears interest at 6.1%, is unsecured and is repayable one year after demand. In 2019, the Company received interest income on this note receivable in the amount of \$1,618,575 (2018 - \$1,618,575). During the year the Company received dividends in the amount of \$900,000 (2018 - \$NIL).

The Company holds 1 Class A share and 33,058 Class B shares of Customer First Inc, an incorporated entity in Ontario, representing 21% equity interest. The investment is carried at cost. During the year the Company received dividends in the amount of \$345,126 (2018 - \$NIL).

On May 31, 2019, the Company purchased 100 common shares of Northern Waterworks Inc, an incorporated entity in Ontario, representing 100% equity interest. The investment is carried at cost. The note receivable from Northern Waterworks Inc. bears interest at 6.1%, is unsecured and is repayable one year after demand. In 2019, the Company received interest income on this note receivable from Northern Waterworks Inc. in the amount of \$20,333 (2018 - \$NIL). PUC Inc. has waived the right to demand repayment of any portion of the note during the next fiscal year.

On May 31, 2019, the Company purchased 100 common shares of 17 Trees Inc, an incorporated entity in Ontario, representing 50% equity interest. The investment is carried at cost.

PUC INC.

Notes to Non-Consolidated Financial Statements

Year ended December 31, 2019

5. Investment in subsidiaries and associates (continued):

2019	PUC Distribution Inc.	Northern Waterworks Inc.	17 Trees Inc.	Customer First Inc.	Total
Investments, at cost, January 1, 2019	\$ 20,062,106	\$ -	\$ -	\$ 5,331	\$ 20,067,437
Investment during the year	-	3,000,000	200,000	-	3,200,000
Total investment at cost	20,062,106	3,000,000	200,000	5,331	23,267,437
Notes receivable	26,534,040	1,000,000	-	-	27,534,040
Balances at December 31, 2019	\$ 46,596,146	\$ 4,000,000	\$ 200,000	\$ 5,331	\$ 50,801,477

2018	PUC Distribution Inc.	Customer First Inc.	Total
Investments, at cost, January 1, 2018	\$ 20,062,106	\$ 5,331	\$ 20,067,437
Investment during the year	-	-	-
Total investment at cost	20,062,106	5,331	20,067,437
Notes receivable	26,534,040	-	26,534,040
Balances at December 31, 2018	\$ 46,596,146	\$ 5,331	\$ 46,601,477

PUC INC.

Notes to Non-Consolidated Financial Statements

Year ended December 31, 2019

6. Long-term debt:

	2019	2018
Note payable to shareholder. The Corporation of the City of Sault Ste. Marie, unsecured, with 6.1% (2018 - 6.1%) interest payable quarterly and principal payable one year after demand	\$ 6,720,000	\$ 6,720,000
Note payable to shareholder. The Corporation of the City of Sault Ste. Marie, unsecured, with interest payable quarterly at rates periodically negotiated and principal payable one year after demand, rate for 2019 was 6.1% (2018 – 6.1%)	25,000,000	25,000,000
	<hr/> \$ 31,720,000	<hr/> \$ 31,720,000

7. Commitment:

The Company is the guarantor on the \$2,000,000 TD Bank loan held by its subsidiary Northern Waterworks Inc.

8. Payment in lieu of taxes:

Payment in lieu of taxes differs from the amount that would be computed by applying the federal and provincial statutory tax rates of 26.5% (2018 - 26.5%) to earnings before income taxes. The reasons for the differences and related tax effects are as follows:

	2019	2018
Income before payment in lieu of taxes	\$ 1,209,804	\$ 49,253
Tax at applicable tax rate	\$ 320,598	13,052
Nontaxable intercompany dividend tax affect	(329,958)	–
Other	1,306	1,093
Payment in lieu of taxes - current	<hr/> \$ (8,054)	<hr/> \$ 14,145

PUC INC.

Notes to Non-Consolidated Financial Statements

Year ended December 31, 2019

9. Related party transactions:

The following entities are related parties to the Company:

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

The Company has a management, operations and maintenance agreement with Services until November 30, 2022 under which PUC Services Inc. manages, controls, administers and operates the business of the Company.

The Company receives interest income on its receivable balance from Services at the Ontario Energy Board Deemed Rate on its average monthly balance. Interest of \$72,751 (2018 - \$130,412) was received during the year. The Company receives interest income on its notes receivable from Services. Interest of \$532,638 (2018 - \$532,638) was received during the year.

The Company receives interest income on its note receivable balance from Distribution which bears interest at a rate of 6.1% (2018 - 6.1%). Interest of \$1,618,576 (2018 - \$1,618,576) was received during the year. The note is unsecured and is repayable one year after demand. There has been no demand on the note at December 31, 2019.

The Company receives interest income on its note receivable balance from Northern Waterworks Inc. which bears interest at a rate of 6.1% (2018 – nil%). Interest of \$20,333 (2018 - \$nil) was received during the year. The Company also paid for expenses on behalf of Northern Waterworks Inc. amounting to \$3,950 (2018 - \$nil), which has since been repaid.

The Company has purchased services relating to business development costs from Services in the amount of \$264,047 (2018 - \$192,217). The Company incurred interest of \$1,934,920 (2018 - \$1,934,920) payable to its shareholder. The Company paid a dividend of \$810,080. (2018 - \$1,220,160) to its shareholder. The Company received a dividend from Distribution in the amount of \$900,000 (2018 - \$nil).

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

10. Contingency:

In 2007, the Ontario Provincial Government proposed amendments affecting the calculation of payments-in-lieu (PILs) for municipal electricity utilities. The Company has determined the proposed amendments are not substantively enacted. The proposed amendments will limit the allowable interest based on the regulatory deemed debt rate and debt to equity ratio. Interest paid to municipalities, after March 27, 2007, in excess of the allowable amounts will not be deductible in calculating PILs. The Company has determined these proposed amendments will result in incremental PILs totaling approximately \$180,000 for the period from March 28, 2007 to December 31, 2008. The incremental PILs, if any, will be recorded in the period the proposed amendments become enacted.

PUC INC.

Notes to Non-Consolidated Financial Statements

Year ended December 31, 2019

11. Fair value of financial instruments:

The carrying value of accounts receivable approximate fair value because of the short maturity of these instruments.

It is not practicable to determine the fair values of the investment in subsidiaries, notes receivable from related company, receivable from subsidiaries and notes payable as the companies are not publicly traded and the notes payable have no principal repayment terms.

12. Capital disclosures:

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

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

	2019	2018
Note payable to shareholder – 6.1% (2018 - 6.1%)	\$ 6,720,000	\$ 6,720,000
Note payable to shareholder – 6.1% (2018- 6.1%)	25,000,000	25,000,000
Special shares	14,620,000	14,620,000
Common shares	14,618,248	14,618,248
Retained earnings	698,232	290,454
	<hr/> \$ 61,656,480	<hr/> \$ 61,248,702

The Company is subject to a shareholder's agreement which has restrictive covenants typically associated with such an agreement. At December 31, 2019, the Company is in compliance with all of the restrictive covenants and restrictions.

PUC INC.

Notes to Non-Consolidated Financial Statements

Year ended December 31, 2019

13. Financial risk management:

Overview

The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- market risk

This note presents information about the Company's risk management framework, its operational risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

Risk management framework

Management has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk management

Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates, will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

14. Comparative information:

Certain 2018 comparative information has been reclassified to conform with the financial statement presentation adopted for 2019. These changes do not have an impact on the statement of comprehensive income.

Financial Statements of

PUC SERVICES INC.

And Independent Auditors' Report thereon

Year ended December 31, 2019



KPMG LLP
111 Elgin Street, Suite 200
Sault Ste. Marie ON P6A 6L6
Canada
Telephone (705) 949-5811
Fax (705) 949-0911

INDEPENDENT AUDITORS' REPORT

To the Shareholder of PUC Services Inc.

Opinion

We have audited the accompanying financial statements of PUC Services Inc. (the Company), which comprise:

- the statement of financial position as at December 31, 2019
- the statement of income and comprehensive income for the year then ended
- the statement of changes in shareholders' equity for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements")

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2019, and its financial performance, and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other responsibilities in accordance with these requirements.

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.



Page 3

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



A handwritten signature in black ink that reads "KPMG LLP". A horizontal line is drawn underneath the signature.

Chartered Professional Accountants, Licensed Public Accountants

Sault Ste. Marie, Ontario

March 25, 2020

PUC SERVICES INC.

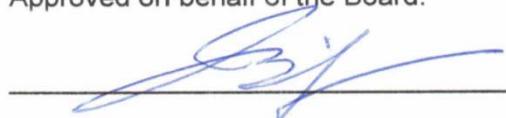
Statement of Financial Position

As at December 31, 2019, with comparative information for 2018

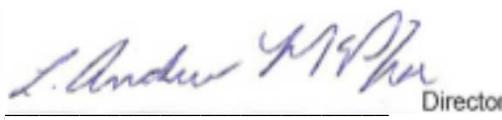
	2019	2018
Assets		
Current assets:		
Cash	\$ 3,166,749	\$ 10,906,171
Accounts receivable (note 5)	7,594,050	2,456,275
Due from related party (note 18)	9,305,879	3,281,448
Inventories (note 6)	397,326	360,359
Prepaid expenses	69,990	704,460
Total current assets	20,533,994	17,708,713
Non-current assets:		
Deferred taxes (note 9)	430,000	630,000
Property, plant and equipment (note 7)	17,194,358	17,052,065
Intangible assets (note 8)	447,070	172,200
Total non-current assets	18,071,428	17,854,265
Total assets	\$ 38,605,422	\$ 35,562,978
Liabilities and Shareholder's Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 4,586,074	\$ 3,470,627
Dividends payable	200,000	-
Payment in lieu of taxes	235,871	61,210
Due to related parties (note 18)	8,429,941	8,086,432
Current portion of long-term debt (note 10)	85,656	85,656
Total current liabilities	13,537,542	11,703,925
Non-current liabilities:		
Long-term debt (note 10)	9,143,530	9,229,186
Deferred revenue	10,766,518	10,887,407
Employee future benefit obligations (note 11)	2,095,366	1,796,238
Total non-current liabilities	22,005,414	21,912,831
Total liabilities	35,542,956	33,616,756
Shareholder's equity:		
Share capital (note 14)	1,943,300	1,943,300
Accumulated other comprehensive income	251,025	403,227
Surplus (deficit)	868,141	(400,305)
Total shareholder's equity	3,062,466	1,946,222
Commitments and contingencies (note 17)		
Total liabilities and shareholder's equity	\$ 38,605,422	\$ 35,562,978

See accompanying notes to financial statements.

Approved on behalf of the Board:



Director



Director

PUC SERVICES INC.

Statement of Income and Comprehensive Income

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Revenue:		
Management fees	\$ 10,032,484	\$ 10,045,376
Contract services	10,229,457	5,492,457
Other operating revenue (note 15)	<u>1,740,801</u>	<u>1,548,559</u>
	22,002,742	17,086,392
Expenses:		
Contract service	8,021,317	4,497,868
Administrative	4,585,062	3,740,542
Facilities	2,211,990	2,906,702
Depreciation and amortization	1,902,332	1,866,576
Billing and collection	1,087,607	1,175,980
Customer service	1,018,113	859,677
Street lights	304,806	320,373
New business development	264,047	192,217
Other business and maintenance	<u>122,339</u>	<u>125,410</u>
	19,517,613	15,685,345
Income from operating activities	2,485,129	1,401,047
Net finance costs (note 16)	454,183	477,591
Income before provision for payment in lieu of taxes	2,030,946	923,456
Payment in lieu of taxes (note 9):		
Current	307,625	70,300
Deferred (recovery)	<u>254,875</u>	<u>(9,546)</u>
	562,500	60,754
Income for the year	1,468,446	862,702
Other comprehensive income (loss): items that will not be classified to profit or loss, net of income tax:		
Remeasurement of employee future benefits (note 11)	(207,077)	556,778
Income tax (recovery) on other comprehensive income (note 9)	<u>54,875</u>	<u>(147,546)</u>
Other comprehensive income (loss) for the year, net of income tax	<u>(152,202)</u>	<u>409,232</u>
Net income and comprehensive income for the year	\$ 1,316,244	\$ 1,271,934

See accompanying notes to financial statements.

PUC SERVICES INC.

Statement of Changes in Shareholders' Equity

Year ended December 31, 2019, with comparative information for 2018

	Share Capital	Acc. other comprehensive income (loss)	Net Income (Deficit)	Total
Balance, January 1, 2018	\$ 1,943,300	\$ (6,005)	\$ (1,263,007)	\$ 674,288
Net income for the year	-	-	862,702	862,702
Remeasurement of employee future benefit obligation	-	409,232	-	409,232
Balance, December 31, 2018	1,943,300	403,227	(400,305)	1,946,222
Net Income for the year	-	-	1,468,446	1,468,446
Dividends on common shares	-	-	(200,000)	(200,000)
Remeasurement of employee future benefit obligation	-	(152,202)	-	(152,202)
Balance, December 31, 2019	\$ 1,943,300	\$ 251,025	\$ 868,141	\$ 3,062,466

See accompanying notes to financial statements.

PUC SERVICES INC.

Statement of Cash Flows

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Cash flows from operating activities:		
Net income and comprehensive income	\$ 1,316,244	\$ 1,271,934
Item not involving cash:		
Depreciation and amortization	1,902,332	1,866,576
Amortization of deferred revenue	(505,428)	(486,206)
Gain on disposal of property, plant and equipment	(4,390)	(36,310)
Net finance costs	454,183	477,591
Income tax expense	562,500	60,754
	3,725,441	3,154,339
Changes in non-cash working capital:		
Decrease (increase) in accounts receivables	(5,137,775)	2,101,966
Increase in balances with related entities	(5,561,700)	(1,153,360)
Increase in inventories	(36,967)	(37,104)
Decrease (increase) in prepaid expenses	634,470	(11,781)
Increase (decrease) in accounts payable and accrued liabilities	1,115,447	(92,726)
Increase (decrease) in employee future benefit obligation	244,253	(296,626)
Income tax recovered (paid)	(132,964)	772
Net cash from operating activities	(5,149,795)	3,665,480
Cash flows from financing activities:		
Principal payments on long-term debt	(85,656)	(85,656)
Contributions relating to property, plant and equipment	384,539	640,628
Interest paid	(573,405)	(578,776)
Net cash from financing activities	(274,522)	(23,804)
Cash flows from investing activities:		
Proceeds from disposal of property, plant and equipment	4,390	36,310
Purchase of property, plant and equipment	(1,891,877)	(2,596,941)
Purchase of intangible assets	(427,618)	(52,583)
	(2,315,105)	(2,613,214)
Increase (decrease) in cash	(7,739,422)	1,028,462
Cash, beginning of year	10,906,171	9,877,709
Cash, end of year	\$ 3,166,749	\$ 10,906,171

See accompanying notes to financial statements.

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2019

1. Reporting entity:

PUC Services Inc. (the "Company"), is incorporated under the Ontario Business Corporations Act and provides management, operations and maintenance services related to water, waste water and electrical services to its related entities and other organizations. The Company's head office is located at 500 Second Line East Sault Ste. Marie, Ontario.

The Company is wholly owned by The Corporation of the City of Sault Ste. Marie.

2. Basis of preparation:

(a) Statement of compliance:

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs).

(b) Approval of the financial statements:

The financial statements have been approved and authorized for issue by the Board of Directors on March 25, 2020.

(c) Basis of measurement:

The financial statements have been prepared on the historical cost basis, unless otherwise stated.

(d) Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the functional currency of the Company. All financial information is presented in Canadian dollars.

(e) Use of estimates and judgments:

The preparation of the financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next fiscal year are included in the following note:

- (i) Note 7 – Property, plant and equipment: estimation of useful lives
- (ii) Note 11 – Employee future benefits: key actuarial assumptions
- (iii) Note 17 – Commitments and contingencies

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2019

3. Significant accounting policies:

The accounting policies set out below have been applied consistently in all years presented in these financial statements unless otherwise indicated.

(a) Financial instruments:

All financial assets and financial liabilities are measured at amortized cost. These financial instruments are recognized initially at fair value plus any directly attributable transaction costs. Subsequently, they are measured at amortized cost using the effective interest method less any impairment for the financial assets as described in note 3(f). The Company does not enter into derivative instruments.

Hedge accounting has not been used in the preparation of these financial statements.

Cash equivalents include short-term investments with maturities of three months or less when purchased.

(b) Revenue recognition:

Management fee revenue:

The Company provides management services to related parties and recognizes revenues as services are rendered.

Streetlight revenue:

The Company is contracted by the City of Sault Ste. Marie to provide electricity for street lights to the city and provide maintenance services on the lights. Revenue is recognized in the period the billing services are rendered and as services are provided.

Contract revenue:

The Company is contracted by the City of Sault Ste. Marie to operate the water and wastewater plants. Revenue is recognized as services are rendered.

CDM Revenue:

Performance incentive payments under conservation and demand management ("CDM") programs are recognized by the Company when there is reasonable assurance that the program conditions have been satisfied and the incentive payments will be received.

(c) Inventory:

Inventories consist of parts, supplies and materials held for the future capital expansion and operations and are valued at the lower of cost and net realizable value, with cost being determined on an average cost basis, and includes expenditures incurred in acquiring the material and supplies and other costs incurred in bringing them to their existing location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated selling expenses.

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2019

3. Significant accounting policies (continued):

(d) Property, plant and equipment:

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour, and any other costs directly attributable to bringing the asset to a working condition for its intended use.

Borrowing costs on qualifying assets are capitalized as part of the cost of the asset based upon the weighted average cost of debt incurred on the Company's borrowings. Qualifying assets are considered to be those that take a substantial period of time to construct.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on the disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal, if any, with the carrying amount of the item of property, plant and equipment and are recognized net within other income in profit or loss.

Major spare parts and standby equipment are recognized as items of property, plant and equipment.

The cost of replacing a part of an item of property, plant and equipment is recognized in the net book value of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. In this event, the replaced part of property, plant and equipment is written-off, and the related gain or loss is included in profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Depreciation is calculated over the depreciable amount and is recognized in profit or loss on a straight-line basis over the estimated useful life of each part or component of an item of property, plant and equipment. The depreciable amount is cost. Land is not depreciated. Construction-in-progress assets are not depreciated until the project is complete and in service.

The estimated useful lives are as follows:

Buildings	25 – 50 years
Plant and equipment	4 – 40 years

Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted prospectively if appropriate.

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2019

3. Significant accounting policies (continued):

(e) Intangible assets:

(i) Computer software:

Computer software that is acquired or developed by the Company, including software that is not integral to the functionality of equipment purchased which has finite useful lives, is measured at cost less accumulated depreciation and accumulated impairment losses.

(ii) Amortization:

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use. The estimated useful lives are:

Computer software	2 – 5 years
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Amortization methods and useful lives of all intangible assets are reviewed at each reporting date and adjusted prospectively if appropriate.

(f) Impairment:

(i) Financial assets:

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its current carrying amount (using prevailing interest rates), and the present value of the estimated future cash flows discounted at the original effective interest rate. Interest on the impaired assets continues to be recognized through the unwinding of the discount.

All impairment losses are recognized in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost the reversal is recognized in profit or loss.

(ii) Non-financial assets:

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2019

3. Significant accounting policies (continued):

(f) Impairment (continued):

(ii) Non-financial assets (continued):

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(g) Provisions:

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(h) Deferred revenue and assets transferred from customers:

Certain customers and developers are required to contribute towards the capital cost of construction in order to provide ongoing service. When an asset is received as a capital contribution, the asset is initially recognized at its fair value, with the corresponding amount recognized as deferred revenue. Deferred revenue represents the Company's obligation to continue to provide customers services related to the supply of electricity, and is amortized to income on a straight-line basis over the economic useful life of the acquired or contributed asset, which represents the period of ongoing service to the customer.

(i) Employee future benefits:

(i) Pension plan:

The Company provides a pension plan for all its full-time employees through Ontario Municipal Employees Retirement System ("OMERS"). OMERS is a multi-employer pension plan which operates as the Ontario Municipal Employees Retirement Fund ("the Fund"), and provides pensions for employees of Ontario municipalities, local boards and public utilities. The Fund is a contributory defined benefit pension plan, which is financed by equal contributions from participating employers and employees, and by the investment earnings of the Fund. To the extent that the Fund finds itself in an under-funded position, additional contribution rates may be assessed to participating employers and members.

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2019

3. Significant accounting policies (continued):

(i) Employee future benefits (continued):

(i) Pension plan (continued):

OMERS is a defined benefit plan. However, as OMERS does not segregate its pension asset and liability information by individual employers, there is insufficient information available to enable the Company to directly account for the plan. Consequently, the plan has been accounted for as a defined contribution plan. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in net income when they are due.

(ii) Post-employment benefits, other than pension:

The Company provides some of its retired employees with life insurance and medical benefits beyond those provided by government sponsored plans.

The cost of these benefits is expensed as earned by employees through employment service. The accrued benefit obligations and the current service costs are actuarially determined by applying the projected unit credit method and reflect management's best estimate of certain underlying assumptions. Actuarial gains and losses arising from defined benefit plans are recognized immediately in other comprehensive income and reported in retained earnings. When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized in net income on a straight-line basis over the average period until the benefits become vested. In circumstances where the benefits vest immediately, the expense is recognized immediately in net income.

(j) Net finance costs:

Net finance costs consist of finance income and finance charges.

Finance income is recognized as it accrues in profit or loss, using the effective interest method. Finance income comprises interest earned on cash and cash equivalents and on regulatory assets.

Finance charges comprise interest expense on borrowings. Finance charges are recognized as an expense unless they are capitalized as part of the cost of qualifying assets.

(k) Leased assets:

Under IAS 17

In the comparative period, assets held under leases were classified as operating leases and were not recognized in the Company's statement of financial position. Payments made under operating leases were recognized in profit or loss on a straight-line basis over the term of the lease.

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2019

3. Significant accounting policies (continued):

(k) Leased assets (continued):

Policy applicable from January 1, 2019

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) The contract involves the use of an identified asset;
- (ii) The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- (iii) The Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
 - (a) The Company has the right to operate the asset; or
 - (b) The Company designed the asset in a way that predetermines how and for what purposes it will be used.

This policy is applied to contracts entered into, or changed, on or after January 1, 2019.

Short-term leases and low value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(l) Payment in lieu of taxes:

The Company is currently exempt from taxes under the Income Tax Act (Canada) and the Ontario Corporations' Tax Act (collectively the "Tax Acts"). Under the *Electricity Act*, 1998, the Company makes payments in lieu of corporate taxes to the Ontario Electricity Financial Company ("OEFC"). These payments are calculated in accordance with the rules for computing taxable income and taxable capital and other relevant amounts contained in the Income Tax Act (Canada) and the Company's Tax Act (Ontario) as modified by the Electricity Act, 1998, and related regulations. Prior to October 1, 2001, the Company was not subject to income or capital taxes.

PILs comprises current and deferred payments in lieu of income tax. PILs are recognized in income and loss except to the extent that it relates to items recognized directly in either comprehensive income or equity, in which case, it is recognized in comprehensive income or in equity.

Current PILS is the expected amount of tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2019

3. Significant accounting policies (continued):

(l) Payment in lieu of taxes (continued):

Deferred PILs comprise the net tax effects of temporary differences between the tax basis of assets and liabilities and their respective carrying amounts for accounting purposes, as well as for tax losses available to be carried forward to future years that are likely to be realized. Deferred PILs assets and liabilities are measured using enacted or substantively enacted tax rates, at the reporting date, expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred PILs assets and liabilities of a change in tax rates is recognized in income in the year that includes the date of enactment or substantive enactment.

A deferred PILs asset is recognized to the extent that it is probable that future taxable income will be available against which the temporary difference can be utilized. Deferred PILs assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(m) Changes in accounting policies:

Effective January 1, 2019, the Company has adopted new IFRS standards and applied the following new accounting policies in preparing the Financial Statements:

i) Leases:

The Company adopted IFRS 16, Leases effective January 1, 2019. The adoption of IFRS 16 did not impact the Company's statement of financial position as all lease agreements are for low-value assets.

4. Critical accounting estimates and judgments:

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only; or in the period of the change and future periods, if the change affects both.

The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Fair value of financial instruments:

The Company determines the fair value of financial instruments that are not quoted in an active market, using valuation techniques. Those techniques are significantly affected by the assumptions used, including discount rates and estimates of future cash flows. In that regard, the derived fair value estimates cannot always be substantiated by comparison with independent markets and, in many cases, may not be capable of being realized immediately.

The methods, and assumptions applied, and the valuation techniques used, for financial instruments that are not quoted in an active market are disclosed in note 19.

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2019

4. Critical accounting estimates and judgments (continued):

Payment in lieu of taxes:

The Company periodically assesses its liabilities and contingencies related to PILs for all years open to audit based on the latest information available. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current PILs provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the PILs liabilities.

Useful lives of depreciable assets:

Management reviews the useful lives of depreciable assets at each reporting date. At December 31, 2019, management assesses that the useful lives represent the expected utility of the assets to the Company. The carrying amounts are analyzed in notes 7 and 8. Actual results, however, may vary due to technical obsolescence, particularly for software and electronic equipment.

Impairment:

An impairment loss is recognized for the amount by which an asset's carrying amount exceeds its recoverable amount, which is the higher of fair value less cost to sell and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each asset or cash generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors. In the process of measuring expected future cash flows management makes assumptions about future operating results. These assumptions relate to future events and circumstances.

Employee retirement benefits:

The Company estimates the present value of employee retirement benefits, which depends on a number of assumptions including discount rates, expected salary and other cost increases, and mortality rates. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability. Refer to note 11 for information relating to these estimates.

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2019

5. Accounts receivable:

	2019	2018
Trade receivables	\$ 6,204,692	\$ 2,378,411
Other receivables	1,389,358	77,864
	\$ 7,594,050	\$ 2,456,275

6. Inventories:

	2019	2018
Stores	\$ 99,544	\$ 88,674
Fuel	45,640	40,829
Street lights	252,142	230,856
	\$ 397,326	\$ 360,359

The amount of inventories consumed by the Company and recognized as an expense during 2019 was \$138,870 (2018 - \$123,253).

PUC SERVICES INC.

Notes to Consolidated Financial Statements

Year ended December 31, 2019

7. Property, plant and equipment:

(a) Cost or deemed cost:

	Land	Buildings	Plant and Equipment	Construction -in-Progress	Total
Balance, January 1, 2018	\$ -	\$ 262,704	\$ 38,604,880	\$ -	\$ 38,867,584
Additions	447,169	-	2,149,772	-	2,596,941
Disposals/retirements	-	-	(278,269)	-	(278,269)
Balance, December 31, 2018	447,169	262,704	40,476,383	-	41,186,256
Additions	-	-	1,888,835	3,042	1,891,877
Disposals/retirements	-	-	(92,853)	-	(92,853)
Balance, December 31, 2019	\$ 447,169	\$ 262,704	\$ 42,272,365	\$ 3,042	\$ 42,985,280

(b) Accumulated depreciation:

	Land	Buildings	Plant and Equipment	Construction -in-Progress	Total
Balance, January 1, 2018	\$ -	\$ 113,132	\$ 22,608,003	\$ -	\$ 22,721,135
Depreciation charges	-	5,254	1,686,071	-	1,691,325
Disposals/retirements	-	-	(278,269)	-	(278,269)
Balance, December 31, 2018	-	118,386	24,015,805	-	24,134,191
Depreciation charges	-	5,254	1,744,330	-	1,749,584
Disposals/retirements	-	-	(92,853)	-	(92,853)
Balance, December 31, 2019	\$ -	\$ 123,640	\$ 25,667,282	\$ -	\$ 25,790,922

(c) Carrying amounts:

	Land	Buildings	Plant and Equipment	Construction -in-Progress	Total
At December 31, 2018	\$ 447,169	\$ 144,318	\$ 16,460,578	\$ -	\$ 17,052,065
At December 31, 2019	447,169	139,064	16,605,083	3,042	17,194,358

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2019

7. Property, plant and equipment (continued):

(d) Security:

At December 31, 2019, properties with a carrying amount of \$17,194,358 (2018 - \$17,052,065) are subject to a general security agreement.

(e) Contributed Capital:

Contributed tangible assets have been recognized at a fair market value at the date of contribution. The value of contributed assets at the end of the year is \$10,766,518 (2018 - \$10,887,407), comprised of streetlights.

8. Intangible assets:

(a) Cost:

	Computer software
Balance at January 1, 2019	\$ 2,114,523
Additions	427,618
<u>Balance at December 31, 2019</u>	<u>\$ 2,542,141</u>
Balance at January 1, 2018	\$ 2,061,940
Additions	52,583
<u>Balance at December 31, 2018</u>	<u>\$ 2,114,523</u>

(b) Accumulated amortization:

	Computer software
Balance at January 1, 2019	\$ 1,942,323
Amortization charges in 2019	152,748
<u>Balance at December 31, 2019</u>	<u>\$ 2,095,071</u>
Balance at January 1, 2018	\$ 1,767,072
Amortization charges in 2018	175,251
<u>Balance at December 31, 2018</u>	<u>\$ 1,942,323</u>

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2019

8. Intangible assets (continued):

(c) Carrying amounts:

	Computer software
December 31, 2019	\$ 447,070
December 31, 2018	\$ 172,200

9. Payments in lieu of income taxes:

Payment in lieu of taxes ("PILs"):

	2019	2018
Current PILs:		
Expense (recovery)	\$ 306,173	\$ 70,300
Adjustment to prior period	1,452	–
	307,625	70,300
Deferred PILs:		
Origination and reversal of timing differences	200,000	138,000
Net impact of Tax on other comprehensive income (OCI)	54,875	(147,546)
	\$ 254,875	\$ (9,546)
Payment in lieu of taxes expense	562,500	60,754
Payment in lieu of taxes expense excluding OCI	\$ 507,625	\$ 208,300

Reconciliation of effective tax rate:

	2019	2018
Earnings before payments in lieu of income taxes	\$ 2,030,946	\$ 923,456
Statutory rate	26.5%	26.5%
Income tax	538,201	244,716
Increase (decrease) resulting from:		
Permanent difference	8,048	3,546
Tax credits	(37,887)	(47,776)
Other	(737)	7,814
	\$ 507,625	\$ 208,300

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2019

9. Payments in lieu of income taxes (continued):

Significant components of the Company's deferred tax balances are as follows:

	2019	2018
Deferred tax assets (liabilities):		
Plant and equipment	\$ (124,000)	\$ 160,000
Employee benefits	555,000	476,000
Apprenticeship tax credit	(1,000)	(6,000)
	<hr/> \$ 430,000	<hr/> \$ 630,000

10. Long-term debt:

	2019	2018
Notes payable:		
(i) PUC Inc.	\$ 6,990,000	\$ 6,990,000
(ii) PUC Inc.	1,320,000	1,320,000
(iii) Ontario Infrastructure and Lands Corporation	466,667	520,000
(iv) Federation of Canadian Municipalities	452,519	484,842
	<hr/> 9,229,186	<hr/> 9,314,842
Less: current portion of long-term debt	(85,656)	(85,656)
	<hr/> \$ 9,143,530	<hr/> \$ 9,229,186

- (i) Note payable to related company, PUC Inc., unsecured, bears interest at 7.62% per annum and is payable one year after demand. Interest of \$532,638 (2018 - \$532,638) was paid and expensed during the year.
- (ii) Note payable to related company, PUC Inc., unsecured and without interest and is payable one year after demand.
- (iii) Note payable to Ontario Infrastructure and Lands Corporation (OILC), bears interest at 4.22% per annum and is payable in monthly principal payments of \$4,444, due September 16, 2028. Interest of \$20,911 (2018 - \$23,162) was paid and expensed during the year.

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2019

10. Long-term debt (continued):

(iv) Note payable to Federation of Canadian Municipalities (FCM), unsecured, bears interest at 4.21% per annum and is payable in semi-annual principal payments of \$16,161, due October 30, 2033. Interest of \$19,856 (2018 - \$21,205) was paid and expensed during the year.

Principal payments on the long-term debt are as follows:

2020	\$ 85,656
2021	85,656
2022	85,656
2023	85,656
2024	85,656
2025 - 2034	8,800,906
	9,229,186
Less: current portion	(85,656)
<u>Long-term portion</u>	<u>\$ 9,143,530</u>

Reconciliation of movements of liabilities to cash flows arising from financing activities:

	2019	2018
Long term debt – beginning of year	\$ 9,314,842	\$ 9,400,498
Less: cash outflows for principal repayments	(85,656)	(85,656)
<u>Long term debt – end of year</u>	<u>\$ 9,229,186</u>	<u>\$ 9,314,842</u>

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2019

11. Employee future benefits:

The Company pays certain medical and life insurance benefits on behalf of some of its retired employees. The Company recognizes these post-retirement costs in the period in which employees' services were rendered. The accrued benefit liability at December 31, 2019 of \$2,095,366 was based on an actuarial valuation completed in 2019 using a discount rate of 3.10%.

Changes in the present value of the defined benefit unfunded obligation and the accrued benefit liability:

	2019	2018
Defined benefit obligation, beginning of year	\$ 1,796,238	\$ 2,240,410
Current service cost	122,245	126,704
Interest cost	69,848	74,665
Benefits paid during the year	(100,042)	(88,763)
Actuarial (gain)/loss recognized in other comprehensive income	207,077	(556,778)
 Accrued benefit liability, end of year	 \$ 2,095,366	 \$ 1,796,238

Components of net benefit expense recognized are as follows:

	2019	2018
Current service cost	\$ 122,245	\$ 126,704
Interest cost	69,848	74,665
 Net benefit expense recognized	 \$ 192,093	 \$ 201,369

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2019

11. Employee future benefits (continued):

The significant actuarial assumptions used in the valuation are as follows (weighted average):

	2019	2018
Accrued benefit obligation:		
Discount rate	3.10%	4.00%
Benefit cost for the year:		
Withdrawal rate	0.50%	0.50%
Assumed health care cost trend rates:		
Cost trend rate estimated to decline to 4.5% over 8 years	4.00%	6.00%

The approximate effect on the accrued benefit obligation of the entire plan and the estimated net benefit expense of the entire plan if the health care trend rate assumption was increased or decreased by 1%, and all other assumptions were held constant, is as follows:

	Defined Benefit Obligation	Periodic Benefit Cost
1% increase in health care trend rate	\$ 252,900	\$ 35,200
1% decrease in health care trend rate	212,900	29,100

12. Pension agreement:

The Company provides a pension plan for its employees through OMERS. The plan is a multi-employer, contributory defined pension plan with equal contributions by the employer and its employees. In 2019, the Company made employer contributions of \$1,666,549 to OMERS (2018 - \$1,609,321). The Company's net benefit expense has been charged to income.

13. Employee benefits:

	2019	2018
Salaries, wages and benefits	\$ 16,448,198	\$ 15,916,022
CPP and EI remittances	698,432	651,837
Contributions to OMERS	1,666,549	1,609,321
	<hr/> \$ 18,813,179	<hr/> \$ 18,177,180

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2019

14. Share capital:

	2019	2018
Authorized:		
Unlimited special shares, non-voting, non-cumulative, redeemable at \$10,000 per share		
10,000 Common shares		
Issued and outstanding:		
105 special shares	\$ 1,050,000	\$ 1,050,000
4,000 common shares	893,300	893,300
	<hr/> \$ 1,943,300	<hr/> \$ 1,943,300

15. Other operating revenue:

	2019	2018
Streetlights	\$ 438,079	\$ 433,344
Miscellaneous	626,563	442,019
Amortization of deferred revenue	505,428	486,206
Generation revenue	170,731	186,990
<hr/> Total other income	<hr/> \$ 1,740,801	<hr/> \$ 1,548,559

16. Finance income and finance charges:

	2019	2018
Interest income	\$ 119,222	\$ 101,185
Interest expense on amounts due to related party	532,638	532,638
Interest expense on long-term debt	40,767	46,138
	<hr/> 573,405	<hr/> 578,776
Net finance costs recognized in comprehensive income	\$ 454,183	\$ 477,591

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2019

17. Commitments and contingencies:

General:

From time to time, the Company is involved in various litigation matters arising in the ordinary course of its business. The Company has no reason to believe that the disposition of any such current matter could reasonably be expected to have a materially adverse impact on the Company's financial position, results of operations or its ability to carry on any of its business activities.

General Liability Insurance:

The Company is a member of the Municipal Electric Association Reciprocal Insurance Exchange (MEARIE). MEARIE is a pooling of public liability insurance risks of many of the LDCs in Ontario. All members of the pool are subjected to assessment for losses experienced by the pool for the years in which they were members, on a pro-rata basis based on the total of their respective service revenues. As at December 31, 2019, no assessments have been made.

18. Related party transactions:

(a) Parent, ultimate controlling party, and other related parties:

The sole shareholder of the Company is the Corporation of the City of Sault Ste. Marie (the "City"). The City produces financial statements that are available for public use. Other related parties include; PUC Inc. also owned 100% by the City and PUC Distribution Inc. owned 100% by PUC Inc.; and the Public Utilities Commission of the City of Sault Ste. Marie (Water Utility).

(b) The key management personnel of the Company have been defined as members of its board of directors and executive management team members and is summarized below.

	2019	2018
Directors' fees	\$ 18,885	\$ 36,010
Salaries and other short-term benefits	803,936	825,974
Post-employment benefits	10,606	10,712
	<hr/> \$ 833,427	<hr/> \$ 872,696

(c) Transactions with ultimate parent (the City):

In the year, the Company had the following significant transactions with its ultimate parent, a government entity:

The Company provides streetlight services and water and waste water services to the City. The amount charged to the City for streetlight maintenance is \$438,079 (2018 - \$433,344) and water and waste water services is \$3,519,733 (2018 - \$3,386,282).

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2019

18. Related party transactions (continued):

(d) Transactions with other related parties:

The Company has agreements which expire November 30, 2022, with the Utility, and with its other related entities, to manage, control, administer and operate the business of these entities. The Company charged the following management fees to the related parties:

	2019	2018
PUC Distribution Inc.	\$ 4,655,272	\$ 4,618,259
Public Utilities Commission of the City of Sault Ste. Marie	5,088,197	5,143,447
PUC Inc.	289,015	283,670
	<hr/> \$ 10,032,484	<hr/> \$ 10,045,376

The Company pays interest on payable balances at the Ontario Energy Board Deemed Rate on the average payable balance for the month. Interest was paid to PUC Inc., and the Public Utilities Commission of the City of Sault Ste. Marie of \$72,751 and \$102,122 (2018 - \$130,412, and \$45,682 respectively). Interest was (received from)/paid to PUC Distribution Inc. of (\$68,363) (2018 - \$946).

The Company paid interest on its long-term debt to PUC Inc. of \$532,638 (2018 - \$532,638).

New business development costs of \$264,047 (2018 - \$192,217) were charged to PUC Inc.

19. Financial instruments and risk management:

Fair value disclosure

Cash is measured at fair value. The carrying values of receivables, and accounts payable and accrued charges approximate fair value because of the short maturity of these instruments. The carrying value of the customer deposits approximates fair value because the amounts are payable on demand.

Financial risks

The Company understands the risks inherent in its business and defines them broadly as anything that could impact its ability to achieve its strategic objectives. The Company's exposure to a variety of risks such as credit risk, interest rate risk, and liquidity risk, as well as related mitigation strategies are discussed below.

(a) Credit risk:

Financial assets carry credit risk that a counterparty will fail to discharge an obligation which could result in a financial loss. Financial assets held by the Company, such as accounts receivable, expose it to credit risk. The Company earns in excess of 90% of its revenue from related parties and other municipal corporations.

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2019

19. Financial instruments and risk management (continued):

(b) Liquidity risk:

The Company monitors its liquidity risk to ensure access to sufficient funds to meet operational and investing requirements. The Company's objective is to ensure that sufficient liquidity is on hand to meet obligations as they fall due while minimizing interest exposure.

The majority of accounts payable, as reported on the balance sheet, are due within 30 days.

(c) Capital disclosures:

The Company's definition of capital includes shareholder's equity and long-term debt. As at December 31, 2019, shareholder's equity amounts to \$3,062,466 (2018 - \$1,946,222) and long-term debt amounts to \$9,143,530 (2018 - \$9,229,186).

Financial Statements of

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

Year ended December 31, 2019

PUBLIC UTILITIES COMMISSION OF THE CITY OF SAULT STE. MARIE

Financial Statements

Year ended December 31, 2019

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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the financial statements of the Public Utilities Commission of the City of Sault Ste. Marie. (the "Commission"), which comprise:

- the statement of financial position as at December 31, 2019
- the statement of operations and accumulated surplus for the year then ended
- the statement of changes in net financial assets (debt) for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements")

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Commission as at December 31, 2019, and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Commission in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other responsibilities in accordance with these requirements.

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Commission's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Commission or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Commission's financial reporting process.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Commission to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



A handwritten signature in black ink that reads "KPMG LLP" above a horizontal line.

Chartered Professional Accountants, Licensed Public Accountants

Sault Ste. Marie, Ontario

March 25, 2020

PUBLIC UTILITIES COMMISSION OF THE CITY OF SAULT STE. MARIE

Statement of Financial Position

December 31, 2019, with comparative information for 2018

	2019	2018
Financial assets:		
Cash	\$ 1,357,018	\$ 2,288,938
Accounts receivable	3,315,924	2,532,046
Unbilled service revenue	1,003,613	707,707
<u>Receivable from related company, PUC Services Inc. (note 3)</u>	<u>6,249,064</u>	<u>1,755,445</u>
	11,925,619	7,284,136
Financial liabilities:		
Accounts payable and accrued liabilities	6,066,139	2,895,959
<u>Loan payable (note 5)</u>	<u>5,158,807</u>	<u>5,917,394</u>
	11,224,946	8,813,353
Total net financial assets (debt)	700,673	(1,529,217)
Non-financial assets:		
Tangible capital assets (note 7)	92,251,588	89,145,831
<u>Inventory</u>	<u>315,286</u>	<u>315,146</u>
	92,566,874	89,460,977
Accumulated surplus (note 8)	\$ 93,267,547	\$ 87,931,760

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

PUBLIC UTILITIES COMMISSION OF THE CITY OF SAULT STE. MARIE

Statement of Operations and Accumulated Surplus

Year ended December 31, 2019, with comparative information for 2018

	Budget (note 2)	2019 Total	2018 Total
Revenues:			
Service revenue:			
Residential	\$ 11,463,718	\$ 11,536,861	\$ 11,123,565
General	8,018,431	7,746,890	7,688,890
Hydrants	1,392,991	1,434,937	1,325,372
	20,875,140	20,718,688	20,137,827
Other:			
Investment income	15,000	102,122	45,682
Non-service revenue	318,500	408,923	416,004
Developers contributions	-	337,059	146,070
	333,500	848,104	607,756
Total revenues	21,208,640	21,566,792	20,745,583
Expenditures: (note 6)			
Purification and pumping	4,006,723	3,839,429	3,886,696
Transmission and distribution	4,067,502	4,183,343	4,212,547
Amortization of tangible capital assets	2,525,000	2,532,089	2,492,717
Hydrants	656,287	637,577	488,164
Billing and collection	1,199,508	1,230,376	1,219,605
Interest on long-term debt	173,279	173,333	196,532
General and administration	3,952,148	3,634,858	3,592,524
Total expenditures	16,580,447	16,231,005	16,088,785
Operating surplus	4,628,193	5,335,787	4,656,798
Accumulated operating surplus, beginning of year	87,931,760	87,931,760	83,274,962
Accumulated operating surplus, end of year	\$ 92,559,953	\$ 93,267,547	\$ 87,931,760

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

PUBLIC UTILITIES COMMISSION OF THE CITY OF SAULT STE. MARIE

Statement of Change in Net Financial Assets (Debt)

Year ended December 31, 2019, with comparative information for 2018

	Budget (note 2)	2019	2018
Operating surplus	\$ 4,628,193	\$ 5,335,787	\$ 4,656,798
Acquisition of tangible capital assets	(6,842,770)	(5,637,846)	(4,102,201)
Amortization of tangible capital assets	2,525,000	2,532,089	2,492,717
<u>Disposal of tangible capital assets</u>	-	-	337,086
	310,423	2,230,030	3,384,400
Change in prepaid expenses	-	-	3,196
Acquisition of inventory	-	(315,286)	(315,146)
<u>Use of inventory</u>	-	315,146	319,138
Change in net financial assets	310,423	2,229,890	3,391,588
Net debt, beginning of year	(1,529,217)	(1,529,217)	(4,920,805)
<u>Net financial assets (debt), end of year</u>	<u>\$ (1,218,794)</u>	<u>\$ 700,673</u>	<u>\$ (1,529,217)</u>

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

PUBLIC UTILITIES COMMISSION OF THE CITY OF SAULT STE. MARIE

Statement of Cash Flows

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Cash provided by (used for):		
Operating activities:		
Operating surplus	\$ 5,335,787	\$ 4,656,798
Items not involving cash:		
Amortization of tangible capital assets	2,532,089	2,492,717
Developers contributions	(337,059)	(146,070)
Loss on disposal of tangible capital assets	-	337,086
	7,530,817	7,340,531
Change in non-cash assets and liabilities:		
Accounts receivable	(783,878)	(178,881)
Unbilled service revenue	(295,906)	13,569
Prepaid expenses	-	3,196
Inventory	(140)	3,992
Accounts payable	3,170,180	(18,643)
Increase in cash from operating activities	9,621,073	7,163,764
Capital activities:		
Cash used to acquire tangible capital assets	(5,300,787)	(3,956,131)
Financing activities:		
Repayment of loan payable	(758,587)	(735,388)
Receivable from PUC Services Inc.	(4,493,619)	(3,384,598)
Net change in cash for financing activities	(5,252,206)	(4,119,986)
Decrease in cash	(931,920)	(912,353)
Cash, beginning of year	2,288,938	3,201,291
Cash, end of year	\$ 1,357,018	\$ 2,288,938

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

PUBLIC UTILITIES COMMISSION OF THE CITY OF SAULT STE. MARIE

Notes to Financial Statements

Year ended December 31, 2019

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

1. Significant accounting policies:

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

(a) Basis of accounting:

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

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

(b) Non-financial assets:

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

(i) Tangible capital assets:

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

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

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

PUBLIC UTILITIES COMMISSION OF THE CITY OF SAULT STE. MARIE

Notes to Financial Statements

Year ended December 31, 2019

1. Significant accounting policies (continued):

(b) Non-financial assets (continued):

(ii) Contributions of tangible capital assets:

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

(iii) Inventory:

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

(c) Revenue recognition:

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

(d) Use of estimates:

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

2. Budget figures:

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

PUBLIC UTILITIES COMMISSION OF THE CITY OF SAULT STE. MARIE

Notes to Financial Statements

Year ended December 31, 2019

3. Related party transactions:

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

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

The Commission has a management, operation and maintenance agreement with Services, which currently has been extended to November 30, 2022, under which Services manages, controls, administers and operates the business of the Commission. All terms of the extension remain the same as the original agreement.

The Commission receives interest on balances receivable from Services at the Ontario Energy Board deemed interest rate on the average balance. Interest of \$102,122 (2018 – \$45,682) was received during the year.

The Commission was charged management fees and operational fees by Services in the amount of \$5,088,197 (2018 – \$5,143,447). These transactions have been recorded at the exchange amount which is the agreed amount between the related parties.

4. Credit facility:

The Commission has an authorized line of credit facility available in the amount of \$6,200,000. The credit facility bears interest at prime plus 0.5% and is secured by a general security agreement. At December 31, 2019, \$Nil (2018 - \$Nil) was outstanding under the facility.

5. Loan payable:

	2019	2018
Loan payable incurred by The Commission	\$ 5,158,807	\$ 5,917,394

The loan is repayable \$77,660 monthly including interest at 3.11% and matures on January 12, 2026.

The Corporation of the City of Sault Ste. Marie (the “Guarantor”) guarantees payment to the Bank of all present and future debts and liabilities, including interest due at any time by the Commission to the Bank. The Guarantor shall be limited to the sum of \$8,000,000 together with interest from the date of demand for repayment.

PUBLIC UTILITIES COMMISSION OF THE CITY OF SAULT STE. MARIE

Notes to Financial Statements

Year ended December 31, 2019

5. Loan payable (continued):

Principal payments due on the loan payable for the next five fiscal years are as follows:

2020	\$ 782,518
2021	807,205
2022	832,670
2023	858,938
2024	886,035

6. Expenditures by object:

Total expenditures by object are as follows:

	2019	2018
Salaries and benefits	\$ 4,205,039	\$ 4,095,530
Materials, supplies and services	9,493,877	9,500,538
Amortization of tangible capital assets	2,532,089	2,492,717
	<hr/> \$ 16,231,005	<hr/> \$ 16,088,785

PUBLIC UTILITIES COMMISSION OF THE CITY OF SAULT STE. MARIE

Notes to the Financial Statements

Year ended December 31, 2019

7. Tangible capital assets:

Cost		Balance at December 31, 2018	Additions	Disposals	Balance at December 31, 2019
Land	\$	826,010	1,771	-	827,781
Buildings and building improvements		9,267,454	-	-	9,267,454
Water infrastructure		136,227,743	4,648,189	-	140,875,932
Work in progress		73,921	987,886	-	1,061,807
Total	\$	146,395,128	5,637,846	-	152,032,974

Accumulated Amortization		Balance at December 31, 2018	Disposals	Amortization	Balance at December 31, 2019
Land	\$	-	-	-	-
Buildings and building improvements		4,679,723	-	152,283	4,832,006
Water infrastructure		52,569,574	-	2,379,806	54,949,380
Work in progress		-	-	-	-
Total	\$	57,249,297	-	2,532,089	59,781,386

	Net book value, December 31, 2018	Net book value, December 31, 2019
Land	\$ 826,010	827,781
Buildings and building improvements	4,587,731	4,435,448
Water infrastructure	83,658,169	85,926,552
Work in progress	73,921	1,061,807
Total	\$ 89,145,831	92,251,588

Contributed tangible capital assets:

Contributed tangible capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year is \$337,059 (2018 - \$146,070) comprised of water infrastructure.

PUBLIC UTILITIES COMMISSION OF THE CITY OF SAULT STE. MARIE

Notes to Financial Statements

Year ended December 31, 2019

7. Tangible capital assets (continued):

Cost		Balance at December 31, 2017	Additions	Disposals	Balance at December 31, 2018
Land	\$	823,785	2,225	-	826,010
Buildings and building improvements		9,267,454	-	-	9,267,454
Water infrastructure		132,141,765	4,085,978	-	136,227,743
Work in progress		397,009	13,998	(337,086)	73,921
Total	\$	142,630,013	4,102,201	(337,086)	146,395,128
Accumulated Amortization		Balance at December 31, 2017	Disposals	Amortization	Balance at December 31, 2018
Land	\$	-	-	-	-
Buildings and building improvements		4,527,440	-	152,283	4,679,723
Water infrastructure		50,229,140	-	2,340,434	52,569,574
Work in progress		-	-	-	-
Total	\$	54,756,580	-	2,492,717	57,249,297
		Net book value, December 31, 2017		Net book value, December 31, 2018	
Land	\$	823,785		826,010	
Buildings and building improvements		4,740,014		4,587,731	
Water infrastructure		81,912,625		83,658,169	
Work in progress		397,009		73,921	
Total	\$	87,873,433		89,145,831	

Contributed tangible capital assets:

Contributed tangible capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year is \$146,070 (2017 - \$617,513) comprised of water infrastructure.

PUBLIC UTILITIES COMMISSION OF THE CITY OF SAULT STE. MARIE

Notes to Financial Statements

Year ended December 31, 2019

8. Accumulated surplus:

Accumulated surplus is comprised of:

	2019	2018
Invested in tangible capital assets	\$ 92,251,588	\$ 89,145,831
Operating fund	1,015,959	(1,214,071)
	<hr/> \$ 93,267,547	<hr/> \$ 87,931,760

Financial Statements of

PUC DISTRIBUTION INC.

And Independent Auditors' Report thereon

Year ended December 31, 2019



KPMG LLP
111 Elgin Street, Suite 200
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INDEPENDENT AUDITORS' REPORT

To the Shareholder of PUC Distribution Inc.

Opinion

We have audited the financial statements of PUC Distribution Inc. (the "Company"), which comprise:

- the statement of financial position as at December 31, 2019
- the statement of income and comprehensive income for the year then ended
- the statement of changes in shareholder's equity for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the Financial Statements" section of our auditors' report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other responsibilities in accordance with these requirements.

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



A handwritten signature in black ink that reads "KPMG LLP". A single horizontal line is drawn underneath the signature.

Chartered Professional Accountants, Licensed Public Accountants

Sault Ste. Marie, Canada

March 25, 2020

PUC DISTRIBUTION INC.

Statement of Financial Position

December 31, 2019, with comparative information for 2018

	2019	2018
Assets		
Current assets:		
Cash and cash equivalents	\$ 585,387	\$ 614,613
Accounts receivable (note 4)	5,433,776	5,421,130
Unbilled revenue	12,098,244	8,557,604
Inventory (note 5)	1,729,484	1,610,428
Prepaid expenses	<u>65,217</u>	<u>445,680</u>
Total current assets	19,912,108	16,649,455
Non-current assets:		
Property, plant and equipment (note 6)	100,099,858	97,231,587
Total assets	120,011,966	113,881,042
Regulatory balances (note 8)	3,713,593	655,380
Total assets and regulatory balances	\$ 123,725,559	\$ 114,536,422

See accompanying notes to financial statements.

PUC DISTRIBUTION INC.

Statement of Financial Position (continued)

December 31, 2019, with comparative information for 2018

	2019	2018
Liabilities and Shareholder's Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 10,127,802	\$ 8,110,734
Customer deposits (note 11)	1,067,552	1,099,333
Payment in lieu of taxes	45,036	-
Dividends payable	900,000	-
Due to related parties	9,041,731	3,281,448
Current portion of long-term debt (note 10)	1,366,680	1,312,680
Total current liabilities	22,548,801	13,804,195
Non-current liabilities:		
Deferred revenue (note 9)	4,294,948	3,284,967
Deferred tax liability	710,000	72,000
Long-term debt (note 10)	60,006,988	61,373,667
Total non-current liabilities	65,011,936	64,730,634
Total liabilities	87,560,737	78,534,829
Shareholder's equity:		
Share capital (note 12)	20,062,107	20,062,107
Retained earnings	14,663,658	12,523,445
Total shareholder's equity	34,725,765	32,585,552
Total liabilities and shareholder's equity	122,286,502	111,120,381
Regulatory balances (note 8)	1,439,057	3,416,041
Commitments and contingencies (note 15)		
Total liabilities, regulatory balances and shareholder's equity	\$ 123,725,559	\$ 114,536,422

See accompanying notes to financial statements.

Approved on behalf of the Board:

Director

Director

PUC DISTRIBUTION INC.

Statement of Income and Comprehensive Income

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Revenue:		
Electricity sales	\$ 74,373,612	\$ 67,033,504
Distribution revenue	19,071,168	16,960,991
Cost of electricity sold	(76,035,021)	(67,990,141)
	17,409,759	16,004,354
Other operating revenue (note 13)	6,747,157	3,917,583
Net operating revenue	24,156,916	19,921,937
Expenses:		
Operations and maintenance	6,302,246	6,009,813
General and administrative	3,172,654	3,615,160
Billing and collection	1,354,435	1,381,283
Depreciation and amortization	4,010,672	3,864,131
Community relations	4,680,636	1,334,845
	19,520,643	16,205,232
Income from operating activities	4,636,273	3,716,705
Net finance costs (note 14)	3,130,511	3,133,507
Income before tax and regulatory items	1,505,762	583,198
Income tax expense (recovery):		
Current (note 7)	126,958	8
Deferred (note 7)	638,000	217,000
	764,958	217,008
Income for the year before movements in regulatory deferral account balances	740,804	366,190
Net movement in regulatory deferral account balances related to income or loss	(1,661,409)	(956,636)
Income tax	(638,000)	(217,000)
	(2,299,409)	(1,173,636)
Net income, being total comprehensive income for the year	\$ 3,040,213	\$ 1,539,826

See accompanying notes to financial statements.

PUC DISTRIBUTION INC.

Statement of Changes in Shareholder's Equity

Year ended December 31, 2019, with comparative information for 2018

	Share Capital	Retained Earnings	Total
Balance as at January 1, 2018	\$ 20,062,107	\$ 10,983,619	\$ 31,045,726
Net income and comprehensive income	-	1,539,826	1,539,826
Balance at December 31, 2018	20,062,107	12,523,445	32,585,552
Net income and comprehensive income	-	3,040,213	3,040,213
Dividends on common shares	-	(900,000)	(900,000)
Balance at December 31, 2019	\$ 20,062,107	\$ 14,663,658	\$ 34,725,765

See accompanying notes to financial statements.

PUC DISTRIBUTION INC.

Statement of Cash Flows

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Cash provided by (used in)		
Cash flows from operating activities:		
Total comprehensive income for the year	\$ 3,040,213	\$ 1,539,826
Items not involving cash:		
Depreciation and amortization	4,010,672	3,864,131
Amortization of deferred revenue	(101,862)	(82,576)
Gain on disposal of property, plant and equipment		(80,256)
Net finance costs	3,130,511	3,133,507
Income tax expense	764,958	217,008
	10,844,492	8,591,640
Changes in non-cash working capital:		
Accounts receivable	(12,646)	(898,356)
Unbilled revenue	(3,540,640)	3,188,241
Inventory	(119,056)	(164,636)
Prepaid expenses	380,463	(363,093)
Due from related parties	-	202,800
Due to related parties	5,763,202	3,281,448
Accounts payable and accrued liabilities	1,976,290	(2,404,496)
Customer deposits	(31,781)	(45,112)
Deferred revenue	-	(21,558)
Income tax paid	(41,144)	27,798
Net movements in regulatory balances	(5,035,197)	(2,247,703)
Net cash from operating activities	10,183,983	9,146,973
Cash flows from financing activities:		
Repayment of long-term debt	(1,312,679)	(1,260,844)
Interest paid	(3,133,430)	(3,143,658)
Net cash from financing activities	(4,446,109)	(4,404,502)
Cash flows from investing activities:		
Proceeds from disposal of property, plant and equipment	-	113,000
Purchase of property, plant and equipment	(5,767,100)	(5,339,291)
	(5,767,100)	(5,226,291)
Change in cash and cash equivalents	(29,226)	(483,820)
Cash and cash equivalents, beginning of year	614,613	1,098,433
Cash and cash equivalents, end of year	\$ 585,387	\$ 614,613

See accompanying notes to financial statements.

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2019

1. Reporting entity:

PUC Distribution Inc. (the "Company") is a rate regulated, municipally owned hydro distribution company incorporated under the laws of Ontario, Canada. The Company is located in the City of Sault Ste. Marie. The address of the Company's registered office is 500 Second Line East, Sault Ste. Marie, Ontario Canada.

The Company delivers electricity and related energy services to residential and commercial customers in Sault Ste. Marie. The Company is wholly owned by PUC Inc., which is itself wholly owned by The Corporation of the City of Sault Ste. Marie.

2. Basis of presentation:

(a) Statement of compliance:

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

(b) Approval of the financial statements:

The financial statements were approved by the Board of Directors on March 25, 2020.

(c) Basis of measurement:

The financial statements have been prepared on the historical cost basis, unless otherwise stated.

(d) Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the Company's functional currency.

(e) Use of estimates and judgments:

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in these financial statements is included in the following notes:

- (i) Note 6 - Property, plant and equipment
- (ii) Note 15 - Commitments and contingencies

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2019

2. Basis of presentation (continued):

(f) Rate regulation:

The Company is regulated by the Ontario Energy Board (“OEB”), under the authority granted by the *Ontario Energy Board Act, 1998*. Among other things, the OEB has the power and responsibility to approve or set rates for the transmission and distribution of electricity, providing continued rate protection for electricity consumers in Ontario, and ensuring that transmission and distribution companies fulfill obligations to connect and service customers. The OEB may also prescribe license requirements and conditions of service to local distribution companies (“LDCs”), such as the Company, which may include, among other things, record keeping, regulatory accounting principles, separation of accounts for distinct businesses, and filing and process requirements for rate setting purposes.

(g) Rate setting:

i) Distribution revenue:

For the distribution revenue included in electricity sales, the Company files a “Cost of Service” (“COS”) rate application with the OEB every five years where rates are determined through a review of the forecasted annual amount of operating and capital expenses, debt and shareholder’s equity required to support the Company’s business. The Company estimates electricity usage and the costs to service each customer class to determine the appropriate rates to be charged to each customer class. The COS application is reviewed by the OEB and interveners and rates are approved based upon this review, including any revisions resulting from that review.

In the intervening years an Incentive Rate Mechanism application (“IRM”) is filed. An IRM application results in a formulaic adjustment to distribution rates that were set under the last COS application. The previous year’s rates are adjusted for the annual change in the Gross Domestic Product Implicit Price Inflator for Final Domestic Demand (“GDP IPI-FDD”) net of a productivity factor and a “stretch factor” determined by the relative efficiency of an electricity distributor.

As a licensed distributor, the Company is responsible for billing customers for electricity generated by third parties and the related costs of providing electricity service, such as transmission services and other services provided by third parties. The Company is required, pursuant to regulation, to remit such amounts to these third parties, irrespective of whether the Company ultimately collects these amounts from customers.

The Company filed a COS rate application in 2018 for rates effective October 1, 2018 to April 30, 2019 for which a Decision and Rate order was issued September 27, 2018.

The Company filed an IRM in 2018 requesting a 1.45% inflationary increase to distribution rates effective May 1, 2019 to be implemented July 1, 2019 for the period of May 1, 2019 to April 30, 2020. The IRM was approved on July 9 2019

The Company filed an IRM and ICM requesting a 1.45% inflationary increase to distribution rates and a substation upgrade rate rider effective May 1, 2020. No decision has yet been issued by the OEB.

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2019

2. Basis of presentation (continued):

(g) Rate setting (continued):

ii) Electricity rates:

The OEB sets Ontario electricity prices for low-volume consumers twice each year (May and November) based on an estimate of how much it will cost to supply the province with electricity for the next year. In 2017, the OEB set new lower Regulated Price Plan (RPP) prices established under the Ontario Fair Hydro Act, 2017.

On May 9, 2019, the Government of Ontario enacted Bill 87, the Fixing the Hydro Mess Act, 2019. The legislation amended the Ontario Rebate for Electricity Consumers Act, 2016, and the Ontario Fair Hydro Plan Act, 2017.

Effective November 1, 2019, the OEB set electricity prices under the RPP based on the estimated cost to supply the province with electricity. The Ministry of Energy, Northern Development and Mines set the amount of the rebate under the Ontario Rebate for Electricity Consumers Act, 2016 such that the monthly bill for a typical customer increased by the rate of inflation.

All remaining consumers pay the market price for electricity.

The Corporation is billed for the cost of the electricity that its customers use by the Independent Electricity System Operator and passes this cost on to the customer at cost without a mark-up.

3. Significant accounting policies:

The accounting policies set out below have been applied consistently in all years presented in these financial statements.

(a) Financial instruments:

All financial assets and financial liabilities are measured at amortized cost. These financial instruments are recognized initially at fair value plus any directly attributable transaction costs. Subsequently, they are measured at amortized cost using the effective interest method less any impairment for the financial assets as described in note 3(e). The Company does not enter into derivative instruments.

Hedge accounting has not been used in the preparation of these financial statements.

Cash equivalents include short-term investments with maturities of three months or less when purchased.

(b) Revenue recognition:

i) Electricity sales:

Electricity sales are recognized as the electricity is delivered to customers and includes the amounts billed to customers for electricity, including the cost of electricity supplied, distribution, and any other regulatory charges. Electricity revenue is recorded on the basis of regular meter readings and estimated customer usage since the last meter reading date to the end of the year. The related cost of power is recorded on the basis of power used.

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2019

3. Significant accounting policies (continued):

(b) Revenue recognition (continued):

i) Electricity sales (continued):

For customer billings related to electricity generated by third parties and the related costs of providing electricity service, such as transmission services and other services provided by third parties, the Company has determined that it is acting as a principal for these electricity charges and, therefore, has presented electricity revenue on a gross basis.

The difference between the amounts charged by the Company to customers, based on regulated rates, and the corresponding cost of electricity and related electricity service costs billed monthly by the Independent Electricity System Operator ("IESO") is recorded as a settlement variance. In accordance with IFRS 14, this settlement variance is presented within regulatory balances on the balance sheets and within net movements in regulatory balances, net of tax on the statement of income and comprehensive income.

ii) Capital contributions:

Developers are required to contribute towards the capital cost of construction of distribution assets in order to provide ongoing service. The developer is not a customer and therefore the contributions are scoped out of IFRS 15 "Revenue from Contracts with Customers". Cash contributions are initially recorded as deferred revenue. When an asset other than cash is received as a capital contribution, the asset is initially recognized at its fair value, with a corresponding amount recognized as deferred revenue. The deferred revenue, which represents the Company's obligation to continue to provide the customers access to the supply of electricity, is amortized to income on a straight-line basis over the economic useful life of the constructed or contributed asset, which represents the period of ongoing service to the customer.

Certain customers are also required to contribute towards the capital cost of construction of distribution assets in order to provide ongoing service. These contributions fall within the scope of IFRS 15 Revenue from Contracts with Customers. The contributions are received to obtain a connection to the distribution system in order receive ongoing access to electricity. The Corporation has concluded that the performance obligation is the supply of electricity over the life of the relationship with the customer which is satisfied over time as the customer receives and consumes the electricity. Revenue is recognized on a straight-line basis over the useful life of the related asset.

iii) Rendering of services:

Revenue earned from the provision of services is recognized as the service is rendered.

iv) Conservation programs:

Incentive payments to which the Company is entitled from the IESO are recognized as revenue in the period when they are determined by the IESO and the amount is communicated to the Company.

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2019

3. Significant accounting policies (continued):

c) Inventory:

Inventories consist of parts, supplies and materials held for the future capital expansion and are valued at the lower of cost and net realizable value, with cost being determined on an average cost basis, and includes expenditures incurred in acquiring the material and supplies and other costs incurred in bringing them to their existing location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated selling expenses.

(d) Property, plant and equipment:

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour, and any other costs directly attributable to bringing the asset to a working condition for its intended use.

Borrowing costs on qualifying assets are capitalized as part of the cost of the asset based upon the weighted average cost of debt incurred on the Company's borrowings. Qualifying assets are considered to be those that take a substantial period of time to construct.

When parts of an item of property, plant and equipment ("PP&E") have different useful lives, they are accounted for as separate items (major components) of PP&E.

Gains and losses on the disposal of an item of PP&E are determined by comparing the proceeds from disposal, if any, with the carrying amount of the item of PP&E and are recognized net within other income in profit or loss.

Major spare parts and standby equipment are recognized as items of PP&E.

The cost of replacing a part of an item of PP&E is recognized in the net book value of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. In this event, the replaced part of PP&E is written off, and the related gain or loss is included in profit or loss. The costs of the day-to-day servicing of PP&E are recognized in profit or loss as incurred.

Depreciation is calculated over the depreciable amount and is recognized in income on a straight-line basis over the estimated useful life of each part or component of an item of PP&E. The depreciable amount is cost. Land is not depreciated. Construction-in-progress assets are not depreciated until the project is complete and in service.

The estimated useful lives are as follows:

Buildings	25 – 50 years
Transmission and distribution	15 – 60 years
Machinery and equipment	5 – 40 years

Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted prospectively if appropriate.

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2019

3. Significant accounting policies (continued):

(e) Impairment:

(i) Financial assets:

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its current carrying amount (using prevailing interest rates), and the present value of the estimated future cash flows discounted at the original effective interest rate. Interest on the impaired assets continues to be recognized through the unwinding of the discount.

All impairment losses are recognized in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost the reversal is recognized in profit or loss.

(ii) Non-financial assets:

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2019

3. Significant accounting policies (continued):

(f) Provisions:

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(g) Regulation:

The following regulatory treatments have resulted in accounting treatments which differ from those prescribed by IFRS for enterprises operating in an unrelated environment and regulated entities that have not adopted IFRS 14, Regulatory Deferral Accounts (IFRS 14).

(h) Regulatory deferral accounts:

The Company has determined that certain asset and liability balances arising from rate-regulated activities qualify for the application of regulatory accounting treatment in accordance with IFRS 14 and the accounting principles prescribed by the OEB in the Accounting Procedures Handbook for Electricity Distributors. Under rate-regulated accounting, the timing and recognition of certain expenses and revenues may differ from those otherwise expected under other IFRS in order to appropriately reflect the economic impact of regulatory decisions regarding the Company's regulated revenues and expenditures. These amounts arising from timing differences are recorded as regulatory asset and liability balances on the Company's statement of financial position, and represent existing rights and obligations regarding cash flows expected to be recovered from or refunded to customers, based on decisions and approvals by the OEB.

Regulatory deferral account debit balances represent costs incurred in excess of amounts billed to the customer at OEB approved rates. These amounts have been accumulated and deferred in anticipation of their future recovery in electricity distribution rates. Regulatory deferral account credit balances represent amounts billed to the customer at OEB approved rates in excess of costs incurred by the Company.

Regulatory deferral account debit balances are recognized if it is probable that future billings in an amount at least equal to the capitalized cost will result from inclusion of that cost in allowable costs for rate-making purposes. The offsetting amount is recognized in profit and loss. The debit balance is reduced by the amount of customer billings as electricity is delivered to the customer and the customer is billed at rates approved by the OEB for the recovery of the capitalized costs.

Regulatory deferral account credit balances are recognized if it is probable that future billings in an amount at least equal to the credit balance will be reduced as a result of rate-making activities. The offsetting amount is recognized in profit and loss. The credit balance is reduced by the amounts returned to customers as electricity is delivered to the customer at rates approved by the OEB for the return of the regulatory account credit balance.

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2019

3. Significant accounting policies (continued):

h) Regulatory deferral accounts (continued):

The probability of recovery or repayment of the regulatory account balances are assessed annually based upon the likelihood that the OEB will approve the change in rates to recover or repay the balance. Any resulting impairment loss is recognized in profit and loss in the year incurred.

Regulatory deferral accounts attract interest at OEB prescribed rates. In 2019 the rate was 2.45% for the first quarter of the year and 2.18% for the remainder of the year. Regulatory balances can be recognized for rate-setting and financial reporting purposes only if the OEB directs the relevant regulatory treatment or if future OEB direction is determined by management to be probable.

In the event that the disposition of these balances is assessed to no longer be probable based on management's judgment, the balances are recorded in the Company's statement of income and comprehensive income in the period when the assessment is made. Regulatory balances that do not meet the definition of an asset or liability under any other IFRS are segregated on the statement of financial position and on the statement of income and comprehensive income as net movements in regulatory balances, net of tax. The netting of regulatory debit and credit balances is not permitted.

The measurement of regulatory balances is subject to certain estimates and assumptions, including assumptions made in the interpretation of the OEB's regulations and decisions.

(i) Credit support for service delivery:

Credit support for service delivery represents cash deposits from electricity distribution customers as well as construction deposits.

Deposits from electricity distribution customers are applied against any unpaid portion of individual customer accounts. Customer deposits in excess of unpaid account balances are refundable to individual customers upon termination of their electricity distribution service. Customer deposits are also refundable to residential electricity distribution customers demonstrating an acceptable level of credit risk, as determined by the Company.

Certain customers and developers are required to contribute towards the capital cost of construction in order to provide ongoing service. Cash contributions are initially recorded as credit support for service delivery, a current liability. Once the distribution system asset is completed or modified as outlined in the terms of the contract, the contribution amount is transferred to deferred revenue.

(j) Deferred revenue and assets transferred from customers:

Certain customers and developers are required to contribute towards the capital cost of construction in order to provide ongoing service. When an asset is received as a capital contribution, the asset is initially recognized at its fair value, with the corresponding amount recognized as deferred revenue within non-current liabilities. Deferred revenue represents the Company's obligation to continue to provide customers access to the supply of electricity, and is amortized to income on a straight-line basis over the economic useful life of the acquired or contributed asset, which represents the period of ongoing service to the customer.

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2019

3. Significant accounting policies (continued):

(k) Leased assets:

Under IAS 17

In the comparative period, assets held under leases were classified as operating leases and were not recognized in the Company's statement of financial position. Payments made under operating leases were recognized in profit or loss on a straight-line basis over the term of the lease.

Policy applicable from January 1, 2019

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) The contract involves the use of an identified asset;
- (ii) The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- (iii) The Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
 - a) The Company has the right to operate the asset; or
 - b) The Company designed the asset in a way that predetermines how and for what purposes it will be used.

This policy is applied to contracts entered into, or changed, on or after January 1, 2019.

Short-term leases and low value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2019

3. Significant accounting policies (continued):

(l) Payment in lieu of taxes:

The Company is currently exempt from taxes under the Income Tax Act (Canada) and the Ontario Corporations' Tax Act (collectively the "Tax Acts"). Under the *Electricity Act*, 1998, the Company makes payments in lieu of corporate taxes to the Ontario Electricity Financial Company ("OEFC"). These payments are calculated in accordance with the rules for computing taxable income and taxable capital and other relevant amounts contained in the Income Tax Act (Canada) and the Company's Tax Act (Ontario) as modified by the Electricity Act, 1998, and related regulations. Prior to October 1, 2001, the Company was not subject to income or capital taxes.

PILs comprises current and deferred payments in lieu of income tax. PILs recognized in income and loss except to the extent that it relates to items recognized directly in either comprehensive income or equity, in which case, it is recognized in comprehensive income or in equity.

Current PILS is the expected amount of tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred PILs comprise the net tax effects of temporary differences between the tax basis of assets and liabilities and their respective carrying amounts for accounting purposes, as well as for tax losses available to be carried forward to future years that are likely to be realized.

Deferred PILs assets and liabilities are measured using enacted or substantively enacted tax rates, at the reporting date, expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred PILs assets and liabilities of a change in tax rates is recognized in income in the year that includes the date of enactment or substantive enactment.

A deferred PILs asset is recognized to the extent that it is probable that future taxable income will be available against which the temporary difference can be utilized. Deferred PILs assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(m) Changes in accounting policies:

Effective January 1, 2019, the Company has adopted new IFRS standards and applied the following new accounting policies in preparing the Financial Statements:

i) Leases:

The Company adopted IFRS 16, Leases effective January 1, 2019. The adoption of IFRS 16 did not impact the Company's statement of financial position as all lease agreements are for low-value assets.

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2019

3. Significant accounting policies (continued):

(n) Critical accounting estimates and judgments:

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only; or in the period of the change and future periods, if the change affects both.

The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Fair value of financial instruments:

The Company determines the fair value of financial instruments that are not quoted in an active market, using valuation techniques. Those techniques are significantly affected by the assumptions used, including discount rates and estimates of future cash flows. In that regard, the derived fair value estimates cannot always be substantiated by comparison with independent markets and, in many cases, may not be capable of being realized immediately.

The methods, and assumptions applied, and the valuation techniques used, for financial instruments that are not quoted in an active market are disclosed in note 16.

Payment in lieu of taxes:

The Company periodically assesses its liabilities and contingencies related to PILs for all years open to audit based on the latest information available. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current PILs provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the PILs liabilities.

Useful lives of depreciable assets:

Management reviews the useful lives of depreciable assets at each reporting date. At December 31, 2019, management assesses that the useful lives represent the expected utility of the assets to the Company. The carrying amounts are analyzed in note 6. Actual results, however, may vary due to technical obsolescence, particularly for software and electronic equipment.

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2019

3. Significant accounting policies (continued):

(n) Critical accounting estimates and judgments (continued):

Impairment:

An impairment loss is recognized for the amount by which an asset's carrying amount exceeds its recoverable amount, which is the higher of fair value less cost to sell and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each asset or cash generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors. In the process of measuring expected future cash flows management makes assumptions about future operating results. These assumptions relate to future events and circumstances.

4. Accounts receivable:

	2019	2018
Trade receivables	\$ 5,104,625	\$ 4,879,479
Other receivables	329,151	541,651
	<hr/> \$ 5,433,776	<hr/> \$ 5,421,130

Included in the receivables balance is an allowance for doubtful accounts in the amount of \$353,384 (2018 - \$355,521)

5. Inventory:

The amount of inventories consumed by the Company and recognized as an expense during 2019 was \$326,444 (2018 - \$311,156).

	2019	2018
Stores	\$ 951,738	\$ 831,125
Wire and cable	499,695	564,038
Poles	278,051	215,265
	<hr/> \$ 1,729,484	<hr/> \$ 1,610,428

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2019

6. Property, plant and equipment:

(a) Cost or deemed cost:

	Land and buildings	Transmission & distribution	Plant & equipment	Construction -in- Progress	Total
Balance at January 1, 2019	\$ 25,883,626	\$ 68,540,300	\$ 20,470,714	\$ 232,287	\$ 115,126,927
Additions	192,115	5,026,704	616,719	1,043,405	6,878,943

	Land and buildings	Transmission & distribution	Plant & equipment	Construction -in- Progress	Total
Balance at December 31, 2019	\$ 26,075,741	\$ 73,567,004	\$ 21,087,433	\$ 1,275,692	\$ 122,005,870

	Land and buildings	Transmission & distribution	Plant & equipment	Construction -in- Progress	Total
Balance at January 1, 2018	\$ 25,897,510	\$ 63,680,242	\$ 19,773,921	\$ 37,675	\$ 109,389,348
Additions	18,860	4,860,058	696,793	194,612	5,770,323
Disposals/retirements	(32,744)	–	–	–	(32,744)

	Land and buildings	Transmission & distribution	Plant & equipment	Construction -in- Progress	Total
Balance at December 31, 2018	\$ 25,883,626	\$ 68,540,300	\$ 20,470,714	\$ 232,287	\$ 115,126,927

(b) Accumulated depreciation:

	Land and buildings	Transmission & distribution	Plant & equipment	Construction -in- Progress	Total
Balance at January 31, 2019	\$ 3,400,451	\$ 9,987,386	\$ 4,507,503	\$ –	\$ 17,895,340
Depreciation charge	686,763	2,348,287	975,622	–	4,010,672

	Land and buildings	Transmission & distribution	Plant & equipment	Construction -in- Progress	Total
Balance at December 31, 2019	\$ 4,087,214	\$ 12,335,673	\$ 5,483,125	\$ –	\$ 21,906,012

	Land and buildings	Transmission & distribution	Plant & equipment	Construction -in- Progress	Total
Balance at January 1, 2018	\$ 2,717,413	\$ 7,762,714	\$ 3,551,082	\$ –	\$ 14,031,209
Depreciation charge	683,038	2,224,672	956,421	–	3,864,131

	Land and buildings	Transmission & distribution	Plant & equipment	Construction -in- Progress	Total
Balance at December 31, 2018	\$ 3,400,451	\$ 9,987,386	\$ 4,507,503	\$ –	\$ 17,895,340

Contributed tangible assets:

Contributed tangible assets have been recognized at a fair market value at the date of contribution. The value of contributed assets at the end of the year is \$4,294,948 (2018 - \$3,284,967), comprised of distribution infrastructure.

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2019

6. Property, plant and equipment (continued):

(c) Carrying amounts:

	Land and buildings	Transmission & distribution	Plant & equipment	Construction -in- Progress	Total
At December 31, 2019	\$ 21,987,527	61,231,331	15,604,308	1,275,692	100,099,858
At December 31, 2018	\$ 22,483,175	58,552,914	15,963,211	232,287	97,231,587

(d) Security:

At December 31, 2019, properties with a carrying amount of \$100,099,858 (2018 - \$97,231,587) are subject to a general security agreement.

7. Payments in lieu of income taxes:

Payment in lieu of taxes expense (recovery):

Current PILs Expense:

	2019	2018
Current payments in lieu of income tax	\$ 85,514	\$ 8
Adjustment to prior years	41,444	-
Payment in lieu of income tax expense	\$ 126,958	\$ 8

Deferred PILs Expense:

	2019	2018
Origination and reversal of timing differences	\$ 638,000	\$ 217,000
Payment in lieu of income tax expense	\$ 764,958	\$ 217,008

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2019

7. Payments in lieu of income taxes (continued):

Reconciliation of effective tax rate:

	2019	2018
Net income being total comprehensive income for the year	\$ 3,167,171	\$ 1,539,834
Statutory rate	26.5%	26.5%
Income tax	839,300	408,056
Increase (decrease) resulting from:		
Permanent difference	1,584	1,662
Adjustment to prior year's recovery	(76,000)	(163,000)
Other	74	(29,710)
	\$ 764,958	\$ 217,008

Significant components of the Company's deferred tax balances are as follows:

	2019	2018
Deferred tax assets (liabilities):		
Plant and equipment	\$ (1,882,000)	\$ (1,305,000)
Donations	—	10,000
Reserves	94,000	—
CMT credit	290,000	163,000
Non-capital loss carry forward	788,000	1,060,000
	\$ (710,000)	\$ (72,000)

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2019

8. Regulatory deferral account balance:

The following is a reconciliation of the carrying amount for each class of regulatory deferral account balances:

	January 1, 2019	Balances arising in the period	Recovery/ reversal	December 31, 2019	Remaining recovery/ reversal period (years)
Regulatory deferral account debit balances					
Settlement Variance	\$ (672,655)	\$ 84,433	\$ 3,028,206	\$ 2,439,984	<1
Deferred taxes	150,000	–	816,000	966,000	
LRAMVA	426,609	11,159	(130,159)	307,609	<1
Total amount related to regulatory deferral account debit balances	\$ (96,046)	\$ 95,592	\$ 3,714,047	\$ 3,713,593	
Regulatory deferral account credit balances					
Deferred Taxes	\$ (78,000)	\$ –	\$ (178,000)	\$ (256,000)	
Stranded Meters	(34)	–	–	(34)	<1
Smart Meter Entity Charges	(29,071)	412	4,837	(23,822)	<1
Regulatory Asset Recovery Account Phase 5-9	(2,557,512)	–	1,990,065	(567,447)	<1
Regulatory Asset Recovery Account Phase 10	–	70,846	(662,602)	(591,756)	<1
CGAAP Accounting Changes	2	–	–	2	1
Total amount related to regulatory deferral account credit balances	\$ (2,664,615)	\$ 71,258	\$ 1,154,300	\$ (1,439,057)	
	January 1, 2018	Balances arising in the period	Recovery/ reversal	December 31, 2018	Remaining recovery/ reversal period (years)
Regulatory deferral account debit balances					
Regulatory Asset recovery Account Phase 6	\$ 35,801	\$ (13,136)	\$ –	\$ 22,665	<1
Regulatory Asset recovery Account Phase 8	56,026	–	80	56,106	1
Deferred taxes	52,000	–	98,000	150,000	
LRAMVA	(105,489)	3,120	528,978	426,609	<1
Total amount related to regulatory deferral account debit balances	\$ 38,338	\$ (10,016)	\$ 627,058	\$ 655,380	
Regulatory deferral account credit balances					
Settlement Variance	\$ (4,788,706)	\$ 44,156	\$ 4,071,895	\$ (672,655)	<1
Deferred Taxes	(197,000)	–	119,000	(78,000)	
Stranded Meters	3,786	(67)	(3,753)	(34)	<1
Smart Meter Entity Charges	24,916	(1,447)	(52,540)	(29,071)	3
Regulatory Asset Recovery Account Phase 5	(30,634)	–	–	(30,634)	<1
Regulatory Asset Recovery Account Phase 7	(59,066)	(16)	59,082	–	<1
Regulatory Asset Recovery Account Phase 9	–	(32,584)	(2,573,065)	(2,605,649)	<1
CGAAP Accounting Changes	2	–	–	2	1
Total amount related to regulatory deferral account credit balances	\$ (5,046,702)	\$ 10,042	\$ 1,620,619	\$ (3,416,041)	

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2019

8. Regulatory deferral account balance (continued):

The regulatory deferral account balances are recovered or settled through rates set by the OEB which are determined using estimates of future consumption of electricity by its customers. Future consumption is impacted by various factors including the economy and weather. The Company has received approval from the OEB to establish its regulatory deferral account balances.

Group 1 deferral and variance accounts (Group 1 accounts) track the differences between the costs that a distributor is billed for certain IESO and host distributor services (including the cost of power) and the associated revenues that the distributor receives from its customers for these services. The total net difference between these costs and revenues is disposed to customers through a temporary charge or credit known as a rate rider.

The OEB requires the Company to estimate its income taxes when it files a COS application to set its rates. As a result, the Company has recognized a regulatory deferral account for the amount of deferred taxes that will ultimately be recovered from/paid back to its customers. This balance will fluctuate as the Company's deferred tax balance fluctuates.

9. Deferred revenue:

	Distribution assets	Construction in-Progress	Total
Cost or deemed cost			
Balance at January 1, 2019	\$ 3,518,564	\$ —	\$ 3,518,564
Additions	1,111,843	—	1,111,843
Balance at December 31, 2019	\$ 4,630,407	\$ —	\$ 4,630,407
Balance at January 1, 2018	\$ 3,087,531	\$ —	\$ 3,087,531
Additions	431,033	—	431,033
Balance at December 31, 2018	\$ 3,518,564	\$ —	\$ 3,518,564
	Distribution assets	Construction in-Progress	Total
Accumulated depreciation			
Balance at January 1, 2019	\$ 233,597	\$ —	\$ 233,597
Depreciation	101,862	—	101,862
Balance at December 31, 2019	\$ 335,459	\$ —	\$ 335,459
Balance at January 1, 2018	\$ 151,021	\$ —	\$ 151,021
Depreciation	82,576	—	82,576
Balance at December 31, 2018	\$ 233,597	\$ —	\$ 233,597
Carrying amounts			
At December 31, 2019	\$ 4,294,948	\$ —	\$ 4,294,948
At December 31, 2018	3,284,967	—	3,284,967

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2019

9. Deferred revenue (continued):

Deferred revenue relates to capital contributions received from customers and others. The amount of deferred revenue received from customers during the year is \$1,111,843 (2018 - \$431,033). Deferred revenue is recognized as revenue on a straight-line basis over the life of the related asset for which the contribution was received.

10. Long-term debt:

	2019	2018
Notes payable:		
(i) Ontario Infrastructure smart meter loan	\$ 3,331,997	\$ 3,636,943
(ii) Ontario Infrastructure building loan	17,946,697	18,534,697
(iii) Ontario Infrastructure construction loan	13,560,934	13,980,667
(iv) Note payable to parent company, PUC Inc.	26,534,040	26,534,040
	61,373,668	62,686,347
Current portion of long-term debt	(1,366,680)	(1,312,680)
	<hr/> \$ 60,006,988	<hr/> \$ 61,373,667

- i) Smart Meter Loan with Ontario Infrastructure and Lands Corporation (OILC): Reducing Debenture Facility, amortization period of 15 years to July 17, 2028. The loan interest rate of 3.82%. Interest of \$131,193 (2018 - \$142,696) was paid and expensed during the year. The loan is payable in the amount of \$220,496 semi-annual principal and interest. Security is in the form of a second ranking general security agreement.
- ii) Land and Building Loan with OILC: Reducing Debenture Facility, amortization period of 25 years to October 1, 2038. The loan interest rate of 4.57%. Interest of \$834,821 (2018 - \$861,039) was paid and expensed during the year. The loan is payable in the amount of \$118,568 monthly principal and interest. Security is in the form of a first charge over the Company's land and building and a third ranking general security agreement.
- iii) Electric Distribution Infrastructure Loan with OILC: The construction loan was converted to long term debt in 2016, at an interest rate of 3.47%, repayable over 25 years by a blended principal and interest payment of \$74,852 monthly maturing on May 16, 2041. Interest of \$478,495 (2018 - \$492,790) was paid and expensed during the year. Security is in the form of a fourth ranking general security agreement and a guarantee and assignment of shares from the company's shareholder, PUC Inc.
- iv) Note payable to parent company, PUC Inc., bears interest payable quarterly at rates periodically negotiated and principal payable one year after demand. The average interest rate for 2019 was 6.1% (2018 – 6.1%). The balance outstanding for 2019 is \$26,534,040 (2018 - \$26,534,040).

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2019

10. Long-term debt (continued):

Principal payments on the long-term debt are as follows:

2020	\$ 1,366,680
2021	1,422,937
2022	1,481,545
2023	1,542,604
2024	1,606,219
2025 - 2042	53,953,683
	<hr/>
	\$ 61,373,668

Reconciliation of movements of liabilities to cash flows arising from financing activities:

	2019	2018
Long term debt - beginning	\$ 62,686,347	\$ 63,947,191
Less: cash outflows for principal repayments	(1,312,679)	(1,260,844)
	<hr/> \$ 61,373,668	\$ 62,686,347

11. Customer deposits:

Customer deposits represent cash deposits from electricity distribution customers and retailers, as well as construction deposits.

Deposits from electricity distribution customers are refundable to customers who demonstrate an acceptable level of credit risk as determined by the Company in accordance with policies set out by the OEB or upon termination of their electricity distribution service. The balance at December 31, 2019 is \$1,067,552 (2018 - \$1,099,333).

12. Share capital:

	2019	2018
Authorized:		
Unlimited number of special shares, non-voting, non-cumulative		
Redeemable at \$10,000 per share		
10,000 Common shares		
Issued and outstanding:		
8,612 common shares	\$ 20,062,107	\$ 20,062,107

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2019

13. Other operating revenue:

Other income comprises:

	2019	2018
Rendering of services	\$ 6,494,808	\$ 3,614,085
Other	149,987	140,666
Amortization of deferred revenue	101,862	82,576
Gain on disposal of property, plant and equipment	500	80,256
Total other income	\$ 6,747,157	\$ 3,917,583

14. Finance income and expense:

	2019	2018
Interest income	\$ 2,919	\$ 10,151
Interest expense on long-term debt	3,063,085	3,115,102
Other interest and carrying charges	70,345	28,556
	3,133,430	3,143,658
Net finance costs recognized in profit or loss	\$ 3,130,511	\$ 3,133,507

15. Commitments and contingencies:

i) General:

From time to time, the Company is involved in various litigation matters arising in the ordinary course of its business. The Company has no reason to believe that the disposition of any such current matter could reasonably be expected to have a materially adverse impact on the Company's financial position, results of operations or its ability to carry on any of its business activities.

ii) General Liability Insurance:

The Company is a member of the Municipal Electric Association Reciprocal Insurance Exchange (MEARIE). MEARIE is a pooling of public liability insurance risks of many of the LDCs in Ontario. All members of the pool are subjected to assessment for losses experienced by the pool for the years in which they were members, on a pro-rata basis based on the total of their respective service revenues. As at December 31, 2019, no assessments have been made.

iii) Letter of Guarantee:

The Company maintains a \$5,000,000 letter of guarantee with its Bank in favor of the IESO.

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2019

16. Related party transactions:

(a) Parent, ultimate controlling party, and other related parties:

The sole shareholder of the Company is PUC Inc., which in turn is wholly-owned by the Corporation of the City of Sault Ste. Marie. The City produces financial statements that are available for public use. Other related parties include PUC Services Inc. (Services), Public Utilities Commission of the City of Sault Ste. Marie (Utility), and Northern Waterworks Inc (NWI).

(b) Key management personnel:

The key management personnel of the Company have been defined as members of its board of directors and is summarized below:

	2019	2018
Directors' fees	\$ 9,870	\$ 9,534

(c) Transactions with ultimate parent (the City):

In the year, the Company had the following significant transactions with its ultimate parent, a government entity:

The Company delivers electricity to the City throughout the year for the electricity needs of the City and its related organizations. Electricity delivery charges are at prices and under terms approved by the OEB. The amount charged to the City for electricity consumed by streetlights is \$635,219 (2018 - \$811,058) and for other electricity consumption is \$4,277,141 (2018 - \$4,019,843).

(d) Transactions with Services:

The Company has a management, operation and maintenance agreement with Services, which has been extended to November 30, 2022, under which Services manages, controls, administers and operates the business of the Company. During the year, management fees were paid to Services in the amount of \$4,655,272 (2018 - \$4,618,259).

The Company receives interest on its receivable balance to Services at the OEB prescribed short-term borrowing rate on its average monthly balance. Interest of \$(68,363) (2018 – \$946) was (paid)/received during the year.

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

(e) Transactions with NWI:

The Company is related to NWI through common ownership group. There were no transactions with NWI during the year (2018 - \$NIL).

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2019

17. Financial instruments and risk management:

(a) Fair value disclosure:

Cash and cash equivalents are measured at fair value. The carrying values of receivables, and accounts payable and accrued charges approximate fair value because of the short maturity of these instruments. The carrying value of the customer deposits approximates fair value because the amounts are payable on demand.

(b) Financial risks:

The Company understands the risks inherent in its business and defines them broadly as anything that could impact its ability to achieve its strategic objectives. The Company's exposure to a variety of risks such as credit risk, interest rate risk, and liquidity risk, as well as related mitigation strategies are discussed below.

i) Credit risk:

Financial assets carry credit risk that a counterparty will fail to discharge an obligation which could result in a financial loss. Financial assets held by the Company, such as accounts receivable, expose it to credit risk. The Company earns its revenue from a broad base of customers located in the City. No single customer accounts for a balance in excess of 2.53% of total accounts receivable.

The carrying amount of accounts receivable is reduced through the use of an allowance for impairment and the amount of the related impairment loss is recognized in net income. Subsequent recoveries of receivables previously provisioned are credited to net income. The balance of the allowance for impairment at December 31, 2019 is \$353,384 (2018 - \$355,521).

The Company's credit risk associated with accounts receivable is primarily related to payments from distribution customers. The Company has over 33 thousand customers, the majority of whom are residential. Credit risk is managed through collection of security deposits from customers in accordance with directions provided by the OEB. As at December 31, 2019, the Company holds security deposits in the amount of \$1,067,552 (2018 - \$1,099,333).

ii) Market risk:

Market risks primarily refer to the risk of loss resulting from changes in commodity prices, foreign exchange rates, and interest rates. The Company currently does not have any material commodity or foreign exchange risk. The Company is exposed to fluctuations in interest rates as the regulated rate of return for the Company's distribution business is derived using a complex formulaic approach which is in part based on the forecast for long-term Government of Canada bond yields. This rate of return is approved by the OEB as part of the approval of distribution rates.

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2019

17. Financial instruments and risk management (continued):

(b) Financial risks (continued):

iii) Liquidity risk:

The Company monitors its liquidity risk to ensure access to sufficient funds to meet operational and investing requirements. The Company's objective is to ensure that sufficient liquidity is on hand to meet obligations as they fall due while minimizing interest exposure. The Company monitors cash balances daily to ensure that a sufficient level of liquidity is on hand to meet financial commitments as they come due. As at December 31, 2019, no amounts had been drawn under the Company's credit facilities.

The majority of accounts payable, as reported on the statement of financial position, are due within 30 days.

iv) Capital disclosures:

The main objectives of the Company, when managing capital, are to ensure ongoing access to funding to maintain and improve the electricity distribution system, compliance with covenants related to its credit facilities, prudent management of its capital structure with regard for recoveries of financing charges permitted by the OEB on its regulated electricity distribution business, and to deliver the appropriate financial returns.

The Company's definition of capital includes shareholder's equity and long-term debt. As at December 31, 2019, shareholder's equity amounts to \$34,725,765 (2018 - \$32,585,552) and long-term debt amounts to \$61,373,668 (2018 - \$62,686,347).

18. Comparative information:

Certain 2018 comparative amounts have been reclassified to conform to the financial statement presentation adopted for 2019.

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2020-118

AGREEMENTS AND SIGNING AUTHORITY: A by-law to approve the standard forms of Agreements; and further to delegate to the Director of Tourism and Community Development and the Director of Economic Development, the CAO, or Deputy CAO of Community Development and Enterprise Services, or their delegate (collectively hereinafter: "delegated signing officers") signing authority to execute same on behalf of the City of Sault Ste. Marie. Further to delegate to the delegated signing officers signing authority to execute any type of confidentiality agreement or non-disclosure agreement, and any agreement related to advertising, promotion services, media purchases and event bidding opportunities.

THE COUNCIL of The Corporation of the City of Sault Ste. Marie, pursuant to sections 9 and 23.1 of the *Municipal Act, 2001*, S.O. 2001, c. 25, **ENACTS** as follows:

1. **STANDARD FORM OF AGREEMENT APPROVED**

The Corporation of the City of Sault Ste. Marie does hereby authorize and approve the standard forms of Agreements as set out in Schedule "A", "B", "C", "D" and "E" hereto.

2. **STANDARD AGREEMENT POWERS DELEGATED**

The Council hereby delegates to the Director of Tourism and Community Development and the Director of Economic Development, the CAO, or Deputy CAO of Community Development and Enterprise Services, or their delegate, signing authority to execute the Agreements substantially in the forms of Schedule "A", "B", "C", "D" and "E" on behalf of the Corporation of the City of Sault Ste. Marie on the terms and conditions therein set forth.

3. **SCHEDULE "A", "B", "C", "D" and "E"**

Schedule "A" Program Release and Consent Form;

Schedule "B" Millworks Business Development Program Participation Agreement;

Schedule "C" Confidentiality Agreement;

Schedule "D" Summer Company Agreement; and

Schedule "E" Start Company Plus Contribution Agreement

form part of this by-law.

4. **CONDITIONS AND LIMITATIONS – STANDARD AGREEMENT - SCHEDULE "A", "B", "C", "D" and "E"**

- a. Council shall retain power per the discretion of the delegate;
- b. Execution of any such agreement shall only occur upon consultation, review, and approval by the Legal Department.

5. DELEGATED AUTHORITY FOR CONFIDENTIALITY OR NON-DISCLOURE AGREEMENT

The Council hereby delegates signing authority to the Director of Tourism and Community Development and the Director of Economic Development, the CAO, or Deputy CAO of Community Development and Enterprise Services, or their delegate for the purpose of entering into any type of confidentiality agreement or non-disclosure agreement that furthers any initiative subject to the requirements herein.

6. DELEGATED AUTHORITY FOR ADVERTISING, PROMOTION SERVICES, MEDIA PURCHASES OR EVENT BINDING OPPORTUNITIES

The Council hereby delegates to the Director of Tourism and Community Development and the Director of Economic Development, the CAO, or Deputy CAO of Community Development and Enterprise Services, or their delegate, signing authority for any agreement related to advertising, promotion services, media purchases and event bidding opportunities subject to the requirements herein.

7. CONDITIONS AND LIMITATIONS - CONFIDENTIALITY OR NON-DISCLOURE AGREEMENT

- a. Council shall retain power per the discretion of the delegate;
- b. Execution of any such agreement shall only occur upon consultation, review, and approval by the Legal Department; and,
- c. Any confidentiality or non-disclosure agreement shall include a clause specific to the Corporation of the City of Sault Ste. Marie's limitations regarding information as governed by the *Municipal Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, c. M.56, as amended, or any directive or order by an applicable tribunal our court.

8. CONDITIONS AND LIMITATIONS - ADVERTISING, PROMOTION SERVICES, MEDIA PURCHASES OR EVENT BINDING OPPORTUNITIES

- a. Council shall retain power per the discretion of the delegate;
- b. Execution of any such agreement shall only occur upon consultation, review, and approval by the Legal Department;
- c. Agreements shall only be completed in accordance with Procurement By-law 2016-143, as amended;
- d. The total annual costs associated with agreements executed by any delegated signing officer shall be limited to the annual operating budget approved by Council.

9. REPORTING REQUIREMENTS - CONFIDENTIALITY OR NON-DISCLOURE AGREEMENT, AND ADVERTISING, PROMOTION SERVICES, MEDIA PURCHASES OR EVENT BINDING OPPORTUNITIES

- a. Reporting to Council shall occur bi-annually on agreements signed during any given year pursuant to this bylaw.

10. SIGNING POWER TO BE USED BY PARTICULAR DELEGATE

- a. A delegated signing officer may in writing designate a person as a delegated signing officer that may exercise the delegated power or duty herein so long as the agreement is within any purchasing approval level of the designate.
- b. Except as otherwise required by law, should any position identified in this By-law with delegated powers or duty be vacant, on annual leave, or no longer exist within the Corporation of the City of Sault Ste. Marie, the powers and duties of that position may be exercised by a person deemed to have authority under this by-law in accordance with the following order:
 - i. Any designated person;
 - ii. Director of Tourism and Community Development and the Director of Economic Development;
 - iii. Deputy CAO of Community Development and Enterprise Services;
 - iv. The CAO; and,
 - v. Until such time as the position is either no longer vacant, or a new delegation for the corresponding delegated power or duty is approved.
- c. The above shall be followed in relation to the purchasing approval level of any delegated signing officer when signing any agreement of fixed value.

11. ADMINISTRATION

- a. A record of each document executed under this bylaw shall be recorded.
- b. At least one original of each executed document shall be retained by the Clerk's Department for safekeeping unless otherwise directed.

12. GENERAL

- a. In the event of any inconsistency between this By-law or any other By-law, the more restrictive provision shall prevail to the extent of the inconsistency.
- b. Any reference to legislation, regulations or By-laws in this By-law shall be interpreted to include all amendments and any successor legislation thereof.
- c. If a court of competent jurisdiction declares any provision, or any part of a provision, of this By-law to be invalid, or to be of no force and effect, it is the intention of Council in enacting this By-law, that each and every other provision of this By-law authorized by law, be applied and enforced in accordance with its terms to the extent possible according to law.

13. **EFFECTIVE DATE**

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

PASSED in open Council this 29th day of June, 2020.

MAYOR – CHRISTIAN PROVENZANO

CITY CLERK – RACHEL TYCZINSKI



RELEASE AND CONSENT FORM

Collection of Personal and Confidential Information

I, _____ in my personal capacity, and as well as on behalf of _____ ("the Business"), in consideration of the Corporation of the City of Sault Ste. Marie (City) reviewing my application for certain funding programs delivered by the City; consent to the collection, use and disclosure of my personal information, including but not limited to financial and credit information of myself and the Business. The City for the purposes of administering and advertising the Program and contacting applicants for such programs about future initiatives. Questions about the collection of personal information can be directed to Director, Economic Development, 99 Foster Drive, Sault Ste. Marie, ON P6A5X6.

Release of General Information

Without limiting the generality of the foregoing, I allow the City to use my name, my image and/or a description of my Business in media communications of any kind produced by or on behalf of the City for the purposes of promoting the Program, and/or the City. I understand and agree that media communications will include but not necessarily be limited to: the City and associated websites; social media such as Twitter, Facebook, LinkedIn, Instagram, YouTube, etc.; newspaper/magazine articles; photos; brochures; and advertisements. I waive any right to inspect or approve the finished media communications.

I hereby waive any and all rights that I may have, to the City's use of my name, and images and/or a description of my business referred to in this document and agree that any such information and images shall hereafter remain the exclusive property of the City. Use of this general information and images will be made without any acknowledgment or payment to me.

I release and agree to hold harmless the City, its employees, representatives, directors, agents and assigns, from all actions, claims and demands arising from the City's use and disclosure of my name, my image, and/or a description of my Program business and the production, reproduction or distribution of such general information in media communications. I acknowledge that the City may be subject to a request or order to disclose such information under the *Municipal Freedom of Information and Protection of Privacy Act* and hereto consent to any disclosure.

I understand and authorize the City to release personal and confidential information to the funding source for the sole purpose of monitoring the Program.

I have read this Release and Consent Form before signing below, and I understand and consent to the contents.

Date

Participant Name
(Please Print)

Participant Signature



Millworks
Centre for Entrepreneurship
Centre pour l'entrepreneuriat

**Millworks - Centre for Entrepreneurship Business Development
Program Participation Agreement**

This agreement between

(the "Participant")

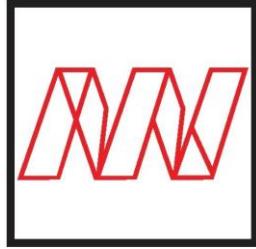
and

The Corporation of the City of Sault Ste. Marie

(Hereafter referred to as the "City")

Background

This agreement (hereinafter: "Agreement") is entered into for the purpose of admitting the Participant into the Millworks Centre for Entrepreneurship Business Development Program (the "Program") and to mutually agree on the terms and conditions of such admittance for the Participant. In accepting admittance to the Program, the Participant understands and agrees to all provisions and stipulations of the program as set forth in this document. The Participants agrees to duly and faithfully adhere to these said provisions while participating in the program in order to receive the benefits of the Program. Failure to do so will result in removal from the program and requiring of reimbursement to the City for any expenditure incurred by the City towards admittance of such Participant in the program.



1. Acceptance of the Terms of this Agreement.

The Participant agrees to the terms and conditions outlined in this Agreement.

2. Services.

Directly below is a list of services (A to G) that the City **may** provide to the Participant. The Participant and the City shall determine which specific services best fit the needs of the Participant and negotiate the fees associated with these services in a separate Schedule of Fees and a physical space within the Millworks Centre premises. Core services (section A) are provided at no charge to all Participants.

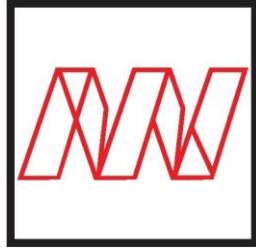
A. Business & Marketing Strategy Services:

The City will work with the Participant to provide advice, review, and assist the Participant to:

- Develop a business plan and strategic marketing plan;
- Undertake comprehensive business training;
- Identify market research and competitive analysis;
- Identify and be introduced to strategic partnerships; and,
- Receive advisory and mentor services.

B. Business Operation Services:

The City will help the Participant's develop its business platform including satisfying provincial and municipal licensing requirements. Participants will be provided work space (determined on the Participants needs) equipped with general internet access, shared conference area, , shared heating costs, basic furnishings, and assistance in identifying additional funding opportunities that may apply. Telephone lines and handsets are available at additional cost to the participant



C. Legal Services:

The City will assist Participants to locate and obtain independent professional legal guidance, at an additional cost, with any business contracts, employment agreements, trademark or intellectual property protection, business structure filings/registration, confidentiality and non-disclosure and non-competition agreements, and to ensure that all participants are familiar with Provincial and/or Federal requirements.

D. New Media Marketing Services:

The City provides training and information on e-business solutions and will connect the Participant with website developers and/or Public Relations firms, as required, for insights on online market research and trend analysis, website hosting, and maintenance needs.

The City offers training on a broad range of web marketing services, designed around the Participant's customized marketing strategy:

- Assistance in identifying advisors who can develop a website including design and development, hosting, maintenance with local partners;
- Content management system;
- Presentation skills training;
- Market research and trend analysis; and,
- Web strategy.

E. Traditional Marketing Services:

The City will provide training and advisory services in relation to marketing, advertising, and press release services as well as facilitating introductions to appropriate agencies and practitioners within the local market. The City will assist participants in locating trade shows and event planning that will help the Participant most cost-efficiently reach their target market. The City will guide the Participant with the following areas:

- Advertising (TV, Radio, Print) training and advisory services;
- Tradeshow identification and collateral materials development support;
- Public relations; and,
- Lead generation and sales support.



F. Accounting, Tax & Financial Management Services:

The City will assist in connecting Participants with independent accounting and bookkeeping service providers, as well as training related to in-house financial systems development.

G. Training Services:

The City provides business training specific to various aspects including, but not limited to:

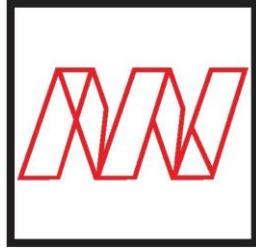
- Business, accounting and bookkeeping systems;
- E-Business training;
- Sales & Script training;
- Presentation skills training;
- Operations management;
- Human resources; and
- Strategy, branding, product positioning training.

3. Duration of Participation

This Agreement will be active for a period of _____ from the date indicated in Section 16 (below).

Graduation from the program may occur earlier than the period indicated but may not exceed that time **barring renewal by the City or special circumstance / consideration prior to entrance**. Any and all exemptions are at the discretion of the City.

All Participants will establish a time line plan prior to entrance that outlines the expected duration in the Program, key milestones, and ancillary services that will become part of the Agreement and subject to review every three (3) months, with an overall progress meeting to occur every six (6) months.



4. Fees.

The City will charge fees for the services mentioned from A to G above, based on number and extent of services to be provided to the Participant, as well as the size of office space required. Fees will increase 20% after year one of program participation. See Schedule of Participant Fees (Appendix A) for full details of fees.

*13% HST applied to all fees.

5. Independent Advisors.

Participant may receive business and technical consulting services from local business professionals, economic development professionals, students and/or faculty of a university or college, and others (collectively, "Independent Advisors"). These Independent Advisors are not employees or agents of the City, and they will not be bound by this Agreement or the other participant documents (Consent and Release, Business Development Program Handbook, and Participant Engagement Form). Participant acknowledges and agrees that the City shall not be held liable for any acts, omissions, advice, recommendations, or representations of these Independent Advisors.

6. No Guarantee of Results.

Participant acknowledges and agrees that the City makes no representations, warranties nor guarantees regarding the Participant's business nor its potential for success or failure. The City makes no representation as to the commercial utility of its recommendations nor whether the use of such recommendations will not infringe on any intellectual property rights of others.

The Participant shall be solely responsible for making all decisions and actions related to its business, including compliance with all applicable laws and regulations, and the Participant hereby waives and covenants not to assert any claims, actions, rights, complaints, against the City, its directors, officers, employees, agents, contractors, or other representatives.



7. Independent Contractor Status.

Neither party is, nor shall be deemed to be, an employee, agent, partner, or legal representative of the other party for any purpose. Neither party shall be entitled to enter into any contracts in the name of or on behalf of the other party, nor shall either party be entitled to pledge the credit of the other party in any way or hold itself out as having the authority to do so.

8. Insurance.

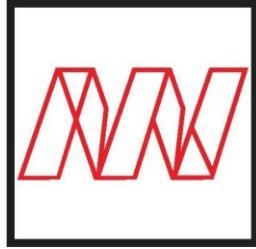
The Participant agrees to maintain at its own cost and expense for all times during the currency of this Agreement, a minimum of Two Million (\$2,000,000.00) Dollars comprehensive general liability insurance in respect of personal injury, death, loss or damage of or to any person or property of third parties, with insurers licenced to conduct business in Ontario. The City shall be added as an Additional Insured to the required liability insurance policy or policies and no such policy shall be cancelled or allowed to lapse without at least thirty (30) days written notice having been given to the City. An Insurance Certificate, on the C.S.I.O. form and satisfactory to the City's Risk Manager, shall be provided to the City prior to the commencement of the Effective Date.

9. Unlawful Activity.

The City reserves the right to investigate complaints or reported violations of this Agreement and to take any action deemed appropriate, including but not limited to reporting any suspected improper or unlawful activity to regulatory or law enforcement officials, or other third parties, and disclosing any information necessary or appropriate to such persons or entities, the Participant including but not limited to profiles, email addresses, usage history, posted materials, IP addresses and internet traffic information.

10. Indemnification.

The Participant agrees to indemnify the City, its respective officers, servants, employees, agents of, subcontractors, successors, assigns, third party suppliers of information and documents, attorneys, advertisers, product and service providers, and affiliates (collectively, "Affiliated Parties") from and against all actions, suits, claims, costs, damages, executions and demands of any nature whatsoever which may be brought against or made upon the City, the City, its respective officers, servants, employees, agents of, subcontractors, successors, assigns, third party suppliers of information and documents, attorneys, advertisers, product and service providers, and affiliates, by reason of or on account of loss or damage to property or injury (including death) occasioned by any party arising out of the activities or services listed in this Agreement and all activities or services ancillary thereto, including reasonable attorney's fees, related to Participant participation in the Program, violation of this Agreement, or use of any facilities or property of the City.



11. No Assignment.

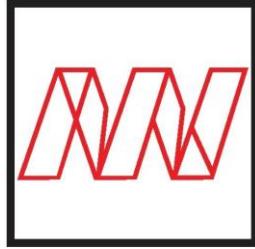
Participant's right to use the Millworks Business Development Program is not transferable or assignable.

12. Limitation of Liability and Disclaimer.

All documents provided to the Participant or any of the Participants advisors, lawyers agents, accountants, consultants, employees directors officers or employees, from or through or as a consequence of the participants participation in the program are provided and accepted by such recipient "as-is," "as available," and with "all faults", whether disclosed or not, and all warranties express or implied, are disclaimed (including but not limited to the disclaimer of any implied warranties of accuracy, merchantability and fitness for a particular purpose). The information and services may contain faults, miscalculations, bugs, errors, inaccuracies, problems or other defects and limitations.

The City and all affiliated containing respect of the program have no liability whatsoever for the Participant's use of any information or service. In particular, but not as a limitation thereof, The City and affiliated parties are not liable for any indirect, special, incidental or consequential damages (including damages for loss of business, loss of profits, lost opportunity, damages to reputation, and loss of goodwill, litigation, or regulatory acts, and costs of all types), whether based on breach of contract, breach of warranty, tort (including negligence, negligent misrepresentation, or omission), product liability or otherwise, even if advised of the possibility of such damages. The negation and limitation of damages set forth above are fundamental elements of the basis of the Agreement between the City and the Participant. The program and the products, advice, services, documents and information provided would not be provided without such limitations.

No advice or information, whether oral or written, obtained by the Participant from the City through the program or otherwise shall create any warranty, representation or guarantee not expressly stated in this Agreement.



13. Legal and Policy Compliance.

The Participant agrees that at all times while participating in the Program, they shall follow and comply with all applicable laws, statutes, bylaws and regulations as well as any and all policies promulgated by the City in respect of the Program and the Participants participation in such Program.

14. Termination.

- a. Either party may terminate this Agreement for any reason upon thirty (30) days' written notice to the other party;
- b. Either party may terminate this Agreement in the event the other party (i) breaches any of the terms and conditions of this Agreement and (ii) fails to cure completely such breach within five (5) calendar days of notice being received detailing such breach;
- c. The City may terminate this Agreement immediately and without notice if any of the representations and ordinances added by the Participant in applying for participation in the Program were false or misleading in a material respect as of the date of this Agreement.
- d. Section 6, 10 and 12 of this Agreement shall survive the expiration or termination of this Agreement.

15. General.

- a. Execution in Counterparts. For the convenience of the parties, this Agreement may be executed in two or more counterparts, in the original or by facsimile or other electronic forms of transmission, each of which shall be deemed an original, but all of which together shall constitute one and the same document.
- b. Notices. All notices that are required or may be given pursuant to the terms of this Agreement shall be in writing and shall be sufficient in all respects if given in writing and personally delivered, e-mailed, or mailed by registered or regular prepaid mail to the addresses as follows:



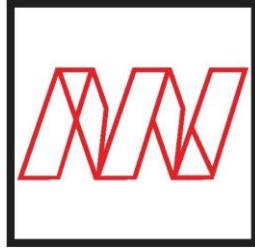
If to the City:

Address: 99 Foster Drive, Sault Ste. Marie, ON P6A 5X6

If to Participant:

or to such other address as either party shall have designated by notice in writing to the other.

- c. No Third-Party may enforce participants rights. None of the provisions of this Agreement or any of the other participant documents (including Client Handbook, milestone document and/or pricing) shall be for the benefit of or enforceable by any third party, including, without limitation, any creditor of either party.
- d. Waivers. The waiver by either party of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision, or of any further breach of the provision so waived or of any other provision, of this Agreement. No extension of time for the performance of any obligation or act under this Agreement shall be deemed an extension of time for the performance of any other obligation or act.
- e. Entire Agreement/Amendments. This Agreement, together with the other Participant Documents (including Client Handbook, milestone document and/or pricing), constitutes the entire and only agreement between the City and the Participant with respect to the subject matter covered and shall supersede all prior or contemporaneous agreements, representations, warranties and understandings with respect to the Millworks Business Development Program, the content, products or services provided by the City and the subject matter of this Agreement. This Agreement may not be amended, modified, or changed in any respect without the written consent of the parties.



- f. **Severability.** Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be unenforceable or invalid under applicable law, such provision shall be ineffective only to the extent of such unenforceability or invalidity, and the remaining provisions of this Agreement shall continue to be binding and in full force and effect.
- g. **Binding Effect.** This Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and assigns.
- h. The Participant acknowledges that the City is bound by the *Freedom of Information and Protection of Privacy Act*, R.S.O. 1990 c.F.31 as amended and that the information provided to the City in connection with the Program or otherwise in connection with the Agreement may be subject to disclosure under that Act.

16. The participant agrees to the following fee structure, applicable at the start of each month:

Monthly Program Fees:

Millworks _____ Office: _____

Ancillary Services: VOIP Telephone Line: _____

Total Monthly Services Cost: _____

HST on Services: _____

Total Monthly Program Participation Cost: _____

One-time Ancillary Fees:

VOIP Handset: _____

HST on VOIP Handset: _____

One-time Ancillary Fees Total: _____



Millworks
Centre for Entrepreneurship
Centre pour l'entreprenariat

This Agreement will commence on _____, and will cover a period of _____, from _____ to _____. The City will apply a charge for any other services (to be affirmed and negotiated with the Participant) such as outlined in Schedule 'A', as required. Any amounts incurred after commencement of this Agreement will be prorated for Participants entering the Program for partial month services.

IN WITNESS WHEREOF, this Agreement has been executed by the parties on this _____ day of _____,

Business Name: _____

Name: _____

Title: _____

Signature: _____

I have authority to bind the Corporation or named business.

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

Name: _____

Title: _____

Signature: _____

I have authority to bind the Corporation

Schedule "C"

This Confidentiality Agreement is made this _____ day of _____ ,
_____.

BETWEEN:

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

(hereinafter referred to as the "City")

-and-

(hereinafter referred to as "Member")

WHEREAS:

The above Member is not an employee of the Corporation of the City of Sault Ste. Marie and therefore not bound to the City's policy and procedures on confidentiality.

AND WHEREAS:

The Member holds a position on the business Starter Company Plus Grant Review Committee that will allow them to learn information that pertains to start-up businesses consisting in part, if not the entirety of, proprietary information that is of utmost importance to the future prospective viability of the business.

AND WHEREAS:

The content of the information shared, including, but not limited to, all documentation, shall be held in confidence by the City subject only to the provision of freedom of information and privacy legislation, including without limitation, the *Municipal Freedom of Information and Protection of Privacy Act*.

AND WHEREAS:

It's the City and the Members responsibility to ensure such information is held in confidence.

NOW THEREFORE the parties agree as follows:

1. The Member, and are not employees of the City, agree that they shall not, either during the term of this agreement or at any time thereafter, disclose any

confidential information learned as a Member of the Starter Company Plus Grant Review Committee.

2. The Member will take such steps as are necessary to ensure that they maintain absolute confidentiality of all such information at all times and shall not disclose same or permit to be disclosed, or use or permit it to be used, or otherwise obtain any benefit from all or any part of such information.
3. Confidential Information does not include information which at the time of disclosure is generally available to the public, or was available on a non-confidential basis from a source other than a Disclosing Party not under a duty of confidentiality.

IN WITNESS WHEREOF, the Parties have executed this Confidentiality Agreement effective as of the date written above.

**THE CORPORATION OF THE CITY OF
SAULT STE. MARIE**

Per:

Name: _____

Title: _____

We acknowledge receipt and are in agreement with the terms of this Confidentiality Agreement.

MEMBER

Schedule "D"

THIS AGREEMENT made in duplicate as of the _____ day of _____ 2020.

BETWEEN:

The Corporation of the City of Sault Ste. Marie

(the "City")

- and -

(STUDENT NAME)

(the "Student")

WHEREAS the Student has applied for an award under the Summer Company Program (the "Program") which provides funding, business training and mentoring to students to start and run their own summer businesses (the "Project").

AND WHEREAS the City and the Student wish to set out in this Agreement their respective rights and obligations concerning the Project.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual promises and covenants contained in it, and for other good and valuable consideration the receipt and sufficiency of which are expressly acknowledged, the City and the Student agree as follows:

Section 1 - Interpretation of the Agreement

1.01 Definitions. The following capitalized terms shall have the meanings ascribed to them below unless there is something in the context inconsistent therewith:

"Agreement" means this agreement together with the Application, Guidelines, appendices and any amendments thereto;

"Application" means the online Summer Company Program application completed by the Student and includes the Student's Business Plan and Cash Flow Statement;

"Award" means the financial assistance in the amount of up to \$3,000.00 to be disbursed by the City to the Student in the manner provided in this Agreement;

"Business Plan" means the business plan and cash flow statement submitted by the Student with the Application and approved by the City;

"Business Mentor" means the local business representatives referred to in the Guidelines to which the student is assigned;

"Disbursement" means any advance of funds authorized by the City on account of the Award;

"First Disbursement" means an amount of up to one thousand, five hundred dollars (\$1,500.00) to be applied to Project Costs as set out in Section 5.01(a) of this Agreement;

"Guidelines" means the guidelines posted at www.ontario.ca/summercompany which are also provided to the Student with the Application setting out the criteria and conditions for the Program;

"Participant Survey" means the online survey on the Program that the Student is required to complete at the end of the program cycle;

"Program" means the Summer Company Program;

"Project" means the operation of the independent business as described in the Application and the Business Plan;

"Project Costs" means those out of pocket costs payable by the Student to arm's length third parties related to the start up of the Project described in the Business Plan.

"Term" means the period commencing _____, _____, _____ and ending on _____, _____, _____.

Section 2 – Student Covenants

- 2.01 The Student agrees to implement the Project substantially in accordance with this Agreement and operate the Project on a full time basis (an average of a minimum of 35 hours a week) for the number of weeks identified in the Business Plan. The Student shall use best efforts to satisfy the targets set out in the Business Plan. No material change shall be made to the description of the Project without the prior written consent of the City. The Project shall be completed on or before September 1, 2020.
- 2.02 The Student shall use the First Disbursement solely for the purposes of paying Project Costs described in the Business Plan and approved by the City. The First Disbursement shall be used by the Student within the first thirty (30) days of the operation of the Project.
- 2.03 The Student agrees to:
 - (a) participate in meetings with the Business Mentor for the following period of time that is applicable to the Student:
 - (i) If the Student is enrolled in high school, for an eight week period; or
 - (ii) If the Student is enrolled in a post-secondary institution, for a twelve week period;

- (b) submit a journal that includes a description of the progress of the business, time allocations, outlining business tasks and operations and marketing activities, in a form and substance satisfactory to the Business Mentor and the City; and
 - (c) submit a cash flow statement of the business operations together with copies of all receipts and invoices organized, totaled and reconciled to the cash flow record.
- 2.04 The Student agrees to participate in other relevant training as recommended by the City.
- 2.05 The Student will permit the City to visit the Project site at such reasonable times as may be requested by the City to review the progress of the Project and to review the Student's compliance with the terms and conditions of this Agreement.
- 2.06 The Student agrees to complete the Participant Survey on or before the commencement of the Term.
- 2.07 The Student shall comply with all applicable laws, regulations and orders and duly observe all requirements of governmental authorities, and all statutes and regulations, which could affect the Student and the Project.

Section 3 - Student Representations and Warranties

- 3.01 The Student represents and warrants to and in favour of the City:
- (a) that the information supplied to the City in the Application or in support of the Application by the Student is true and accurate. The Student acknowledges that the City has relied upon the truth, authenticity and accuracy of the information in authorizing the Award;
 - (b) that the business proposed in the Business Plan is a new business venture in the start-up phase and is:
 - i. not a currently existing commercial endeavour;
 - ii. not a continuation of an already existing commercial endeavour, whether active or inactive, due to the seasonal aspects or nature of the business; or
 - iii. not a subsidiary or division of an existing business;
 - (c) that the Student is currently enrolled in an educational institution and will be returning to the educational institution in the fall;
 - (d) that the Student is a resident of Ontario;
 - (e) that the Student is a Canadian citizen or a permanent resident;
 - (f) that the Student is not employed elsewhere and/or attending school during the Term for more than 12 hours/week; and
 - (g) that the Student has not previously received an award from the Program.

Section 4 -The Award

- 4.01 Subject to and in accordance with all of the terms and conditions of this Agreement, and in reliance on the representations and warranties in Section 3, the City agrees to provide an Award to the Student up to a maximum aggregate amount of three thousand dollars (\$3,000.00) to assist the Student to carry out the Project.
- 4.02 The Student agrees that any portion of the First Disbursement that has not been used to pay for Project Costs, as required under Section 2.02, shall be deducted from the final Disbursement of the Award. In the event that the Student is not eligible for the final Disbursement as set out in Section 5.01(b), the Student shall repay to the City any portion of the First Disbursement that has not been used to pay for Project Costs, upon written demand of the City.
- 4.03 The City reserves the right to cancel any portion of an Award amount not disbursed to the Student by the end of the first month of the Term..
- 4.04 In the event that the City does not receive the funding necessary from the Province of Ontario, for any reason, the City is not obligated to make any such Award, and as a consequence, the City may, by written Notice to the Student, (a) reduce the amount of the Award to the Student; or (b) terminate the Agreement immediately without liability, penalty, or costs.

Section 5 - Terms and Conditions of Disbursement

- 5.01 Disbursements by the City to the Student on account of the Award shall be made available as follows:
 - (a) the First Disbursement in an amount of up to one thousand, five hundred dollars (\$1,500.00) as an advance for Project Costs, upon execution of the Agreement by both parties and, if the Student is less than eighteen years of age, upon execution of the guarantee as set out in Schedule "A" of this Agreement and forming part of this Agreement, in accordance with Section 7.18;
 - i. The Student shall provide the City with a detailed expenditure statement and accounting, satisfactory to the City for the expenditure of the First Disbursement by providing a statement of all Project Costs incurred and paid by the Student on account of the Project together with invoices and other appropriate records supporting the said expenditures and proof of payment thereof organized, totaled and reconciled to the cash flow statement and expenditure statement within thirty (30) days of receipt of the First Disbursement by the Student.
 - (b) the final Disbursement in an amount of up to one thousand, five hundred dollars (\$1,500.00) after the Project is completed provided that the Student is in compliance with the terms and conditions of this Agreement, has complied with the covenants set out in Section 2 and has provided the City with the

following documents on or before September 3, 2020, which shall be in form and substance satisfactory to the City:

- i.a final report setting out the status and results of the Project in a form and substance satisfactory to the City;
- ii.a final cash flow statement of the Project's operations;
- iii.all reports and journals;
- iv.copies of the bank statements for the Project;
- v. evidence, satisfactory to the City, that the Student is enrolled at an educational institution commencing in the fall of 2020.

Section 6 -Termination

6.01 In the event that the Student is in breach of a covenant, term or condition set out in this Agreement, upon 15 days written notice to the Student:

- (a) All obligations of the City to make Disbursements on account of the Award cease immediately;
- (b) The City may, at its option, terminate this Agreement and may demand immediate repayment from the Student of the total Disbursements made by the City, and upon written demand the total amount of all Disbursements made pursuant to this Agreement shall be immediately due and payable by the Student to the City; and
- (c) The City may avail itself of any of its legal remedies, which it may deem appropriate.
- (d) Section 7.07.1 (Indemnification) shall survive upon expiration or any termination of this Agreement.

Section 7 - General

7.01 Audit

All contracts, papers, correspondence, copies, books, payrolls, records, accounts, invoices, statements, accounting records and other information and material of the Student relating to the expenses incurred by the Student pursuant to the Project and this Agreement shall be open to audit examination by the City or its agent at all reasonable times during the Term of this Agreement and for a period of 7 years thereafter. This section survives the expiry or termination of this Agreement.

7.02 Applicable Law

This Agreement is to be governed by and interpreted in all respects in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

7.03 Entire Agreement

This Agreement, including the Application, Guidelines, and Appendix forms the entire Agreement between the Student and the City.

7.04 Time

Time is of the essence of this Agreement.

7.05 Assignment

This Agreement ensure to the benefit of the City and the Student, their respective assigns and successors at law. This Agreement may not be assigned by the Student without the prior written consent of the City.

7.06 Limitations of Liability

In no event will the City be responsible for any direct, or indirect, or consequential damages sustained by the Student or any of its employees, customers or any other third parties, howsoever caused.

7.07 Insurance

The Student agrees to maintain at its own cost and expense for all times during the currency of this Agreement, a minimum of Two Million (\$2,000,000.00) Dollars comprehensive general liability insurance in respect of personal injury, death, loss or damage of or to any person or property of third parties, with insurers licenced to conduct business in Ontario. The City shall be added as an Additional Insured to the required liability insurance policy or policies and no such policy shall be cancelled or allowed to lapse without at least thirty (30) days written notice having been given to the City. An Insurance Certificate, on the C.S.I.O. form and satisfactory to the City's Risk Manager, shall be provided to the City prior to the commencement of the Effective Date.

The Student is responsible for obtaining and maintaining his/her own insurance and is not covered by the City's insurance program. No protection will be afforded to the Student by the City for any claims that may arise from the Student's operation of the Project.

7.07.1 Indemnification

The Student agrees to indemnify the City, its respective officers, servants, employees, agents of, subcontractors, successors, assigns, third party suppliers of information and documents, attorneys, advertisers, product and service providers, and affiliates (collectively, "Affiliated Parties") from and against all actions, suits, claims, costs, damages, executions and demands of any nature whatsoever which may be brought against or made upon the City, the City, its respective officers, servants, employees, agents of, subcontractors, successors, assigns, third party suppliers of information and documents, attorneys, advertisers, product and service providers, and affiliates, by reason of or on account of loss or damage to property or injury (including death) occasioned by any party arising out of the activities or services listed in this Agreement and all activities or services ancillary thereto, including reasonable attorney's fees,

related to Participant participation in the Program, violation of this Agreement, or use of any facilities or property of the City.

Please sign that you have read this section:

Student:

Guarantor:

Date:

7.08 Notices

Any notice, request, demand, consent, approval, correspondence, report or other communication required pursuant to or permitted under this Agreement must be in writing and must be given by personal delivery, or transmitted by facsimile or other electronic message which provides a hard copy, or be sent by first class mail, postage or charges prepaid, and addressed to the party to whom it is intended at, in the case of the Student, at the address set out in the Application and in the case of the City, at the address set out below:

HARLEEN PUAAR
Program Manager
99 Foster Drive
Sault Ste. Marie ON
P6A 5X6

Any such notice shall be deemed to be received if personally delivered on the date of receipt, or if sent by facsimile or other electronic message on the day it is sent, and if such notice is sent by first class mail it shall be deemed to have been received on the date that is five days after the date of mailing.

7.09 Non-Agent

The Student and City agree and declare that nothing in this Agreement shall be construed as creating a partnership, joint venture, agency or employment relationship between the Student and the City.

7.10 Conflict in Documents

In the event of any conflict or inconsistency in this Agreement, (a) the main body of the Agreement shall govern over the Appendices to the Agreement; (b) the Agreement (including its Appendices) shall govern over the Guidelines and the Application; and (c) the Guidelines shall govern over the Application.

7.11 Conflict of Interest.

The Student shall ensure that any person associated with the Project, in whatever capacity, carries out the Project, in all its aspects, without a conflict of interest. For these purposes, a conflict of interest includes any circumstances where (a) the Student; or (b) any person who has the capacity to influence the Student's decisions; has outside commitments, relationships or financial interests that could, or could be seen to, interfere

with the Student's objective, unbiased and impartial judgment relating to the Project and the use of the Award. Nothing in this section shall prevent the Student if the Student so chooses from reimbursing the Student's volunteers for their reasonable out of pocket expenses incurred in connection with the Project. The Student shall (a) disclose to the City without delay any actual or potential situation that may be reasonably interpreted as either a conflict of interest or a potential conflict of interest; and (b) comply with any terms and conditions that the City may prescribe as a result of the disclosure.

7.12 Amendments.

This Agreement may be amended, altered or modified only by a prior written agreement signed by both the City and the Student.

7.13 Waiver.

The benefit of any provision of this Agreement may be waived in whole or in part by the party for whose benefit the provision operates and any party may waive any or all of its rights in the event of a breach of any provision of this Agreement by the other party. A waiver is binding on the waiving party only if it is in writing. A waiver may be absolute or may be limited in any way as to duration or scope.

7.14 Further Assurances.

The Student agrees at any time and from time to time after the execution and delivery of this Agreement to execute and deliver such further acts and things as the City may reasonably request in order to fully effect the purpose of this Agreement and the transactions contemplated herein.

7.15 Freedom of Information and Protection of Privacy Act.

The Student acknowledges that the City is bound by the *Freedom of Information and Protection of Privacy Act*, R.S.O. 1990 c.F.31 as amended and that the information provided to the City in connection with the Project or otherwise in connection with the Agreement may be subject to disclosure under that *Act*.

7.16 Force Majeure.

Neither party shall be responsible for failures in performance resulting from matters beyond the control of the party, including acts of God, riots or other civil insurrection, war, strikes and lock-outs.

7.17 Severability.

The invalidity or unenforceability of any provision of this Agreement or any covenant in it will not affect the validity or enforceability of any other provision or covenant in it, and the invalid provision or covenant will be deemed to be severable.

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7.18 Guarantee

The Student acknowledges that the City will require a guarantee where the Student executing the Agreement is less than 18 years of age and may otherwise, at its option, oblige the Student to provide a guarantee, as a condition of providing an Award. In the event a guarantee is required, the guarantor is subject to the prior approval of the City and the guarantor shall execute the form attached as Appendix A.

In Witness Whereof the Student and the City have executed this Agreement as of the date first set out above.

The Corporation of the City of Sault Ste. Marie

Per

Name: _____

Title: _____

I have authority to bind the corporation

Per

Signature of Student

Print name of Student

signed section 7.07 Insurance

Appendix A

Guarantee (To be executed by Guarantor where required)

I have read and understood this Agreement entered into between the Student and the CITY and in consideration of the Award made to the Student by the CITY, if the Student defaults on any obligation under this Agreement, I will fulfill the obligations of the Student and stand in place of the Student for all purposes under this Agreement.

I am an adult of 18 years or more.

Signature of Guarantor _____ **Date** _____

Print name of Guarantor _____

Address _____

Telephone _____

Witness Signature _____ **Date** _____

Print Name of Witness _____

Schedule "E"



Millworks
Centre for Entrepreneurship
Centre pour l'entrepreneuriat

Starter Company Contribution Agreement
(hereinafter: the “Agreement”)

made as of _____, ___, _____

between

The Corporation of the City of Sault Ste. Marie
(hereinafter: the “City”)

and

(the “Recipient”)

1.1 Business / Executive Summary



2.1 Costs and Financing

2.1.1. Project Financing

The Recipient agrees that financing for completion of the Project has been arranged as follows:

The Recipient agrees that they have committed their 25% contribution, as required under the

Starter Company Program, as a cash

contribution of

The Recipient agrees that Starter Company funding shall only be applied to the eligible project expenditures as outlined directly below.

Approved Cost Category

Approved Amount Total

The Recipient will also be required to track and report progress, as per this Agreement, on the following milestones:



2.1.2. Payment

Funds will be released upon execution of the Agreement and satisfaction of any and all conditions required prior to drawdown. Funding will consist of 75% of the contribution amount upon receipt of the signed Agreement, with the remaining 25% hold-back funding being released upon completion and submission of an acceptable final project report and satisfaction of conditions, as outlined directly below.

Provide the Funds by depositing same into an account designated by the Recipient provided that the account:

- i. Resides at a Canadian financial institution; and
- ii. Is in the name of the Recipient organization.

The Recipient acknowledges that it is not eligible to receive any funding or grants from any City source in addition to the Funds agreed to herein for the Term of the Agreement. The Recipient further acknowledges that any and all amounts owing to the City must be paid in full before the Funds will be released.

2.1.3. Repayment of Overpayment

If at any time the City provides Funds to the Recipient in an amount excess to that which the Recipient is entitled to under the Agreement, the City may:

- i. Deduct an amount equal to the excess Funds from any further instalments; or
- ii. Demand that the Recipient repay an amount equal to the excess Funds to the City, wherein the Recipient shall forthwith comply.

2.1.4. Records

The Recipient will maintain accounting records that clearly show the receipt of project Starter Company funds and use of such funds only for approved project expenditures.

The Recipient will keep financial records for at least seven (7) years after the project completion date. The Recipient agrees the City has the right to require production of the Recipient's financial records, and/or review or audit project files at any time upon 10 days' notice to Recipient, and this right may be exercised as many times as the City, in its sole discretion decides. The Recipient shall cooperate with



the City in providing or obtaining all reasonably required financial documents.

The Recipient will retain receipts associated with project expenditures and provide copies to the City prior to and as a condition to release of hold-back funds.

2.1.5. Reports

Progress reports are to be submitted to the City once per month following the completion of Mentor meetings.

Final project report containing an evaluation of the success of the initiative in meeting its goals and key performance targets as well as the benefits to the community shall be submitted to the City within six months of project end date. A complete financial report will be attached to the final project report to detail all project revenues and expenditures as well as supporting documentation, including but not limited to, paid invoices and cancelled cheques.

2.1.6. MFIPPA

The Recipient acknowledges that the City is bound by the *Freedom of Information and Protection of Privacy Act*, R.S.O. 1990 c.F.31 as amended and that the information provided to the City in connection with the Project or otherwise in connection with the Agreement may be subject to disclosure under that *Act*.

2.1.7. Termination

The City may, at its sole discretion, cancel this Agreement on sixty (60) days' written notice to the Recipient. In the event of such early termination of this Agreement, the Recipient acknowledges that same shall result in the immediate stoppage of any future payment of Funds from the City up to the date of termination, provided however, that in the event that the City elected to terminate the Agreement as a result of a default of the terms and conditions of the Agreement, the sole determination of which shall be made by the City in its sole discretion, the remedies, terms and amounts set out in Section 2.1.6 herein shall apply.

Section 4.1 of this Agreement shall survive the expiration or termination of this Agreement.

2.1.8. Default

The Recipient agrees that any default to the terms and conditions contained herein by the Recipient shall result in the immediate stoppage of payments from the City and immediate termination of the Agreement. The Recipient further agrees that a default arising from any use of Funds that is contrary to the terms of this Agreement as determined by the City may also result in the repayment of Funds to the City in an amount proportionate to the Funds that were improperly used in a method of payment specified by the City.

3.1 Insurance

The Recipient agrees to maintain at its own cost and expense for all times during the currency of this agreement, a minimum of Two Million (\$2,000,000.00) Dollars comprehensive general liability insurance in respect of personal injury, death, loss or damage of or to any person or property of third parties, with insurers licensed to conduct business in Ontario. The City shall be added as an Additional Insured to the required liability insurance policy or policies and no such policy shall be cancelled or allowed to lapse without at least thirty (30) days written notice having been given to the City. An Insurance Certificate, on



the C.S.I.O. form and satisfactory to the City's Risk Manager, shall be provided to the City prior to commencing any activities under the project using funds provided by City.

4.1 Indemnity

The Recipient agrees to indemnify the City, its respective officers, servants, employees, agents of, subcontractors, successors and assigns, from and against all actions, suits, claims, costs, damages, executions and demands of any nature whatsoever which may be brought against or made upon the City, the City, its respective officers, servants, employees, agents of, subcontractors, successors, and assigns, by reason of or on account of loss or damage to property or injury (including death) occasioned by any party arising out of the activities or services listed in this Agreement and all activities or services ancillary thereto.

5.1 Notices

All notices that are required or may be given pursuant to the terms of this Agreement shall be in writing and shall be sufficient in all respects if given in writing and personally delivered, e-mailed, or mailed by registered or regular prepaid mail to the addresses as follows: If to the City:

Address: 99 Foster Drive, Sault Ste. Marie, ON P6A 5X6

If to Participant:

or to such other address as either party shall have designated by notice in writing to the other.

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Millworks
Centre for Entrepreneurship
Centre pour l'entrepreneuriat

5.1 Execution of Agreement

The Parties hereby execute this Agreement

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

Signature: _____ Date: _____

Name and Title: _____
(Print)

I have authority to bind the Corporation.

RECIPIENT:

Signature: _____ Date: _____

Name and Title: _____
(Print)

I have authority to bind the Corporation, or if not duly incorporated, I shall bind the business.

WITNESS: Local SBEC Office

Signature: _____ Date: _____

Name and Title: _____
(Print)

**** NOTE: THE RECIPIENT WILL PROVIDE THE FOLLOWING INFORMATION AT THE TIME OF SIGNATURE
OF THE CONTRIBUTION AGREEMENT:**

1. Copy of Insurance certificate(s)
2. Copy of one piece of identification (**Health Card is NOT considered ID**)
3. Copy of proof of business – articles of incorporation or business registration certificate
4. Completed Consent and Release Form
5. Social Insurance Number (required for T4-A forms for Income Tax purposes)

THE CORPORATION OF THE CITY OF SAULT STE. MARIE
BY-LAW 2020-124

AGREEMENT: A by-law to authorize the execution of the Agreement between the City and Via Mobility LLC to continue with a two (2) year extension of service supported by the Agreement approved by Council on July 15, 2019.

THE COUNCIL of The Corporation of the City of Sault Ste. Marie, pursuant to section 9 of the *Municipal Act, 2001*, S.O. 2001, c. 25, **ENACTS** as follows:

1. EXECUTION OF DOCUMENT

The Mayor and City Clerk are hereby authorized for and in the name of the Corporation to execute and affix the seal of the Corporation to the Agreement dated June 29, 2020 between the City and Via Mobility LLC, a copy of which is attached as Schedule "A" hereto. This Agreement is to continue with a two (2) year extension of services supported by the Agreement approved by Council on July 15, 2019.

2. SCHEDULE "A"

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

3. EFFECTIVE DATE

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

PASSED in open Council this 29th day of June, 2020.

MAYOR – CHRISTIAN PROVENZANO

CITY CLERK – RACHEL TYCZINSKI

Schedule "A"

EXTENSION AGREEMENT dated the 29th day of June, 2020,

BETWEEN:

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

(the "City")

- and -

VIA MOBILITY LLC

("Via")

WHEREAS the City and Via entered into an Agreement for the provision of an On-Demand Transit Technology System as required by the Transit Division of the Community Development and Enterprise Services of the City, as set out in Schedule "A" to this Agreement ("Main Agreement") for the period of twelve (12) months following the launch thereof, which launch occurred on September 8, 2019;

AND WHEREAS the Main Agreement shall expire on the last day of the calendar month during which a period of twelve (12) months following launch expires, specifically the Main Agreement shall expire the 30th day of September 2020, subject to extension by mutual agreement of the parties on terms to be agreed,

AND WHEREAS the parties hereto desire to extend the terms of the Main Agreement on the terms and conditions set out herein;

NOW THEREFORE in consideration of the rents, covenants and agreements herein contained and hereby assumed, the parties for themselves and their respective successors and assigns do hereby covenant and agree with one another as follows:

DURATION OF EXTENDED TERM

1. The Parties hereto acknowledge and agree to extend the terms and conditions of the Main Agreement for an additional two (2) years period, commencing October 1, 2020 and expiring September 30, 2022 ("Extended Term"), subject to extension by mutual agreement of the parties on terms to be agreed upon.

TERMS AND CONDITIONS OF EXTENSION AGREEMENT

2. The parties acknowledge and agree that all terms and conditions as set out in the Main Agreement shall apply to this Extension Agreement, save and except for:
 - i) "Installation Fees - as set out in Section 3 Fees of the Main Agreement, Document entitled "Sault Ste. Marie Deployment Service Order". To that end, the parties agree that there are no installation fees applicable for the Extended Term.

- ii) The parties intend to increase the service and vehicle hours. At a further step, the parties will agree in writing the details of such increase.

OTHER

3. This Extension Agreement and Schedule "A" appended hereto constitutes the entire agreement duly executed by the parties hereto, and no amendment, variation or change to this Extension Agreement shall be binding unless same shall be in writing and signed by the parties hereto.

IN WITNESS WHEREOF the parties hereto have duly executed this Lease.

VIA MOBILITY LLC

Per: _____
Name: _____
Title: _____

I have authority to bind Via Mobility LLC

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

Per: _____
Name: Christian Provenzano
Title: Mayor

Per: _____
Name: Rachel Tyczinski
Title: City Clerk

We have authority to bind the Corporation

Schedule "A"

SAULT STE MARIE DEPLOYMENT SERVICE ORDER¹

1. Purpose; Scope

By this service order (the "Order"), Via Mobility LLC, a Delaware company with its principal office located at 95 Morton Street, Floor 3, New York, New York 10014 ("Via"), and The City of Sault Ste. Marie ("Customer") agree to collaborate towards the operation by Customer of a deployment (the "Deployment") in a geographic area in Sault Ste. Marie, Canada for approximately 12 months following launch thereof.

For purposes of the Deployment, Via will provide (in accordance with and subject to the Terms):

- (a) The use of the standard Via Solution, comprised of:
- Via's fully localized dynamic vehicle routing and real-time passenger aggregation system
 - Downloadable co-branded rider iOS and Android apps. The app will be co-branded as "Powered by Via" in a prominently displayed banner headlined by the Customer name/logo
 - iOS or Android driver apps
 - Backend administration tools
 - Ongoing technical, operational, and marketing support, as specified below
 - Analytics tools and reporting, as specified below
- (b) The following Support Services:

- i. Installation Services until up to four weeks after launch of the Deployment:

Installation Services	Description
Localization for new city	Optimize dynamic vehicle routing and real-time passenger aggregation algorithm; configure backend (billing, payment, and database); build detailed map; input traffic model; define service zone, including pickup and drop-off points; update monitoring tools; update rider and/driver apps
Testing and quality assurance	Remote and on-the-ground testing of all Via systems before launch
Assist with development of launch model	Help Customer to build a launch plan and customer acquisition strategy
Train local personnel and oversee launch	Instruction for drivers, dispatchers, and managers on Via's best practices; onsite and remote launch support

- ii. Ongoing Services following the fourth week after launch of the Deployment, which are included in the Fees up to the amounts set forth below:

¹ All capitalized terms used but not defined herein shall have the meaning set forth in the terms and conditions set forth at <https://ridewithvia.com/platform-terms-of-service/>, which govern this service order (the "Terms").

Ongoing Services	Description	Amount
Operational Support and System Adjustments	<ul style="list-style-type: none"> • Virtual bus stop architecture and map maintenance: quality assurance and update of optimal pickup points • Fleet optimization and essential service adjustments: adjustments to dynamic and predictive routing algorithm 	Up to 10 hours/month
Expert Consulting Services	<ul style="list-style-type: none"> • Marketing and growth: Including help setting up complex promotions, review and assistance for third-party marketing tools included in Via's marketing tech stack, as applicable • Operations: Including supply optimization analysis, payment & fraud investigation, and business case/unit economics analysis • Service expansion: Including feasibility analysis for expansions in service or additional on-demand projects 	Up to 5 hours/month
Data Sharing	As set forth in Appendix 1	N/A
Automatic product upgrades	Receive regular software updates	N/A
Cloud hosting and third-party tools	Amazon Web Services, Twilio, analytics and communications software tools (excluding third party payment processor)	N/A
Tech Support and Maintenance**	Dedicated customer success Via point of contact will use commercially reasonable efforts to respond within one business day for non-critical issues (upon receipt of a detailed description of the issue as requested by Via) and to ensure that assistance is provided within a reasonable time frame. Via will also provide Customer with an appropriate channel for alerting Via to system outages or other critical issues, with respect to which Via will provide emergency assistance both during and outside of the normal hours set forth above.	No maximum

Via will use commercially reasonable efforts to notify Customer if Customer is within 1 hour of exceeding capped hourly limit on Product Maintenance and/or Consulting Services.

** At the start of the project, Via will direct Customer towards the relevant CRM tools to log requests. In order to trigger a Product Maintenance request, requests for product maintenance must contain detailed information about the nature of the request. If the request is for an additional feature, it will be subject to the "additional features" costs and timeline as set forth below.

- iii. If applicable, the following Additional Services in accordance with the Terms for the following additional Fees:

Additional Services	Description	Rate
Additional Features; Zone Changes	Add access to powerful features, including a web-based booking portal, corporate account management dashboards, linkage to fixed route bus and train lines, and integration into third party travel planners and payment providers Changes or expansions to the Deployment zone, or additional zone locations	Per feature access fees available upon request; \$200/hour (total localization effort to be estimated in scope of work prior to start of project)
Operational Support and System Adjustments	Additional support beyond the 10 hours/month capped rate specified above	\$165/person/hour
Expert Consulting Services	Additional support beyond the 5 hours/month capped rate specified above	\$200/person/hour

In accordance with the Terms, all fees set forth herein are exclusive of any applicable taxes, and are payable within thirty (30) days of receipt of invoice. All fees are shown in US dollars.

Customer will operate and manage the Deployment as set forth in the Terms, cooperate with Via in all respects and support Via's team by providing any useful local insights. Customer shall cooperate with Via as necessary for the purpose of setting up the Deployment and its specifications, including by providing prompt feedback to Via's inquiries, in order to meet mutually agreed upon deadlines.

2. Duration

The duration of the Deployment shall last until the last day of the calendar month during which a period of 12 months following launch expires (the "Initial Term"), , subject to extension by mutual agreement of the parties on terms to be agreed (including any increase in monthly fees for additional months).

3. Fees

Customer shall pay to Via the following Fees:

Fee Category	Amount	Invoicing Terms
Installation Fee	\$16,000	
• First installment	50% (\$8,000)	Payable upon signing of this Order
• Second installment	50% (\$8,000)	Payable upon launch of the Deployment
Vehicle hour fees	\$5 per vehicle hour	
• Per-Vehicle hour fees	<ul style="list-style-type: none"> • Minimum of 8 vehicles, each vehicle operating for a minimum 20 hours per calendar month for 12 months (\$100 per vehicle per month x 8 vehicles x 12 months = \$9,600 per year minimum) • Maximum 120 hours per vehicle per calendar month (i.e. a cap of \$600 per vehicle per month) 	Invoiced monthly by Via
Total for 12 months	\$25,600 + HST (minimum excluding additional vehicle hours, fees for any Additional Services)	

For the avoidance of doubt, (i) the number of rides for purposes of the above fees shall be the number of riders for whom a ride is booked in the Via Solution, (ii) the number of vehicles per month for purposes of the above fees shall be the maximum number of distinct vehicles input by Customer that use the Via Solution on any given day over the course of the applicable calendar month and (iii) in the event the duration of the Deployment does not exactly match calendar months, monthly fees will be pro-rated for the first and/or last calendar months of the Deployment, as applicable, so that Customer will only be charged for the portion of such months during which the Via Solution was available to be used for the Deployment.

The above fees do not include any fees owed to the third party payment processor. Via will facilitate an introduction to its recommended payment processor and Customer is responsible for entering an agreement with such payment processor in order to be able to process credit card payments.

4. Branding

The Deployment will be branded as 'SSM On-Demand' powered by Via. The "powered by Via" banner must be used only in the exact format provided by Via, and will be prominent on all assets promoting the Deployment, including (but not limited to) printed collateral, digital materials, websites, and any vehicle wraps. The "powered by Via" banner will have equal prominence on all marketing materials to any additional partner logos or trademarks. Via may provide pre-approved brand assets and guidelines that must be complied with in all marketing communications distributed by the Customer.

5. Marketing and Communications Planning and Execution

Customer will maintain a high level of communication across its own Marketing and Communications/Public Relations teams, and the corresponding Via teams.

Customer and Via will work together in good faith on press announcements relating to the Deployment. This will include a joint press release to be reviewed and approved by both parties in advance of launch and/or service announcements. In the event it receives any inbound press reach out relating to the Deployment, Customer will notify Via if it has spoken to or will be

speaking to media. The Partner will direct any questions specifically about Via or the Via Solution directly to the Via Press Office.

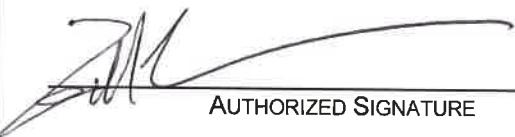
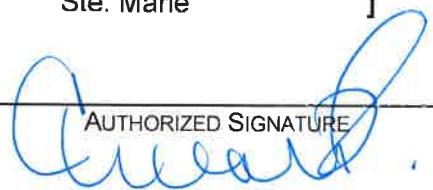
Customer shall work collaborate with Via in good faith toward the creation by Via of case study relating to the Deployment, including by providing relevant information and quotes from relevant personnel.

6. Terms and Conditions

This order shall be governed by the terms and conditions set forth at <https://ridewithvia.com/platform-terms-of-service/>.

7. Relationship Managers

- Via: Valentina Titiun; additional Expansion Team members designated by Via (the “**Via Manager**”)
- Customer: [The Corporation of the City of Sault Ste. Marie] (the “**Customer Manager**”)

<p>VIA: VIA MOBILITY LLC</p>  <p>AUTHORIZED SIGNATURE</p> <p>Zachary Wasserman</p> <p>PRINTED NAME</p> <p>Manager, Via Mobility, LLC</p> <p>TITLE</p> <p>07/10/2019</p> <p>DATE SIGNED</p>	<p>CUSTOMER: [The Corporation of the City of Sault Ste. Marie]</p>  <p>AUTHORIZED SIGNATURE</p> <p>CHRISTIAN PROVENZANO</p> <p>MAYOR</p> <p>DATE SIGNED</p>  <p>AUTHORIZED SIGNATURE</p> <p>MALCOLM WHITE</p> <p>CITY CLERK</p> <p>DATE SIGNED</p>
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APPROVED BY
CITY OF SAULT STE. MARIE

BY-LAW# 2019 -149

Appendix 1 to Service Order

Data Sharing

Authorized Users - Contract

The below exhibit sets forth the members of the Customer's "Core Team" who are designated authorized users of the Via Solution and Deployment data. Any usage beyond the members of the Core Team would be in violation of the confidentiality provisions in the Terms.

Exhibit 1.

Core Team	
Title	Name
Manager Transit & Parking Area Coordinator Transit & Parking Training Supervisor	Nicole Maione Brad Miller Christian Frost

Data Sharing Plan - Appendix

As part of the Deployment, Via will make below data available to members of the Customer's Core Team, for the purpose of research and program evaluation. The data to be shared will be uploaded to a Tableau server and protected by Via's VPN. Each of the individuals listed as members of the Core Team will be provided their own VPN credentials and team credentials for access to Tableau. Access to the Tableau server will be available through the VPN only and might require appropriate software to connect. Underlying data may not be shared through any other method. The data is considered trade secret by Via, and is subject to the confidentiality and other protective provisions set forth in the Terms.

To protect Via's intellectual property and the privacy of riders, Via will provide the following data tables and dashboards in the form of aggregated Tableau reports that will be provided for Customer's access. These reports will be refreshed daily. The reports are aggregated, deidentified and do not include any personal information of Riders.

Section A: STANDARD REPORTING SET		
Dashboard	Data Point	Level of Detail
Rides Data <i>Key data for each completed ride</i>	rider ID	completed ride; FUNC-SHA1 hashed
	request origin lat/long	completed ride; truncated to 3rd decimal place
	pickup date + time	completed ride; truncated to minute
	request destination lat/long	completed ride; truncated to 3rd decimal place
	dropoff date + time	completed ride; truncated to minute

	number of riders	completed ride
	ride distance (miles)	completed ride
	ride duration (minutes)	completed ride
	fare paid	completed ride
	WAV	completed ride
Mileage and Sharing <i>Aggregate vehicle mileage & sharing data by week</i>	service time (hours)	week
	revenue time (hours)	week
	service distance (miles)	week
	revenue distance (miles)	week
	% of shared bookings	week
	bookings / loop	week
Quality of Service Trends <i>Summary of rides and quality of service</i>	completed rides	week
	avg. ride distance (miles)	week
	avg. ride duration (minutes)	week
	utilization	week
	active drivers	week
	driver hours	week
	ETA	week
	on-time pickup %	week
	completed ride %	week

	pickup request locations (by polygon)	week
	droppoff request locations (by polygon)	week
	top 5 pickup request intersections	week
	top 5 dropoff request intersections	week

In addition to the above data, Via provides the following dashboards as part of its SaaS offering to support Customer's operation of the Deployment:

Section B: STANDARD SAAS REPORTING SET		
Dashboard	Data	Level of Detail
City Operations Dashboard <i>Detailed ride and quality of service statistics per day and hour</i>	completed rides	day; hour
	cancelled rides	day; hour
	admin cancelled rides	day; hour
	no-showed rides	day; hour
	reassigned rides	day; hour
	utilization	day; hour
	aggregation	day; hour
	unsessionized FTTG	day; hour
	bookings by pax count	day
	% late / % very late	day
	ride duration	day
	ETA	day; hour
	ETA error	day; hour
	city vs. airport rides	day; hour
	requests	day; hour

	unsessionized unmet demand	day; hour
	sessionized unmet demand	day
	unique riders	day
	acceptance rate	day
	shifts	day
	unique drivers	day; hour
	supply hours	day
	"seat gones"	day
	avg. pickup walking distance	day
	rides w/pickup walking distance > 200m	day
	avg. dropoff walking distance	day
	rides w/dropoff walking distance > 200m	day
	rider app failures	day
	feedback rate	day
	rides with feedback	day
	unique riders with feedback	day
	rating stars distribution	day
	# of ratings by label	day
	payments by type	day
	rider signups	day
	avg. terminal wait time	day
	offroutes / ride hour	day

	drivers by app version	day
	driver signups	day
Driver Report <i>Ride-level data for driver monitoring</i>	rides	driver
	completed rides	driver
	completion %	driver
	ETA	driver
	actual duration	driver
	ETA error	driver
	offroute/hour	driver
	ride status	ride
	ride ID	ride
	accepted time	ride
	pickup ETA time	ride
	pickup time	ride
	dropoff time	ride
	offroute	ride
	planned duration	ride
	actual duration	ride
Locations Dashboard <i>Pickup/drop-off; app launch heat maps</i>	Pickup/drop-off request locations	Truncated to 3rd decimal place; categorized by request status
	Pickup/drop-off request locations	Truncated to 3rd decimal place; categorized by request status

Whitelist Point Dashboard <i>Whitelist point KPI's for monitoring and highlight poor QoS</i>	WLP "Score"	WLP; hour; day
	no-show rate	WLP; hour; day
	cancel rate	WLP; hour; day
	ETA error	WLP; hour; day
	wait time	WLP; hour; day
	rides	WLP; previous week
<hr/>		
Cumulative Passenger Count <i>Cumulative riders by hour, today vs. previous days</i>	cumulative riders	hour; day; total

Appendix 2 to Service Order
(Specialty Clauses – Municipal Customer)

The provisions in Appendix 2 shall have effect over any and all conflicting paragraphs found within this Service Order, Appendix A to this Service Order, the Terms of Service, effective June 1, 2018, attached hereto as Appendix 3, the combination of which from the entirety of the agreement between the parties:

Terms of Service:

The following referenced paragraphs for the aforesaid Terms of Service are not applicable to this Order and are hereby repealed:

Paragraph 7 – Confidentiality

Paragraph 9 – Indemnification and Related Obligations

Paragraph 10 – Warranties; Limitation of Liability; Insurance – Sections: c. Limits on and Exclusions from Liability, d. Data breach Costs, and e. Insurance.

Paragraph 12 – Assignment

Paragraph 14 – Dispute Resolution; Governing Law.

Paragraph 15 – Miscellaneous.

1. Governing Laws:

Governing law shall be New York, New York, USA. VIA acknowledges and agrees to adhere to all applicable legislative requirement imposed upon it by any Ontario law and law of Canada in relation to privacy and personal information by reason of this Order.

2. Capacity

VIA represents and warrants that it has obtained or will obtain all applicable governmental approvals, authorizations, or licenses necessary to enter into this Agreement. VIA further represents and warrants its signatory is duly authorized to bind VIA to the terms herein.

3. Confidentiality

A. VIA and CUSTOMER agree to treat this Agreement and all information furnished, or to be furnished, by or on behalf of the other party and information analyses, summaries and other work product derived from such information (collectively, the “Confidential Information”) in accordance with the provisions of this section and to take, or abstain from taking, all actions set forth herein. Each party, as a receiving party, will do the following things with regard to the Confidential Information of the other party:

- i. Prevent the disclosure of the Confidential Information by the receiving party and each of the receiving party’s employees, agents, and/or professionals to any third party other than as permitted under this Agreement;
- ii. Use, and permit the use of, the Confidential Information only for the purposes of providing, or enjoying the benefit of, the goods, services, and/or software provided for in this Agreement (the “Purpose”);
- iii. Disclose the Confidential Information only to such of the receiving party’s employees, agents, and professionals as have a bona fide need to possess or know the Confidential Information in the course of accomplishing, or advising the disclosing party with regard to, the Purpose;
- iv. Cause each employee, agent, or professional to whom the receiving party discloses the Confidential Information to be bound by an obligation of confidentiality that is at least as rigorous as the obligations contained in this Agreement; and

- v. Return or destroy all written or other tangible copies of Confidential Information in the receiving party's possession or direct or indirect control, including all extracts and copies thereof, within a reasonable time after, and in accordance with, the disclosing party's request.

B. Nothing in this Agreement will prevent the receiving party from disclosing or using Confidential Information to the extent that:

- i. It is or becomes readily ascertainable by proper means by the public without any breach of a confidentiality obligation of the receiving party;
- ii. It is received from a third party that is not under an obligation of confidentiality of which the receiving party knew or had reason to know;
- iii. It was independently developed by the receiving party without use of the Confidential Information; or
- iv. It is required by law to be disclosed, provided that the receiving party provides to the disclosing party as much notice as is practicable under the circumstances of such requirement prior to disclosure and provides to the disclosing party, at the disclosing party's expense, such reasonable assistance as the disclosing party requests in seeking confidential treatment, protective orders, nondisclosure, and/or similar measures.

For the avoidance of doubt, none of the requirements of this Section shall prohibit CUSTOMER from disclosing Confidential Information to the extent that such information is required to be disclosed pursuant to any open records law, open meetings law, or any other local public disclosure law applicable to CUSTOMER, including but not limited to the Municipal Freedom of Information and Protection of Privacy Act, R.S.O. 1990, c. M.56 ("MFIPPA").

4. Indemnity

a. Indemnification by CUSTOMER

CUSTOMER agrees that it shall at all times promptly indemnify and hold VIA safe and harmless from and against any and all actions, manner of actions, causes of actions, liabilities, claims, demands, suits, damages, losses, injuries, expenses (including, without limitation, legal fees on a solicitor and own client basis) or otherwise which may be brought against or suffered by VIA for, arising from or in any way connected with a breach by CUSTOMER of this Agreement.

b. Indemnification by VIA

VIA shall at all times promptly indemnify and hold CUSTOMER safe and harmless from and against any and all other actions, manner of actions, causes of actions, liabilities, claims, demands, suits, damages, losses, injuries, expenses (including, without limitation, legal fees on a solicitor and own client basis) or otherwise which may be brought against or suffered by CUSTOMER for, arising from or directly connected with a breach by VIA of this Agreement.

c. Indemnification of Third Party Claims - CUSTOMER

CUSTOMER agrees that it shall at all times promptly indemnify and hold VIA safe and harmless from and against any and all actions, manner of actions, causes of actions, liabilities, claims, demands, suits, damages, losses, injuries, expenses (including, without limitation, legal fees on a solicitor and own client basis) or otherwise which may be brought against or suffered by VIA for, arising from or in any way connected with CUSTOMER's use of VIA's products or breach of this Agreement.

d. Indemnification of Third Party Claims – VIA

VIA agrees that it shall at all times promptly indemnify and hold CUSTOMER safe and harmless from and against any and all actions, manner of actions, causes of actions, liabilities, claims, demands, suits, damages, losses, injuries, expenses (including, without limitation, legal fees on a solicitor and own client basis) or otherwise which may be brought against or suffered by CUSTOMER for, arising from or directly connected with a breach by VIA of this Agreement.

5. Insurance

VIA agrees:

- a That the property, assets, undertakings, activities and liability of VIA are insured against risks, loss and/or damages under a policy of insurance (the "Policy") with insurers who are satisfactory to the CUSTOMER in amounts, for risks and otherwise on terms which are reasonable in relation to such assets and activities of VIA and as is prudent having regard to the business conducted by VIA
- b That the General Liability Insurance Policy will, at a minimum, carry per occurrence limits of not less than two million dollars (\$2,000,000.00) per occurrence.
- c That the Cyber Liability Insurance Policy will, at a minimum, carry per occurrence limits of not less than five million dollars (\$5,000,000.00).
- d That CUSTOMER is named as an additional insured under the general liability insurance provisions of the Policy with respect to liability arising from or out of the operations of VIA.
- e That the Policy shall apply as primary insurance and contain an undertaking by the insurers to notify CUSTOMER in writing not less than thirty (30) days prior to any material change, cancellation or termination and that VIA itself will notify CUSTOMER within 48 hours of receipt of notification by insurers of any cancellation or termination of the Policy.
- f That certificates of insurance, together with copies of the coverage sheet, policy and any amending endorsements, in a form acceptable to CUSTOMER, will be delivered to CUSTOMER and VIA upon execution of this Agreement, and upon every renewal of the Policy for so long as this Agreement remains in effect.
- g That there has been no default or failure by the party or parties insured under the provisions of such Policy which would prevent the recovery by the Party or Parties insured there under of the full amount of any insured loss.

Customer agrees:

- a To carry adequate insurance coverage.

6. Assignment

This Agreement and all of its provisions will be binding upon and inure to the benefit of the parties and their respective permitted successors and assignees. Neither VIA nor CUSTOMER may assign any rights, interests, or obligations hereunder without prior written consent of the other party, provided, however, that VIA may, with such written consent, assign this agreement and its rights and delegate its obligations hereunder in connection with the transfer or sale of all or substantially all of its assets or business related to this agreement, or in the event of its merger, consolidation, change in control or similar transaction. Any permitted assignee shall assume all assigned obligations of its assignor under this Agreement. Any purported assignment in violation of this section shall be void and of no effect.

7. Amendments

The parties may not amend or modify this Agreement except by a written instrument signed by an authorized signatory of each party.

8. Currency

Unless otherwise specified in the Agreement, all fees and other monetary amounts are in Canadian Dollars.

9. Independent Contractor

VIA is an independent contractor and not an agent or employee of CUSTOMER. No agency, partnership, franchise, joint venture, or employment relationship exists between VIA and CUSTOMER. VIA's employees and agents will not be employees or agents of CUSTOMER. VIA shall be fully and solely responsible for the supervision, control, performance, compensation, benefits (including, without limitation, all forms of insurance) withholdings, health and safety of all of its employees and agents. CUSTOMER will not be responsible or liable for any withholding taxes or contributions to state worker's compensation, unemployment or other funds or programs.

10. Limitation of Liability

IN NO EVENT WILL EITHER VIA OR CUSTOMER OR THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, OR AGENTS, BE LIABLE TO THE OTHER PARTY FOR AN AMOUNT GREATER THAN THE LIMITS OF ANY AVAILABLE INSURANCE COVERAGE TO EITHER VIA OR CUSTOMER. THE FOREGOING DISCLAIMER SHALL NOT APPLY TO THE EXTENT PROHIBITED BY APPLICABLE LAW.

11. Notices

All notices, consents, and communications required hereunder shall be given in writing and delivered via electronic mail or mail, shall be deemed to be given upon receipt thereof, and shall be sent to the address below:

If to VIA:

Valentina Titun

95 Morton Street, Floor 3

New York, NY 10014

valentina@ridewithvia.com

312-813-8976

If to CUSTOMER:

Frank Coccimilio

Manager of IT

Information Technology – Clerks Department

99 Foster Drive, Sault Ste. Marie ON

f.coccimiglio@cityssm.on.ca

705-759-5303

12. Notice of information breach

VIA acknowledges that the CUSTOMER is a municipality in the Province of Ontario agrees to comply with MFFIPA and The Personal Information Protection and Electronic Documents Act (S.C 200, c.5), as amended, as applicable. To the extent no such law applies to a Security Breach, VIA will notify CUSTOMER of a security breach, following the discovery or notification of such Security Breach, in the most expedient time possible under the circumstances, without unreasonable delay, and after taking any measures necessary to determine the scope of the Security Breach and restore the reasonable integrity of the system. VIA will send any applicable notifications regarding a Security Breach to the notification email address at the contact information provided in section 11 of this Appendix. For purpose of this Section, "Security Breach" means an unauthorized disclosure by VIA of Customer Data to any unauthorized person or entity as defined in the Terms of Service, Appendix 3 hereto.

[Cities](#) [Drive](#) [News](#) [Gift Cards](#)[Platform](#) [Careers](#) [Support](#)

Via Solution Terms of Service



Via Solution Terms of Service

Effective as of June 1, 2018

This Via Solution Terms of Service (the “**Agreement**”) is entered into between Via Mobility LLC or the applicable affiliate of Via identified in a Service Order entered into by the parties (“**Via**”) and the entity or person placing an order (“**Customer**”) for accessing Via’s proprietary technology platform and certain related systems and methods used to establish, monitor, operate and/or manage on-demand transit networks (the “**Via Solution**”) and accompanying technical and operational support services and regular updates (together with access to the Via Solution, the “**Services**”).

The “Effective Date” of this Agreement is the date which is the earlier of (a) Customer’s initial access to the Services or (b) the effective date of any Order.

1. Agreement

This Agreement consists of the terms and conditions set forth below and any Via ordering documents, purchase orders, order descriptions or other order confirmations (“Orders”). If you are accessing or using the Services on behalf of your company, you represent that you are authorized to accept this agreement on behalf of your company and all references to “Customer” reference your company.

2. Definitions

- a. “**Applicable Law**” means (i) any statute, statutory instrument or any other legislative instrument having the force of law; and (ii) any applicable judgment of a relevant court of law which is a binding precedent, in each case in force at any time during the Term.
- b. “**Affiliate**” means, with respect to any specified entity, any entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, the entity specified.
- c. “**Confidential Information**” means information, data or materials in either tangible or intangible form that are trade secrets of, or proprietary and confidential to the Disclosing Party or its clients or business partners, including as may be so designated by statute, regulation or common law including by the form of the Uniform Trade Secrets Act and privacy laws adopted under applicable law, or which are marked as “Confidential” or which, by their nature and the context of their disclosure, should reasonably be known to be confidential.
- d. “**Customer Data**” means all data that is input by or on behalf of Customer and/or Rider into the Via Solutions. Portions of the Customer Data may include personally identifiable information. For avoidance doubt, Customer Data excludes the Via Solution itself and Via’s related intellectual property rights and Confidential Information and all derivative works and improvements to each of them. Customer Data also excludes de-identified, anonymized and/or aggregated data generated from the use of the Via Solution or created by Via.

e. “**Transportation Laws**” means any applicable law to which operators and owners of vehicles, employer of vehicle operators, and transportation service providers are required to adhere.

3. The Via Solution

a. **Description.** The Via Solution is comprised of the driver and rider software applications (each, an “Application”) and certain system management tools and may also include certain additional software, data, data feeds, or other content owned by and licensed from third parties (the “Third Party Content”). While all the Applications are cloud-based, certain of them are deployed via download to handheld mobile devices used by Riders or drivers, while others are installed on devices field-deployed by Customer to personnel and vehicles (all three types of such devices collectively, the “Devices”).

b. **Use Rights.** Subject to the terms and conditions herein, Via will provide the Services, as defined herein. The Services will include all related services, functions or responsibilities not specifically described in this Agreement, but that are required or reasonably necessary for the proper performance of the Via Solution in connection with a public or private transportation network (the “Customer Transportation Service”) Customer operates, for the benefit of prospective and actual riders (collectively, “Riders”), using vehicles, equipment and services (including telecommunications and/or dispatch equipment and services), personnel, routes and other infrastructure it owns or otherwise controls (the “Customer Infrastructure”). Via will grant Customer subscription, access, and use rights (“Use Rights”) for the specific Applications and deployment types identified in each applicable Order. The Order will further contain terms specifying whether Customer may co-brand the manner in which the Application is displayed on Devices.

c. **Third Party Content.** Certain Third Party Content may already be integrated with the Applications and delivered as part of the overall Via Solution. Where this is the case, Via has been authorized to resell, distribute, or otherwise provide its customers with such integrated Third Party Content. If additional Third Party Content is optionally available for the Via Solution, such as certain information technology solutions or management tools and software, Via will identify it for Customer and Customer will be responsible for obtaining and paying for Customer’s own rights from the applicable third party licensor.

d. Suspension Rights. Via may suspend Customer's or any end user's right to access or use the Via Solution if: (i) Via determines, in its reasonable discretion, that an end user of the Customer Transportation Service: (x) poses a systemic security risk to or may materially harm the Via Solution, Services, or any third party; or (y) may materially adversely impact the services, systems, or content of any other Via customer; (ii) Via's rights with respect to any Third Party Content necessary for the operation of the Service are terminated or suspended for any reason; or (iii) Via is otherwise required by applicable law or regulation to do so. In the event of a suspension, Via will, where not prohibited by Applicable Law and reasonable under the circumstances, provide Customer with prior written notice of the reason for any such suspension of the Services and an opportunity to take steps to avoid any such suspension. Via will only suspend access to the minimum necessary portion of the affected Services for as long as reasonably necessary to address the issues giving rise to the suspension. If Via's rights to any Third Party Content necessary for the operation of the Service are suspended or terminated under Section 3(d)(ii), then Via will use commercially reasonable efforts to replace such Third Party Content with reasonably equivalent content in order to restore the Service as quickly as possible.

4. Intellectual Property Rights

a. The Via Solution. As between Customer and Via hereunder, all intellectual property rights of any type in and to the Via Solution and all of their derivative works and improvements are owned by, and are proprietary to Via. Except for the Use Rights granted herein (a) no right, title or interest in or to the Via Solution or any portion thereof is or shall be granted or transferred to Customer under this Agreement, whether by license or otherwise; and (b) Customer acknowledges and agrees that it shall have no right to use, reproduce, distribute, sublicense, modify or otherwise provide to third parties, the Via Solution, in whole or in part, except as explicitly granted herein. The Customer shall not directly or indirectly disassemble, decrypt, scan, decompile or otherwise reverse engineer in any manner any components or elements of the Via Solution or assist a third-party to do so. In the event that Via provides Customer with any hard-copy or electronic copies of materials containing Via's Confidential Information, including information pertaining to the Via Solution and its operation, and Customer retains copies of such materials in accordance with its general procurement rules following the termination of this Agreement, Customer acknowledges that all intellectual property rights relating to the Via Solution and all of their derivative works and improvements remain the sole property of Via.

b. Customer Data. As between Customer and Via, all intellectual property rights in and to Customer Data are co-owned by Customer and Via. For the avoidance of doubt, Via may, and is hereby granted the right to, access, modify, and use the Customer Data, including for purposes of performing Via's obligations under this Agreement and/or to improve its product and services offerings, including the Services. To the extent Customer Data includes Rider information which is or may be deemed to be personally identifiable information or otherwise subject to special privacy or security protection at law or by regulation, as between Customer and Via hereunder, Customer is solely responsible for obtaining Riders' consent to the collection and use of such information, including its onward transfer, in the manner required for Via and its agents to perform hereunder. Customer shall be solely responsible for displaying a privacy policy to Riders and ensuring it contains terms that are both compliant with applicable law, and sufficient to permit Via and its agents to lawfully perform hereunder. Customer may not use Customer Data or any other data generated from the Service to reverse engineer the Via Solution or Via's algorithms or share such data with Via's competitors, in violation of its confidentiality obligations under Section 7.

c. Rights to Marks. As between the parties hereunder, each party is and shall continue to be the exclusive owner of all intellectual property rights in and to their respective any word, name, symbol, logo, font, or device or any combination thereof, used to identify and distinguish goods or services from such party's source, including trademarks (both registered and unregistered), domain names and trade dress (collectively, "Marks") To the extent the parties have agreed that one party requires the use of the other party's Marks in connection with performance under an Order, including for the development of a co-branded version of an Application interface, such Order shall be deemed to contain a grant of license to such party's Marks sufficient to allow full performance under such Order. In addition, Via shall have the right to use Customer's Marks in accordance with Section 15. In the event that Customer uses Via's Marks in a way that causes material reputational harm to Via's brand, Via reserves the right to withdraw Customer's use of the Via Marks from the Customer Transportation Service.

d. Independent Activities. The Customer acknowledges that Via is in the business of performing services similar to the Services for third parties and operating an on-demand transit service as its core business and that, subject to its confidentiality obligations hereunder, nothing herein prevents Via from continuing to engage in the performance of such services and related independent activities.

e. Further Assurances. To the extent any intellectual property rights in or to the Via Solution vest in Customer, Customer hereby assigns to Via all such intellectual property rights and shall, at Via's cost and expense, execute, acknowledge and deliver to Via such documents and shall take such actions as may reasonably be requested by Via to effect such assignment. To the extent any intellectual property rights in or to the Customer Data vests solely in Via, Via hereby assigns to Customer a right of co-ownership in and to all such Customer Data and shall, at Customer's cost and expense, execute, acknowledge and deliver to Customer such documents and shall take such actions as may reasonably be requested by Customer to effect such assignment. Customer and each of Customer's personnel hereby waives, and agrees not to assert, moral rights including the right of attribution and authorship or limitation on subsequent modification, that they may have in the Via Solution or Services or any derivative works and improvement thereto.

5. Fees.

a. The fees for Use Rights and/or Services purchased (the "Fees") together with the schedule of payments and any additional payment information are listed in each applicable Order. Unless otherwise stated in the Order, all Fees will be payable by Customer within thirty (30) days of receipt of invoice. Customer's obligation to pay under any one Order is not contingent on Customer entering into, or Via performing under, any other Order now or in the future. Fees do not include applicable taxes (including sales, use, value-added, or excise taxes) or government charges all of which are payable by Customer (excluding taxes on Via's income), nor do they include expenses Via may incur for Customer's direct benefit, which will be incurred in accordance with Customer's applicable expense-reimbursement policies, if so requested. Sales or value-added taxes or similar governmental charges associated with the provision of any Use Rights and/or Services (excluding taxes on Via's income) will be separately stated on the relevant invoice and shall be paid by Customer in accordance with this Section 4. If Via does not receive timely payment, Via may charge the maximum monthly interest allowed by law or one percent, whichever is greater, suspend Via's performance and seek cost of collection, including reasonable attorneys' fees. If Customer disputes invoiced amounts, Customer must submit disputes to Via in writing within ten (10) business days of the date the invoice originally was due, otherwise it will be final and non-refundable.

6. Term; Termination.

- a. **Term.** This Agreement is in effect for the time period set forth in the Order, unless earlier terminated as set forth herein (the “Term”).
- b. **Termination.** If an obligation under this Agreement or an Order is materially breached, the non-breaching party may provide written notice specifying the nature of the breach and the breaching party will have thirty (30) days from receipt of notice to cure. If not so cured, the non-breaching party may terminate the applicable Order or Orders affected by the breach by providing a second written notice of immediate termination. In addition, all Orders, including all Use Rights and/or Services under them, shall terminate automatically and immediately upon either party’s insolvency or any attempt by either party to obtain protection from creditors or wind down operations, unless otherwise agreed by the opposing party in a written notice. If an Order is terminated by either party or expires pursuant to its terms, then Customer must pay any outstanding amounts due to Via, and all copies and embodiments of Via’s Confidential Information (including the Applications) must be returned. Unless an Agreement is terminated by Customer under this Section 6 as a result of Via’s uncured material breach, no expiration or termination of this Agreement will affect Customer’s obligation to pay for Via’s non-cancelable obligations to third parties on behalf of or benefitting Customer, including fees in respect of Third Party Content, all of which will remain due and payable by Customer in accordance with the terms of the applicable Order. The notification by either party of its intent to terminate this Agreement and/or any Orders does not relieve either party of any obligations that have accrued on or before the date on which termination becomes effective.

7. Confidentiality.

- a. **Non-Disclosure Obligations.** Confidential Information may be provided or disclosed by one party (the “Disclosing Party”) orally, in writing or in graphical, machine-readable or other form to the other party (the “Receiving Party”). The Receiving Party shall hold the Confidential Information in confidence and shall not make any use or disclosure of the Confidential Information to any individual or entity during the Term and thereafter without the express written consent of the Disclosing Party in each instance, except to the extent that those of the Receiving Party’s employees, service providers, legal and financial advisors, and individual independent contractors who are bound to substantially similar obligations of confidentiality as set forth herein and have a need to know the Confidential Information so disclosed. The Receiving Party shall handle all Confidential Information received with the same degree of care as it uses to maintain the confidentiality of its own confidential information, which shall in no event be less than reasonable

care. As between the parties, all Confidential Information shall remain the sole and exclusive property of the Disclosing Party and other than the licenses expressly granted in this Agreement or another agreement between the parties, no disclosure or permitted use of the Confidential Information under this Agreement shall be construed as the grant of any right, title or interest, by license or otherwise, in or to the Confidential Information. The remedy at law for breach or threatened breach of this Section 7(a) shall be inadequate, and in addition to any other remedy available, the non-breaching party shall be entitled to seek injunctive relief. In the event that Customer receives a request for Via's Confidential Information, including this Agreement and the terms and conditions contained herein, under the Freedom of Information Act ("FOIA") or its state or local analogs, Customer agrees to provide Via timely notice of such a request and to assist Via in seeking to protect its Confidential Information under any applicable exemption for trade secrets, to the extent possible under Applicable Law.

b. Exclusions. The Receiving Party shall have no obligation under Section 7(a) with respect to any Confidential Information disclosed to it which: (i) the Receiving Party can demonstrate was already known to it at the time of its receipt hereunder; (ii) is or becomes generally available to the public other than by means of breach of these Terms and Conditions or any other agreement any party may have with the Disclosing Party; (iii) is independently obtained from a third party (other than any authorized recipient) whose disclosure to the Receiving Party does not violate a duty of confidentiality and does not require further restrictions on such disclosure; or (iv) is independently developed by or on behalf of the Receiving Party without use of, reference to or reliance on any Confidential Information of the Disclosing Party, and such independent development can be reasonably evidenced by the Receiving Party. In addition, the Receiving Party may make disclosure of Confidential Information in a judicial, legislative, or administrative investigation or proceeding or to a government or other regulatory agency; provided that, to the extent permitted by, and practicable under, the circumstances, the Receiving Party shall provide to Disclosing Party prior written notice of the intended disclosure to enable the Disclosing Party the reasonable opportunity to contest or limit such disclosure or, if prior written notice is not permitted or practicable under the circumstances, prompt notice of such disclosure.

8. Data Security.

a. Data Security. The Via security program (the "Security Program") includes Via's use of: (a) industry-standard password protections, firewalls, and anti-spyware and malware protections to protect Customer Data; (b) access controls that restrict access to Customer Data on a "need-to

know/access" basis; and (c) encryption, using industry-standard encryption tools when Customer Data is in transit over Via's own networks. Via shall (a) not delete or remove any proprietary notices or other notices contained within or relating to Customer Data, (b) not alter, store, copy, disclose or use Customer Data, except as necessary for the provision by Via of the Services under this Agreement or as otherwise expressly authorised by this Agreement, (c) preserve, so far as possible, the integrity of Customer Data and prevent any loss, disclosure, theft, manipulation or interception of Customer Data, (d) make secure back-up copies of Customer Data on such regular basis as is reasonable for the particular data concerned as instructed by Customer, and (e) promptly notify Customer if any of Customer Data is lost, becomes corrupted, is damaged or is deleted accidentally. To the extent Customer Data contains personally identifiable information, Via will comply with its obligations under applicable privacy laws. Via delivers the Services from an industry leading platform provided by Amazon Web Services, Inc., or "AWS." Via will consider using AWS servers in Customer's jurisdiction or a similar jurisdiction, if possible and if necessary or desirable for purposes of complying with applicable laws. AWS is responsible for protecting its own infrastructure from which the Via Solution is made available. As such, Via's Security Program applies only to the Applications themselves and those specific portions of the Services delivered from non-AWS facilities and infrastructure Via owns or controls. AWS does not permit Via, or any of its direct or down-stream customers, to visit the AWS data centers or offices but does provide several reports from third-party auditors who have verified their compliance with a variety of computer security standards and regulations all as detailed on the AWS compliance page located at <https://aws.amazon.com/compliance/>. Via passes through the benefits of AWS's security and compliance. Consequently, wherever an Order references facilities, equipment, or software that are the obligation of Via, those references relate only to Via's own facilities, equipment, and software, not those provided by AWS.

b. Specific Customer Obligations. Customer acknowledges that the back-end tools and data reporting platforms that are included within the Services include trade secrets and other Confidential Information of Via. Customer shall cause all individuals who receive log-in credentials from Via to such tools and platforms to keep such credentials confidential and not to share them with anyone else within Customer's organization. Customer shall put in place information barriers and firewalls to ensure that, pursuant to its obligations under Section 7, Via's Confidential Information is not shared with any employees other than those who have a need to know such information, or with any Affiliates of Customers, or with any competitors of Via.

9. Indemnification and Related Obligations.

- a. Via will indemnify, defend and hold Customer harmless from amounts Customer owes to third parties as the result of either a ruling by a court of competent jurisdiction or a reasonable settlement entered into by Via that holds that the Via Solution provided to Customer under an Order or any component part thereof infringes or violates a third party's intellectual property rights, other than in respect of patent infringements asserted by non-practicing entities or their affiliates. If the Applications are found to be infringing, or if at any time Via reasonably believes that the Via Solution may be subject to a claim of infringement, then Via may choose to: (a) modify the applicable portions of the Via Solution to be non-infringing; (b) obtain a license for Customer to continue using the infringing portions of the Via Solution; or (c) if neither of the foregoing is commercially practicable, terminate the applicable Order including any Use Rights and refund a pro-rata portion of any pre-paid fees Customer paid for the Via Solution. Via's indemnity obligations shall not apply to: (i) Customer's use of the Via Solution outside the scope of the Use Rights and/or their documentation; (ii) infringement arising from Customer Data and all Third Party Content directly licensed by Customer or any other materials not provided by Via; (iii) any infringement not reported by Customer in accordance with this Agreement (but only to the extent Via is actually prejudiced by Customer's delay or failure to report); or (iv) any modifications to the Via Solution made by any party (other than Via or Via's subcontractors or by Customer acting at Via's express direction). This Section 7 sets forth Customer's only remedy and Via's only liability with respect to infringement or other violations of intellectual property rights.
- b. The Customer will indemnify, defend and hold Via harmless from all losses, damages, liabilities, deficiencies, claims, actions, judgments, settlements, interest, awards, penalties, fines, costs or expenses of whatever kind, including reasonable attorneys' fees and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers ("Losses") arising out of or relating to any third party claim regarding Customer's use of the Via Solution, other than third-party claims regarding alleged infringement by the Via Solution of such third party's intellectual property rights. The Customer's indemnity obligations shall not apply to claims resulting from Via's gross negligence or willful misconduct.

10. Warranties; Limitation of Liability; Insurance

- a. **Warranties.** Via warrants that: (i) from the Effective Date until the expiry or termination of this Agreement, the Services will comply in all material respects with this Agreement and with the relevant Order; (b) the Services will be carried out in a competent and professional manner; (c) it has, and shall continue to have, all rights, consents and authorisations necessary to enable it to

perform the Services in accordance with the provisions of this Agreement; (d) it has not included or used any open-source software in the Via Solution which would prevent the Customer from exercising the Use Rights over the Via Solution as contemplated by this Agreement or in any Order; (e) the Via Solution is free from any thing or device (including any software, code, file or programme) which may prevent, impair or otherwise adversely affect the operation of any computer software, hardware or network, any telecommunications service, equipment or network or any other service or device; prevent, impair or otherwise adversely affect access to or the operation of any programme or data, including the reliability of any programme or data (whether by re-arranging, altering or erasing the programme or data in whole or part or otherwise); or adversely affect the user experience, including worms, trojan horses, viruses and other similar things or devices, in each case that would substantially impair its operation; and (f) to Via's knowledge, there are currently no actions, suits or proceedings or regulatory investigations alleging the infringement of third-party intellectual property rights by Via pending before any court or administrative body or arbitration tribunal that might adversely affect the ability of Via to meet and carry out its obligations under this Agreement. In the event the Services fail to perform as warranted in this Section 10(a), Via shall use commercially reasonable to promptly correct any such failure of the Services.

b. Disclaimers. WITHOUT PREJUDICE TO SECTION 10(a) AND TO THE MAXIMUM EXTENT PERMITTED BY LAW: (a) EACH PARTY EXPRESSLY DISCLAIMS ALL WARRANTIES, WHETHER EXPRESS, IMPLIED, OR STATUTORY (INCLUDING WARRANTIES OF MERCHANTABILITY, FITNESS FOR PURPOSE AND NON-INFRINGEMENT); AND (b) VIA DOES NOT WARRANT THAT THE VIA SOLUTION MEETS

CUSTOMER'S REQUIREMENTS, OPERATES WITHOUT INTERRUPTION, OR IS ERROR FREE.

Notwithstanding anything to the contrary express or implied in this Section 10, Section 9 or elsewhere in this Agreement, Via shall have no liability to Customer or any Rider (including no duty to defend, indemnify or hold Customer harmless) for any Transport Incident where

"Transport Incident" means any accident, incident or other situation involving any Rider (including negligent, willful and/or criminal acts and omissions), Device, vehicle or equipment employed by Customer in the use, provision or servicing of the Customer Transportation Service and/or any employee or agent of Customer operating such vehicle, Device or equipment or otherwise acting on behalf of Customer (including the acts and omissions of such employees or agents while using the Application or viewing or using any device from which the Application is displayed).

Transport Incidents include actual or alleged violations of Applicable Laws and the Transportation Law components thereof.

c. Limits on and Exclusions from Liability. EXCEPT WITH RESPECT TO DATA BREACH COSTS, NEITHER PARTY WILL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, RELIANCE, OR PUNITIVE DAMAGES OR LOST OR IMPUTED PROFITS OR LOST DATA EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. OTHER THAN WITH RESPECT TO FEES PAID OR PAYABLE BY CUSTOMER UNDER THE AGREEMENTS AND DATA BREACH COSTS, EACH PARTY'S TOTAL LIABILITY FOR ALL CLAIMS ARISING IN CONNECTION WITH ALL AGREEMENTS WILL BE LIMITED TO DIRECT DAMAGES IN AN AMOUNT EQUIVALENT TO THE FEES PAID OR PAYABLE TO VIA WITH RESPECT TO THE PARTICULAR VIA SOLUTION OR SERVICES, AS APPLICABLE, UNDER THE ORDER OUT OF WHICH THE CLAIM AROSE DURING THE SIX (6) MONTHS IMMEDIATELY PRECEDING ASSERTION OF THE CLAIM. Customer must bring all claims and causes of action within six (6) months of their being discovered or one (1) year after expiration or termination of the Order out of which the claim arises, whichever occurs first. The limitations and exclusions in this Section 8.3 apply to all claims or causes of action under whatever theory brought and regardless of whether a party was advised of the possibility of the claim.

d. Data Breach Costs. If a material breach of Via's Security Program or its obligations under Section 8(a) hereof results in unauthorized access, use or possession of Customer Data containing personally identifiable information of Customers, Via shall be liable for Customer's Data Breach Costs up to an aggregate limit equal to the aggregate amount paid by Customer to Via hereunder, where "Data Breach Costs" means the cost and expenses of investigation and analysis (including by law firms and forensic firms), notification (including by mail house firms), offering and providing of credit monitoring or other remediation services, and any related call center or similar support activities required to be provided to the affected data subjects.

e. Insurance. Customer shall obtain and maintain at all times any insurance necessary or statutorily required to operate the Customer Transportation Service using the Via Solution in the jurisdiction(s) in which it operates, at its sole cost and expense.

II. Regulatory Compliance.

a. Via's Obligations. Via shall at all times carry out and provide the Services in compliance with all Applicable Laws. For any change in the Services required by a change in Applicable Laws, Via shall mitigate the adverse effects of such change including minimization of increase in costs of the Services arising therefrom. Without prejudice to the rest of this Section II, Via shall use commercially reasonable efforts to minimise any disruption caused by any changes in Applicable

Laws introduced pursuant to this Section 11. The Customer acknowledges and agrees that the Services hereunder do not include, and neither party intends that they be construed as including, any legal, financial, tax or compliance advisory services with respect to Transport Incidents or the Transportation Laws.

b. Customer's Obligations. The Customer shall comply with all Applicable Laws. Customer shall monitor and identify changes in Applicable Laws (in any jurisdictions in which it operates the Customer Transportation Service) which would impact the use of the Services by the end-users and: (a) make such modifications to its internal processes and operations as it deems necessary to remain compliant with such change in Applicable Laws; and (b) promptly notify Via thereof so that the Customer Manager and Via Manager may discuss any changes to the Services required for on-going compliance. In addition to the preceding, as between Via and Customer, Customer shall be solely responsible for compliance with all Transportation Laws including as they relate to Transport Incidents and otherwise.

c. Export Laws. The parties do not intend to import or export products to one another or any third party under any Agreement. Neither party shall export or re-export the Via Solution to countries subject to U.S. government embargo (as designated by the Office of Foreign Asset Control of the Treasury Department) and persons listed on the prohibited persons list maintained by the Bureau of Industry and Security of the Department of Commerce.

d. Anti-Bribery Laws. The Parties shall comply with all applicable anti-bribery Applicable Laws in connection with their respective performance under this Agreement.

e. Consents; Permits. Via shall obtain all governmental registrations, licenses, permits, approvals and certifications required by Applicable Laws for the performance of the Services hereunder and shall pay all governmental fees associated therewith. Customer shall obtain all governmental registrations, licenses, permits, approvals and certifications required by Applicable Laws in connection with this Agreement (including each Order), as necessary to operate the Customer Transport Service, and shall pay all governmental fees associated therewith. Customer also shall obtain from its third party vendors, licensors, supply-chain partners, clients, customers, distributors or similar parties, any authorization or consent necessary for Via to access or utilize the goods, services (including software or other proprietary materials), property or facilities of such parties if necessary for Via's performance of the Services.

12. Assignment.

Customer may not assign or transfer these Terms and Conditions, any Use Rights, and/or any Order unless Customer makes a request in writing in advance and Via consents in writing. Via may require Customer and the proposed assignee/transferee to agree to additional terms or pay additional fees. Any change of control of Customer shall be deemed to constitute a prohibited assignment for the purposes hereof.

13. Non-Solicitation.

During the Term and for twelve (12) months thereafter, Customer agrees that Customer shall not, and shall not direct, request, or seek to influence any of Customer's Affiliates to, directly or indirectly solicit, hire, or employ (including in any consulting capacity) any employee, officer, or director of Via or its Affiliates who performs services for Customer (or its Affiliates) or any person who served in any such capacity during the preceding six (6) months; provided that this Section 13 shall not prohibit general solicitation for employees through advertising and other similar means, if not directed at the employees, officers, or directors of Via or its Affiliates, or the hiring or employment of any person who responds to any such general solicitation.

14. Dispute Resolution; Governing Law.

The laws of the State of New York will govern this Agreement without regard to the principles of conflicts of laws. Except for either party's right, in connection with any matter involving any Agreement, to seek equitable or declaratory relief in any court of competent jurisdiction, all disputes not resolved informally by the parties shall be submitted for arbitration before a panel of three (3) arbitrators selected one each by the parties and one by the American Arbitration Association (the "AAA"), at least one of whom shall be an expert in the field of cloud-deployed software solutions. The arbitration shall be conducted in accordance with the provisions contained herein and in accordance with the Commercial Arbitration Rules of the AAA in effect at the time of the arbitration. A written notice of intent to arbitrate shall be provided by one party to the other party within a reasonable time after the dispute has arisen, and in no event shall such notice be provided after the date when institution of legal or equitable proceedings based on such dispute would be barred by the applicable statute of limitations. All arbitration shall be administered by the AAA and shall take place in New York, New York unless otherwise agreed to by the parties. All aspects of the arbitration including the result shall be treated as confidential

and shall not be disclosed. The award of the arbitrators shall be binding and judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction; provided, however, that the arbitrators shall not have the power to award: (a) punitive damages; or (b) damages in excess of the limitations set forth in Section 10 hereof.

15. Miscellaneous.

All notices must be sent by certified mail or overnight courier to the address specified for each party and deemed given three (3) business days after sending. The prevailing party in any dispute is entitled to the recovery of reasonable legal fees and expenses. Failures in performance beyond a party's reasonable control are excused. Unenforceable provisions will be reformed to permit enforceability with maximum effect to the original intent. Waiver of a breach is not waiver of other or later breaches. Nothing in an Agreement is intended to create an agency, partnership, joint venture, or franchise between the parties and except as may be expressly stated in an Order, neither party has the authority to act in the name or on behalf of or otherwise to bind the other. In performing its obligations under this Agreement, each party is acting as an independent contractor of the other and is solely responsible for the supervision, daily direction, and control of its own employees and for the payment of their salaries and benefits and related compensation. Via may issue a press release or make other public announcements concerning these Agreement and/or Orders and may use Customer's Marks in its marketing materials and on its website in a manner consistent with Customer's communications policies (to the extent made available to Via) but in all events reasonably. Customer shall, upon Via's request, use commercially reasonable efforts to provide comments with respect to the collaboration hereunder that Via can quote in its press release. To the extent required by the licensors of Third Party Content Via provides, such licensors are the express, intended third-party beneficiaries of this Agreement. Except as expressly set forth herein, there are no other third-party beneficiaries of this Agreement.

16. Entire Agreement and Survival.

These Terms and Conditions and the Order are the entire Agreement between the parties with respect to the Via Solution and Services under them and supersede all previous or contemporaneous written and verbal agreements or proposals relating to the same subject matter, and cannot be modified except by written agreement referencing the specific provisions modified. Conflicts between these Terms and Conditions and an Order with respect to amounts

or timing of payments will be resolved in favor of the Order. All other conflicts will be resolved in favor of these Terms and Conditions, including in the event of a conflict with Customer's general conditions. If Customer's procurement processes require use of an internal purchase order neither it nor its terms shall supersede, replace, or amend this Agreement. Sections 4, 7, 9 and 10(b) each shall each survive expiration or termination of this Agreement.



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THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW NO. 2020-125

STREET ASSUMPTION: (PR4) A by-law to assume for public use and establish as a public street the portion of Chambers Avenue described as PIN 31495-0170 (LT) 1 FT RESERVE PL H493 RANKIN LOCATION AS IN T62138 (FIRSTLY & SEVENTHLY DESCRIBED) W OF SOUTH MARKET ST; SAULT STE. MARIE.

THE COUNCIL of the Corporation of the City of Sault Ste. Marie, pursuant to the *Municipal Act, 2001*, S.O. 2001, **ENACTS** as follows:

1. STREET ESTABLISHED AND ASSUMED

The Corporation of the City of Sault Ste. Marie hereby assumes for public use and establishes as a public street, the street more particularly described as PIN 31495-0170 (LT) 1 FT RESERVE PL H493 RANKIN LOCATION AS IN T62138 (FIRSTLY & SEVENTHLY DESCRIBED) W OF SOUTH MARKET ST; SAULT STE. MARIE.

2. EFFECTIVE DATE

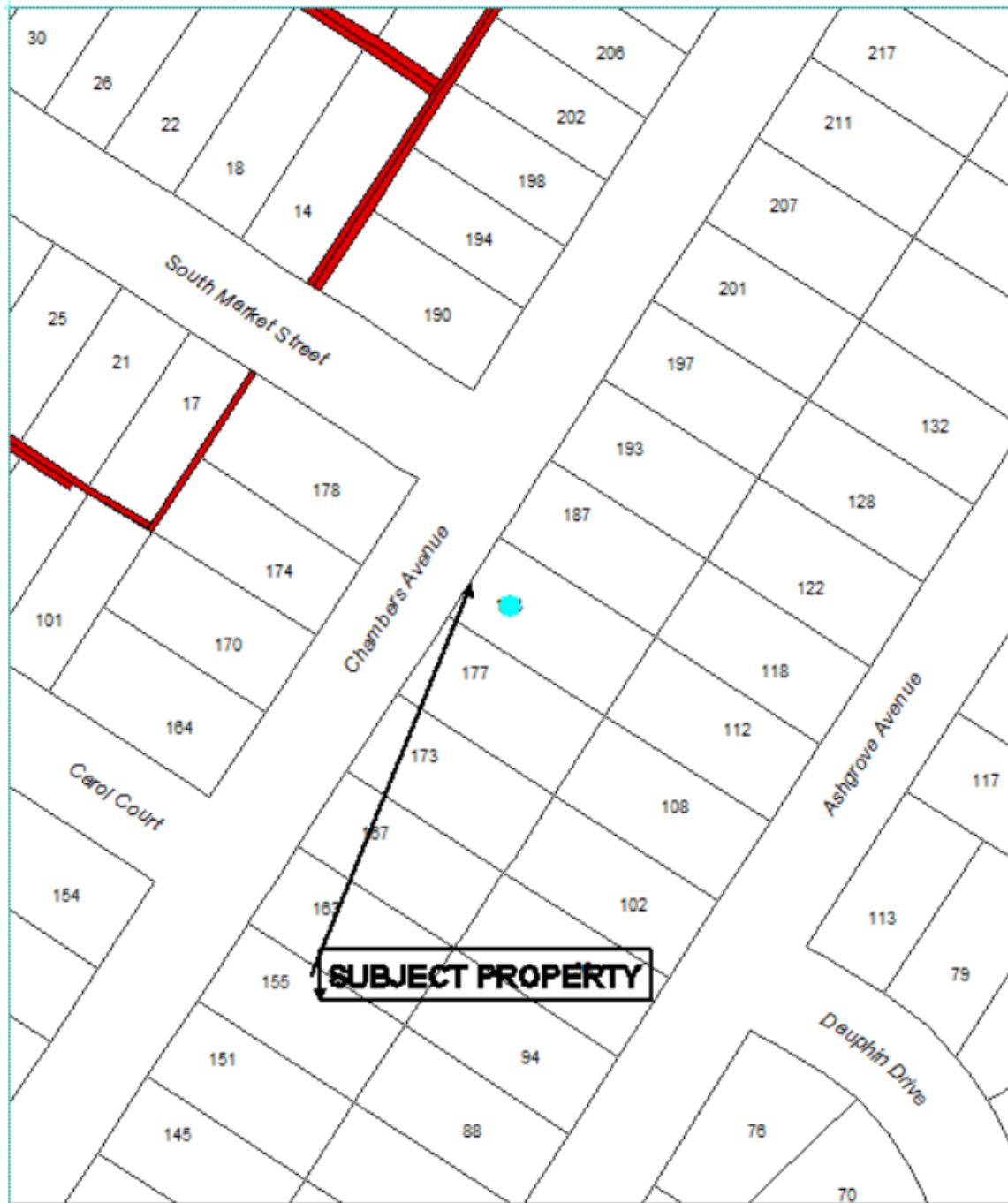
The by-law takes effect on the day of its final passing.

PASSED in open Council this 29th day of June, 2020.

MAYOR – CHRISTIAN PROVENZANO

CITY CLERK – RACHEL TYCZINSKI

THIS DRAWING DOES NOT FORM PART OF THE BY-LAW. IT IS FOR INFORMATION PURPOSES ONLY.



THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2016-126

AGREEMENT: (P5) A by-law to authorize the execution of the Engagement Letter Agreement between the City and S&P Global Canada Corp. for the provision of Credit Rating Services as required by the Finance Department-Corporate Services for the five (5) year period commencing June 2020 (with the option for up to three (3) additional years by mutual agreement).

THE COUNCIL of The Corporation of the City of Sault Ste. Marie, pursuant to section 9 of the *Municipal Act, 2001*, S.O. 2001, c. 25, **ENACTS** as follows:

1. EXECUTION OF DOCUMENT

The Mayor and City Clerk are hereby authorized for and in the name of the Corporation to execute and affix the seal of the Corporation to the Engagement Letter Agreement dated June 3, 2020 between the City and S&P Global Canada Corp., a copy of which is attached as Schedule "A" hereto. This Engagement Letter Agreement is for the provision of Credit Rating Services as required by the Finance Department-Corporate Services for the five (5) year period commencing June 2020 (with the option for up to three (3) additional years by mutual agreement).

2. SCHEDULE "A"

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

3. EFFECTIVE DATE

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

PASSED in open Council this 29th day of June, 2020.

MAYOR - CHRISTIAN PROVENZANO

CITY CLERK – RACHEL TYCZINSKI

June 3, 2020

City of Sault Ste. Marie
99 Foster Dr
P.O. Box 580
Sault Ste. Marie, ON P6A 5-X6
Attention: Shelley Schell, CFO/Treasurer

Re: S&P Global Ratings Engagement Letter for City of Sault Ste. Marie

Dear Ms. Schell:

Thank you for choosing a rating from S&P Global Ratings. This agreement ("Agreement"), including the attached Terms and Conditions and Fee Schedule, which are expressly incorporated herein and made a part of this Agreement, sets forth the terms and conditions under which S&P Global Ratings will assign ratings to **City of Sault Ste. Marie** (referred to herein as "you" or the "Company") and the Company's future debt obligations.

Upon receipt of a S&P Global Ratings credit rating, the Company enters into a long-term relationship with S&P Global Ratings whereby S&P Global Ratings will maintain a Counterparty Credit Rating (issuer rating) on the Company and expects to rate syndicated bank loans and any and all public debt that is issued by, guaranteed by, and/or is in any other manner an obligation of the Company, unless the Company has confirmed to S&P Global Ratings in writing that it does not wish the debt issuance to be rated.

With respect to each security or instrument issued in the context of the above-referenced transaction on which S&P Global Ratings issues a public or private rating under this Agreement, you agree to deliver us a copy of the final offering document (for example, the prospectus, private placement memorandum, offering circular), if any, promptly following the delivery of such document to investors but in no event later than 20 days following the issuance of the rating. Failure to provide us with such final offering document in a timely manner may result in our suspending or withdrawing the rating.

Once a rating is assigned, according to our policy, S&P Global Ratings will publish that rating, unless you have previously requested, in writing, that we maintain the rating on a private or confidential basis. The request to maintain a rating on a private or confidential basis must be made to us prior to our assignment of the rating.

If you request a confidential rating under this Agreement, you agree that the rating will be exclusively for your internal use, and not to disclose it to any third party other than your professional advisors who are bound by appropriate confidentiality obligations or as otherwise required by law or regulation or for regulatory purposes.

If you request a private rating under this Agreement, S&P Global Ratings will make such rating and related report available by email or through a password-protected website or third-party private document exchange to a limited number of third parties you identify, and you agree not to disclose such rating to any third party other than (A) to your professional advisors who are bound by appropriate confidentiality obligations, (B) as required by law or regulation or for regulatory purposes, or (C) for the purpose of preparing required periodic reports relating to the assets owned by a special purpose vehicle that has purchased the rated obligation, provided that the preparer(s) of the reports must agree to keep the information confidential and the private rating shall not be referred to or listed in the reports under the heading "credit rating," "rating" or "S&P rating", and shall be identified only as a "S&P Global Ratings implied rating" or similar term. You also agree to maintain the list of third-parties authorized to access the private rating current and to notify S&P Global Ratings in writing

of any changes to that list. S&P Global Ratings may make access to the private rating subject to certain terms and conditions, and disclose to market participants, including by publishing on its public website, the fact that the rated entity or obligations (as applicable) has been assigned a private rating.

With respect to each rating that you have asked S&P Global Ratings (a “nationally recognized statistical rating organization”) to rate under this Agreement, you understand that S&P Global Ratings is required under Rule 17g-7(a)(1)(ii)(J)(1) through (2) under the Securities Exchange Act of 1934 (hereafter “J1/J2”), to determine, ahead of publication of the rating, the entity paying for credit rating services, the role that entity undertakes, and whether the entity paying for credit rating services has also paid S&P Global Ratings for ancillary services during the most recently ended fiscal year. You acknowledge that the undersigned contracted party is the entity responsible for payment of credit rating services, and will, by default, be the legal entity S&P Global Ratings uses for its J1/J2 disclosures, unless otherwise indicated by you. To the extent that you do not expect to pay the fees due under this Agreement directly, you undertake to notify S&P Global Ratings, in writing and in advance of any credit rating publication, of a) the full legal name, address and role of the entity that will be the recipient (“bill-to”) of S&P Global Ratings invoices due under this Agreement and b) where different to the bill-to entity, the full legal name, address and role of the entity that will be the payer of invoices; you understand that we cannot use a paying agent or similar intermediary for the purpose of the disclosure. You understand, as contracting party, your role in enabling S&P Global Ratings to accurately present the disclosure of its credit ratings.

Exhibit A sets out information relating to the fees for the rating and/or surveillance process.

Please electronically sign below and return this letter via EchoSign to indicate that the Company accepts the statements contained in this Agreement, agrees to comply in all respects with the terms and conditions in this Agreement, and acknowledges the Company’s full understanding of the scope and limitations of the ratings. We need to receive the signed copy in order to provide the requested ratings, and if applicable, proceed with the Management Meeting.

S&P Global Ratings is pleased to have the opportunity to serve you. For more information please visit our website at www.spglobal.com/ratings. If we can be of help in any other way, please contact us. Thank you for choosing S&P Global Ratings, and we look forward to working with you.

Sincerely,
S&P Global Ratings,
acting through S&P Global Ratings Canada
a business unit of S&P Global Canada Corp.

By:



Name: Jason P. Krejci
Title: Head of Portfolio Management – North America

CONFIRMED, AGREED AND ACCEPTED
AS OF THE DATE FIRST ABOVE
WRITTEN:
City of Sault Ste. Marie

By:

Name:
Title:
Date:

Enclosures: Terms and Conditions Applicable to Credit Ratings
Current Fee Schedule

Exhibit A
S&P Global Ratings
Rating Fees

In consideration of our entering into this Agreement, the Company will pay S&P Global Ratings fees and expenses in accordance with the then current applicable S&P Global Ratings Fee Schedule and as otherwise set forth in this Exhibit A. The S&P Global Ratings Fee Schedule is revised periodically and updated schedules will be sent to you.

An annual surveillance fee is payable in accordance with the then current applicable S&P Global Ratings Fee Schedule, which shall be modified as follows for the listed 5-Year term:

Fee Period	Surveillance Fee (CAD)
June 1, 2020 – May 31, 2021	\$23,000
June 1, 2021 – May 31, 2022	\$23,650
June 1, 2022 – May 31, 2023	\$24,360
June 1, 2023 – May 31, 2024	\$25,100
June 1, 2024 – May 31, 2025	\$25,800
*June 1, 2025 – May 31, 2026	*\$26,500

*There is an optional extension for the 6th year of annual surveillance (June 1, 2025 – May 31, 2026).

If you request that the initial rating be delivered on an expedited basis, a 25% premium will be added to the rating fees. Surveillance is performed on an annual basis and cannot be expedited.

If you request a private rating, a third-party private document exchange is used, and you agree to pay a one-time administrative fee of US\$10,000 in connection therewith in addition to the fees outlined in this Agreement.

You will also reimburse S&P Global Ratings for its reasonable legal fees and travel expenses, if any, incurred in connection with the rating and/or surveillance process. If S&P Global Ratings retains outside counsel in connection with providing ratings services, the Company will pay our counsel directly for its legal fees and expenses.

S&P Global Ratings reserves the right to adjust the rating and/or surveillance fee if details of the proposed transaction structure or complexity, or any data or information provided to S&P Global Ratings by you in connection with the rating or surveillance, changes materially during the term of this Agreement.

S&P Global Ratings will notify you if the fee is expected to be higher than the amount described above.

In the event that this Agreement is terminated by you after S&P Global Ratings begins its analysis, you agree to pay S&P Global Ratings a fee calculated on the basis of S&P Global Ratings' time and effort, plus any costs and charges incurred by S&P Global Ratings to such date. In the event that S&P Global Ratings cannot complete the rating because of lack of information and/or cooperation from you, or should you cancel the rating request or discontinue the rating process for any reason, breakage fees will be payable as follows:

1. Following the execution of this Agreement up to the time that a Rating Committee has been scheduled (i.e., the scheduling of the Rating Committee and not the time of the Rating Committee itself): a minimum of 50% of the Initial Rating Fee and debt/loan rating fees, as applicable per the current Fee Schedule
2. From the time that a Rating Committee has been scheduled (i.e., the scheduling of the Rating Committee and not the time of the Rating Committee itself): 100% of the Initial Rating Fee and debt/loan rating fees, as applicable per the current Fee Schedule

All fees are stated or referenced in the relevant S&P Global Ratings Fee Schedule and are exclusive of value-added, sale, use and similar taxes, which will be added if applicable, at prevailing rates.

You agree to pay any fees upon receipt of an invoice from S&P Global Ratings.

S&P Global Ratings will invoice you after the rating and/or results have been communicated to you or on any earlier termination of this Agreement. Surveillance, if applicable, will be billed annually on the anniversary of the initial charge.

Payment of any fees is not conditioned on the issuance of any particular rating, and S&P Global Ratings reserves the right to withdraw its ratings if fees are not paid.



S&P Global Ratings Terms and Conditions Applicable To Credit Ratings

You understand and agree that:

General. The credit ratings and other views of S&P Global Ratings are statements of opinion and not statements of fact. Credit ratings and other views of S&P Global Ratings are not recommendations to purchase, hold, or sell any securities and do not comment on market price, marketability, investor preference or suitability of any security. While S&P Global Ratings bases its credit ratings and other views on information provided by issuers and their agents and advisors, and other information from sources it believes to be reliable, S&P Global Ratings does not perform an audit, and undertakes no duty of due diligence or independent verification, of any information it receives. Such information and S&P Global Ratings' opinions should not be relied upon in making any investment decision. S&P Global Ratings does not act as a "fiduciary" or an investment advisor. S&P Global Ratings neither recommends nor will recommend how an issuer can or should achieve a particular credit rating outcome nor provides or will provide consulting, advisory, financial or structuring advice. S&P Global Ratings owns and hereby reserves all right, title and interest in and to (i) the credit ratings, analytical reports and other views, opinions, data and information provided hereunder and (ii) its trademarks and service marks.

All Credit Rating Actions in S&P Global Ratings' Sole Discretion. S&P Global Ratings may assign, raise, lower, suspend, place on CreditWatch, or withdraw a credit rating, and assign or revise an Outlook, at any time, in S&P Global Ratings' sole discretion. S&P Global Ratings may take any of the foregoing actions notwithstanding any request for a confidential or private credit rating or a withdrawal of a credit rating, or termination of this Agreement.

Publication. S&P Global Ratings reserves the right to use, publish, disseminate, or license others to use, publish or disseminate the credit rating provided hereunder and any analytical reports, including the rationale for the credit rating, unless you specifically request in connection with the initial credit rating that the credit rating be assigned and maintained on a confidential or private basis. If, however, a confidential or private credit rating or the existence of a confidential or private credit rating subsequently becomes public through disclosure other than by an act of S&P Global Ratings or its affiliates, S&P Global Ratings reserves the right to treat the credit rating as a public credit rating, including, without limitation, publishing the credit rating and any related analytical reports. Any analytical reports published by S&P Global Ratings are not issued by or on behalf of you or at your request. Notwithstanding anything to the contrary herein, S&P Global Ratings reserves the right to use, publish, disseminate or license others to use, publish or disseminate analytical reports with respect to public credit ratings that have been withdrawn, regardless of the reason for such withdrawal. S&P Global Ratings may publish explanations of S&P Global Ratings' credit ratings criteria from time to time and nothing in this Agreement shall be construed as limiting S&P Global Ratings' ability to modify or refine its credit ratings criteria at any time as S&P Global Ratings deems appropriate. The provisions of this paragraph are subject to the restrictions on disclosure of Confidential Information set forth in this Agreement.

Information to be Provided by You. For so long as this Agreement is in effect, in connection with the credit rating provided hereunder, you will provide, or cause to be provided, as promptly as practicable, to S&P Global Ratings all information requested by S&P Global Ratings in accordance with its applicable published credit ratings criteria. The credit rating, and the maintenance of the credit rating, may be affected by S&P Global Ratings' opinion of the information received from you or your authorized agents and advisors. Except for "Excluded Information", as defined below, all information provided to S&P Global Ratings by you or your authorized agents and advisors regarding the

credit rating or, if applicable, surveillance of the credit rating, will, as of the date such information is provided, contain no untrue statement of material fact nor omit a material fact necessary in order to make such information, in light of the circumstances in which it was provided, not misleading. Excluded Information means information you cause to be provided by your authorized agents and advisors pursuant to the first sentence of this paragraph with respect to which such agent or advisor has agreed in a writing provided to S&P Global Ratings to make the agreements in this paragraph and to be liable to S&P Global Ratings for breaches of such agreements to the same extent as if you provided the information directly to S&P Global Ratings hereunder. A material breach of the agreements in this paragraph shall constitute a material breach of this Agreement.

Liability Relating to Information to be Provided by You. To the extent permitted by applicable law, you will be liable to S&P Global Ratings and its affiliates for all Losses actually incurred and directly resulting from (x) a material breach of the agreements in the immediately preceding paragraph or (y) a claim that the provision by you or your authorized agents and advisors of information to S&P Global Ratings hereunder infringes or violates the intellectual property rights of a third party. For purposes of this paragraph, “Losses” means losses, damages, liabilities, judgments, costs, charges, expenses and reasonable attorneys’ fees, including any such losses arising from claims asserted by a third party against S&P Global Ratings, in each case as finally determined by a court of competent jurisdiction in a proceeding in which you are a party. Losses do not include amounts resulting from S&P Global Ratings’ gross negligence, intentional wrongdoing or willful misconduct as finally determined by a court of competent jurisdiction in a proceeding in which you are a party.

Confidential Information. For purposes of this Agreement, “Confidential Information” shall mean verbal or written information that you or your authorized agents and advisors have provided to S&P Global Ratings and, in connection with providing such information, have indicated in writing that the information is “Confidential”. Notwithstanding the foregoing, information disclosed by you or your authorized agents and advisors to S&P Global Ratings shall not be deemed to be Confidential Information, and S&P Global Ratings shall have no obligation to treat such information as Confidential Information, if such information (i) was known by S&P Global Ratings at the time of such disclosure and was not known by S&P Global Ratings to be subject to a prohibition on disclosure, (ii) was known to the public at the time of such disclosure, (iii) becomes known to the public (other than by an act of S&P Global Ratings or its affiliates) subsequent to such disclosure, (iv) is disclosed to S&P Global Ratings by a third party subsequent to such disclosure and S&P Global Ratings reasonably believes that such third party’s disclosure to S&P Global Ratings was not prohibited, (v) is developed independently by S&P Global Ratings or its affiliates without reference to the Confidential Information, or (vi) is approved in writing by you or your authorized agents and advisors for public disclosure. S&P Global Ratings is aware that securities laws may impose restrictions on trading in securities when in possession of material, non-public information and has adopted securities trading and communication policies to that effect.

S&P Global Ratings’ Use of Information. Except as required by applicable law or regulation or otherwise provided herein, S&P Global Ratings shall not disclose Confidential Information to third parties. S&P Global Ratings may (i) use Confidential Information for its credit rating activities, including without limitation, to assign, raise, lower, suspend, place on CreditWatch, or withdraw a credit rating, and assign or revise an Outlook, as well as to make internal determinations about commercial arrangements for its credit rating activities, and (ii) share Confidential Information with its affiliates or agents engaged in the credit ratings business who are bound by appropriate confidentiality obligations (“Ratings Affiliates and Agents”).

Subject to the other provisions herein, S&P Global Ratings may also use, and share Confidential Information with any of its affiliates or agents engaged in other financial services businesses who are bound by appropriate confidentiality obligations (“Other Affiliates and Agents”, and together with Ratings Affiliates and Agents, “Affiliates and Agents”), for modelling, benchmarking and research purposes.

Subject to the other provisions herein, S&P Global Ratings may publish and/or share with its Affiliates and Agents, who also may publish, data aggregated or derived from Confidential Information, excluding data that is specific to and identifies individual debtors, customers or clients.

S&P Global Ratings acknowledges for itself and on behalf of its affiliates that you may be entitled to seek specific performance and injunctive or other equitable relief as a remedy for S&P Global Ratings' or its affiliates' disclosure of Confidential Information in violation of this Agreement. S&P Global Ratings and its Affiliates and Agents reserve the right to use, publish, disseminate, or license others to use, publish or disseminate any non-Confidential Information provided by you or your authorized agents and advisors.

S&P Global Ratings Not an Expert, Underwriter or Seller under Securities Laws. S&P Global Ratings has not consented to and will not consent to being named an "expert" or any similar designation under any applicable securities laws or other regulatory guidance, rules or recommendations, including without limitation, Part 10 of National Instrument 41-101 – *General Prospectus Requirements*. S&P Global Ratings is not an "underwriter" or "seller" as those terms are defined under any applicable securities laws or other regulatory guidance, rules or recommendations. S&P Global Ratings has not performed the role or tasks associated with an "underwriter" or "seller" under any applicable securities laws or other regulatory guidance, rules or recommendations in connection with this engagement.

Economic and Trade Sanctions. As of the date of this Agreement, (a) neither you nor the issuer (if you are not the issuer) or any of your or the issuer's subsidiaries, or any director or corporate officer of any of the foregoing entities, is the subject of any economic or trade sanctions or restrictive measures issued by Canada or the United States ("Sanctions"), (b) neither you nor the issuer (if you are not the issuer) is 50% or more owned or controlled, directly or indirectly, individually or collectively, by one or more persons or entities that is or are the subject of Sanctions, and (c) to the best of your knowledge, no entity 50% or more owned or controlled by a direct or indirect parent of you or the issuer (if you are not the issuer) is the subject of Sanctions. For purposes of clause (c) in this section, "parent" is a person owning or controlling, directly or indirectly, 50% or more of you or the issuer (if you are not the issuer). For so long as this Agreement is in effect, you will promptly notify S&P Global Ratings if any of these circumstances change.

S&P Global Ratings' Use of Confidential and Private Credit Ratings. S&P Global Ratings may use confidential and private credit ratings in its analysis of the debt issued by collateralized debt obligation (CDO) and other investment vehicles. S&P Global Ratings may disclose a confidential or private credit rating as a confidential credit estimate or assessment to the managers of CDO and similar investment vehicles. S&P Global Ratings may permit CDO managers to use and disseminate credit estimates or assessments on a limited basis and subject to various restrictions; however, S&P Global Ratings cannot control any such use or dissemination.

S&P Global Ratings may provide private ratings and related rating letters and reports, including any updates to the foregoing and any Confidential Information contained in such rating letters or reports, to the National Association of Insurance Commissioners and any of its offices ("NAIC") for use on a limited basis, provided they are bound by appropriate confidentiality obligations; however, S&P Global Ratings cannot control any such use. In addition, S&P Global Ratings may provide certain identifying details regarding the rated obligation, such as the CUSIP or ISIN number, to the NAIC.

Entire Agreement. Nothing in this Agreement shall prevent you, the issuer (if you are not the issuer) or S&P Global Ratings from acting in accordance with applicable laws and regulations. Subject to the prior sentence, this Agreement, including any amendment made in accordance with the provisions hereof, constitutes the complete and entire agreement between the parties on all matters regarding the credit rating provided hereunder. The terms of this Agreement supersede any other terms and conditions relating to information provided to S&P Global Ratings by you or your authorized agents and advisors hereunder, including without limitation, terms and conditions found on, or applicable to, websites or other means through which you or your authorized agents and advisors make such information available to S&P Global Ratings, regardless if such terms and conditions are entered into before or after the date of this Agreement. Such terms and conditions shall be null and void as to S&P Global Ratings.

Limitation on Damages. S&P Global Ratings does not and cannot guarantee the accuracy, completeness, or timeliness of the information relied on in connection with a credit rating or the results obtained from the use of such information. **S&P GLOBAL RATINGS GIVES NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED**

TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. S&P Global Ratings, its affiliates or third party providers, or any of their officers, directors, shareholders, employees or agents shall not be liable to you, your affiliates or any person asserting claims on your behalf, directly or indirectly, for any inaccuracies, errors, or omissions, in each case regardless of cause, actions, damages (consequential, special, indirect, incidental, punitive, compensatory, exemplary or otherwise), claims, liabilities, costs, expenses, legal fees or losses (including, without limitation, lost income or lost profits and opportunity costs) in any way arising out of or relating to the credit rating provided hereunder or the related analytic services even if advised of the possibility of such damages or other amounts except to the extent such damages or other amounts are finally determined by a court of competent jurisdiction in a proceeding in which you and S&P Global Ratings are parties to result from gross negligence, intentional wrongdoing or willful misconduct of S&P Global Ratings. In furtherance and not in limitation of the foregoing, S&P Global Ratings will not be liable to you, your affiliates or any person asserting claims on your behalf in respect of any decisions alleged to be made by any person based on anything that may be perceived as advice or recommendations. In the event that S&P Global Ratings is nevertheless held liable to you, your affiliates, or any person asserting claims on your behalf for monetary damages under this Agreement, in no event shall S&P Global Ratings be liable in an aggregate amount in excess of seven times the aggregate fees paid to S&P Global Ratings for the credit rating giving rise to the cause of action, up to a maximum of US\$5,000,000 except to the extent such monetary damages directly result from S&P Global Ratings' intentional wrongdoing or willful misconduct. The provisions of this paragraph shall apply regardless of the form of action, damage, claim, liability, cost, expense, or loss, whether in contract, statute, tort (including, without limitation, negligence), or otherwise. Neither party waives any protections, privileges, or defenses it may have under law, including but not limited to, laws relating to freedom of expression.

Credit Ratings Acknowledged for Use in Other Jurisdictions. To the extent that regulatory authorities allow a credit rating agency to acknowledge in one jurisdiction a credit rating issued in another jurisdiction for certain regulatory purposes, S&P Global Ratings may choose to acknowledge such a credit rating and denote such acknowledgement on www.standardandpoors.com with an alphabetic or other identifier affixed to such credit rating or by other means. S&P Global Ratings reserves the right to assign, withdraw or suspend such acknowledgement at any time and in its sole discretion. If S&P Global Ratings acknowledges such a credit rating for regulatory purposes, all limitations set out herein with respect to a credit rating will apply to such acknowledgment of the credit rating, including without limitation, that such acknowledgement is not a recommendation to purchase, hold, or sell any securities nor does it comment on market price, marketability, investor preference or suitability of any security. S&P Global Ratings, its affiliates or third party providers, or any of their officers, directors, shareholders, employees or agents shall not be liable to you, your affiliates or any person asserting claims on your behalf, directly or indirectly, for actions, damages (consequential, special, indirect, incidental, punitive, compensatory, exemplary or otherwise), claims, liabilities, costs, expenses, legal fees or losses (including, without limitation, lost income or lost profits and opportunity costs) in any way arising out of or relating to the assignment, withdrawal, or suspension of such acknowledgement, even if advised of the possibility of such damages or other amounts, except to the extent such damages or other amounts are finally determined by a court of competent jurisdiction in a proceeding in which you and S&P Global Ratings are parties to result from gross negligence, intentional wrongdoing or willful misconduct of S&P Global Ratings.

Termination of Agreement. This Agreement may be terminated by either party at any time upon written notice to the other party. Except where expressly limited to the term of this Agreement, these Terms and Conditions shall survive the termination of this Agreement.

No Third-Party Beneficiaries. Nothing in this Agreement, or the credit rating when issued, is intended or should be construed as creating any rights on behalf of any third parties, including, without limitation, any recipient of the credit rating. No person is intended as a third party beneficiary of this Agreement or of the credit rating when issued.

Binding Effect. This Agreement shall be binding on, and inure to the benefit of, the parties hereto and their successors and assigns. Subject to the limitations contained in this Agreement, S&P Global Ratings shall be liable for the conduct of its affiliates that would otherwise constitute a breach of the terms of this Agreement if S&P Global Ratings had engaged in such conduct itself.

Severability. In the event that any term or provision of this Agreement shall be held to be invalid, void, or unenforceable, then the remainder of this Agreement shall not be affected, impaired, or invalidated, and each such term and provision shall be valid and enforceable to the fullest extent permitted by law.

Amendments. This Agreement may not be amended or superseded except by a writing that specifically refers to this Agreement and is executed manually or electronically by authorized representatives of both parties.

Governing Law. This Agreement and the credit rating letter(s) shall be governed by the internal laws of the Province of Ontario. The parties irrevocably agree that the courts of Ontario shall be the exclusive forums for any dispute arising out of or relating to this Agreement or the credit rating letter(s) and the parties hereby consent to the personal jurisdiction of such courts.

1. **This Appendix:** This Data Protection Appendix ("Appendix") is incorporated into the Engagement Letter and S&P Global Ratings Terms and Conditions (together, the "Agreement") between S&P Global Ratings and you. In the event of conflict, this Appendix takes priority over the provisions of the Agreement but solely to the extent of the conflict.

2. **Definitions:** All words, terms or phrases, the meaning of which are defined in the Agreement, shall have the same meaning where used in this Appendix. In this Appendix, the following terms shall have the following meanings:

"controller", "processor", "data subject", "personal data", "processing", "process", "special categories of personal data" and "joint controller" shall have the meanings given in Applicable Data Protection Law; where these terms are not defined in the Applicable Data Protection Law, they shall have the meaning given to them in the GDPR;

"Analytical Data" means underlying personal data contained within the information which is provided to S&P Global Ratings for the purposes of the provision of the Services, such as the personal data of individuals who have financial products in place which are relevant to the issuing of a rating;

"Applicable Data Protection Law" shall mean, as applicable, the EU General Data Protection Regulation (Regulation 2016/679) (as may be amended, superseded or replaced) ("GDPR") and all other supplemental or implementing laws relating to data privacy in the relevant European Union member state, including where applicable the guidance and codes of practice issued by the relevant supervisory authority, and/or all applicable analogous privacy laws of other countries;

"Client Data" means personal data of data subjects, such as your employees, associates or partners, that is provided to S&P Global Ratings during the provision by S&P Global Ratings of the Services to you, such as name, job title, name of employer, office email address, office physical address, internet protocol address, office telephone number and language selection (and excludes special categories of personal data);

"Data" means Analytical Data and Client Data;

"Permitted Purpose" means processing:

- (A) by employees, officers, consultants, agents and advisors of S&P Global Ratings or its affiliates of Data: (i) to provide ratings and other products and services (the "Services") to you, (ii) to communicate with you regarding the Services that may be of interest to you, (iii) as described in the S&P Global Ratings' Use of Information section of the Agreement and (iv) as otherwise permitted in the Agreement;
- (B) of personal data by you to access and use the Services;

"Standard Contractual Clauses" means standard contractual clauses (adopted by European Commission Decision 2004/915/EC on 27 December 2004) for the transfer of personal data from controllers in the EU to controllers in jurisdictions outside the European Economic Area, a copy of the current version of which is accessible at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32004D0915> and which shall be deemed incorporated into this Appendix by reference solely for purposes of Clause 8 of this Appendix and within which you are the "Data Exporter" and S&P Global Ratings is the "Data Importer."

3. **Disclosure of data:** Each party will only disclose personal data to each other to process strictly for the Permitted Purpose.

4. **Relationship of the parties:** Except as may be specifically otherwise agreed, the parties acknowledge that you are a controller of the Data you disclose to S&P Global Ratings and that S&P Global Ratings will process the Data you disclose to S&P Global Ratings as a separate and independent controller strictly for the Permitted Purpose. In no event will the parties process the Data as joint controllers. Each party shall be individually and separately responsible for complying with the obligations that apply to it as a controller under Applicable Data Protection Law. Please see our Customer Privacy Policy (available at <https://www.spglobal.com/corporate-privacy-policy>) and Cookie Notice (available at <https://www.spglobal.com/corporate-privacy-policy/corporate-privacy-and-cookie-notice>) for further

information regarding how personal data that you provide to S&P Global Ratings in connection with the Services will be used and maintained.

5. **Investigations:** Except where and to the extent prohibited by applicable law, each party (“Notifier”) will inform the other promptly, and in any event within three (3) business days of, any inquiry, communication, request or complaint relating to Notifier’s processing of the personal data transferred to it under this Agreement by the other party which is received from: (i) any governmental, regulatory or supervisory authority, (ii) any data subject or (iii) any other person or entity alleging unlawful or unauthorized processing.
6. **Use and Restrictions on Use:** Notwithstanding the information that you are entitled to use from the Services and distribute to third parties to the extent permitted by the Agreement, you shall not distribute or use any personal data to which you have had access when receiving the Services other than for the Permitted Purpose.
7. **Security:** The parties shall implement appropriate technical and organisational measures to protect the Data from: (i) accidental, unauthorized or unlawful destruction and (ii) loss, alteration, unauthorised disclosure of or access to the Data.
8. **International Transfers of Data outside the EEA:**
 - 8.1 This Clause 8 and the Standard Contractual Clauses shall apply only with respect to Data transferred from the European Economic Area (“EEA”) to S&P Global Ratings and its affiliates in a territory outside of the EEA, provided that such transfers shall comply with the Standard Contractual Clauses deemed to be incorporated into this Appendix.
 - 8.2 S&P Global Ratings may process (or permit to be processed) any Data transferred from the EEA to S&P Global Ratings and its affiliates in a territory outside of the EEA, provided that such transfers shall comply with the Standard Contractual Clauses. In applying and interpreting the Standard Contractual Clauses, the parties agree that **Annex A** will apply and **Annex B** thereto shall be populated as follows:
 - (1) **Data Subjects to whom the personal data relates:**
 - (i) Persons who are employees, officers, contractors, agents or advisors of the Data Exporter and/or of companies affiliated with it who are engaged in the decision to enter into the Agreement and/or who enter into the Agreement with the Data Importer for the provision of the Data Importer’s Services; and
 - (ii) persons in respect of whom the Data Exporter or its agents or advisors have provided personal data to the Data Importer to enable the Data Importer to provide the Services.
 - (2) **Purposes for which the data transfer is made:**
The Permitted Purpose.
 - (3) **Categories of personal data transferred:**
Client Data and Analytical Data.
 - (4) **Categories of recipients to whom the personal data is transferred or disclosed:**
Employees, officers, consultants, agents and advisors of the Data Importer or its affiliates and third parties, including public bodies, regulators and law enforcers, to the extent S&P Global Ratings is required to disclose Data by contract, regulation, litigation or law.
 - (5) **Sensitive data or categories of sensitive data to be transferred (special category personal data):**
Not applicable.
 - (6) **Contact Point for the Data Importer:**
RatingsGDPR@spglobal.com

8.3 The parties agree that the following optional clause to the Standard Contractual Clauses shall apply as between them:

“(1) Each party shall perform its obligations under these clauses at its own cost.”

9. **Survival:** This Appendix shall survive termination or expiry of the Agreement. Upon termination or expiry of the Agreement, S&P Global Ratings may continue to process the Data, provided that such processing complies with the requirements of this Appendix and Applicable Data Protection Law.

Proprietary and Confidential.

This Fee Schedule is for your internal use only and should not be disseminated to anyone other than officers, directors and employees of your Company on a need to know basis

S&P Global Ratings

Canada

Public Finance

2020 Credit Rating Fee Schedule

Upon receipt of a S&P Global Ratings rating, the company enters into a long-term relationship with S&P Global Ratings whereby the company agrees that S&P Global Ratings will maintain its own issuer rating on the company. If the Issuer Credit Rating is public or private S&P Global Ratings expects to rate any and all public debt that is issued by, guaranteed by, and/or is in any way an obligation of the Company, including syndicated loans, unless the Company has confirmed to S&P Global Ratings in writing, that it does not wish the obligation to be rated.

This Fee Schedule does not cover S&P Global Ratings Services fees in connection with structured transactions, project financings, sovereign credit ratings, S&P Global Ratings National Scale ratings or other services not specifically listed above, nor does it cover ratings services provided to corporations domiciled outside Canada.

Please note our Analysts are not permitted to discuss fees or any commercial matters. Please direct all questions regarding fees or other commercial matters to your Commercial Relationship Manager.

This Fee Schedule is in effect 1/1/2020-12/31/2020. S&P Global Ratings reserves the right to change fees. All fees may not be listed. Please request a current Fee Schedule at time of transaction.

Proprietary and Confidential.

This Fee Schedule is for your internal use only and should not be disseminated to anyone other than officers, directors and employees of your Company on a need to know basis

Initial Rating Fees:

Initial Long-Term Counterparty Credit Rating (CCR) Fee:

Provinces	Contact your Relationship Manager
Municipalities	C\$35,000-C\$75,000
Public Service Entities (Hospitals, Universities, Airports, School Boards, etc.)	C\$29,000-C\$87,500

Infrastructure/Project Finance:

Project Rating	Fee
First C\$1.0 billion	7.50bps
Next C\$1.0 billion	6.50bps
Amounts Exceeding C\$2.0 billion	5.50bps
Minimum Fee	C\$150,000

Initial Commercial Paper (CP) Program Fee:

Canadian Market	C\$38,000
US/Euro/Other Markets	US\$72,000

Annual Surveillance Fees:

Long-Term CCR:

Provinces	Contact your Relationship Manager
Municipalities (Large)	C\$37,000-C\$64,000
Municipalities (Small/Mid-size)	C\$22,500-C\$45,000
Public Service Entities (Hospitals, Universities, Airports, School Boards, etc.)	C\$28,500-C\$95,000

Infrastructure/Project Finance	Fee
Up to C\$1.0 billion	C\$51,000
Amounts Exceeding C\$1.0 billion	C\$87,000

Commercial Paper (CP) Program Fee:

Canadian Market	C\$39,000
US/Euro/Other Markets	US\$69,000

Bond/Note/MTN/Preferred Stock Rating Fees:

Canadian Market:

Financing Volume	Fee
First C\$1.0 billion	6.50 bps
Next C\$1.5 billion	4.50 bps

This Fee Schedule is in effect 1/1/2020-12/31/2020. S&P Global Ratings reserves the right to change fees. All fees may not be listed. Please request a current Fee Schedule at time of transaction.

Proprietary and Confidential.

This Fee Schedule is for your internal use only and should not be disseminated to anyone other than officers, directors and employees of your Company on a need to know basis

Long-Term Bond Minimum Fee	C\$80,000
Medium-Term Note Minimum Fee	C\$52,500
Complex Issue Rating Total Issue Amount ¹	Up to an additional 2.0 bps on total issue amount
Minimum Fee	C\$150,000

US/Euro/Other Markets

Financing Volume	Fee
First US\$1.0 billion	7.10 bps
Next US\$1.5 billion	6.00 bps
Amounts Exceeding US\$2.5 billion	5.00 bps
Minimum Fee	US\$110,000
Complex Issue Rating ¹	Up to an additional 2.0 bps on total issue amount
Minimum Fee	US\$125,000

Excludes add-on's, Amend-to-Extend, ReSyndications

Applies to unrated loans using a ratings-based pricing grid

This Fee Schedule is in effect 1/1/2020-12/31/2020. S&P Global Ratings reserves the right to change fees. All fees may not be listed. Please request a current Fee Schedule at time of transaction.

Proprietary and Confidential.

This Fee Schedule is for your internal use only and should not be disseminated to anyone other than officers, directors and employees of your Company on a need to know basis

Other Costs:

Preliminary Rating Fee: Requests to publish a preliminary rating or “presale report” will be assessed a Preliminary Rating Fee. Please contact your commercial representative for pricing.

Expedited Rating Fee: Minimum 25% premium above the applicable fee.

Transformational Review Fee: Credit events that require a new analysis resulting from Merger & Acquisition events or Change in Ownership events will be assessed a Transformational Review Fee. Please contact your commercial representative for pricing.

¹Complex Issuance Fees: Issuances that include, but are not limited to, debtor-in-possession loans and loan issuances that require analysis of multiple issuers, subsidiaries, special purpose vehicles co-borrowers, merger and acquisitions, or complex capital structure in a leveraged transaction will be considered complex issues.

Additional Related Entity Fee: Clients who require additional ratings for related entities will be assessed a related entity fee for each additional entity. Fees are available upon request

Cancelled Rating Requests: If a rating is not assigned for any reason after S&P Global Ratings begins its analytical review, S&P Global Ratings will charge a fee based on the stage at which analytical work is terminated.

Travel & Related Expenses: The Company may be asked to reimburse S&P Global Ratings for its reasonable travel and related expenses if S&P Global Ratings analysts are required to travel in connection with the rating and/or surveillance process. If S&P Global Ratings retains outside counsel in connection with providing ratings services, the Company will pay our counsel directly for its legal fees and expenses.

Taxes: While the fees contained in this fee schedule exclude any applicable value-added, sale, use and similar taxes, you will be responsible for applicable taxes, if any.

This Fee Schedule is in effect 1/1/2020-12/31/2020. S&P Global Ratings reserves the right to change fees. All fees may not be listed. Please request a current Fee Schedule at time of transaction.

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2020-127

PARKING: (P7.3) A by-law to appoint Municipal Law Enforcement Officers to enforce the by-laws on various private properties and to amend Schedule "A" to By-law 90-305.

THE COUNCIL of the Corporation of the City of Sault Ste. Marie pursuant to Section 15 of the *Police Services Act*, R.S.O. 1990, chapter P.15 and amendments thereto, **ENACTS** as follows:

1. SCHEDULE "A" TO BY-LAW 90-305 AMENDED

Schedule "A" to By-law 90-305 is hereby repealed and replaced with Schedule "A" attached to this by-law.

2. EFFECTIVE DATE

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

PASSED in open Council this 29th day of June, 2020.

MAYOR - CHRISTIAN PROVENZANO

CITY CLERK – RACHEL TYCZINSKI

BADGE SPECIAL CONSTABLE	EMPLOYER	PROPERTY LOCATION
SCHEDULE "A"		
26 MCLEOD,ROD	FLEMING & SMITH	378 QUEEN ST E & APARTMENTS & 27 KING ST
30 RENDELL,VERN	ALGOMA CENTRAL PROP	STATION MALL/STATION 49/STATION TOWER
151 PARR,DEREK	NORPRO SECURITY	DAVEY HOME/QUEENSCENTRE/HURON ST PROPERTIES/ALGOMA PUBLIC HEALTH/556 QUEEN STRATHCLAIR DOG& SPORTS QE ECOMPLEX/JOHN RHODES/726 QUEEN ST
153 TASSONE,VITO	TASSONE CHIROPRACTIC	673 QUEEN ST E
163 BUMBACCO,PHILIP	ALGOMA CENTRAL PROP	STATION MALL/STATION 49/STATION TOWER
196 MCGRAYNE,LAURA LEE	ALGOMA CENTRAL PROP	STATION MALL /STATION 49/STATION TOWER
253 TRAVSON TERRANCE	NORTH EAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARI S/JOHN RHODES QE SPORTS COMPLEX/Algoma Public Health/314 Wellington Street West
267 CORBIERE,JOHN(TED)	NORPRO SECURITY	DAVEY HOME/QUEENSCENTRE/HURON ST PROPERTIES/ALGOMA PUBLIC HEALTH/556 QUEEN STRATHCLAIR DOG& SPORTS QE ECOMPLEX/JOHN RHODES/726 QUEEN ST
276 SMITH,DENNIS,ROBERT	G4S SECURE SOLUTIONS	SAULT AREA HOSPITAL
334 MILLER,BRADLEY	CITY OF SAULT STE MARIE	TRANSIT SERVICE AREA
344 HARPE,KEN	HOLIDAY INN	320 BAY ST
346 HAZLETON,MARGARET	CITY OF SAULT STE MARIE	BELLVUE MARINA & PARK/BONDAR MARINE & PARK/STRATHCLAIR DOG PARK&SPORTS COMPLEXQE SPORTS COMPLEX
366 TROIOW,VICTORIA	G4S SECURE SOLUTIONS	SAULT HOSPITAL
370 HANSEN,LOUIS	ONT FINNISH HOME ASS	725 NORTH ST
372 BENOIT,ALAIN	ONT FINNISH HOME ASS	725 NORTH ST
374 TAABEL,ANDRE	CITY OF SAULT STE MARIE	TRANSIT SERVICE AREA
391 MCLEOD,HEATHER	NORTH EAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARI S/JOHN RHODES QE SPORTS COMPLEX/Algoma Public Health/314 Wellington Street West
397 LAFRAMBOISE,YVON	NORTH EAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARI S/JOHN RHODES QE SPORTS COMPLEX/Algoma Public Health/314 Wellington Street West
410 POYNTER,HAROLD	G4S SECURE SOLUTIONS	SAULT HOSPITAL
411 MCORE,ROBERT	NORPRO SECURITY	DAVEY HOME/QUEENSCENTRE/HURON ST PROPERTIES/ALGOMA PUBLIC HEALTH/556 QUEEN STRATHCLAIR DOG& SPORTS QE ECOMPLEX/JOHN RHODES/726 QUEEN ST
420 FABIANO,ANTONIO	G4S SECURE SOLUTIONS	SAULT HOSPITAL
443 MARCIL,MARK	NORPRO SECURITY	DAVEY HOME/QUEENSCENTRE/HURON ST PROPERTIES/ALGOMA PUBLIC HEALTH/556 QUEEN STRATHCLAIR DOG& SPORTS QE ECOMPLEX/JOHN RHODES/726 QUEEN ST
446 HALLIDAY,DANA	SAULT COLLEGE	443 NORTHERN AVE
456 CONEYBEARE,KEVIN	NORTH EAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARI S/JOHN RHODES QE SPORTS COMPLEX/Algoma Public Health/314 Wellington Street West
459 SLEEMAN,RAY	G4S SECURE SOLUTIONS	SAULT AREA HOSPITAL
460 BOUGIE,DAN	G4S SECURE SOLUTIONS	SAULT AREA HOSPITAL
463 MORIN,ALEX	CORPS OF COMM	GREAT LAKES FOREST RESEARCH CENTRE
464 DITOMMASO,RYAN	2220917 ONT INC	489 BAY ST/535 QUEEN ST E
465 DELAVALLE,DON	NORTH EAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARI S/JOHN RHODES QE SPORTS COMPLEX/Algoma Public Health/314 Wellington Street West
484 MCLEOD,VIRGINIA	CITY OF SAULT STE MARIE	BELLVUE MARINA SPARK/BONDAR MARINE & PARK/STRATHCLAIR DOG PARK&SPORTS COMPLEXQE SPORTS COMPLEX/JOHN RHODES
486 LONGO,NADIA	GT NORTHERN RETIREMENT	780 NORTHERN RD
487 ROUGEAU,MARISA	GT NORTHERN RETIREMENT	760 NORTHERN RD
488 LEFLEUR,MARILYN	GT NORTHERN RETIREMENT	760 NORTHERN RD
489 MCQUEEN,WANDA	GT NORTHERN RETIREMENT	760 NORTHERN RD
490 LUXTON,JEFF	GT NORTHERN RETIREMENT	760 NORTHERN RD
493 BROWN,FRASER	NORTH EAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARI S/JOHN RHODES QE SPORTS COMPLEX/Algoma Public Health/314 Wellington Street West
516 GAY,JAMES	NORTH EAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARI S/JOHN RHODES QE SPORTS COMPLEX/Algoma Public Health/314 Wellington Street West
517 ROY,BRENDA	NORTH EAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARI S/JOHN RHODES QE SPORTS COMPLEX/Algoma Public Health/314 Wellington Street West
526 JOHNSTON,CORY	NORTH EAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARI S/JOHN RHODES QE SPORTS COMPLEX/Algoma Public Health/314 Wellington Street West
537 GRAWBARGER,KYLE	G4S SECURE SOLUTIONS	SAULT HOSPITAL
541 DIMMA, WILLIAM	ALGOMA CENTRAL PROP	STATION MALL/STATION 49/STATION TOWER
547 LIEPA, MATTHEW	ALGOMA CENTRAL PROP	STATION MALL/STATION 49/STATION TOWER
548 CARON,ROGER	CORPS OF COMM	99 FOSTER DR (CIVIC CENTRE)
556 ARCAD, SCOTT	CORPS OF COMM	SAULT AIRPORT
565 LISCUMB,GERALD	NORPRO SECURITY	DAVEY HOME/QUEENSCENTRE/HURON ST PROPERTIES/ALGOMA PUBLIC HEALTH/556 QUEEN STRATHCLAIR DOG& SPORTS QE ECOMPLEX/JOHN RHODES/726 QUEEN ST
666 SWEET,WILLARD	NORTH EAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARI S/JOHN RHODES QE SPORTS COMPLEX/Algoma Public Health/314 Wellington Street West
568 PICK,DENNY	CORPS OF COMM	SAULT AIRPORT
574 BOUCHARD,DARYL	NORTH EAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARI S/JOHN RHODES QE SPORTS COMPLEX/Algoma Public Health/314 Wellington Street West
587 GIULETTI,MATTHEW	G4S SECURE SOLUTIONS	SAULT AIRPORT / HOSPITAL
599 BUMBACCO,CARL	CB HOME INSTALLTIONS	321 JOHN ST /342,346 ST GEORGE'S AVE
601 HART,JASON	NORPRO SECURITY	DAVEY HOME/QUEENSCENTRE/HURON ST PROPERTIES/ALGOMA PUBLIC HEALTH/556 QUEEN STRATHCLAIR DOG& SPORTS QE ECOMPLEX/JOHN RHODES/726 QUEEN ST
602 GREENWOOD,LESLIE	GREENWOOD HARDWARD	41 ALBERT ST W
603 LAMMING,DAVE	CITY OF SAULT STE MARIE	TRANSIT SERVICE AREA
607 FROST,CHRISTIAN	CITY OF SAULT STE MARIE	TRANSIT SERVICE AREA
608 ALISAT,THOMAS	ALISATS RUST PROOFING	24 QUEEN ST W
609 ROBINSON,SHAWN	ALISATS RUST PROOFING	24 QUEEN ST W
611 MIZZI,PRESTON	WENDY'S	1 QUEEN ST W
617 SAVAGE,SAMUEL	G4S SECURITY	SAULT HOSPITAL
619 BERTO,DEBRAH	GATEVIEW REALTY INC	304-310 ALBERT ST/420A&B McNabb/715 DOUGLAS/67 ELGIN/47 PRINCESS/18 FERGUSON
622 PROULX,PATRICK	CITY OF SAULT STE MARIE	JOHN RHODES/ESSAR CENTRE/MCEKKEN CENTRE/NORTHERN COMMUNITY CENTRE
623 AYTON,BENJAMIN	CITY OF SAULT STE MARIE	JOHN RHODES/GFL MEMORIAL GARDENS/MCEKKEN CENTRE/NORTHERN COMMUNITY CENTRE
624 MIHAIILUK,JASON	CITY OF SAULT STE MARIE	JOHN RHODES/GFL MEMORIAL GARDENS/MCEKKEN CENTRE/NORTHERN COMMUNITY CENTRE
626 CHARRON,ROBERT	NORTH EAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARI S/JOHN RHODES QE SPORTS COMPLEX/Algoma Public Health/314 Wellington Street West
627 BAKER,WMILLIAM	STANDARD PARKING	ONTARIO REALITY CORP/ROBERTA BONDAR PLACE/426 QUEEN ST E/BREWERY BLOCK
632 SAVAGE,MATT	G4S SECURITY	SAULT HOSPITAL
633 HILL,MICHAEL	NORTH EAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARI S/JOHN RHODES QE SPORTS COMPLEX/Algoma Public Health/314 Wellington Street West
634 TIBBLES,COLEEN	STANDARD PARKING	ONTARIO REALITY CORP/ROBERTA BONDAR PLACE/426 QUEEN ST E/BREWERY BLOCK
637 TOMASONE,LUIGI	LOU'S AUTOMOTIVE	317 ALBERT ST E
638 SICOLY,TERESA	AIRPORT	1-475 AIRPORT RD
643 SHAW,KEVIN	CITY OF SAULT STE MARIE	BELLVUE MARINA & PARK/BONDAR MARINE & PARK/STRATHCLAIR DOG PARK&SPORTS COMPLEXQE SPORTS COMPLEX
644 SANTA MARIE,ROBERT	CITY OF SAULT STE MARIE	JOHN RHODES/ESSAR CENTRE/MCEKKEN CENTRE/NORTHERN COMMUNITY CENTRE
646 BOOTH,ABBY	CITY OF SAULT STE MARIE	JOHN RHODES/ESSAR CENTRE/MCEKKEN CENTRE/NORTHERN COMMUNITY CENTRE
647 DAFOE,TRUDY	NORTH EAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARI S/JOHN RHODES QE SPORTS COMPLEX/Algoma Public Health/314 Wellington Street West
649 GRAHAM,STEVEN	FENGATE PROPERTY	248 NORTHERN AVE
650 LANG,RICHARD	G4S SECURITY	SAULT HOSPITAL
651 HUTCHINSON,HILLARY	NORTH EAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARI S/JOHN RHODES QE SPORTS COMPLEX/Algoma Public Health/314 Wellington Street West
652 BIOCCHI,CHRISTOPHER	AIRPORT	1-475 AIRPORT RD
659 MARCIL,BONNIE	STRICTLY CONFIDENTIAL INC	RJS MARKET
664 HAMMERSTEDT,ERIC	STRICTLY CONFIDENTIAL INC	RJS MARKET
665 MATTHEWS,SUANNE	NORTHLAND ANIMAL HOSP	695 TRUNK RD
666AITKEN,ANDREW	G4S SECURITY	SAULT HOSPITAL
669 BOREAN,RICK	CITY OF SAULT STE MARIE	BELLVUE MARINA & PARK/BONDAR MARINE & PARK/STRATHCLAIR DOG PARK&SPORTS COMPLEXQE SPORTS COMPLEX
670 MCGUIRE,STEVE	REGENT PROPERTY	402/302 BAY ST/330 BAY/RIVERWALK CONDOS
671 MCGUIRE,PATRICK	REGENT PROPERTY	402/302 BAY ST/350 BAY/RIVERWALK CONDOS
674 DERASIF,RICHARD	CORPS OF COMM	SAULT AIRPORT

675	KELLY, MATTHEW	G4S SECURITY	SAULT HOSPITAL
676	THOMPSON, JOHN	CORPS OF COMM	SAULT AIRPORT
677	MACMILLAN, TYLER	CORPS OF COMM	SAULT AIRPORT
678	PERRON, JENNIFER	CORPS OF COMM	SAULT AIRPORT
679	CHATEAUNEUF, YVON	CORPS OF COMM	SAULT AIRPORT
681	SCHMIDT, KEATON	NORTH EAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
683	SEMENEYI, ADAM	NORTH EAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX/Algoma Public Health/314 Wellington Street West
686	ASH, KEITH	CITY OF SAULT STE MARIE	PUBLIC WORKS PLOWING AREAS
687	POSSAMAI, MIKE	CITY OF SAULT STE MARIE	PUBLIC WORKS PLOWING AREAS
688	KING, MICHAEL	CITY OF SAULT STE MARIE	PUBLIC WORKS PLOWING AREAS
689	SUBRAMANIAM, DASA	DAYS INN	332 BAY ST
694	LIPPE, ANDREW	NORTH EAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX/Algoma Public Health/314 Wellington Street West
695	LAURICELLA, DIEGO	CITY OF SAULT STE MARIE	PUBLIC WORKS PLOWING AREAS
696	CLARIDA, JEFF	CITY OF SAULT STE MARIE	PUBLIC WORKS PLOWING AREAS
697	OLAR, GREG	CITY OF SAULT STE MARIE	PUBLIC WORKS PLOWING AREAS
698	DEPLONTY, HERBERT	CITY OF SAULT STE MARIE	PUBLIC WORKS PLOWING AREAS
700	FORD, BRIAN	G4S SECURITY	SAULT AREA HOSPITAL
701	CHIMPWEMBE, CHILUFYA	NORTH EAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX/Algoma Public Health/314 Wellington Street West
703	DIAS, CODY	G4S SECURITY	SAULT AREA HOSPITAL
704	GLOVER, LAURA	G4S SECURITY	SAULT AREA HOSPITAL
705	DEGILIO, JOEY	G4S SECURITY	SAULT AREA HOSPITAL
706	GAGNON, JACQUES	G4S SECURITY	SAULT AREA HOSPITAL
708	POWLEY, CHAD	G4S SECURITY	SAULT AREA HOSPITAL
711	MASON, STEPHEN	Riversedge Developments	503 BAY ST
712	KOOSTACHIN, ANDREW	Ontario Finnish Resilience	725 North St
713	Cho, Linda	Jennex Cho Enterprises	129 Second Line West
714	DESANDO, ALEXANDER	G4S SECURITY	SAULT AREA HOSPITAL
715	MITCHELL, SPENCER	NORPRO SECURITY	DAVEY HOME QUENSCENTRE:HURON ST PROPERTIES/ALGOMA PUBLIC HEALTH-556 QUEEN STRATHCLAIR DOGS & SPORTS QE ECOMPLEX/JOHN RHODES/726 QUEEN ST
717	GUY, AMY	NORTHEAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX/Algoma Public Health/314 Wellington St W
718	SCOTLAND, KEVIN	NORTHEAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX/Algoma Public Health/314 Wellington St W
719	JENKINSON, MICHAEL	NORTHEAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
720	LORENZO, COREY	NORTHEAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX/Algoma Public Health/314 Wellington St W
721	MACNEIL, ALICIA	NORTHEAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX/Algoma Public Health/314 Wellington St W
722	MACTYRE, ANDREW	NORTHEAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX/Algoma Public Health/314 Wellington St W
723	ROCCA, ANTHONY	NORPRO SECURITY	DAVEY HOME QUENSCENTRE:HURON ST PROPERTIES/ALGOMA PUBLIC HEALTH-556 QUEEN STRATHCLAIR DOGS & SPORTS QE ECOMPLEX/JOHN RHODES/726 QUEEN ST
724	ROULEAU, MICHAEL	CORPS OF COMM	SAULT AIRPORT
725	PAAT, EMMA LEE	AIRPORT	SAULT AIRPORT
726	DIVECHA, HARRISON	NORTHEAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX/Algoma Public Health/314 Wellington St W
727	CLARK, DYLAN	G4S SECURITY	SAULT AREA HOSPITAL
729	DOUCHAMIE, CHELSEY	G4S SECURITY	SAULT AREA HOSPITAL
731	NOTT, REGINALD	CORPS OF COMM	SAULT AIRPORT
732	MAKI, BRANDON	NORTHEAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX/Algoma Public Health/314 Wellington St W
733	GREGORCHUK, CATHERINE	REAL ESTATE STOP INC	2 QUEEN STREET WEST
734	RICHARD, MARK	NORTHEAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX/Algoma Public Health/314 Wellington St W
735	KEMP, ROBERT	NORTHEAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX/Algoma Public Health/314 Wellington St W
736	BLAIR, BRENT	PROPERTY ONE	421 BAY ST
737	MARTONE, DONATO	PROPERTY ONE	421 BAY ST/COMMUNITY FIRST CREDIT UNION
738	MARTELLA, JOSEPH	PEAK INVESTMENT SERVICE	68 MARCH ST, 485 QUEEN ST E (REAR)
739	GOWAN, MAIGIE	NORTHEAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX/Algoma Public Health/314 Wellington St W
740	VERNA, ABBISHEK	NORTHEAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX/Algoma Public Health/314 Wellington St W
741	DEGASPARRO, SHERRI	AIRPORT	SAULT AIRPORT
742	VOWELS-WING, LAURIE	NORTH 44 PROPERTY MGT	844 & 860 QUEEN ST E. 524.524A 536 & 538A GOULAS AVE
743	MILNE, GEORGE	CROATIAN VILLAGE	60 SACKVILLE RD
744	MCLEAN, JEFF	SKYLINE LIVING	SKYLINE PROPERTIES/621 MACDONALD AVE
745	QUESNELLE, TIMOTHY	PROPERTY ONE	421 BAY ST/COMMUNITY FIRST CREDIT UNION
746	BELANGER, CARL	PERZIA GROUP	70 EAST ST/ 700 BAY ST
747	SCOTT, RYAN	YMCA	235 MCNABB STREET
748	GRAHAM, TIMOTHY	PINE/ALLARD APTS	751/789 PINE STREET/171 WILLOW AVE/94/108 ALLARD STREET
749	CORBETT, THOMAS	G4S SECURITY	SAULT AREA HOSPITAL
750	NEVEAU, ERIC	NORTHEAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX/Algoma Public Health/314 Wellington St W
751	BRETON, JULIEN	NORTHEAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX/Algoma Public Health/314 Wellington St W
752	HARTEN, ARIYANNA	NORTHEAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX/Algoma Public Health/314 Wellington St W
753	DISANO, RONALD	NORTHEAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX/Algoma Public Health/314 Wellington St W
754	DAVIES, RHONDA	NORTHEAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX/Algoma Public Health/314 Wellington St W
755	HEIDT, TERRY	NORPRO SECURITY	DAVEY HOME QUENSCENTRE:HURON ST PROPERTIES/ALGOMA PUBLIC HEALTH-556 QUEEN STRATHCLAIR DOGS & SPORTS QE ECOMPLEX/JOHN RHODES/726 QUEEN ST
756	MCCOY, ROBERT	NORPRO SECURITY	DAVEY HOME QUENSCENTRE:HURON ST PROPERTIES/ALGOMA PUBLIC HEALTH-556 QUEEN STRATHCLAIR DOGS & SPORTS QE ECOMPLEX/JOHN RHODES/726 QUEEN ST
757	WERTH, KARL	KC SECURITY	CONTRACTED CLIENTS ON PRIVATE PROPERTY
758	NEVEAU, KAYLA	NORTHEAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX/Algoma Public Health/314 Wellington St W
759	FITTON, MATTHEW	G4S SECURITY	SAULT AREA HOSPITAL
760	FARKAS, DARIEN	G4S SECURITY	SAULT AREA HOSPITAL
761	SLATER, KYLE	KC SECURITY	CONTRACTED CLIENTS ON PRIVATE PROPERTY
762	MACKENZIE, JENNA	G4S SECURITY	SAULT AREA HOSPITAL
763	CIOTTI, MARK	DSSAB	SSM HOUSING PROPERTIES Bellevue Park Marina - 100 Belgrave Ave, James City Park, Roberta Bondar Park/Marina Pointe Des Chenes, PWY 1, 556 Queen St E, AUS/B4-HSC01B All Locations, Notre Dame Du Sault, Bushplane Museum, 116 Industrial Park Dr, Public, I, branes, NCC, YMCA, Hardman Corp, 80 Pm St 331 Korah Rd # 149A Trunk Rd/275 Second Line W Bellevue Park/Marina, Stratclair Park, James City Park, Roberta Bondar Park/Marina Pointe Des Chenes, PWY 1, 556 Queen St E, AUS/B4-HSC01B All Locations, Notre Dame Du Sault, Bushplane Museum, 116 Industrial Park Dr, Public, I, branes, NCC, YMCA, Hardman Corp, 80 Pm St 331 Korah Rd # 149A Trunk Rd/275 Second Line W
764	PARDY, NATHAN	KC SECURITY	
765	LAPRADE, DANIEL	KC SECURITY	
766	PALARO, DONALD	CITY OF SAULT STE MARIE	JOHN RHODES/GFL MEMORIAL GARDENS/MCMEKEN CENTRE/NORTHERN COMMUNITY CENTRE
767	JOHNSON, DREW	CITY OF SAULT STE MARIE	ROBERTA BONDAR PARK & BELLEVUE MARINA

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2020-128

AGREEMENT: A by-law to authorize the execution of the Agreement between the City and 1188004 Ontario Inc. (Tony Porco) to complete the Hub Trail spoke from Canal Drive to Huron Street.

THE COUNCIL of The Corporation of the City of Sault Ste. Marie, pursuant to section 9 of the *Municipal Act, 2001*, S.O. 2001, c. 25, **ENACTS** as follows:

1. EXECUTION OF DOCUMENT

The Mayor and City Clerk are hereby authorized for and in the name of the Corporation to execute and affix the seal of the Corporation to the Agreement dated June 29, 2020 between the City and 1188004 Ontario Inc. (Tony Porco), a copy of which is attached as Schedule "A" hereto. This Agreement is for the completion of the Hub Trail spoke from Canal Drive to Huron Street.

2. SCHEDULE "A"

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

3. EFFECTIVE DATE

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

PASSED in open Council this 29th day of June, 2020.

MAYOR - CHRISTIAN PROVENZANO

CITY CLERK – RACHEL TYCZINSKI

Schedule "A"

FUNDING AGREEMENT

This FUNDING Agreement made this _____ day of _____ 2020.

BETWEEN:

1188004 ONTARIO INC.

(hereinafter referred to as "1188004 Ontario Inc.")

- and -

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

(hereinafter referred to as the "City")

WHEREAS the City is the registered owner of lands in the City of Sault Ste. Marie municipally known as a southern portion of Huron Street which abuts lands owned by 1188004 Ontario Inc. municipally known as 83 and 87 Huron Street, which properties are, collectively referenced as the "Lands" and are depicted in Schedule "A" of this agreement.

AND WHEREAS 1188004 Ontario Inc. is developing a Hub Trail system herein referred to as the Huron Spoke on the said Lands.

AND WHEREAS the City has provided \$113,900.76 to 1188004 Ontario Inc. for the exclusive purpose of payment for work completed by 1188004 Ontario Inc. to develop sections A and B of the Huron Spoke.

AND WHEREAS 1188004 Ontario Inc. estimates it may cost up to \$128,488.26 to complete section C of the Huron Spoke and to add lighting to section A.

AND WHEREAS the City is prepared to allocate additional funding received as part of Ontario Municipal Commuter Cycling Program funding for the development of section C and the lighting for section A up to the estimated amount of \$128,488.26.

NOW THEREFORE the parties hereto agree as follows:

1. FUNDING

The City agrees to contribute funds up to the amount of One Hundred and Twenty Eight Thousand Four Hundred and Eighty Eight Dollars and Twenty Six Cents (\$128,488.26) to 1188004 Ontario Inc. for the exclusive purpose of paying any costs incurred by 1188004 Ontario Inc. in completing section C of the Huron Spoke as depicted in Schedule "A".

2. USE OF FUNDS

1188004 Ontario Inc. covenants and agrees that the funds provided to it by the City shall be used solely towards the cost of developing the Huron Spoke and for no other purpose. Proof of such use shall be in the form of an invoice to the City from 1188004 Ontario Inc.

At the sole discretion and request of the Director of Planning, any and all records supporting the total on the invoice provided by 1188004 Ontario Inc. shall be presented for review by the Director of Planning. Upon the Director of Planning's satisfaction of the total amount requested, the City shall pay 1188004 Ontario Inc. the amount on the invoice, which amount is not to exceed \$128,488.26.

3. MAINTENANCE

The City acknowledges and agrees that the maintenance of the Huron Spoke shall be the sole responsibility of the City and the City acknowledges and agrees that all necessary maintenance shall be its sole responsibility, save for winter maintenance, which shall be performed by 1188004 Ontario Inc.

The City and 1188004 Ontario Inc. shall fully indemnify and save harmless each other from any action arising out of the Huron Spoke.

The parties hereto acknowledge and agree that if at any point in the future the Huron Spoke become unfit or hazardous and in a state of unrepair, 1188004 Ontario Inc. may remove and/or replace the Huron Spoke at its sole expense and with consent of the City.

4. EASEMENT

1188004 Ontario Inc. has previously agreed to register at its sole expense the easement attached hereto as Schedule "B" in exchange for the City's past contributions to this project. 1188004 Ontario Inc. acknowledges and agrees that it shall not receive any further funding from the City for this project until the easement is completed and registered with the land titles office and to the satisfaction of the City's Legal Department.

IN WITNESS WHEREOF the parties hereto have affixed their hands and seals this _____ day of _____ 2020.

1188004 ONTARIO INC.

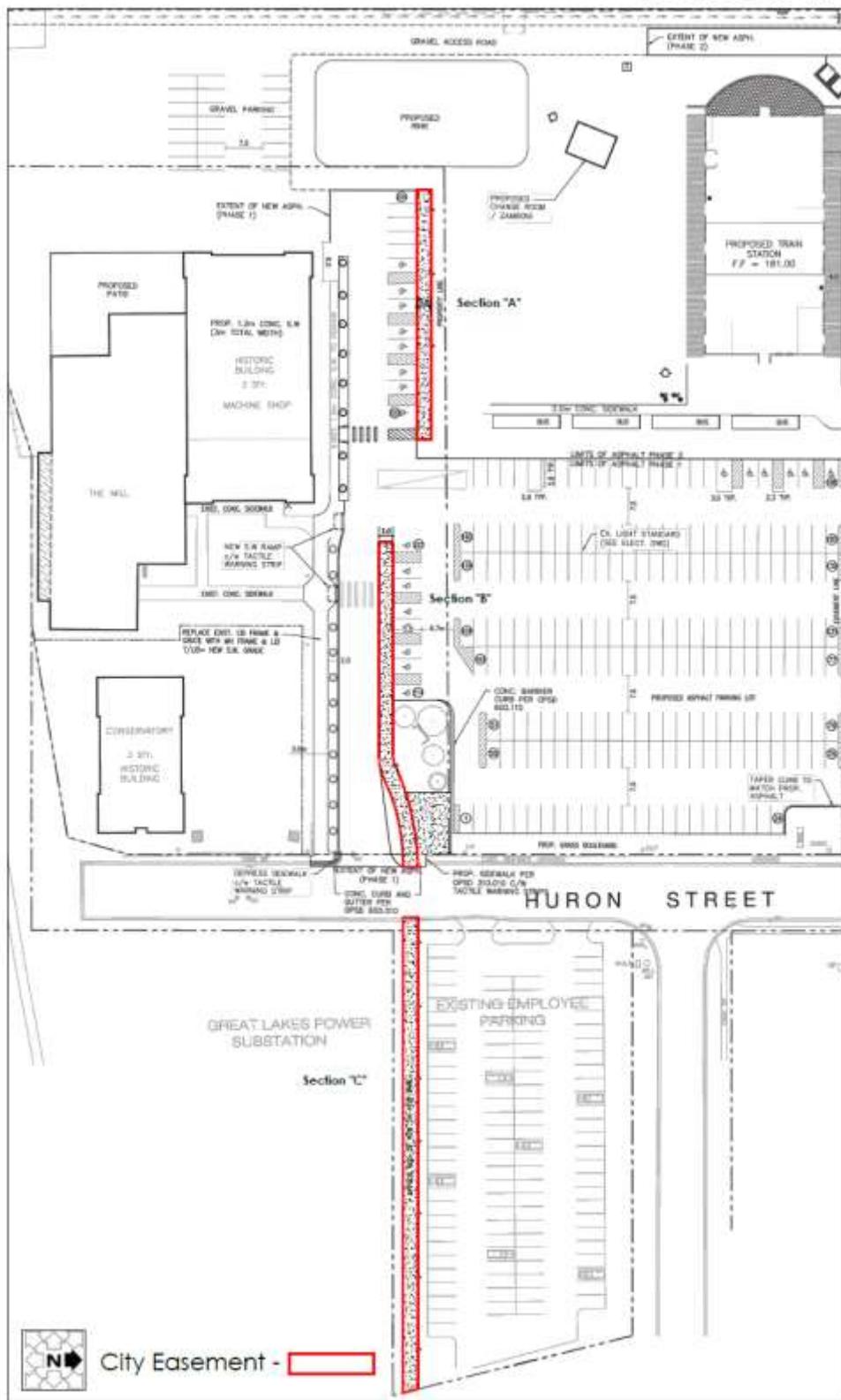
Per: _____
PRESIDENT – TONY PORCO

**THE CORPORATION OF THE CITY OF
SAULT STE. MARIE**

Per: _____
MAYOR – CHRISTIAN PROVENZANO

Per: _____
CITY CLERK – RACHEL TYCZINSKI

SCHEDULE "A"



SCHEDULE "B"

Conditions of Hub Trail Easement - EASEMENT IN GROSS

The Transferor grants to the Transferee free, uninterrupted and unobstructed right and easement in perpetuity to enter on and construct, repair, replace, operate and maintain the walking and cycling trail, commonly known as the hub trail, upon the lands described in this document.

The Transferor covenants and agrees to provide free, uninterrupted and unobstructed access to the Transferee, its servants, agents and vehicles for the purposes necessary for or incidental to the exercise and enjoyment of the rights transferred over the lands described in this document.

The Transferor covenants and agrees with the Transferee that the Transferor shall not build or cause to be built any building, structure, fence or other obstruction over the easement granted in this document.

The Transferee covenants and agrees with the Transferor that it shall be responsible for any damage caused by the negligence of its own agents or employees to the property of the Transferor on the lands owned by the Transferor in the course of exercising the rights and easement hereby transferred.

The Transferee and Transferor covenants and agrees to fully and mutually indemnify and save the each other harmless from all actions, causes of action, suits, claims and demands of every nature and kind whatsoever which may be made against the parties relating to or arising out of the use of the hub trail by the general public, save for winter maintenance, which shall be the sole responsibility of the Transferor.

The Transferee covenants and agrees with the Transferor to keep that portion of the hub trail located on the easement and the Transferor's lands adjacent to the easement, in a good and reasonable state of repair and, in so doing, shall not interfere with the Transferor's right of access to its adjacent lands in any material way. In the event of a breach of this covenant by the Transferee which remains outstanding after five (5) days written notice of the breach is given to the Transferee, the Transferor shall have the right to rectify the breach at the expense of the Transferee.

The Transferor and the Transferee covenant and agree that reference to the Transferor herein shall include 1188004 ONTARIO INC.

This easement is for the benefit of the balance of the cycling and walking hub trail of The Corporation of the City of Sault Ste. Marie.

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2020-129

AGREEMENT: A by-law to authorize the execution of the Agreement between the City and PUC Distribution Inc. for the use of property at the northeast corner of Huron Street and Queen Street West for a local community park area and welcome sign.

THE COUNCIL of The Corporation of the City of Sault Ste. Marie, pursuant to section 9 of the *Municipal Act, 2001*, S.O. 2001, c. 25, **ENACTS** as follows:

1. EXECUTION OF DOCUMENT

The Mayor and City Clerk are hereby authorized for and in the name of the Corporation to execute and affix the seal of the Corporation to the Agreement dated July 1, 2020 between the City and PUC Distribution Inc., a copy of which is attached as Schedule "A" hereto. This Agreement is for the use of property at the northeast corner of Huron Street and Queen Street West for a local community park area and welcome sign.

2. SCHEDULE "A"

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

3. EFFECTIVE DATE

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

PASSED in open Council this 29th day of June, 2020.

MAYOR - CHRISTIAN PROVENZANO

CITY CLERK – RACHEL TYCZINSKI

Schedule "A"

LICENSE OF OCCUPATION

THIS LICENSE AGREEMENT made this 1st day of July, 2020.

B E T W E E N:

PUC DISTRIBUTION INC.

(herein referred to as "PUC")

- and -

**THE CORPORATION OF THE CITY
OF SAULT STE. MARIE**

(herein referred to as the "City")

WHEREAS PUC is the registered owner of the lands and premises at the north east corner of Queen St. West and Huron St. in the City of Sault Ste. Marie described in PINs 31576-0016 (LT), 31576-0017 (LT), and 31576-0018 (LT) (the "PUC Lands");

AND WHEREAS the City desires to use a portion of the PUC Lands illustrated in Schedule "A" (the "Licensed Area") for a local community park (the "Park");

AND WHEREAS PUC is prepared to grant to the City the right to occupy the Licensed Area for the Park subject to the terms and conditions set out herein;

NOW THEREFORE in consideration of the sum of One (\$1.00 CDN) Dollar, the receipt of which is hereby acknowledged by PUC and the mutual covenants, agreements and promises hereinafter set forth, the parties hereby covenant and agree as follows:

1. PUC grants to the City the right to occupy the Licensed Area for a period of one (1) year commencing on July 1, 2020 (the "Term") and ending on June 30, 2021. This License Agreement shall automatically renew on a yearly basis (the "Renewal Term") thereafter on the same terms and conditions unless terminated by notice in writing by either party not less than ninety (90) days prior to the expiration of the Term or any Renewal Term.

2. The Licensed Area shall only be used for the Park which shall be constructed approximately in accordance with the dimensions and at the locations as marked and identified in Schedule "B". The City, with direction and collaboration from the PUC, shall determine final dimensions and locations for the sign and any accompanying structures. The City shall provide the PUC with "as-built drawings" upon the completion and final installation of the Park. The "as-built drawings" shall accompany and form part of Schedule "B" of this License Agreement. The City shall not use or permit the Licensed Area to be used for any purpose other than the purpose set out herein.

3. The City shall not assign, transfer or make any other disposition of this License Agreement or of the rights conferred hereby, without the prior written consent of PUC, which consent may be arbitrarily refused or withheld.

4. Prior to the commencement of any work, the City shall first obtain the written approval of PUC for any work to be conducted in the Licensed Area, such approval shall not be unreasonably or arbitrarily withheld. The City shall at no time excavate the lands comprising the Licensed Area; provided however that the City may anchor the sign with the prior written approval of PUC as to the method of anchoring and location of any anchors in the Licensed Area, such approval shall not be unreasonably or arbitrarily withheld. The City acknowledges and agrees that upon completion of the build, as reflected in the "as-built drawings", there shall be no changes or additions to the Park or the Licensed Area without the prior express written consent of PUC, such approval shall not be unreasonably or arbitrarily withheld.

5. The City shall be responsible for all costs, expenses and liabilities related to the construction, transportation, set up, operation, inspection and maintenance of the Park and any other matters related directly or indirectly thereto. The City shall indemnify and save harmless PUC from any costs, liabilities and expenses incurred by PUC that may result from the Park and any matters related directly or indirectly thereto.

6. The City confirms that PUC has not provided any representation, warranty or other assurance regarding the suitability of the Licensed Area, PUC Lands or any part thereof, for the intended use by the City. The City acknowledges that it has carried out an inspection of the PUC Lands and Licensed Area specifically to satisfy itself concerning the suitability of same for its proposed use and further, that it is using the Licensed Area on an "as is where is" basis.

7. The City shall have full responsibility, at its own expense, to ensure that it has obtained all necessary approvals and secured and/or completed all such permits, plans, assessments, proposals, and studies that are necessary, if any, for the Park. The City shall save harmless and fully indemnify PUC from and against all losses, costs (including solicitor costs on a substantial indemnity scale basis and disbursements), damages and expenses of every kind or nature which PUC may suffer, be at or be put to by reason of or in consequence of the noncompliance by the City of such approvals, permits, plans, assessments, proposal, and studies.

8. The City shall comply with all Laws, By-Laws, Rules and Regulations of any governing body respecting the Park and all matters related to this License Agreement and shall save harmless and fully indemnify PUC from and against all losses, costs (including solicitor costs on a substantial indemnity scale basis and disbursements), damages and expenses, of every kind or nature which PUC may suffer, be at or be put to by reason of or in consequence of the noncompliance by the City with such Laws, By-Laws, Rules and Regulations.

9. The City shall indemnify and save harmless PUC from all costs and expenses caused to or incurred by PUC and from all claims and demands, awards, losses, costs, damages, actions, suits or other proceedings, by whomsoever made, brought or prosecuted, in any manner based upon, arising out of or connected with, the Park, the intent being that PUC shall be at no risk or expense to which it would not have been put had the Park not been placed on the Licensed Area.

10. The City agrees to defend, indemnify and save harmless PUC and its officers, directors, employees, affiliates, consultants, agents, and contractors or any of them, from any actions, causes of actions, claims, demands, interest, damages, expenses, liens, losses, costs, charges and other proceedings (including without limitation those relating to environmental, product liability, work place safety and insurance compensation, personal injury, property damage, occupational health and safety matters) made or brought against or suffered by or imposed upon all or any of them or their respective property in respect of any loss or damage to property, personal injury or death or any other losses of any nature or other relief to any person or property directly or indirectly arising out of or resulting from or sustained by reason of any act, error, default, failure, fault, neglect, negligence, omission or wrong doing of the City, its directors, officers, employees, consultants, subcontractors, agents, users, customers, or other persons for which it is responsible in law or any of them including but not limited to the design, hauling, delivery, transportation, construction, set up, operation, inspection and maintenance of the Park, or any other activities related directly or indirectly to the Park or otherwise arising out of or connected with this Agreement.

11. The City acknowledges and agrees that PUC shall have the right to remove any portion or the entirety of the Park, including but not limited to landscaping such as trees and shrubs and any signs and installations, in the event PUC determines in its discretion that PUC and/or emergency personnel requires access to any portion of the Licensed Area. If, at the sole discretion of PUC and/or emergency personnel, PUC and/or emergency personnel requires access to any portion of the Licensed Area, such that removal of any portion or the entirety of the Park is required, the City shall in no way restrict such access or removal and PUC and/or emergency personnel shall in no way be responsible for restoring the Park to its condition prior to such access by PUC and/or emergency personnel.

12. During the Term the City shall be responsible, at its sole liability and expense, to complete all necessary inspections, maintenance and upkeep of the Licensed Area. The City agrees to regularly inspect and maintain the Licensed Area in a manner that is consistent with the overall character of the remainder of the PUC Lands. In the event that the City fails to maintain the Licensed Area in a manner satisfactory to PUC in PUC's sole discretion, PUC may terminate this License Agreement on ten (10) days' written notice to the City. The City further acknowledges and agrees that its use and operation of the Licensed Area shall not interfere with the use and maintenance of the remainder of the PUC Lands.

13. At the conclusion of the Term or Renewal Term(s), or upon early termination of this License Agreement, the City shall within ninety (90) days of same, promptly remove all materials related to the Park, complete all necessary cleanup activities and restore the Licensed Area to the condition it existed prior to its use of the Licensed Area, to the satisfaction of PUC. In the event that the required cleanup activities and restoration of the Licensed Area is not completed by the City by ninety (90) days after the conclusion of the Term or Renewal Term(s), or upon early termination of this License Agreement, PUC may complete such cleanup, removal of the items and restore the Licensed Area as it deems necessary at the expense, liability and risk of the City.

14. The City hereby acknowledges and agrees that the City has no proprietary right, title or interest in the Licensed Area, and that same is and shall remain the property, title and right of PUC.

15. The City shall keep in force during the term of this License Agreement, property damage insurance and personal injury insurance against claims for bodily injury, death or property damage occurring on the Licensed Area in an amount not less than Five Million (\$5,000,00.00) Dollars and name PUC as "Additional

Insured" to same. Proof of said insurance shall be filed with PUC on or before, July 1st, 2020, and thereafter on the anniversary of the Term or any Renewal Term.

16. The City, at its sole cost and expense, may register a Notice of this License Agreement on title to the Licensed Area only with the prior express written consent of PUC, which consent shall not be unreasonably or arbitrarily withheld. Any such notice shall only contain the minimum requirements for registration. Upon the termination of this License Agreement, the City shall promptly take all steps necessary at its sole cost and expense to cause the Notice of this License Agreement to be deleted from title.

17. Any notice pursuant to any of the provisions of this License Agreement shall be deemed to have been properly given if delivered in person or sent electronically as follows:

In the case of notice to the City to:

Melanie Borowicz-Sibenik, Assistant City Solicitor/Senior Litigation Counsel
The Corporation of the City of Sault Ste. Marie
Email: m.borowiczsibenik@cityssm.on.ca

In the case of notice to PUC to:

Rob Harten
Manager of Engineering
PUC Distribution Inc.
E-mail: rob.harten@ssmpuc.com

18. This License Agreement, together with the recitals and the Schedules appended hereto constitutes the entire agreement of the parties and supercedes all prior representations, proposals, discussions and communications, whether oral or in writing. This Agreement may be modified only by written instrument signed by both parties.

19. The provisions of this License Agreement shall be binding upon and enure to the benefit of, the parties and their respective successors and (where applicable) permitted assigns.

20. The parties hereto acknowledge and agree that the recitals and Schedules "A" and "B" appended hereto shall form part of this License Agreement.

21. This License Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.

22. This Agreement may be executed by the parties hereto in separate counterparts, each of which so executed shall be deemed to be an original. Such counterparts together shall constitute one and the same instrument and, notwithstanding the date of execution, shall be deemed to bear the effective date set forth above.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF the Parties hereto have signed this Agreement this _____ day of June, 2020.

PUC DISTRIBUTION INC.

Per:

Robert Brewer
President & CEO

Per:

Claudio Stefano
Vice President Operations & Engineering

We have authority to bind the Corporation

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

Per:

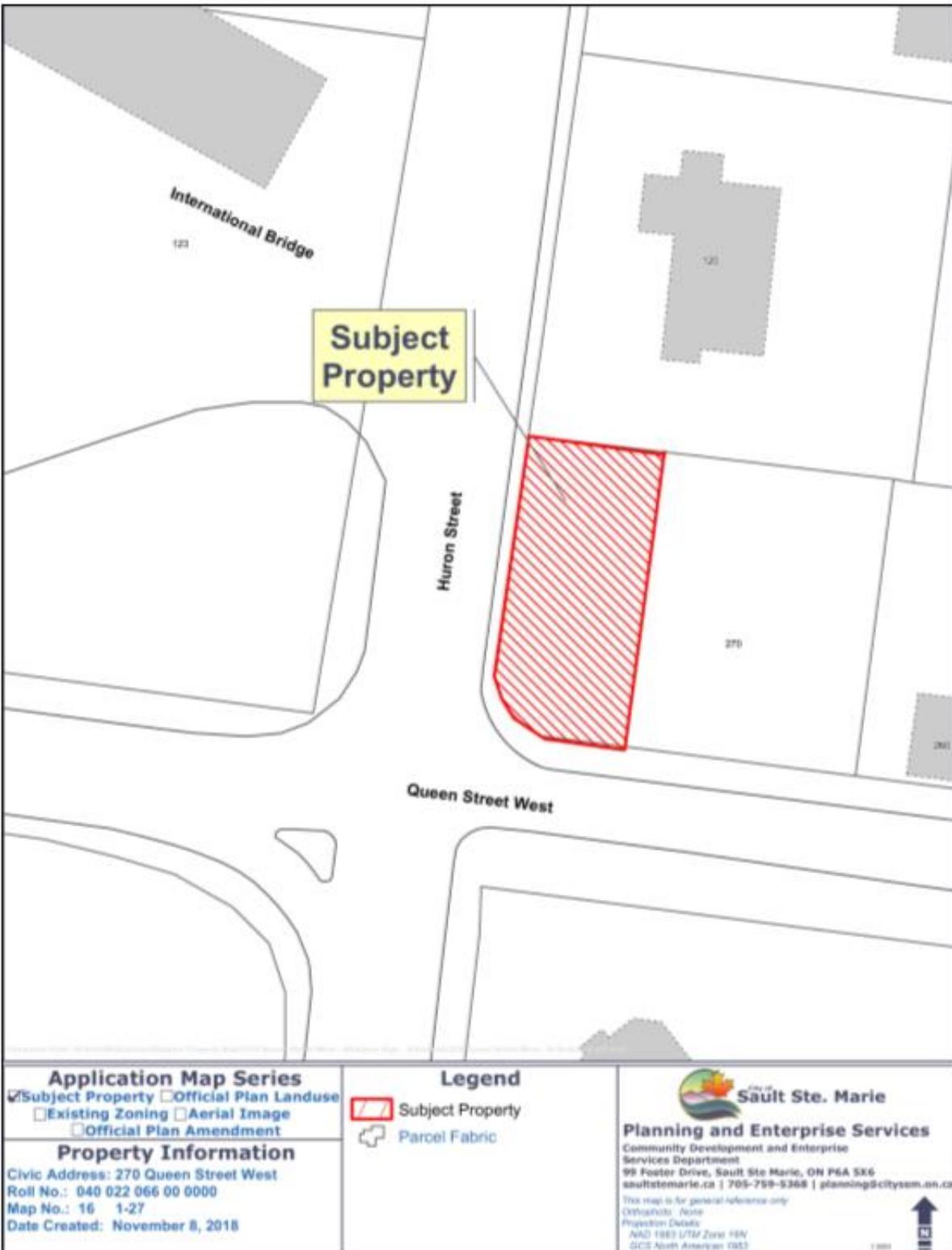
MAYOR – CHRISTIAN PROVENZANO

Per:

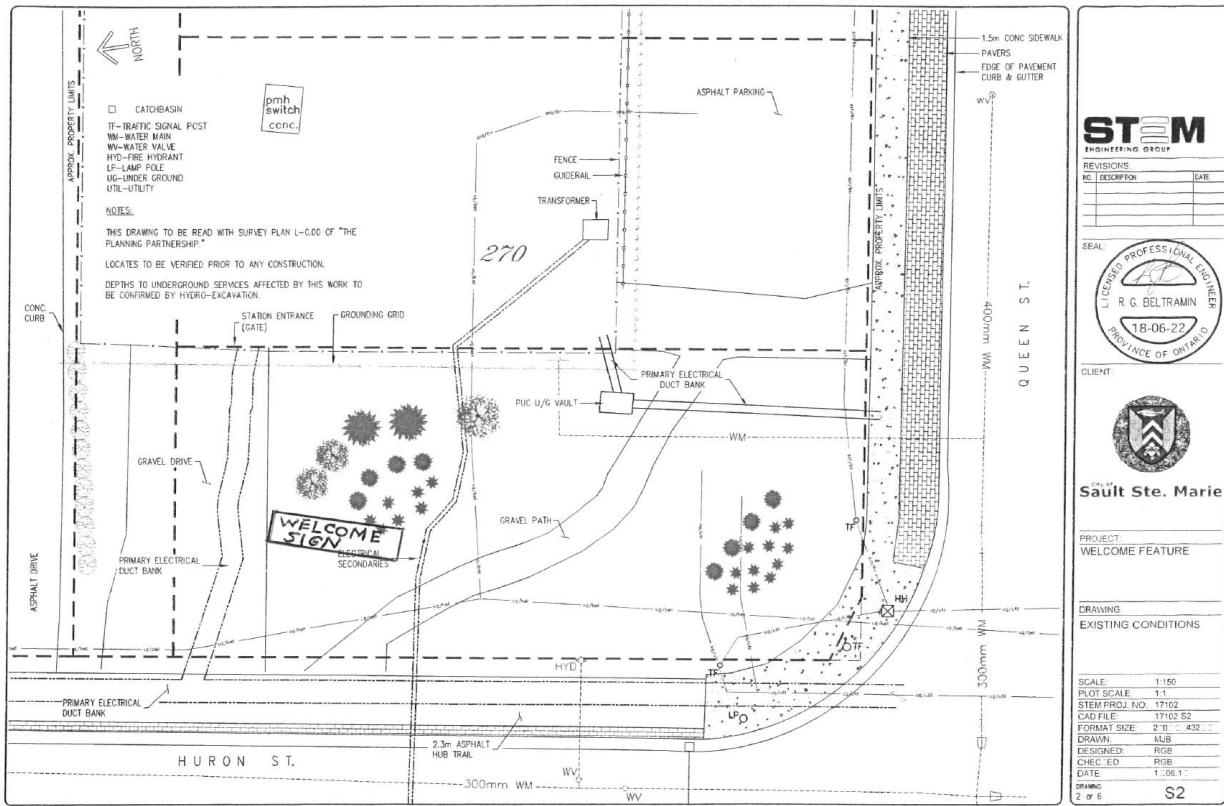
CITY CLERK – RACHEL TYCZINSKI

We have the authority to bind the Corporation

Schedule "A"



Schedule “B”



THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW NO. 2020-130

PROPERTY SALE: (PR1.103) A by-law to declare the City owned property legally described as PIN 31572-0102(LT) LT 183-184 BLK 5 PL402 KORAH; SAULT STE. MARIE, being civic 272 Wellington Street West (Parking Lot) as surplus to the City's needs and to authorize the disposition of the said property to the District of Sault Ste. Marie Social Services Administration Board or as otherwise directed.

THE COUNCIL of The Corporation of the City of Sault Ste. Marie, pursuant to the *Municipal Act, 2001*, S.O. 2001, c. 25, **ENACTS** as follows:

1. LANDS DECLARED SURPLUS

The lands more particularly described in Schedule "A" to this by-law are surplus to the requirements of the municipality.

2. SALE AUTHORIZED

The Corporation of the City of Sault Ste. Marie shall sell the lands more particularly described in the attached Schedule "A" to the District of Sault Ste. Marie Social Services Administration Board or as otherwise directed at the consideration shown in Schedule "A".

3. EXECUTION OF DOCUMENTS

The City Solicitor is hereby authorized by By-law 2018-55 for and in the name of the Corporation to execute and to affix the seal of the Corporation to all documents required to complete the sale.

4. SCHEDULE "A"

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

5. EFFECTIVE DATE

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

PASSED in open Council this 29th day of June, 2020.

MAYOR – CHRISTIAN PROVENZANO

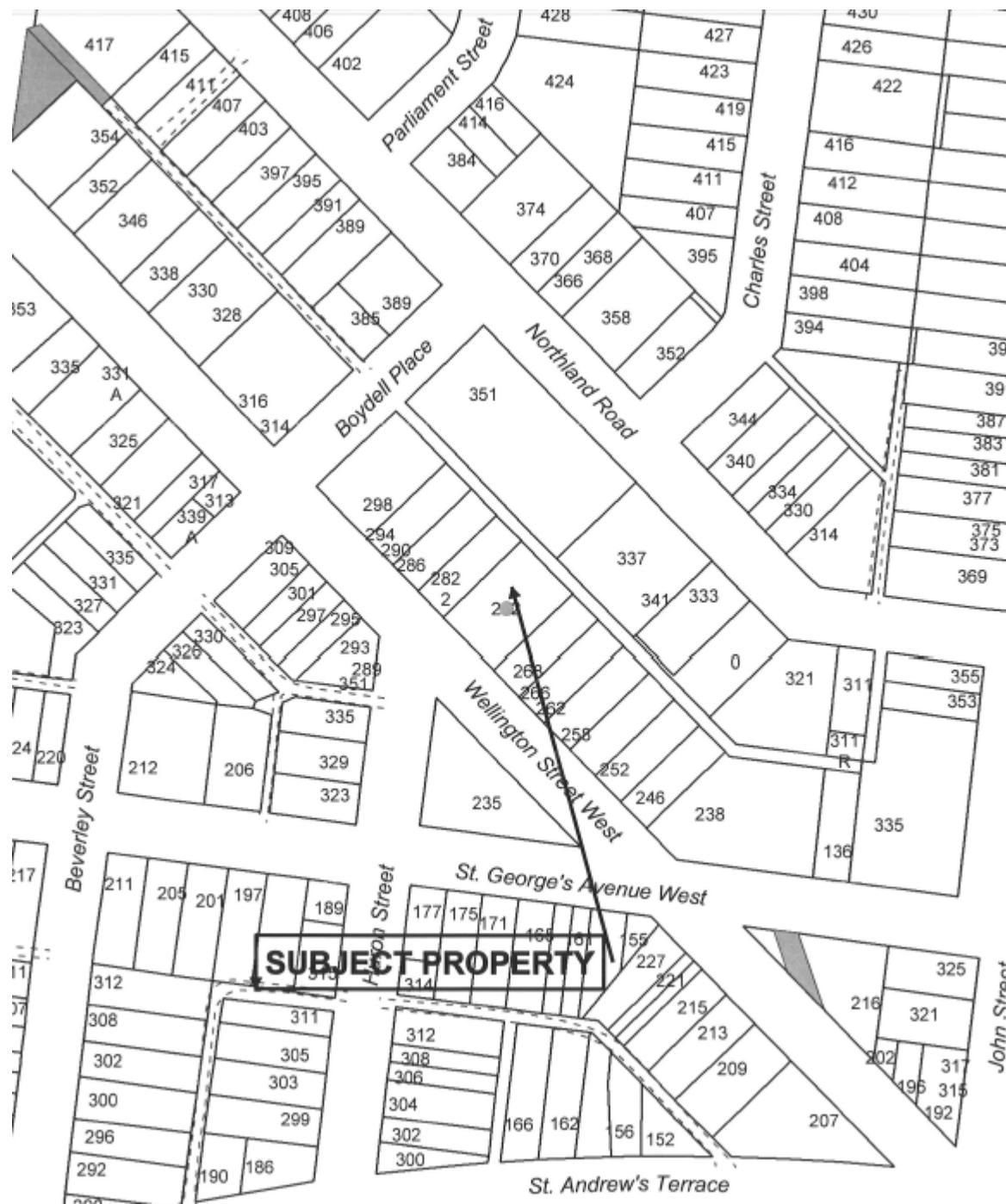
CITY CLERK – RACHEL TYCZINSKI

SCHEDULE "A" TO BY-LAW 2020-130

PURCHASER: THE DISTRICT OF SAULT STE. MARIE SOCIAL SERVICES ADMINISTRATION BOARD

LEGAL DESCRIPTION: PIN 31572-0102(LT)
LT 183-184 BLK 5 PL402 KORAH; SAULT STE. MARIE

CONSIDERATION: ONE (\$1.00) DOLLAR



THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW NO. 2020-131

PROPERTY SALE: (PR1.103) A by-law to authorize the sale of surplus property being civic 235 Wellington Street West, legally described in 31572-0051 (LT) to the District of Sault Ste. Marie Social Services Administration Board.

THE COUNCIL of The Corporation of the City of Sault Ste. Marie, pursuant to the *Municipal Act, 2001*, S.O. 2001, c. 25, **ENACTS** as follows:

1. LANDS DECLARED SURPLUS

The lands more particularly described in Schedule "A" to this by-law are surplus to the requirements of the municipality.

2. SALE AUTHORIZED

The Corporation of the City of Sault Ste. Marie shall sell the lands more particularly described in the attached Schedule "A" to the District of Sault Ste. Marie Social Services Administration Board or as otherwise directed at the consideration shown and upon the conditions set out in Schedule "A".

3. EXECUTION OF DOCUMENTS

The City Solicitor is hereby authorized by By-law 2018-55 for and in the name of the Corporation to execute and to affix the seal of the Corporation to all documents required to complete the sale.

4. SCHEDULE "A"

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

5. EFFECTIVE DATE

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

PASSED in open Council this 29th day of June, 2020.

MAYOR - CHRISTIAN PROVENZANO

CITY CLERK – RACHEL TYCZINSKI

SCHEDULE “A” TO BY-LAW 2020-131

PURCHASER: DISTRICT OF SAULT STE. MARIE SOCIAL SERVICES ADMINISTRATION
BOARD

ADDRESS: 235 WELLINGTON STREET WEST
SAULT STE. MARIE, ONTARIO

LEGAL DESCRIPTION: PIN: 31572-0051 (LT)
LT 209-212 BLK 5 PL 402 KORAH EXCEPT PL J6061; SAULT STE. MARIE

CONSIDERATION: ONE (\$1.00) DOLLAR



THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2020-132

AGREEMENT: (P5) A by-law to authorize the execution of the Agreement between the City and Tulloch Engineering Inc. for the provision of Structural Inspections and Rigging Reviews for the GFL Memorial Gardens and the Memorial Tower.

THE COUNCIL of The Corporation of the City of Sault Ste. Marie, pursuant to section 9 of the *Municipal Act, 2001*, S.O. 2001, c. 25, **ENACTS** as follows:

1. EXECUTION OF DOCUMENT

The Mayor and City Clerk are hereby authorized for and in the name of the Corporation to execute and affix the seal of the Corporation to the Agreement dated June 10, 2020 between the City and Tulloch Engineering Inc., a copy of which is attached as Schedule "A" hereto. This Agreement is for the provision of Structural Inspections and Rigging Reviews for the GFL Memorial Gardens and the Memorial Tower.

2. SCHEDULE "A"

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

3. EFFECTIVE DATE

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

PASSED in open Council this 29th day of June, 2020.

MAYOR - CHRISTIAN PROVENZANO

CITY CLERK – RACHEL TYCZINSKI

2017



Consulting Engineers of Ontario (CEO)
in partnership with the
Municipal Engineers Association (MEA)



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**AGREEMENT
FOR
PROFESSIONAL CONSULTING SERVICES**

Dated the 10th day of June, 2020

-BETWEEN-

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

Hereinafter called the 'Client'

THE PARTY OF THE FIRST PART

-AND-

TULLOCH ENGINEERING INC.

Hereinafter called the 'Engineer'

THE PARTY OF THE SECOND PART

WHEREAS the City is the owner and operator of the lands and premises located at 269 Queen Street East, Sault Ste. Marie, Ontario, known as the GFL Memorial Gardens (the "Centre");

AND WHEREAS the Engineer has agreed to furnish the Professional Services as requested to conduct structural inspections of the GFL Memorial Gardens and the Memorial Tower and to conduct structural reviews of rigging, as required for various events at the GFL Memorial Gardens;

NOW THEREFORE WITNESSETH that in consideration of the covenants contained herein, the Client and the Engineer mutually agree as follows:

DEFINITIONS

1. Engineer

In this Agreement, the word Engineer shall mean professionals and other specialists engaged by the Client directly and whose names are party to this Agreement.

2. Services – As detailed in Article 2 of this agreement and the Engineer's proposal dated May 8, 2020 which is included in Article 5 of this agreement.

3. RFP – The “Request for Proposal – Engineering Services for Structural Inspections GFL Memorial Gardens” issued by the Corporation of the City of Sault Ste. Marie and included in Article 5 of this agreement.

4. Addenda – None

5. Order of Precedence:

- i. Addendums
- ii. Request for Proposal issued
- iii. Proposal submission document including detailed Work Plan and Fee Estimate

ARTICLE 1 - GENERAL CONDITIONS

1.1 **Retainer**

The Client hereby retains the services of the Engineer to complete the Professional Services for the Project. The Engineer has determined in its sole discretion, the nature and type of Professional Services, including but not limited to the reports, investigations, calculations and assessments necessary to complete the Project and has not been directed or restricted in any way by the Client as to the nature of and type of work required to complete same. The Professional Services provided by the Engineer for the Project are as described in Article 2.

1.2 **Compensation**

The Client shall pay the Engineer in accordance with the provisions set forth in Article 3. For purposes of this agreement, the basis of payment shall be as specified in Article 3.2.

1.3 **Staff and Methods**

The Engineer shall perform the Professional Services for the Project under this agreement with the degree of care, skill and diligence normally provided in the performance of such Professional Services as contemplated by the agreement at the time such Professional Services are rendered and as required by the *Professional Engineers Act* (RSO 1990, Chapter P.28) and the regulations therein. The Engineer shall employ only competent staff who will be under the supervision of a senior member of the Engineer's staff. The Engineer shall obtain the prior agreement of the Client before making any changes to the staff list after commencement of the Project.

1.4 **Drawings and Documents**

Subject to Section 3.2.4 of Article 3, drawings and documents or copies thereof required for the Project shall be exchanged between the parties on a reciprocal basis. Documents and the report(s) prepared by the Engineer for the Client may be used by the Client, for the Project herein described, including "record" drawings. The Client shall have ownership of the Engineer's drawings and report(s) and the Client indemnifies the Engineer for unauthorized use of the documents and deliverables. The Client shall not share the drawings and documents or copies thereof with any individuals other than the Client.

1.5 **Intellectual Property**

All concepts, products or processes produced by or resulting from the Professional Services rendered by the Engineer in connection with the Project, or which are otherwise developed or first reduced to practice by the Engineer in the performance of his Professional Services, and which are patentable, capable of trademark or otherwise, shall be and remain the property of the Engineer.

The Client shall have a permanent non-exclusive royalty-free license to use any concept, product or process, which is patentable, capable of trademark or otherwise produced by or resulting from the Professional Services rendered by the Engineer in connection with the Project for no other purpose or Project.

1.6 **Records and Audit**

- a) In order to provide data for the calculation of fees on a time basis, the Engineer shall keep a detailed record of the hours worked by staff employed for the Project.
- b) The Client may inspect timesheets and record of expenses and disbursements of the Engineer during regular office hours with respect to any item which the Client is required to pay on a time scale or disbursement basis as a result of this Agreement.

- c) The Engineer, when requested by the Client, shall provide copies of receipts with respect to any disbursement for which the Engineer claims payment under this Agreement.
- d) For seven (7) years after the expiry date or any date of termination of the Agreement, the Engineer shall maintain all necessary records to substantiate i) all charges and payments under the Agreement and ii) that all deliverables were provided in accordance with the Agreement.
- e) The Engineer shall provide the Client with a copy of all financial records for the Project, including but not limited to time sheets, records of expenses and disbursements, receipts, and accounts upon request.

1.7 Changes and Alterations and Additional Services

With the consent of the Engineer, the Client may in writing at any time after the execution of the Agreement or the commencement of the Professional Services delete, extend, increase, vary or otherwise alter the Professional Services forming the subject of the Agreement, and if such action by the Client necessitates additional staff or services, the Engineer shall be paid in accordance with Section 3.2.2.1 for such additional staff employed directly thereon, together with such expenses and disbursements as allowed under Section 3.2.4, or as otherwise agreed in writing between the parties.

The Engineer shall promptly advise the Client if there are any requests to delete, extend, increase, vary or otherwise alter the Professional Services forming the subject of the Agreement.

1.8 Delays

In the event that the start of the Project is delayed for sixty (60) days or more for reasons beyond the control of any party, the Engineer shall have the right to renegotiate the agreement before the commencement of the Project.

1.9 Suspension or Termination

The Client may at any time by notice in writing suspend or terminate the Professional Services or any portion thereof at any stage of the Project. Upon receipt of such written notice, the Engineer shall perform no further Professional Services other than those reasonably necessary to close out his Professional Services. In such an event, the Engineer shall be entitled to payment in accordance with Section 3.2 for any of the Engineer's staff employed directly thereon together with such expenses and disbursements allowed under Section 3.2.

The Engineer shall promptly advise the Client if the Professional Services are suspended or terminated for any reason. If the Engineer is practicing as an individual and dies before his Professional Services have been completed, this Agreement shall terminate as of the date of his death, and the Client shall pay for the Professional Services rendered and disbursements incurred by the Engineer to the date of such termination.

1.10 Indemnification

The Engineer shall indemnify and hold harmless, and defend the Client, and their respective officers, Council members, partners, agents and employees from and against all actions, claims, demands, losses, costs, damages, suits or proceedings whatsoever which may be brought against or made upon the Client and against all losses, liability, judgments, claims, suits, demands or expenses which the Client may sustain, suffer or be put to resulting from or arising out of the Engineer's failure to exercise reasonable care, skill or diligence or omissions in the performance or rendering of any work or service required hereunder to be performed or rendered by the Engineer, its agents, officials and employees, to the extent the Engineer is legally liable as a result of the negligent acts of the Engineer, his employees, officers or agents in the performance of this Agreement. This indemnification shall include any legal costs incurred by the Client on a substantial indemnity basis, including those incurred to defend any criminal prosecutions against the Client resulting from the actions of the Engineer.

1.11

Insurance

The Engineer shall maintain such insurance as will protect the Engineer and Client from all claims for damage or loss, or personal and bodily injury, including death, and from all claims of property damage on an occurrence basis which may arise from their operations under this Agreement. To this end, the Engineer shall maintain the following:

a) Comprehensive General Liability and Automobile Insurance

The Engineer shall provide the Client with a Certificate of Insurance certifying General Liability Insurance (including Blanket Contractual Liability, Premises and Operations Liability, Personal Injury Liability, and Non-Owned Automobile Liability) for a minimum of Five Million (\$5,000,000.00) Dollars per occurrence, and Automobile Liability Insurance for owned, hired and non-owned vehicles with an inclusive limit of not less than Two Million (\$2,000,000.00) per occurrence. The Client shall be added and shown as an Additional Insured in the said Certificate of Insurance.

b) Professional Liability Insurance

The Engineer shall provide the Client with a Certificate of Insurance certifying Professional Liability Insurance in an amount not less than One Million (\$1,000,000.00) Dollars per claim, covering services or activities that are professional in nature and excluded under the Commercial General Liability Policy. Such insurance shall provide coverage for all errors and omissions made by the professional in the rendering of, or failure to render, Professional Services in connection with the Project. The Client agrees that the Engineer shall have a maximum liability exposure of One Million (\$1,000,000.00) Dollars of Professional Liability for the Professional Services covered under this Agreement.

The policy shall be maintained continuously during the term of this Agreement and for at least two (2) years after the termination or expiration of this Agreement and shall cover insurable losses arising out of or in association with an error or omission in the rendering of or failure to render the Professional Services in connection with the Project. If coverage under the Policy is cancelled within the two (2) year period after the termination or expiration of this Agreement, the Engineer shall forthwith provide the Client with notice and the Engineer shall be required to purchase an extended reporting endorsement to confirm that coverage is maintained.

The Engineer shall provide the Client with proof of Professional Liability Insurance carried by the Engineer, and in accordance with Professional Engineers Act (RSO 1990, Chapter P.28) and Regulations therein.

c) Additional Coverage

If the Client requests to have the amount of coverage increased from that detailed herein, or requests other special insurance for this Project then the Engineer shall endeavour forthwith to obtain such additional or special insurance at the Client's expense as a disbursement allowed under Section 3.2.

It is understood and agreed that the coverage provided by these policies will not be changed or amended in any way nor cancelled by the Engineer until thirty (30) days after written notice of such change or cancellation has been delivered to and acknowledged by the Client.

1.12

Force Majeure

The Client agrees that the Engineer is not responsible for damages arising directly or indirectly from any delays for causes beyond the Engineer's control. For purposes of this Agreement, such causes include, but are not limited to, strikes or other labour disputes; severe weather disruptions or other natural disasters or acts of God; fires; riots, war or other emergencies; failure of performance by the Client or the Client's contractors or consultants; or discovery of any hazardous substances or differing site conditions.

In addition, if such delays resulting from any such causes increase the cost or time required by the Engineer to perform its Professional Services in an orderly and efficient manner, the Engineer shall be entitled to a reasonable adjustment in schedule and compensation.

1.13 **Contracting for Construction**

The Engineer or any person, firm or corporation associated or affiliated with or subsidiary to the Engineer shall not tender for the construction of the Project, or have an interest either directly or indirectly in the construction of the Project.

1.14 **Assignment**

No party may assign this Agreement or any portion thereof without the prior consent in writing of the other parties.

1.15 **Previous Agreements**

This Agreement supersedes all previous agreements, arrangements or understandings between the parties whether written or oral in connection with or incidental to the Project.

1.16 **Approval by Other Authorities**

Unless otherwise provided in this Agreement, where the work of the Engineer is subject to the approval or review of an authority, department of government, or agency other than the Client, such applications for approval or review shall be the responsibility of the Engineer, but shall be submitted through the offices of the Client and unless authorized by the Client in writing, such applications for approval or review shall not be obtained by direct contact by the Engineer with such other authority, department of government or agency. Costs for all application fees shall be borne by the Client unless otherwise provided for by the Engineer. The foregoing in no way limits the Engineer's responsibility to identify, understand and coordinate any and all approvals and permits required for the Project unless otherwise specified in the RFP or agreed to by the Client.

1.17 **Sub-Consultants**

The Engineer may engage Sub-Consultants for specialized services provided that prior approval is obtained, in writing, from the Client, and may add a mark-up of not more than 5% of the cost of such services to cover office administration costs when claiming reimbursement from the Client.

1.18 **Inspection (Review by the Client)**

The Client, or persons authorized by the Client, shall have the right, at all reasonable times, to inspect or otherwise review the Professional Services performed, or being performed, under the Project and the premises where they are being performed.

1.19 **Publication**

The Engineer agrees to obtain the consent in writing of the Client before publishing or issuing any information regarding the Project.

1.20 **Confidential Data**

The Engineer shall not divulge any specific information identified as confidential, communicated to or acquired by him, or disclosed by the client in the course of carrying out the Professional Services provided for herein. These obligations of confidentiality shall not apply to information which is in the public domain, which is provided to the Engineer by a third party without obligation of confidentiality, which is independently developed by the Engineer without access to the Client's information, which is independently developed by the Engineering without access to the Client's information, or which is required to be disclosed by law or

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court order. No such information shall be used by the Engineer on any other project without the approval in writing of the Client.

1.21

Dispute Resolution

The parties hereto acknowledge and agree that this Dispute Resolution paragraph only applies to any disputes that may arise during the completion of the Professional Services (ie. to clarify the work, etc.) and regarding payment for same. This paragraph does not apply to any dispute, claim, demand, loss, costs, damages, suits or proceedings brought as a result of the Professional Services rendered for the Project, including but not limited to the Engineer's failure to exercise reasonable care, skill or diligence or omissions in the performance or rendering of any work or service required hereunder to be performed by the Engineer, its agents, officials and employees, and to that end, the Engineer acknowledges and agrees that the Client may pursue any legal remedies available at law in any applicable forum.

- 1) Negotiation
 - a) In the event a matter of difference between the Engineer, Client in relation to the Agreement the grievous party shall send a notice in writing of dispute to the other parties which contains the particulars of the matter in dispute and the relevant provisions of the Agreement. The responding part(ies) shall send a reply in writing to the dispute to the other parties within ten (10) business days after receipt of the notice of dispute setting out particulars of this response and any relevant provisions of the Agreement.
 - b) The Engineer, Client shall make all reasonable efforts to resolve their dispute by amicable negotiations and agree to provide, without prejudice, frank, candid and timely disclosure of any and all relevant facts, information, and documents to facilitate these negotiations.
 - c) In the event of failure by the Engineer, Client to reach agreement within ten (10) business days of receipt of each responding party's reply, or if either party concludes that further negotiation is unlikely to result in agreement, the matter shall be referred to mediation as provided in Section 2 herein.
- 2) Mediation
 - a) The Engineer, Client shall jointly select an impartial Mediator who shall be, preferably, properly qualified in the area of work as contemplated by this Agreement. In the event that the parties, acting reasonably, cannot agree on a mediator, the candidates selected by the parties shall, acting reasonably, choose a third party to act as the Mediator.
 - b) The Mediator shall meet with the parties within ten (10) business days after the selection of the Mediator selection to attempt to mediate and resolve the dispute. The Engineer, Client shall observe such reasonable procedures for conducting the mediation as the Mediator may reasonably request.
 - c) If no agreement is reached within twenty (20) business days of the selection of the Mediator or if either party concludes that further mediation is unlikely to result in agreement, then either the Engineer, Client may request the Mediator to recommend (and only recommend) a basis, or bases, for resolution of the dispute. The Mediator shall, after consideration of the parties' positions and written submissions (if so requested), issue a written recommendation in this regard. Any recommended basis for resolution shall have absolutely no binding effect upon any party unless all parties agree to accept it and shall be without prejudice to the parties' positions in any further proceeding.
 - d) If no agreement is reached either party may refer such matter to arbitration as provided in Section 3 herein or exercise any legal rights it may have.

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- e) All meetings and proceedings shall be held in the City of Sault Ste. Marie, Province of Ontario or a reasonable alternate at a time and location as determined by the parties.
 - f) The costs and expenses of the Mediator shall be shared equally by the Engineer and the Client.
- 3) Arbitration
- a) In the event that the parties are unable to settle any dispute between them which is under mediation, either party may refer such matter to arbitration as provided herein:
 - i. The Engineer and Client shall select an arbitrator within ten (10) business days of the submission of a dispute to arbitration under this Section. If the parties are unable to agree on a neutral arbitrator, each party shall appoint an arbitrator within ten (10) business days, and the three (3) arbitrators so chosen shall select an arbitrator acceptable to them within a further ten (10) business days.
 - ii. The arbitration shall be conducted in accordance with the provisions of the *Arbitration Act, 1991*, S.O. 1991, C.17, unless the parties otherwise agree. If the issue in dispute is particularly time sensitive, the parties shall, in good faith, take such reasonable steps as may be required to expedite the arbitration process. In any event, all disputes shall be submitted to the arbitrator within thirty (30) calendar days of the selection of the arbitrator. All arbitration meetings and proceedings shall be held in the City of Sault Ste. Marie or a reasonable alternate, at a time and location determined by the parties, but in any event no later than thirty (30) calendar days following the submission of the dispute to the arbitrator.
 - iii. In addition to the examination of the parties by each other, the arbitration panel may examine, in the ordinary course, the parties or either of them and the witnesses in the matter referred to the arbitration panel, and the parties and witnesses, if examined, shall be examined on oath or affirmation.
 - iv. The arbitration panel shall, after full consideration of the issues in dispute, the relevant facts and applicable law, render a decision within thirty (30) calendar days after argument of the issue to the arbitrator, which decision shall be final and binding on the parties and not subject to appeal or challenge, except such limited relief provided under Subsection 45(1) (appeal on a question of law, with leave) or Section 46 (setting aside award) of the *Arbitration Act, 1991*.
 - v. Each party shall bear its own costs and expenses incurred in the arbitration, and the Client and Engineer shall share equally in the costs and expenses of the neutral arbitrator.
 - vi. Any award of the arbitration panel may, at the instance of either of the parties to this Agreement and without notice to the other of them, be made an Order of the Superior Court of Ontario, pursuant to the *Arbitration Act, 1991* and the *Courts of Justice Act, R.S.O. 1990, c.C-43*.

1.22 Time

The Engineer shall perform the Professional Services in accordance with the requirements of the Request for Proposal in Article 5 and shall complete any portion or portions of the Professional Services in such order as the Client may require.

The Client shall give due consideration to all designs, drawings, plans, specifications, reports, tenders, proposals and other information submitted by the Engineer, and shall make any decisions which he is

1.23 **Estimates, Schedules and Staff List**

1.23.1 Preparation of Estimate of Fees, Schedule of Progress and Staff List

When requested by the Client, and where payment is calculated on a time basis, the Engineer shall provide, for approval by the Client:

- a) An estimate of the total fees to be paid for the Professional Services.
- b) A Schedule showing an estimate of the portion of the Professional Services to be completed in each month and an estimate of the portion of the fee which will be payable for each such month.
- c) A Staff list showing the number, classifications and hourly rate ranges for staff, Principals and Executives, for which the Engineer will seek payment on a time basis. The Engineer shall relate such information to the particular type of work that such staff is to perform, while employed on the Project. Such list shall designate the member of the Engineer's staff who is to be the liaison person between the Engineer and the Client.

1.23.2 Subsequent Changes in the Estimate of Fees, Schedule of Progress and Staff List

The Engineer will require prior written approval from the Client for any of the following changes:

- a) Any increase in the estimated fees beyond those approved under Subsection 1.23.1 (a).
- b) Any change in the schedule at progress which results in a longer period than provided in Subsection 1.23.1 (b).
- c) Any change in the number, classification and hourly rate ranges of the staff provided under Subsection 1.23.1 (c).
- d) The Engineer shall promptly advise the Client if any changes as set out herein are requested and made.

1.23.3 Monthly Reporting of Progress

When requested by the Client, the Engineer shall provide the Client with a written report showing the portion of the Services completed in the preceding month.

1.24 **Additional Conditions**

The Engineer agrees to maintain compliance with the requirements of the City's Contractor Pre-Qualification Program for the duration of onsite work on this Contract.

ARTICLE 2 – SERVICES TO BE PROVIDED

2.1 Services to be provided by the Engineer

Services to be provided by the Engineer are as detailed in the RFP and the Engineer's proposal and include the following:

- GFL Memorial Gardens Structural Inspection and Report;
- Memorial Tower Structural Inspection and Report; and,
- GFL Memorial Gardens Rigging Structural Reviews as required for various events on an as-needed and as-requested basis.

2.2 Services to be provided by the Client

Services to be provided by the Client are as detailed in the RFP and the Engineer's proposal and include the following:

- Provision to the Engineer any previous drawings, reports and/or investigations relevant to the assignment;
- Access to the place of the Work based on reasonable notice from the Engineer; and,
- General direction of the Consultant in the provision of services and approvals from time to time as necessary during the currency of this agreement.

ARTICLE 3 - FEES AND DISBURSEMENTS

3.1 Definitions

For the purpose of this Agreement, the following definitions shall apply:

a) Cost of the Work:

- i. The "Cost of the Work" shall mean the total construction cost of the Project including all materials, equipment, sales taxes, labour and contractor's overhead and profit, necessary to complete the work for which the Engineer prepares designs, drawings or specifications, for which he is responsible. Where sales taxes are not included in the cost of the work, the fee shall be adjusted upwards by the factor equivalent to the sales taxes. The adjusted fee may be computed to the nearest one-tenth of one percent (1/10%).
- ii. Wherever the Client furnishes labour or other service which is incorporated in the work, the current price of labour or other service when the work was executed shall be used to compute the Cost of the Work.
- iii. Whenever used materials or equipment is furnished by or on behalf of the Client, the fair market value of such materials or equipment, as though it was purchased new, shall be used to compute the Cost of the Work.
- iv. In computing the Cost of the Work, no deductions shall be made on account of any penalties or damages claimed by the Client from any contractor or on account of any other sum withheld from any contractor.
- v. The Cost of the Work shall not include any fees and disbursements due to the Engineer, the Client's engineering and office expenses, or cost of land.

b) Site:

Site includes the actual work site and other locations where the checking of materials, equipment and workmanship is carried out.

3.2 Basis of Payment (*Strike out those that do not apply*)

3.2.1 Fees Calculated on a Percentage of Cost Basis

The Client shall pay the Engineer fees to be calculated as a percentage of the Cost of the Work for normal projects as follows:

CALCULATION OF FEE

<u>TYPE OF SERVICE</u>	<u>PERCENTAGE</u>

3.2.2 Fees Calculated on a Time Basis

3.2.2.1 Fees

The Client shall pay the Engineer a fee, calculated on a time basis, for that part of the Services described in Article 2. Fees on a time basis for all staff shall be hourly rates based on job classifications as follows:

Grade: _____ Hourly Rate: _____

For a project of over one (1) year duration, or for projects which become extended beyond one (1) year in duration, the Engineer may from time to time seek approval from the Client to adjust hourly rates and such approval shall not be unreasonably withheld.

3.2.2.2 Time Expended

All time expended on the assignment, whether in the Engineer's office, at the Client's premises, or elsewhere, and including travel time, shall be chargeable.

3.2.3 Lump Sum Fee

3.2.3.1 Lump Sum Fee Basis

- a) Fees for the scope of work covered under this Agreement will be on a Lump Sum Price Basis, inclusive of labour, disbursements and reimbursable expenses in accordance with the Engineer's Proposal included in Article 5.
- b) Monthly progress invoices will be based on the percentage of project completed or milestone achieved as detailed in Engineer's Proposal. Invoices for fees are due upon presentation. Accounts unpaid after 30 days are subject to monthly interest charges at a rate of 12% per annum. The Engineer reserves the right, without penalty, to discontinue services in the event of non-payment after a sixty (60) period from the date of the invoice.
- c) If the project is abandoned or delayed for any reason beyond the Engineer's control, the Client shall pay a fee for services rendered to that date, plus the termination expenses reasonably incurred by the Engineer in winding down the project.
- d) HST will be added to the Lump Sum Price.

3.2.4 Reimbursable Expenses

In addition to the fee, the Engineer shall be reimbursed at cost plus an administrative charge of 5%, for all expenses and disbursements properly incurred by the Consultant in connection with the project.

3.2.5 Upset Cost Limit

- (a) The Consultant shall be paid a fee, calculated on a time basis, for the Services.
- (b) In addition to the fee, the Consultant shall be reimbursed at cost plus an administrative charge of 5% for all reasonable expenses properly incurred by them in connection with the Services, including but not limited to: vehicle use charges, traveling and living expenses, long-distance telephone charges, report production costs, photography, special delivery charges, supplies and equipment, field equipment costs, laboratory costs. Computer and office charges are considered part of overhead and shall not be invoiced as disbursements.
- (c) Notwithstanding Subsections (a) and (b) of this Section, the total fees and disbursements paid by the Client to the Consultant for the Services shall not exceed the total upset amount of \$ _____ plus applicable taxes made up as follows:

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- (i) \$ plus applicable taxes for Core Services as described in Schedule A; and,
- (ii) \$ plus applicable taxes as a Contingency Allowance for Additional Services that may be required but are not included in Schedule A.
- (d) Notwithstanding Subsections (a) and (b) of this Section, the Client, at its sole discretion, may limit the fees and disbursements paid by the Client to the percentage equivalent to the project complete in the opinion of the Client.
- (e) The Consultant must request and receive the written approval of the Client before any Additional Services are carried out that are not included in Schedule A. The Consultant shall not be entitled to any payment from the Contingency Allowance unless the Consultant has satisfied this condition. When approving Additional Services that are not included in Schedule A, the Client, at its sole discretion, may, in writing, set a limit on the monies from the Contingency Allowance that may be permitted for the requested Additional Services.

3.3 Payment

3.3.1 NA

3.3.2 NA

3.3.3 Terms of Payment

The Client will compensate the Engineer in accordance with the fees and charges for services as set out in the proposal or as otherwise mutually agreed. All fees and charges will be payable in Canadian funds unless noted otherwise. Invoices will be due and payable, as presented and without hold-backs, by the Client upon receipt. Interest on overdue accounts will be charged at the rate of 12% per annum.

ARTICLE 4 – FORM OF AGREEMENT

TULLOCH ENGINEERING INC.

The signatory shall have the authority to bind the corporation or company for the purposes of this agreement.

This 10 Day of June, 2020

Signature	
Name	Larry Jackson
Title	General Manager

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

The signatory shall have the authority to bind the municipality or its agency for the purposes of this agreement.

This _____ Day of _____, 20_____

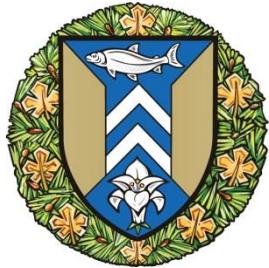
Signature		Signature	
Name		Name	
Title		Title	

ARTICLE 5 – ATTACHMENTS

Request for Proposal and TULLOCH Engineering Inc. Proposal dated May 8, 2020

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*The Corporation of the
City of Sault Ste. Marie*



*Corporate Services
Finance Department
Purchasing Division*

*Tim Gowans
Manager of Purchasing*

Request for Proposal

Engineering Services for Structural Inspections GFL Memorial Gardens 269 Queen Street East, Sault Ste. Marie, ON

SECTION 1

INFORMATION TO PROPONENTS

1.1 Introduction

The City of Sault Ste. Marie is requesting proposals from Vendors of Record (VOR) within the Buildings, Architectural, Mechanical, Electrical Category to provide consulting engineering services associated with structural inspections for the GFL Memorial Gardens, and the Memorial Tower, both located at 269 Queen Street East. In addition, Structural Beam Load Evaluations will be required for various events in the GFL Memorial Gardens as they arise.

1.2 Date, Place and Methodology for Submitting Proposals

Submissions for this Request for Proposal will be accepted in electronic format (preferred) or printed format (addressed as outlined below) until Friday, May 8, 2020 at 4:00 p.m. local time (Eastern). **Late submissions will not be accepted and may be returned upon request at the Proponent's expense.**

Electronic submissions must be sent to the following email address:

Proposals.Purchasing@cityssm.on.ca

with this subject line:

**Proposal – Electronic Submission – Structural Inspections – GFL Memorial Gardens
(2020CDE-CS-AR-03-P)**

Request for Proposal (cont'd)

**Engineering Services for Structural Inspections - GFL Memorial Gardens, 269 Queen Street East,
Sault Ste. Marie, ON**

Electronic submissions must be in pdf format (either native or compressed (zipped)) only. Links to drop boxes or other forms of cloud storage are not acceptable. Emails including the Quotation are limited to 10 MB or less. Electronic submissions must be complete in every way meeting the requirements of printed submission; save and except the provision of multiple copies. The date stamp provided by the City's email server will be the official time of receipt. Bidders should recognize that delays may develop during delivery of electronic submissions of a quotation and submit their quotation well in advance of the time and date set for closing. The City accepts no responsibility for these delays.

Proponents agree to submit a printed original version of their electronically submitted Quotation including all attachments **immediately upon request only** by mail, courier or hand delivery.

Printed submissions for this Request for Proposal will be considered although it is preferred that an electronic version be submitted.

Printed submissions must be sealed in an envelope or package properly marked as to contents ("ENGINEERING SERVICES – STRUCTURAL INSPECTIONS – GFL MEMORIAL GARDENS File # 2020PWE-PWT-30-Q") and may be delivered by mail, courier, or hand delivery to:

The City of Sault Ste. Marie
Attn: Manager of Purchasing
99 Foster Drive – Level 2
Sault Ste. Marie, Ontario, P6A 5X6

Proposals should be limited to ten (10) pages, single sided including appendices; including the Letter of Introduction. **The Letter of Introduction (required) must affirm that the Signee is authorized to bind the Proponent to the contents of the Proposal including pricing.**

For printed submissions, four (4) complete sets of the Proposal documents are to be submitted – one (1) marked as "**Original**" and three (3) sets marked as "**Copy**".

The Corporation reserves the right to reject any or all Proposals and the lowest or any Proposal will not necessarily be accepted.

The Contact Person for this RFP is Mr. Jason Mihailiuk, Maintenance & Operations Manager – Community Services; telephone 705-759-5256; email j.mihailiuk@cityssm.on.ca; alternatively, Mr. Robert Santa Maria, Manager of Arenas – Community Services; telephone 705-759-5327; email r.santamaria@cityssm.on.ca.

Request for Proposal (cont'd)

**Engineering Services for Structural Inspections - GFL Memorial Gardens, 269 Queen Street East,
Sault Ste. Marie, ON**

It will be the Proponent's responsibility to clarify any questions before submitting a Proposal. A written addendum issued by the **City of Sault Ste. Marie** is the only means of changing, amending or correcting this RFP. In the process of responding to this RFP, the Proponent should not utilize any information obtained outside this protocol.

1.3 Errors, Omissions, Clarifications

During the period for Proposal preparation, any questions concerning the Terms of Reference requirements should be addressed **by email** to Mr. Jason Mihailiuk, Maintenance & Operations Manager – Community Services; telephone 705-759-5256; email j.mihailiuk@cityssm.on.ca; alternatively, Mr. Robert Santa Maria, Manager of Arenas – Community Services; telephone 705-759-5327; email r.santamaria@cityssm.on.ca.

General bidding process inquiries should be directed (by email preferred) to Mr. Tim Gowans; Manager of Purchasing; telephone 705-759-5298; email t.gowans@cityssm.on.ca.

1.4 Withdrawal/Decline of Proposal

Proponents will be permitted to withdraw their Proposal, unopened, after it has been deposited, if such a request is received by the City, prior to the time specified for the opening of Proposals.

Proponents on the City's VOR list for the Buildings, Architectural, Mechanical, Electrical Category are not required to submit a proposal if the proponent so elects. Declining to submit a proposal will not result in removal of the proponent from the VOR list. A letter to the City declining to submit a Proposal for this RFP would be appreciated.

1.5 Informal Proposals

Proposals are to conform to the terms and conditions set out herein. Proposals which are incomplete, conditional, or obscure, or which contain additions not called for, erasures, alterations, or irregularities of any kind, may be rejected as informal. All Proposals must be legibly signed in ink by an authorized officer of the Proponent's firm.

1.6 Proposal Evaluation

All proponents have been prequalified on the City's VOR list. The successful proponent will be selected based on evaluation of the proposal utilizing a rating system which considers the requirements mentioned below. A committee composed of City staff will be used in the selection process.

Request for Proposal (cont'd)

**Engineering Services for Structural Inspections - GFL Memorial Gardens, 269 Queen Street East,
Sault Ste. Marie, ON**

- 1) Consulting team's expertise in performance similar structural inspections of similar scope. Include relevant past experience on similar projects;
- 2) Detailed proposed work program methodology;
- 3) A detailed schedule recognizing critical deliverables, progress meetings and timelines; and
- 4) Fee schedules (showing HST as extra) indicating the name, role and hourly rate for each individual assigned to the project. Cost of Disbursements must be itemized on the fee schedule. No further payment will be made above this figure unless authorized in advance by the City.

The City reserves the right, in its sole and absolute discretion to select a preferred Proponent with which to negotiate a final contract, terminate the proposal call or reject any and all Proposals.

The City will endeavor to complete the evaluation process within a reasonable time frame. The City reserves the right to contact Proponents to seek clarification of the proposals, as submitted, to assist in the evaluation process. Interviews may be required. **Please see Paragraph 1.10 concerning incurred costs associated with attendance at such interviews.**

IMPORTANT: The decision of the City of Sault Ste. Marie with respect to this Request for Proposals is considered final. In submitting a Proposal, Proponents agree that there is no recourse to the City of Sault Ste. Marie for its decision.

1.7 Site Inspection and Requirements of Work

Proponents are required to submit their proposals upon the conditions that they shall satisfy themselves by personal examination of the location of the proposed works, and by such other means, as they may prefer, as to the actual conditions and requirements of the work.

At this time, Site Inspections should be conducted only if deemed necessary by a Proponent in order to submit a Proposal for these services. The Site Inspection may be scheduled by contacting Mr. Jason Mihailiuk, Maintenance & Operations Manager – Community Services; telephone 705-759-5256; email j.mihailiuk@cityssm.on.ca; alternatively, Mr. Robert Santa Maria, Manager of Arenas – Community Services; telephone 705-759-5327; email r.santamaria@cityssm.on.ca. The date and time of the Site Inspection should be noted in the Proposal document as submitted.

Request for Proposal (cont'd)

***Engineering Services for Structural Inspections - GFL Memorial Gardens, 269 Queen Street East,
Sault Ste. Marie, ON***

Important: Please refer to the City's Guidelines for Site Visits attached at the end of the RFP.

The successful Proponent is required to comply with the requirements of the City's Contractor Pre-Qualification Program prior to the start of any onsite work on this Contract. These requirements include but are not limited to WSIB Coverage, Liability Insurance Coverage, Accessibility Training, and Safe Work Practices. Details regarding compliance with this requirement may be obtained by contacting Aldo Iacoe, Health & Safety Coordinator, telephone 705-759-5367 or by email to a.iacoe@cityssm.on.ca.

1.8 Proposal Left Open

The Proponent shall keep their Proposal open for acceptance for sixty (60) days after the closing date.

1.9 Schedule

- (A) Release of RFP: April 14, 2020
- (B) Submission of Proposal: May 8, 2020
- (C) Recommendation of Award: May 2020
- (D) Commencement of Services: May 2020

The City reserves the right to alter the scheduling of items "C" to "D". Proponents are asked to designate one contact person to whom any additional information deemed to be relevant to the proposal may be communicated. Complete Contact Coordinates including email address shall be included in the Proposal.

1.10 Incurred Costs

The City will not be liable for, nor reimburse any Proponent for costs incurred in the preparation of Proposals or any other costs such as preparation for, and attendance at interviews that may be required as part of the evaluation process.

Whenever possible, at the sole determination of the City, additional information and/or clarifications will be obtained by telephone or other electronic means.

1.11 Alterations to Documents

No electronic reproduction or alteration of the original document will be permitted under any circumstance. The Proponent shall not change the wording of the proposal after submission; and no words or comments shall be added to the general conditions or detailed specifications unless requested by the City for the purpose of clarification.

Request for Proposal (cont'd)

**Engineering Services for Structural Inspections - GFL Memorial Gardens, 269 Queen Street East,
Sault Ste. Marie, ON**

1.12 Confidentiality & Post-Award Comment

No Proponent shall have the right to review or receive any information with respect to a proposal, documentation, or information submitted by any other Proponent. The content of the proposal, and all documentation, and information shall be held in confidence by the City subject only to the provision of freedom of information and privacy legislation, including without limitation, the *Municipal Freedom of Information and Protection of Privacy Act*.

Post-Award Comment by the City regarding this Request for Proposal will be limited to written notification to all Proponents of the successful Proponent's name and address only – no further debriefing will be provided. **In submitting a Proposal, Proponents acknowledge and agree to this provision.**

1.13 Municipal Freedom of Information & Protection of Privacy Act

The Corporation of the City of Sault Ste. Marie is governed by the provisions of the *Municipal Freedom of Information and Protection of Privacy Act*. All documents submitted to the City in response to this Request for Proposal become the property of the City and as such will be subject to the disclosure provisions of the Act. The Act gives persons a right of access to information held by the municipality. The right of access is subject to exemptions contained in the Act.

1.14 Indemnification and Insurance

The successful Proponent shall indemnify and hold harmless the City, its officers, Council members, partners, agents and employees from and against all actions, claims, demands, losses, costs, damages, suits or proceedings whatsoever which may be brought against or made upon the City and against all losses, liabilities, judgements, claims, suits, demands or expenses which the City may sustain, suffer or be put to resulting from or arising out of the successful Proponent's failure to exercise reasonable care, skill or diligence or omissions in the performance or rendering of any work or service required hereunder to be performed or rendered by the successful Proponent, its agents, officials and employees. This indemnification shall include any legal costs incurred by the City on a substantial indemnity basis, including those incurred to defend any criminal prosecutions against the City resulting from the actions of the successful Proponent.

In addition to the Insurance required for compliance with the requirements of the City's Contractor Pre-Qualification Program, the successful Proponent shall also maintain Professional Liability Insurance as may be required and appropriate for the Project.

Request for Proposal (cont'd)

**Engineering Services for Structural Inspections - GFL Memorial Gardens, 269 Queen Street East,
Sault Ste. Marie, ON**

1.15 Agreement for Services

The City's Purchase Order and this RFP in combination with the successful Proponent's Proposal shall constitute the agreement for this engagement; with a fee limit established at the outset of the engagement. Additional fees for unforeseen work which may be required must be approved in writing by the City prior to expenditure.

SECTION 2

TERMS OF REFERENCE

2.1 Introduction

The City of Sault Ste. Marie is seeking an engineering consultant to provide engineering services associated with structural inspections for the GFL Memorial Gardens and the Memorial Tower; as well as Structural Beam Load Evaluations for Events occurring at the GFL Memorial Gardens.

The GFL Memorial Gardens is a Multi-Use Event Centre with a footprint of approximately 300 by 200 feet; built in 2006. It houses a single ice pad – 85 by 200 feet; seating for 5,000 patrons in the arena bowl & private boxes, and associated facilities and offices. Events hosted regularly include CHL, OHL, and minor hockey games, conventions, concerts, and other spectator events.

The Memorial Tower was constructed as part of the Sault Memorial Gardens between 1946 and 1949. The Tower was constructed of reinforced concrete. The Tower rises 20.1 meters (66 feet) from ground level and is capped with a glassed-in lamp cupola. In 2006, as part of the demolition of the Memorial Gardens, the Memorial Tower was severed, and remedial work was conducted to permit the Tower to function as a free-standing structure.

Initial structural inspections will occur in 2020 for the GFL Memorial Gardens and the Memorial Tower. The City may, at its sole discretion, engage the successful Proponent for further Structural Inspections of these facilities on an approximate five (5) year interval as required.

The engagement for Structural Beam Load Evaluations will be for a five year period commencing approximately May 31, 2020; only as required, and may be cancelled at the City's sole discretion. The City may, at its sole discretion, engage the successful Proponent for additional five-year periods to conduct Structural Beam Load Evaluations as required.

Request for Proposal (cont'd)

**Engineering Services for Structural Inspections - GFL Memorial Gardens, 269 Queen Street East,
Sault Ste. Marie, ON**

The required scope of services for this project will generally include:

GFL Memorial Gardens (Spring 2020):

The scope of work to be undertaken by the successful Proponent will be to carry out a visual inspection of the major structural components of the building. The Purpose of the inspection will be to review the major exposed structural components:

- Exterior stairwells, and entrances;
- Exterior masonry walls;
- Roof deck ,and membrane, including parapet;
- Interior ceiling beam structure. Upper interior walls, and suite level structure;
- Concourse level flooring, and precast concrete bowl decks;
- Lower interior masonry walls, and flooring;
- LED Lighting (to be installed summer 2020);
- OES Videoboard (to be installed summer 2020).

The successful Proponent shall provide recommendations for structural, or remedial maintenance work considered necessary. Structural load evaluations, and conformance with OBC are not in scope. An aerial lift will be needed for portions of this inspection. Scissor and boom lifts are available at the venue.

Memorial Tower (Fall 2020):

The initial inspection in fall 2020 will be to verify the remedial work carried out prior, is structurally sound, and in compliance with OBC . It will encompass the full interior, and exterior of the structure. It can be separated into seven separate areas:

- Upper Exterior Platform;
- Raised Octagon Walls;
- Base of Steel Glass Enclosure;
- Upper Glass Enclosure;
- Lower Concrete Structure;
- Exterior Glass Blocks;
- Interior Upper concrete walls and curved ceiling;
- Lower interior terrazzo walls, and floor.

The successful Proponent will visual inspect all components of the structure and identify areas of material deterioration or possible structural distress. All seven separate areas will be focused upon. The successful Proponent shall provide recommendations for structural, or remedial maintenance work considered necessary. Structural load evaluations, and conformance with OBC are not in scope. An aerial lift will be needed for portions of this inspection. Scissor and boom lifts are available at the venue.

Request for Proposal (cont'd)

**Engineering Services for Structural Inspections - GFL Memorial Gardens, 269 Queen Street East,
Sault Ste. Marie, ON**

Structural Beam Load Evaluation for Events (As Required):

This will be undertaken prior to certain events, or shows where the hanging of items from upper structural members is necessary. A rigging plot from the show production will be provided. This will contain locations, and number of hanging points, along with corresponding load weights.

The successful proponent will determine if the number of point loads flown from upper steel structure beams can be safely hung without beam deflection, or damage.

Additional:

May include any additional tasks which the City or successful Proponent views as being required or recommended for review of the structure of the GFL Memorial Gardens or the Memorial Tower.

2.2 Fee Schedules

Proponents shall provide a fee schedule for the structural assessments of the GFL Memorial Gardens and the Memorial Tower; on a separate basis for each. **It is preferred that the fee schedule be “All Inclusive” with HST shown as extra.** A minimal number of exclusions should be shown – must be itemized and costed with the Proposal. Fully costed time allotments and disbursements must be identified for each portion of the Project.

An hourly (or similarly based) rate may be proposed for conducting Structural Beam Load Evaluations plus any additional work identified. **It is preferred that the rate be “All Inclusive” with HST shown as extra.** A minimal number of exclusions should be shown – must be itemized and costed with the Proposal. Proponents should provide an estimate of time required for each evaluation. The City recognize that the time allotment may vary based on the requirements for each event.

Invoicing shall be limited to services actually performed in accordance with the fee schedule proposed. Fees in excess of the proposed amounts must be approved in advance in writing by the Director of Community Services

2.3 Work Plan and Project Timeframe

Proponents should include details of the work plan proposed (steps time based with the professional identified). Work plan should reflect the schedule proposed in paragraph 2.1 above.

Request for Proposal (cont'd)

***Engineering Services for Structural Inspections - GFL Memorial Gardens, 269 Queen Street East,
Sault Ste. Marie, ON***

2.4 Staff Availability; Drawings and Documentation

The City shall provide Staff Availability as required to assist the successful Proponent in performance of the Project requirements.

The City shall provide the successful Proponent with access to all available relevant drawings and documentation for these structures. These include "as built" drawings for the GFL Memorial Gardens, and paper copies of drawings for the Memorial Tower. Available drawings may be viewed during the recommended Site Inspection if desired.

Request for Proposal (cont'd)

***Engineering Services for Structural Inspections - GFL Memorial Gardens, 269 Queen Street East,
Sault Ste. Marie, ON***

Guidelines for Site Visits

It is the responsibility of all to minimize the risk that they provide to others. It should be noted that these guidelines may be modified on an ongoing basis and updated guidelines if applicable will be provided prior to any Site Visit:

Site visits should be conducted only if absolutely necessary.

If it is determined that site visits are absolutely necessary at this time, the PPE and precautions requirements are:

Maintain social distancing while on premises and in vehicles.

Hand Washing Hygiene or Hand Sanitizer before and after visit.

Gloves: Hand protection where required.

Avoid touching face at all times.

Any other PPE required for known designated substances present.

Contractors on an individual basis must answer the following questions before entering the premises :

- Do you currently have any symptoms of illness?
- Have you been tested for COVID -19?
- Have you travelled outside of Canada (including Sault Michigan and the United States) in the past 14 days?
- Have you travelled to British Columbia, Quebec or Southern Ontario in the past 14 days?
- Have you had close contact/live with a confirmed or probable case of COVID-19 or been tested or been directed to self-quarantine by Algoma Public Health?

If anyone answers “yes” to any of these questions, the site visit cannot proceed.

May 8, 2020

The City of Sault Ste. Marie
99 Foster Drive – Level 2
Sault Ste. Marie, Ontario, P6A 5X6

Attention: Manager of Purchasing

**Re: Proposal for: ENGINEERING SERVICES – STRUCTURAL INSPECTIONS
GFL MEMORIAL GARDENS File # 2020PWE-PWT-30-Q**

Dear Sir:

Tulloch Engineering Inc. (TULLOCH) appreciates the opportunity to provide this proposal for the above noted project. Provided herein is our RFP Response in regards to completing a Structural Inspection of the GFL Memorial Gardens and Memorial Tower in Sault Ste. Marie, ON.

We thank you for the opportunity to provide a proposal for engineering services for this project. If you have any questions, do not hesitate to contact the undersigned at your convenience.

I hereby verify that I (Larry Jackson, General Manager), the Signee, have authorization to bind TULLOCH Engineering to the contents of this Proposal including pricing.

Sincerely,

TULLOCH Engineering Inc.



Larry Jackson, P. Eng.
General Manager

AO/IJ

1.0 COMPANY PROFILE

With clients across North America, TULLOCH Engineering Inc. is a well-established consulting engineering firm in Ontario. Our ambition is to provide a better life for the communities around us. Our employees are dedicated to one aim: to design and build world-class infrastructure and natural environments by providing a full range of integrated consulting services.

We have embraced this purpose by adhering to our core values. We treat our clients with the goodness and respect that characterizes the work we do. We strive for the highest standards in client and colleague relationships. We are dedicated to fostering long-term working relationships built on mutual respect and superior performance.

Shaped from several of Ontario's finest engineering, environmental and geomatics companies, TULLOCH offers clients unrestricted access to a deeply knowledgeable and integrated team of professionals. Simply put, our staff is the reason for our success. With a passion for tackling large-scale challenges, we cultivate a collaborative team approach.

Our diverse and knowledgeable staff work together to follow-through on our commitments. The relentless pursuit of client satisfaction; that is the TULLOCH trademark.

2.0 RELEVANT EXPERIENCE

TULLOCH offers a diverse team of professional engineers and technical staff with extensive experience completing building structural assessments as well as structural/building envelope design throughout Ontario. Clients range from private to public sector, and include structures ranging from residential to commercial and industrial facilities.

In recent years, services of similar scope have been provided to the Municipality of Sault Ste. Marie, Bruce Mines, Elliot Lake & Central Manitoulin.

Alvin Olar was one of the Structural Engineers that completed the structural design and inspections during construction of the GFL Memorial Gardens in 2004. He has completed structural condition inspections on this building and other City of SSM buildings. Alvin Olar was the Engineer on Record for the evaluation of the Memorial Tower in 2013 which included a structural condition inspection, report, and new tower top structure design and services during construction.

Alvin Olar has prepared Reserve Fund Studies (as governed by the Condominium Act, 1998) for several property managers throughout the Algoma District. Although different in name, a Reserve Fund Study includes many of the same core elements as a Facility Condition Assessment, and is relied upon heavily by the property managers for financial planning exercises.

TULLOCH has purchased all of the assets of the Consulting Engineering firm that completed the structural design of the GFL Memorial Gardens. Therefore, we have in house, all of the design drawings, calculations, and computer model of the building and in particular the roof framing. TULLOCH has performed numerous rigging checks for concerts in the GFL Memorial Gardens and recently completed a Roof Framing Analysis for the soon to be installed new Video Board.

TULLOCH has on staff a team of Structural Engineers that are capable of completing this assignment and are familiar with the GFL Memorial Gardens.

3.0 CLIENT REFERENCES

Mr. Robert Santa Maria

Manager, Arenas - Community Services
City of Sault Ste. Marie, Essar Centre
269 Queen Street East
Sault Ste. Marie, ON, P6A 1Y9
T:705.759.5327
E: r.santamaria@cityssm.on.ca
Work Performed: Structural Inspection of Municipal Pool/Arena Facilities.
Key Staff: Alvin Olar and Dan Moody

Mr. Jim Hilsinger

Owner, Algoma's Water Tower Inn & Suites
415 Pim Street
Sault Ste. Marie ON, P6B 2T9
T: 705.949.7222
E: justice@watertowerinn.com
Work Performed: Building Condition Assessment of 5 storey hotel.
Key Staff: Alvin Olar and Dan Moody

Mr. Silvio Berti

Municipal Coordinator
The Municipality of Central Manitoulin
P.O. Box 187, 6020 Highway 542
Mindemoya, ON
T: 705.377.5726
E: centralmc@eastlink.ca
Work Performed: Structural Inspection of 2 Arenas.
Key Staff: Alvin Olar and Dan Moody

4.0 APPROACH AND METHODOLOGY FOR STRUCTURAL INSPECTIONS

Project Initiation

This phase of the project is critical to ensure that the scope of work is well defined, which will lead to the final product meeting all of the client's requirements. During this phase of this project, TULLOCH will complete a project needs assessment which generally includes following tasks:

- Kick-off meeting with client (teleconference)
- Complete background and history review
 - Review historical building condition assessment reports
 - Review historical building design or repair drawings
 - Review relevant Heritage Guidelines/Requirements as they pertain to this project (Tower)
- Determine scope and complexity
- Determine limits of assessment area
- Identify problems/needs
 - Notification of building occupants

- Scheduling of site visit
- Ensuring access is available to all areas of the properties
- Ensuring that adequate and suitable space is available for manlift/scissors lift delivery
- Coordinate/Schedule required equipment
 - Arrange for delivery of manlift
- Administrative requirements
 - Submit health and safety plan and required training certificates including new COVID Procedures
 - Submit required insurance certificates
 - Submit required WSIB clearance certificates

Field Assessment/Data Gathering

This phase of the project involves a great deal of planning and coordination to ensure that all required observations are made and data is collected while on site. Preparation for this portion of the project involves detailed review of project requirements by the team. Standardized work procedures/field inspection documents are reviewed, and tasks are divided amongst the field assessment team, prior to physically attending the site.

The following activities will take place during this phase:

- Mobilize to site
- Accept delivery of manlift
- Attend the site to complete the field assessment:
 - Conduct visual inspection of major structural components (GFL Memorial Gardens):
 - Roof framing
 - Wall Framing
 - Miscellaneous Structural Features
 - Exterior stairwells, and entrances;
 - Exterior masonry walls;
 - Roof deck ,and membrane, including parapet;
 - Interior ceiling beam structure. Upper interior walls, and suite level structure;
 - Concourse level flooring, and precast concrete bowl decks;
 - Lower interior masonry walls, and flooring;
 - LED Lighting (to be installed summer 2020);
 - OES Videoboard (to be installed summer 2020).
 - Conduct visual inspection of major structural components (Memorial Tower):
 - Upper Exterior Platform;
 - Raised Octagon Walls;
 - Base of Steel Glass Enclosure;
 - Upper Glass Enclosure;
 - Lower Concrete Structure;
 - Exterior Glass Blocks;
 - Interior Upper concrete walls and curved ceiling;
 - Lower interior terrazzo walls, and floor.
 - Document condition of all elements of the building interior, exterior and site
 - Notes & measurements
 - Digital photographs
- Demobilize from site
 - Ensure all equipment and elevating devices have been removed from site
 - Ensure that all “moveable” interior/exterior finishes are secure (doors, access hatches, ceiling tiles)

Reporting

The development of a Structural Inspection Report is a process. We feel that the best approach to preparing a thorough report is to ensure continuity between the field assessment team and the report development team. Tasks associated with the development of the report include:

- Note reduction
- Authoring the draft report, including (but not limited to)
 - Observations made on site
 - Conclusions formed based on observations
 - Recommendations based on conclusions
- Preparation of the Capital Cost Estimate (for any recommended repairs)
 - Based on calculated quantities
 - Based on published costs for services, or
 - Based on unit rates observed in similar past projects
- Peer review of report
 - All TULLOCH reports are peer reviewed prior to submission (at draft and final submission stages)
- Submission of the reports for client review and comment
- Response to client questions during the review process
- Incorporating client revisions into the final document

Project Completion

Once all required revisions and editing of the report is complete, TULLOCH will meet with municipal staff as required to review the final report, and any recommendations.

5.0 PROJECT SCHEULE

TULLOCH Engineering understands the importance of project schedules and has completed numerous projects for the City of Sault Ste. Marie on time and budget in the past. TULLOCH is committed to completing the work in a timely manner. We are available to start work after receiving notice to proceed with the anticipated schedule as follows:

GFL Memorial Gardens (completion dates)

Anticipated Consultant Award Date	May 29, 2020
Existing Document Review	June 5, 2020
Coordinate Access/On site schedule	June 12, 2020
On Site Field Review/Inspection	June 26, 2020
Develop Draft Report	July 17, 2020
Draft Report Submission	July 17, 2020
Client Review of Draft Report	July 31, 2020
Review Client Comments	August 7, 2020
Finalize Report	August 21, 2020

Memorial Tower (completion dates)

Anticipated Consultant Award Date	September 4, 2020
Existing Document Review	September 11, 2020
Coordinate Access/On site schedule	September 18, 2020
On Site Field Review/Inspection	October 2, 2020
Develop Draft Report	October 16, 2020
Draft Report Submission	October 16, 2020
Client Review of Draft Report	October 30, 2020
Review Client Comments	November 6, 2020
Finalize Report	November 13, 2020

GFL Memorial Gardens Rigging Reviews (completion dates)

Within 2 weeks of notification to proceed

Site visit will occur as per rigging schedule

In the event of unexpected delays due to building access or inclement weather, TULLOCH Engineering has the ability to expedite projects as required to meet necessary scheduling. In addition to this, TULLOCH Engineering has the ability to utilize additional resources to ensure milestone dates are maintained.

6.0 PROJECT TEAM

This project will be executed from the Sault Ste. Marie office of TULLOCH Engineering. The following key personnel are proposed for the work:

PRIMARY CONTACT Dan Moody – Project Manager

Mr. Moody is an experienced civil technologist and will assume the role of lead design/technologist and overall lead member of the TULLOCH team. He will be the main contact and be responsible for all TULLOCH activities.

Dan Moody, A.Sc.T

71 Black Road, Unit #8
Sault Ste. Marie, ON, P6B 0A3
Ph. 705-949-1457
Fax. 705-949-9606
Email: dan.moody@TULLOCH.ca

Alvin Olar, M.A.Sc., P.Eng. – Structural Engineer

Mr. Olar will be responsible for providing a peer review/Quality Assurance review of all deliverables.

6.0 GFL Memorial Gardens Roof Framing Review for Events (As Required)

This part of the work will include the structural capacity review of the roof framing at GFL Memorial Gardens on a case by case basis to accommodate rigging loading for concerts and events. The review will include a structural analysis of the roof framing members, including the main trusses and intermediate framing beams, to adequately support the rigging loads. The review will consider the time of year (snow load), and position of the new video board. Also included in this task is a site visit once the rigging is installed to provide a general conformance inspection to ensure the rigging plan was generally followed and our structural analysis is valid. This is a key step in risk management in our opinion.

TULLOCH is well equipped to perform these tasks since we have a working computer model of the roof framing, Structural Engineers on staff that are familiar with it, and local staff that can attend the site on short notice – and after hours if needed.

7.0 FEES

Task	Cost
GFL Memorial Gardens Structural Inspection and Report	\$ 8,500.00
Memorial Tower Inspection and Report	\$ 7,500.00
Lump Sum Cost Estimate (excluding HST)	\$ 16,000.00
Rigging Review Per Event (excluding HST)	\$ 2,500.00

Hourly Rates

Structural Engineer	\$150/hr
Drafting	\$110/hr
Alvin Olar, M.A.Sc., P.Eng – Review Engineer	\$210/hr
Dan Moody, A.Sc.T. – Project Manager	\$150/hr

The proposal is valid for 60 days after the closing date.

8.0 DELIVERABLES

We expect the following to be the key deliverables for our services;

- Draft report, issued for review @90% completion (.pdf format)
- Final report (hard copy & .pdf)
 - We will provide up to 4 copies of the final report.

9.0 EXCLUSIONS

At the request of The Corporation of The City of Sault Ste. Marie, TULLOCH Engineering is providing this quotation for Structural Inspection of GFL Memorial Gardens and Memorial Tower as defined in the document, "Request for Proposals ENGINEERING SERVICES – STRUCTURAL INSPECTIONS - GFL MEMORIAL GARDENS File # 2020PWE-PWT-30-Q."

The following list of exclusions represents services or items that TULLOCH has not included as part of our price. Should you wish to engage TULLOCH to provide or arrange for the provision of any or all of these services or items, we would be please to provide a price to you, additional to this quotation.

- Intrusive investigation (i.e. no removal or reinstatement of finishes)
- Destructive Testing or materials testing
- Review or analysis of the building with respect to the requirements of the Ontario Building Code
- Structural Load evaluation of inspected components
- Mechanical/Electrical Condition Assessment
- Provision of floor covering as maybe required for aerial elevating device access
- With regard to the Indemnification and Insurance Section of the RFP we would offer a revised wording for the last paragraphs as follows:
 - As written in the RFP; "This indemnification shall include any legal costs incurred by the City on a substantial indemnity basis, including those incurred to defend any criminal prosecutions against the City resulting from the actions of the successful Proponent."
 - We offer the following: "This indemnification shall include any legal costs incurred by the City on a substantial indemnity basis, including those incurred to defend any criminal prosecutions against the City resulting from the actions of the successful Proponent, only to the extent the Consultant is found legally responsible."

Limitations:

- TULLOCH will perform all professional services in accordance with the standard of care customarily observed by professional consulting firms performing similar services at the same time and location. The standard of care will include adherence to all applicable published standards of the profession and laws, regulations, by-laws, building codes and governmental rules.

THE CORPORATION OF THE CITY OF SAULT STE. MARIE
BY-LAW 2020-133

AGREEMENT: (E2.2) A by-law to authorize the execution of the Contract between the City and Pioneer Construction Incorporated for the resurfacing of Trunk Road from the east City limit to South Market Street (Contract 2020-8E).

THE COUNCIL of The Corporation of the City of Sault Ste. Marie, pursuant to section 9 of the *Municipal Act, 2001*, S.O. 2001, c. 25, **ENACTS** as follows:

1. EXECUTION OF DOCUMENT

The Mayor and City Clerk are hereby authorized for and in the name of the Corporation to execute and affix the seal of the Corporation to the Contract dated June 29, 2020 between the City and Pioneer Construction Incorporated, a copy of which is attached as Schedule "A" hereto. This Contract is for the resurfacing of Trunk Road from the east City limit to South Market Street (Contract 2020-8E).

2. SCHEDULE "A"

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

3. EFFECTIVE DATE

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

PASSED in open Council this 29th day of June, 2020.

MAYOR - CHRISTIAN PROVENZANO

CITY CLERK – RACHEL TYCZINSKI

Schedule "A"

CORPORATION OF THE CITY OF SAULT STE. MARIE

CONTRACT 2020-8E

FORM OF AGREEMENT

This Agreement made (in triplicate) this 29th day of June in the year 2020 by and between
Pioneer Construction Inc. hereinafter called the "Contractor"

AND

The Municipal Corporation of the City of Sault Ste. Marie, Ontario hereinafter called the "Corporation".

WITNESSETH: That the Contractor and the Corporation undertake and agree as follows:

1. The Contractor will provide all the materials and all the works shown and described in the contract documents entitled:

TRUNK ROAD RESURFACING CONTRACT 2020-8E

Which have been signed in triplicate by both parties and which were prepared under the supervision of Don Elliott, P.Eng, Director of Engineering acting as and herein entitled, the Owner.

2. The Contractor will do and fulfill everything indicated by the Agreement, the General Conditions, the Specifications, the Special Provisions and the Drawings.
3. The Contractor will complete all the work to the entire satisfaction of the Owner within the period of time specified.
4. The Corporation shall pay to the Contractor the contract price as set forth in the Form of Tender in accordance with the provisions as set forth in the General Conditions and the Special Provisions. The quantities contained in the Form of Tender are approximate only and the final payment shall be made for the actual quantities that are incorporated in or made necessary by the work covered by the contract.
5. The Corporation shall pay the Contractor for work that is ordered in writing by the Owner and that cannot be classified as coming under any of the contract units and for which no unit price, lump sum, or other basis can be agreed upon, on a time and material basis as set out in the General Conditions.
6. The Contractor shall completely indemnify and save harmless the Owner, its employees, officers and agents from any and all claims, demands, actions, losses, expenses, costs or damages of every kind and nature whatsoever and howsoever caused that the Client, its employees, officers or agents may sustain or suffer as a consequence of the actions, inactions or omissions of the Contractor, its employees, agents or officers or as a result of the performance of this Agreement by the Contractor, its employees, agents or officers or as a consequence of the negligent actions or inactions of the Contractor, its employees, agents or officers whether or not the Client is partially or wholly responsible for such claims, demands, actions, losses, expenses, costs or damages.
7. The Contractor shall also indemnify The Public Utilities Commission of the City of Sault Ste. Marie, PUC Distribution Inc. and PUC Services Inc., its officers, employees, agents and affiliates, from all loss, damages, costs, charges and expenses of every nature and kind whatsoever which may be made or brought against The Public Utilities Commission of the City of Sault Ste. Marie, PUC Distribution Inc. and/or PUC Services Inc., its officers, employees, agents and affiliates, by reason

or in consequent of the execution and performance or maintenance of the work by the Contractor, its employees, agents, officers, or those for whom at law the Contractor is responsible.

8. All communications in writing between the Corporation, the Contractor and the Owner shall be deemed to have been received by the Addressee if delivered to the individual, a member of the firm or an officer of the Corporation for whom they are intended or if sent by post or by facsimile as follows:

THE CORPORATION: The Corporation of the City of Sault Ste. Marie
Civic Centre
99 Foster Drive
Sault Ste. Marie, ON P6A 5X6

THE CONTRACTOR: Pioneer Construction Inc.
845 Old Goulais Bay Road
Sault Ste. Marie, ON P6A 0B5

THE OWNER: Mr. Don Elliott, P. Eng.
Director of Engineering
99 Foster Drive
Sault Ste. Marie, ON P6A 5X6
Facsimile 705-541-7165

IN WITNESS WHEREOF the parties hereto have executed this Agreement by the day and year first above written.

Signed, Sealed and Delivered
in the presence of

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

MAYOR - CHRISTIAN PROVENZANO

(seal)

CITY CLERK – RACHEL TYCZINSKI

THE CONTRACTOR

COMPANY NAME

(seal)

SIGNATURE

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW NO. 2020-134

APPOINTMENTS TO LOCAL BOARDS: (L5.2) A by-law to amend By-law 2019-12 being a by-law to appoint members to various Local Boards in the City of Sault Ste. Marie.

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

1. BY-LAW 2019-12 AMENDED

By-law 2019-12 is hereby amended as follows:

Adding the following paragraph after Paragraph 1 (a):

“Luca Robibaro is hereby appointed as a fence-viewer for the City of Sault Ste. Marie pursuant to the *Line Fences Act*, R.S.O. 1990, c. L.17 and amendments thereto from June 29, 2020 to December 31, 2020.”

2. EFFECTIVE DATE

This by-law shall be effective from the date of its final passing.

PASSED in Open Council this 29th day of June, 2020.

MAYOR – CHRISTIAN PROVENZANO

CITY CLERK – RACHEL TYCZINSKI

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW NO. 2020-135

MUNICIPAL ACCOMMODATION TAX: A by-law to amend the Municipal Accommodation Tax By-law 2018-218.

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

1. BY-LAW AMENDED

Municipal Accommodation Tax By-law 2018-218 is amended by waiving the penalty and interest provisions for remittance of the Municipal Accommodations Tax until August 31, 2020.

2. EFFECTIVE DATE

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

PASSED in open Council this 29th day of June, 2020.

MAYOR – CHRISTIAN PROVENZANO

CITY CLERK – RACHEL TYCZINSKI

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THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW NO. 2020-136

USER FEES: A by-law to amend User Fees By-law 2019-222.

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

1. BY-LAW 2019-222 AMENDED

By-law 2019-222 (Schedule "F") is amended by waiving the interest on accounts receivable until August 31, 2020.

2. EFFECTIVE DATE

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

PASSED in open Council this 29th day of June, 2020.

MAYOR – CHRISTIAN PROVENZANO

CITY CLERK – RACHEL TYCZINSKI

THE CORPORATION OF THE CITY OF SAULT STE. MARIE
BY-LAW NO 2017-248

LANE/STREET CLOSING & CONVEYANCE: (PR1.33) A by-law to stop up, close and authorize the conveyance of a portion of a lane in the Hudson Bay Subdivision and part of Hudson Street, Town Plot of St. Mary's.

WHEREAS the lane more particularly hereinafter described was established as a public lane and assumed for public use by By-law 2017-247; and

WHEREAS the street more particularly hereinafter described was established as a public street and assumed for public use by By-law 2017-247;

NOW THEREFORE THE COUNCIL of The Corporation of the City of Sault Ste. Marie, pursuant to *the Municipal Act, 2001*, S.O. 2001, **ENACTS** as follows:

1. **LANE/STREET CLOSED, DECLARED SURPLUS AND CONVEYANCE AUTHORIZED**

The lane more particularly described as PIN 31576-0010 (LT) PT LANE PL 4175 ST. MARY'S E OF HUDSON ST & W OF PT 1 & 2 1R10648, Hudson Bay Subdivision; and

The street more particularly described as that portion of Hudson Street described as PIN 31576-0329 (LT) PART HUDSON ST PL TOWN PLOT OF ST. MARY'S N OF PT 4 & 5 1R10149; SAULT STE. MARIE, having been assumed by the Corporation for public use, are hereby stopped up, closed, declared surplus to the requirements of the Municipality and the conveyance of same are authorized.

2. **EXECUTION OF DOCUMENTS**

The Mayor and City Clerk are hereby authorized for and in the name of the Corporation to execute and to affix the seal of the Corporation to all documents required to give effect to this by-law.

3. **EASEMENTS TO BE RETAINED**

The lane and street are subject to the retention of easements if required.

4. **EFFECTIVE DATE**

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

READ the **FIRST** and **SECOND** time in open Council this 11th day of December, 2017.



MAYOR - CHRISTIAN PROVENZANO



CITY CLERK - MALCOLM WHITE

Deputy City Clerk - Rachel Tyczinski

By-law 2017-248

Page 3

STREET CLOSING: (PR1.33) A by-law to stop up, close and authorize the conveyance of a portion of a lane in the Hudson Bay Subdivision, PIN 31576-0010 (LT) PT LANE PL 4175 ST. MARY'S BEING PT 1 1R13643 SAULT STE. MARIE and part of Hudson Street, Town Plot of St. Mary's, PART PIN 31576-0329 (LT) PT HUDSON STREET PL TOWN PLOT OF ST. MARY'S BEING PART 2 1R13643; SAULT STE. MARIE

Read the **THIRD** time in open Council and passed this 29th day of June, 2020.

MAYOR - CHRISTIAN PROVENZANO

CITY CLERK – RACHEL TYCZINSKI

da \LEGAL\STAFF\COUNCIL\BY-LAWS\2020\2017-248 THIRD READING.DOCX

THIS DRAWING DOES NOT FORM PART OF THE BY-LAW. IT IS FOR INFORMATION PURPOSES ONLY.



2. Former Sinclair Street

3. Property
Abutting
Carmen's Way

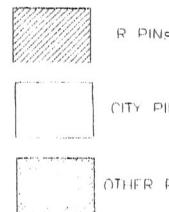
PLAN OF SURVEY OF
LOTS 13 TO 44 BOTH INCLUSIVE
PART OF LOT 45
THOMPSON STREET AS CLOSED AND
18 FT LANES AS CLOSED
BETWEEN HURON AND HUDSON STREETS
REGISTERED PLAN NO. 4175

LOTS 1 TO 12 BOTH INCLUSIVE
AND 10 AND 20 FT LANES AS CLOSED
REGISTERED PLAN NO. 3965

LOTS 13 TO 15 BOTH INCLUSIVE
NORTH SUPERIOR STREET
PART OF LOT 13 AND
LOTS 14 TO 18 BOTH INCLUSIVE
SOUTH MURRAY STREET

HUDSON STREET AS CLOSED
BETWEEN SUPERIOR AND MURRAY STREETS

ORIGINAL TOWN PLOT
OF THE
CITY OF SAULT STE. MARIE
DISTRICT OF ALGOMA
YEAR 1860



1. Pt. Hudson Street
Pt. Lane Hudson Bay Subdivision

4. 395 Queen Street East

