



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

Monday, June 28, 2021

4:30 pm

Video Conference

	Pages
1. Adoption of Minutes	16 - 26
Mover Councillor S. Hollingsworth	
Seconder Councillor M. Scott	
Resolved that the Minutes of the Regular Council Meeting of June 14, 2021 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 C. Gardi	
Resolved that the Agenda for June 28, 2021 City Council Meeting as presented be approved.	
5. Proclamations/Delegations	
5.1. PUC Group of Companies – Report to Shareholder 2020	27 - 48
J. Boniferro, Chair and R. Brewer, President and CEO of PUC	
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 June 28, 2021 – Agenda item 6 – Consent Agenda be approved as recommended.

6.1.	Dennis Street Terminal Relocation – Referral Resolution Process	49 - 50
	A report of the CAO is attached for the information of Council.	
	Mover Councillor P. Christian	
	Seconder Councillor C. Gardi	
	Resolved that the report of the CAO dated 2021 06 28 concerning Dennis Street Terminal Relocation – Referral Resolution Process be accepted as information.	
6.2.	New Optional Small Business Tax Class	51 - 54
	A report of the Chief Financial Officer and Treasurer and the Deputy CAO, Community Development and Enterprise Services 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 and Deputy CAO, Community Development and Enterprise Services dated June 28, 2021 concerning New Optional Small Business Tax Class be received and that consultation with the various stakeholder groups be approved.	
6.3.	2020 Audited Financial Statements	55 - 97
	A report of the Manager of Finance is attached for the consideration of Council.	
	Mover Councillor S. Hollingsworth	
	Seconder Councillor M. Scott	
	Resolved that the report of the Manager of Finance dated June 28, 2021 concerning the 2020 Audited Financial Statements be received and that the Audited Consolidated Financial Statements and Trust Fund Statements for 2020 be approved.	
6.4.	Property Tax Appeals	98 - 99
	A report of the Manager of Taxation is attached for the consideration of Council.	
	Mover Councillor P. Christian	
	Seconder Councillor C. Gardi	
	Resolved that the report of the Manager of Taxation dated June 28, 2021 concerning Property Tax Appeals be received and that the tax records be amended pursuant to sections 354 and 357 of the <i>Municipal Act</i> .	

6.5.	Third Party Cost Recovery Services – Fire Services	100 - 103
	A report of the Manager of Purchasing is attached for the consideration of Council.	
	The relevant By-law 2021-134 is listed under item 11 of the Agenda and will be read with all by-laws under that item.	
6.6.	Avanti Payroll and Benefits Cloud Migration	104 - 106
	A report of the Manager of Purchasing is attached for the consideration of Council.	
	The relevant By-law 2021-135 is listed under item 11 of the Agenda and will be read with all by-laws under that item.	
6.7.	Voter Engagement Update	107 - 140
	A report of the Deputy City Clerk is attached for the consideration of Council.	
	Mover Councillor S. Hollingsworth	
	Seconder Councillor C. Gardi	
	Resolved that the report of the Deputy City Clerk dated June 28, 2021 concerning Voter Engagement Update be received as information.	
6.8.	Downtown Safety	141 - 152
	A report of the Deputy CAO, Community Development and Enterprise Services is attached for the consideration of Council.	
	Mover Councillor S. Hollingsworth	
	Seconder Councillor C. Gardi	
	Resolved that the report of the Deputy CAO, Community Development and Enterprise Services dated June 28, 2021 concerning Downtown Safety be received and that the following initiatives be approved in principle:	
	<ul style="list-style-type: none"> • "Downtown Ambassador" pilot program • Security patrols and surveillance • Crime Prevention Through Environmental Design initiative • Downtown activation 	
	and that staff be requested to report back regarding funding for these initiatives.	
6.9.	Annual Addition and Removal of Bus Stops – Traffic By-law 77-200	153 - 154
	A report of the Director of Community Services is attached for the consideration of Council.	

Mover Councillor S. Hollingsworth

Seconder Councillor M. Scott

Resolved that the report of the Director of Community Services dated June 28, 2021 concerning Annual Addition and Removal of Bus Stops be approved.

A By-law and related agreement will be brought forward to a future Council meeting.

6.10. Knowledge-Based Industry Recruitment Task Force 155 - 158

A report of the Director of Tourism and Community Development is attached for the consideration of Council.

Mover Councillor P. Christian

Seconder Councillor M. Scott

Resolved that the report of the Director of Tourism and Community Development dated June 28, 2021 concerning Knowledge-Based Industry Recruitment Task Force be received as information.

6.11. Canada Water Agency – Proposal for the Federal Agency's Location 159 - 170

A report of the Manager of Business Development is attached for the consideration of Council.

Mover Councillor P. Christian

Seconder Councillor C. Gardi

Resolved that the report of the Manager of Business Development dated June 28, 2021 concerning the Canada Water Agency bid initiative be received and that:

- Councillor C. Gardi, Elaine Ho, Dr. Paula Antunes, Ryan Namespetra and the Deputy CAO, Community Development and Enterprise Services; the Director of Economic Development; the Manager of Business Development; the Director of Tourism and Community Development; and the Sustainability Coordinator be appointed to a task force;
- the task force liaise with the Bawating Advisory Circle to ensure Indigenous engagement and input in the development and execution of the Canada Water Agency bid initiative;
- the task force produce a branded website for Sault Ste. Marie's Canada Water Agency bid (including a promotional video);
- the task force partner with the Huron Lake Collaborative to conduct stakeholder engagement to produce a Sault Ste. Marie "What We Heard" document for the bid.

6.11.1. Canada Water Agency – Additional Information 171 - 172

The request for Community Development Funding has been withdrawn.

Therefore the resolution before Council is:

Resolved that the report of the Manager of Business Development dated June 28, 2021 concerning the Canada Water Agency bid initiative be received and that:

- Councillor C. Gardi, Elaine Ho, Dr. Paula Antunes, Ryan Namespetra and the Deputy CAO, Community Development and Enterprise Services; the Director of Economic Development; the Manager of Business Development; the Director of Tourism and Community Development; and the Sustainability Coordinator be appointed to a task force;
- the task force liaise with the Bawating Advisory Circle to ensure Indigenous engagement and input in the development and execution of the Canada Water Agency bid initiative;
- the task force produce a branded website for Sault Ste. Marie's Canada Water Agency bid (including a promotional video);
- the task force partner with the Huron Lake Collaborative to conduct stakeholder engagement to produce a Sault Ste. Marie "What We Heard" document for the bid.

6.12. Seniors Community Grant Application 2021 173 - 174

A report of the Manager of Recreation and Culture is attached for the consideration of Council.

Mover Councillor S. Hollingsworth

Seconder Councillor M. Scott

Resolved that the report of the Manager of Recreation and Culture dated June 28, 2021 concerning the Seniors Community Grant Application 2021 be received and that staff be authorized to apply to Ministry for Seniors and Accessibility – Seniors Community Grant Program.

6.13. 2021-22 Francophone Community Grants Program 175 - 176

A report of the Curator of the Ermatinger-Clergue National Historic Site is attached for the consideration of Council.

Mover Councillor S. Hollingsworth

Seconder Councillor C. Gardi

Resolved that the report of the Curator of the Ermatinger Clergue National Historic Site dated June 28, 2021 concerning the 2021-22 Francophone Community Grants Program be received and that staff be authorized to submit an application for funding.

6.14. Community Museum Operating Grant ECNHS 2021 177 - 178

A report of the Curator of the Ermatinger-Clergue National Historic Site is

attached for the consideration of Council.

The relevant By-law 2021-132 is listed under item 11 of the Agenda and will be read with all by-laws under that item.

6.15.	Municipal Law Enforcement Officer Appointment June 2021	179 - 179
	A report of the Manager of Transit and Parking is attached for the consideration of Council.	
	The relevant By-law 2021-127 is listed under item 11 of the Agenda and will be read with all by-laws under that item.	
6.16.	ADSB Agreement Renewal – Former Etienne Brule School Site	180 - 180
	A report of the Director of Public Works is attached for the consideration of Council.	
	The relevant By-law 20201-136 is listed under item 11 of the Agenda and will be read with all by-laws under that item.	
6.17.	Tulloch Engineering – Assumption of Contract	181 - 182
	A report of the Manager of Design and Transportation Engineering is attached for the consideration of Council.	
	The relevant By-laws 2021-130 and 2021-131 are listed under item 11 of the Agenda and will be read with all by-laws under that item.	
6.18.	Amendment to Contribution Agreement – Downtown Revitalization and Civic Plaza	183 - 184
	A report of the City Solicitor is attached for the consideration of Council.	
	The relevant By-law 2021-139 is listed under item 11 of the Agenda and will be read with all by-laws under that item.	
6.19.	Property Declared Surplus – 69 Old Garden River Road	185 - 187
	A report of the Assistant City Solicitor/Senior Litigation Counsel is attached for the consideration of Council.	
	The relevant By-law 2021-129 is listed under item 11 of the Agenda and will be read with all by-laws under that item.	
6.20.	Municipal Autism Strategy	188 - 208
	A report of the Accessibility Coordinator is attached for the consideration of Council.	
	Mover Councillor S. Hollingsworth	
	Seconder Councillor C. Gardi	

Resolved that the report of the Accessibility Coordinator dated June 28, 2021 concerning Municipal Autism Strategy be received as information and that the members of the Autism Strategy Sub-Committee be thanked for their assistance.

7. Reports of City Departments, Boards and Committees

7.1. Administration

7.2. Corporate Services

7.2.1. Municipal Election 2022

209 - 216

A report of the City Clerk and Deputy City Clerk is attached for the consideration of Council.

Mover Councillor S. Hollingsworth

Seconder Councillor C. Gardi

Resolved that the report of the City Clerk and Deputy City Clerk dated June 28, 2021 concerning Municipal Election 2022 be received and that the 2022 Municipal Election be conducted with in-person voting and tabulator count at an estimated cost of \$320,000;

Further that staff be authorized to issue an RFP for the acquisition of vote tabulators.

7.2.1.1. *Municipal Election 2022 Resolution*

Changes made to the financial implications section of this report were not reflected in the resolution. In the financial implications section, Council was advised that staff would refine the estimated budget and provide it to Council with funding options prior to the 2022 budget considerations.

The resolution before Council is therefore:

Resolved that the report of the City Clerk and Deputy City Clerk dated June 28, 2021 concerning Municipal Election 2022 be received and that the 2022 Municipal Election be conducted with in-person voting and tabulator count at an estimated cost of \$320,000;

Further that staff be authorized to issue an RFP for the acquisition of vote tabulators.

7.3. Community Development and Enterprise Services

7.3.1. Community Safety and Well-Being Plan

217 - 250

A report of the Director of Tourism and Community Development is attached for the consideration of Council.

Mover Councillor S. Hollingsworth

Seconder Councillor C. Gardi

Resolved that the report of the Director of Tourism and Community Development dated June 28, 2021 be received; and

Further that Council approve the adoption of the Sault Ste. Marie Community Safety Well-Being Plan.

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

Mover Councillor P. Christian

Seconder Councillor C. Gardi

Resolved that City Council is now authorized to meet in open session as the sole shareholder of PUC Inc. and PUC Services Inc.; and

Further Be It Resolved that City Council appoints Mayor Christian Provenzano as Council's proxy to vote on the resolutions of the shareholder of PUC Inc. and PUC Services Inc.

7.8.1.1. PUC Inc. and PUC Services Inc. Shareholder Resolutions

251 - 252

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, 2020, 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.

Re-Appointment of Board Members

Be It Resolved That the following board members whose terms are up for re-appointment be approved for a 3-year term:

1. Jim Boniferro – President and CEO of Boniferro Millworks. Boniferro will be commencing his third term on the PUC Board of Directors and is currently serving as the Chair.
2. Christian Provenzano – Mayor, City of Sault Ste. Marie
3. Neil Strom – Mill Controller, Algoma Steel Inc.
4. Ila Watson – Vice President, People and Partnerships Sault Area Hospital

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, 2020, 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.

Re-Appointment of Board Members

Be It Resolved That the following board members whose terms are up for re-appointment be approved for a 3-year term:

1. Jim Boniferro – President and CEO of Boniferro Millworks
2. Christian Provenzano – Mayor, City of Sault Ste. Marie
3. Neil Strom – Mill Controller, Algoma Steel Inc.
4. Ila Watson – Vice President, People and Partnerships Sault Area Hospital

7.8.1.2.	2020 Sustainability Report	253 - 292
	PUC Services Inc. 2020 Sustainability Report is attached for the information of Council.	
7.8.1.3.	2020 Financial Statements	293 - 387
	2020 Financial Statements for PUC Inc., PUC Services Inc., Public Utilities Commission, and PUC Distribution Inc. are attached for the information of Council.	
8.	Unfinished Business, Notice of Motions and Resolutions Placed on Agenda by Members of Council	

8.1.

Personal Services – Re-opening

Mover Councillor D. Hilsinger

Seconder Councillor M. Scott

Whereas the Province of Ontario has vaccinated over 64% of residents 18+ with their first dose and over 17% with their second dose; and

Whereas over 75% of Algoma's population over the age of 18 has received at least their first vaccination and over 18% have received their second; and

Whereas COVID-19 cases in the Algoma region are at 0.9 per 100,000; and

Whereas the Province of Ontario has entered Step One of the re-opening plan on June 11, 2021, ahead of schedule due to strong provincial vaccination numbers, reduced ICU cases and reduced COVID-19 infections; and

Whereas personal service businesses such as hair salons, nail salons and tattoo shops have implemented strict COVID-19 safety precautions as part of the Province's previous re-opening plan to ensure the safety of their staff and customers; and

Whereas personal service businesses have most recently been closed since April 3, 2021 and owners and staff have suffered greatly throughout the pandemic;

Now Therefore Be It Resolved that Sault Ste. Marie City Council request that the Province of Ontario consider allowing personal service businesses and gyms to a maximum of 10 people or as deemed appropriate to re-open as soon as possible as part of Step One with strict limited capacities.

8.2.

West End Splash Pad

Mover Councillor C. Gardi

Seconder Councillor M. Bruni

Whereas in June 2019 the City of Sault Ste. Marie opened its first splash pad in Bellevue Park in the east end of the community; and

Whereas since its opening the splash pad has been heavily used and thoroughly enjoyed by children and families; and

Whereas the City of Sault Ste. Marie should aim to provide equitable access to amenities and services in different parts of the community, especially as they relate to families and children; and

Whereas, as a community, we have been working to revitalize our city parks; and

Whereas there are many parks in the western part of Sault Ste. Marie that could be revitalized; and

Whereas many communities of our size have more than one splash pad

Now Therefore Be It Resolved that City staff be requested to explore opportunities and locations for the establishment of a second splash pad in a city park in the west end of Sault Ste. Marie, and report back to City Council with a list of potential sites for the establishment of a splash pad in the Sault's west end.

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 S. Hollingsworth

Seconder Councillor M. Scott

Resolved that all By-laws under item 11 of the Agenda under date June 28, 2021 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 2021-127 (Parking) Municipal Law Enforcement Officers Amend Schedule "A" By-law 90-305** 388 - 390

A report from the Manager Transit and Parking is on the Agenda.

Mover Councillor S. Hollingsworth

Seconder Councillor M. Scott

Resolved that By-law 2021-127 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.

11.1.2. **By-law 2021-129 (Property) Declare 69 Old Garden Road Surplus** 391 - 392

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 2021-129 being a by-law to declare the City owned property legally described as PIN 31514-0095 (LT) PT SEC 32 TARENTORUS PT 1 1R10348 E OF PT 1 & 2 1R10668; T/W AS EASEMENT AS IN T176382; SAULT STE. MARIE being civic 69 Old Garden River Road, as surplus to the City's needs and to authorize the disposition of the said property be passed in open Council this 28th day of June, 2021.

11.1.3. **By-law 2021-130 (Agreement) Tulloch Engineering Pim Street Pump Station** 393 - 415

A report from the Manager, Design and Transportation Engineering is on the

Agenda.

Mover Councillor S. Hollingsworth

Seconder Councillor M. Scott

Resolved that By-law 2021-130 being a by-law to authorize the execution of the Assignment and Assumption of Contract Agreement between the City and Tulloch Engineering Inc. to provide structural engineering services in support of repairs to the Pim Street Pump Station be passed in open Council this 28th day of June, 2021.

- 11.1.4. By-law 2021-131 (Agreement) Tulloch Engineering Central Farwell Aqueduct 416 - 437**

A report from the Manager, Design and Transportation Engineering is on the Agenda.

Mover Councillor S. Hollingsworth

Seconder Councillor P. Christian

Resolved that By-law 2021-131 being a by-law to authorize the execution of the Assignment and Assumption of Contract Agreement between the City and Tulloch Engineering Inc. to provide structural engineering services in support of repairs to the Central Avenue and Farwell Terrace secondary aqueducts be passed in open Council this 28th day of June, 2021.

- 11.1.5. By-law 2021-132 (Agreement) Community Museums Operating Grant 438 - 438**

A report from the Curator, Old Stone House is on the Agenda.

Mover Councillor S. Hollingsworth

Seconder Councillor M. Scott

Resolved that By-law 2021-132 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 28th day of June, 2021.

- 11.1.6. By-law 2021-133 (Heritage Designation) Wawanosh Monument 96 Great Northern Road 439 - 450**

Council Report was passed by Council resolution on May 10, 2021.

Mover Councillor S. Hollingsworth

Seconder Councillor M. Scott

Resolved that By-law 2021-133 being a by-law to designate to designate the Wawanosh Monument located at the northwest corner of 96 Great Northern Road and Willoughby intersection as being of architectural or historic value or interest.

- 11.1.7. By-law 2021-134 (Agreement) Fire Cost Recovery 451 - 461**

A report from the Manager of Purchasing is on the Agenda.

- Mover Councillor S. Hollingsworth
Seconder Councillor M. Scott
Resolved that By-law 2021-134 being a by-law to authorize the execution of the Agreement between the City and Fire Marque Inc. for the provision of Cost Recovery Services as required by the Fire Services Department be passed in open Council this 28th day of June, 2021.
- 11.1.8. By-law 2021-135 (Agreement) Avanti Software Inc.** 462 - 475
A report from the Manager of Purchasing is on the Agenda.

Mover Councillor S. Hollingsworth
Seconder Councillor M. Scott
Resolved that By-law 2021-135 being a by-law to authorize the execution of the Agreement between the City and Avanti Software Inc. for software services for the Avanti Cloud Migration Program be passed in open Council this 28th day of June, 2021.
- 11.1.9. By-law 2021-136 (Agreement) Algoma District School Board Community Partnership Project Etienne Brule School** 476 - 483
A report from the Director, Public Works is on the Agenda.

Mover Councillor S. Hollingsworth
Seconder Councillor M. Scott
Resolved that By-law 2021-136 being a by-law to authorize the execution of the Agreement between the City and Algoma District School Board for the Community Partnership Project at the former Etienne Brule School Site be passed in open Council this 28th day of June, 2021.
- 11.1.10. By-law 2021-137 (Zoning) 899 Second Line West (2779594 Ontario Inc. c/o Benjamin Cicchelli & David Toppan)** 484 - 486
Council Report was passed by Council resolution on June 14, 2021.

Mover Councillor S. Hollingsworth
Seconder Councillor M. Scott
Resolved that By-law 2021-137 being a by-law to amend Sault Ste. Marie Zoning By-laws 2005-150 and 2005-151 concerning lands located at 899 Second Line West (2779594 Ontario Inc. c/o Benjamin Cicchelli & David Toppan) be passed in open Council this 28th day of June, 2021.
- 11.1.11. By-law 2021-138 (Development Control) 899 Second Line West (2779594 Ontario Inc. c/o Benjamin Cicchelli & David Toppan)** 487 - 489
Council Report was passed by Council resolution on June 14, 2021.

Mover Councillor S. Hollingsworth
Seconder Councillor M. Scott

Resolved that By-law 2021-138 being a by-law to designate the lands located at 899 Second Line West an area of site plan control (2779594 Ontario Inc. c/o Benjamin Cicchelli & David Toppan) be passed in open Council this 28th day of June, 2021.

- 11.1.12. **By-law 2021-139 (Agreement) Fed Nor Amending Contribution** 490 - 492

A report from the City Solicitor is on the Agenda.

Mover Councillor S. Hollingsworth

Seconder Councillor M. Scott

Resolved that By-law 2021-139 being a by-law to law to authorize the execution of the Agreement between the City and Her Majesty the Queen in Right of Canada as represented by the Minister of Economic Development and Official Languages for the Sault Ste. Marie Downtown Revitalization and Civic Plaza be passed in open Council this 28th day of June, 2021.

- 11.1.13. **By-law 2021-140 (Agreement) Case Road Culvert Replacement** 493 - 538

Council Report was passed by Council resolution on February 8, 2021.

Mover Councillor S. Hollingsworth

Seconder Councillor M. Scott

Resolved that By-law 2021-140 being a by-law to authorize the execution of the Agreement between the City and TULLOCH Engineering Inc. for the replacement of the Case Road culvert be passed in open Council this 28th day of June, 2021.

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

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

12. **Questions By, New Business From, or Addresses by Members of Council Concerning Matters Not Otherwise on the Agenda**

13. **Closed Session**

Mover Councillor P. Christian

Seconder Councillor C. Gardi

Resolved that this Council move into closed session to discuss two items concerning the disposition of land; six acquisitions of land; one item concerning labour relations or employee negotiations; and one matter concerning a trade secret supplied in confidence;

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 matters without the need for a further authorizing resolution.

Municipal Act R.S.O. 2002 – section 239 2 (c) a proposed or pending acquisition or disposition of land by the municipality; (d) labour relations or employee negotiations; and (i) a trade secret or scientific, technical, commercial, financial or labour relations information, supplied in confidence to the municipality or local board, which, if disclosed, could reasonably be expected to prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organization

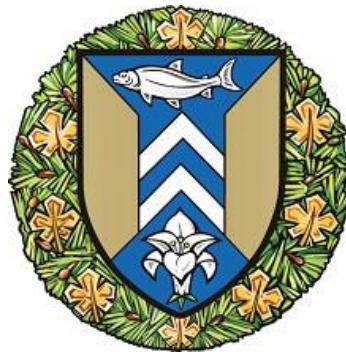
14.

Adjournment

Mover Councillor P. Christian

Seconder Councillor C. Gardi

Resolved that this Council now adjourn.



REGULAR MEETING OF CITY COUNCIL MINUTES

Monday, June 14, 2021
4:30 pm
Video Conference

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, K. Fields, S. Schell, P. Johnson, D. Elliott, S. Hamilton Beach, D. McConnell, B. Lamming, F. Coccimiglio, T. Vecchio, M. Zuppa, M. Borowicz-Sibenik, J. King, F. Pozzebon

1. Adoption of Minutes

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

Resolved that the Minutes of the Regular Council meeting of May 31, 2021 be approved as amended.

Carried

- 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

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

Resolved that the Agenda for June 14, 2021 City Council Meeting as presented be approved.

Carried

5. Proclamations/Delegations

5.1 Snowdon Park Tragedies

Ken Crossman was in attendance.

5.2 Dennis Street Terminal Relocation

John McDonald, Tulloch Engineering was in attendance.

5.3 World Elder Abuse Awareness Day

5.4 A-12-21-Z – 899 Second Line West

David Toppan, Applicant, was in attendance.

Sandra McFarling, Bart Bradley, Darlene McFarling and Renee Lemcke were in attendance.

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 June 14, 2021 – Agenda item 6 – Consent Agenda be approved as recommended.

Carried

6.1 RFP for Modular Rental Units – Downtown Activation Project

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 June 14, 2021 concerning RFP for Modular Rental Units – Downtown Activation Project be received and that the proposal submitted by 9223-4814 Quebec Inc. d.b.a. Box Container Group for the supply and delivery of modular units as outlined in their proposal as submitted at an upset limit of \$235,000 including the non-rebatable portion of HST be approved.

Carried

6.2 Modular Retail Units for Downtown – Update

The report of the Senior Planner was received by Council.

Moved by: Councillor P. Christian

Seconded by: Councillor M. Scott

Resolved that the report of the Senior Planner dated June 14, 2021 concerning be Modular Retail Units for Downtown received and that the purchase of the modular retail units, in accordance with the recommendation outlined by the Manager of Purchasing in a report found elsewhere on Council's agenda be approved and that Council further authorize the installation of the required services at the Mill Market site, at a cost of \$22,214 (including non-rebatable HST).

Carried

6.3 Paciolan Call Centre Amendment Agreement

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

The relevant By-law 2021-122 is listed under item 11 of the Minutes.

6.4 Designated Heritage Property Grant – 864 Queen Street East

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

Moved by: Councillor P. Christian

Seconded by: Councillor C. Gardi

Resolved that the report of the Manager of Recreation and Culture dated June 14, 2021 concerning Designated Heritage Property Grant – 864 Queen Street East (Algonquin Hotel) for a grant in the amount of \$3,000 to support the repairs to the brickwork and painting of wood trim at 864 Queen Street East be approved; and further that payment be rendered upon submission of the paid contractor's invoices and final approval of the project by the Sault Ste. Marie Municipal Heritage Committee.

Carried

6.5 Curb and Sidewalk Program – 2021

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

Moved by: Councillor S. Hollingsworth

Seconded by: Councillor C. Gardi

Resolved that the report of the Director of Public Works dated June 14, 2021 concerning the Public Works 2021 curb and sidewalk program be received as information.

Carried

6.6 Regional Training Centre Memorandum of Understanding

The report of the Fire Chief was received by Council.

The relevant By-law 2021-225 is listed under item 11 of the Minutes.

6.7 499 Queen Street West – Property Declared Surplus

The report of the Assistant City Solicitor / Senior Litigation Counsel was received by Council.

The relevant By-law 2021-119 is listed under item 11 of the Minutes.

6.8 Deeming By-law Parkinworth Subdivision, Phase II (Lindsay Palmer)

The report of the Assistant City Solicitor / Senior Litigation Counsel was received by Council.

The relevant By-law 2021-119 is listed under item 11 of the Minutes.

6.9 Amendments to Property Standards By-law – Vacant Property and Enforcement Provisions

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

The relevant By-law 2021-128 is listed under item 11 of the Minutes.

6.10 Smoking By-law – Amendments and Appointment of Officers

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

The relevant By-laws 2021-120 and 2021-121 are listed under item 11 of the Minutes.

7. Reports of City Departments, Boards and Committees

7.1 Administration

7.1.1 Snowdon Park Tragedies

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

Moved by: Councillor P. Christian

Seconded by: Councillor M. Scott

Resolved that the report of the CAO dated June 14, 2021 concerning Snowdon Park Tragedies be received and that Council confirm the letter of apology to the Crossman Family and authorize staff to work with the Children of Shingwauk Alumni Association Memorial Committee to develop plans for a suitable memorial at the Snowdon Park site.

	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

7.2 Corporate Services

7.3 Community Development and Enterprise Services

7.3.1 Dennis Street Terminal Relocation

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

Moved by: Councillor S. Hollingsworth

Seconded by: Councillor M. Scott

Resolved that the report of the Director of Community Services dated June 14, 2021 concerning Dennis Street Terminal Relocation be received and that an RFP be issued to obtain a consultant to complete construction drawings and administer the tendering process for the renovation/build of the 111 Huron Street transit facility.

Moved by: Councillor R. Niro

Seconded by: Councillor M. Bruni

Resolved that the Dennis Street Terminal Relocation be referred to staff to research and report back with additional information regarding the feasibility of constructing a new terminal at the existing Dennis Street and Queen Street East site, including potential costs and long-term operational implications.

	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

7.4 Public Works and Engineering Services

7.5 Fire Services

7.6 Legal

7.7 Planning

7.7.1 A-12-21-Z 899 Second Line West (2779594 Ontario Inc.)

The report of the Planner was received by Council.

David Toppan, Applicant; Sandra McFarling, Bart Bradley, Darlene McFarling and Renee Lemcke were in attendance.

Moved by: Councillor P. Christian

Seconded by: Councillor M. Shoemaker

Resolved that the report of the Planner dated June 14, 2021 concerning rezoning application A-12-21-Z be received and that Council rezone the northerly 26 metres of 899 Second Line West from General Commercial Zone (C4) to Single-Detached Residential Zone (R2), and rezone the remaining southerly 49 metres from Single-Detached Residential Zone (R2) to Low Density Residential Zone (R3.S) with the following special exceptions for a multiple-attached dwelling only:

1. Reduce the rear (south) yard setback from 10m to 6m
2. Permit parking in an exterior side (west) yard
3. Permit canopies to project 4m into the interior side (east) yard

And that the subject property be deemed as an area of site plan control as per section 41 of the *Planning Act*.

And that the Legal Department be requested to prepare the necessary by-law(s) to effect the same.

	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	9	2	0

Carried

7.8 Boards and Committees

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

Moved by: Councillor P. Christian

Seconded by: Councillor C. Gardi

Resolved that all By-laws under item 11 of the Agenda under date June 14, 2021 be approved.

	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

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

11.1.1 By-law 2021-92 (Zoning) 177 Brock Street (Sault Ste. Marie Housing Corporation)

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

Resolved that By-law 2021-92 being a by-law to amend Sault Ste. Marie Zoning By-law 2005-150 concerning lands located at 177 Brock Street (Sault Ste. Marie Housing Corporation) be passed in open Council this 14th day of June, 2021.

Carried

11.1.2 By-law 2021-117 (Subdivision Control) 77 and 81 Parkinworth Place (Lindsay Palmer)

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

Resolved that By-law 2021-117 being a by-law to deem not registered for purposes of subdivision control certain lots in the Parkinworth Subdivision PH II, pursuant to section 50(4) of the *Planning Act* be passed in open Council this 14th day of June, 2021.

Carried

11.1.3 By-law 2021-119 (Surplus Property) 499 Queen Street West

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

Resolved that By-law 2021-119 being a by-law to declare the City owned property legally described as PIN 31578-0215 (LT) PT LT 12 S/S SUPERIOR ST PL TOWN PLOT OF ST. MARY'S AS IN T430377; SAULT STE. MARIE being civic 499 Queen Street West, as surplus

to the City's needs and to authorize the disposition of the said property be passed in open Council this 14th day of June, 2021.

Carried

11.1.4 By-law 2021-120 (Smoking) Amendment to By-law 2019-200

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

Resolved that By-law 2021-120 being a by-law to amend By-law 2019-200 (a by-law to regulate smoking in public places) be passed in open Council this 14th day of June, 2021.

Carried

11.1.5 By-law 2021-121 (Appointment) Smoking Enforcement

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

Resolved that By-law 2021-121 being a by-law to appoint by-law enforcement officers to enforce provisions of by-law 2019-200 of The Corporation of the City of Sault Ste. Marie on the Sault Ste. Marie Area Hospital, known civilly as 750 Great Northern Road, Sault Ste. Marie and any public or municipal property abutting thereto be passed in open Council this 14th day of June, 2021.

Carried

11.1.6 By-law 2021-122 (Agreement) Pacolian Call Centre Amending Agreement

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

Resolved that By-law 2021-122 being a by-law to authorize the execution of the Amending Agreement between the City and Patron Solutions, L.P. dba Pacolian, LLC for the GFL Memorial Gardens call-in functionality for ticket purchases be passed in open Council this 14th day of June, 2021.

Carried

11.1.7 By-law 2021-123 (Zoning) OP 1306 Peoples Road (Ontario Aboriginal Housing Support Services Corporation)

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

Resolved that By-law 2021-123 being a by-law to adopt Amendment No. 233 to the Official Plan for the City of Sault Ste. Marie (Ontario Aboriginal Housing Support Services Corporation – 1306 Peoples Road) be passed in open Council this 14th day of June, 2021.

Carried

11.1.8 By-law 2021-124 (Zoning) 1306 Peoples Road (Ontario Aboriginal Housing Support Services Corporation)

Moved by: Councillor P. Christian

Seconded by: Councillor C. Gardi

Resolved that By-law 2021-124 being a by-law to amend Sault Ste. Marie Zoning By-laws 2005-150 and 2005-151 concerning lands located at 1306 Peoples Road (Ontario Aboriginal Housing Support Services Corporation) be passed in open Council this 14th day of June, 2021.

Carried

11.1.9 By-law 2021-125 (Agreement) Ontario Fire College

Moved by: Councillor P. Christian

Seconded by: Councillor C. Gardi

Resolved that By-law 2021-125 being a by-law to authorize the execution of the Emergency Services Training and Registration Agreement between the City and Her Majesty the Queen in Right of Ontario as represented by the Solicitor General operating through the Ontario Fire College for fire service training be passed in open Council this 14th day of June, 2021.

Carried

11.1.10 By-law 2021-126 (Taxes) Final Tax Billing 2021 Amendment

Moved by: Councillor P. Christian

Seconded by: Councillor C. Gardi

Resolved that By-law 2021-126 being a by-law to amend Final Tax By-law 2021-83 by waiving the property tax interest and penalty provisions until December 31, 2021 be passed in open Council this 14th day of June, 2021.

Carried

11.1.11 By-law 2021-128 (Property Standards) Amendment to Property Standards By-law 2012-9

Moved by: Councillor P. Christian

Seconded by: Councillor C. Gardi

Resolved that By-law 2021-128 being a by-law to amend By-law 2012-9 (the Property Standards By-law for The Corporation of the City of Sault Ste. Marie) be passed in open Council this 14th day of June, 2021.

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**
- 13. Closed Session**

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

Resolved that this Council move into closed session to discuss one item concerning the security of property and one item concerning labour relations or employee negotiations;

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 matters without the need for a further authorizing resolution.

Municipal Act R.S.O. 2002 – section 239.2 (a) the security of the property of the municipality and (d) labour relations or employee negotiations

Carried

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 Shareholders 2020

Sault Ste. Marie City Council Meeting
June 28, 2021

Your Trusted Utility for a Brighter Tomorrow

OUR VALUE

SAFETY
INTEGRITY
CUSTOMER-CENTRIC
INNOVATIVE
ACCOUNTABLE





In 2020, PUC employees worked a combined 458,857 hours without a lost time injury.

SAFETY



Congratulations
to

WORKER SAFETY AWARD WINNER

Public Utilities
Commission
(PUC) Services Inc.
Sault Ste Marie



2020 ONTARIO ELECTRICAL SAFETY AWARDS





INTEGRITY



[and-restrictions#declaration-of-emergency-and-provincewide-stay-at-home-order](#)



D-19:
health
workplace
measures

OP
for SI

COVID-19 public health measures and advice

Find out about the latest public health measures, advice and restrictions in Step 1 of the R...
<https://covid-19.ontario.ca/zones-...>

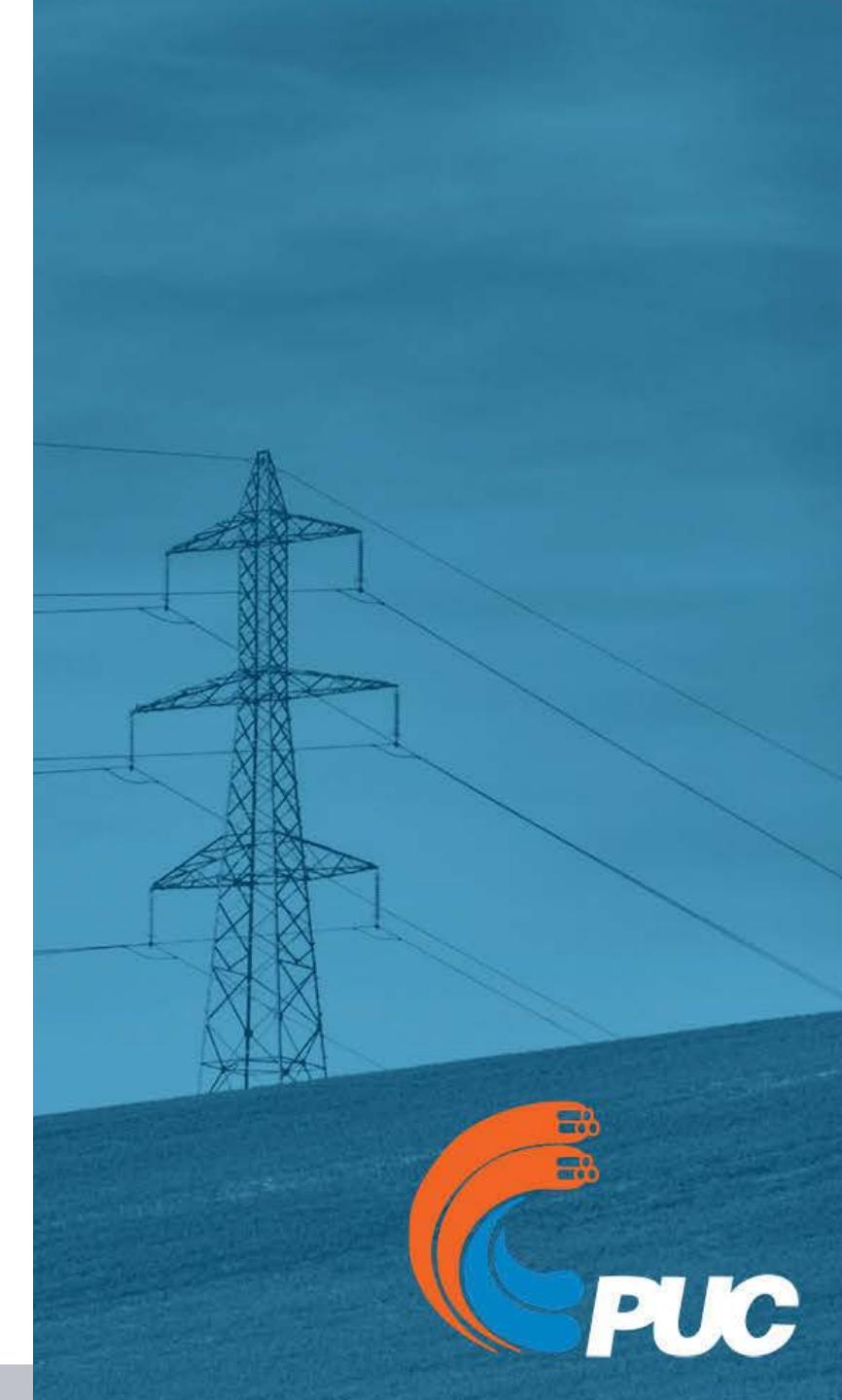
6:01 AM

...

1. Are you experiencing symptoms of COVID-19?
2. In the past 14 days, have you been in close contact with someone experiencing COVID-19 symptoms or who has been diagnosed with COVID-19?
3. In the past 14 days, has a member of your household been advised that they are a close contact to a confirmed or possible case that you have not yet disclosed to your manager?
4. In the past 14 days, have you been unable to follow Public Health Guidelines for the prevention of COVID-19 at work or outside of work?

6:01 AM

...





CUSTOMER-CENTRIC



AffordAbility Fund (AFT)





Education & Partnerships



Caution & Chance
School Program



Chamber of
Commerce
Member
Women in Business
Breakfast



Electrical
Awareness
Sessions



Emergency
Preparedness Event



INNOVATIVE

MyPUC App



2:15

WLTE

PUC Services Inc.

Updates

This is a test of push notifications
December 4, 2020 1:59 PM

PUC Releases Their 2019 Sustainability Report, "Investing in Our Communities"
NEW

Scroll for more news

My Bills

View Bills E-Billing Manage

Address	Due Date	Amount
12 MAIN ST	Jan 13, 2021	\$234.52
8 SECOND ST	Dec 15, 2020	\$679.31

Daily Usage

12 MAIN ST 0123456-78

KWh

Dec 8 Dec 9 Dec 10 Dec 11 Dec 12 Dec 13 Dec 14 Dec 15 Dec 16 Dec 17 Dec 18 Dec 19 Dec 20

Complete Readings Incomplete Readings

Need Help? Contact Us

OUTAGE MOVING CALL E-MAIL MORE

← Access to Water and Electrical Billing Information

← Visualize Energy Usage

Tiered Pricing → Explained

2:15

WLTE

PUC Services Inc.

Dec 8 Dec 9 Dec 10 Dec 11 Dec 12 Dec 13 Dec 14 Dec 15 Dec 16 Dec 17 Dec 18 Dec 19 Dec 20

Complete Readings Incomplete Readings

Need Help? Contact Us

OUTAGE MOVING CALL E-MAIL MORE

Time of Use

3:45 PM

11 AM-5 PM 5 PM-7 PM

7 AM-11 AM 7 PM-7 AM

15.0¢ kWh

Rate change in 1 hour & 15 minutes (5pm)
Next rate: 21.7¢

Tiered Pricing

How much electricity you use	Rate (¢ per kWh)
RESIDENTIAL	
Up to 1,000 kWh	12.6
More than 1,000 kWh	14.6
COMMERCIAL	
Up to 750 kWh	12.6
More than 750 kWh	14.6

PUC SERVICES INC.
500 SECOND LINE EAST

**FINANCIAL
RESULTS**

ACCOUNTABLE

Page 41 of 538



2020 Financial Results (in \$000's)



PUC Inc.	2018	2019	2020
Revenue	\$2,281.6	\$3,489.4	\$3,195.9
OM&A	\$2,232.4	\$2,279.6	\$2,263.0
Income	\$35.1	\$1,217.9	\$934.4



PUC Distribution Inc.	2018	2019	2020
Revenue	\$20,356.0	\$21,778.5	\$22,322.7
OM&A	\$11,601.5	\$11,470.2	\$11,471.1
Income	\$1,539.8	\$2,402.2	\$2,757.7
Capital Expenditures	\$5,770.3	\$5,833.4	\$6,401.6

2020 Financial Results (in \$000's)



PUC Services Inc.	2018	2019	2020
Revenue	\$17,495.6	\$21,850.5	\$23,380.7
OM&A	\$13,818.8	\$17,615.3	\$19,723.6
Income	\$1,271.9	\$1,316.2	\$657.8
Capital Expenditures	\$2,649.5	\$1,934.6	\$2,071.1

Public Utilities Commission	2018	2019	2020
Revenue	\$20,745.6	\$21,566.8	\$22,661.7
OM&A	\$13,399.5	\$13,525.6	\$13,481.7
Annual Surplus	\$4,656.8	\$5,335.8	\$6,498.5
Capital Expenditures	\$4,102.2	\$5,314.2	\$7,701.9

2020 Accomplishments





West Wastewater
Plant rebuild in
2020



↑
Successfully navigated a transformer and backup generator failure at Gros Cap pumping station



Zone 2 Booster Station – substantial progress in accordance with the multi-year project plan

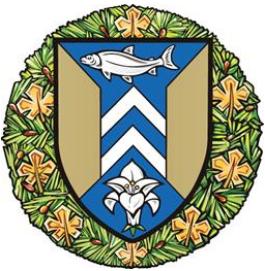




GOING GREEN WITH ELECTRIC VEHICLES AND REDUCING PAPER USAGE AT PUC



Thank you
Questions?



The Corporation of the City of Sault Ste. Marie

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

June 28, 2021

TO: Mayor Christian Provenzano and Members of City Council
AUTHOR: Malcolm White, CAO
DEPARTMENT: Chief Administrative Officer
RE: Dennis Street Terminal Relocation – Referral Resolution
Process

Purpose

To provide Council with information concerning the scope and process to be followed in addressing the referral resolution passed by Council at the 2021 06 14 Council meeting.

Background

At the 2021 06 14 Council meeting, during the consideration of the Dennis Street Terminal Relocation report, the following referral resolution was passed:

Resolved that the Dennis Street Terminal Relocation be referred to staff to research and report back with additional information regarding the feasibility of constructing a new terminal at the existing Dennis Street and Queen Street East site, including potential costs and long-term operational implications.

As outlined in the staff report accompanying the Environmental Assessment (EA) report, the potential relocation of the transit terminal to 111 Huron Street has been before Council a number of times in the past few years, specifically through approval of ICIP transit funding proposals and the approvals required for the present EA process.

Analysis

Simply put, the process staff will follow to research and report back on the matter of constructing a new terminal at the existing Dennis Street location and providing further information to Council does not change the scope of the current EA process. Council will be provided with feasibility and costing information to the same level as the terminal relocation and existing terminal renovation options in the initial report. We expect this report to be submitted to the July 12, 2021 Council meeting.

During Council's consideration of the referral resolution at the last meeting, there was a consensus that staff should also provide information regarding the process

Dennis Street Terminal Relocation – Referral Resolution Process

June 28, 2021

Page 2.

to consider relocating the terminal to other potential sites in the downtown area. To research and report on these considerations would require at least an amended EA process. It is likely that instead of a Schedule A+ process the EA would need to follow a Schedule B process, particularly if any potential location was near residential property. Proceeding with this process would involve additional costs (approximately \$30,000) and time (approximately 4-6 months) before a report could be returned to Council for consideration.

Financial Implications

There are no financial implications associated with this report.

Strategic Plan / Policy Impact

This report specifically addresses matters not articulated in the Strategic Plan.

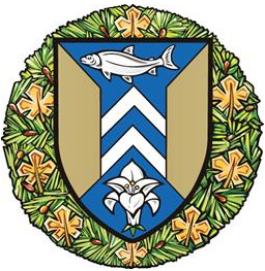
Recommendation

It is therefore recommended that Council take the following action:

Resolved that the report of the CAO dated 2021 06 28 concerning Dennis Street Terminal Relocation – Referral Resolution Process be accepted as information.

Respectfully submitted,

Malcolm White
CAO
705.759.5347
cao.white@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 28, 2021

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Shelley J. Schell CPA, CA Chief Financial Officer & Treasurer

Tom Vair, Deputy CAO-Community Development & Enterprise Services

DEPARTMENT: Corporate Services , Community Development & Enterprise Service

RE: New Optional Small Business Tax Class

PURPOSE

The purpose of this report is to provide Council information on the new optional Small Business Tax Class and seek approval to conduct a consultation with small and large business stakeholders.

BACKGROUND

The 2020 Ontario Budget released on November 5, 2020 announced a new optional small business property subclass. The Province provided this new optional class as some municipalities had requested additional property tax tools that would provide targeted relief to small businesses. The amendments to the Assessment Act would allow municipalities to define small business eligibility in a way that best meets local economic needs and priorities.

On May 14, 2021 the Province advised municipalities that the regulations establishing the new Optional Small Business Subclass were now enacted. This new subclass will be the responsibility of the municipality to administer. MPAC's sole responsibility will be to move the properties specified by municipalities into and out of the sub-class.

ANALYSIS

Municipalities have unprecedented flexibility in determining what relief and to whom receives it with the new optional small business subclass. It allows a tax discount up to 35% in either or both of the Broad Commercial and Broad Industrial Property Classes, but excludes Large Industrial, Parking Lots and Vacant/Excess Land. It can apply to all or part of a municipality. The municipality can require that the discount be passed on to tenants. There is also

an option to use an application system to determine eligibility of properties in the sub-class, either annually or one-time.

The Province has indicated that they will provide matching reductions in the Education Tax Rate on a “case-by-case” basis. Specific requirements must be fulfilled for the Province to consider authorizing the matching funds.

Municipalities must provide to the Minister of Finance:

- A municipal by-law outlining the requirements as well as the estimated total municipal tax relief to small businesses.
- Evidence that the municipality conducted consultations with business stakeholders regarding the small business property subclass.

Defining what constitutes a small business needs to be determined by the municipality. It can be defined in a number of ways including, but not limited to:

- Size of business (franchises, revenue, number of employees)
- Property value
- Class of business (restaurants, retail, office, services, etc)
- Physical address (ie geographic area)
- Site characteristics (lot size, business square footage, etc)

Many of these characteristics are not part of the traditional assessment information provided by MPAC and would require an application based system to administer.

If the sub-class is implemented it can be funded in three ways:

- Reduction in the levy, which would require either a service reduction or substantial savings from efficiency implementation
- Across all property tax classes, which transfers and distributes the cost to all other property classes
- Within the Broad Commercial and Industrial Property tax classes, which means the other business properties in the class would pay for the cost of the discount

Municipalities are required to administer the new sub-class as well as provide a program administrator and an arbitrator, who must be municipal staff but cannot be the Clerk or Treasurer. It is likely additional resources will be required to administer the sub-class.

As can be seen, there is a lot to take into consideration in deciding whether or not to implement this optional property tax sub-class. Consideration should be given as well to the local long term tax policy and the implications to the identified inequity in the tax ratios for the Commercial and Industrial classes. Since the implementation of the long term tax policy in 2017, the ratios of these classes have been methodically and proactively reduced to provide that they are less than the previous year while at the same time trying to manage the residential

increase to be at or less than the levy increase. Both these classes are also still subject to capping so not all properties are at the current value assessment (CVA). This means that decreasing properties are still funding increasing properties.

The new small business sub-class can be used as an economic development tool. Staff are undertaking research to examine the approach being considered by other communities in Northern Ontario and across the Province. Currently, the City does offer business support through the Community Development Fund – Economic Development Program, advisory support services through economic development staff and various funding programs through the Millworks Centre for Entrepreneurship.

In addition, partner organizations such as the Sault Ste. Marie Innovation Centre and Community Development Corporation of Sault Ste. Marie and Area offer support services and funding programs. Staff will consult with these organizations, as well as the Chamber of Commerce and Downtown Association, as it undertakes its consultation.

Staff will require time to study potential options and to model impacts and funding recommendations. It is hoped to have a recommendation for the 2022 tax year. Consultation would be held with various stakeholder groups regarding whether they support the inclusion of a new subclass and if so receive their input into:

- Proposed inclusion criteria
- The amount of relief proposed
- How it will be funded
- Other municipal support that would assist businesses, financial or otherwise.

FINANCIAL IMPLICATIONS

Consultation costs should be minimal and can be accommodated with the corporate operating budget.

The cost of implementing a new sub-class will be dependent upon the option recommended which will be reported to Council after consultation.

STRATEGIC PLAN / POLICY IMPACT

This matter is addressed in the Corporate Strategic Plan Focus Areas:

- Community Development & Partnerships – Maximize Economic Development and Investment: We foster an environment where economic development dollars are maximized so that existing and new business can flourish.

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the Chief Financial Officer and Treasurer and Deputy CAO-CD & ES dated 2021 06 28 regarding the new Optional Small Business Sub class be received and that consultation with the various stakeholder groups be approved.

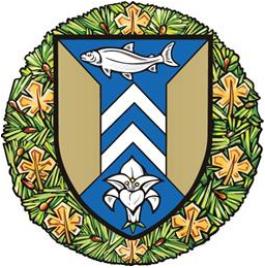
Respectfully submitted,



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



Tom Vair
Deputy CAO, Community
Development and Enterprise
Services
705.759.5264
t.vair@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 28, 2021

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Jacob Bruzas, CPA, CA, Manager of Finance

DEPARTMENT: Corporate Services

RE: 2020 Audited Financial Statements

PURPOSE

The purpose of this report is to approve the attached draft Audited Consolidated Financial Statements and Trust Fund Statements for the year ended December 31, 2020.

BACKGROUND

The Finance Committee met on June 23, 2021 with the City's auditor KPMG LLP, Chartered Professional Accountants, to review the 2020 City financial audit and the following resolution was approved:

Moved by: P. Collett

Seconded by: P. Christian

Resolved that the Finance Committee receive the 2020 Audited Financial Statements and recommend to City Council for approval.

ANALYSIS

Not applicable.

FINANCIAL IMPLICATIONS

Not applicable.

STRATEGIC PLAN / POLICY IMPACT

This is not an activity directly related to the Strategic Plan.

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the Manager of Finance dated June 28, 2021 concerning the 2020 Audited Financial Statements be received and the recommendation that the Audited Consolidated Financial Statements and Trust Fund Statements for 2020 be approved.

2020 Audited Financial Statements

2021 06 28

Page 2.

Respectfully submitted,

Jacob Bruzas, CPA, CA

Manager of Finance

705.759.5356

j.bruzas@cityssm.on.ca

Consolidated Financial Statements of

**THE CORPORATION OF THE
CITY OF SAULT STE. MARIE**

Year ended December 31, 2020

DRAFT

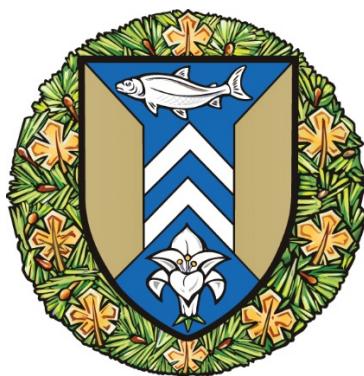
THE CORPORATION OF THE CITY OF SAULT STE. MARIE

Consolidated Financial Statements

Year ended December 31, 2020

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Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of The Corporation of The City of Sault Ste. Marie (the "City") are the responsibility of the City's management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards. A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of the consolidated financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The City's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

The finance committee meets with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by KPMG LLP, independent external auditors appointed by the City. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the City's consolidated financial statements.

Chief Administrative Officer

Chief Financial Officer / City Treasurer



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 Members of Council, Inhabitants and Ratepayers of The Corporation of The City of Sault Ste. Marie

Opinion

We have audited the consolidated financial statements of The Corporation of The City of Sault Ste. Marie (the "City"), which comprise:

- the consolidated statement of financial position as at December 31, 2020
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated 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 consolidated financial position of the City as at December 31, 2020 and its consolidated results of operations, its consolidated changes in net financial assets and its consolidated 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 auditors' report.

We are independent of the City in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical 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 City'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 City or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the City'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 City'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 City'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 City 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 represent 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Chartered Professional Accountants, Licensed Public Accountants

Sault Ste. Marie, Canada
June 28, 2021

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

Consolidated Statement of Financial Position

December 31, 2020, with comparative information for 2019

	2020	2019
Financial assets		
Cash and cash equivalents	\$ 60,031,403	\$ 92,416,792
Temporary investments (note 2)	25,186,777	-
Taxes receivable (note 3)	2,636,611	2,432,323
Accounts receivable	25,935,964	23,130,148
Investment in government business enterprises (note 8)	80,515,168	77,164,453
	<u>194,305,923</u>	<u>195,143,716</u>
Financial liabilities		
Accounts payable and accrued liabilities	26,653,657	27,380,698
Temporary advances from trust funds	223,838	-
Deferred revenue (note 4)	4,763,540	5,885,578
Net long-term liabilities (note 5):		
The Corporation of the City of Sault Ste. Marie	1,707,170	3,285,928
Net long-term liabilities (note 6):		
Public Utilities Commission of the City of Sault Ste. Marie	4,376,289	5,158,807
Net long-term liabilities (note 7)		
Sault Ste. Marie Public Library	2,144,653	-
Landfill closure and post closure liability (note 15)	25,258,760	24,869,266
Future employee benefit obligations (note 14)	39,691,607	40,021,468
	<u>104,819,514</u>	<u>106,601,745</u>
Net financial assets	89,486,409	88,541,971
Non-financial assets:		
Tangible capital assets (note 16)	519,938,224	486,445,837
Prepaid expenses	326,913	707,070
Inventories	2,899,449	2,760,557
	<u>523,164,586</u>	<u>489,913,464</u>
Contingent liabilities (note 13)		
Impacts of COVID-19 (note 20)		
Accumulated surplus (note 17)	\$ 612,650,995	\$ 578,455,435

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

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31, 2020, with comparative information for 2019

	Budget (note 9)	2020	2019
Revenue:			
Property taxation	\$ 120,985,175	\$ 121,365,878	\$ 117,658,457
Taxation from other governments	4,347,584	4,480,451	4,347,638
Fees and user charges	51,808,550	42,953,873	55,590,868
Government grants (note 18)	34,667,673	43,125,586	32,129,765
Interest income	5,755,000	3,401,645	6,747,524
Other	2,121,424	3,017,780	2,475,748
Developer contributions (note 16)	-	1,389,249	628,287
Gain on disposal of tangible capital assets	-	-	104,021
Net income of government business enterprises (note 8)	-	3,960,795	4,275,873
Total revenue	219,685,406	223,695,257	223,958,181
Expenses:			
General government	17,312,813	16,156,349	18,069,082
Protection services	46,230,805	47,320,448	49,253,399
Transportation services	35,769,370	37,804,655	37,081,452
Environmental services	27,912,915	25,308,377	27,893,881
Health services	3,779,580	4,086,699	11,192,967
Social and family services	19,258,398	19,014,559	19,168,426
Recreation and cultural services	19,451,624	15,792,016	17,179,199
Planning and development	1,662,134	3,097,440	3,709,693
Amortization of tangible capital assets	20,327,698	20,371,044	19,644,064
Loss on disposal of tangible capital assets	-	548,110	-
Total expenses	191,705,337	189,499,697	203,192,163
Annual surplus	27,980,069	34,195,560	20,766,018
Accumulated surplus, beginning of year	578,455,435	578,455,435	557,689,417
Accumulated surplus, end of year	\$ 606,435,504	\$ 612,650,995	\$ 578,455,435

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

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

Consolidated Statement of Changes in Net Financial Assets

Year ended December 31, 2020, with comparative information for 2019

	Budget (note 9)	2020	2019
Annual surplus	\$ 27,980,069	\$ 34,195,560	\$ 20,766,018
Acquisition of tangible capital assets	(75,600,650)	(55,049,049)	(37,270,616)
Amortization of tangible capital assets	20,327,698	20,371,044	19,644,064
Loss (gain) on sale of tangible capital assets	-	548,110	(104,021)
Proceeds on sale of tangible capital assets	-	637,508	293,055
	(27,292,883)	703,173	3,328,500
Change in prepaid expenses	-	380,157	(66,663)
Change in inventories	-	(138,892)	(232,079)
Change in net financial assets	(27,292,883)	944,438	3,029,758
Net financial assets, beginning of year	86,310,598	88,541,971	85,512,213
Net financial assets, end of year	\$ 59,017,715	\$ 89,486,409	\$ 88,541,971

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

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

Consolidated Statement of Cash Flows

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 34,195,560	\$ 20,766,018
Items not involving cash:		
Amortization of tangible capital assets	20,371,044	19,644,064
Loss (gain) on sale of tangible capital assets	548,110	(104,021)
Developer contributions	(1,389,249)	(628,287)
Change in future employee benefit obligations	(329,861)	951,174
Change in landfill closure and post-closure liability	389,494	818,791
Net income of government business enterprise (note 8)	<u>(3,960,795)</u>	<u>(4,275,873)</u>
	49,824,303	37,171,866
Change in non-cash assets and liabilities:		
Taxes receivable	(204,288)	2,260,216
Accounts receivable	(3,489,153)	(7,703,813)
Other current assets	-	126,114
Prepaid expenses	380,157	(66,663)
Inventories	(138,892)	(232,079)
Accounts payable and accrued liabilities	(43,705)	7,710,006
Deferred revenue	(1,122,038)	5,010,702
Temporary advances from trust funds	223,839	-
	45,430,223	44,276,349
Capital activities:		
Proceeds on sale of tangible capital assets	637,508	293,055
Cash used to acquire tangible capital assets	<u>(51,403,906)</u>	<u>(36,642,329)</u>
	<u>(50,766,398)</u>	<u>(36,349,274)</u>
Investing activities:		
Dividends received from Government Business Enterprises	610,080	1,010,080
Financing activities:		
Repayment of long-term liabilities	(2,472,517)	(2,343,167)
Net change in cash	(7,198,612)	6,593,988
Cash and cash equivalents, beginning of year	92,416,792	85,822,804
Cash and cash equivalents, end of year	<u>\$ 85,218,180</u>	<u>\$ 92,416,792</u>
Cash position consists of:		
Cash and cash equivalents	\$ 60,031,403	\$ 92,416,792
Temporary investments (note 2)	25,186,777	-
	<u>\$ 85,218,180</u>	<u>\$ 92,416,792</u>

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

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

Notes to Consolidated Financial Statements

Year ended December 31, 2020

The City of Sault Ste. Marie (the "City") is a municipality that was created on April 16, 1912 pursuant to the Municipal Act. The City provides municipal services such as police, fire, public works, planning, parks and recreation, library and other general government operations.

1. Significant accounting policies:

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

(a) Basis of consolidation:

(i) Consolidated entities:

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the City and which are owned or controlled by the City except for the City's government business enterprises which are accounted for on the modified equity basis of accounting.

These entities and organizations include:

Sault Ste. Marie Police Services Board
Public Utilities Commission of the City of Sault Ste. Marie ("Commission")
Sault Ste. Marie Public Library
Tourism Sault Ste. Marie

Interdepartmental and inter-organizational transactions and balances between these entities and organizations have been eliminated.

(ii) Investment in Government Business Enterprises:

The City's investment in PUC Inc. and PUC Services Inc. is accounted for on a modified equity basis, consistent with Canadian generally accounting principles as recommended by PSAB for investments in government business enterprises. Under the modified equity basis, PUC Inc.'s and PUC Services Inc.'s accounting policies are not adjusted to conform with those of the municipality and inter-organizational transactions and balances are not eliminated. The City recognizes its equity interest in the annual income or loss of PUC Inc. and PUC Services Inc. in its consolidated statement of operations and accumulated surplus with a corresponding increase or decrease in its investment asset account. Any dividends that the City may receive from PUC Inc. and PUC Services Inc. will be reflected as reductions in the investment asset account.

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

Notes to Consolidated Financial Statements

Year ended December 31, 2020

1. Significant accounting policies (continued):

(a) Basis of consolidation (continued):

(iii) Related entities:

The consolidated financial statements do not reflect the assets, liabilities, sources of financing, expenses and the activities of the following Boards and enterprises which are not under the control of Council.

Algoma Public Health

District of Sault Ste. Marie Social Services Administration Board

Board of Management of Queenstown

Sault Ste. Marie Public Region Conservation Authority

(iv) Trust funds:

Trust funds and their related operations administered by the City are not included in the consolidated financial statements.

(b) Basis of accounting:

The City follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

(c) Revenue recognition:

The City prepared tax billings based on assessment rolls issued by the Municipal Property Assessment Corporation, in accordance with rates established and approved annually by Council and the Province of Ontario. Taxation revenue is recognized in the period in which the taxes are levied.

Government transfers are recognized in the period in which the events giving rise to the transfer occurred, provided that the transfer is authorized and the amount can be reasonably estimated. Government grants are recognized when approved to the extent the related expenditures have been incurred and collection can be reasonably assured.

User fees and other revenues are recognized when the services are performed or goods are delivered, collection of the relevant receivable is probable, persuasive evidence of an arrangement exists and fees are fixed or determinable. Amounts received for future services are deferred until the service is provided.

(d) Temporary investments:

Temporary investments are recorded at the lower of cost and market value.

(e) Inventories:

Inventories held for resale are stated at the lower of cost and net realizable value, while inventories of supplies are stated at lower of cost and replacement value.

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

Notes to Consolidated Financial Statements

Year ended December 31, 2020

1. Significant accounting policies (continued):

(f) Deferred revenue:

Deferred revenues represent licenses, permits and other fees which have been collected, but for which the related services or inspections have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

A requirement for local governments is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as provincial legislation and other agreements restrict how these funds may be used and under certain circumstances these funds may possibly be refunded. Given the restriction in use until spent on qualifying projects or expenses these amounts are deferred.

(g) 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 (if applicable) residual value of the tangible capital assets excluding land, are amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Useful Life - Years
Landfill and land improvements	10 - 30 years
Buildings and building improvements	10 - 60 years
Vehicles	3 - 15 years
Machinery and equipment	5 - 25 years
Infrastructure	15 - 100 years

Half year 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.

ii. Contributions for tangible capital assets

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

iii. Leased tangible capital assets

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets and amortized over the term of the lease. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

Notes to Consolidated Financial Statements

Year ended December 31, 2020

1. Significant accounting policies (continued):

(h) Use of estimates:

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates include assumptions used in estimating provisions for accrued liabilities, landfill liability and in performing actuarial valuations of employee future benefits.

In addition, the City's implementation of the Public Sector Accounting Handbook PS3150 has required management to make estimates of historical cost and useful lives of tangible capital assets.

Actual results could differ from these estimates.

(i) Employee future benefits:

- i. The City provides certain benefits which will require funding in future periods. These benefits include sick leave, benefits under the Workplace Safety and Insurance Board ("WSIB") Act, and life insurance, extended health and dental benefits for early retirees.

The costs of sick leave, benefits under the Workplace Safety and Insurance Board Act and life insurance, extended health and dental benefits are actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement, insurance and health care cost trends, long-term inflation rates and discount rates.

For self-insured retirement and other employee future benefits that vest or accumulated over the periods of service provided by employees, such as retirement gratuities, compensated absences and health, dental and life insurance benefits for retirees, the cost is actuarially determined using the projected benefits method prorated on service. Under this method, the benefit costs are recognized over the expected average service life of the employee group. Any actuarial gains and losses related to the past service of employees are amortized over the expected average remaining service life of the employee group.

For those self-insured benefit obligations that arise from specific events that occur from time to time, such as obligations for workers' compensation and life insurance and health care benefits for those on disability leave, the cost is recognized immediately in the period the events occur. Any actuarial gains and losses that are related to these benefits are recognized immediately in the period they arise.

- ii. The costs of multi-employer defined contribution pension plan benefits, such as the Ontario Municipal Employees Retirement System pensions ("OMERS"), are the employer's contributions due to the plan in the period.

(j) Landfill liability:

The liability for closure of operational sites and post-closure care has been recognized based on estimated future expenses, estimated inflation and the usage of the site's capacity during the year.

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

Notes to Consolidated Financial Statements

Year ended December 31, 2020

2. Temporary investments:

Temporary investments consist of GIC's with interest rates between 1.0% to 1.6% with maturity dates ranging from June 2021 to June 2022.

3. Tax revenues:

Property tax billings are prepared by the City based on an assessment roll prepared by the Municipal Property Assessment Corporation ("MPAC"), an agency of the Ontario government. All assessed property values in the City were reviewed and new values established based on a common valuation date which was used by the City in computing the property tax bills for 2020. However, the property tax revenue and tax receivables of the City are subject to measurement uncertainty as a number of significant appeals submitted by ratepayers have yet to be heard.

The City has established an allowance for tax appeals and other items in the amount of \$2,210,000 (2019 - \$2,210,000). Any supplementary billing adjustments made necessary by the determination of such changes will be recognized in the fiscal year they are determined.

4. Deferred revenue:

The balances in the deferred revenue of the City consist of:

	2020	2019
Federal Gas Tax	\$ 3,166,352	\$ 4,629,070
Other programs	905,889	601,238
Parkland	347,319	391,141
Building permits Bill 124	265,612	256,625
Provincial Gas Tax	78,368	7,504
	<hr/> \$ 4,763,540	<hr/> \$ 5,885,578

Continuity of deferred revenue is as follows:

	2020	2019
Balance, beginning of year:		
Federal Gas Tax	\$ 4,629,070	\$ 391,957
Other programs	601,238	-
Parkland	391,141	315,704
Building permits Bill 124	256,625	109,421
Provincial Gas Tax	7,504	38,722
Development charges act	-	19,072
	<hr/> 5,885,578	<hr/> 874,876
Other revenue	16,380	51,061
Interest earned	64,486	121,169
Total revenue	80,866	172,230
Contributions deferred	852,478	4,947,410
Contributions taken into revenue	(2,055,382)	(108,938)
Balance, end of year	<hr/> \$ 4,673,540	<hr/> \$ 5,885,578

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

Notes to Consolidated Financial Statements

Year ended December 31, 2020

5. Net long-term liabilities:

	2020	2019
Net long-term liabilities incurred by: The Corporation of the City of Sault Ste. Marie	\$ 1,707,170	\$ 3,285,928

Principal repayments recoverable over the next two years are as follows:

2021	\$ 635,312
2022	58,770

The annual principal and interest payments required to service the long-term obligations of the City are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

The long-term obligations issued in the name of the City have received approval of the Ontario Municipal board for those approved on or before December 31, 1992. Those approved after January 1, 1993 have been approved by by-law.

The above long-term debt has various maturity dates and interest rates ranging from due on demand to 2022 and 0% to 5.15% respectively. Interest paid in the year and included in current expenses is \$112,651 (2019 - \$202,583).

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

Notes to Consolidated Financial Statements

Year ended December 31, 2020

6. Net long-term liabilities:

	2020	2019
--	------	------

Net long-term liabilities incurred by:

Public Utilities Commission of the City of Sault Ste. Marie \$ 4,736,289 \$ 5,158,807

Principal repayments recoverable over the next five years are as follows:

2021	\$ 807,205
2022	832,670
2023	858,938
2024	886,035
2025	913,987

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.

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

Notes to Consolidated Financial Statements

Year ended December 31, 2020

7. Net long-term liabilities:

	2020	2019
Net long-term liabilities incurred by:		
Sault Ste. Marie Public Library	\$ 2,144,653	\$ —
The Sault Ste. Marie Public Library has entered into a 20-year lease for a branch location. Capital lease repayments are due as follows:		
2021	\$ 202,092	
2022	202,401	
2023	202,401	
2024	202,401	
2025	202,401	
2026 – 2039	1,869,806	
Total minimum lease payments	2,881,502	
Less amount representing interest at 4%	(736,849)	
Present value of net minimum capital lease payments	\$ 2,144,653	

The current minimum monthly lease payments are \$16,764 plus harmonized sales tax for the first 10 years and \$10,100 plus harmonized sales tax for the final 10 years, expiring in March 2039 with options for renewal. Minimum monthly payments are subject to annual inflationary increases not to exceed 2% in any year.

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

Notes to Consolidated Financial Statements

Year ended December 31, 2020

8. Investment in government business enterprises:

PUC Inc. is incorporated under the laws of the Province of Ontario and provides municipal electrical distribution and other services to the residents of Sault Ste. Marie as well as other communities in Northern Ontario. The City owns 100% of the outstanding shares of PUC Inc. PUC Services Inc. is incorporated under the laws of the Province of Ontario and provides management, operations and maintenance services related to water, wastewater and electrical services to its related entities and other organizations. The City owns 100% of the outstanding shares of PUC Services Inc.

The following schedule reflects the combined financial information of PUC Inc. and PUC Services Inc. as at December 31:

	2020	2019
Financial Position:		
Current assets	\$ 34,649,121	\$ 36,351,182
Notes receivable	8,515,331	8,515,331
Future income tax assets	2,164,000	580,000
Capital assets	122,312,882	116,348,287
Goodwill	3,627,340	3,627,340
Regulatory assets	2,684,573	3,563,593
Total assets	\$ 173,953,247	\$ 168,985,733
Current liabilities	\$ 24,486,932	\$ 27,106,479
Employee future benefit obligations	10,820,871	2,095,366
Notes payable	2,349,497	75,703,158
Long-term debt	1,763,360	2,097,174
Deferred revenue	80,051,019	10,766,518
Regulatory liabilities	5,686,400	5,772,585
Total liabilities	125,158,079	123,541,280
Shareholder's equity	48,795,168	45,444,453
Total liabilities and equity	\$ 173,953,247	\$ 168,985,733

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

Notes to Consolidated Financial Statements

Year ended December 31, 2020

8. Investment in government business enterprises (continued):

	2020	2019
Results of operations:		
Revenues	\$ 144,601,826	\$ 129,033,195
Expenses	(140,062,029)	(123,661,766)
Provision for payment in lieu of taxes	(490,735)	(693,354)
Other comprehensive loss	(88,267)	(402,202)
Net income for the year	\$ 3,960,795	\$ 4,275,873

The City's investment in government business enterprises is comprised of:

Common shares	\$ 15,668,248	\$ 15,668,248
Special shares	15,513,300	15,513,300
Accumulated other comprehensive income	162,758	251,025
Retained earnings	17,450,862	14,011,880
 Equity, end of year	 48,795,168	 45,444,453
Notes receivable	31,720,000	31,720,000
Investment in government business enterprises	\$ 80,515,168	\$ 77,164,453

The notes receivable include an unsecured note for \$6,720,000 bearing interest at 6.1% per annum, payable one year after demand and an unsecured note for \$25,000,000 bearing interest at rates negotiated periodically, currently 6.1%, payable one year after demand.

Related Party Transactions

Related party transactions between the City and government business enterprises are as follows:

- (i) At December 31, 2020, the City has the following amounts included in the consolidated statement of financial position:

A receivable of \$3,225,975 (2019 - \$3,638,662) for sewer surcharges, interest and dividends.

A payable of \$1,144,033 (2019 - \$1,043,588) for street lighting and various electricity and water invoices

- (ii) Revenues included in the Consolidated Statement of Operations and Accumulated Surplus of the City are:

	2020	2019
Interest on note receivable	\$ 1,935,000	\$ 1,934,920
Other interest	103,412	102,122
Dividends	610,080	1,010,080
Property taxes	313,089	315,231
	 \$ 2,961,581	 \$ 3,362,353

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

Notes to Consolidated Financial Statements

Year ended December 31, 2020

8. Investment in government business enterprises (continued):

Related Party Transactions (continued)

- (iii) Expenses included in the Consolidated Statement of Operations and Accumulated Surplus of the City are:

	2020	2019
Management fees charged to Commission	\$ 5,704,523	\$ 5,088,197
Electricity and electricity services	3,915,844	4,277,141
Water and wastewater services	3,404,540	3,519,733
Electricity charged for streetlights	631,183	635,219
Streetlight maintenance	422,505	438,079
	<hr/> \$ 14,078,595	<hr/> \$ 13,958,369

Transactions with related parties are in the normal course of operations and are recorded at the exchange amount, which is the amount agreed to by the related parties. It is management's opinion that the exchange amount represents fair market value for these services.

9. Budget figures:

The Budget By-law adopted by Council for the 2020 year was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Public Sector Accounting Standards now require a full accrual basis. The budget figures anticipated use of reserves to reduce current year expenses in excess of current year revenues to \$Nil. In addition, the budget expensed all tangible capital expenditures rather than including amortization expense. As a result, the budget figures presented in the consolidated statements of operations and accumulated surplus and change in net financial assets represent the financial plan adopted by Council with adjustments as follows:

	2020	2019
Adopted budget by-law for the year	\$ —	\$ —
Adjustments to adopted budget:		
Debt principal repayments	2,865,964	2,673,105
Investment in tangible capital assets	75,600,650	64,867,477
Amortization of tangible capital assets	(20,327,698)	(19,636,975)
Net transfer to/from reserves and other	(30,158,847)	(17,911,343)
Budget surplus per consolidated statement of operations and accumulated surplus	<hr/> \$ 27,980,069	<hr/> \$ 29,992,264

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

Notes to Consolidated Financial Statements

Year ended December 31, 2020

10. Pension agreements:

The City makes contributions to the Ontario Municipal Employees Retirement System pension fund ("OMERS"), which is a multi-employer plan, on behalf of all permanent, full-time members of its staff. This plan is a defined benefit plan which specifies the amount of the retirement to be received by the employees based on the length of service and rates of pay.

The amount contributed to OMERS for 2020 was \$6,365,697 (2019 - \$6,726,547) is included as an expense on the consolidated statement of operations and accumulated surplus.

11. Operations of school boards:

During 2020, the City collected and transferred property taxes totaling \$19,261,555 (2019 - \$19,634,158) on behalf of area school boards.

12. Trust funds:

The trust funds administered by the City amounting to \$8,893,843 (2019 - \$8,494,107) are presented in a separate financial statement of trust fund balances and operations. As such balances are held in trust by the City for the benefit of others; they are not presented as part of the City's financial position or financial activities. At December 31, 2020, the trust fund balances are comprised of:

	2020	2019
Cemetery Care and Maintenance funds	\$ 6,117,708	\$ 5,832,001
Pre-need assurance	2,535,513	2,436,878
Transit employees' pension	80,417	79,645
Historic Sites	113,178	99,153
Heritage Sault Ste. Marie	29,815	29,529
Ontario Home Renewal Program	2,916	2,916
Cultural Endowment	14,296	13,985
	<hr/> \$ 8,893,843	<hr/> \$ 8,494,107

13. Contingent liabilities:

The City has been named in litigation matters, the outcome of which is not determinable and accordingly, no provision has been made for them in these consolidated financial statements. Should any loss result from these claims, such loss would be charged to operations in the year of resolution.

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

Notes to Consolidated Financial Statements

Year ended December 31, 2020

14. Employee future benefit obligations:

Employee future benefits are liabilities of the City to its employees and early retirees for the following benefits earned but not taken as at December 31, 2020 are as follows:

	2020	2019
Future payments required to W.S.I.B.	\$ 12,958,586	\$ 13,688,183
Post-employment and post-retirement benefits	16,395,752	16,702,240
Vacation pay	7,800,677	7,145,921
Non-vesting sick leave benefits	2,536,592	2,485,124
Employee future benefit obligations	\$ 39,691,607	\$ 40,021,468

Post employment and post retirement benefits

The City provides non-pension benefits to employees and retirees until they reach 65 years of age. The values that follow have been estimated based upon employee data available during the actuarial review which was completed as at December 31, 2020.

The benefit liability continuity is as follows:

	2020	2019
Accrued benefit liability, January 1	\$ 16,702,240	\$ 16,026,042
Expense	1,623,918	2,116,602
Payments	(1,648,535)	(1,440,404)
Transfer payments	(281,871)	-
Accrued benefit liability, December 31	\$ 16,395,752	\$ 16,702,240

Significant assumptions

Discount rate	2.25%
Health cost increase	5.0% - 6.25%

Non-vesting sick leave benefits

Sick leave benefits accrue to City employees at a rate of one and a half days per month. Unused sick days are banked and may be used in the future if sick leave is beyond yearly allocation. No cash payments are made for unused sick time upon termination or retirement.

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

Notes to Consolidated Financial Statements

Year ended December 31, 2020

14. Employee future benefit obligations (continued):

Accrued vacation pay

Accrued vacation pay represents the liability for vacation entitlements earned by employees but not taken as at December 31, 2020.

Future payments for Worker's Safety and Insurance Board (WSIB)

Under the provisions of the Workplace Safety and Insurance Board Act, the City has elected to be treated as a Schedule 2 employer and remits payments to the WSIB as required, to fund current disability payments. An actuarial estimate of future liabilities has been completed and forms the basis for the estimated liability.

15. Landfill closure and post-closure liability:

The Environmental Protection Act sets out the regulatory requirements to properly close and maintain all active and inactive landfill sites. Under environmental law, there is a requirement for closure and post-closure care of solid waste landfill sites. This requirement is to be provided for over the estimated life of the landfill site based on usage.

Landfill closure and post-closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspection and maintenance. The reported liability is based on estimates and assumptions with respect to events extending over a sixty year period using the best information available to management. Future events may result in significant changes to the estimated total expenditures capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

The City operates one primary landfill site, the 5th Line Landfill. The site has capacity of approximately 3,000,000 metric tons with approximately 366,000 metric tons of remaining capacity. At current average fill rates, the site has a remaining operating life of approximately 6.1 years.

It is estimated that the total net present value of the cost to close and maintain the 5th Line Landfill site is approximately \$28,768,519 (2019 - \$28,585,363). At December 31, 2020, an amount of \$25,258,760 (2019 - \$24,869,266) with respect to landfill closure and post-closure liability has been accrued and will be funded from future taxation revenues. The City has established a reserve to contribute to the cost of closing and maintaining the landfill site of \$10,569,840 (2019 - \$10,859,160).

The City is undertaking a full Environmental Assessment of the landfill site to determine future options which may extend the operating life of the landfill.

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

Notes to Consolidated Financial Statements

Year ended December 31, 2020

16. Tangible capital assets

	2020								
	Land	Landfill and Improvements	Buildings and Building Improvements	Infrastructure	Machinery and Equipment	Vehicles	Assets under Capital Lease	Assets under Construction	Total
Cost									
Balance, beginning of the year	\$ 26,409,258	\$ 13,584,278	\$ 97,904,541	\$ 583,009,654	\$ 32,472,223	\$ 34,035,692	-	\$ 40,318,917	\$ 827,734,563
Additions	1,606,435	-	1,307,330	32,437,886	3,730,417	4,640,747	2,494,956	18,621,719	64,839,490
Disposals	(132,095)	-	(1,968,513)	(4,388,085)	(1,367,276)	(1,797,906)	-	(9,790,441)	(19,444,316)
Balance, end of year	27,883,598	13,584,278	97,243,358	611,059,455	34,835,364	36,878,533	2,494,956	49,150,195	873,129,737
Accumulated Amortization									
Balance, beginning of the year	-	(9,675,307)	(42,444,771)	(249,586,259)	(19,009,683)	(20,572,706)	-	-	(341,288,726)
Disposals/transfers	-	-	1,390,781	4,307,440	1,127,911	1,642,125	-	-	8,468,257
Amortization expense	-	(393,921)	(2,177,270)	(13,025,258)	(2,118,117)	(2,439,042)	(217,436)	-	(20,371,044)
Balance, end of year	-	(10,069,228)	(43,231,260)	(258,304,077)	(19,999,889)	(21,369,623)	(217,436)	-	(353,191,513)
Net book value, end of year	\$ 27,883,598	\$ 3,515,050	\$ 54,012,098	\$ 352,755,378	\$ 14,835,475	\$ 15,508,910	\$ 2,277,520	\$ 49,150,195	\$ 519,938,224
Net book value, beginning of year	\$ 26,409,258	\$ 3,908,971	\$ 55,459,770	\$ 333,423,395	\$ 13,462,540	\$ 13,462,986	-	\$ 40,318,917	\$ 486,445,837

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

Notes to Consolidated Financial Statements

Year ended December 31, 2020

16. Tangible capital assets

	2019							
	Landfill and Land Improvements	Buildings and Building Improvements	Infrastructure	Machinery and Equipment	Vehicles	Assets under Construction	Total	
	Land							
Cost								
Balance, beginning of the year	\$ 25,768,832	\$ 13,584,278	\$ 96,726,843	\$ 577,656,182	\$ 29,162,493	\$ 31,629,589	\$ 23,670,875	\$ 798,199,092
Additions	796,338	-	1,177,698	11,267,929	4,171,522	3,209,087	19,253,609	39,876,183
Disposals	(155,912)	-	-	(5,914,457)	(861,792)	(802,984)	(2,605,567)	(10,340,712)
Balance, end of year	26,409,258	13,584,278	97,904,541	583,009,654	32,472,223	34,035,692	40,318,917	827,734,563
Accumulated Amortization								
Balance, beginning of the year	-	(9,145,644)	(40,304,475)	(242,596,457)	(17,989,727)	(19,154,470)	-	(329,190,773)
Disposals/transfers	-	-	-	5,914,457	845,522	786,132	-	7,546,111
Amortization expense	-	(529,663)	(2,140,296)	(12,904,259)	(1,865,478)	(2,204,368)	-	(19,644,064)
Balance, end of year	-	(9,675,307)	(42,444,771)	(249,586,259)	(19,009,683)	(20,572,706)	-	(341,288,726)
Net book value, end of year	\$ 26,409,258	\$ 3,908,971	\$ 55,459,770	\$ 333,423,395	\$ 13,462,540	\$ 13,462,986	\$ 40,318,917	\$ 486,445,837
Net book value, beginning of year	\$ 25,768,832	\$ 4,438,634	\$ 56,422,368	\$ 335,059,725	\$ 11,172,766	\$ 12,475,119	\$ 23,670,875	\$ 469,008,319

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

Notes to Consolidated Financial Statements

Year ended December 31, 2020

16. Tangible capital assets (continued):

a) Assets under construction:

Assets under construction having a value of \$49,150,195 (2019 - \$40,318,917) have not been amortized. Amortization of these assets will commence when the asset is put into service.

b) Developer contributions:

Contributed capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year was \$1,389,249 (2019 - \$628,287) comprised of water infrastructure, land and roads infrastructure.

c) Tangible capital assets disclosed at nominal values:

Where an estimate of fair value could not be made, the tangible capital asset was recognized at a nominal value.

d) Works of art and historical treasures:

The City manages and controls various works of art and non-operational historical cultural assets including buildings, artifacts, paintings and sculptures located at City sites and public display areas. These assets are not recorded as tangible capital assets and are not amortized.

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

Notes to Consolidated Financial Statements

Year ended December 31, 2020

17. Accumulated surplus:

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

	2020	2019
Surplus:		
Invested in tangible capital assets	\$ 519,938,224	\$ 486,445,837
Invested in government business enterprises	80,515,168	77,164,453
Sanitary sewer	37,470,135	40,407,403
Operating fund	12,099,350	11,861,808
Unfunded		
Net long-term liabilities	(8,228,112)	(8,444,735)
Landfill closure costs	(25,258,760)	(24,869,266)
Employee benefits	(39,691,607)	(40,021,468)
Total surplus	576,844,398	542,544,032
Reserves set aside for specific purpose by Council:		
Acquisition of tangible capital assets	3,388,783	2,455,326
Planning and development	564,880	519,391
Other programs	18,924,525	19,130,984
Waste disposal site	10,569,840	10,859,160
Total reserves	33,448,028	32,964,861
Reserve funds set aside for specific purpose by Council:		
Cemetery development	818,764	1,026,199
Industrial land	314,907	580,921
Property purchases	1,118,060	1,200,592
Hospital development	106,838	138,830
Total reserve funds	2,358,569	2,946,542
	\$ 612,650,995	\$ 578,455,435

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

Notes to Consolidated Financial Statements

Year ended December 31, 2020

18. Government grants:

The City recognizes the transfer of government funding as expenses or revenues in the period that the events giving rise to the transfer occurred. The transfers reported on the consolidated statement of operations and accumulated surplus are:

	2020	2019
Provincial grants	\$ 35,650,757	\$ 19,817,081
Federal grants	7,434,210	12,312,684
Other grants	40,619	—
Total	\$ 43,125,586	\$ 32,129,765

19. Comparative information:

Certain 2019 comparative information have been reclassified to conform to the financial statement presentation of 2020.

20. Impacts of COVID-19:

On March 11, 2020, the World Health Organization declared the outbreak of coronavirus ("COVID-19") a global pandemic. This resulted in the Province mandating various social distancing protocols, resulting in the temporary shutdown of various programs and services.

During the year, the City received funding from the Province of Ontario to offset the financial impacts of COVID-19, which has been recognized as revenue in the current year. Consistent with direction received from the Province of Ontario, unexpended funding at December 31, 2020 has been placed in a reserve to offset future financial impacts of COVID-19.

As at December 31, 2020, the City did not have significant adjustments to reflect the possible future impact of COVID-19. Management assessed the impact on the City and believes there are no significant financial issues as the City has strong working capital available and access to sufficient liquid resources to sustain operations in the coming year.

The outcome and timeframe to a recovery from the current pandemic is highly unpredictable, thus it is not practicable to estimate and disclose its financial effect on future operations at this time.

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

Notes to Consolidated Financial Statements

Year ended December 31, 2020

21. Segmented information:

The City is a diversified municipal government institution that provides a wide range of services to its citizens. City services are provided by departments and certain departments have been separately disclosed in the segmented information, along with the services they provide. These departments are:

General Government

General Government is comprised of City Council, the Mayor's Office, and the Chief Administrators' Office (CAO).

The Chief Administrators' Office is charged with the responsibility of coordinating the work of all municipal departments and ensuring that those departments carry out the policies and directions given by City Council.

Corporate Services

Corporate Services is comprised of the Clerks Department, Human Resources Department, the Finance Department and the Information Technology Department. Each of these departments provides program support to various other areas.

The Clerks Department's primary task is to function as the corporate secretary to City Council, ensuring that all Council Agendas, Minutes of proceedings, resolutions, decisions, voting, records, and accounts are recorded, documented and certified.

The Human Resources Department is charged with negotiation and administration of all collective agreements as well as all facets of employment and employee benefits.

The Finance Department is responsible for the City's general financial management and budget preparation. The department is comprised of financial administration, accounting, tax and licensing, and purchasing activities.

Legal Services

The Legal Department is responsible for the preparation of by-laws, deeds, leases, agreements and other legal documents, as well as property management for the City in regards to purchases, sales, leasing, easements and related agreements. Prosecutions and administration of Provincial Offences Act is also part of their responsibility.

Fire Services

Fire Services is responsible to provide fire suppression service; fire prevention programs; training and education related to prevention, detection or extinguishment of fires. It is also responsible, through its Emergency Medical Services, for pre-hospital emergency paramedical care and the transport of the sick and injured.

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

Notes to Consolidated Financial Statements

Year ended December 31, 2020

21. Segmented information (continued):

Public Works and Engineering

The Public Works Department is responsible for maintenance of municipal infrastructure, such as streets, sewers, and parks. The department provides solid waste management through refuse collection, recycling programs, and sanitary landfill management. The department is also responsible for traffic control, including signage, signals and pavement markings.

The Engineering Department is comprised of Building Services and Engineering and Construction. Building Services provides maintenance, janitorial services and security for the Civic Centre and Ontario Works. The Engineering and Construction Division provides services associated with engineering design, construction, technical services, and special project initiatives.

Community Development and Enterprise Services

The Community Services Department provides public services for Cemeteries & Crematorium, Central Administration, Community Centres, Recreation and Culture, Transit, and Parking. The Tourism and Community Development Department is responsible for tourism sector development and advancing the Future SSM community development strategy. The Economic Development Department is responsible for business support, attraction, and entrepreneur services. The Planning & Enterprise Services Department facilitates economic development by providing services for the approval of all land development plans and the application of enforcement of zoning by-laws.

Outside Agencies

These agencies are approved by Council through grant agreements or Memorandums of Agreement. This segment includes grants to the Art Gallery of Algoma, Sault Ste. Marie Museum, Canadian Bushplane Heritage Museum, Algoma University, Pee Wee Arena, and Sault Ste. Marie Innovation Centre. The Sault Ste. Marie Police Service and Sault Ste. Marie Public Library report to City Council through their Boards.

Levy Boards

These Boards provide the City amounts to be collected on their behalf. Levy Boards include Algoma Public Health, the Sault Ste. Marie Region Conservation Authority, and the Sault Ste. Marie District Social Services Administration Board (DSSAB).

For each reported segment, revenues and expenses include both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in the summary of significant accounting policies.

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

Notes to Consolidated Financial Statements

Year ended December 31, 2020

21. Segmented disclosure (continued):

	2020									
	General Government	Corporate Services	Legal Services	Fire Services	Public Works and Engineering	Community Development and Enterprise Services	Outside Agencies	Levy Boards	Government Business Enterprises	Total
Revenue:										
Taxation	\$ 6,591,742	\$ 9,020,918	\$ 1,108,069	\$ 12,748,898	\$ 33,376,208	\$ 12,055,218	\$ 29,787,598	\$ 21,157,678	\$ -	\$ 125,846,329
Fees and user charges	-	103,378	1,150,613	298,287	33,986,709	6,914,132	500,754	-	-	42,953,873
Government grants	869,059	1,878,444	660,502	1,855,183	24,669,041	6,395,377	6,797,980	-	-	43,125,586
Interest income	3,203,428	-	4,481	-	142,105	51,631	-	-	-	3,401,645
Other	1,960,257	118,643	-	8,078	1,938,292	284,990	96,769	-	-	4,407,029
Net income of government business enterprise (note 6)	-	-	-	-	-	-	-	-	3,960,795	3,960,795
	12,624,486	11,121,383	2,923,665	14,910,446	94,112,355	25,701,348	37,183,101	21,157,678	3,960,795	223,695,257
Expenses:										
Salaries, wages and employee benefits	845,913	6,012,128	1,328,738	14,265,898	24,735,378	16,371,934	28,069,875	-	-	91,629,864
Materials	1,849,727	258,892	1,376,098	878,733	20,526,214	7,090,144	3,323,252	-	-	35,303,060
Contracted services	30,867	1,243,337	73,778	231,977	11,119,267	2,160,685	324,838	-	-	15,184,749
Rents and financial	-	3,279,133	73,528	4,923	13,959	183,457	197,811	-	-	3,752,811
Grants to others	6,023	-	-	-	-	154,039	1,392,318	21,157,678	-	22,710,058
Loss on disposal of tangible capital assets	480,499	-	-	-	35,029	-	32,582	-	-	548,110
Amortization of tangible capital assets	344	292,973	-	430,737	16,454,697	1,860,866	1,331,427	-	-	20,371,044
	3,213,373	11,086,463	2,852,142	15,812,268	72,884,544	27,821,125	34,672,103	21,157,678	-	189,499,697
Annual surplus (deficit)	\$ 9,411,113	\$ 34,920	\$ 71,523	\$ (901,822)	\$ 21,227,811	\$ (2,119,777)	\$ 2,510,998	\$ -	\$ 3,960,795	\$ 34,195,560

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

Notes to Consolidated Financial Statements

Year ended December 31, 2020

21. Segmented disclosure (continued):

	2019									
	General Government	Corporate Services	Legal Services	Fire Services	Public Works and Engineering	Community Development and Enterprise Services	Outside Agencies	Levy Boards	Government Business Enterprises	Total
Revenue:										
Taxation	\$ 931,821	\$ 9,732,569	\$ 560,430	\$ 13,807,726	\$ 34,097,128	\$ 12,362,391	\$ 29,425,102	\$ 21,088,928	\$ -	\$ 122,006,095
Fees and user charges	-	152,391	2,160,552	7,802,352	34,725,851	10,067,439	682,283	-	-	55,590,868
Government grants	762,166	1,723,452	286,478	2,264,415	16,763,123	4,360,831	5,969,300	-	-	32,129,765
Interest income	6,420,619	-	15,384	-	171,699	139,822	-	-	-	6,747,524
Other	1,515,872	139,197	-	14,712	1,040,209	92,419	301,626	-	-	3,104,035
Gain on disposal of tangible capital assets	-	-	7,588	-	91,433	5,000	-	-	-	104,021
Net income of government business enterprise (note 6)	-	-	-	-	-	-	-	-	4,275,873	4,275,873
	9,630,478	11,747,609	3,030,432	23,889,205	86,889,443	27,027,902	36,378,311	21,088,928	4,275,873	223,958,181
Expenses:										
Salaries, wages and employee benefits	1,324,959	6,116,083	1,310,019	23,136,876	25,884,548	16,289,345	28,755,557	-	-	102,817,387
Materials	1,241,546	214,444	1,272,970	1,149,026	24,358,958	5,337,165	2,861,563	-	-	36,435,672
Contracted services	5,945	1,671,738	293,585	264,903	10,890,884	2,537,599	904,651	-	-	16,569,305
Rents and financial	-	3,438,841	79,670	2,636	5,402	338,699	77,987	-	-	3,943,235
Grants to others	13,675	583	-	-	-	68,731	2,610,583	21,088,928	-	23,782,500
Amortization of tangible capital assets	687	290,996	-	442,751	16,080,057	1,833,898	995,675	-	-	19,644,064
	2,586,812	11,732,685	2,956,244	24,996,192	77,219,849	26,405,437	36,206,016	21,088,928	-	203,192,163
Annual surplus (deficit)	\$ 7,043,666	\$ 14,924	\$ 74,188	\$ (1,106,987)	\$ 9,669,594	\$ 622,465	\$ 172,295	\$ -	\$ 4,275,873	\$ 20,766,018

Financial Statements of

**THE CORPORATION OF THE
CITY OF SAULT STE. MARIE
Trust Funds**

And Independent Auditors' Report thereon

Year ended December 31, 2020

DRAFT



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INDEPENDANT AUDITORS' REPORT

To the 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 trust funds of The Corporation of The City of Sault Ste. Marie (the "Trust"), which comprise:

- the statement of financial position as at December 31, 2020
- the statement of continuity 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 Trust as at December 31, 2020 and the continuity of trust funds for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical 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 accounting standards for not-for-profit organizations, 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.



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 accounting standards for not-for-profit organizations, 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 Trust'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 Trust or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust'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 Trust'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 Trust'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 Trust 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 represent 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.

Chartered Professional Accountants, Licensed Public Accountants

Sault Ste. Marie, Canada
June 28, 2021

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

Trust Funds

Statement of Financial Position

December 31, 2020, with comparative information for 2019.

	Care and Maintenance	Pre-need Assurance	Ontario Home Renewal Plan	Historic Sites	Heritage SSM	Transit Employees Pension	Cultural Endowment	2020 Total	2019 Total
Assets									
Cash and investments (note 3)	\$ 6,028,504	2,430,097	10,039	60,664	29,815	80,424	14,306	\$ 8,653,849	\$ 8,484,003
Loans receivable (note 2)	-	-	16,446	-	-	-	-	16,446	16,446
Receivable from other funds	89,204	105,416	-	52,514	-	-	-	247,134	70,260
	\$ 6,117,708	2,535,513	26,485	113,178	29,815	80,424	14,306	\$ 8,917,429	\$ 8,570,709
Liabilities and Fund Balance									
Payable to other funds	\$ -	-	23,569	-	-	7	10	\$ 23,586	\$ 76,602
Fund balance	6,117,708	2,535,513	2,916	113,178	29,815	80,417	14,296	8,893,843	8,494,107
	\$ 6,117,708	2,535,513	26,485	113,178	29,815	80,424	14,306	\$ 8,917,429	\$ 8,570,709

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

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

Trust Funds

Statement of Continuity

Year ended December 31, 2020, with comparative information for 2019.

	Care and Maintenance	Pre-need Assurance	Ontario Home Renewal Plan	Historic Sites	Heritage SSM	Transit Employees Pension	Cultural Endowment	2020 Total	2019 Total
Fund balance, beginning of the year	\$ 5,832,001	\$ 2,436,878	\$ 2,916	\$ 99,153	\$ 29,529	\$ 79,645	\$ 13,985	\$ 8,494,107	\$ 8,205,182
Revenue:									
Capital receipts	285,707	228,839	-	1,080	-	-	175	515,801	371,356
Interest earned	143,355	23,335	213	575	286	772	136	168,672	163,028
Contributions from revenue fund	-	-	-	12,370	-	-	-	12,370	15,203
	429,062	252,174	213	14,025	286	772	311	696,843	549,587
Expenditures:									
Contributions to revenue fund	143,355	153,539	213	-	-	-	-	297,107	260,013
Transfer to Province of Ontario	-	-	-	-	-	-	-	-	649
	143,355	153,539	213	-	-	-	-	297,107	260,662
Fund balance, end of year	\$ 6,117,708	\$ 2,535,513	\$ 2,916	\$ 113,178	\$ 29,815	\$ 80,417	\$ 14,296	\$ 8,893,843	\$ 8,494,107

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

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

Trust Funds

Notes to Financial Statements

Year ended December 31, 2020

The Corporation of the City of Sault Ste. Marie Trust Funds (the "Trust") consist of various trust funds administered by the Corporation of the City of Sault Ste. Marie. The Funds are not subject to income taxes under Section 149(1) of the Income Tax Act (Canada).

1. Summary of significant accounting policies:

These financial statements are prepared in accordance with Canadian Accounting Standards for Not-For-Profit Organizations in Part III of the Chartered Professional Accountants of Canada Handbook.

(a) Basis of accounting:

The financial statements are prepared by management and are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable. Expenditures 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) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Trust has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the effective interest rate method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Trust determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial assets is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Trust expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(c) Use of estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the carrying amount of capital assets and assets and obligations related to employee future benefits. Actual results could differ from those estimates.

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

Trust Funds

Notes to Financial Statements

Year ended December 31, 2020

2. Ontario Home Renewal Program:

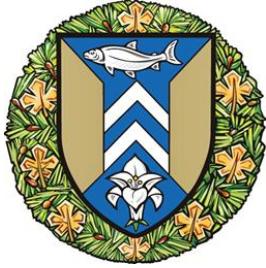
The Ontario Home Renewal Program ("OHRP") was established by the Ontario Ministry of Housing in 1973 to provide grants for municipalities to make loans to assist owner occupants to repair, rehabilitate and improve their homes to local property standards. Individual loans were limited to \$7,500, of which the maximum deferred portion was \$4,000.

Ontario Home Renewal Program loans receivable at December 31, 2020 comprise repayable loans of \$8,827 (2019 - \$8,827) and deferred loans of \$7,619 (2019 - \$7,619). Loan forgiveness is earned and recorded at a rate of up to \$600 per year of continuous ownership and occupancy. The deferred portion of the loan is deferred for a five year period. In the event of the sale or lease of the home or in the event of the homeowner ceasing to occupy the home, the balance of the loans immediately become due and payable by the homeowner.

The Province of Ontario legislated an end to the OHRP program in 1993. As of July 16, 1993, no new loans were issued. All funds collected on outstanding OHRP loans are remitted to the Province by March 1 of the following year. However, municipalities are provided an administration fee of five per cent of the balances collected after December 31, 1993 and are permitted to retain the interest earned on unremitted OHRP trust account balances.

3. Cash and investments:

Total investments by the trust funds of \$4,094,926 (2019 - \$4,032,410) included in cash and investments on the statement of financial position at cost, have a market value of \$4,179,381 (2019 - \$4,158,698).



The Corporation of the City of Sault Ste. Marie

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

June 28, 2021

TO: Mayor Christian Provenzano and Members of City Council
AUTHOR: **Lisa Petrocco, CPA, CGA Manager of Taxation**
DEPARTMENT: Corporate Services
RE: Property Tax Appeals

Purpose

Staff is seeking Council approval of property tax appeals as required pursuant to Sections 354 and 357 of the Municipal Act.

Background

A listing of applications received for adjustment of realty taxes pursuant to Sections 354 and 357 of the Municipal Act is attached to this report.

Analysis

The Municipal Property Assessment Corporation has recommended the amount of the assessment to be adjusted.

Financial Implications

There is an annual budget allocation for tax write-offs. The decreased revenue of \$40,521.97 can be accommodated within the existing budget allocation.

Strategic Plan / Policy Impact

Not applicable.

Recommendation

It is therefore recommended that Council take the following action:

Resolved that the report of the Manager of Taxation dated 2021 06 28 concerning Property Tax Appeals be received and the recommendation that the tax records be amended pursuant to Sections 354 and 357 of the Municipal Act be approved.

Respectfully submitted,

Lisa Petrocco, CPA, CGA
Manager of Taxation
705.541.7065
l.petrocco@cityssm.on.ca

**APPLICATION TO COUNCIL TO CANCEL
OR REFUND PROPERTY TAXES PURSUANT TO SECTION 357
OF THE MUNICIPAL ACT, 2001**

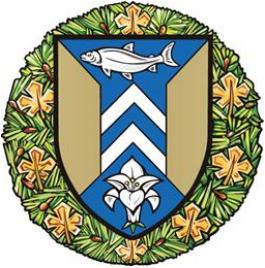
**THE CORPORATION OF THE CITY OF SAULT STE. MARIE
PROPERTY TAX APPEALS**

DATE: 2021 06 28
PAGE: 1 of 1

ROLL #	PROPERTY ADDRESS	PERSON ASSESSED	TAX CLASS	REASON	APPEAL NO.	TAXES	INTEREST	TOTAL
010-030-093-00	01773 QUEEN ST E	CEPECAYER, ANNA	RT	D(ii)	20-045	627.20	1.79	628.99
010-080-011-00	01655 TRUNK RD	MATTIOLI CRAFT LIMITED	RT/IT	D(i)	20-046	59.67	-	59.67
020-042-201-00	00073 BROCK ST	SAULT STE MARIE CITY	CT>E	C	20-047	1,751.57	-	1,751.57
030-085-023-00	00800 THIRD LINE E	COLLINS, ERIC JAMES	RT	D(i)	20-048	825.22	-	825.22
040-021-151-00	00293 BAY ST	ALGOMA CENTRAL PROPERTIES INC	CT/ST	D(ii)	20-049	Confirmed - No change in assessment		
060-070-101-00	00026 GAGNON RD S	9588795 CANADA INC	RT/CT	A	20-050	87.39	1.37	88.76
2020								
010-030-093-00	01773 QUEEN ST E	CEPECAYER, ANNA	RT	D(ii)	21-001	1,889.80	-	1,889.80
010-070-013-00	01155 TRUNK RD	CAPUTO CAROLYN ROBIN LEE ESTATE	RT/CT	D(i)	21-002	1,350.76	-	1,350.76
010-070-109-00	00148 DACEY RD REAR	SAULT STE MARIE CITY	RT>E	C	21-003	703.32	-	703.32
010-080-011-00	01655 TRUNK RD	MATTIOLI CRAFT LIMITED	RT/IT	D(i)	21-004	139.40	-	139.40
020-013-002-00	00071 COULSON AVE	THOMAS, EMILY CHERYL	RT/CT>RT	A	21-005	292.84	-	292.84
020-042-201-00	00073 BROCK ST	SAULT STE MARIE CITY	CT>E	C	21-006	12,199.10	-	12,199.10
020-042-219-00	00526 BAY ST	SAULT STE MARIE CITY	CT>E	C	21-007	5,485.76	-	5,485.76
020-042-220-00	00516 BAY ST	SAULT STE MARIE CITY	CX/CT>E	C	21-008	2,627.22	-	2,627.22
030-044-080-00	00073 CAMERON AVE	POIRIER, TAYLOR ERIN	RT	D(i)	21-009	269.97	-	269.97
030-046-048-00	00023 BLAKE ST	SAULT STE MARIE CITY	RT>E	C	21-010	714.24	-	714.24
030-047-072-01	00000 STEVENS ST R	SAULT STE MARIE CITY	RT>E	C	21-011	63.70	-	63.70
030-073-003-00	00176 OLD GARDEN RIVER RD	GREEN NORTH DEVELOPMENTS LTD	GREAT NORTHERN PROPERTIES LTD	RT	21-012	1,953.19	-	1,953.19
030-085-023-00	00800 THIRD LINE E	COLLINS, ERIC JAMES	RT	D(i)	21-013	1,794.52	-	1,794.52
040-009-024-00	00090 BLOOR ST W	SHAW, SARAH JAYNE	RATHWELL, MARK WILLIAM	RT	21-014	79.40	-	79.40
040-025-016-00	00266 ALBERT ST W	ARCHER CONSOLIDATED HOLDINGS INC	RT	D(i)	21-015	585.02	-	585.02
040-034-004-00	00089 HUDSON ST	SAULT STE MARIE CITY	CX>E	C	21-016	1,870.02	-	1,870.02
040-034-004-50	00000 HUDSON ST	SAULT STE MARIE CITY	CX>E	C	21-017	1,992.64	-	1,992.64
060-050-196-02	00919 ALLENS SIDE RD	CARELLO, ROSALBA	CT/RT>RT	A	21-018	733.43	-	733.43
060-070-004-00	00013 GAGNON RD S	9588795 CANADA INC	RT/CT>RT	D(i)	21-019	1,329.84	-	1,329.84
060-070-101-00	00026 GAGNON RD S	9588795 CANADA INC	RT/CT>RT	A	21-020	1,093.59	-	1,093.59
REPORT TOTAL \$ 40,518.81 \$ 3.16 \$ 40,521.97								

- A. CEASES TO BE LIABLE FOR TAX AT RATE IT WAS TAXED
- B. BECAME VACANT OR EXCESS LAND
- C. BECAME EXEMPT
- D. SICKNESS OR EXTREME POVERTY

- D(i). RAZED BY FIRE, DEMOLITION OR OTHERWISE
- D(ii). DAMAGED AND SUBSTANTIALLY UNUSABLE
- E. MOBILE UNIT REMOVED
- F. GROSS OR MANIFEST CLERICAL/FACTUAL ERROR
- G. REPAIRS/RENO'S PREVENTING NORMAL USE (MIN 3 MONTHS)



The Corporation of the City of Sault Ste. Marie

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

June 28, 2021

TO: Mayor Christian Provenzano and Members of City Council
AUTHOR: Karen Marlow, Manager of Purchasing
DEPARTMENT: Corporate Services
RE: Third Party Cost Recovery Services – Fire Services

Purpose

This report has been prepared for Council's information and consideration. Staff is seeking Council Approval of the signature of a three-year Agreement for the period commencing July 1, 2021 and ending June 30, 2024 (including an option to extend to June 30, 2026) with Fire Marque Inc. for the provision of Cost Recovery Services as required by the Fire Services Department.

Background

On November 30, 2020, Council approved By-Law 2020-212 Cost Recovery for Fire Services. The By-Law outlines recoveries for False Alarms, Natural Gas Leaks with no locate completed and Third Party recoveries for insured perils. By-Law Report is attached for reference.

A Request for Proposal for the provision of Third Party Cost Recovery Services was publicly advertised and notification of posting was issued to potential proponents. Proposals were required to be submitted for consideration no later than 4:00 p.m. on January 13, 2021.

Analysis

Proposals from two (2) proponents were received prior to the closing date:

- Fire Marque Inc.
- Debt Control Agency

The proposals received were evaluated by a committee comprised of staff from Fire Services division and Purchasing Division – Corporate Services.

Subsequent to Proposal evaluation, provision of the required Cost Recovery Services is awarded to Fire Marque Inc. of Thornton, ON. Fire Marque has proposed City of Sault Ste. Marie will receive 70% of all recovered funds. Based on the estimate of 50-70 insured peril losses per year, they estimated the recovered funds will be between \$88,000 to \$106,000 annually. Services are generated revenue, the fees proposed (30%) are from costs recovered. The evaluation was within the staff approval levels as authorized in the Purchasing By-law and awarded.

Financial Implications

Annual cost recovery amounts vary, based on estimates recovered funds may be between \$88,000 to \$106,000 annually. If no funds are recovered, there is no compensation paid for services.

The recovered funds stay within the Fire Services Budget as revenue or cost recovery in areas such as training and capital purchases (vehicles, apparatus and equipment).

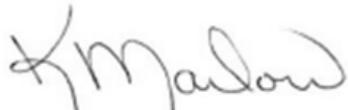
Strategic Plan / Policy Impact

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

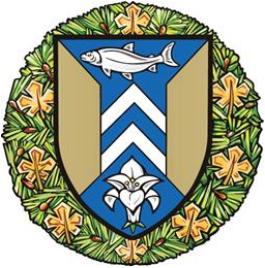
Recommendation

The relevant By-law #2021-134 is listed under item 11 of the Agenda and will be read with all by-laws under that item.

Respectfully submitted,



Karen Marlow
Manager of Purchasing
705-759-5298
k.marlow@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

November 30, 2020

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Peter Johnson, Fire Chief

DEPARTMENT: Fire Services

RE: Fire Services Cost Recovery By-Law Report

PURPOSE

The purpose of this report is to seek Mayor and Council approval of By-Law 2020-212 Cost Recovery for Fire Services.

BACKGROUND

On November 4, 2019, Council approved a report in response to a Council resolution requesting information from other Ontario cities that have cost-recovery by-laws. Contained in the report was the research from other Fire Services in Ontario that utilize cost recovery by-laws, their associated individual charges and rates for each recovery.

Upon completion of the research, the following cost recoveries have been included in the Cost Recovery By-Law for Fire Services: False Alarms- Malfunction, Working on System- Not Notified and Malicious. As well as Natural Gas Leaks with no locate completed prior to digging.

As detailed in the November 4, 2019 report there are multiple municipalities utilizing third parties for cost recoveries on insured perils. Currently, an RFP for third party recoveries is being drafted by Purchasing and will be finalized shortly. A report will follow once the bid process is completed and a successful party is selected.

ANALYSIS

The Cost Recovery By-Law outlines recoveries for False Alarms, Natural Gas Leaks with no locate completed and Third Party recoveries for insured perils. Based on Fire Service response data for false alarms that meet this criteria, a three year average was 64 false alarms, which would see an estimated recovery of approximately \$30,000. For Natural Gas Leaks with no locate completed response data for alarms that meet the criteria a three year average was 6 alarms, which would see an estimated recovery of approximately \$3,000.

Fire Services Cost Recovery By-Law Report

2020 11 30

Page 2.

For Third Party recoveries, annual amounts vary. When speaking with municipalities that are engaged with third parties, their statistical analysis of incident response data conducted suggests estimated annual recoveries in the amount of \$30,000 to \$50,000. The recovered funds stay within the Fire Service Budget as revenue or cost recovery in areas such as training and capital purchases (vehicles, apparatus and equipment).

FINANCIAL IMPLICATIONS

It should be noted that the potential estimated recoveries would see a variance. The goals and objectives of cost recovery are to be a deterrent to repeat offenders. The By-law will introduce a new cost recovery that will be incorporated into future budgets. An accurate estimate for cost recovery for the 2021 budget and beyond will be difficult to predict until a trend is established. Once this is known, future budgets will be adjusted accordingly.

STRATEGIC PLAN / POLICY IMPACT

This report is linked to the Service Delivery area of the Strategic Plan.

RECOMMENDATION

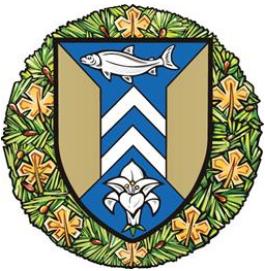
It is therefore recommended, that Council take the following action:

The relevant by-law 2020-212 is listed elsewhere on the Agenda and is recommended for approval.

Respectfully submitted,



Peter Johnson
Fire Chief
705.759.5273
p.johnson@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 28, 2021

TO: Mayor Christian Provenzano and Members of City Council
AUTHOR: **Karen Marlow Manager of Purchasing**
DEPARTMENT: Corporate Services
RE: **Avanti Payroll & Benefits Cloud Migration**

Purpose

Attached hereto for your information and consideration is a recommendation that Council approve single sourcing for the transition to Avanti Payroll & Benefits Cloud Migration required by the City's Accounting Division and supported by IT Services, in order for the City to maintain its program which has "end of life" by end of 2022. This migration will cover a five (5) year subscription commencing October 1 2021. Staff is seeking Council approval of the report recommendation.

Background

Avanti is a Canadian based company providing Payroll and Benefits software that has been running "on premise" since 2013. Avanti is used by the City to manage its payroll and benefits. This robust payroll system has been able to handle all the complexities associated with City's many collective bargaining agreements and non-union personnel. Avanti has notified all their customers that the "on premise" system will be "end-of-life" by the end of 2022. As such, they are providing a migration path to the cloud based SaaS solution. The City is hoping for this migration to happen in Q3/Q4 of this year.

Analysis

The Cloud SaaS is a subscription "per employee, per month" (PEPM) licensing model offering all the Avanti Human Capital Management modules (Payroll, Benefits, Time & Attendance, Human Resources, Recruiting & Onboarding) under one licensing model. This will help further manage, integrate and automate the city's payroll practices thus saving time spent on payroll and benefit processing.

The Avanti Software as a Service (SaaS) cloud based solution will continue to provide the robust payroll and benefit processing as the current system along with additional benefits moving to the cloud based SaaS solution:

Avanti Payroll & Benefits Cloud Migration

June 28, 2021

Page 2.

- Increased Productivity: Ability to log anytime anywhere via the Self-Serve portal.
- Increased Accessibility: Employees can securely review pay statements using the “Avanti Go” app. Ability to view and manage schedules on mobile devices
- Capability of custom notifications and reminders
- New and improved online scheduling capabilities
- Secure & Private: Avanti Data Center is located in Canada with multiple DR sites ensuring that data is safe and accessible when needed, along with daily intrusion and backup testing.
- Efficient Integration: Avanti’s new solution offers application programming interfaces (APIs), so you can easily integrate systems and share valuable data in real time.
- Stay current: Avanti performs all software and hardware updates ensuring that systems are up to date with the latest security and regulatory patches.

Adopting the Avanti SaaS cloud solution will also eliminate scheduled maintenance carried out by I.T. staff thus freeing staff resources to focus on other important initiatives and development.

Financial Implications

The new pricing model is an all-in, and up-front “per employee, per month” (PEPM) model with no hidden fees or additional costs for deliverables such as (EFTs, Web ROEs, off-cycle payroll runs, electronic pay statements).

The Avanti list price of \$14.00 PEPM is competitive and in line with the industry, as outlined from the comparison chart below.

<u>Vendor Solution</u>	<u>List Price “per month per employee” PEPM</u>
Avanti	\$14.00 PEPM
ADP	\$12.00 PEPM
Ceridian	\$15.00 PEPM
UKG	\$18.00 to 25.00 PEPM

Since the City of Sault Ste. Marie has been a long standing client of Avanti, the following five (5) year contract has been proposed at a significantly reduced price per PEPM from \$14.00 down to \$5.00 to \$7.00 for the duration of the contract.

Avanti is waiving any costs associated with the cloud conversion and implementation, which is an additional savings of \$40,000 to \$60,000 based on industry standards and practices. This would be an additional cost incurred if the city were to select another vendor solution.

The schedule below outlines the cost based on an estimated 1,000 employees per month:

Avanti Payroll & Benefits Cloud Migration

June 28, 2021

Page 3.

Years	Monthly Cost Per Employee	# of employees	EST. Cost per Month	EST. Total Yearly Cost
Year 1 (2022)	\$5.00	1,000	\$5,000	\$60,000
Year 2 (2023)	\$5.00	1,000	\$5,000	\$60,000
Year 3 (2024)	\$6.00	1,000	\$6,000	\$72,000
Year 4 (2025)	\$6.00	1,000	\$6,000	\$72,000
Year 5 (2026)	\$7.00	1,000	\$7,000	\$84,000

The approved 2021 budget for the yearly Avanti Maintenance and Support is \$40,000. There will be an additional \$20,000 increase to the 2022 operating budget. The enhancements and efficiencies noted above substantiate the increased costs.

Strategic Plan / Policy Impact

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

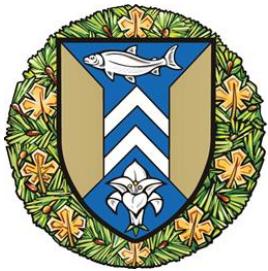
Recommendation

It is therefore recommended that Council take the following action:

By-law 2021-135 authorizing signature of the Avanti Cloud Migration Program appears elsewhere on the Council Agenda.

Respectfully submitted,

Karen Marlow
Manager of Purchasing
705.759.5298
k.marlow@cityssm.on.ca



The Corporation of the City of Sault Ste. Marie

COUNCIL REPORT

June 28, 2021

TO: Mayor Christian Provenzano and Members of City Council
AUTHOR: Madison Zuppa, Deputy City Clerk
DEPARTMENT: Corporate Services
RE: Voter Engagement Update

Purpose

The purpose of this report is to provide Council with an update on voter engagement for the 2022 municipal election.

Background

The following resolution was passed on December 10, 2018:

Moved by: Councillor M. Shoemaker
Seconded by: Councillor D. Hilsinger

Whereas the 2018 Sault Ste. Marie municipal election saw a voter turnout that was just barely above 40% of eligible electors; and

Whereas high voter turnout is crucial to a democratic process; and

Whereas the City of Sault Ste. Marie should strive to be a leader in voter turnout across the Province;

Now Therefore Be It Resolved that staff bring forward recommendations on steps that can be taken in 2022 to improve voter turnout, potentially including a municipal advertising campaign encouraging electors to vote.

On March 29, 2021, Council supported the implementation of a community engagement initiative to gather public input on vote-counting equipment, alternative voting methods, and voting locations. Staff launched a survey and held two virtual information sessions to gather input.

Voter Engagement Survey

The public was invited to complete an online survey between April 9 and May 15, 2021 resulting in 843 individual responses. A summary of results is attached as Appendix A. Given the pandemic and the stay-at-home order the survey was delivered online. It is recognized that this may have had an influence on participation and results. Paper copies were available upon request, and feedback was also accepted via email and telephone. This survey represents 1.5% of eligible voters and is not being considered statistically significant, but rather viewed as general insight.

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Virtual Information Sessions

Two virtual voter information sessions were held on April 20 from 3-4 and 6-7 p.m. A low number of participants joined in the live sessions; however, there have been 92 subsequent views of the recordings. The recordings were made available on the City's YouTube channel, website, and social media outlets.

Promotion of the survey and virtual information sessions included: media releases published by several local media outlets; print ads in the Sault Star and Sault This Week; Sault Star and Sault This Week feature article; banner ads through sootoday.com and saultonline; and a social media campaign.

Village IQ – sootoday.com

Village Media ran two polls over the same time period as the City's survey, and they have generously shared their analytics, which are attached as Appendix B.

Accessibility

Accessibility is not only a legislative requirement, but also a corporate value. On March 19, 2021, the City Clerk and Deputy City Clerk met with the Accessibility Advisory Committee (AAC) to discuss alternative voting methods. City staff received valuable feedback from the AAC including: no two individuals are the same; more options are better; ensure that officials are available during the election to field technical questions in a timely manner; communication regarding the voting method is critical; ensure transportation to voting locations is available, including parabus; and ensure seating is available at voting locations.

Analysis

The City survey and Village IQ both returned very similar results with 63% and 64% of respective respondents answering yes to the following question:

“Considering the COVID-19 pandemic, would you be more likely to vote remotely in the 2022 Municipal Election if the option was available?”

Participants were asked to rate their understanding of various voting methods. In-person manual count was the most understood of all methods presented with vote by phone as the least understood. Vote by mail was the most understood remote voting method.

Online voting was the most popular remote voting option (60%), followed by vote-by-mail (16%), and finally vote by phone (4%); however, 15% of respondents chose “none of the above” and 5% were “unsure”. Village IQ responses to a similar question trended in the same way.

Reasons for being in favour of online voting included: easy; convenient; fast; secure; modern; accessible; vote from anywhere and anytime of day; and due to the pandemic.

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Reasons for being in favour of vote-by-mail included: preference for a paper ballot; physical ballot can be recounted; convenient; easy; private; confidential; safe; and secure.

Reasons for being “unsure” or choosing “none of the above” included: voter fraud; lack of trust; and security concerns.

Voter Turnout

Voter turnout from the 2018 municipal election in Sault Ste. Marie (Appendix C) reflects a need for increased engagement efforts in Wards 4 and 5.

Voter turnout in 2018 was lowest among those aged 18 through 45, which is consistent with past federal elections trends.¹

Other Northern Ontario communities cited additional voting options, a mayoral race and an aggressive media campaign as reasons for higher than average voter turnout.²

Barriers

The survey results indicate that 15% of respondents identified as a person with a disability, and 7% of respondents experienced barriers to voting. Barriers can be physical, but also invisible. For example, some respondents indicated that the pandemic has had an impact on their comfort level regarding attending voting locations. Disability, mental health, transportation, and timing were also cited by respondents as barriers to voting. These reasons are similar to those cited by non-voters for the 2019 federal election, which included being too busy, illness or disability, out of town, and not interested in politics.

Communications

Once a voting method is chosen by Council a communications strategy will be developed to engage as many eligible voters as possible.

Financial Implications

There are no financial implications resulting from the community engagement process.

Strategic Plan / Policy Impact

The Voter Engagement Update report is linked to the corporate value – commitment to citizens and community.

Recommendation

It is therefore recommended that Council take the following action:

Resolved that the report of the Deputy City Clerk dated June 28, 2021 concerning Voter Engagement Update be received as information.

¹ Statistics Canada. 2021. Labour Force Survey. Available at: <https://www150.statcan.gc.ca/n1/daily-quotidien/200226/dq200226b-eng.htm>.

² Ibid.

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Respectfully submitted,

Madison Zuppa

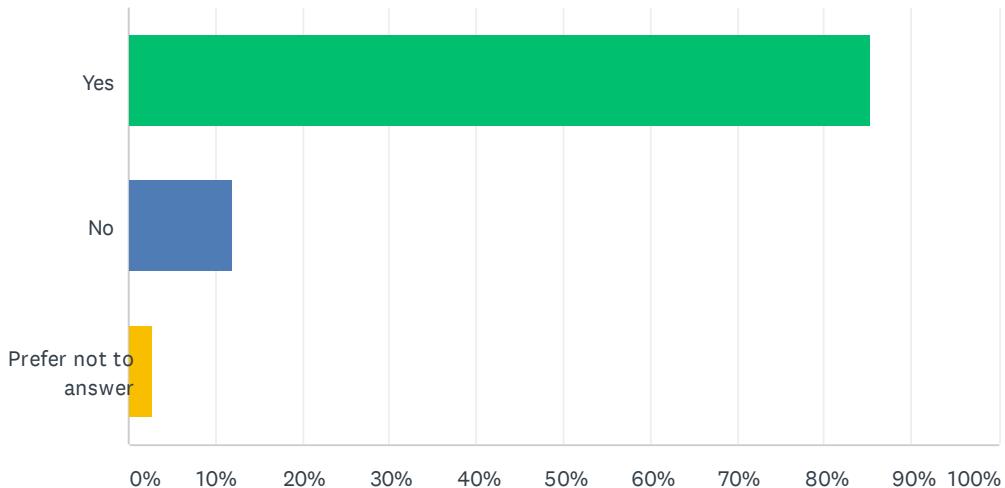
Deputy City Clerk

705.759.5392

m.zuppa@cityssm.on.ca

Q1 Did you vote in the 2018 Sault Ste. Marie Municipal Election?

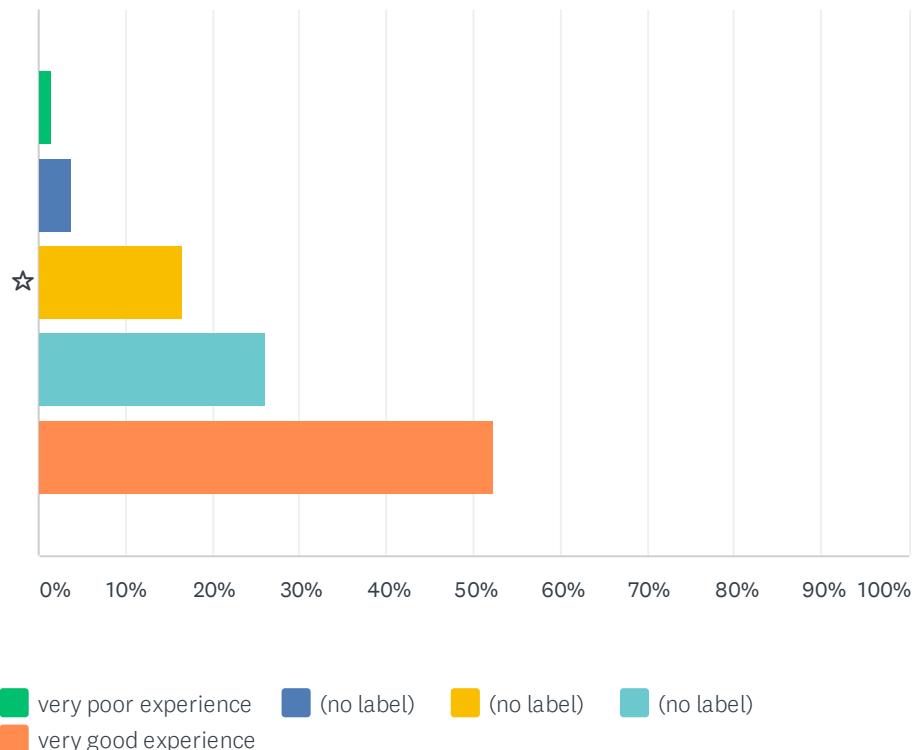
Answered: 840 Skipped: 3



ANSWER CHOICES	RESPONSES	
Yes	85.36%	717
No	11.90%	100
Prefer not to answer	2.74%	23
TOTAL		840

Q2 How would you rate your voting experience in the 2018 Sault Ste. Marie Municipal Election?

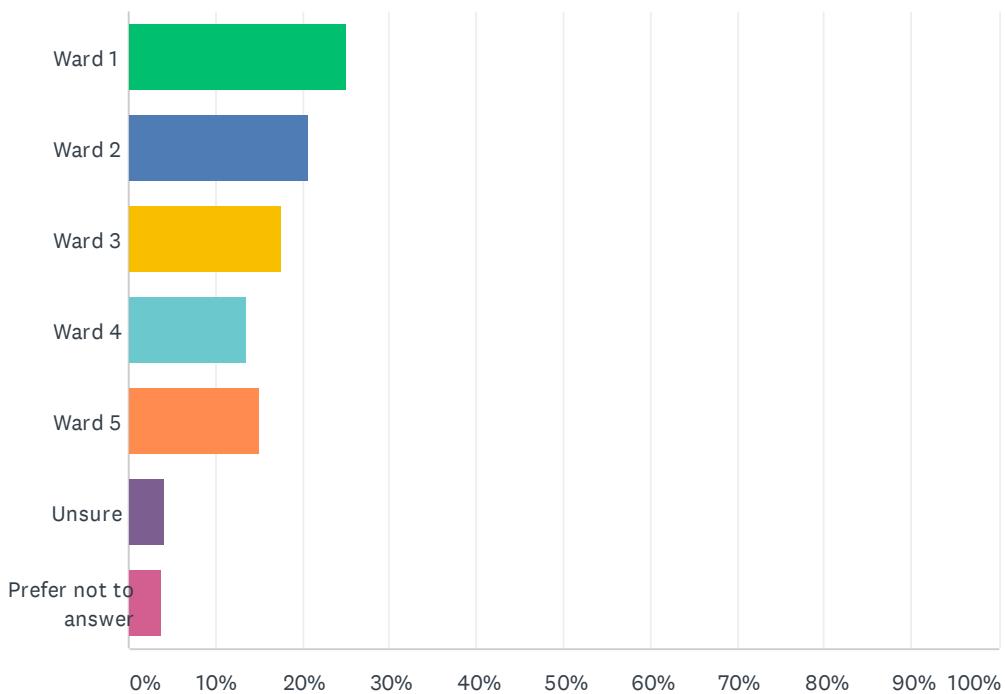
Answered: 706 Skipped: 137



	VERY POOR EXPERIENCE	(NO LABEL)	(NO LABEL)	(NO LABEL)	VERY GOOD EXPERIENCE	TOTAL	WEIGHTED AVERAGE
★	1.56% 11	3.68% 26	16.43% 116	26.06% 184	52.27% 369	706	4.24

Q3 Which ward did you vote in for the 2018 Sault Ste. Marie Municipal Election? (for ward boundary information visit www.saultstemarie.ca/wards or call 705-759-5388)

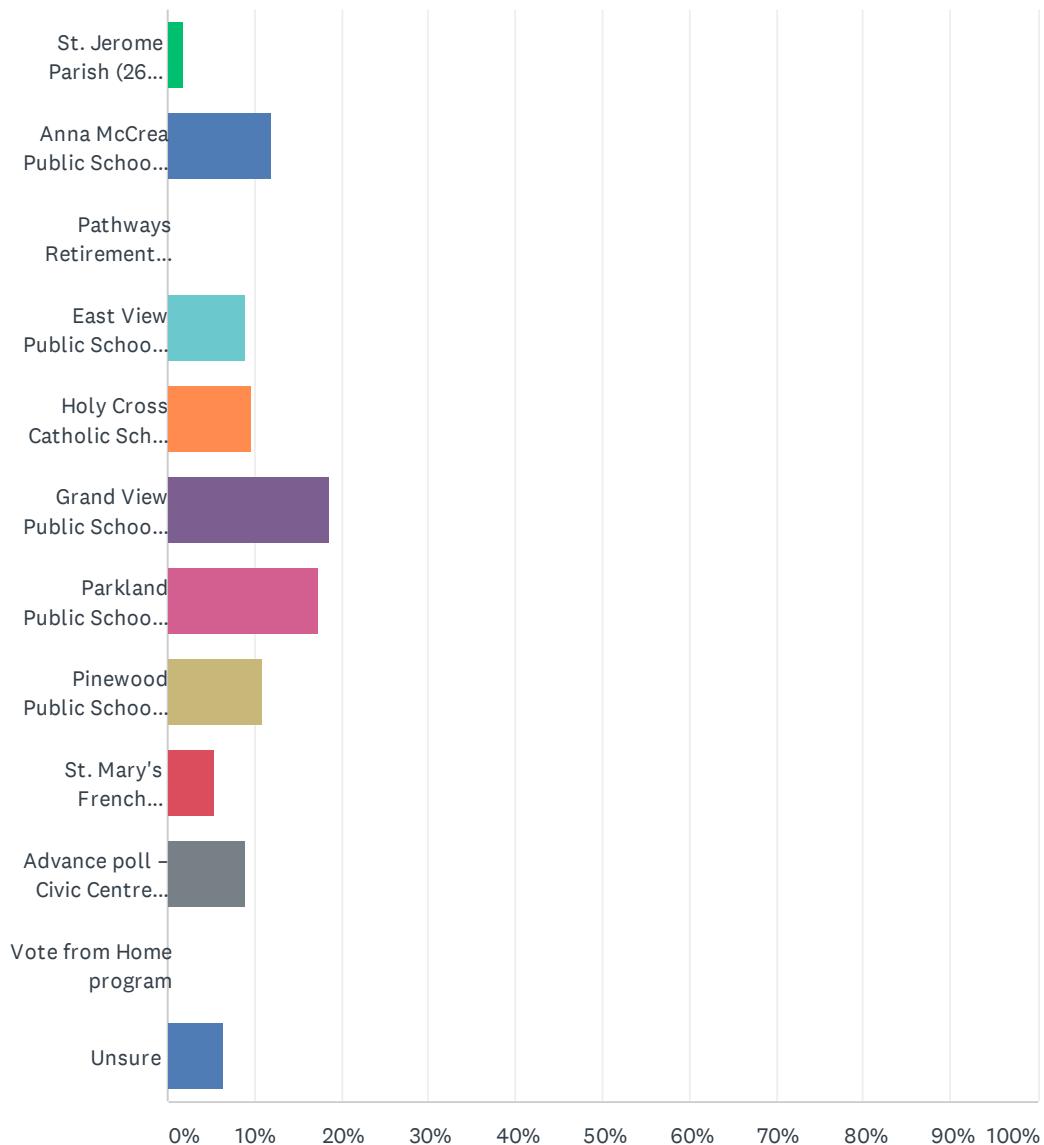
Answered: 679 Skipped: 164



ANSWER CHOICES	RESPONSES	
Ward 1	25.18%	171
Ward 2	20.77%	141
Ward 3	17.67%	120
Ward 4	13.55%	92
Ward 5	15.02%	102
Unsure	4.12%	28
Prefer not to answer	3.68%	25
TOTAL		679

Q4 Please select your Ward 1 voting location for the 2018 Municipal Election?

Answered: 167 Skipped: 676

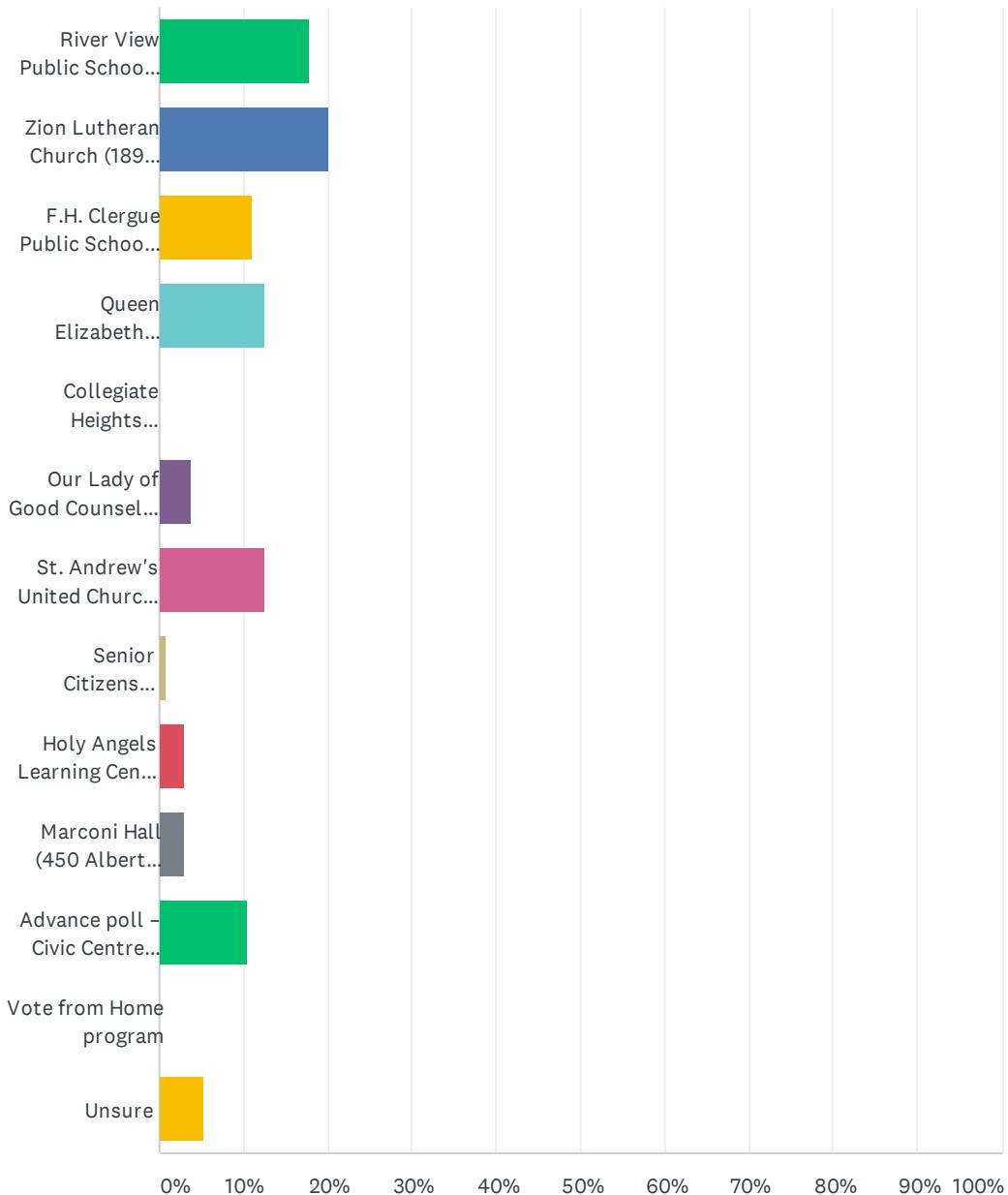


Voter Engagement Survey

ANSWER CHOICES	RESPONSES
St. Jerome Parish (26 Carmel Road)	1.80% 3
Anna McCrea Public School (250 Mark Street)	11.98% 20
Pathways Retirement Residence (375 Trunk Road)	0.00% 0
East View Public School (75 Arizona Avenue)	8.98% 15
Holy Cross Catholic School (16 Texas Avenue)	9.58% 16
Grand View Public School (161 Denwood Drive)	18.56% 31
Parkland Public School (54 Amber Street)	17.37% 29
Pinewood Public School (3924 Queen Street East)	10.78% 18
St. Mary's French Immersion Catholic School (124 Gibbs Street)	5.39% 9
Advance poll – Civic Centre (99 Foster Drive)	8.98% 15
Vote from Home program	0.00% 0
Unsure	6.59% 11
TOTAL	167

Q5 Please select your Ward 2 voting location for the 2018 Municipal Election?

Answered: 135 Skipped: 708

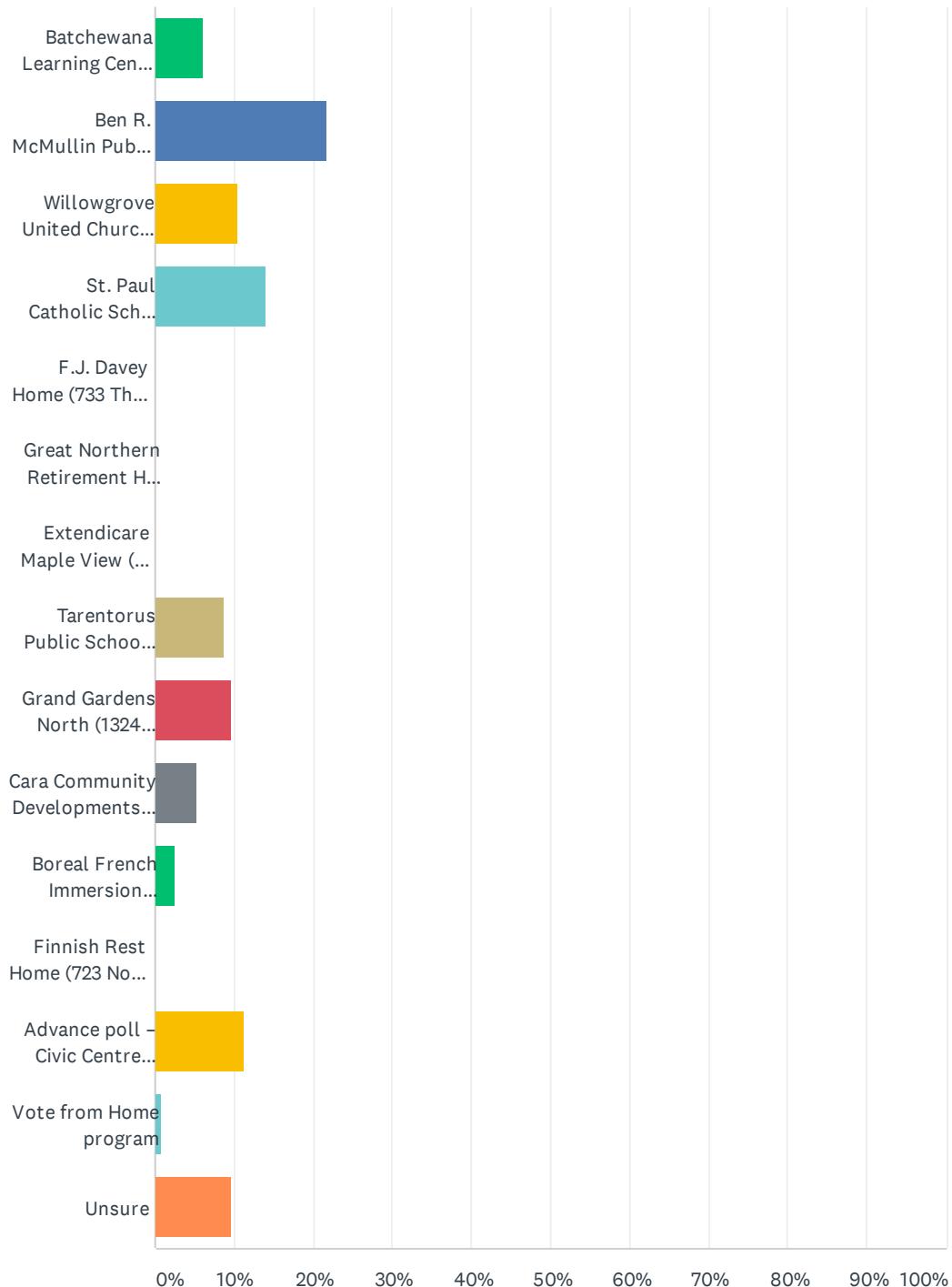


Voter Engagement Survey

ANSWER CHOICES	RESPONSES
River View Public School (51 Wireless Avenue)	17.78%
Zion Lutheran Church (189 Upton Road)	20.00%
F.H. Clergue Public School (80 Weldon Avenue)	11.11%
Queen Elizabeth Public School (139 Elizabeth Street)	12.59%
Collegiate Heights Retirement Residence (95 Fauguier Avenue)	0.00%
Our Lady of Good Counsel Church (114 MacDonald Avenue)	3.70%
St. Andrew's United Church (712 Wellington Street East)	12.59%
Senior Citizens Drop-In Centre (619 Bay Street)	0.74%
Holy Angels Learning Centre (102 Wellington Street East)	2.96%
Marconi Hall (450 Albert Street West)	2.96%
Advance poll – Civic Centre (99 Foster Drive)	10.37%
Vote from Home program	0.00%
Unsure	5.19%
TOTAL	135

Q6 Please select your Ward 3 voting location for the 2018 Municipal Election?

Answered: 115 Skipped: 728

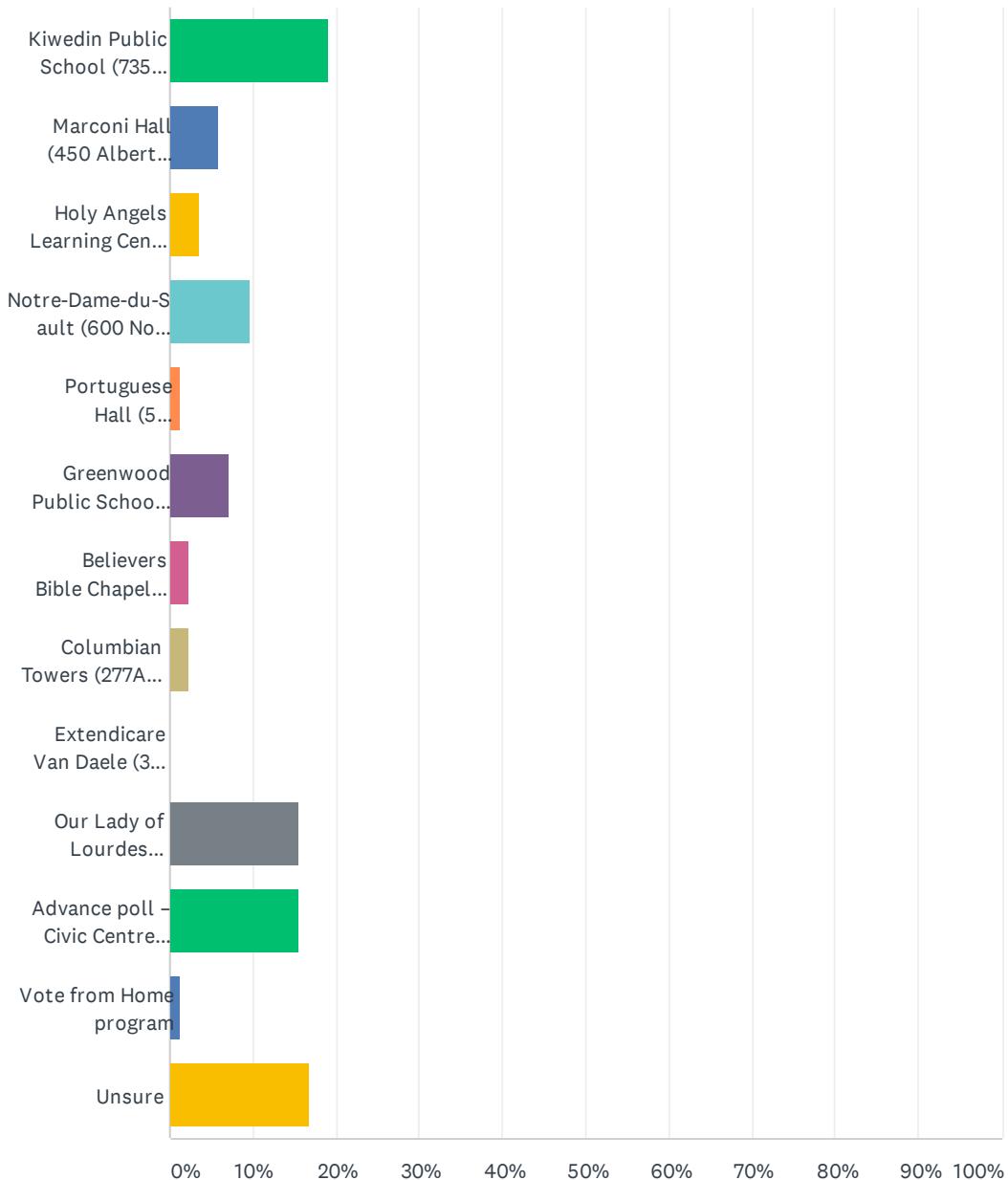


Voter Engagement Survey

ANSWER CHOICES	RESPONSES
Batchewana Learning Centre (15 Jean Avenue)	6.09% 7
Ben R. McMullin Public School (24 Paradise Avenue)	21.74% 25
Willowgrove United Church (55 Tilley Road)	10.43% 12
St. Paul Catholic School (78 Dablon Street)	13.91% 16
F.J. Davey Home (733 Third Line East)	0.00% 0
Great Northern Retirement Home (760 Great Northern)	0.00% 0
Extendicare Maple View (650 Northern Avenue)	0.00% 0
Tarentorus Public School (96 Northwood Street)	8.70% 10
Grand Gardens North (1324 Great Northern Road)	9.57% 11
Cara Community Developments (31 Old Garden River Road)	5.22% 6
Boreal French Immersion Public School (232 Northern Avenue)	2.61% 3
Finnish Rest Home (723 North Street)	0.00% 0
Advance poll – Civic Centre (99 Foster Drive)	11.30% 13
Vote from Home program	0.87% 1
Unsure	9.57% 11
TOTAL	115

Q7 Please select your Ward 4 voting location for the 2018 Municipal Election?

Answered: 84 Skipped: 759

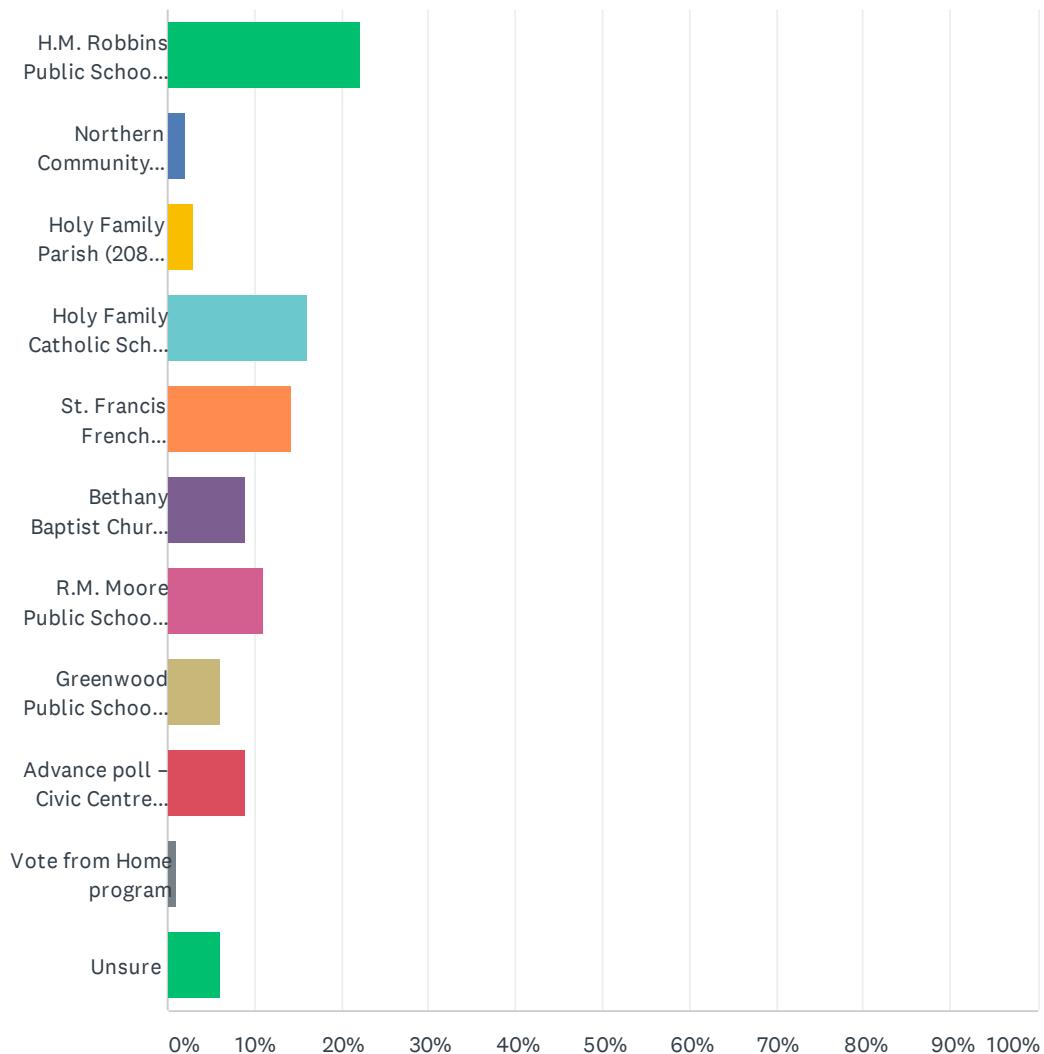


Voter Engagement Survey

ANSWER CHOICES	RESPONSES
Kiwedin Public School (735 North Street)	19.05%
Marconi Hall (450 Albert Street West)	5.95%
Holy Angels Learning Centre (102 Wellington Street East)	3.57%
Notre-Dame-du-Sault (600 North Street)	9.52%
Portuguese Hall (5 Cornwall Street)	1.19%
Greenwood Public School (8 Fourth Line West)	7.14%
Believers Bible Chapel (423 Henry Street)	2.38%
Columbian Towers (277A Northern Avenue East)	2.38%
Extendicare Van Daele (39 Van Daele Street)	0.00%
Our Lady of Lourdes Catholic School (319 Prentice Avenue)	15.48%
Advance poll – Civic Centre (99 Foster Drive)	15.48%
Vote from Home program	1.19%
Unsure	16.67%
TOTAL	84

Q8 Please select your Ward 5 voting location for the 2018 Municipal Election?

Answered: 99 Skipped: 744

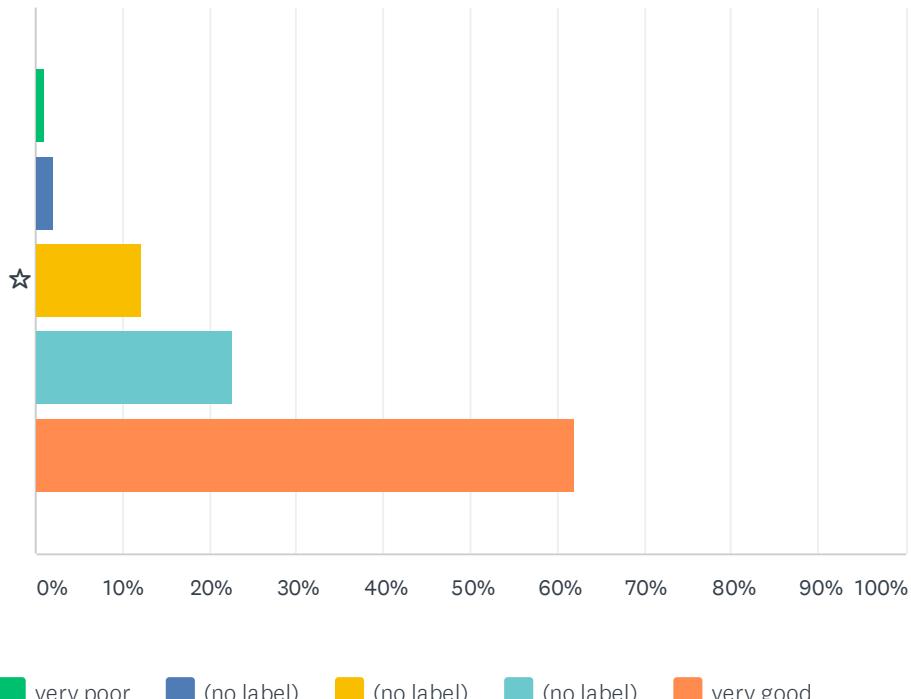


Voter Engagement Survey

ANSWER CHOICES	RESPONSES
H.M. Robbins Public School (83 East Balfour Street)	22.22% 22
Northern Community Centre (556 Goulais Avenue)	2.02% 2
Holy Family Parish (208 Prentice Avenue)	3.03% 3
Holy Family Catholic School (42 Rushmere Drive)	16.16% 16
St. Francis French Immersion Catholic School (147 Brookfield Avenue)	14.14% 14
Bethany Baptist Church (1074 Second Line West)	9.09% 9
R.M. Moore Public School (1272 Base Line)	11.11% 11
Greenwood Public School (8 Fourth Line West)	6.06% 6
Advance poll – Civic Centre (99 Foster Drive)	9.09% 9
Vote from Home program	1.01% 1
Unsure	6.06% 6
TOTAL	99

Q9 How would you rate your physical voting location?

Answered: 547 Skipped: 296



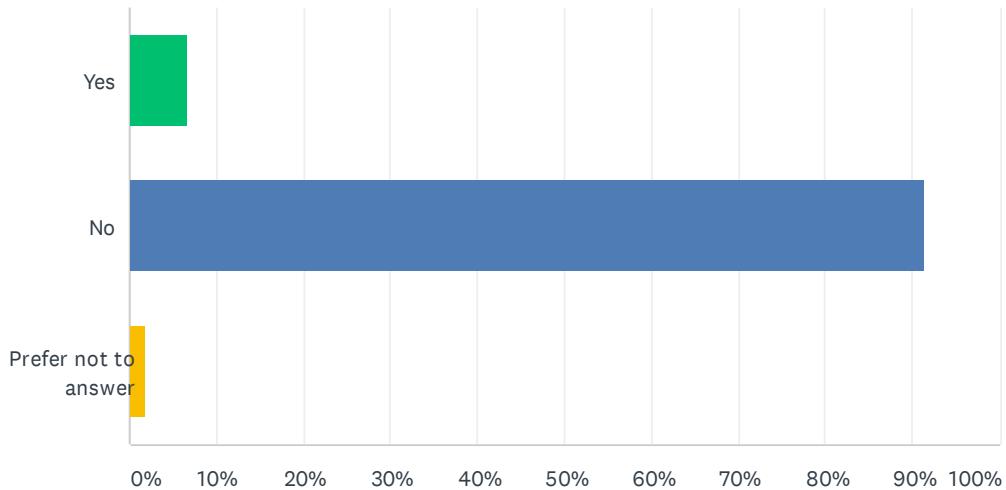
	VERY POOR	(NO LABEL)	(NO LABEL)	(NO LABEL)	VERY GOOD	TOTAL	WEIGHTED AVERAGE
★	1.10% 6	2.19% 12	12.07% 66	22.67% 124	61.97% 339	547	4.42

Q10 Do you have any suggestions on how to improve your voting location?

Answered: 202 Skipped: 641

Q11 Are there any barriers preventing you from taking part in the election process?

Answered: 757 Skipped: 86



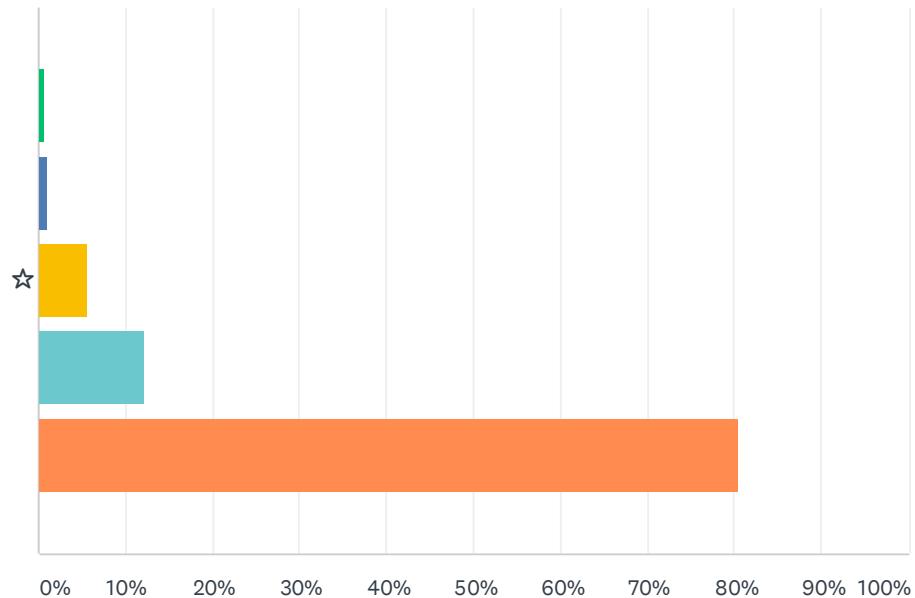
ANSWER CHOICES	RESPONSES	
Yes	6.61%	50
No	91.41%	692
Prefer not to answer	1.98%	15
TOTAL		757

Q12 If yes, please explain.

Answered: 58 Skipped: 785

Q13 Vote-in-person (people count the votes)

Answered: 728 Skipped: 115

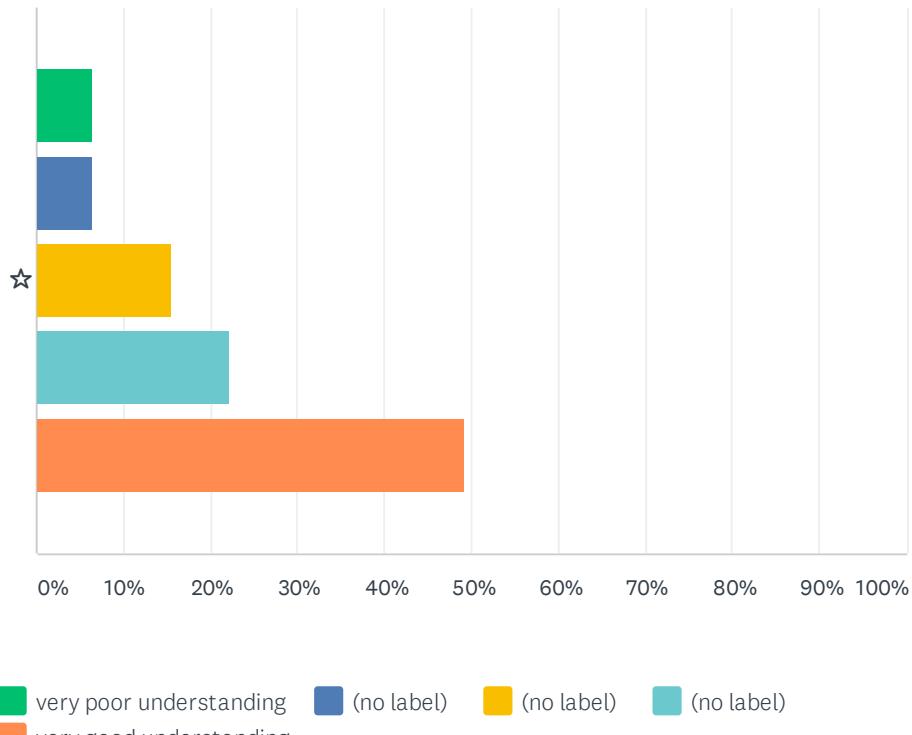


█ very poor understanding █ (no label) █ (no label) █ (no label)
█ very good understanding

	VERY POOR UNDERSTANDING	(NO LABEL)	(NO LABEL)	(NO LABEL)	VERY GOOD UNDERSTANDING	TOTAL	WEIGHTED AVERAGE
☆	0.55% 4	1.10% 8	5.63% 41	12.09% 88	80.63% 587	728	4.71

Q14 Vote-in-person (tabulator machines count the votes)

Answered: 729 Skipped: 114

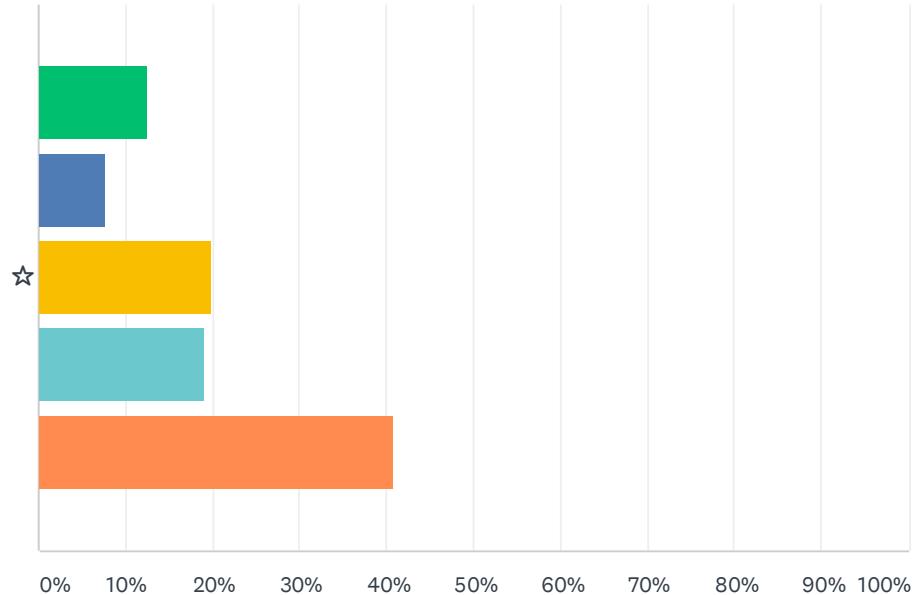


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█ very good understanding

	VERY POOR UNDERSTANDING	(NO LABEL)	(NO LABEL)	(NO LABEL)	VERY GOOD UNDERSTANDING	TOTAL	WEIGHTED AVERAGE
★	6.58% 48	6.58% 48	15.50% 113	22.09% 161	49.25% 359	729	4.01

Q15 Vote-by-mail

Answered: 727 Skipped: 116

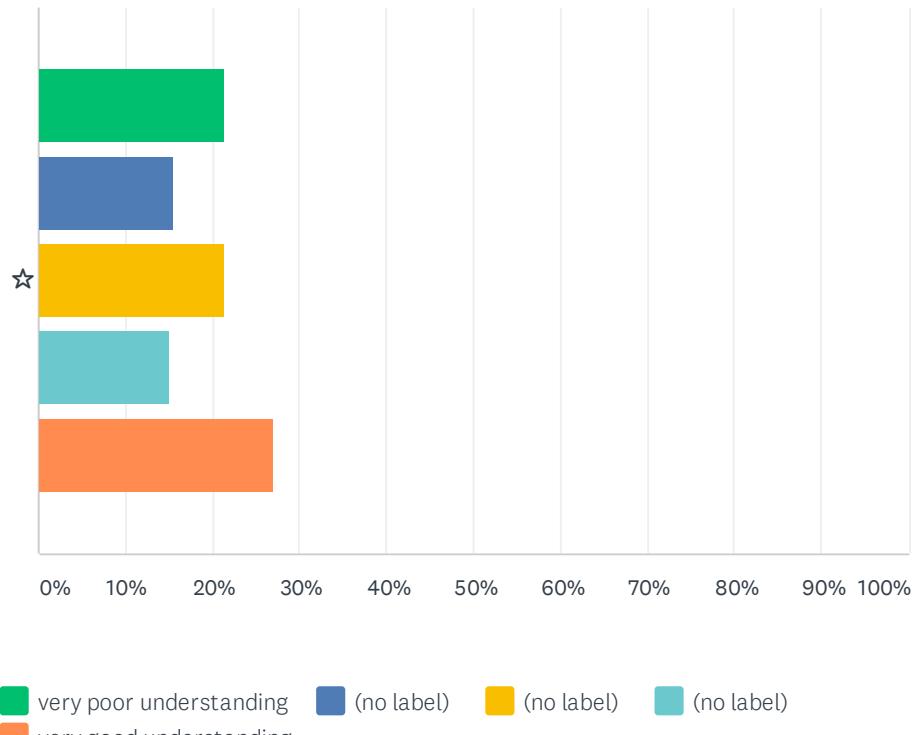


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█ very good understanding

	VERY POOR UNDERSTANDING	(NO LABEL)	(NO LABEL)	(NO LABEL)	VERY GOOD UNDERSTANDING	TOTAL	WEIGHTED AVERAGE
☆	12.52% 91	7.84% 57	19.94% 145	18.98% 138	40.72% 296	727	3.68

Q16 Vote-by-phone

Answered: 728 Skipped: 115

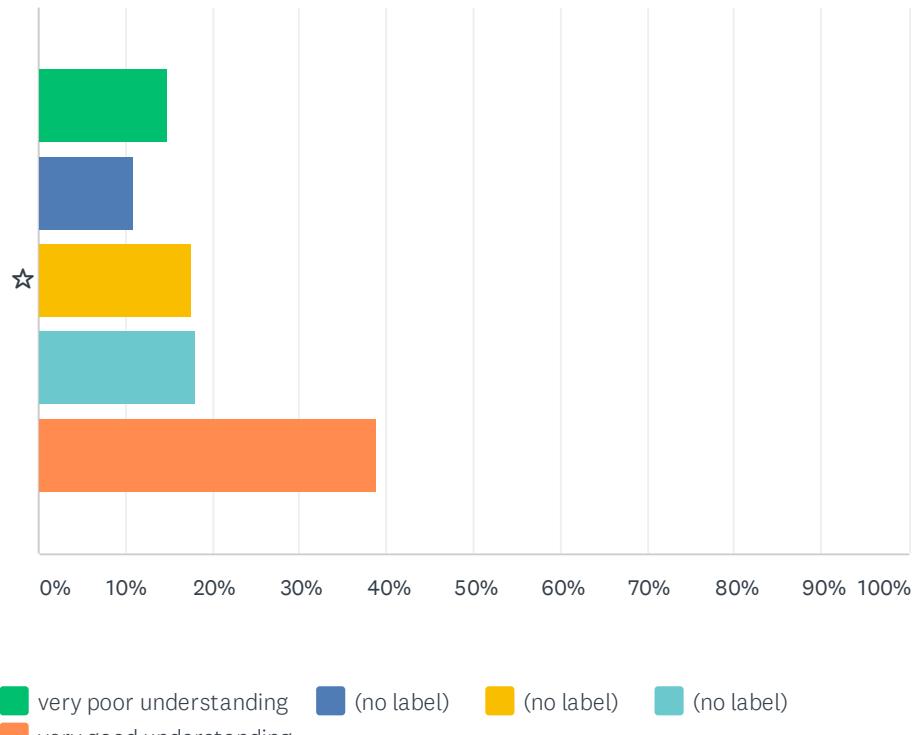


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█ very good understanding

	VERY POOR UNDERSTANDING	(NO LABEL)	(NO LABEL)	(NO LABEL)	VERY GOOD UNDERSTANDING	TOTAL	WEIGHTED AVERAGE
☆	21.43% 156	15.38% 112	21.29% 155	14.97% 109	26.92% 196	728	3.11

Q17 Vote online

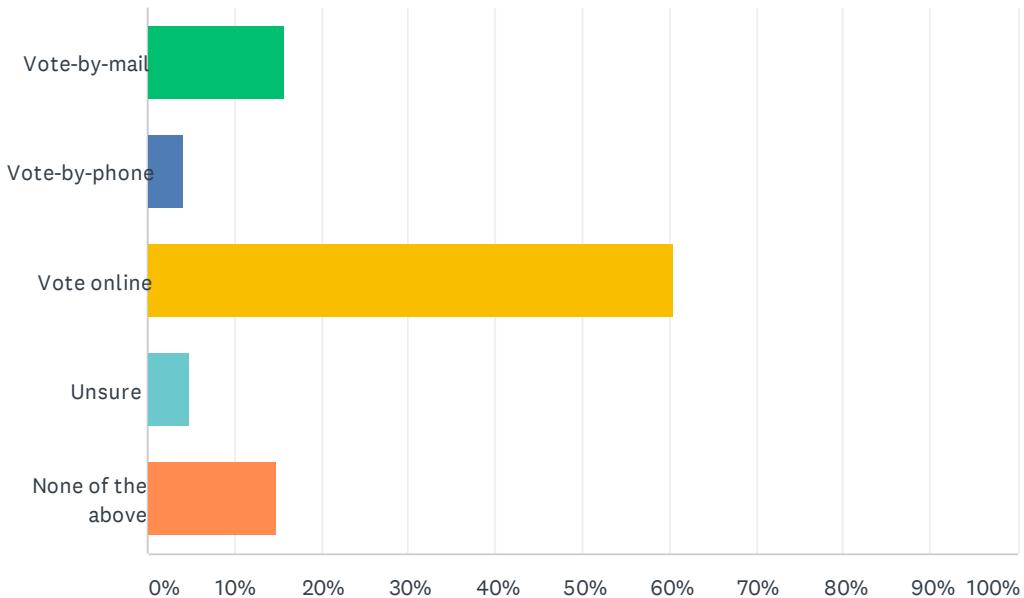
Answered: 729 Skipped: 114



	VERY POOR UNDERSTANDING	(NO LABEL)	(NO LABEL)	(NO LABEL)	VERY GOOD UNDERSTANDING	TOTAL	WEIGHTED AVERAGE
☆	14.81% 108	10.84% 79	17.56% 128	17.97% 131	38.82% 283	729	3.55

Q18 Please select the remote voting method you would prefer, if the option is available?

Answered: 724 Skipped: 119



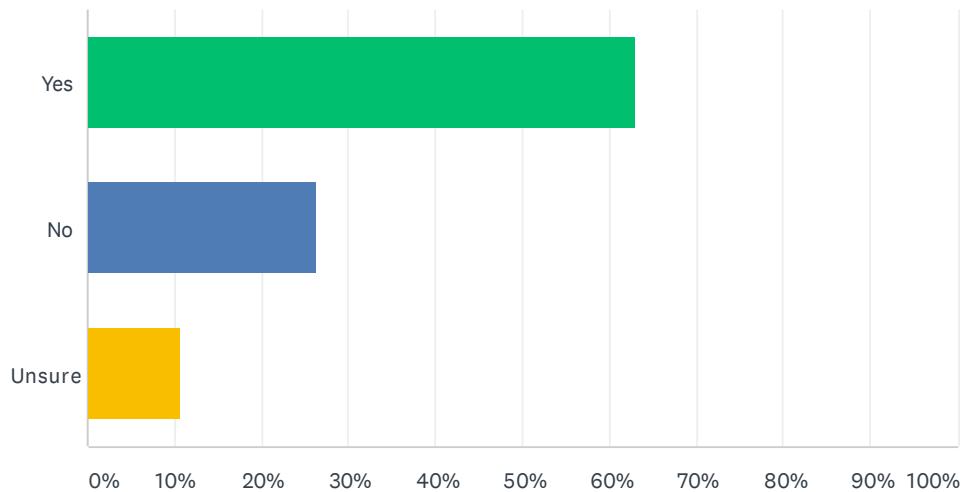
ANSWER CHOICES	RESPONSES	
Vote-by-mail	15.61%	113
Vote-by-phone	4.28%	31
Vote online	60.36%	437
Unsure	4.83%	35
None of the above	14.92%	108
TOTAL		724

Q19 Why do you prefer this remote voting method?

Answered: 634 Skipped: 209

Q20 Considering the COVID-19 pandemic, would you be more likely to vote remotely in the 2022 Municipal Election if the option was available?

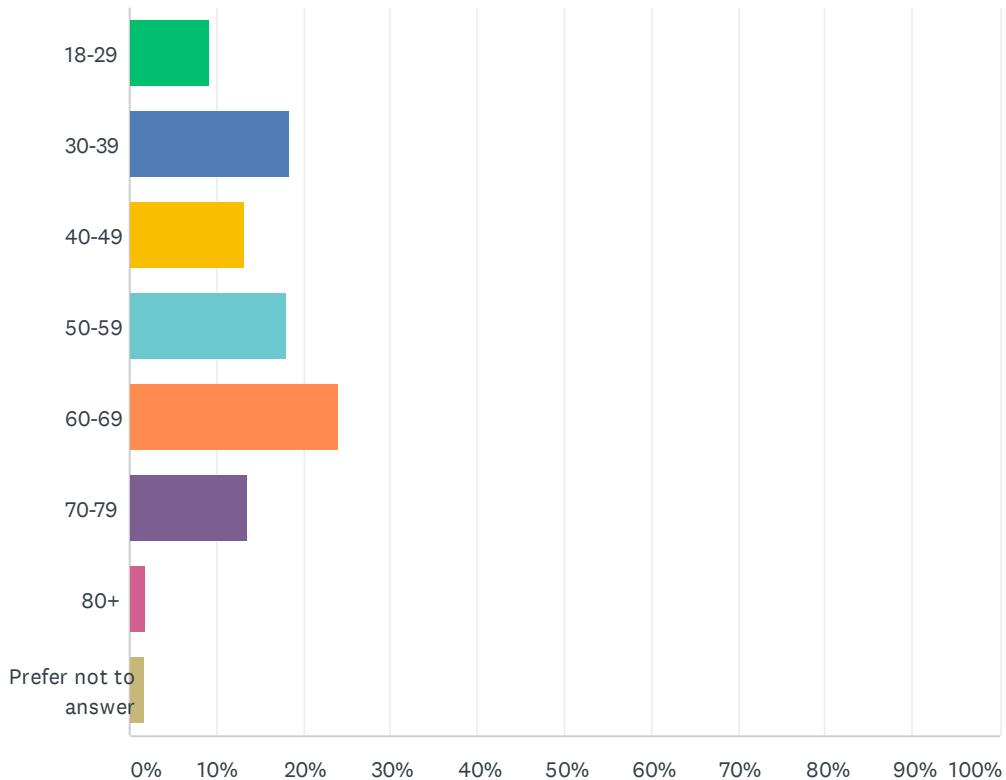
Answered: 726 Skipped: 117



ANSWER CHOICES	RESPONSES	
Yes	62.95%	457
No	26.45%	192
Unsure	10.61%	77
TOTAL		726

Q21 Which age group do you fall in?

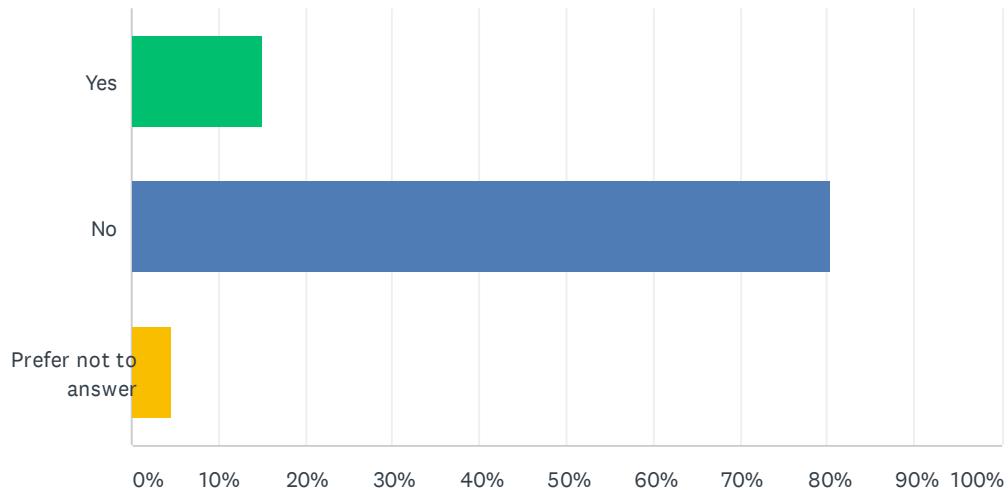
Answered: 726 Skipped: 117



ANSWER CHOICES	RESPONSES	
18-29	9.23%	67
30-39	18.32%	133
40-49	13.22%	96
50-59	18.04%	131
60-69	24.10%	175
70-79	13.50%	98
80+	1.93%	14
Prefer not to answer	1.65%	12
TOTAL		726

Q22 Disabilities, both visible and invisible, include physical, hearing, seeing, developmental learning or mental health conditions, chronic illness, and addictions. Disabilities may be from birth, caused by injury or accident, developed over time, or results from the combination of a persons condition and barriers in society. Do you identify as a person with a disability?

Answered: 727 Skipped: 116



ANSWER CHOICES	RESPONSES
Yes	15.13%
No	80.33%
Prefer not to answer	4.54%
TOTAL	727

Considering the COVID-19 pandemic, would you be more likely to vote remotely in the 2022 Municipal Election if the option was available?

1320 confirmed local, distinct votes.

Response:

Yes - 847 - 64%

No - 342 - 26%

Unsure - 131 - 10%

Breakdown by ward:

Ward	Yes	No	Unsure
Ward 1 (Christian/Hollingsworth)	68.60%	23.26%	8.14%
Ward 2 (Dufour/Vezneau-Allen)	68.89%	20.44%	10.67%
Ward 3 (Hilsinger/Shoemaker)	69.52%	20.00%	10.48%
Ward 4 (Bruni/Niro)	56.22%	29.85%	13.93%
Ward 5 (Gardi/Scott)	61.67%	30.00%	8.33%
I'm not sure	53.25%	37.66%	9.09%

Breakdown by age group:

Age	Yes	No	Unsure
18-34 years	66%	27%	7%
35-54 years	67%	28%	5%
55+ years	66%	23%	11%

For a municipal election, which voting method would you prefer, if available?

3177 confirmed local, distinct votes.

	Total Votes	% of Votes
Vote-in-person (people count the votes)	1118	35%
Vote-in-person (tabulator machine count the votes)	299	9%
Vote-by-mail	193	6%
Vote-by-phone	42	1%
Vote online	1256	40%
Unsure	175	6%
None of the above	94	3%

Distribution by age:

	18-34	35-54	55+
Vote-in-person (people count the votes)	32%	27%	36%
Vote-in-person (tabulator machine count the votes)	10%	10%	14%
Vote-by-mail	2%	4%	7%
Vote-by-phone	3%	1%	1%
Vote online	44%	49%	34%
Unsure	5%	5%	5%
None of the above	4%	3%	2%

Appendix C – Sault Ste. Marie Voter Turnout Information

Voter Turnout by Ward 2018

Ward 1 43.7%

Ward 2 39.3%

Ward 3 43.5%

Ward 4 35.6%

Ward 5 37.9%

Voter Turnout by Age Group 2018

18-30 18%

31-45 25%

46-60 50%

61-75 55%

76-100 50%

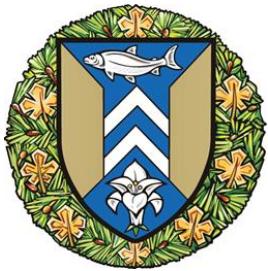
Voter Turnout by Election Year

2018 40.3%

2014 42.42

2010 47.65

2006 48.2%



The Corporation of the City of Sault Ste. Marie

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

June 28, 2021

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: Downtown Safety

Purpose

The purpose of this report is to respond to Council requests to report on strategies and options to improve safety in the downtown.

Background

On December 11, 2017 City Council approved the following resolution:

Whereas City Council is investing significantly in supporting the Downtown Development Strategy; and

Whereas creating a safe community is important across the community and in particular should be given the utmost consideration and inclusion in the Downtown Development Strategy; and

Whereas development of options that increase the feeling of safety in the downtown area at all hours will have a positive economic effect as people may remain in the area longer;

Now Therefore Be It Resolved that a downtown safety strategy be identified and included as part of the Downtown Development Strategy; and

Further Be It Resolved that such a strategy be developed in consultation with the Sault Ste. Marie Police Service, the Downtown Association, and other related community groups seeking to increase public safety.

On November 9th, 2020 Council approved the following motion:

Whereas the 2016 downtown strategy has a vision that includes seven vision pillars for an improved downtown, one of which is to create a “safe place”; and

Whereas businesses have recently expressed frustration at increased petty crime, which is on the rise across the city, but is acutely present downtown in the off-business hours when many buildings are unoccupied; and

Whereas in 2017 City Council requested a “Downtown Safety Strategy”, the development of which is ongoing; and

Whereas to create a safe downtown, the City must invest in technology or resources to create the “safe place” our downtown strategy strives for;

Now Therefore Be It Resolved that staff be requested to investigate and, as part of a broader “Downtown Safety Strategy”, report on options increase safety in the downtown, which options could include either surveillance in the downtown core or security patrols in the downtown core during non-core hours and determine if partnerships with downtown merchants, the private sector, or the Downtown Association can facilitate whichever option is recommended.”

In addition to the Council resolutions, the Province of Ontario announced legislation through the Police Services Act requiring municipalities to develop and approve Community Safety and Wellbeing Plan. As part of legislation, municipalities are required to develop and adopt community safety and well-being plans working in partnership with a multi-sectoral advisory committee comprised of representation from the police service board and other local service providers in health/mental health, education, community/social services and children/youth services. The original deadline to approve the Community Safety and Wellbeing Plan was January, 2021 but this date has been pushed back due to the impact of Covid-19 on community planning processes and resources.

Analysis

Staff have had discussions and undertaken research into practices in other communities. From this research, it is clear that the downtown safety issue is one that is being experienced by cities across Canada. Further, the impact of the opioid crisis is exacerbating the issue in these same communities.

Initial discussions were held with the Downtown Association Board and staff along with Police Services. The discussion was also broadened to include the Canadian Mental Health Association (CMHA), Social Services and conversations directly with business owners. It should be noted that the CMHA has been located within the BIA area for 20+ years and is a partner and a member of the

Downtown Safety

June 28, 2021

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community. Further, the BIA and Police Services have already undertaken efforts to address safety:

Police Services

- Late October 2020 - 2 additional officers for 3 weeks were assigned for traffic patrols
- Dynamic Patrol – 3 week rotation starting Nov. 10th, 2020 – using information from crime analysis, Police Services assigned officers to different areas and officers were tasked with foot patrols on certain days of the week. Vehicle patrols were also increased in certain areas with known issues.
- Police have made available resources to assist businesses to develop CPTED (Crime Prevention Through Environmental Design) approaches to their property.
- Progress is being made as indicated by Police Services Crime Statistics for the downtown area:

Calls for Service: Mischief/Theft/Robbery/Break and Enter/Assault/Drug Offences		
	2019	2020
Downtown (along Queen Street from Gore to Pim Street with Albert/Bay on the North/South)	438	225

Downtown Association

- The BIA has periodically engaged a private security company to do additional patrols in the evenings.
- BIA staff have also circulated information and best practices from Police Services to secure businesses

Discussions with the BIA, business owners and Police Services provided an opportunity for individuals to express their thoughts and ideas on improving downtown safety. There were some common themes that emerged from the discussion:

- Addiction and Mental Health - It was recognized that a number of the issues being experienced are the result of mental health and addiction issues. There was a strong desire to see proper mental health and addiction support services made available in the community.

Further, the group thought it was important to acknowledge that addiction issues are found across the community and certainly not all individuals struggling with addiction are committing crimes. People suffering with addictions are members of our community and we must ensure we have

the proper support and services to help them with their struggles.

Stakeholders stressed that, as a community, we must continue to maintain our compassion and human connection to all residents.

- Covid-19 Foot Traffic Impact – It was acknowledged that the impact of Covid-19 on business, restaurant and patio closures has had an impact on crime and the perception of crime. A decrease in the number of people visiting downtown has created a streetscape with limited foot traffic, which opens opportunities for negative behaviour.
- Bill C-75 – Issues with current legislation regarding the catch and release of certain individuals committing crimes is a frustration point with law officials and residents. This is a much broader issue that needs to be addressed at the Federal level.
- National Problem – It was noted that the increase in crime and addictions/mental health issues are being experienced by cities across Canada. Research conducted by staff noted the experiences and efforts being made in communities in Northern Ontario and all major cities in Canada. This is not a situation unique to Sault Ste. Marie.
- Return to Vibrancy – The downtown offers visitors a number of tremendous local businesses, restaurants and bars that provide vibrancy and important services to the community. Once pandemic restrictions are lifted, local businesses look forward to welcoming patrons back to the downtown. The return of events and festivals will help to re-animate the downtown and there will be a positive contribution to safety once people are frequenting the downtown as they did before.

Community stakeholders are committed to working together to continue the revitalization of our downtown and ensure it a safe and welcoming space for residents, tourists and businesses. In order to assist in this objective, the following action strategy is proposed:

- 1) Downtown Ambassador Program
- 2) Security Patrols and Surveillance
- 3) Crime Prevention Through Environmental Design Initiative
- 4) Downtown Activation

These initiatives will assist in addressing security and safety in the downtown. They will not solve the issues, of course. A broader community strategy that ranges from mental health and addiction services, downtown investment and more is required to help address issues. Stakeholders are confident the community can continue to improve the downtown and build on the tremendous assets that already exist. More details on the action items are included below:

1) Downtown Ambassador Pilot Program

Based off programs underway in other communities, the Downtown Ambassador pilot program would see a collaborative model with a combination of paid and volunteer positions that help to keep the downtown safe and friendly. Attired in distinct uniforms, the Ambassador team share a common affinity for Downtown and an intimate understanding of what's happening around the neighborhood.

The Downtown Ambassador Program aims to make Downtown Sault Ste. Marie's streets a comfortable and safe place to work, live, and visit. Ambassadors help the public with directions, parking, provide answers to questions and check in with local businesses. They are a liaison between the Downtown business community and the DTA, City and SSM Police Services, Canadian Mental Health Association and others. In addition, they will receive training in CPR, Mental Health First Aid and Naloxone administration.

It is important to note that the Ambassadors are not security guards. They will be trained to know the appropriate organization to call should a situation arise and are there to provide friendly assistance to anyone in the downtown. Their presence, though, will provide a level of assurance and comfort for people in the downtown. A collaboration with the CMHA and their Peer Support Worker program will see Peer Support Workers participate on neighbourhood walks and also respond to business owners experiencing an issue that may not be Police related but includes an individual in distress or a situation that could escalate without proper intervention.

Links to other community initiatives including the Neighbourhood Resource Centre (NRC) under development and the Wellness Bus will be established to create synergies with other available programs.

Other communities instituting such programs have tracked metrics such as:

- Business Assist
- Non-emergency Police Calls
- Behavior Redirection
- Graffiti/Stickers/Trash
- Safety Escorts
- Homeless Outreach
- Motorist Assist/Parking Assist
- Visitor Direction/Referral

The estimated budget for a one year pilot program is \$104,652 and includes:

- Payroll & Associated Costs
- Training
- Uniforms

- Cell phones

2) Security Patrols and Surveillance

SSM Police Services has increased patrols in the downtown starting Nov. 10th, 2020. Using information from crime statistics, Police Services have assigned officers to different areas and officers have increased foot patrols 11pm-3am on certain days of the week. Police Services has also provided information to businesses to help them secure their premises during off hours.

There are a number of complementary initiatives underway with other stakeholders in the community to better support mental health and opioid & addiction support services.

The installation of surveillance cameras and use of private security patrols is being explored and the estimated cost for these items are:

- Surveillance cameras with monitoring – estimated monthly fee - \$4,000-\$7,000 depending on technology, number of cameras and options
- Security patrols – 10pm – 6am – estimated monthly fee - \$7,000-\$9,000 depending on level of service

Note, these are estimates only and the completion of an RFP for these security services would be required. A collaborative model with the BIA and local businesses taking the lead is being considered.

3) Crime Prevention Through Environmental Design Initiative

Crime Prevention Through Environmental Design (CPTED) is a multi-disciplinary approach of crime prevention that uses urban and architectural design and the management of built and natural environments.

SSM Police Officers have been trained in CPTED principles and are willing to assist downtown business owners to identify areas of improvement and make recommendations.

4) Downtown Activation

One of the key tactics to increase safety and the perception of safety in the downtown is to increase foot traffic. The Covid-19 pandemic has obviously caused a significant drop in the number of people frequenting downtown businesses, restaurants and bars. There is reason to be optimistic with the recent increase in vaccination rates that residents and tourists will be able to frequent the downtown in greater numbers.

Further to this, the plans by the City to establish a downtown plaza with a number of attractive features and events that will attract residents and tourists to the area is another promising step to increasing foot traffic in the downtown.

In addition, City staff are working to attract and assist developers looking in the construction of new residential living units in the downtown. This is another critical way to increase vibrancy and the number of people frequenting the downtown core.

Community Safety and Wellbeing Plan (CSWB)

An initial meeting to introduce the concept of the CSWB plan with Ministry officials and the Algoma Leadership Table (ALT) occurred on November 13, 2019. The Community Safety and Well-Being Plan (CSWB) is currently under development. This plan will take community identified risks and prioritized them into goals and actionable items. The Algoma Leadership Table has committed to an advisory role in the development of this plan.

A consultation at the Neighbourhood Resource Centre as well an Indigenous-specific focus group were held to increase representation in the formation of the plan. Additionally, recent community reports such as the Drug Strategy and the SSM Poverty Roundtable: Progress on Impact Report, were reviewed to preliminarily identify risks in the community. On November 4th, 2020 the ALT reviewed the plan and the Police Services Board will be reviewing the plan in the near future. The CSWB plan appears elsewhere on the agenda.

The initiation of the programming for Downtown Safety described above will help achieve objectives of the Community Safety and Wellbeing plan. Further, by making businesses, City staff and the public aware of resources that are available to help it is hoped that improved safety and wellbeing will be achieved in the downtown.

Moving Forward

At this time, staff are working with stakeholders to finalize the estimated budget to implement the proposed downtown safety actions. A survey was sent out to BIA members related to security cameras. There was limited response to date but it appears video cameras are already in use by a number of businesses.

If an initiative was approved to advance a pilot program including the Downtown Ambassador program and nightly private security patrols, a total budget estimated for the project would be approximately \$192,252.

The CMHA is exploring a funding opportunity that may be able to assist with covering the staff wages for the Downtown Ambassador program. In addition, City staff are exploring options with stakeholders to receive contributions to assist with the security patrols and other elements of downtown safety.

A report will be brought back to Council in the near future making a request to utilize funds from the Community Development Fund – Social Equity Program

Downtown Safety

June 28, 2021

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along with contributions from other organizations to advance this downtown safety initiative.

Financial Implications

There are no financial implications at this point – a request will be brought back to Council in the near future once feedback from stakeholders is complete.

Strategic Plan / Policy Impact

This item aligns with the Corporate Strategic Plan in the Quality of Life focus area:

Vibrant Downtown Areas – We are striving to create a vibrant and attractive downtown that contributes to the vitality and resiliency of our City. Downtown areas play a central role in defining the character of our City.

Recommendation

It is therefore recommended that Council take the following action:

Resolved that the report of the Deputy CAO, Community Development and Enterprise Services dated June 28, 2021 be received as information.

Respectfully submitted,

Tom Vair

Deputy CAO, Community Development and Enterprise Services

705-759-5264

t.vair@cityssm.on.ca

Research on Downtown Ambassador Programs

1. Guelph Welcoming Streets
2. North Bay Article
3. Research Paper – University of Windsor
4. Downtown Bend Oregon Ambassador Program
5. Lethbridge Downtown Clean Safe Strategy

1. Guelph Welcoming Streets

WELCOMING STREETS INITIATIVE (WSI)



What is the Welcoming Street Initiative (WSI)?

The WSI was designed to ensure that downtown Guelph is safe, inclusive, and welcoming for all community members.

What is the purpose of this program and expected outcomes?

Purpose: A Peer Outreach Worker works to support business owners by responding to situations that do not require the help of police. In addition, the Worker engages with vulnerable individuals to ensure they are connected with the services they need.

Expected Outcomes:

- Business owners feel supported and have access to the information/training they need
- Vulnerable individuals feel supported, and are linked with the services they need
- The downtown core is safe and inclusive for all community members

Who does this program serve?

This program supports downtown business owners and also vulnerable individuals in the area. These individuals are often struggling with complex issues, such as poverty, mental health and addiction, homelessness, and who are disengaged from the health and social service system.

This initiative is the result of an innovative partnership between the Guelph Police, the Guelph Business Association, and the Guelph Community Health Centre.

Program Funding Partners:

2018: Downtown Guelph Business Association, City of Guelph, Guelph Community Health Centre, Guelph Police Service

2018/2019: Downtown Guelph Business Association, City of Guelph, Guelph Community Health Centre, Guelph Police Service, United Way & County of Wellington

2020/2021: Downtown Guelph Business Association, City of Guelph, Guelph Community Health Centre, Guelph Police Service & County of Wellington

Resources:

[GUELPH WELCOMING STREETS INITIATIVE-EVALUATION](#)

[WELCOMING STREET MINI DOCUMENTARY FILMED BY JACK BAILEY](#)

[NO ONE LEFT BEHIND – UNITED WAY GUELPH WELLINGTON DOCUMENTARY](#)

[SUPPORTIVE COMMUNITY CONNECTIONS IN DOWNTOWN GUELPH:](#) [VIEW / PDF PRINT](#)

[BUSINESS TIPS FOR DE-ESCALATION](#) [PDF PRINT](#)

2. North Bay Downtown Ambassador Program Article

Downtown ambassador program to become full time

<https://www.nugget.ca/news/local-news/downtown-ambassador-program-to-become-full-time>

Author of the article: Michael Lee

Publishing date: Mar 02, 2020

The Healthy Community Ambassador Program is expected to run full time starting this spring with the help of additional funds from the Downtown Improvement Area board. The program began last summer and sees outreach workers help vulnerable people find services they need, including housing and treatment programs.

The Healthy Community Ambassador Program is expected to run full time starting this spring with the help of additional funds from the Downtown Improvement Area board. The program began last summer and sees outreach workers help vulnerable people find services they need, including housing and treatment programs. Michael Lee/The Nugget

The Health Community Ambassador Program, which began last summer in response to concerns around mental health and addictions downtown, will expand from being a part-time endeavour to having two or three full-time outreach workers later this year.

Coun. Dave Mendicino says the Downtown Improvement Area (DIA), or Downtown North Bay, board has set aside \$25,000 in one-time funding for the program, with additional support coming from Nipissing Mental Health Housing & Support Services.

Mendicino, who serves as a city council representative on the DIA board, says he is excited to see the program come back full time.

The project has been a resounding success,” he said. “The feedback has been really positive to the extent that come spring, with Nipissing Mental Health Housing & Support in downtown North Bay, we are going to relaunch the program on a full-time basis.”

The news came last week when council approved the DIA board’s 2020 budget.

The DIA board has increased its budget this year by more than \$33,000 to approximately \$214,000, in part for the ambassador program but also for additional marketing and security.

Nipissing Mental Health Housing & Support Services will continue to take the lead in the program’s operation. Executive director Mary Davis says it will become full time starting in May.

Inspired by the Welcoming Streets Initiative in Guelph, the program has mental health and addictions workers patrol the downtown core and help individuals find housing or refer them to treatment programs.

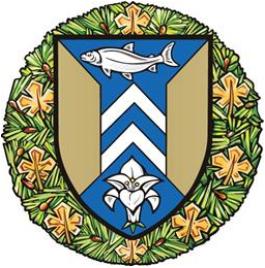
Earlier this month, Nipissing Mental Health Housing & Support Services revealed that the program had logged approximately 100 interactions since August, in some cases helping individuals obtain ID, submit financial applications, and set appointments with health-care providers and support programs.

At the time of the announcement, outreach workers had responded to upwards of 100 calls for support from businesses, and provided communication and de-escalation training.

Mendicino says the program also will attempt to help individuals at the library who are in need of assistance.

The North Bay Police Service, meanwhile, is expected to increase patrols downtown this year.

3. Research Paper - [Research Paper](#) - Downtown ambassadors: Exploring a new node in the security assemblage
4. Downtown Bend Oregon Ambassador Program - [Ambassador Program](#)
5. Lethbridge – [Downtown Clean Safe Strategy](#)



The Corporation of the City of Sault Ste. Marie

COUNCIL REPORT

June 28, 2021

TO: Mayor Christian Provenzano and Members of City Council
AUTHOR: Brent Lamming, Director of Community Services
DEPARTMENT: Community Development and Enterprise Services
RE: Annual Addition and Removal of Bus Stops - Traffic By-law
77-200

Purpose

To seek Council approval for the addition and or removal of any bus stops throughout the year.

Background

The Transit Services Division of Community Development and Enterprise Services conducts an annual review of Traffic By-law 77-200. These changes are due to new demand, redundancy and or no longer warranted bus stops in the service area.

Analysis

Schedule C Section 17

Stops Removed		Stops Added	
#	Street Name and Number	#	Street Name and Number
1	129 Bay Street	1	155 Terrance Ave.
2	McDonalds #08262	2	221 Terrance Ave.
3	Superior Bakery #18847	3	North 82 #06266
4	Water Tower Great Northern Rd.	4	443 Northern Ave.
5	7 Southwood Drive	5	850 Second Line E.
6	456 Northern Ave	6	760 Second Line E.
7	524 Northern Ave	7	345 Great Northern Rd.
8	268 Huron Street	8	361 Northern Ave. E.
9	Huron St. & Wellington St.	9	370 Northern Ave. E.
10	314 Wellington St. W.	10	Lyons Ave & Sherbourne
11	25 Wallace Terr.	11	Cathcart & Marconi
12	513 Wellington St. W.	12	Cathcart & Carmen's Way
13	477 Wellington St. W.	13	185 Industrial Court B
14	331 Wellington St. W.	14	142 Industrial Court A
15	323 Huron Street	15	232 Drive In Rd.
16	129 Bay Street	16	Willoughby #06266- Beside North 82
17	1635 Queen St. E.	17	Willoughby #06261- At Willow Ave.
18	237 Goulais Ave.	18	Second Line East #08827- At Leons
19	5 Sackville Rd.		
20	316 Elizabeth St.		
21	1362 Queen St. E		
22	9 Sackville Rd.		
23	Sackville Rd. & Northern Ave		
24	375 Northern Ave.		
25	524 Northern Ave.		

Annual Addition and Removal of Bus Stops - Traffic By-law 77-200

June 28, 2021

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Financial Implications

The topic of this report results in no financial implications.

Strategic Plan / Policy Impact

The recommendations of this request are not linked to any activity of the Corporate Strategic Plan.

Recommendation

It is therefore recommended that Council take the following action:

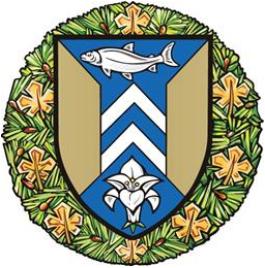
Resolved that the report of the Director, Community Services – Community Development & Enterprise Services dated June 28, 2021 be approved.

A By-law and related agreement will be brought forward to a future Council meeting.

Respectfully submitted,



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



The Corporation of the City of Sault Ste. Marie

COUNCIL REPORT

June 28, 2021

TO: Mayor Christian Provenzano and Members of City Council
AUTHOR: Travis Anderson, Director of Tourism & Community Development
DEPARTMENT: Community Development and Enterprise Services
RE: Knowledge-Based Industry Recruitment Task Force

Purpose

The purpose of the report is to provide Mayor and Council with an update on efforts by staff to develop and implement a knowledge-based industry remote workers and new recruitment strategy.

Background

On June 17, 2019 Council passed the following resolution:

Whereas the collective missions of the Innovation Centre, the Sault Ste. Marie Economic Development Corporation and Future SSM all include attracting new business to our community; and

Whereas the modern workforce is changing in terms of corporations allowing flexible and remote work agreements, especially in knowledge-based industry; and

Whereas findings from a 2017 global survey of over 24,000 workers by Polycom Inc. reported that the vast majority of respondents (98%) agree that an anywhere working approach boosts productivity, as people can choose to work where they are most efficient; and

Whereas the survey also revealed that 62% of the global working population is working flexibly – more than ever before; and

Whereas there are over 400,000 people working in the Technology Industry in Toronto and there are 1,800 technology based companies located in Toronto; and

Whereas growing our business community helps grow a healthy community;

Now Therefore Be It Resolved that the City request that the Innovation Centre, the Sault Ste. Marie Economic Development Corporation and Future SSM set up a task force to develop a targeted recruitment plan to

Knowledge-Based Industry Recruitment Task Force

June 28 2021

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attract and retain remote workers in the knowledge-based industry from the Greater Toronto area to locate to our community.

Following the resolution from Council, staff from the Sault Ste. Marie Economic Development Corporation, the Sault Ste. Marie Innovation Centre and FutureSSM established a working group to develop a plan to attract and retain knowledge based industry remote workers. Based on the findings of the committee it was agreed that the recruitment strategy should be expanded to also include individuals who can help to address labour gaps in the local economy, including health care, manufacturing and IT.

The team met on several occasions in 2019 and finalized the plan in early 2020, however implementation of the plan was stalled due to Covid-19.

In 2021, Staff advanced the recommendations of the working group and initiated an extensive marketing and promotion campaign across Ontario and Canada. The goal of the campaign is the attraction of knowledge based industry remote workers, as well as new residents in a variety of industries where there is strong demand.

The attraction campaign is intended to highlight the competitive advantages that Sault Ste. Marie has to offer including, high quality of life, low cost of living, and access to the many amazing natural attributes and recreation opportunities in Sault Ste. Marie and surrounding area.

As part of the attraction campaign, Staff have introduced the 'Adventure Pass' initiative. The Adventure Pass is intended to create awareness of the advantages of moving and working in Sault Ste. Marie. The pass options highlight the incredible amenities and quality of life available to residents. Newcomers can discover exciting attractions, and activities in and around the City.

The Adventure Pass contributes towards an outdoors adventure activity or equipment of the new resident's choice. This may include:

- A cross-country ski pass
- A snowmobile pass
- A downhill ski pass at Searchmont
- Cycling equipment from a Sault Ste. Marie bike store
- Hiking, running or camping equipment from a Sault Ste. Marie store
- A days' guided fishing
- A biking or canoe tour

One pass per household is available to new residents who have moved to Sault Ste. Marie after June 1, 2021 for full-time or remote work. The value of the pass will vary based on the option chosen by the new resident but in most cases, it will be around \$500. Full details for the Pass are available at <https://welcometossm.com/adventure-pass>

Analysis

The purpose of the remote worker and new resident attraction campaign is to attract skilled labour and new residents to the community to address current and pending labour shortages, as well as addressing long-term systemic issues, namely the outmigration of youth aged 20-29.

According to a 2020 report from the Federal Ministry of Immigration, Refugees and Citizenship Canada, 26% of everyone in the Sault Ste. Marie workforce was over the age of 55. Overall, nearly 11,000 people are likely to retire in the next decade or so, as they are 55 and older.

Furthermore, Sault Ste. Marie is currently facing major demographic challenges. An aging and declining population and a low birth rate resulted in a population decrease of 2.11 per cent (2011-2016). At 47 years, our median age is higher than provincial average (41), the oldest of the large city centres in northern Ontario. The Demographic Dependency Ratio (DDR), the ratio of the working age population to seniors and youth, is also a major concern for SSM. Comparing SSM's aged 15 to 24 to those 55 to 64 gives us an approximate replacement ratio for the local workforce. There will be 1.5 times as many people leaving the workforce then there are available to enter it in the coming years.

In addition, provincial net migration, which is the difference between individuals migrating into and out of a region, has been negative for Northeastern Ontario since 2001, and it is those aged 20-29 who are leaving. This issue of net outmigration compounds both the demographic challenge and the labor shortage.

In an effort to reverse these trends, City Staff have initiated a campaign to attract and retain knowledge based industry remote workers and new residents. The campaign will include a variety of digital, print and social media marketing focused throughout Ontario and Canada. The campaign will highlight the competitive advantages of Sault Ste. Marie through the promotion of the Adventure Pass, as well as highlight the abundance of high quality jobs and low cost of living.

The impact of Covid-19 on workplaces has accelerated the acceptance of remote work within corporations, non-profit and government organizations. The rise of ongoing remote work for many individuals presents an opportunity for Sault Ste. Marie to promote the quality of life advantages for skilled workers. In addition, the www.welcometossm.com site provides a listing of available positions in the community and, at the time of writing, over fifty skilled positions are posted on this website.

Financial Implications

Staff had previously allocated budget towards this initiative through funding received by FedNor for the FutureSSM project. As such, there is no request to Council for additional funds.

Strategic Plan / Policy Impact

The Corporate Strategic Plan contains numerous references to growing our community and meeting local employer demands by attracting skilled labour to the community.

Furthermore, this initiative aligns with FutureSSM's primary goal to increase our population to 100,000 by 2037, as well as the pillar of Economic Growth and Diversification and the goal of inviting immigration and welcoming newcomers.

Recommendation

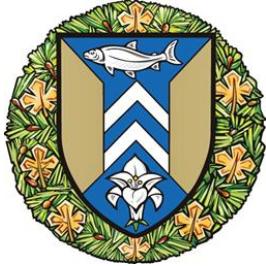
It is therefore recommended that Council take the following action:

Resolved that the report of the Director Tourism & Community Development dated June 14, 2021 be received as information.

Respectfully submitted,



Travis Anderson
Director Tourism & Community Development
705.989.7915
t.anderson@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 28, 2021

TO: Mayor Christian Provenzano and Members of City Council
AUTHOR: Kathleen Heymans, Manager of Business Development
DEPARTMENT: Community Development and Enterprise Services
RE: Canada Water Agency – Proposal for the Federal Agency's Location

Purpose

The purpose of this report is to seek City Council approval to allocate staff resources and Community Development Fund – Economic Development Program funding towards the creation and submission of a bid for the Canada Water Agency to be located in Sault Ste. Marie.

Background

On September 28th, 2020, City Council passed the following resolution:

Whereas for centuries the Great Lakes, its fresh water and the bounties it has provided have been a precious resource for the Indigenous people of this area; and

Whereas the banks of the St. Marys River have been a meeting place for Indigenous peoples for centuries; and

Whereas the Great Lakes are the world's most vast and well known bodies of fresh water; and

Whereas Sault Ste. Marie is situated on the St. Marys River, at the heart of the Great Lakes, between Lake Huron and Lake Superior; and

Whereas fresh water and these Great Lakes have been so historically significant to the city and surrounding area; and

Whereas Sault Ste. Marie has a proven track record for providing world class study and research through Centres and Institutes including the Ontario Forest Research Institute, the Great Lakes Canada Research Centre and the Invasive Species Centre; and

Canada Water Agency – Proposal for the Federal Agency’s Location

June 28, 2021

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Whereas Her Excellency the Right Honourable Julie Payette, Governor General of Canada, on behalf of the Federal Government announced the establishment of a new Canada Water Agency during the Speech From the Throne Wednesday, September 23, 2020;

Now Therefore Be It Resolved that Mayor Provenzano communicate with both Chiefs of Batchewana First Nation and Garden River First Nation about pursuing this opportunity for our area and working together to showcase our unique history and environment to the Federal Government;

Further Be It Resolved that Mayor Provenzano on behalf of City Council and the citizens of Sault Ste. Marie pen a letter to Prime Minister Justin Trudeau, Minister of Environment and Climate Change, Jonathan Wilkinson, and Member of Parliament Terry Sheehan expressing interest in establishing the new Canada Water Agency here in Sault Ste. Marie, outlining the unique aspects of our community and surrounding area which make us an excellent location for this agency.

A letter was sent by the Mayor as approved by Council (Attachment A – Canada Water Agency Letter from Mayor Provenzano) and staff have been monitoring the advancement of the Canada Water Agency by the Federal government and having discussions with local stakeholders.

The Government of Canada (GoC) is determining a process for selecting a location for the Canada Water Agency. The mandate letter received from the Prime Minister directs the Minister of the Environment and Climate Change to work with the support of the Minister of Agriculture and Agri-Food, to create a new Canada Water Agency, to work together with the provinces, territories, Indigenous communities, local authorities, scientists and others to find the best ways to keep our water safe, clean and well-managed.

The specific role of the Canada Water Agency has not yet been defined. The GoC has been conducting consultations with the Indigenous peoples, provincial and territorial governments, stakeholders, the public, and others. In early June, the GoC released a “What We Heard” document from their initial consultation. The GoC’s Indigenous consultation is still underway and the overall consultation is on-going.

While the process for selecting a location for the new Canada Water Agency has not been determined, Regina and other cities are already competitively positioning themselves for the Agency. According to information gathered by the Mayor and Councillor Gardi, the decision for Canada’s Water Agency location has not been determined and Sault Ste. Marie has the opportunity to compete for a location.

Canada Water Agency – Proposal for the Federal Agency’s Location

June 28, 2021

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Known Competition: Regina, Saskatchewan

Regina was quick to act and demonstrate their interest and value proposition for being the primary location. The Economic Development team with the City of Sault Ste. Marie recognizes the benefits of a Prairie Canada Water Agency location given the region’s significant agriculture industry.

However, as the hub of the Great Lakes, connected to the largest freshwater lake in the world, Sault Ste. Marie makes a competitive alternate or satellite location for the Canada Water Agency.

Canada Water Agency characteristics

There are ten key areas that the GoC has been consulting on. In the most recent “What We Heard” report, these areas were listed, from most important to least important, based on consultation responses:

1. Federal policies to promote effective management and protection of freshwater resources and ecosystems in Canada for 21st century challenges and beyond – including adapting to climate change.
2. Data and information are available to support informed decision-making at all levels.
3. Canadians are actively engaged in managing and protecting fresh water.
4. Indigenous peoples play an increased role in management of Canada’s fresh water.
5. Canada has and applies cutting edge science to tackle the freshwater challenges of the next century, including climate change.
6. Canada is a leader in sustainable agricultural water management.
7. Collaborative arrangements are in place and support effective management of domestic and Canada-U.S. transboundary fresh waters.
8. Canada is a global leader in freshwater technology, innovation, and infrastructure.
9. Canada has a state-of-the-art prediction system for floods and droughts that informs climate change adaptation and disaster risk reduction.
10. Canada’s economic sectors have the fresh water they need to grow sustainably, and the tools they need to improve freshwater management and use.

The Canada Water Agency is meant to emphasize applied research to enable effective conservation and management of Canada’s Freshwater resources. A couple of the priority areas that have been highlighted include, but are not limited to: agriculture and climate change. In addition, the GoC’s extensive consultation process emphasizes the importance of stakeholders and community engagement, as well as, truth and reconciliation with Indigenous communities.

Canada Water Agency – Proposal for the Federal Agency’s Location

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Sault Ste. Marie – Background and Value Proposition

Sault Ste. Marie is a natural fit for a Canada Water Agency location:

Geography

- Hub of the Great Lakes
- Connected to the largest freshwater lake in the world
- Mid-way across Canada, and therefore a Central location

Freshwater Leadership

- The City has implemented several large-scale freshwater infrastructure projects to improve the natural ecosystem of St. Mary's River
 - Examples: East end sewage treatment upgrades, Bellevue overflow tank, St. Mary's Beneficial Use Impairment work
- In 2016, the Council made a Blue Dot declaration, supporting the Right to a Healthy Environment

Local and Regional Research Assets

- Invasive Species Centre: Canadian non-profit organization that builds partnerships and supports collaborative projects in natural and applied science, policy research, outreach and education to protect Canada's forests, fields, gardens, waterways and cities from damaging effects of invasive species.
- Great Lakes Forestry Centre: One of a kind research facility that employs clean-room technology and enables scientists to study alien invasive insects.
- Local Freshwater Researchers: A group of collaborative freshwater researchers at Algoma University.
- Regional Freshwater Researchers: For example Lake Superior State University's Freshwater Research Centre, Freshwater Remediation – Lakehead's Climate Action School in partnership with Algoma University, Research previously conducted at Laurentian University.

Indigenous Relations

- The City has developed positive relationships with local Indigenous communities, including the creation of the Bawating Advisory Circle
 - Led by the Mayor to engage with matters related to Truth and Reconciliation work
 - Letters of Support have been confirmed from: Garden River First Nation, Batchewana First Nation, Missanabie Cree First Nation, and the Indigenous Friendship Centre.

Canada Water Agency – Proposal for the Federal Agency’s Location

June 28, 2021

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International Relations

- Sault Ste. Marie has collaboratively monitored and managed the St. Mary's River. For example, through the Bi-national Public Advisory Committee (BPAC)
- Sault Ste. Marie is a border City and has collaborative relationship with Michigan Economic Development Corporations
- Researchers from Algoma University collaborate with Lake Superior State University researchers at the Centre for Freshwater Research and Education

Industry Relations

- Sault Ste. Marie and the region is home to traditional, heavy industry such as manufacturing and mining, as well as leading edge green technology such as solar panel manufacturing.

Agriculture and Climate Change

- Agriculture activity in Northern Ontario is expected to increase over time
 - Support network: Rural Agri-innovation Network (RAIN) with Sault Ste. Marie Innovation Centre.
- The City has demonstrated a commitment to climate change through participation in the PCP Program and creation of a Greenhouse Gas Emissions Reduction Plan
- Sault Ste. Marie is considered a leader in alternative energy:
 - 203 MW of hydroelectricity
 - 60 MW solar project
 - 189 MW Prince Wind Farm
 - Approved community wide smart grid project

Confirmed Letters of Support to Date:

Conservation Authority
Rural Agri-Innovation Network (RAIN) SSMIC
Missanabie Cree FN
Garden River FN
Batchewana FN
Historic SSM Métis Council
Indigenous Friendship Centre
Public Utilities Commission
Algoma University
Sault College
Lake Superior State University
Invasive Species Centre
MP Carol Hughes
MP Terry Sheehan
MPP Ross Romano

Canada Water Agency – Proposal for the Federal Agency’s Location

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Analysis

A Canada Water Agency location would have a significant economic impact, including professional full time jobs and economic investment in Sault Ste. Marie.

Proposed Approach

1. Set up a Task Force, with membership including:

City Staff	Appointees
Tom Vair, Deputy CAO, Community Development and Enterprise Services Rick Van Staveren, Director of Economic Development Kathleen Heymans, Manager of Business Development Travis Anderson, Director of Tourism and Community Development TBD, Sustainability Coordinator	Councillor Corey Gardi Elaine Ho (Post-Doc, and Huron Collaborative implementer) Dr. Paula Antunes (aquatic eco-toxicologist) Ryan Namespetra, Sault College

Bawating Advisory Circle: The Task Force will liaise with the Bawating Advisory Circle to ensure Indigenous engagement and input in the development and execution of the Canada Water Agency bid initiative for Sault Ste. Marie

2. Produce a branded website for Sault Ste. Marie’s Canada Water Agency bid, including a promotional video

Item	Description	Estimated Budget
Branded website with feedback form	A website with feedback form is set up by the City	\$6,000
Promotional video	Short video highlighting why Sault Ste. Marie is an ideal location for a Canada Water Agency	\$6,000

3. Partner with the Huron Lake Collaborative to conduct stakeholder engagement to produce a Sault Ste. Marie “What We Heard” document for the Canada Water Agency bid. The Huron Collaborative is willing to donate 60 hours of their Project Coordinator, Elaine Ho’s, time.

Proposed support:

Elaine Ho with the Huron Lake Collaborative

Elaine is in the final weeks of her PhD degree in Social and Ecological Sustainability (Integrated Water Management) at the University of Waterloo. She will be joining Algoma University as a Mitacs Postdoctoral Fellow in July, though was appointed a Research Associate at NORDIK Institute as of January 2021. In her work, she considers ways to improve freshwater monitoring and management through public and Indigenous engagement processes. In 2019, Elaine’s research won the “Our Water – Our Life –

Canada Water Agency – Proposal for the Federal Agency’s Location

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Most Valuable Resource” award from the Canadian Water Resources Association, followed by nominations for 2021 Clean50 awards in the Emerging Leaders and Project categories. Elaine is also the Researcher-in-Residence at Waterlution, a national non-profit organization, where she provides scientific support in a variety of ways and collaborates to deliver projects and capacity building, especially of youth. Elaine is currently the Project Coordinator of the Lake Huron Collaborative, based at the Rural Agri-Innovation Network (Sault Ste. Marie Innovation Centre).

The Lake Huron Collaborative

The Lake Huron Collaborative (LHC) is a new organization being formed by five core partners: Rural Agri-Innovation Network (where the LHC is housed), Central Algoma Freshwater Coalition, Kensington Conservancy, Invasive Species Centre, and Sault Naturalists. The LHC is formed to improve collaboration and coordination between local watershed-focused activities in Lake Huron’s North Channel.

Proposed Stakeholder Engagement & Budget

The Lake Huron Collaborative is offering to donate their Project Coordinator’s time to support this initiative. The individual would either run consultation sessions and/or co-host with a staff member from the City, per the City’s preference. Consultations would be planned over the Summer 2021; however, this may impede attendance and if time allows, some consultations could be run in the early Fall 2021. We propose the following schedule of eight 2-hour events (four in person, four online):

- **Feedback:** online feedback is collected (stagnant feedback form online, no live engagement).
- **Period 1:** promotion of consultation events.
- **Period 2:** one in-person event, one online event – all persons (Indigenous, Métis, and non-Indigenous) welcome.
- **Period 3:** one in-person event, one online event – Indigenous and Métis persons only.
- **Period 4:** one in-person event, one online event – youth-focused events (aged 18-25).
- **Period 5:** one in-person event, one online event – all persons (Indigenous, Métis, and non-Indigenous) welcome.
- **Period 6:** follow-up with persons (e.g., thank you for participating, where to access the summary report once ready, etc.) and drafting of summary report.
- **Period 7:** finalizing of summary report, submission to City for approval prior to publication/release.

Consultations targets include 20 people per in person session and a minimum of 20 people and a maximum of 100 people per online sessions.

Item	Description	Budget
Online meetings x 4	Use of the City's zoom account	\$0.00 (i.e., no additional cost over existing subscription)
In-person meetings x4	Venue booking, light refreshments (e.g., coffee, tea, water, baked goods), use of	\$2,000.00

Canada Water Agency – Proposal for the Federal Agency’s Location

June 28, 2021

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	A/V equipment, staff time, facilitation materials	
Project Coordinator time	Elaine Ho, Project Coordinator of the Lake Huron Collaborative, time to organize, facilitate, and summarize (e.g., collaborative report writing) public engagement	\$0.00 (i.e., 60 hours donated by the Lake Huron Collaborative)

4. Development of Final Report

Item	Description	Budget
Canada Water Agency Bid/Proposal and Marketing	Graphic design and marketing; printing	\$5,000.00

Financial Implications

The total financial implication for the project is \$19,000.00. The allocation includes funding for 1) Website (\$6,000) 2) Video (\$6,000) 3) External stakeholder consultation (\$2,000) 4) Final Report Preparation (\$5,000).

The funding for this project would come from the Community Development Fund – Economic Development Program. Sufficient funds exist in the CDF reserve to support this project.

Strategic Plan / Policy Impact

The Canada Water Agency bid initiative has strong alignment with the City's Corporate Strategic Plan.

Values:

- Innovation and Productivity: A successful bid would lead to new jobs and research and innovation within the city.
- Environmental Stewardship: As the hub of the Great Lakes connected to the largest freshwater lake in the world, Sault Ste. Marie is already positioned to be an important steward of freshwater.
- Commitment to Citizen and Community: For a successful Canada Water Agency bid, community and stakeholder engagement and input is critical.

Focus Areas:

Quality of Life

- Promote quality of life advantages: Positioning Sault Ste. Marie for a potential Canada Water Agency creates outward facing promotional material that highlights our natural resources, academic assets, First Nations relations and more.

Canada Water Agency – Proposal for the Federal Agency’s Location

June 28, 2021

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- Environment: As the hub of the Great Lakes connected to the largest freshwater lake in the world, Sault Ste. Marie is already positioned to be an important steward of freshwater.

Community Development

- Create Social and Economic Activity: The Canada Water Agency satellite office is expected to create new jobs and have a significant economic impact.
- Develop Partnerships with Key Stakeholders and Reconciliation: The positioning initiative leverage partnerships and create community partnerships, including meaningful stakeholder engagement with indigenous communities.
 - Research centres: The Invasive Species centre, the Forestry Research Centres
 - Algoma University and other regional Freshwater Researchers
 - Sault Ste. Marie Innovation Centre
 - The Lake Huron Collaborative
 - Local youth
 - Indigenous Communities
 - And more
- Maximize Economic Development and Investment: This is an opportunity to increase economic development and investment in Sault Ste. Marie.

Recommendation

It is therefore recommended that Council take the following action:

Resolved that the report of the Manager of Business Development dated June 28, 2021 concerning the Canada Water Agency bid initiative be received and that Council approve \$19,000 from the Community Development Fund – Economic Development Program to support the pursuit of the Canada Water Agency.

Respectfully submitted,

Kathleen Heymans
Manager of Business Development
705.759-5928
k.heymans@cityssm.on.ca

OFFICE OF THE MAYOR



CORPORATION OF THE
CITY OF SAULT STE. MARIE

February 4, 2021

The Right Honourable Justin Trudeau, Prime Minister
Office of the Prime Minister
80 Wellington Street
Ottawa, ON
K1A 0A2

Dear Prime Minister Trudeau,

I am writing to you further to the resolution passed at the City of Sault Ste. Marie's City Council meeting on September 28, 2020 in response to the Throne Speech announcing the establishment of the Canada Water Agency. Noting that a site for the agency has not been selected, City Council wishes to express its belief that our community is a tremendous location.

Sault Ste. Marie is located at the heart of the Great Lakes, the world's largest and most critically important body of fresh water. The Great Lakes have been historically significant to the community and surrounding area for centuries, and the banks of the St. Mary's River have been a meeting place for Indigenous peoples for millennia.

Bawating (Sault Ste. Marie) is home to Garden River First Nation, Batchewana First Nation and the Historic Sault Ste. Marie Métis Council. Missanabie Cree First Nation's head office is also in Sault Ste. Marie. The Indigenous community has demonstrated leadership in protecting the Great Lakes and Sault Ste. Marie has a proven track record for providing world class education and research through the Ontario Forest Research Institute, the Great Lakes Canada Research Centre, the Invasive Species Centre, Algoma University and Sault College of Applied Arts and Technology. I also note an international opportunity for collaboration in that Lake Superior State University is home to Center for Freshwater Research and Education.

To put it simply, there is not a better or more appropriate place to locate the Canada Water Agency and we will be following up with our community partners and through our MP, Terry Sheehan, to canvass this opportunity further.

Sincerely,

A handwritten signature in blue ink, appearing to read "Christian C. Provenzano".

Christian C. Provenzano, B.A., LL.B., LL.M

CC Chief Dean Sayers, Batchewana First Nation
 Chief Andy Rickard, Garden River First Nation
 President Kim Powley, Historic Sault Ste. Marie Métis Council
 Chief Jason Gauthier, Missanabie Cree First Nation
 The Honourable Jonathan Wilkinson, Minister of Environment and Climate Change
 Terry Sheehan, Member of Parliament, Sault Ste. Marie
 City Council



CITY COUNCIL RESOLUTION

Agenda Number: 8.4

Title: Canada Water Agency

Date: Monday, September 28, 2020

Moved by: Councillor C. Gardi

Seconded by: Councillor L. Vezeau-Allen

Whereas for centuries the Great Lakes, its fresh water and the bounties it has provided have been a precious resource for the Indigenous people of this area; and

Whereas the banks of the St. Marys River have been a meeting place for Indigenous peoples for centuries; and

Whereas the Great Lakes are the world's most vast and well known bodies of fresh water; and

Whereas Sault Ste. Marie is situated on the St. Marys River, at the heart of the Great Lakes, between Lake Huron and Lake Superior; and

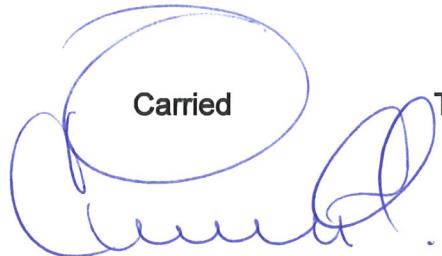
Whereas fresh water and these Great Lakes have been so historically significant to the city and surrounding area; and

Whereas Sault Ste. Marie has a proven track record for providing world class study and research through Centres and Institutes including the Ontario Forest Research Institute, the Great Lakes Canada Research Centre and the Invasive Species Centre; and

Whereas Her Excellency the Right Honourable Julie Payette, Governor General of Canada, on behalf of the Federal Government announced the establishment of a new Canada Water Agency during the Speech From the Throne Wednesday, September 23, 2020;

Now Therefore Be It Resolved that Mayor Provenzano communicate with both Chiefs of Batchewana First Nation and Garden River First Nation about pursuing this opportunity for our area and working together to showcase our unique history and environment to the Federal Government;

Further Be It Resolved that Mayor Provenzano on behalf of City Council and the citizens of Sault Ste. Marie pen a letter to Prime Minister Justin Trudeau, Minister of Environment and Climate Change, Jonathan Wilkinson, and Member of Parliament Terry Sheehan expressing interest in establishing the new Canada Water Agency here in Sault Ste. Marie, outlining the unique aspects of our community and surrounding area which make us an excellent location for this agency.

A handwritten signature in blue ink, appearing to read "Christian Provenzano".

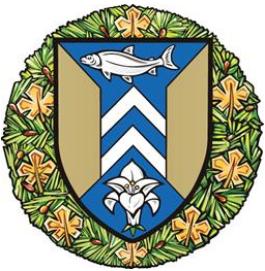
Carried

Tied, Defeated

Defeated

Officially Read and Not
Dealt With / Postponed

Christian Provenzano



The Corporation of the City of Sault Ste. Marie

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

June 28, 2021

TO: Mayor Christian Provenzano and Members of City Council
AUTHOR: Kathleen Heymans, Manager of Business Development
DEPARTMENT: Community Development and Enterprise Services
RE: Addendum – Canada Water Agency Proposal

Purpose

The purpose of this report is to amend the report titled “Canada Water Agency – Proposal for the Federal Agency’s Location,” to withdraw the request for funds from the Community Development Fund (CDF).

Background

Appearing elsewhere on the agenda, the purpose of the report titled “Canada Water Agency - Proposal for the Federal Agency’s Location” is to request \$19,000 from the CDF to support the creation and submission of a bid for the Canada Water Agency to locate to Sault Ste. Marie.

Since the submission of that report, the EDC Board has voted in favour of financially supporting this endeavor.

Analysis

Funds to create and submit a bid for the Canada Water Agency to locate to Sault Ste. Marie have been secured from another source, therefore staff are withdrawing their request for funds from the CDF.

Financial Implications

Withdrawing this request will have no financial impact to the budget.

Strategic Plan / Policy Impact

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

Recommendation

It is therefore recommended that Council take the following action:

Resolved that the report of the Manager of Business Development dated June 28 2021 be received, and that the above noted report appearing elsewhere on the agenda be received as information only and the request for funds from the CDF be withdrawn.

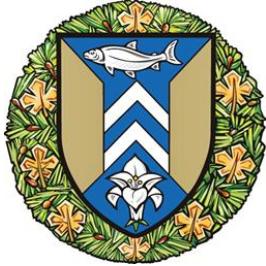
Respectfully submitted,

Addendum – Canada Water Agency Report

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Kathleen Heymans
Manager of Business Development
705.759-5928
k.heymans@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 28, 2021

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Virginia McLeod, Manager of Recreation and Culture

DEPARTMENT: Community Development and Enterprise Services

RE: Seniors Community Grant Application 2021

PURPOSE

The purpose of this report is to request Council's approval to apply for a grant announced by the Ministry for Seniors and Accessibility—Seniors Community Grant Program.

BACKGROUND

The Ministry for Seniors and Accessibility Action Plan for Seniors is committed to promoting the development of programs that acknowledge the contribution of seniors and focus on mental well-being, addressing social isolation, and helping older adults stay healthy, safe and engaged. This year, programming can be delivered remotely or virtually.

Ontario's Seniors Community Grant (SCG) Program was established in 2013 solely dedicated to helping seniors in a way that will encourage greater social inclusion, learning, volunteerism, and community engagement. This could include courses for seniors on financial and computer literacy, community events and physical and learning activities such as exercise and cooking classes.

Grants between \$1,000 and \$25,000 focused on grassroots initiatives at the local community level are available to unincorporated or incorporated non-profit organizations. The program requires a 20% contribution, which can be a combination of cash from applicant organization and/or in-kind contributions from the applicant or other sources.

ANALYSIS

The Seniors Community Grant Program will allow Seniors Services to expand and develop new programming to meet the needs of older adults in our community. Staff will be reviewing the Seniors Community Grant Program Guidelines. An

Seniors Community Grant Application 2021

June 28, 2021

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application will be submitted to support programs and services for adults 55+ in our community. The deadline for submissions is July 15, 2021.

We will be asking for up to \$25,000 in funding under Stream 1 – Local Initiatives.

FINANCIAL IMPLICATIONS

The City will be requesting up to \$25,000 in funding and the City's in-kind and operating contribution is estimated at \$6,000. There will be no incremental costs to the operating budget.

STRATEGIC PLAN / POLICY IMPACT

The recommendation supports the Corporate Strategic Plans focus area: Service Delivery - Delivering Excellent Customer Services.

RECOMMENDATION

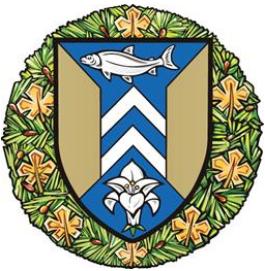
It is therefore recommended that Council take the following action:

That the report of the Manager of Recreation and Culture dated June 28, 2021 concerning the Seniors Community Grant Application 2021 be received and the recommendation that staff be authorized to apply to Ministry for Seniors and Accessibility – Seniors Community Grant Program be approved.

Respectfully submitted,



Virginia McLeod
Manager Recreation & Culture
705.759.5311
v.mcledon@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 28, 2021

TO: Mayor Christian Provenzano and Members of City Council
AUTHOR: Kathy Fisher, Curator, ECNHS
DEPARTMENT: Community Development and Enterprise Services
RE: 2021-22 Francophone Community Grants Program (FCGP)

Purpose

This is a request for Council's approval to apply for the Ministry of Francophone Affairs – Francophone Community Grant Program (FCGP), through Grants Ontario.

Background

The purpose of this Program is to ensure the cultural vitality of the Franco-Ontarian population by supporting projects to strengthen the capacity of organizations to provide products and services to Francophones in the Province.

The Historic Sites Board and staff of the Ermatinger Clergue National Historic Site will be working in partnership with the Francophone School Boards, Centre Francophone, CEFA, and the Friends of Ermatinger to offer translation of tours, audio guides, marketing tools, and virtual programming.

Analysis

The FCGP has two funding streams: the Community and Culture Stream – which will be the stream the application falls within, and the Economic Development Stream.

Since our products and services are promoted to all of Ontario for Tourism, Attractions and Museums, and the Algoma District for educational curriculum programs, we are able to meet the 15% Francophone population guideline – District of Algoma.

During the 2020 – 2021 COVID pandemic, our services had to pivot to a Virtual platform. Evidence has now proven that the Algoma District schools and beyond have a need for programming in French.

This program funding would enable the Ermatinger Clergue National Historic Site to enhance services to the Franco-Ontario population and strengthen our capacity to engage anyone visiting whose language preference is French.

2021-22 Francophone Community Grants Program (FCGP)

June 28, 2021

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Financial Implications

The FCGP offers 80% funding if approved. Ten percent of the remaining budget can be in kind. The last ten percent must be in cash by the applicant.

When reviewing the application budget, the application will be requesting no more than \$25,000 to complete the projects. Therefore, the financial implication could be up to \$2500, and would be within the operating budget for ECNHS. However, current projections are to request assistance from the partners for cash and in-kind services.

Strategic Plan / Policy Impact

As mentioned in the Background section, this program's purpose is to ensure the cultural vitality of the Franco-Ontarian population by supporting projects. Cultural vitality is a pillar within the strategic plan of the municipality and the Historic Sites Board for the Ermatinger Clergue National Historic Site.

Recommendation

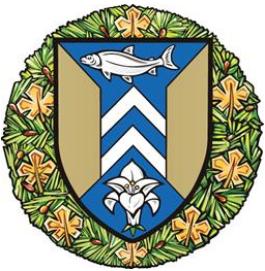
It is therefore recommended that Council take the following action:

"That the report of the Curator of the Ermatinger Clergue National Historic Site dated 2021 06 28 concerning the 2021-22 Francophone Community Grants Program be received and that the request to submit an application for funding be approved."

Respectfully submitted,



Kathy Fisher, Curator
Ermatinger•Clergue
National Historic Site
705.759.5443
k.fisher@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 28, 2021

TO: Mayor Christian Provenzano and Members of City Council
AUTHOR: Kathy Fisher, Curator ECNHS
DEPARTMENT: Community Development and Enterprise Services
RE: Community Museum Operating Grant ECNHS 2021

Purpose

This is a request for Council's approval to apply for the annual Community Museums Operating Grant (CMOG) through Grants Ontario – Ministry of Heritage, Sport, Tourism and Culture Industries.

Background

A community museum is required to meet the Provincial Standards for museums before funding through the CMOG program can be considered. The standards consist of ten areas: governance, community, finance, collections, conservation, education, exhibition, research, human resources, and physical plant.

The Historic Sites Board and staff of the Ermatinger Clergue National Historic Site have diligently worked towards meeting the standards with excellence, and continue to strive for this level of standard.

Analysis

Each year Grants Ontario requires an Annual Report, which includes statistical information regarding visitation, volunteers, programs, and collections. Audited financial statements and details of financial accounts regarding the operations of the museum accompany the annual application. The Provincial grant application process assists the City in securing financial operating funding, as well as ensures that the staff and volunteers are meeting Provincial community museum standards of operation. These standards ensure that we operate as stewards of conservancy and education.

Financial Implications

The Historic Sites Board has in past years, successfully received an annual amount of \$18,780 from this program. The annual operating grant assists financially in the operational expenses in running a community museum.

In early 2021, an amount of \$9,075 was received from CMOG. This was provided to assist with the added operational constraints due to the COVID-19 pandemic, and to aid in the financial implications when pivoting services to the Virtual forum.

Strategic Plan / Policy Impact

As part of the governance standard, it is mandatory that the Historic Sites Board continue to update the strategic plan for the Site, and to have it relate to the Municipal Plan. The next review will be in 2022.

Recommendation

It is therefore recommended that Council take the following action:

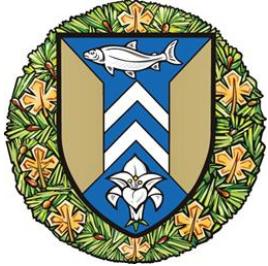
"That the report of the Curator of the Ermatinger Clergue National Historic Site dated 2021 06 28 concerning the Community Museums Operating Grant be received and that the request of the Historic Sites Board to submit an application to the Community Museums Operating Grant program be approved."

"The relevant By-law 2021-132 is listed elsewhere on the agenda and is recommended for approval."

Respectfully submitted,



Kathy Fisher, Curator
Ermatinger Clergue
National Historic Site
705.759.5443
k.fisher@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 28, 2021

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.

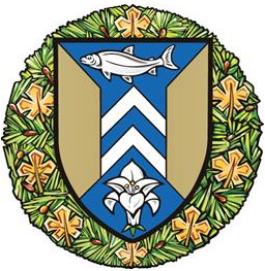
RECOMMENDATION

It is therefore recommended that Council take the following action:

By-law 2021-127 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 28, 2021

TO: Mayor Christian Provenzano and Members of City Council
AUTHOR: Susan Hamilton Beach, P. Eng.
DEPARTMENT: Public Works and Engineering Services
RE: Agreement Renewal – Former Etienne Brule School Site

Purpose

The purpose of this report is to seek Council approval to renew an agreement (License to Occupy ‘LOU’) with Algoma District School Board (‘ADSB’) that is set to expire June 30, 2021.

Background

The City had entered into a five (5) year agreement with ADSB to allow for a “Community Partnership Project” and included the playground, orchard/community garden, sugar bush, basketball court and a section of the hub trail. All of this infrastructure has been maintained by Public Works and overall has served the area and community in a positive way.

Analysis

The continuation of this partnership is recommended with all of the same terms and conditions of the original LOU and is found elsewhere on the agenda. This shall be automatically renewed on a year-to-year basis.

Financial Implications

The maintenance of this area is financed within the Operations budget of the Parks Division.

Strategic Plan / Policy Impact

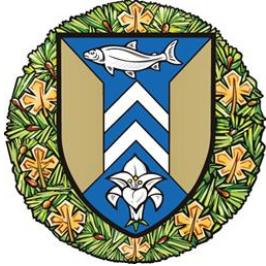
This agreement allows for the maintenance of existing infrastructure and enhances the quality of life for the community.

Recommendation

It is therefore recommended that Council take the following action:

Resolved that the report of the Director of Public Works dated June 28, 2021 be received and furthermore that Council approval By-law No. 2021-136 found elsewhere on tonight’s agenda.

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



The Corporation of the City of Sault Ste. Marie

COUNCIL REPORT

June 28, 2021

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Carl Rumieli, Manager, Design & Transportation
Engineering

DEPARTMENT: Public Works and Engineering Services

RE: Tulloch Engineering – Assumption of Contract

Purpose

To obtain Council approval to transfer two engineering agreements that the City is currently a party to with STEM Engineering to Tulloch Engineering Inc. who have recently purchased the other firm.

Background

At the November 25, 2020 and February 22, 2021 meetings of Council, the City entered into agreements with STEM Engineering for the Pim Street Pumping Station Repairs and Miscellaneous Aqueduct Repairs, respectively.

Effective May 1, 2021, TULLOCH Engineering Inc. purchased all of the assets of STEM Engineering and are assuming all on-going engineering contracts.

Analysis

In order to formalize this merger of the two firms and assign the STEM projects to Tulloch, an “Assignment and Assumption” agreement is required.

Financial Implications

There are no financial impacts to the City due to this report.

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 June 28, 2021 concerning Tulloch Engineering – Assumption of Contract be received.

By-law 2021-130 and By-law 2021-131 authorizing the original engineering agreements to be assumed by Tulloch Engineering Inc. appear elsewhere on the Agenda and are recommended for approval.

Tulloch Engineering – Assumption of Contract

June 28, 2021

Page 2

Respectfully submitted,

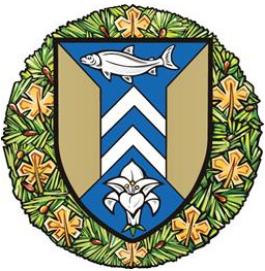


Carl Rumiel, P. Eng.

Manager of Design and Transportation Engineering

705.759.5379

c.rumiel@cityssm.on.ca



The Corporation of the City of Sault Ste. Marie

COUNCIL REPORT

June 28, 2021

TO: Mayor Christian Provenzano and Members of City Council
AUTHOR: Karen Fields, City Solicitor
DEPARTMENT: Legal Department
RE: FedNor Contribution Agreement Amendment

Purpose

The purpose of this Report is to have Council approve Amendment Number 1 to the Agreement between the City and Her Majesty the Queen in Right of Canada as represented by the Minister of Economic Development and Official Languages dated December 23, 2020 which is a contribution agreement for the Downtown Revitalization and Civic Plaza project.

Background and Analysis

The parties entered into a Contribution Agreement for the Sault Ste. Marie Downtown Revitalization and Civic Plaza project on December 23, 2020. In that agreement the completion date for the project is stated to be February 15, 2022. The City requested an amendment to that date and the parties have agreed to substitute the new date as September 30, 2023. This amends two sections of the Agreement, the first at section 2.1 and the second at Annex 1, section 1(iii)(b). Both of those sections have been amended to delete February 15, 2022 and substitute September 30, 2023 as the new completion dates. All other terms of the Agreement remain the same.

Financial Implications

There is no financial impact to this amendment

Strategic Plan / Policy Impact

This is an operational matter and not linked to the Strategic Plan.

Recommendation

It is therefore recommended that Council take the following action:

Accept this report as information and authorize execution of the amending agreement. The relevant By-Law #2021-139 is listed under item 11 of the Agenda and will be read with all by-laws under that item.

FedNor Contribution Agreement Amendment

June 28, 2021

Page 2.

Respectfully submitted,



Karen Fields

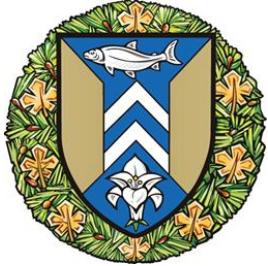
City Solicitor

705.759.5407

k.fields@cityssm.on.ca

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The Corporation of the City of Sault Ste. Marie

COUNCIL REPORT

June 28, 2021

TO: Mayor Christian Provenzano and Members of City Council
AUTHOR: Melanie Borowicz-Sibenik, Assistant City Solicitor/Senior
Litigation Counsel
DEPARTMENT: Legal Department
RE: Property Declared Surplus – 69 Old Garden River Road

Purpose

The purpose of this report is to recommend to Council that the property described as PIN 31514-0095 (LT) PT SEC 32 TARENTORUS PT 1 1R10348 E OF PT 1 & 2 1R10668; T/W AS EASEMENT AS IN T176382; SAULT STE. MARIE, being civic 69 Old Garden River Road be declared as surplus and offered for sale by the City in accordance with the City's policy for the disposition of land.

ATTACHMENT

Attached as Schedule "A" is a map of the subject property.

Background

The Legal Department received a request to ascertain if 69 Old Garden River Road would be declared surplus. The request was circulated to various City Departments, the Sault Ste. Marie Region Conservation Authority and the District of Sault Ste. Marie Social Services Administration Board for comments.

The Engineering Department stated that the subject property has a storm sewer that provides an outlet to 71 Old Garden River Road. There is also a ditch system that crosses 71 and 69 Old Garden River Road that provides an outlet for surrounding properties. An agreement or an easement is required to protect this outlet for the adjacent properties and for 71 Old Garden River Road. This drainage system outlets across the property of 793 Second Line. The City should maintain the easement that protects this sewer. Shaw Cable and PUC also require an easement.

The Public Works and Engineering Services Department agrees with Engineering. The Planning Department and Community Development & Enterprise Services Department do not have any concerns with this request. The Building Department has advised that the subject property lacks street access and lot frontage on a public street and therefore no building permits would be issued unless street access/lot frontage was achieved.

Property Declared Surplus – 69 Old Garden River Road
June 28, 2021
Page 2.

The Sault Ste. Marie Region Conservation Authority noted the subject property is not located within an area under the jurisdiction of the CA, with regard to O.Reg 176/06 for Development, Interference with Wetlands and Alterations to Shoreline and Watercourses. SSMRCA does not object to this application or the intended use of the property

The District of Sault Ste. Marie Social Services Administration Board has no concerns or comments to provide on this request.

Analysis

If Council declares the Subject Property surplus, the property will be advertised once in the Sault Star and also appear on the City's web page.

Financial Implications

If the City decides to dispose of the Subject Property, it would be consistent with the City's plan to dispose of surplus property. The current use of the property is exempt from property taxation. Upon sale of the property it may be assessable depending upon its ultimate use.

Strategic Plan / Policy Impact

Not applicable.

Recommendation

It is therefore recommended that Council take the following action:

Authorize that the City owned property described as PIN 31514-0095 (LT) PT SEC 32 TARENTORUS PT 1 1R10348 E OF PT 1 & 2 1R10668; T/W AS EASEMENT AS IN T176382; SAULT STE. MARIE, being civic 69 Old Garden River Road be declared as surplus to the City's needs and to authorize the disposition of the said property in accordance with the City's policy for the disposition of land.

By-law 2021-129 authorizing same appears elsewhere on the Agenda and is recommended for approval.

Respectfully submitted,



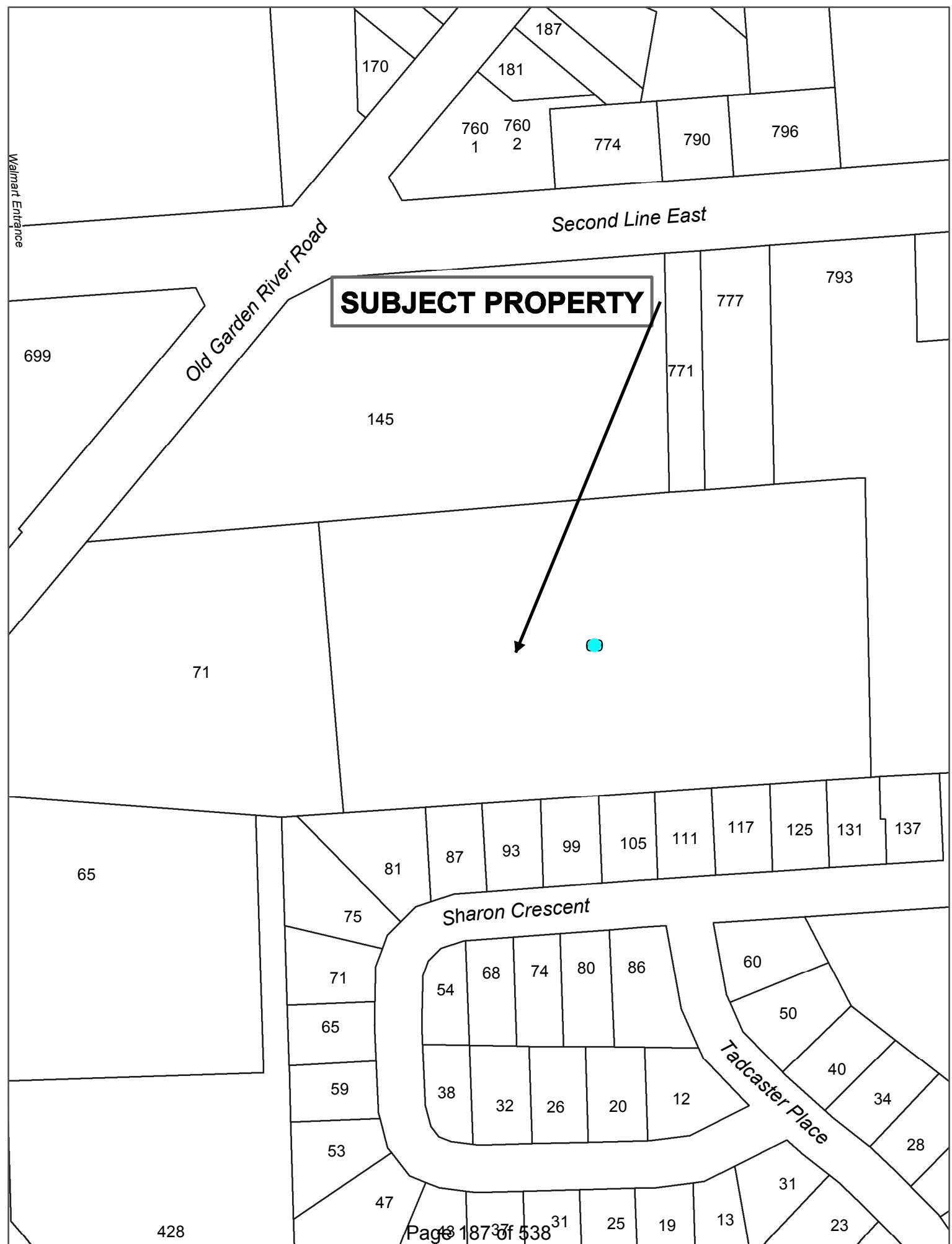
Melanie Borowicz-Sibenik
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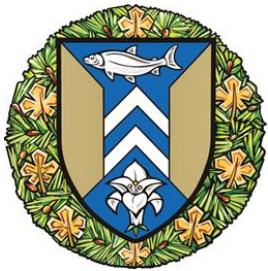
MBS/tj

Enclosure

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Schedule "A"





The Corporation of the City of Sault Ste. Marie

COUNCIL REPORT

June 28, 2021

TO: Mayor Christian Provenzano and Members of City Council
AUTHOR: Nancie Scott, Accessibility Coordinator
DEPARTMENT: Community Development and Enterprise Services
RE: Municipal Autism Strategy

Purpose

The purpose of this report is to respond to a resolution by City Council requesting that the Accessibility Advisory Committee develop a municipal autism strategy.

Background

In April 2019, City Council approved a resolution requesting that the Accessibility Advisory Committee form a subcommittee to work with community partners to develop a municipal autism strategy to assist families, caregivers and individuals dealing with an autism diagnosis and to create a roadmap to assist with accessing available services.

The city currently offers a sensitive time at the Northern Community Centre and equipment has been purchased to help facilitate programs during March break, Christmas break and Professional Development Days.

The pool offers a weekly public Sensitive Swim time in partnership with the Algoma Autism Foundation. In addition, 4-5 private swim lessons are made available to Algoma Autism for booking and they are scheduled during times when the pool is quieter. Both of these programs will be reinstated when the Covid restrictions are removed.

Analysis

The Accessibility Advisory Committee created an Autism Strategy Subcommittee chaired by Councillor Lisa Vezeau-Allen. A number of other organizations, including Algoma Public Health, Community Living Algoma, and Thrive Children's Centre were represented on the committee. Technical assistance was provided by the Sault Ste. Marie Innovation Centre and city staff.

As all forms of accessibility, including autism are already included in the City's Multiyear Accessibility Plan, the committee focused their efforts on three specific tasks.

Municipal Autism Strategy

June 28, 2021

Page 2.

1. Autism Services Inventory – The committee compiled an extensive list of the various autism services available identifying the focus age group and contact information. This inventory included both public sector and private sector services. A copy of this inventory is attached and will be added to the city's website. This will be reviewed on an annual basis to ensure that it remains current.
2. Autism Roadmap – Given the complexity and range of support services available, the committee established roadmaps to services from when autism is first suspected through pre-diagnosis, diagnosis, and care management. Two separate roadmaps for those 16 years of age or less and older persons were prepared. Both roadmaps are attached to this report and will be added to the city's website.
3. Design Guidelines – Research determined that there are very few design guidelines available that take into consideration individuals with autism. This is particularly important to municipal operations as the city requires that all new facilities meet high standards of accessibility. City Council also provides funding to remove identified barriers on an annual basis. The committee created a document entitled "Sensory Spaces, Design Guidelines for the Spatial and Perceptual Needs of Individuals with Autism." This guideline is attached and will be added to the city's website. It is anticipated that a number of other municipalities and organizations will also benefit from this guideline. The committee wishes to acknowledge the significant work done by Jonathan Kircal on this guideline.

Changes to the Ontario Autism Program to create an independent intake organization to manage program delivery are anticipated in the near future. This will likely require modifications to both the autism services inventory and roadmap.

Financial Implications

There are no financial implications to municipal operations associated with this project.

Strategic Plan / Policy Impact

The creation of these documents is in keeping with the Corporation's commitment to accessibility. The City of Sault Ste. Marie has committed to prevent, identify and remove barriers to persons with disabilities, and are guided by the four core principles of dignity, independence, integration, and equality of opportunity.

Recommendation

It is therefore recommended that Council take the following action:

Resolved that the report of the Accessibility Coordinator dated June 28, 2021 concerning the Municipal Autism Strategy be received as information and that the

Municipal Autism Strategy

June 28, 2021

Page 3.

members of the Autism Strategy Sub-Committee be thanked for their assistance with preparing these documents.

Respectfully submitted,

Nancie Scott

Accessibility Coordinator

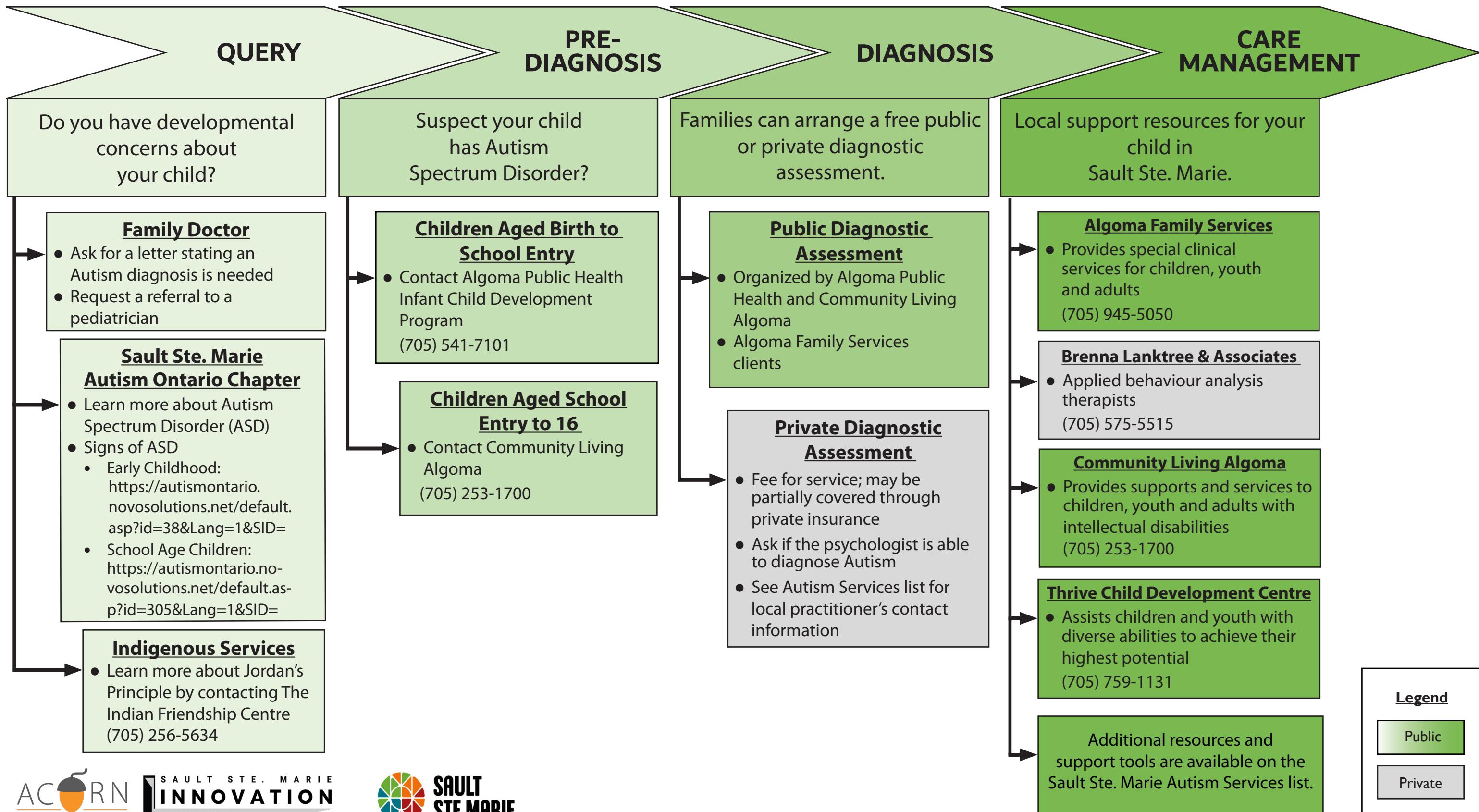
705.541.7310

n.scott@cityssm.on.ca

SAULT STE. MARIE AUTISM ROADMAP FOR AGES BIRTH TO 16 YEARS OLD

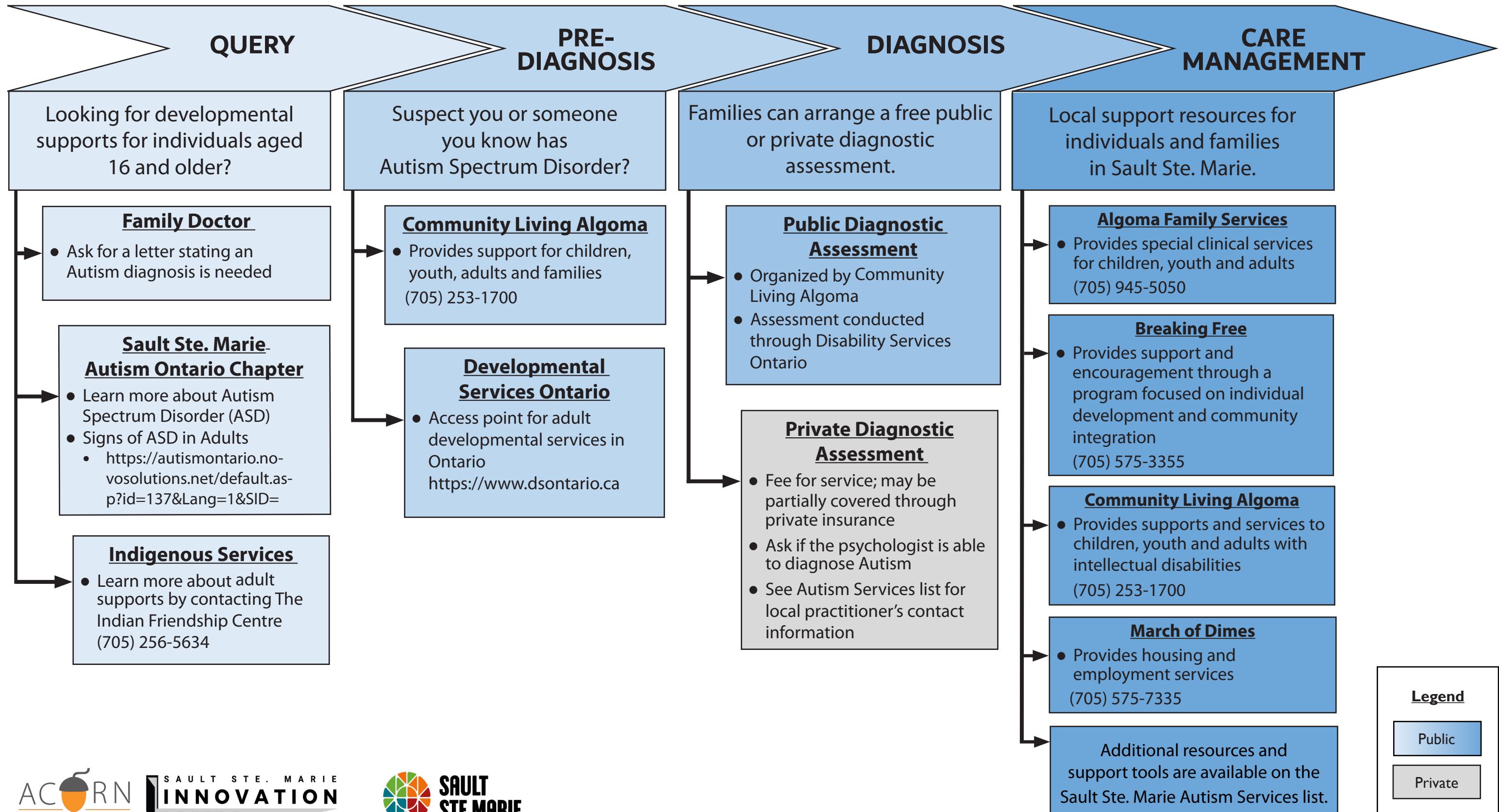
This is a visual resource for families in Sault Ste. Marie, Ontario who may have a family member with Autism Spectrum Disorder between birth to 16 years old.

Please check the Sault Ste. Marie Autism Services list for additional resources and support tools.



SAULT STE. MARIE AUTISM ROADMAP FOR AGES 16 YEARS OLD AND OLDER

This is a visual resource for families and individuals in Sault Ste. Marie, Ontario who may have a family member with Autism Spectrum Disorder and is over the age of 16.
Please check the Sault Ste. Marie Autism Services list for additional resources and support tools.



Sensory Spaces

Design guidelines for the spatial and
perceptual needs of individuals with autism

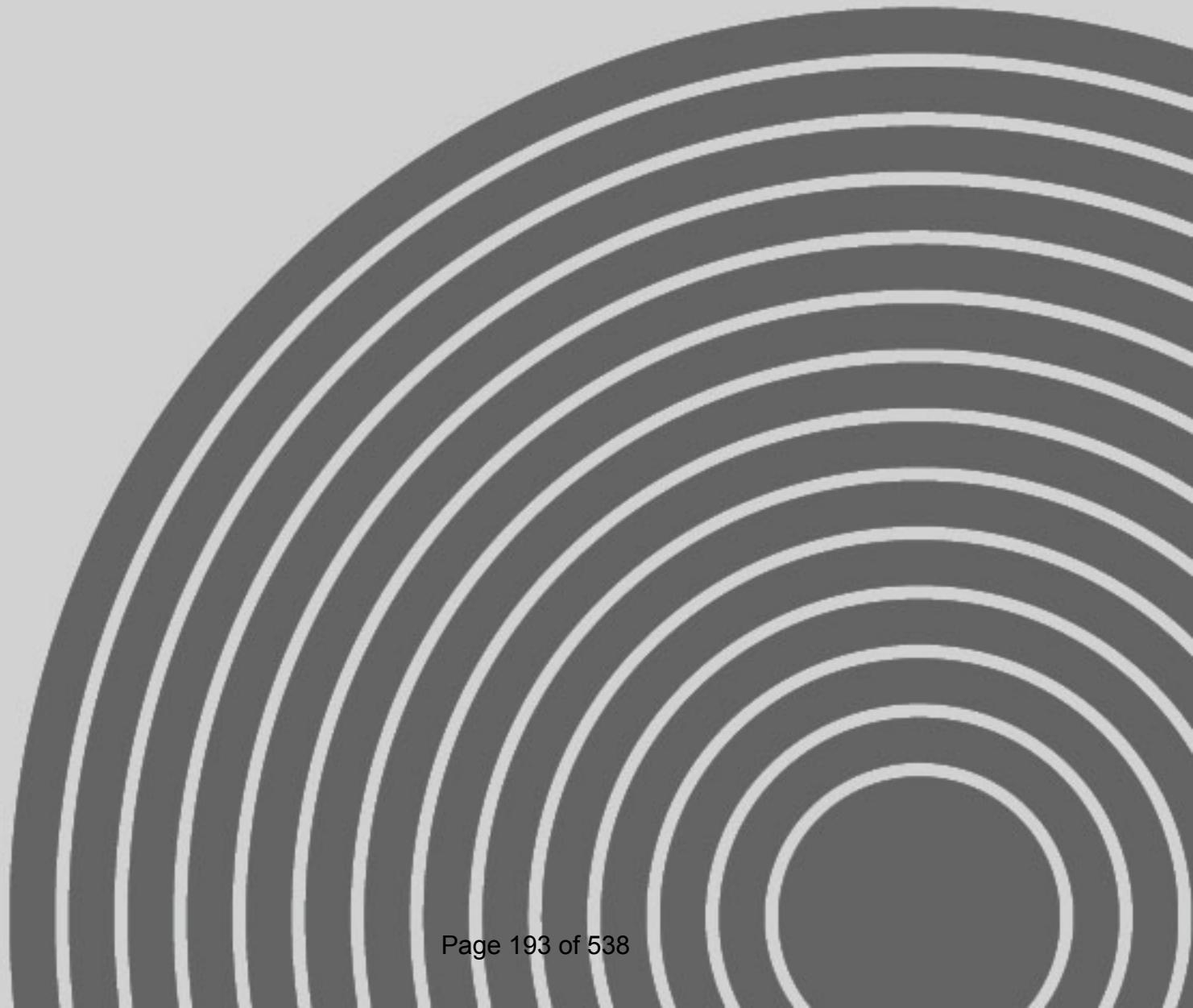


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For more information, please contact the
Accessibility Advisory Committee:

Nancie Scott
Accessibility Coordinator
705-541-7310
n.scott@cityssm.on.ca



Autism Spectrum Disorder

Autism Spectrum Disorder (ASD) is a neuro-developmental disorder that affects communication, behavior, interests and activities. These issues can cause significant impairment in social, occupational and other areas of functioning.

People on the spectrum may experience difficulties processing everyday sensory information. Autism's sensory issues can involve hyper-sensitivity (over-reactive and often prone to sensory overload) and hypo-sensitivity (under-reactive and sensory seeking) to sensory input. Sensory perceptions can become frightening or even painful leading to high anxiety.

Autism and Design

This guideline provides a brief summary of how interior spaces can pose significant challenges for individuals with ASD due to sensory activities.

Modifications of the environment is the most accessible intervention for sensory processing difficulties. Design considerations are recommended to help make spaces more welcoming and accommodating, while at the same time build tolerance as well as independence.

It should be recognized that each individual has their own unique set of challenges and abilities. There is no “one size fits all” solution. What can be helpful for some people could be harmful for others.

Auditory

The buzzing of artificial light, humming of the air conditioner, and the constant ticking of a clock are some examples of every-day sounds that go unnoticed by the average person, but for many with ASD, particularly among hypersensitive individuals, these can be a source of distraction, pain and even panic. Sound is the most common sensory deficiency for those diagnosed with ASD.

In contrast, other individuals exhibit signs of hearing loss due to their inability to register noise and sounds. It is not atypical for such individuals to engage in “sensory seeking” behaviours.

All users of a space can benefit from noise reduction. Minimizing background noise, echo and reverberation is critical. Providing visual supports and reducing unwanted noise also helps to establish a more accommodating environment.

- HVAC systems and ductwork that is specifically designed to generate minimal noise is recommended.
- Hard surfaces on walls, floors and ceilings should be minimized to reduce the amount of sound reflection. Sound absorbing finishes, such as spray-on acoustic insulation, baffles, wall panels, carpets and rubber cushioned floors are appropriate materials that can reduce the amount of hard surfaces.

- Doors, partitions, walls and floors with acoustical performance standards should be used.
- As a general rule, the quantity of sound absorbing material to use should be about the same as the floor area of the room.
- Fluorescent lighting can emit noise and should therefore be minimized in use. Natural lighting is recommended.



Ceiling baffles and acoustical tiles reduce the level of airborne sound.

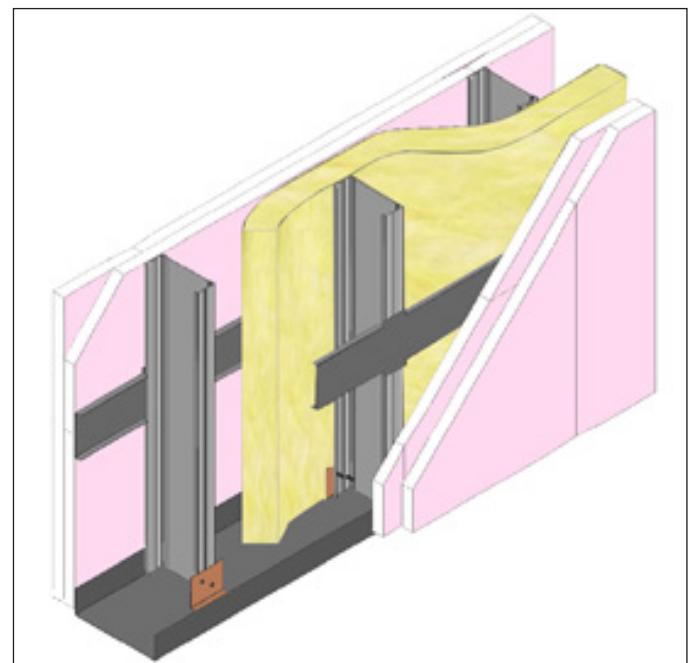


Soft materials mounted on the feet of tables and chairs can reduce moving noise.

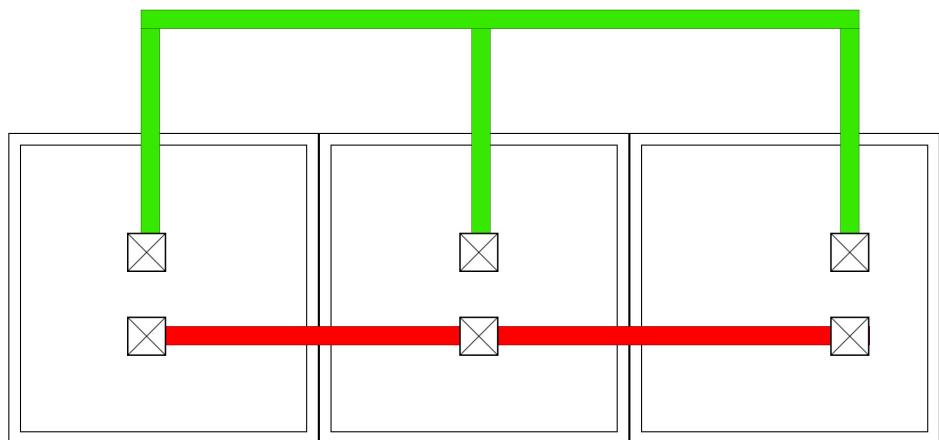
- Wayfinding methods such as signage, graphics and other visuals are effective support tools for those with hearing and communication difficulties.
- Cabinets and toilets with a “soft close” hinge prevent unwanted noises when slammed closed.



Signage is an effective communication tool.



Interior walls can be made from additional rows of studs and layers of drywall sheets, and fitted with a sound board or insulation.



HVAC design plays an important role in sound mitigation. Ductwork can transmit noise from room to room (red diagram) if designed without any buffer space. A better designed HVAC system (green diagram) connects to a central conduit in a different space, such as a hallway, where noise can be dissipated. Thick duct liners can also insulate noise.



Sight

Strategies to accommodate those with sight-sensory challenges can be addressed by using modified lighting, colour and space organization.

Excessive focus on even the most minor of details to seemingly having a visual impairment are common examples of what those with ASD can experience.

- The ability to control the intensity of light is critical. Window blinds and tints, glazing size and light bulb dimming are examples of how light can be controlled.
- Natural lighting is the more comfortable light source; however, a balance of natural and artificial lighting is recommended.
- Applying window tinting, installing draperies or blinds and incorporating clerestory windows are examples of how light intensity and outdoor visual distraction can be controlled. The solar orientation of interior spaces should also be considered as a means to reduce glare.
- Dimmable LED light fixtures, uplighters, diffusers and coloured filters are examples of illumination that increase comfort. Fluorescent lights should be avoided as they are a harsher form of light that can flicker and emit noise.



Indirect and diffused lighting provide a softer, more comfortable form of illumination.



Clerestory windows - the use of these windows above eye level, create environments that are open and bright. These can block exterior noise and distractions, as well as reduce the amount of excessive glare and allow a more ambient light instead.

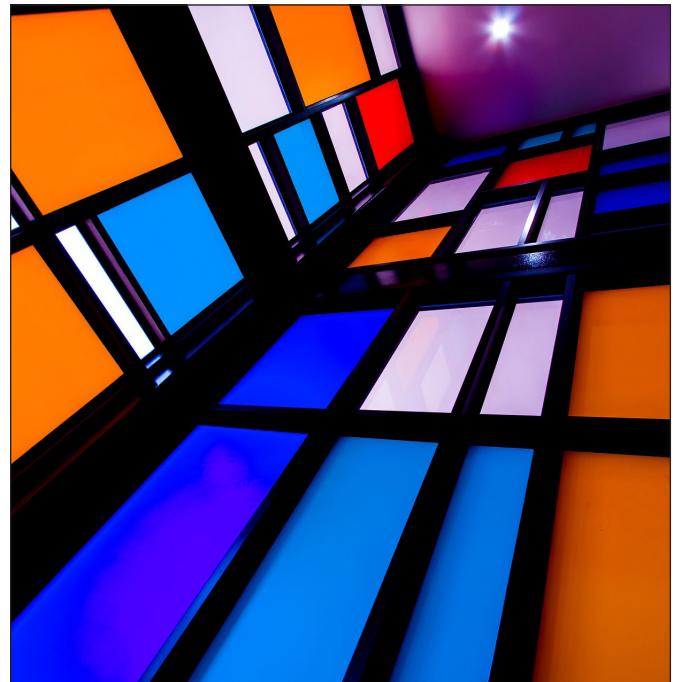
- Frosted glass windows, matte surfaces (e.g. matte paint, carpet and fabric-based wall coverings) can reduce glare and reflection.
- Clutter should be avoided as it can be distracting and overwhelming for some. Ample storage space should be provided to help mitigate cluttered spaces.
- Walls and visual partitions should be used to minimize distractions.
- Smaller rooms are easier to spatially process than for larger rooms.

The impact of colour goes beyond aesthetics. Studies have suggested a link between colour and the physical and mental state of ASD individuals. Bright colours, bold patterns, or too many colours can potentially create a discomforting environment for many, as they see colour with greater intensity.

- Light, warm and neutral colours are appropriate choices. Subdued greens, blues and pinks have been found to provide a peaceful and soothing atmosphere. Reds are perceived as over-stimulating and “loud”, hence should be avoided.
- Minimizing contrast and colour mixtures is recommended. Patterns should be avoided.
- Be aware of the influences that light can have on colour perception.



Coloured markings and colour coding can be used as a wayfinding and organizational strategies.



Bright colours and bold patterns can cause discomfort for those with hyper-sensitive sight sensory deficiencies.

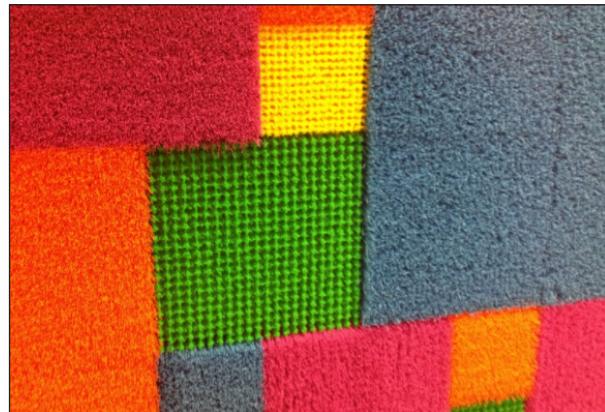


Tactile

Tactile sensory disorder is the second most common ASD deficiency. Some will shun touch altogether while others will seek extra pressure for affective touch or for the feel of calm and safety.

A sense of personal space, as well as opportunities for physical feedback should be made available.

- Private spaces and wider corridors should be used to provide personal space and enable users to acclimatize to their surroundings and to transition throughout the environment with minimal contact.
- Opportunities for positive sensory feedback should be integrated throughout the environment. Sensory walls is one such example.
- Upholstered and high-back chairs in an angled seating arrangement can make individuals feel protected and more comfortable.
- Be wary of those who seek touch for sensory input. They may inadvertently cause physical harm to themselves or others. Fittings to protect from hot water exposure and to reduce sharp edges and corners are recommended.



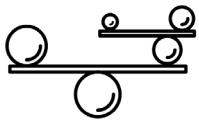
Sensory walls that give tactile, visual and auditory input provide an opportunity for rich sensory exploration



Hands-on activities stimulate the senses and can engage individuals in their activities.



Ball pits, which can provide pressure sensations, can be integrated into play



Body Awareness and Balance

Alongside the recognized five senses (touch, taste, smell, sound and sight), body awareness and balance, often referred to as the sixth and seventh sense, enable a person to perceive their physical position and movement in space. Balance, body awareness, momentum, force and motor skills are all influenced by these two senses.

Deficiency can result in clumsiness, a tendency to fall, difficulty manipulating small objects such as buttons and resistance to new motor movement activities. One's self-esteem is also likely to be impacted.

Situations that require motor skills and sequencing, such as playing sports or even walking up the stairs, may pose a source of discomfort for hyper-sensitive individuals.

Hypo-reactive individuals enjoy moving around and tend to have frequent bursts of energy.

- Position furniture around the edge of the room to help with navigation.
- Different flooring materials should be used as a wayfinding method as well as to help indicate boundaries in a space.
- Stations to practice gross motor skills should be available for hyper-sensitive individuals.

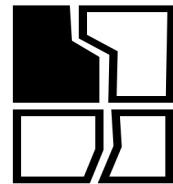
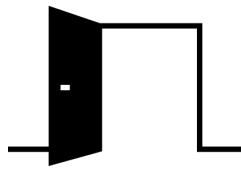
- Opportunities for individuals to exert physical energy, especially for those who are hypo-sensitive can help reduce stress and gain clarity of their surroundings.



Surfaces should be flush with one another. When steps are required, they should be colour-differentiated and properly illuminated. Essential rooms should be on main floor.



Swings and hammocks can help manage the need for movement, especially for hypo-sensitive individuals.



Respite Rooms

Respite rooms are spaces that offer calmer places for the brain to rest. The objective of such spaces is to provide respite to individuals with ASD, who can become overstimulated and distressed as a result of their environment. The space could be a small partitioned area that would provide a neutral sensory environment, and containing various items close at hand for individuals choosing to activate their senses. Examples of items could include cushions of various textures, brushes, sand paper, blankets, fiber optic lights, exercise balls, rocking chairs aromatherapy oils, and headphones to listen to music or block noise. Cushioned seating and phone chargers are simple items that could further benefit users of the space.

Respite rooms should be easily identifiable with colour, moldings, or other techniques.



Family-Friendly Facilities

Change rooms and washrooms separated by gender do not facilitate an optimal environment of safety and supervision. This becomes apparent when a care companion is of a different gender. Unisex or single-user change areas and washrooms are more appropriate facilities that offer greater accessibility.

Sensory Zoning and Sequencing

Sensory zoning is the grouping of spaces based on sensory stimulation. It is a space planning strategy to help those with ASD better understand their environment since they tend to organize their surroundings with their senses. Areas of physical activity and high stimulation, such as gymnasiums, music rooms and eating areas should be grouped together and away from low stimulation areas, such as study spaces.

Transition zones between sensory areas should be incorporated to help recalibrate the user's senses.

Spatial sequencing refers to the organization of space based on their scheduled use, and it facilitates a seamless flow of movement from one space to the next. Spatial sequencing enforces routine and predictability, key features that can benefit those on the spectrum. Wayfinding tools can assist with an effective sequencing strategy.



Outdoor Spaces

A few simple design considerations can significantly improve the sensory experience of outdoor spaces. Pathways, gardens, playing and seating areas and covered porches are examples of outdoor spaces that can provide relaxation, respite and restoration, social gatherings of various sizes, and sensory therapy activities. Interior design considerations can be applied to the outdoors.

- A wide range of activities utilizing varying degrees of physical contact, exertion, and motor skills should be incorporated throughout the area.
- Sidewalks and pathways should be wide enough to accommodate three adults side by side. A mid-level barrier should be placed between a walkable pathway and a road. These enhancements can lessen the effects of crowding, traffic and other street distractions, as well as provide added safety for those with motor impairment.
- Crowds, noise, brightness, changes in weather, and other unpredictable events can be over-stimulating for some. Retreat spaces should be integrated throughout the outdoors. These spaces should be quiet, shaded, partially concealed and should blend in with the general environment.



Landscape features, such as rocks and trees, can provide a sense of enclosure and safety within the larger outdoor environment.



Interaction with nature, and even views of nature from within a building can help behaviors, encourage learning, and improve the sense of well-being.

- Wayfinding signage and other picture symbols can increase accessibility, safety, spatial orientation, and inform outdoor explorers of what to expect next. Identification of respite area locations, pedestrian and vehicular paths of travel in parking lots, pick-up and drop-off points, and illustrations of the organizational structure of the outdoor area are all effective applications.
- Environmental materials should be receptive to the various sensitivities of ASD individuals. For example, plants should be non-toxic and safe for children. Concrete or rubber paving should produce minimal glare and be smooth enough to prevent vibrations when mobility-aids are used.
- There should be adequate outdoor visibility to ensure child safety through supervision. View corridors can also be established from an observation point within a building.



Vibration exposure is an uncomfortable experience for all. ASD individuals who require the assistance of a mobility aid are further susceptible to discomfort due to sensory disorders.

- Individual and group seating areas should be strategically placed to accommodate a variety of social gatherings as well as to allow one to take a break and process the environment before continuing on the outdoor adventure.



Signage and landmarks are an effective precautionary tool that improves safety for all.

SAULT STE. MARIE AUTISM SERVICES

Organization	Services	Ages Served	Contact	Online
Public Services for All Ages				
Group Health Centre	Primary health care facility; pediatric department.	Throughout the Lifespan	240 McNabb Street Sault Ste. Marie, ON P6B 1Y5 (705) 759-1234	https://www.ghc.on.ca/
Autism Ontario Sault Ste. Marie Chapter	Source of information and support for those who have a connection to Autism Spectrum Disorder.	Throughout the Lifespan	Vickie Kern Service Navigator vickie@autismontario.com 1-800-472-7789 ext. 235	https://www.autismontario.com/chapters/sault-ste-marie
Waabinong Head Start Family Resource Centre	To inspire, promote and support life-long learning and empowerment of our Aboriginal Head Start in urban and northern communities.	Throughout the Lifespan	169 Spring Street Sault Ste. Marie, ON P6A 3A3 (705) 253-3129	https://oahsa.ca/waabinong/
Nogdawindamin	Assists communities in their responsibility to strengthen families and communities for the safety and well-being of children by providing community based services grounded in Anishnawbek values.	Throughout the Lifespan	210 B Gran Street, Batchewana First Nation, ON P6A 0C4 (705) 946-3700	http://www.nog.ca/
Indian Friendship Centre	Provides over 25 service programs from a prenatal program to a program helping our Elders/Seniors; continuing to improve the quality of life of Indigenous people in the urban community of Sault Ste. Marie.	Throughout the Lifespan	122 East Street Sault Ste. Marie, ON P6A 3C6 (705) 256-5634	http://www.ssmifc.com/
Community Living Algoma	Supports individuals with intellectual disabilities throughout their lifetime.	Throughout the Lifespan	99 Northern Avenue East Sault Ste. Marie, ON P6B 4H5 (705) 253-1777	http://communitylivingalgoma.org/
Sault Ste. Marie Accessibility Advisory Committee	Operate subcommittee to work on Autism Strategy.	Throughout the Lifespan	260 Elizabeth Street Unit 2 Sault Ste Marie, Ontario P6A 6J3	
Algoma Family Services	Provides specialized services for children, youth, adults and families in the Algoma District.	Throughout the Lifespan	205 McNabb Street Sault Ste. Marie, ON P6B 1Y3 (705) 945-5050	https://www.algomafamilyservices.org/
Learning Disabilities Association of Sault Ste. Marie	Provides range of services for those with learning disabilities.	Throughout the Lifespan	443 Northern Avenue East Sault Ste. Marie, ON P6B 4J3 (705) 759-2554 Ext.2713	http://www.ldao.ca/
Grocer4Good	Employment opportunity and community engagement for those persons with an Autism Spectrum Disorder, intellectual disability or those chronically underemployed.	Throughout the Lifespan	133 Gore Street Sault Ste. Marie, ON P6A 1L9 (705) 255-0445	https://www.facebook.com/Grocer4Good/
Centre for Interdisciplinary Research and Collaboration in Autism	Post-secondary research institute.	Throughout the Lifespan	Faculty of Education Vancouver Campus 309-2125 Main Mall Vancouver, BC V6T 1Z4	https://circa.educ.ubc.ca/

SAULT STE. MARIE AUTISM SERVICES

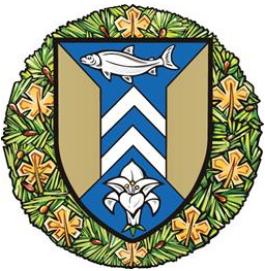
Organization	Services	Ages Served	Contact	Online
City of Sault Ste. Marie John Rhodes Community Centre Pool	Sensitive public swim times and sensitive swim lessons. Information is available through the Algoma Autism Foundation.	Throughout the Lifespan	260 Elizabeth Street, Sault Ste. Marie ON P6A6J3 (705) 759-5419 johnrhodespool@cityssm.on.ca	https://saultstemarie.ca/rccpool
City of Sault Ste. Marie Northern Community Centre	Throughout the year, usually during school vacation times, there are planned Family drop in times. When these are scheduled there is always a sensitive time also planned for the same day. During sensitive play times there is equipment available for children that has been purchased by the City of Sault Ste. Marie with recommendation from advocates for children with autism.	Throughout the Lifespan	556 Goulais Avenue Sault Ste. Marie, ON P6C 5A7 (705) 759-5489 centres@cityssm.on.ca	https://saultstemarie.ca/ncc
Special Olympics Sault Ste. Marie	Special Olympics is dedicated to enriching the lives of Ontarians with an intellectual disability through sport. The vision is that sport will open hearts and minds towards people with intellectual disabilities and create inclusive communities all across Ontario.	Throughout the Lifespan	Community Coordinator - Joann ssmspecialolympics@gmail.com	http://ssm.specialolympicsontario.ca/?fbclid=IwAR17W05qMtizwgrX-8V4r2h0kJmG_v0-3czXUh3Mkmei_nhEc_n2yETGShLE
Public Services for Ages Birth to 16				
Jordan's Principle	Jordan's Principle helps First Nations children get support as recommended by a professional to meet an identified health, education or social need.	Birth to 18 Years Old	1-855-572-4453	https://www.sac-isc.gc.ca/eng/1568396042341/1568396159824?utm_campaign=not-applicable&utm_medium=vanity-url&utm_source=cana-data-jordans-principle
Garden River Wellness Centre	Offers various social and health services to any Garden River First Nation child through Jordan's Principle.	Birth to 18 Years Old	23 Shingwauk Street Garden River, ON P6A 7B2 (705) 946-5710	https://grwc.ca/
Batchewana Health Centre	Offers various social and health services to any Batchewana First Nation child through Jordan's Principle.	Birth to 18 Years Old	236 Frontenac Street / Rankin Reserve 15D Batchewana First Nation, ON P6A 6Z1 (705) 759-0914	https://batchewana.ca/departments/health-care/
Infant and Child Development Program at Algoma Public Health	Specialized program that serves birth to school entry aged children who are delayed or at risk for developmental delay.	Birth to School Aged	294 Willow Avenue Sault Ste. Marie, ON P6B 0A9 Parent Child Information Line (705) 541-7101	http://www.algomapublichealth.com/parent-child/growth-development/infant-and-child-development-program/
Thrive	Services for children & youth who are impacted by differences in physical, communication and/or developmental trajectories. Occupational therapy, physio, speech & language and social work services. Service provider for Algoma's Ontario Autism Program.	Birth to 18 Years Old	74 Johnson Avenue Sault Ste. Marie, ON P6C 2V5 (705) 759-1131	https://kidsthrive.ca/

SAULT STE. MARIE AUTISM SERVICES

Organization	Services	Ages Served	Contact	Online
Child & Community Resources	A wide range of services for children, youth, families and professionals, to support the inclusion, integration, and wellbeing of children and youth. Single point of access for Ontario Autism Program.	Children, Youth and Families	662 Falconbridge Road Sudbury, ON P3A 4S4 1-877-996-1599	https://ccrconnect.ca/
Public Services for Ages 16 and older				
Developmental Services Ontario	Access point for publicly funded adult developmental services.	18 Years and Older	262 Queen Street East Unit 203 Sault Ste. Marie, ON P6A 1Y7 1-855-376-6673	https://www.dsontario.ca/
March of Dimes	To maximize the independence, personal empowerment and community participation of people with physical disabilities. Offers housing and employment services.	18 Years and Older	55 Chapple Avenue Sault Ste. Marie, ON P6B 3P2 (705) 575-7335	https://www.marchofdimes.ca/en-ca
Breaking Away	To provide support and encouragement through a program focused on individual development and integration into the community.	18 Years and Older	100 Ontario Avenue Sault Ste. Marie, ON P6B 1E3 (705) 575-3355	https://breakingawayssm.com/
Possability Community Homes	Accessible rural residential housing to persons with disabilities primarily of low or modest income including individuals affected by Autism Spectrum Disorders.	Adults and Families	539A Grey Duck Drive Desbarats, ON P0R 1E0	http://www.possability.org/
Private Sector Services for All Ages				
Dr. Yolanda Korneluk Ph.D. C. Psych.	Psychologist, Clinical Director - Emerging Minds.	Throughout the Lifespan	97 Hinton Avenue North Ottawa, ON K1Y 0Z7 (613) 851-6292	https://emergigminds.ca/
Dr Anne-Marie Caruso Ph.D. C. Psych	Psychologist, Clinical Director - Emerging Minds.	Throughout the Lifespan	(705) 971-5122	https://emergigminds.ca/
Lighthouse Counselling and Therapy Services	Registered Psychotherapist who works with children, adolescents, adults and families.	Throughout the Lifespan	68 Dennis Street Suite 3 Sault Ste. Marie, ON P6A 2W9 (705) 257-8459	https://www.psychologytoday.com/ca/therapists/lisa-marie-guzzo-sault-ste-marie-on/452372
Family Dentistry - Dr. Jeffrey Cho and Dr. Lan Vu	Pediatric dentistry services.	Throughout the Lifespan	681 Queen Street East Sault Ste. Marie, ON P6A 2A6 (705) 910-0987	https://chofamilydentistry.com/
Michelle Garcia Winner - Social Thinking	Tools and research to help people understand themselves and others to better navigate the social world, foster relationships, and improve their performance at school, at home, and at work.	Throughout the Lifespan	404 Saratoga Avenue #200 Santa Clara, CA 95050	https://www.socialthinking.com/

SAULT STE. MARIE AUTISM SERVICES

Organization	Services	Ages Served	Contact	Online
Sault Ste. Marie International Karate Daigaku	Offers adapted training. Private or group classes.	Throughout the Lifespan	Chris Troch 54 Wellington Street West Sault Ste. Marie, ON P6A 1H1	https://ssmikd.webs.com/
InSPAration Float Centre	Float therapy centre.	Throughout the Lifespan	143 Great Northern Road Suite 4 Sault Ste. Marie, ON P6B 4Y9 (705) 450-5775	https://www.inspirationfloatcentre.com/
The Klub - Koach Katrina	Group or individual workout sessions.	Throughout the Lifespan	642 Queen Street East Sault Ste Marie, ON	Facebook – Koach Katrina.The Klub www.koachkatrina.com
Private Sector Services for Ages Birth to 16				
Dr. Terri Barriault, Ph.D. C.Psych.	Clinical and School Psychologist.	Children and Youth	1191 Lansing Avenue Unit 1 Sudbury, ON P3A 4C4 (705) 450-7529	
Brenna Lanktree and Associates Inc.	Programming designed to meet children's individual learning needs. Including behaviour therapy, consultation and respite services.	Children, Youth and Families	104 Rankin Road Sault Ste. Marie, ON P6A 4R8 (705) 575-5515	https://www.brennalanktree.com/
Robin Walker - The Speech Path	Private speech language therapy services.	Children and Youth	444 Albert Street East Sault Ste. Marie, ON P6A 2J8 (705) 253-1157	https://thespeechpathssm.com/
Ignite Gym	Programs that combine exercise with education to optimize learning.	Children and Youth	88 White Oak Drive East Sault Ste. Marie, ON P6B 4J8 (705) 256-1344	https://www.facebook.com/ignitegym
Bricks4Kidz	Play based learning programs with the use of LEGO® to the children of Sault Ste. Marie and surrounding areas.	Children and Youth	118 Brock Street Sault Ste. Marie, ON P6A 3B5 (705) 450-7529	https://www.bricks4kidz.com/canada-saultstmarie/
Private Sector Services for Ages 16 and older				
Community Integration Through Co-Op Education	Certificate program designed to offer students with learning challenges opportunities to enhance their academic, vocational and social skills.	Post-secondary students	443 Northern Avenue East Sault Ste. Marie, ON P6B 4J3 (705) 759-2554	https://www.saultcollege.ca/CICE/



The Corporation of the City of Sault Ste. Marie

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

June 28, 2021

TO: Mayor Christian Provenzano and Members of City Council
AUTHOR: Rachel Tyczinski, City Clerk and Madison Zuppa, Deputy
City Clerk
DEPARTMENT: Corporate Services
RE: Municipal Election 2022

Purpose

The purpose of this report is to present Council with information concerning vote-counting equipment and alternative voting methods for the municipal election to be held on Monday, October 24, 2022.

Background

On March 29, 2021 the following resolution was passed by Council:

Mover: Councillor M. Shoemaker
Seconder: Councillor D. Hilsinger

Whereas COVID-19 has caused formerly routine activities to require fundamental changes; and

Whereas voting has historically been done by congregating in enclosed spaces locations, which is known to present a significant risk of spreading COVID-19; and

Whereas elections that have taken place during the pandemic have seen a high percentage of voter turnout, including in the British Columbia provincial election in 2020, in the United States presidential election in 2020; and

Whereas other elections held during the pandemic have been fraught by delays due to rising COVID case numbers, such as the 2021 Newfoundland and Labrador provincial election; and

Whereas, though vaccines are set to be administered to all Canadians who want them in 2021, it is unknown if the coronavirus will re-occur seasonally or if it will be eradicated by vaccines; and

Whereas it is prudent for the City of Sault Ste. Marie to properly plan for foreseeable challenges to its electoral process;

Now Therefore Be It Resolved that the City Clerk's department be requested to investigate and report to Council on options for the City of Sault Ste. Marie to mail ballots to all registered voters in the City for the 2022 municipal election, and determine the safest method to have those ballots returned to the city, both with regard to the health and safety of the community, and the security of the ballot.

In an effort to plan for the 2022 municipal election the City Clerk's office was in the process of completing a comprehensive review of alternative voting methods¹, including exclusive vote-by-mail.

The City of Sault Ste. Marie has historically held elections with traditional paper ballots that are manually counted. Sault Ste. Marie is the only municipality out of the 18 responding municipalities, in the 50,000-100,000² population range, which used paper ballot/manual count system in the 2018 election. In 2018, there were 50 voting locations, including 197 voting subdivisions and 9 long-term care homes. A Vote-from-Home program was also utilized by 66 eligible voters. Voting locations are becoming more difficult to secure due to facility closures and accessibility requirements.

In 2018, the City hired approximately 540 election workers, including an Election Coordinator, Election Assistants, Deputy Returning Officers, Voting Clerks, Greeters, and Voting Day support staff. It has been a challenge over the past few election cycles to recruit sufficient capable election workers.

The total cost for the 2018 municipal election in Sault Ste. Marie was approximately \$245,000. The election budget is funded by an annual contribution to a reserve (2018-2022 \$75,000 annually).

Municipal Elections Act

Section 42(1) of the *Municipal Elections Act, 1996 (MEA)*³ provides that the Council of a local municipality may pass by-laws,

- (a) authorizing the use of voting and vote-counting equipment such as voting machines, voting recorders or optical scanning vote tabulators;
- (b) authorizing electors to use an alternative voting method, such as voting by mail or by telephone, that does not require electors to attend at a voting place in order to vote.

Such by-law(s) must be passed by May 1, 2022; however, they should be passed earlier in order to provide sufficient time for any necessary procurement.

¹ Other municipal reports reviewed: City of Ajax; City of Brampton; City of Cambridge; City of Guelph; City of London; City of Greater Sudbury; City of Kawartha Lakes; City of Meaford; City of Oshawa; and Township of Centre Wellington.

² AMCTO 2018. Post-Election Survey.

It is imperative that any voting method upholds the principles underlying the *MEA*, which are:

- a) secrecy and confidentiality of the voting process;
- b) fairness/non-biased – voters and candidates shall be treated consistently and fairly;
- c) accessibility to voters;
- d) integrity throughout the election;
- e) certainty that the results of the election reflect the votes cast; and
- f) eligibility – valid votes are counted and invalid votes are rejected.

Analysis

Option 1 – Status Quo

A traditional in-person election involves paper ballots that are manually counted. Voters are most familiar with this style of voting. This method provides supervised voting, allowing election officials to physically verify voter identification. Proxy voting, advance vote days, and the Vote-from-Home program would continue to be offered. Manually counting ballots is not only a labour intensive process, but one that includes an element of risk due to human error (mitigated through training and other checks and balances).

A traditional in-person paper ballot/manual count system is estimated to cost approximately \$280,000, and is not recommended for the 2022 municipal election.

Option 2 – Vote in-Person – Tabulator Count

Electors vote in-person with ballots counted by tabulators. Tabulators are portable machines that scan ballots and record how the ballot is marked. Instead of placing the ballot into a box the ballot is fed into the tabulator. The physical ballots are stored in a secure ballot box. The cumulative totals of all votes cast is provided to the Clerk at the close of voting.

Proxy voting, advance vote days, and the Vote-from-Home program would continue to be offered. Utilizing vote tabulators would reduce the number of election workers required to count and reconcile ballots. An electronic voters list would improve the efficiency of processing voters at voting locations.

Accessibility modules for tabulators would also be deployed at strategic voting locations.

Tabulators provide consistency when reading ballots, and identify errors on the ballot, thereby reducing the number of spoiled ballots. The time required to count ballots is reduced, allowing election results to be reported more quickly. The cost of tabulators would be significantly offset by reduced staffing requirements.

An in-person vote with tabulator count is estimated to cost approximately \$320,000 and is the recommended option for the 2022 municipal election.

Option 3 – Vote-by-mail only

In 2018, the City administered an exclusive vote-by-mail election for the school boards for the unorganized areas in the Algoma District.

In an exclusive vote-by-mail election for Sault Ste. Marie, all 55,000 eligible electors would receive a voter's package that includes a voter declaration card, a ballot, a secrecy envelope, and prepaid return envelope. Secure supervised ballot boxes would be placed at various City facilities for electors who wish to physically place their ballot in a ballot box, which would also reduce return postage costs.

Manually counting ballots is a labour intensive process with challenges as noted previously. The use of tabulators to count ballots would be recommended. Results may still be delayed depending on the number of ballots received.

Concerns related to vote-by-mail include individuals forging signatures on voter declaration cards, individuals placing their ballot with their voter declaration card or those who do not provide their voter declaration card. Delivery and receipt of ballots relies on the postal system and could be impacted by service disruptions or delays.

Exclusive vote-by-mail would only be recommended as a pandemic response. If this method is not being considered for future elections the resources required to change the processes and procedures are significant for a single election.

An exclusive vote-by-mail election with tabulators is estimated to cost approximately \$325,000 and is not recommended for the 2022 municipal election.

Option 4 – Vote online only

Online voting provides the ability for voters to cast their ballot at their convenience during specified voting timeframes and allows electors to vote without attending a physical voting location. Online voting reduces the number of spoiled ballots, and eliminates the need for proxy voting and advance vote days. It would be essential to have physical voting help centres available for individuals who do not have access to the internet, experience connectivity issues or require other assistance.

There are currently no standards for online voting. As well, approximately 50 municipalities conducting online voting in 2018 experienced disruptions on Voting Day with several municipalities having to extend voting hours.

There are also concerns regarding the lack of physical ballots for recount purposes. Some vendors are now providing a way to physically print or digitally print ballots in order to address any need for a recount.

The majority of respondents to the City's Voter Engagement Survey indicated a preference for online voting. Others raised concerns regarding security and secrecy of the ballot, which have also been expressed by other municipalities. Risk mitigation strategies and a disaster plan would be required, as well as independent testing, auditing, and other security measures.

It is anticipated that technological and security issues surrounding online voting will resolve over the next few years and that online voting will be a viable option for the 2026 municipal election.

Through the research conducted it became clear that vote-by-phone has not been a particularly efficient or effective voting method and is not recommended. Lengthy ballots prove difficult to navigate through the telephone system and take too long to complete, resulting in possible voter frustration. The City's Voter Engagement Survey also indicated that respondents were least familiar with and least likely to utilize this voting method.

An exclusive vote online election is estimated to cost approximately \$250,000 and is not recommended for the 2022 municipal election.

Option 5 – Hybrid approach

A hybrid approach would involve an in-person election and an alternative voting method. Many municipalities have conducted hybrid elections with either a vote-by-mail or online option in addition to in-person voting. Adding a remote voting option has the potential to reduce voter wait times at physical voting locations. It also provides greater accessibility for those who may not be able to attend a physical voting location or those who are not comfortable due to the COVID-19 pandemic. It is not known at this time what the status of the COVID-19 pandemic will be in October 2022. Providing remote voting would allow additional options for those who do not wish to gather at a voting location.

- (a) *Vote-by-mail* – eligible voters register with the municipality to receive a voting package in the mail. Determining how many people would register is difficult to estimate and comes with some challenges. The City would pay for the vote-by-mail packages whether they are used or not. There is also the risk of not ordering sufficient packages to accommodate those who register. Assuming 10% of eligible voters (5,500) register the additional cost would be approximately \$45,000.
- (b) *Vote online* – eligible voters register to receive a PIN in order to cast their ballot online. The City would pay for the number of eligible voters that utilize the system. Assuming 10% of eligible voters (5,500) register to vote online the additional cost would be approximately \$20,000. This estimate does not include the costs associated with security measures, which are unknown at this time. An electronic Voters List would be necessary to ensure accuracy and integrity on Voting Day. All voting locations would require electronic devices with connectivity at an additional cost. Online voting could be offered for advance vote days only or for the entire election.

Voters List

The Voters List administered by MPAC has historically contained many inaccuracies. Updating the list is a challenge with any election method; however, remote voting alternatives rely on real-time accurate data. Elections Ontario will

administer the Voters List for the 2026 municipal election and improved quality of data is anticipated. It is noted, however, that the onus is on the voter to verify their information.

Voter Fraud

There is potential for voter fraud with any voting method. A traditional in-person election is supervised, whereas remote voting options are unsupervised. Nevertheless, it is important to note that voter fraud is an offence under the *MEA*. Section 89 provides that a person is guilty of an offence if he or she,

- a) votes without being entitled to do so;
- b) votes more times than this Act allows;
- c) votes in a voting place in which he or she is not entitled to vote;
- d) induces or procures a person to vote when that person is not entitled to do so;
- e) having appointed a voting proxy that remains in force, votes otherwise than by the proxy;
- f) having been appointed a voting proxy, votes under the authority of the proxy when the elector has cancelled the proxy, is no longer entitled to vote or has died;
- g) before or during an election, publishes a false statement of a candidate's withdrawal;
- h) furnishes false or misleading information to a person whom this Act authorizes to obtain information;
- i) without authority, supplies a ballot to anyone;
- j) delivers to the deputy returning officer to be placed in a ballot box a paper other than the ballot the deputy returning officer gave him or her;
- k) takes a ballot away from the voting place;
- l) at an election, takes, opens or otherwise deals with a ballot, a ballot box, or a book or package of ballots without having authority to do so;
- m) attempts to do something described in clauses (a) to (l).

Other jurisdictions

Several Ontario municipalities are considering a vote-by-mail process (either exclusively or as a hybrid) for the 2022 municipal election given the COVID-19 pandemic. Exclusive vote-by-mail has historically been offered by many rural communities and those with seasonal populations. In 2018, 26 municipalities conducted exclusive vote-by-mail elections. The City of St. John's, Newfoundland is the largest known municipality to provide ballots to all electors by mass mail. They have conducted vote-by-mail since 2001.

Several Clerks of Northern Ontario cities are expecting to recommend an in-person election with an alternative online voting option for 2022. According to AMO⁴, in the 2018 municipal election 178 of responding municipalities utilized online voting whether it was exclusive or as a hybrid option. The provincial trend is moving

⁴ AMO. <https://elections.amo.on.ca/web/en/stats>

towards online voting; however, municipalities including Guelph, London, and Oshawa have decided not to utilize online voting at this time. In a report titled “Online Voting in Ontario’s Municipal Elections” the authors recommend that Ontario municipalities not offer online voting until standards are developed.⁵

New Brunswick, British Columbia, Newfoundland and Labrador, and Saskatchewan all held provincial elections during the pandemic. New Brunswick and Saskatchewan also held municipal elections. An in-person election with additional advance vote days and a registered vote-by-mail option was the method the majority chose to implement. These provinces saw an increased demand for the vote-by-mail option. Lockdown measures caused Newfoundland and Labrador to make a quick switch to exclusive vote-by-mail resulting in “serious challenges and disruptions”.⁶ Some municipalities in New Brunswick also experienced delays due to lockdown measures.

COVID-19 Pandemic

Public health guidelines will need to be evaluated in consultation with Algoma Public Health to ensure: any necessary personal protective equipment is available; the layout of voting locations accommodates any physical distancing requirements; need for single use items (e.g. pencils); and a plan for voting at off-site locations (e.g. long-term care facilities). Municipalities that held elections during the pandemic spread the number of voters out by having more advance vote days. Extra training for election workers and additional staff may be required to address any public health guidelines and/or recommendations. A communications strategy will be developed to communicate any appropriate messaging regarding public health guidelines.

Additionally, the COVID-19 pandemic may exacerbate existing challenges in recruiting election workers.⁷ Introducing tabulators or remote voting methods would alleviate some of the pressure in recruiting qualified individuals. Of course, remote voting methods allow voters to cast their ballot without attending a physical voting location.

Financial Implications

There is estimated to be \$282,000 in the election reserve for the 2022 municipal election.

The recommended option in-person/tabulator count is estimated to cost \$320,000.

The prices noted in the analysis section are high-level estimates that may fluctuate due to: vendor pricing through the procurement process; staffing levels; election

⁵ Anthony Cardillo, Nicholas Akinyokun, and Aleksander Essex. Online Voting in Ontario Municipal Elections: A Conflict of Legal Principles and Technology? Whisper Lab Research Report, Western University, 2020. Available online: <https://whisperlab.org/ontario-online.pdf>

⁶ House of Commons. PROC Committee Report – Final Report: Protecting Public Health and Democracy during a possible pandemic election.

⁷ Elections Canada. 2020. Canadian attitudes towards voting during the COVID-19 pandemic – Wave3.

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advertising and education requirements; and any unanticipated costs due to COVID-19.

Should Council approve the recommended option, staff will refine the estimated budget and provide it to Council with funding options prior to the 2022 budget considerations.

Strategic Plan / Policy Impact

The Municipal Election 2022 report is linked to the corporate value – commitment to citizens and community.

Recommendation

It is therefore recommended that Council take the following action:

Resolved that the report of the City Clerk and Deputy City Clerk dated June 28, 2021 concerning Municipal Election 2022 be received and that the 2022 Municipal Election be conducted with in-person voting and tabulator count at an estimated cost of \$320,000 with funds from the Election Reserve and Quality Management budget;

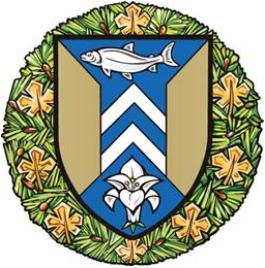
Further that staff be authorized to issue an RFP for the acquisition of vote tabulators.

A by-law authorizing the use of tabulators for the 2022 municipal election will appear on a future Council agenda.

Respectfully submitted,

Rachel Tyczinski
City Clerk
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r.tyczinski@cityssm.on.ca

Madison Zuppa
Deputy City Clerk
705.759.5392
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The Corporation of the City of Sault Ste. Marie

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

June 28, 2021

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Travis Anderson, Director of Tourism and Community Development

DEPARTMENT: Community Development and Enterprise Services

RE: Community Safety & Well-Being Plan

Purpose

The purpose of this report is to seek Council's approval to adopt the Sault Ste. Marie Community Safety & Well-Being Plan 2021 – 2026.

Background

Community Safety and Well-Being (CSWB) Plans are provincially legislated for municipalities in Ontario under the *Police Services Act, 1990* (effective January 2020). The Province has provided a framework to support planning which focuses on four domains of intervention: incident response, risk intervention, prevention and social development. The Plan also applies a collective impact approach to develop a common agenda and work collectively to address complex social issues, a social determinant of health lens to understand factors that contribute to community safety and well-being and applies an equity lens across all areas of focus recognizing the systemic barriers faced by marginalized populations.

As part of legislation, municipalities are required to develop and adopt community safety and well-being plans working in partnership with a multi-sectoral advisory committee comprised of representation from the police service board and other local service providers in health/mental health, education, community/social services and children/youth services. Additional requirements are also outlined in the legislation pertaining to conducting consultations, contents of the plan, and monitoring, evaluating, reporting and publishing the plan. This approach allows municipalities to take a leadership role in defining and addressing priority risks in the community through proactive, integrated strategies that ensure vulnerable populations receive the help they need from the providers best suited to support them.

Commencing January 2020, the City of Sault Ste. Marie and the Sault Ste. Marie Police Services were legislated to develop a Community Safety and Well-Being plan by the Ministry of Community Safety & Correctional Services, through the Police Services Act. The provincially mandated plan requires multi-sectoral

Community Safety and Well-Being Plan

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collaboration to prioritize risks and address short and long-term needs in the community through social development.

Locally, the FutureSSM Social Equity Coordinator (transferred to DSSAB January 2021) led the development of the plan, with the support of the Social Equity Committee and the Algoma Leadership Table (ALT). With ALT formally approving the Plan in March of this year.

The approved plan was presented to the Police Services Board on June 24th, and formally adopted by resolution. The Community Safety and Well-Being Plan is attached to this report – Attachment A – CSWB Approved Final Report. On a go forward basis, the joint responsibility of initiation and regular review of this community plan will be led by the Sault Ste. Marie Police Services with the support of the City of Sault Ste. Marie.

Analysis

Plan Overview:

In the beginning of 2020, community leaders were informed, through the ALT of their participation in the development of a Community Safety and Well-Being plan for the municipality of Sault Ste. Marie. With the collaborative efforts of existing community planning tables and committees, dedicated to meeting the needs and filling services gaps, social issues such as poverty, mental health, addictions, unemployment and housing issues can be transformed into sustainable outcomes through both long and short term actions as they contribute to overall social development in Sault Ste. Marie.

At the start of the COVID-19 pandemic, reaching provincial state of emergency response in the Spring of 2020 and continuing to be unresolved as of January 2021, a common concern for multiple stakeholders including community members is the exacerbation of mental health and substance use disorders in the community, which has affected all sectors and population groups. The impact of poverty on community members has also been highlighted by the pandemic and prioritized by all levels of government to increase access to housing, shelter and food security for the community's most vulnerable members.

The Algoma Leadership Table, informed by several community consultations, prioritized mental health and addictions as well as poverty as the community risks that require coordinated, strategic efforts that a plan such as CSWB provides. Sault Ste. Marie has many community planning tables and recent community reports and publications such as the Drug Strategy Call for Action, the Impact on Poverty report and community consultation data that assisted in the development of the plan.

The plan has compiled evidence-based interventions to implement by identified stakeholders and indicators to track effectiveness. The report includes a summary of the Community Safety and Well-Being Framework and community risks, the consultation process and the strategic action plan. Although the plan has assigned responsibilities to participating community organizations and tables, the community of Sault Ste. Marie must continue to be responsive to the needs of

Community Safety and Well-Being Plan

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those who require concerted efforts to create a safe, welcoming community where all persons can achieve prosperity and support when needed.

Community Safety and Well-Being Plan Guiding Principles

The Community Safety and Well-being Plan is guided by the following principles:

1. Evidence-based & Evaluation: Actions carried out by the Community Safety and Well-being plan have been researched as short and long term strategies which include measures to indicate progress.
2. Shared Collaborative Approach: The community plan follows a multi-sector approach and relies on the strengths of effective community partnerships and commitment from key stakeholders to ensure sustainability.
3. Community Engagement: This plan will seek to include the greater public of Sault Ste. Marie as it implements actions that will be responsive to the cultural and demographic needs of the community.
4. Wellness: The plan demonstrates that actions carried out by stakeholders remain wellness-focused intended to improve the quality of living for all community members.
5. Diversity & Inclusion: Rooted in the values of anti-discrimination, anti-racism and anti-oppression, these have formed the foundation for the areas of focus and actions. This principle incorporates the specific needs of equity-seeking and cultural groups where informed consent and equitable decision-making is required for a healthy quality of life.

Consultation:

The Algoma Leadership Table, a collective group of executive-level leaders in Sault Ste. Marie and the Algoma District who have representation from healthcare and public health, education, social, community and justice services, was established to effectively impact outcomes for the community through collaboration, coordination and sharing resources. This group approved designation as the advisory circle throughout the development of the Community Safety and Well Being Plan. They are responsible for ensuring that the plan is built on community strengths, aligns with coordinated efforts and is equitable by design.

Further to the main advisory body, the community was consulted in the creation of the plan in the following ways:

- An in person survey with community members attending the Soup Kitchen Community Center/James Street area in August 2020 and Gore Street in September 2020.
- An online survey completed by frontline staff associated with the Neighborhood Resource Center collaborative in September 2020.

Community Safety and Well-Being Plan

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- Indigenous community stakeholders were engaged via a focus group held in September 2020.
- The Social Equity Action Team was consulted in December 2020 and January & February 2021.
- The Algoma Leadership Table was consulted throughout the entire development process with final approval reached March 2021.
- Presentation to the Sault Ste. Marie Police Services Board of Directors, June 2021.

Priority Risks

In November 2020, the Algoma Leadership Table was informed of the consultation and literature review findings, selected and then approved the top risks for Sault Ste. Marie as:

Mental Health and Addictions: This priority risk was identified in all sources of literature and across all consultation groups. Mental health and addictions are typically co-occurring and the outcome of such is cyclical in both individuals and families. For example, challenges experienced with mental health may reduce opportunity for an individual to enter the workforce that increases risk of poverty. These risks require a continuum of integrated services, is noted as a gap in current services and impacts all demographics and equity-seeking groups.

Poverty: Falling in line with the work of the Poverty Round Table, the areas of Housing, Food Security, Workforce Entry and Crisis Diversion & Resolution compose the issue of poverty. Basic supports required by community members are rooted in this risk and underline many issues associated with it such as mental health, addictions, violence and crime.

Implementation:

The prioritized focus of the Community Safety and Well-being plan lies in the areas of Mental Health & Addictions and Poverty in Sault Ste. Marie. The Sault Ste. Marie Poverty Round Table Progress on Impact Report (2020), the SSM & Area Drug Strategy Call to Action (2019), and the Central Algoma Mental Health and Addictions Planning Table Action Plan (2020) have informed this five-year plan. Many of the researched strategies, outcomes and measures located in each of these foundational documents were synthesized and are presented under each identified risk. While not every action and recommendation written in these reports could be included into the CSWB plan, they should be consulted for context and aligning supporting actions.

Sault Ste. Marie's Community Safety and Well-Being Plan requires the coordinated efforts of multi-sector stakeholders to ensure that the plan is responsive to the community's persistent and emerging social risks throughout the continuum of prevention to aftercare services, data sharing occurs across organizations, youth have access to services and community-based services meet the varying needs of community members. Housing, food security, opportunities to participate in

Community Safety and Well-Being Plan

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employment and diverting crises before they require immediate reactionary interventions are also rooted in this ‘evergreen’ social development plan. The joint responsibility of initiation and regular review of this community plan will be primarily led by the Sault Ste. Marie Police Services with the support of the City of Sault Ste. Marie.

Financial Implications

There are no financial implications associated with this report.

Strategic Plan / Policy Impact

This matter is addressed in the Corporate Strategic Plan Focus Areas: Community Development, Partnerships with Key Stakeholders (Community Safety Plan).

The plan also aligns with the Social Equity Pillar of FutureSSM.

Recommendation

It is therefore recommended that Council take the following action:

Resolved that the report of the Director, Tourism and Community Development dated June 28, 2021 be received; and

Further that Council approve the adoption of the Sault Ste. Marie Community Safety Well-Being Plan.

Respectfully submitted,



Travis Anderson
Director, Tourism and Community
Development
705.989-7915
t.anderson@cityssm.on.ca

Municipal Community Safety and Well Being Plan 2021-2026

Sault Ste. Marie Police Services

March 2021

SSM Community Safety Well-Being Plan

Acknowledgements

This plan could not have been completed without the continued support from the following:

Algoma District Social Services Administration Board
Algoma District School Board
Algoma Family Services
Algoma Legal Clinic
Algoma Public Health
Anishinabek Police Service
ARCH Hospice
Canadian Mental Health Association
Children's Aid Society of Algoma
Child Care Algoma
City of Sault Ste. Marie
Counselling Centre of East Algoma
Community Living Algoma
Conseil Scolaire Catholique du Nouvel-Ontario
Conseil Scolaire Publique du Grand Nord
de l'Ontario
District of Sault Ste. Marie Social
Services Administration Board
Early Years Services
FutureSSM
Garden River First Nation
Garden River Wellness Center
Group Health Centre
Huron-Superior Catholic District School Board
John Howard Society of Sault Ste. Marie
Local Health Integration Network
Métis Nation of Ontario
Ministry of Children, Community and Social Services
Ministry of Training, Colleges and Universities
Missanabie Cree First Nation
MPP Sault Ste. Marie Office
Nogdawindamin Child & Family Community Services
Northeastern Community Care Access Centre
North Shore Tribal Council
Ontario Provincial Police
Sault Area Hospital
Sault Ste. Marie & Area Drug Strategy
Sault Ste. Marie Indigenous Friendship Centre
Sault Ste. Marie Innovation Centre
Sault Ste. Marie Police Services
Superior Family Health Team
Thrive Child Development Center
United Way

Thank you to the Algoma Leadership Table for their role as the advisory circle throughout the development of this plan and the Social Equity team on their in-depth analysis of the strategic action work plan.

Recognition is also extended to the community members and staff from various organizations who have taken part in the focus groups and consultations. Thank you.

Executive Summary

In the beginning of 2020, community leaders were informed of their participation in the development of a Community Safety and Well-Being plan for the municipality of Sault Ste. Marie. This plan, legislated by the Police Services Act, is designed to mitigate immediate social risks that lead to crime and that negatively impact a community member's wellbeing and ability to have a healthy quality of life. With the collaborative efforts of existing community planning tables and committees, dedicated to meeting the needs and filling services gaps, social issues such as poverty, mental health, addictions, unemployment and housing issues can transformed into sustainable outcomes through both long and short term actions as they contribute to overall social development in Sault Ste. Marie.

At the start of the COVID-19 pandemic, reaching provincial state of emergency response in the spring of 2020 and continuing to be unresolved as of January 2021, a common concern for multiple stakeholders including community members is the exacerbation of mental health and substance use disorders in the community, which has affected all sectors and population groups. The impact of poverty on community members has also been highlighted by the pandemic and prioritized by all levels of government to increase access to housing, shelter and food security for the community's most vulnerable members.

The Algoma Leadership Table, informed by several community consultations prioritized mental health and addictions as well as poverty as the community risks that require coordinated, strategic efforts that a plan such as this provides. Sault Ste. Marie has many community planning tables and recent community reports and publications such as the Drug Strategy Call for Action, the Impact on Poverty report and community consultation data to assist in the development of this plan.

The plan has compiled evidence-based interventions to implement by identified stakeholders and indicators to track effectiveness. The report includes a summary of the Community Safety and Well-Being Framework and community risks, the consultation process and the strategic action plan. Although the plan has assigned responsibilities to participating community organizations and tables, the community of Sault Ste. Marie must continue to be responsive to the needs of those who require concerted efforts of creating a safe, welcoming community where all persons can achieve prosperity and support when needed.

SSM Community Safety Well-Being Plan

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Introduction

Commencing January 2020, the City of Sault Ste. Marie and the Sault Ste. Marie Police Service were legislated to create a Community Safety and Well-Being Plan by the Ministry of Community Safety and Correctional Services through the Police Services Act. The provincially mandated plan requires multi-sectoral collaboration to prioritize risks and address short and long-term needs in the community through social development. This report presents the identified risks and corresponding strategic actions that are required to fulfill the appropriate outcomes. The intent is to create communities where everyone feels that they can belong, participate in and where positive quality of life persists.

1.0 Community Safety and Well Being Framework

The Community Safety and Well Being Framework is designed to assist municipalities in the development of the community plan. The framework includes four planning areas: Incident Response, Risk Intervention, Prevention and Social Development.

Incident Response includes planning for immediate responses to situations that may require emergency reaction such as police, fire and child welfare services that is in response to an incident. Risk Intervention requires multiple sectors to address the risks in the community that require immediate action by preventing an incident that will decrease dependence on systemic responses. Prevention requires implementation of

policies and programs enlisting collateral community stakeholders prior to responding to situations of risk and harm. Lastly, long-term social development seeks to improve the social determinants of health that addresses social issues through community collaboration. Ideally, when sustainable social development is achieved, it mitigates stressors in the other framework areas and risks in the community.

2.0 Our Community Risks

Within the past few years, organizations in Sault Ste. Marie have produced reports that provide insight into social issues present in the community. These persistent social issues have increased in visibility in Sault Ste. Marie and are demanding action-oriented responses such as the creation of the SSM and Area Drug Strategy Committee. Similarly, the Poverty Round Table's premiere report sheds light on the current gaps in housing, food security, workforce entry and crisis diversion and resolution. These recently available reports identify the social risks occurring in Sault Ste. Marie.

2.1 Drug Strategy

The Sault Ste. Marie Area Drug Strategy (SSMADS) Committee is comprised of professionals working with individuals with lived experience in the community of SSM. This committee is dedicated to addressing substance abuse and wellness (SSMADS, p. 4). The SSMADS released their Call to Action report in 2019 providing community level information on substance use and mental health data including personal

interviews. This report includes 62 recommendations under four pillars: Prevention & Education, Treatment & Recovery, Enforcement & Safety and Harm Reduction.

Highlights from the SSMADS report include that females are more likely than males to be hospitalized due to mental health and/or addictions with the 15-24 year old cohort most likely to experience this type of hospitalization in the Algoma district. Sault Ste. Marie has the highest rate of opioid poisoning related emergency department visits in Ontario in comparison to similarly populated cities. In 2017, there were 22 opioid related deaths due to opioid overdoses at a rate of 19.1 % in Algoma per 100,000, which is higher than the provincial rate of 8.9%. (SSMADS, p.20). Along with opioid use, Hepatitis C cases in Algoma District were the highest in Ontario between 2013-2017. Statistics for Algoma District versus the rest of Ontario has shown that there are more youth who have tried cannabis, more pregnant mothers who use alcohol or drugs and a larger proportion of mothers who experience mental health issues during pregnancy or postpartum.

Throughout the extensive consultation process and research, the following priorities emerged from the Drug Strategy report. These include: improving service delivery in programs, education on harms related to substance use, implementation of evidence-based programs to reduce service gaps, advocate for a Level III Withdrawal Management Facility, ensure accessible services, reduce crime associated with substance use,

increase treatment opportunity for children and youth ages 14-25, public education on prevention options, and finally, expansion of mental health and substance use services for people with complex health needs.

2.2 Poverty Round Table

The Sault Ste. Marie Poverty Round Table, a multi-stakeholder table was formed to increase communication, partnerships and impact poverty in SSM, released a report that provided a baseline assessment of indicators and outcomes to reflect the current state of poverty in the community. This report describes income measures, housing, food insecurity and other health programs. The report found that with poverty measures related to income, close to 6000 persons were living below the Low Income Cut Off-After Taxes (LICO-AT). Based on the Census Family Low Income Measure-After Taxes (CFLIM-AT), 11,000 persons in SSM were living below the CFLIM-AT cut-off (Ortiz et al., p. 16). In 2018, the average monthly Ontario Works caseload was 2217 persons in receipt while the 3,650 persons in families in receipt of social assistance, the majority were single parent households. As for the Ontario Disability Support Program, in 2018 there were approximately 8300 persons in receipt of this form of financial assistance, based on a monthly average (Ortiz et al., p. 17). Significantly, the majority of individuals accessing employment programs (76%) are in receipt of social assistance as well, 32% of those entering into employment programs do not hold a high school diploma. Ninety-two

percent of participants in literacy programs are in receipt of social assistance or have no income (Ortiz et al., p. 48).

Approximately 9000 persons are food insecure at least part of the year in Sault Ste. Marie. To eat healthy, the Algoma Public Health determined that family food cost would be \$209.27 a week, which, to a family who is living at the LICO-AT cut off, this is about 33% of their net annual income. Strikingly, 10% of food distributed in 2018 from Harvest Algoma was determined as nutritious, whole foods (Ortiz et al., p.24). When surveyed, both Second Line area and the city as a whole are very positive toward the availability of grocery stores, 73% and 79% respectively. Gore Street, however, reports less than half (41%) as satisfied or being very satisfied, and 53% as dissatisfied or very dissatisfied with the access to grocery stores (DSSMSSAB, pg. 84).

Approximately 1800 families and individuals in 2018 were on the waiting list for subsidized housing. One hundred and two persons were homeless in SSM in 2018 (Ortiz et. al, 39). The city as a whole is concerned over the availability of affordable housing, even more so the Gore Street area. While the city reports 36% dissatisfaction with housing, Gore Street reports 60%, with Second Line falling in between at 49%. Sault Ste. Marie has a very mixed response to helping the homeless. The city as a whole is split between those who are satisfied with the progress and those who are not. Second Line answered fairly positively with 44% satisfied or very satisfied with the city's progress. Gore Street however, answered

unfavorably, with 51% dissatisfied or very dissatisfied (DSSMSSAB, p. 90).

2.3 Wellness Survey

The District of Sault Ste. Marie Social Services Administration Board surveyed community hubs located near social housing groupings. The data collected from this survey in 2011, was compiled along with information from the Community Index of Wellbeing (2016), Statistics Canada and informed by Social Services Hub profiles. Overall, Sault Ste. Marie residents are satisfied with their community involvement (56%), while looking closer at the Gore street neighborhood, 42% are satisfied with their involvement. Gore Street participants were decidedly worse in many areas such as: volunteerism, feelings of inclusion, safety concerns, the least satisfied with police services and experience severe distrust in people at a rate of 5% versus 22% for overall SSM participants. Sixty-nine percent of participants in Gore Street had an educational attainment of a high school diploma or less. Gore Street rated the lowest for feelings of having 'very good' overall health against Second Line and SSM who had overall feelings of good health. Persons across the city are somewhat dissatisfied with access to counseling services and access to medical care include dental care however Gore Street remains over 50% dissatisfied with access and Second Line shares the same dissatisfaction. One quarter of respondents from the Gore Street area were dissatisfied with recreational opportunities while two thirds of SSM as a whole are satisfied or very satisfied.

2.4 Rapid Response Situation Table

The Rapid Response Situation Table (RRST) is a multi-sectoral risk intervention model and partnership that aims to mitigate risk and enhance the safety and well-being of the community of Sault Ste. Marie through collaborative mechanisms for responding to situations of acutely elevated risk. RRST is a Sault Ste. Marie community partnership representing key sectors in the human services system. Statistics collected for 2019 in SSM indicates that there were 24 instances of the RRST. From these 24 instances, there were 107 risk factors associated with Mental Health and Cognitive Functioning as being the most prevalent then antisocial/problematic behavior (noncriminal), substance abuse issues, criminal involvement, victimization, housing, education/employment, peers, physical health, neighborhood, emotional violence and last, family circumstances. More specifically, within those risk factors, the following top listed factors were mental health (14.02%), housing (12.15%), criminal involvement (11.21%), drugs (11.21%), physical violence (8.41%), self-harm (6.54%), negative peers (4.67%), sexual violence (3.74%), antisocial/negative behavior (3.74%) and physical health (3.74%).

3.0 Limitations

The amount of persons consulted in this plan was limited due to COVID-19 restrictions. Ideally, the community would have been widely consulted in the development of the plan however; with the current pandemic, this was not possible. The consultations that did occur adhered to health and safety guidelines by Algoma Public Health and held over videoconference.

Another limitation within this community plan is the inclusion of children. Although the plan is inclusive of youth and youth services, children supported by early intervention and prevention programs and services grow into healthy adults. Any community initiative targeted toward this age group and their families increases protective factors and mitigates future risks.

The community identified the top two priority risks for Sault Ste. Marie therefore this plan does not develop strategic action for every risk that exists in the community. By focusing on the identified risks in this report, with actions and a lead organization or planning table, the impact and execution of the document will be greater and sustainable in the long term.

4.0 The Consultation Process

The Algoma Leadership Table, a collective group of executive-level leaders in Sault Ste. Marie and the Algoma District who have representation from healthcare and public health, education, social, community and justice services, was established to effectively impact outcomes for the community through collaboration, coordination and sharing resources. This group approved designation as the advisory circle throughout the development of the Community Safety and Well Being Plan. They are responsible for ensuring that the plan is built on community strengths, aligns with coordinated efforts and is equitable by design.

Further to the main advisory body, the community was consulted in the

creation of the plan in the following ways:

- An in person survey responded by community members attending the Soup Kitchen Community Center/James Street area in August 2020 and Gore Street in September 2020
- An online survey completed by frontline staff associated with the Neighborhood Resource Center collaborative in September 2020.
- Indigenous community stakeholders were engaged via a focus group held in September 2020.
- The Social Equity Action Team was consulted in December 2020 and January & February 2021.
- The Algoma Leadership Table was consulted throughout the entire development process with final approval reached March 2021.

5.0 Priority Risks

In November 2020, the Algoma Leadership Table was informed of the consultation and literature review findings, selected and then approved the top risks for Sault Ste. Marie as:

5.1 Mental Health and Addictions

This priority risk was identified in all sources of literature and across all consultation groups. Mental health and addictions are typically co-occurring and the outcome of such is cyclical in both individuals and families. For example, challenges experienced with mental health may reduce opportunity for an individual to enter the workforce that increases risk of poverty. These risks require a continuum of integrated services, is noted as a gap in current

services and impacts all demographics and equity-seeking groups.

5.2 Poverty

Falling in line with the work of the Poverty Round Table, the areas of Housing, Food Security, Workforce Entry and Crisis Diversion & Resolution compose the issue of poverty. Basic supports required by community members are rooted in this risk and underline many issues associated with it such as mental health, addictions, violence and crime.

6.0 Strategic Plan

The prioritized focus of the Community Safety and Well-being plan lies in the areas of Mental Health & Addictions and Poverty in Sault Ste. Marie. The Sault Ste. Marie Poverty Round Table Progress on Impact Report (2020), the SSM & Area Drug Strategy Call to Action (2019), and the Central Algoma Mental Health and Addictions Planning Table Action Plan (2020) have informed this five-year plan. Many of the researched strategies, outcomes and measures located in each of these foundational documents were synthesized and are presented under each identified risk. While not every action and recommendation written in these reports could be included into this plan, they should be consulted for context and aligning supporting actions. Appendix A is the Community Safety and Well-being Plan's work plan, which contains the information presented in section 6.2 and 6.3 including measures associated with each corresponding area of focus. Designated community planning tables, committees and organizations are the leads responsible

to implement the actions identified in the plan, engage community partners and encourage citizen participation.

Community table's membership can be found in Appendix B.

6.1 Community Safety and Well-Being Plan Guiding Principles

The Community Safety and Wellbeing Plan is guided by the following principles:

1. **Evidence-based & Evaluation:** Actions carried out by the Community Safety and Well-Being plan have been researched as short and long term strategies which include measures to indicate progress.
2. **Shared Collaborative Approach:** The community plan follows a multi-sector approach and relies on the strengths of effective community partnerships and commitment from key stakeholders to ensure sustainability.
3. **Community Engagement:** This plan will seek to include the greater public of Sault Ste. Marie as it implements actions that will be responsive to the cultural and demographic needs of the community.
4. **Wellness:** The plan demonstrates that actions carried out by stakeholders remain wellness-focused intended to improve the quality of living for all community members.
5. **Diversity & Inclusion:** Rooted in the values of anti-discrimination, anti-racism and anti-oppression, these have formed the foundation for the areas of focus and actions. This principle incorporates the specific needs of equity-seeking and cultural groups where informed consent and equitable decision-making is required for a healthy quality of life.

6.2 Mental Health & Addictions

Areas of Focus					
Continuum of Care	Youth Services	Community Based Services	Advocacy & Policy	Research	Public Education & Awareness

6.2.1 Continuum of Care

Intended Outcomes: Prevention to aftercare service providers are knowledgeable and informed on models of care that are trauma informed and recovery oriented, clients and/or service users receive high quality treatment and emergency department high users are provided access to community based mental health and addictions services

Supporting Actions:

- All service providers on the Continuum of Care, from Prevention to Aftercare services, are engaged to provide holistic health services and are supported with up-to-date and evidence-based information, resources, and tools for working with patients, including their families.
- Adapt the prescribed Health Quality Ontario recommendations into the Drug Strategy implementation framework and support the Provincial Opioid Strategy.

- Intensive treatment crisis services and withdrawal management services are adequately staffed and housed for potential expansion.

Responsibility: CMHA Algoma Chair – Mental Health & Addictions System Planning Table SSM, Drug Strategy Committee/Steering Executive Council

6.2.2 Youth Services

Intended Outcomes: Youth have appropriate recreational programming available to them, alternative forms of justice are available to youth, parents and youth are educated on resiliency and coping skills, youth in transition between systems are supported and services are available to them.

Supporting Actions:

- Increase barrier-free safe spaces to access diverse recreation and leisure activity programs and enhance social development programs and capacity in neighborhoods.
- Encourage all school boards to consider alternatives to expulsion/suspension due to absenteeism.
- Advocate for Youth Justice Diversion Programs, therapy, and wraparound treatment services for youth, who use substances and in conflict with the law. Ex. Alternatives for Youth Genesis.
- Offer curriculum-based presentations to youth and parents in the school system and community at large, with a focus on coping skills, and dealing with trauma.
- Transitional youth between systems of care are provided community based psychosocial rehabilitation supports (life skills, navigation, housing)

Responsibility: Drug Strategy Committee/Steering Executive Council

6.2.3 Community-Based Services

Intended Outcomes: Wraparound services are available to individuals and families from commencement to remission and are supported post treatment, individuals and families and neighborhood vulnerability is reduced from harm, substance dependency treatment is identified and offered in a timely and purposeful way by multiple sectors (i.e. primary care and justice), persons with lived experience are empowered to work with others, services and programs provide a continuum of care based on the needs of the individual

Supporting Actions:

- Integrate community led partnerships to leverage collective resources between primary care, mental health, addictions and social services.
- Provide opportunities to increase safety and support for persons involved in street level sex trade (e.g. 24-hr access to a safe place, 'bad date' lines, victim supports).

- Expand and enhance current peer supports and support the continued development of both a family and peer support network. Integrate the experiences and knowledge of individuals with lived experience in initiatives.
- Service delivery is client centered and hours of operation for treatment and wrap around services are cultural/demographic-specific and concurrent-disorder focused, incorporates system navigation across systems of care from individuals about their treatment options and what to expect while navigating through treatment, and are consistently available outside the regular daytime Monday to Friday window.

Responsibility: Algoma Leadership Table, Drug Strategy Committee/Steering Executive Council, CMHA Algoma

6.2.4 Advocacy & Policy

Intended Outcomes: A wide range of Community and residential withdrawal management and inpatient/outpatient treatment services are available in SSM, all elementary and secondary schools are adequately staff with mental health professionals and local Institutions and businesses are prepared in harm reduction techniques

Supporting Actions:

- Continue to advocate for the federal/provincial government's approval of enhanced withdrawal management services and residential treatment for youth with mental health/addictions in Algoma and Northern Ontario.
- Increase mental health and addictions team staffing in all school boards and mental health and substance use disorder content in the curriculum to enhance early intervention, prevention education and services.
- Encourage all local institutions and businesses to integrate Naloxone into their first aid policies and harm reduction training.
- Support collaborative plans for timely needle retrieval including public signage in higher risk areas and include needle disposal containers in local businesses and institutions and high traffic public spaces or areas.

Responsibility: CMHA Algoma SSM Mental Health and Addictions Working Group, Drug Strategy Committee/Steering Executive Council

6.2.5 Research

Intended Outcomes: Sectors are aware of drug use data and there is evidence-based information on the viability of a safe consumption site in Sault Ste. Marie.

Supporting Actions:

- Continue public health surveillance activities and make data available across sectors to allow for system planning.
- Investigate the benefits of a safe consumption site in Sault Ste. Marie.

Responsibility: Drug Strategy Committee/Steering Executive Council

6.2.6 Public education & Awareness

Intended Outcome: The public is informed and the community is ready to engage in drug strategy & mental health initiatives and messaging.

Supporting Actions:

- Develop a communication strategy that includes public education and awareness information on relevant legislation, guidelines, and harm reduction services related to substance use disorders and concurrent disorders intended to reduce stigma.
- Continue to promote Naloxone awareness and public Naloxone training.

Responsibility: Drug Strategy Committee/Steering Executive Council

6.3 Poverty

Areas of Focus			
Housing	Food Security	Workforce Entry	Crisis Diversion & Resolution

6.3.1 Housing

Intended Outcomes: Low-income people are living in housing that meets all appropriate standards of living, all low-income persons are housed in affordable units and housing is available to at-risk populations.

Supporting Actions:

- Increase the availability of affordable housing stock particularly one bedroom affordable units.
- Increase enforcement of municipal property standards.
- Support, stabilize and increase existing long and short term housing supports including permanent supportive housing units and rapid re-housing interventions for persons with housing instability or those who are experiencing homelessness and mental health and/or addictions.
- Implement a Housing First Model into the community.

Responsibility: City of Sault Ste. Marie, District of Sault Ste. Marie Social Services Administration Board, Housing Working Group of the Poverty Round Table

6.3.2 Food Security

Intended Outcomes: Low-income earners are food literate, the public is educated with respect to the impact of Food Security in the region, Nutritious food is accessible to low-income people and organizations are distributing nutritious food

Supporting Actions:

- Increase the supply of nutritious food distributed by Harvest Algoma.

- Access points for nutritious foods are established within walking distance for all neighborhoods.
- Expand the number of Community Kitchens/Community Gardens available for use by public.
- Communicate availability of accessible food and food literacy programming to the public
- Create a shared data collection tool for use by food security organizations.

Responsibility: United Way, Food Security Working Group of the Poverty Round Table

6.3.3 Workforce Entry

Intended Outcomes: Employment supports for low-income people to enter the work force are accessible, low-income learners complete levels of education that is required to enter the workforce and employers support training and hiring low-income people based on local labour market demand

Supporting Actions:

- Raise awareness of the living wage to the public and private sector and recognize employers who have adopted the rate of pay.
- Design learning supports for high school and first generation post-secondary students to increase graduation rates.
- Design supports for those entering the workplace to assist with navigating employment and workplace opportunities for students.
- Expand the Bridges out of Poverty to support workforce entry.
- Create a data collection network to track the number of employers supporting training and hiring of low-income persons.
- Create labor specific skill sets to satisfy high levels of demand within multiple sectors.

Responsibility: Poverty Round Table, Workforce Entry Working Group of the Poverty Round Table, Algoma Public Health & DSSMSSAB

6.3.4 Crisis Diversion & Resolution

Intended Outcomes: The unmet needs of community members are addressed and the gaps in service are responded to by community organizations

Supporting Actions:

- Increase awareness of community programs and supports that are accessible to any community member in need.
- Maintain appropriate funding to community basic needs emergency support programs other than social assistance.
- Support the Basic Income Guarantee and the living wage as a threshold measure to access emergency supports.
- Free access to non-food basic need items are publicly available.

7.0 Conclusion

Sault Ste. Marie's Community Safety and Well-Being Plan requires the coordinated efforts of multi-sector stakeholders to ensure that the plan is responsive to the community's persistent and emerging social risks throughout the continuum of prevention to aftercare services, data sharing occurs across organizations, youth have access to services and community-based services meet the varying needs of community members. Housing, food security, opportunities to participate in employment and diverting crises before they require immediate reactionary interventions are also rooted in this 'evergreen' social development plan. The joint responsibility of initiation and regular review of this community plan will be primarily led by the Sault Ste. Marie Police Services with the support of the City of Sault Ste. Marie.

References

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APPENDIX A Community Safety and Well-Being Work Plan

Risk	Community Safety & Wellbeing Plan 2021-2026				
	Areas of Focus	Actions/Related Tasks	Responsible	Expected Outcomes	Evaluation
Mental Health & Addictions	1. Continuum of Care	<p>All service providers on the Continuum of Care, from Prevention to Aftercare services, are engaged to provide holistic health services and are supported with up-to-date and evidence-based information, resources, and tools for working with patients, including their families.</p> <p>Adapt the prescribed Health Quality Ontario recommendations into the Drug Strategy implementation framework and support the Provincial Opioid Strategy.</p> <p>Intensive treatment crisis services and withdrawal management services are</p>	<p>CMHA Algoma Chair – Mental Health & Addictions System Planning Table SSM</p> <p>Drug Strategy Committee/Steering Executive Council</p> <p>Drug Strategy Committee/Steering Executive Council</p>	<p>Continuum of Care providers are knowledgeable and informed on models of care that are trauma-informed and recovery oriented.</p> <p>Clients/users receive high quality treatment.</p> <p>Emergency department high users are provided access to community based mental health and addictions services.</p>	<p># service providers receiving resources</p> <p># of relationships established with professionals in the community</p> <p># of discharge plan meetings with institutions</p> <p># of high frequency emergency department users</p>

		adequately staffed and housed for potential expansion.			
2. Youth Services	<p>Increase barrier-free safe spaces to access diverse recreation and leisure activity programs and enhance social development programs and capacity in neighborhoods.</p> <p>Encourage all school boards to consider alternatives to expulsion/suspension due to absenteeism.</p> <p>Advocate for Youth Justice Diversion Programs, therapy, and wraparound treatment services for youth, who use substances and in conflict with the law. Ex. Alternatives for Youth Genesis.</p> <p>Offer curriculum-based presentations to youth and parents in the school system and community at</p>	<p>Drug Strategy Committee/Steering Executive Council</p>	<p>Youth have appropriate recreational programming available to them.</p> <p>Alternative forms of justice are available to youth.</p> <p>Parents and youth are educated on resiliency and coping skills.</p> <p>Youth in transition between systems are supported and services are available to them.</p>	<p># of presentations to youth and parents</p> <p># of low cost recreational activities</p> <p># of youth in diversion programs</p> <p># of services provided to youth who are transitioning between systems</p>	

		<p>large, with a focus on coping skills, and dealing with trauma.</p> <p>Transitional youth between systems of care are provided community based psychosocial rehabilitation supports (life skills, navigation, housing)</p>	Drug Strategy Committee/Steering Executive Council		
3. Community-Based Services		<p>Integrate community led partnerships to leverage collective resources between primary care, mental health, addictions and social services.</p> <p>Provide opportunities to increase safety and support for persons involved in street level sex trade (e.g. 24-hr access to a safe place, 'bad date' lines, victim supports).</p> <p>Expand and enhance current peer supports and support the continued development of both a family and peer support network. Integrate the experiences and</p>	<p>Algoma Leadership Table</p> <p>Drug Strategy Committee/Steering Executive Council</p> <p>Canadian Mental Health Association Algoma</p>	<p>Wraparound services are available to individuals and families from commencement to remission and are supported post treatment.</p> <p>Individuals, families and neighborhood vulnerability is reduced from harm.</p> <p>Substance dependency treatment is identified and offered in a timely and purposeful way by multiple sectors (i.e.</p>	<p># of collaborative initiatives</p> <p># of direct supports for those involved in the sex trade</p> <p># of supports offered outside of regular hours and between Monday-Friday</p> <p># of peer workers hired, trained and</p>

		<p>knowledge of individuals with lived experience in initiatives.</p> <p>Service delivery is client centered and hours of operation for treatment and wrap around services are cultural/demographic-specific and concurrent-disorder focused, incorporates system navigation across systems of care from individuals about their treatment options and what to expect while navigating through treatment, and are consistently available outside the regular daytime Monday to Friday window.</p>	<p>Drug Strategy Committee/Steering Executive Council</p>	<p>primary care and justice)</p> <p>Persons with lived experience are empowered to work with others.</p> <p>Services and programs provide a continuum of care based on the needs of the individual.</p>	<p>working in community</p>
4. Advocacy & Policy		<p>Continue to advocate for the federal/provincial government's approval of enhanced withdrawal management services and residential treatment for youth with mental health/addictions in Algoma and Northern Ontario.</p>	<p>CMHA Algoma SSM Mental Health and Addictions Working Group</p>	<p>A wide range of Community and residential withdrawal management and inpatient/outpatient treatment services are available in SSM.</p>	<p># of mental health staff operating in the school boards</p> <p># of public signage & sharps</p>

	<p>Increase mental health and addictions team staffing in all school boards and mental health and substance use disorder content in the curriculum to enhance early intervention, prevention education and services.</p> <p>Encourage all local institutions and businesses to integrate Naloxone into their first aid policies and harm reduction training.</p> <p>Support collaborative plans for timely needle retrieval including public signage in higher risk areas and include needle disposal containers in local businesses and institutions and high traffic public spaces or areas.</p>	<p>Drug Strategy Committee/Steering Executive Council</p> <p>Drug Strategy Committee/Steering Executive Council</p> <p>Drug Strategy Committee/Steering Executive Council</p>	<p>All elementary and secondary schools are adequately staff with mental health professionals.</p> <p>Local Institutions and businesses are prepared in harm reduction techniques</p>	<p>containers in public spaces</p>
5. Research	Continue public health surveillance activities and make data available	Drug Strategy Committee/Steering Executive Council	Sectors are aware of drug use data.	# of sector organizations in receipt of real-time data

		<p>across sectors to allow for system planning.</p> <p>Investigate the benefits of a safe consumption site in Sault Ste. Marie.</p>	Drug Strategy Committee/Steering Executive Council	There is evidence-based information on the viability of a safe consumption site in SSM.	A report is produced on safe consumption site
	6. Public Education & Awareness	<p>Develop a communication strategy that includes public education and awareness information on relevant legislation, guidelines, and harm reduction services related to substance use disorders and concurrent disorders intended to reduce stigma.</p> <p>Continue to promote Naloxone awareness and public Naloxone training.</p>	<p>Drug Strategy Committee/Steering Executive Council</p> <p>Drug Strategy Committee/Steering Executive Council</p>	<p>The public is informed and the community is ready to engage in drug strategy & mental health initiatives and messaging.</p>	<p># of public Naloxone training events held</p> <p># of public education campaigns</p> <p># of organizations who have been trained</p>

Risk	Objectives	Actions/Related Tasks	Responsibility	Expected Outcomes	Evaluation
Poverty	1. Housing	<p>Increase the availability of subsidized housing stock particularly one bedroom affordable units.</p> <p>Increase enforcement of municipal property standards.</p> <p>Support, stabilize and increase existing long and short term housing supports including permanent supportive housing units and rapid rehousing interventions for persons with housing instability or those who are experiencing homelessness and mental health and/or addictions.</p> <p>Implement a Housing First Model into the community.</p>	<p>Housing Working Group of the Poverty Round Table</p> <p>City of SSM</p> <p>Housing Working Group of the Poverty Round Table</p> <p>District of Sault Ste. Marie Social Services Administration Board</p>	<p>1. All low-income persons are housed in affordable units</p> <p>2. Housing is available to at-risk populations</p> <p>3. Low-income people are living in housing that meets all appropriate standards of living</p>	<p># of applicants on the subsidized housing waiting list</p> <p># of individuals/families accessing subsidized housing</p> <p># of homeless individuals in Sault Ste. Marie</p> <p># of complaints made about substandard housing or other housing issues</p>

	2. Food Insecurity	<p>Increase the supply of nutritious food distributed by Harvest Algoma.</p> <p>Access points for nutritious foods are established within walking distance for all neighborhoods.</p> <p>Expand the number of Community Kitchens/Community Gardens available for use by public.</p> <p>Communicate availability of accessible food and food literacy programming to the public</p> <p>Create a shared data collection tool for use by food security organizations.</p>	<p>United Way</p> <p>Food Security Working Group of the Poverty Round Table</p> <p>Food Security Working Group of the Poverty Round Table</p> <p>Food Security Working Group of the Poverty Round Table</p>	<p>1. Nutritious food is accessible to low-income people</p> <p>2. Organizations are distributing nutritious food</p> <p>3. Low-income earners are food literate</p> <p>4. Public is educated with respect to the impact of Food Security in the region</p>	<p>Places by category to access nutritious food and their locations</p> <p>Harvest Algoma's distribution of nutritious food</p> <p>Percentage and weight of nutritious food distributed (including free, rescued and non-local food as well as food produced)</p> <p># of organizations delivering types of food preparation skills/education</p> <p># of people participating in food preparation</p>
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					skills/education training # of organizations sharing data # of reports to the public
5. Workforce Entry	<p>Raise awareness of the living wage to the public and private sector and recognize employers who have adopted the rate of pay.</p> <p>Design learning supports for high school and first generation post-secondary students to increase graduation rates.</p> <p>Design supports for those entering the workplace to assist with navigating employment and workplace opportunities for students.</p> <p>Expand the Bridges out of Poverty to support workforce entry.</p>	<p>Poverty Round Table</p> <p>Workforce Entry Working Group of the Poverty Round Table</p> <p>Workforce Entry Working Group of the Poverty Round Table</p> <p>Algoma Public Health & District of Sault Ste.</p>	<ol style="list-style-type: none"> 1. Employment supports for low-income people to enter the work force are accessible 2. Low-income learners complete levels of education that is required to enter the workforce 3. Employers support training and hiring low-income people based on local labour market demand 	<p># of people participating in job readiness support programs</p> <p>Secondary school graduation rates</p> <p>Post-secondary enrolments</p> <p># of literacy service providers</p> <p># of people participating in skills development</p> <p># of employers supporting</p>	

		<p>Create a data collection network to track the number of employers supporting training and hiring of low-income persons.</p> <p>Create labor specific skill sets to satisfy high levels of demand within multiple sectors.</p>	<p>Marie Social Services Administration Board</p> <p>Workforce Entry Working Group of the Poverty Round Table</p> <p>Workforce Entry Working Group of the Poverty Round Table</p>		<p>training and hiring low income people</p> <p># of people leaving financial assistance programs due to employment (e.g. Ontario works, ODSP)</p>
4. Crisis Diversion & Resolution		<p>Increase awareness of programs and supports that are accessible to any community member in need.</p> <p>Maintain appropriate funding to community basic needs emergency support programs.</p> <p>Support the Basic Income Guarantee and advocate for the use of the SSM living wage as a threshold measure in order to access emergency supports.</p>	<p>Crisis Diversion & Resolution Working Group of the Poverty Round Table</p> <p>Crisis Diversion & Resolution Working Group of the Poverty Round Table</p> <p>Poverty Round Table</p>	<p>1. The unmet needs of community members are addressed</p> <p>2. Gaps in service are responded to by community organizations.</p>	<p># of unmet needs by type and by number of people (e.g. shift childcare, availability of afterhours services)</p> <p># of persistent unmet needs</p> <p># of gaps identified from 211 contacts/searches</p>

		Free access to non-food basic need items are publicly available.	Crisis Diversion & Resolution Working Group of the Poverty Round Table		
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APPENDIX B List of Community Planning Table Membership

Algoma Leadership Table:

Algoma District Social Services Administration Board
Algoma District School Board
Algoma Family Services
Algoma Legal Clinic
Algoma Public Health
Anishinabek Police Service
Canadian Mental Health Association
Children's Aid Society of Algoma
Child Care Algoma
City of Sault Ste. Marie
Counselling Centre of East Algoma
Community Living Algoma
Conseil Scolaire Catholique du Nouvel-Ontario
Conseil Scolaire Publique du Grand Nord de l'Ontario
District of Sault Ste. Marie Social Services Administration Board
Early Years Services
FutureSSM
Garden River Wellness Center
Group Health Centre
Huron-Superior Catholic District School Board
John Howard Society of Sault Ste. Marie
Local Health Integration Network
Métis Nation of Ontario
Ministry of Children, Community and Social Services
Ministry of Training, Colleges and Universities
Missanabie Cree First Nation
MPP Sault Ste. Marie Office
Northeastern Community Care Access Centre
North Shore Tribal Council
Ontario Provincial Police
Sault Area Hospital
Sault Ste. Marie & Area Drug Strategy
Sault Ste. Marie Indigenous Friendship Centre
Sault Ste. Marie Innovation Centre
Sault Ste. Marie Police Services
Superior Family Health Team
Thrive Child Development Center
United Way
Victim Services of Algoma
Women In Crisis

Poverty Round Table:

Algoma Education Gardening Committee
Algoma Family Services
Algoma Public Health
Algoma Workforce Investment Corporation
Breton House
Credit Counselling of SSM
City of Sault Ste. Marie
District of Sault Ste. Marie Administration Board
United Way
Habitat for Humanity
Harvest Algoma
Huron Superior Catholic District School Board
John Howard Society
Ken Brown Recovery Home
NORDIK Institute
Sault College
Sault Ste. Marie Innovation Center
SSM Soup Kitchen
Women in Crisis
Crisis Diversion & Resolution Working Group
Food Insecurity Working Group
Housing Working Group
Workforce Entry Working Group

Drug Strategy Committee:

Algoma Public Health/CADAP
Adult Probation and Parole
Sault Emergency Medical Services
Sault Ste. Marie Police Services
Algoma District School Board
Safe Communities Partnership
Maamwesying North Shore Community Health Services Inc.
Group Health Center, Hep Care Program
Huron Superior Catholic District School Board
Breton House/ A New Link
DSSMSSAB
Ontario Aboriginal HIV/AIDS Strategy
Independent Drug Marts
Indian Friendship Center
Garden River Addictions and Mental Health
Sault Area Hospital, Outpatient/Inpatient Programs
John Howard Society
Algoma Family Services, Alternatives for Youth
Batchewana NNADAP

**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, 2020, 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.

Re-Appointment of Board Members

BE IT RESOLVED THAT the following board members whose terms are up for re-appointment be approved for a 3-year term:

1. **Jim Boniferro** – President and CEO of Boniferro Millworks. Mr. Boniferro will be commencing his third term on the PUC Board of Directors and is currently serving as the Chair.
2. **Christian Provenzano** – Mayor, City of SSM. Mayor Provenzano will be commencing his third term on the PUC Board of Directors.
3. **Neil Strom** – Mill Controller, Algoma Steel Inc. Mr. Strom has served on the Board of PUC since 2019.
4. **Ila Watson** – Vice President, People and Partnerships Sault Area Hospital. Ms. Watson has served on the Board of PUC since 2020.

Board members currently within their term limits are Andy McPhee, Carla Fabbro and Elaine Pitcher.

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 28th day of June, 2021

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, 2020, 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.

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Board members currently within their term limits are Andy McPhee, Carla Fabbro and Elaine Pitcher.

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 28th day of June, 2021

The Corporation of the City of Sault Ste. Marie

Per: _____
Christian Provenzano, Mayor

Per: _____
Rachel Tyscinski, City Clerk

PUC Services Inc.

SUSTAINABILITY REPORT 2020

Leading with Compassion
During Challenging Times





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.

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MESSAGE FROM CHAIR JIM BONIFERRO

In 2020, PUC introduced their new brand promise, a commitment that staff and management have made to our customers, community partners and each other.

On behalf of the Board of Directors, I would like to congratulate the PUC team for living up to that promise, particularly during a year with all the challenges it presented.

PUC continues to deliver on its strategic plan, ensuring a sustainable future based on innovation, prudent investments and a commitment to customer service excellence.

"We lead the way through innovation and compassion to deliver outstanding service every single day." PUC BRAND PROMISE



But perhaps what stands out the most in 2020 is the focus on compassion and commitment that has shone through here at PUC.

Whether it was the empathy demonstrated to customers concerned about their bills, the mask committee volunteering their time to help their colleagues and the public stay safe or the quick responses to service requests, there is no question that the PUC family cares.

In a year that brought great struggles for many, I congratulate the PUC Board for their commitment and creative vision, and the PUC team for delivering their very best.

BOARD OF DIRECTORS

PUC SERVICES INC./PUC INC.

Jim. P. Boniferro, Chair

President & CEO, Boniferro Mill Works ULC

Andy McPhee, Vice-Chair

Retired Vice-President, Great Lakes Power Transmission

Cecilia Bruno

Retired Chief Financial Officer, Sault College

Christian Provenzano

Mayor, City of SSM

Elaine Pitcher

Lawyer, Pitcher Law

Carla Fabbro

Director, Portfolio Management, OLG

Neil Strom

Mill Controller, Algoma Steel Inc.

Illa Watson

Vice President, People and Partnerships, Sault Area Hospital

PUC DISTRIBUTION INC.

Jim Rennie Chair

Vice President, Human Resources at Irving Ship Building

Pat McAuley

Retired – Commissioner of Public Works and Transportation for City of SSM.

Jim. P. Boniferro

President & CEO, Boniferro Mill Works ULC

Christian Provenzano

Mayor, City of SSM

Mark Howson

Retired - Senior Maintenance Engineer, Essar Steel Algoma Inc.

PUBLIC UTILITIES COMMISSION

Mark Howson, Chair

Retired, Senior Maintenance Engineer, Essar Steel Algoma Inc.

Christian Provenzano

Mayor, City of SSM

MESSAGE FROM PRESIDENT & CEO ROB BREWER



Q. What will you remember most about 2020?

The pandemic was undoubtedly the most memorable event that occurred in 2020, but how we powered through was just as significant. PUC – like many other essential services - faced an extraordinary set of new challenges as it managed through the COVID-19 crisis. The public, many of whom were now working from home, counted on us for reliable power and water. Many of our employees had to continue working under new, stringent and challenging circumstances. But they did it proudly and, of course, safely. Not one employee was tested positive for Covid-19. I was also tremendously impressed by how the PUC team came together to create masks for co-workers and the public, quickly adapting to new measures and demonstrating tremendous compassion. PUC also developed a comprehensive Transformation Guide that was shared with other businesses and utilities to help them through these difficult times. I was very proud of the people I work with – that's what I remember most about 2020.

Q. Last year PUC received a provincial award for customer service excellence, how did you continue to maintain high standards when the pandemic resulted in office closures?

By developing a strong customer-focused culture, PUC was better able to hit the ground running and adapt to new circumstances while maintaining our high standards of service.

PUC immediately issued an open letter to the community to assure them services would continue, let them know regularly about our pandemic response protocols and utilized social media to get the word out as quickly as possible. We continued to respond to outages and watermain outbreaks in a timely fashion and received great feedback on this from the public. We had already introduced a number of on-line services as well.

MESSAGE FROM PRESIDENT & CEO ROB BREWER CONT.

Q. PUC speaks of leading with compassion. What does that mean and how have you achieved that?

While PUC leads through innovation to create better, more reliable services we also take seriously our position as a community partner, recognizing the challenges everyone was facing during the pandemic. It was important that we be empathetic to our customers, the community and to our employees. Financial constraints were a common concern in 2020 so we found ways to help. We removed late payment fees, extended the moratorium on disconnections, worked with the city to remove sewage charges for two months, provided flexible payment options and we committed to keeping water rates lower than anticipated going into 2020. We also provided support to many local charities. To help our employees, we implemented a number of programs including offering mental health support and flexible at-home work schedules. I personally spoke with every employee working remotely to make sure they were okay.

Q. Did your previous experience as a business owner help you in dealing with the unique and unanticipated challenges created by the pandemic?

One of the biggest lessons I learned when I operated my own business was to surround myself with smart people and that's exactly what we have at PUC and it has helped tremendously. Another important business lesson that holds true in any organization, is planning. To quote Benjamin Franklin "failing to prepare, you are preparing to fail". While no one can prepare for every type of incident that occurs, you can create processes and plans that help you react better when a crisis unfolds. I practised that philosophy in my own business and made sure we had plans and processes in place at PUC to quickly adapt to new circumstances.

Q. Given the challenges of 2020 was PUC able to achieve many of its strategic objectives?

PUC was able to achieve most of our 2020 Strategic Objectives due to some long hours and dedicated work from our team. We had some of the objectives morph into larger initiatives (e.g. Electronic payroll) and those are on track for completion in 2021. The team did an amazing job of focusing on moving the business forward and it's kept us on track.

EXECUTIVE TEAM



Rob Brewer, Hon. BSc, MBA
President and CEO



Claudio Stefano, P.Eng, MBA
Chief Operating Officer



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



Kevin Bell, P. Eng.
VP, Business Development

PUC Brand Promise

“We lead the way through innovation and compassion to deliver outstanding service every single day.”



AREAS OF STRATEGIC FOCUS

At PUC, we are focused on what matters most. Our customers, our employees and our shareholder are at the centre of our 5 Year Strategic Plan.



CUSTOMERS

Our Customers Trust Us



EMPLOYEES

Our Employees Appreciate Us



SHAREHOLDER

Our Shareholder Commends Us

Strategic Long Term Goals

Achieve and Maintain an Exceptional Customer Satisfaction Rating

Recognized as One of Canada's Top 100 Employers

Achieve 100% Increase in Sustainable Dividend Revenue to Shareholder

Strategies to Achieve Success

Improve Service Quality Management (Responsive, Entrepreneurial, High Quality)

Implement Leading Organizational Transformation (Employee Engagement, Operational Excellence, Talent Management)

Develop Business Opportunities
Ensure Sustainability of PUC Distribution, PUC Services and PUC Commission (Asset Management, DSP/COS, Financial Plan)

Advance our Customer Focus (Customer Satisfaction, Communication)

Continuous Improvement of Safety Culture and Performance through our Integrated Safety Management System.

Continuous Productivity/Business Process Improvement



Your Trusted Utility for a Brighter Tomorrow

OUR MISSION

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



OUR VALUES

Safety
Integrity
Customer Centric
Innovative
Accountable



OUR VISION

Improving communities through curiosity and innovation.



www.ssmpuc.com

CUSTOMER EXPERIENCE EXCELLENCE



Early in 2020, Jennifer Uchmanowicz was excited to participate in the acceptance of a provincial award presented to PUC for customer service excellence.

"It seems like a lifetime ago," says Uchmanowicz, PUC's Manager, Customer Experience.

But what is still fresh in her mind is the unanticipated challenges her department faced when the pandemic arrived a month later.

"Prior to Covid-19, we had no one who was set up to work remotely, we were a great team and there was no interest in working from home," she says.

But the strong foundation and culture that led to an award for customer service kicked in and everyone acted quickly to the new circumstances.



"Overnight we were transitioning to a remote workforce. Within one week we were up and running, and by the second week we had everyone set up," she says. The support of an excellent IT team and the commitment of both staff and management helped make it easier.

"It was part of our culture. We've always been that trusted community partner so we really sprung into action to do what needed to be done to keep everyone safe."

Uchmanowicz says she was extremely impressed with how well her team adapted to the change and focused on ensuring the same quality of service despite the new protocols.

"It was pretty seamless for our customers; they would not know this transition was going on. We were always accessible," she added.



It was part of our culture. We've always been that trusted community partner so we really sprung into action to do what needed to be done to keep everyone safe.

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The call centre was flooded with questions from customers with concerns ranging from how to pay bills to questions about new provincial policies regarding pricing. PUC communicated through social media and their website dedicated an entire page to explaining various changes impacted by the pandemic. But naturally, some people still needed to hear a voice.



"We have made great progress in going paperless, but we also had people concerned about their ability to pay because they had lost their job," she said.

PUC responded by introducing a number of initiatives to help ease the financial burden and provide some peace of mind during this difficult time.

"Our approach all along has been that we are here to help. We realized the stress for people and the team really worked with customers, providing flexible payments and funding programs," she added.

That compassionate approach wasn't reserved for customers. Uchmanowicz says there was also the challenge of minimizing the stress and feelings of isolation that could creep up within

her own team who had enjoyed a great camaraderie.

"In the beginning it was a little harder to adapt because it was so different for them, but we got Teams up and running to see each other and we actually talk quite a bit. The lines of communication have stayed the same, we just don't see each other in person," she said.

She says they also reserve time once a month to just share news about each other, to partially preserve the personal connection that was lost when there were no more birthday cakes and chats by the coffee machine.

"They do miss each other but they also appreciate how much PUC cares about keeping them safe," she said.

DAY IN THE LIFE SERIES

In 2020, PUC continued to take customers behind the scenes of the inner working of the PUC building on the PUC Day in Life Series that was launched in 2019. PUC posted three videos on its website and social media accounts. The first video in 2020 focused on the Field Services Department. This segment educated the public on how staff locate all the electrical and water services found underground before any construction starts. The second video highlighted Lines Operations and all the work the employees do when it comes to operating the distribution system, including customer demand, and responding to power outages. The third video was a feature on PUC's Forestry area and all the hard work employees perform on an average day removing vegetation from the vicinity of powerlines in the Sault. The videos are available for viewing on the PUC website at ssmpuc.com.



SUPPORTING PUC CUSTOMERS DURING THE PANDEMIC

The pandemic created many challenges for customers, some who had lost their jobs and were worried about paying their bills. The award-winning PUC Customer Experience team was on hand ready to help customers with their concerns and provide information on support programs that they could access and take advantage of. The COVID-19 Energy Assistance Program (CEAP) was one such program governed by the Ontario Energy Board and administered by PUC whereby qualifying customers (residents and businesses) who were financially impacted by the pandemic received an on-bill credit. Most importantly, PUC was committed to being flexible to customers who needed interest and late charges relief, extended credit terms and flexible payment plans.

PROVINCIAL CUSTOMER SERVICE EXCELLENCE AWARD PUC

Every year, top performing electricity utilities from across Ontario are honoured by the Electricity Distributors Association (EDA) for their accomplishments, programs and best practices across a variety of categories. In February 2020, PUC was presented with the EDA Customer Service Excellence Award. This award in addition to recognizing outstanding customer service, PUC was commended for its efforts in delivering the province's AffordAbility Fund (AFT), demonstrating leadership in customer service, customer engagement and energy conversation. Of the \$100-million Ontario wide AFT program budget, Sault Ste. Marie accounted for 11 per cent of the total allocation, despite representing less than one per cent of the province's population. At the time of the award, Sault Ste. Marie had 5,029 verified participants, who through this program, were expected to see reductions in their hydro bills with an estimate of almost \$2.4 million of potential savings for PUC customers on an annual basis. In addition, PUC, in partnership with AFT, has allocated over \$5 million to local businesses that support and deliver this program.

LEADING WITH COMPASSION AS A COMMUNITY PARTNER

PUC takes its role as a community partner seriously and that includes supporting local events and charities. Whether it was staff making masks at the beginning of the pandemic or the many donations and events throughout the year, PUC is committed to helping to make a difference.

PUC also raised funds for many local worthwhile causes. Given the challenges faced by many organizations in 2020, PUC changed its focus towards frontline local organizations.

An important step to ensuring PUC was meeting community needs was the creation of a detailed and clear donation policy that helped guide our giving.

In March of 2020, PUC revised its policy to focus on four key pillars to better reflect its key values and make targeted investments in the growth of our community. The community may now access the application for sponsorship through an online form on the PUC website.

GUIDING PRINCIPLES (THE FOUR PILLARS)

1. STEM (Science, Technology, Engineering and Mathematics).
2. Employee-Related Causes include corporate gift matching, and volunteer approval.
3. Healthy, Safe and Active Lifestyles for Children.
4. Hallmark Community Event Participation.



PUC IN THE COMMUNITY

ORGANIZATIONS WE SUPPORTED IN 2020



SUPPORTING ESSENTIAL WORKERS

PUC wanted to thank front-line health care workers for all that they are doing to keep our community healthy through the donation of N95 masks and other PPE to the Sault Area Hospital to help ensure staff, physicians and patients stay protected.

GO GREEN CAMPAIGN

The public was invited to participate in our conservation campaign by liking and/or commenting through our Facebook site with a way that they conserve energy in their home or work life. Participants had a chance to win several prizes through this initiative.

CAUTION AND CHANCE PROGRAM

For more than 25 years, PUC has delivered the Caution and Chance Program to local schools, (grades 3-5) 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.

SSMARt INNOVATION AWARDS

PUC was a proud sponsor at the SSMARt Innovation Awards, presenting the Innovation Youth of the Year Award to Jake Alphonso. He has made a substantial contribution to the science and technology sector through entrepreneurship, education and passion. Congratulations to Jake and all the young professionals in our community and thank you to Sault Ste. Marie Innovation Centre for the opportunity to recognize our youth. (Feb. 13)

EMERGENCY PREPAREDNESS

What an engaging evening PUC had learning from so many community partners on Emergency Preparedness and what it takes to be prepared for 72 hours without power. Those participating included Red Cross, Algoma Public Health, VPR (Vulnerable Persons Registry) Sault Fire Services, City of SSM and Sault Search and Rescue Service

ALGOMA VISIONARY AWARDS GALA

PUC was a proud sponsor of the Labour and Trades Award at the third AVA Gala. PUC was proud to honour a local representative from Algoma.

SAULT COLLEGE SCHOLARSHIPS, BURSARIES AND AWARDS PROGRAM

PUC sponsored four awards through the program, recognizing each student's outstanding academic achievements and supporting their commitment to post-secondary education.

SUPPORTING WELLNESS AND CMHA SAULT STE. MARIE

During Mental Health Safety Week, PUC's Safety Awareness Team came together to offer some tips to the public on how to stay mentally safe throughout the year. PUC was proud to donate and partner with Canadian Mental Health Association.

ALGOMA FAMILY SERVICES

PUC donated to the Student Nutrition Program, an initiative launched to provide families throughout Algoma with breakfast in the comfort of their own homes. This is made possible through a partnership with Lock City Dairies who sourced, packed and dropped off the bags across Algoma for volunteers to deliver to families. The program was able to provide food for up to 650 families each week.

GROCER 4 GOOD ABILITY DEVELOPMENT PROGRAM GRAND OPENING

PUC was pleased to donate to a program that showcases positive community leadership and creates an open and safe work culture for marginalized individuals.

JOHN HOWARD SOCIETY OF SAULT STE. MARIE DISTRICT

PUC provided support to the Feed the Kids Project to help those with food security issues. We thank The Breakfast Pig for their support to our Sault Ste. Marie community.



SAULT FIRE SERVICES

Every year the Sault Ste. Marie Fire Services participates in a door-to-door smoke and CO alarm program. In 2020, with the COVID-19 pandemic they were unable to do this. PUC created a bill insert to help educate all community members about smoke and CO alarm safety in the home.

SAULT STE. MARIE YMCA

PUC donated to the YMCA, an organization that has assisted children in leading healthier, happier lives today and in the future. The Strong Kids program helps children reach their full potential to help them become healthier in mind, body and spirit.

LIGHTING UP THE HOLIDAYS

PUC helped provide some holiday magic on Queen Street by joining OutSpoken Brewing, the City of Sault Ste. Marie and the Downtown Association SSM to brighten up the community and support local businesses.



LEADING THROUGH INNOVATION

INNOVATIVE PROGRAM REDUCES COSTS AND PIPE REPAIR TIME

It's being called a game changer for PUC, ratepayers and the community.

PUC's management team is always on the lookout for new and more cost-effective ways to replace and extend the life of its aging water system infrastructure. In early 2020, after months of research, PUC teamed up with Canadian Induracoat Corp (CIC), to try its 'spray in place pipe' process with a polymer lining.

After thorough testing, PUC confirmed the new 'spray in place pipe' (SIPP) product would extend the life of its underground pipes and significantly cut down on the time it takes to replace or renew a watermain, resulting in savings for PUC customers.

SIPP lining technology provides a clean and safe polymer-lined pipe interior. This delivers several benefits including increasing the structural integrity of watermains and resilience to watermain breaks. Once the polymer is lined inside the pipe, it cures within minutes so there is no need for a temporary water service system to be constructed on the street. The lining is corrosion proof, and it will help to maintain water quality.

The extensive research and tests that PUC conducted with the SIPP technology during the Spring and Fall led to the successful application of the spray-in-place product to the watermains. In October 2020, PUC began to spray the polymer lining into a section of watermain located in the west end of the city. Within a week, PUC cleaned, lined and disinfected the pilot target of 240 meters of watermain. This process proved to be a significant improvement from the previous methods which would have encompassed several months to complete the watermain infrastructure renewal.



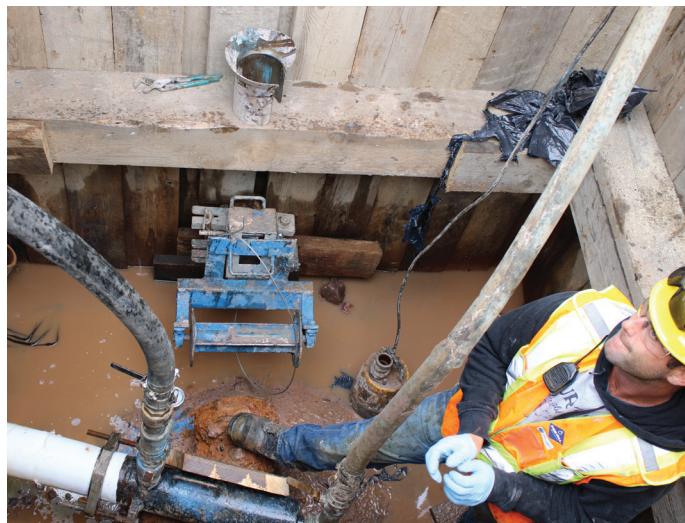
SAULT SMART GRID PROJECT

PUC took a major step forward in its goal to modernize Sault Ste. Marie's electricity grid. PUC entered 2020, by awarding its request for proposal for the engineer procurement construction (EPC) contract for the Smart Grid Project. The first quarter focused on firming up the technical requirements for the scope of work in the EPC contract.

Usually, the next phase of finalizing contract language with the companies involved would have been done within one to two months. However, with COVID-19 and the ongoing pandemic and PUC's focus being turned to the health and safety of its employees and the public, the process took much longer than expected. Over Zoom, it would take the companies involved nearly six months to finalize the contract.

In October, with the EPC contract in hand, PUC finalized its regulatory capital project application and submitted it to the Ontario Energy Board (OEB) for approval. In 2021 Q1/Q2 PUC will be in the intervenor stage of the extensive regulatory process, responding to both written and oral questions from the OEB or intervenors about the Smart Grid Project.

PUC hopes to take the key step forward in Q2 of 2021 with final approvals and commence engineering and construction to modernizing the Sault's electricity grid and achieve project completion by the end of 2022.



CURED-IN-PLACE-PIPE (CIPP)

In 2020, PUC continued with its structural watermain renewal project. It was the second time in the Company's history that it utilized the innovative Cured-in-Place-Pipe (CIPP) structural watermain lining technology. A total of about 1.5 kilometres of

watermain was replaced in the east end of the city along Lewis Road, Clement Street and Kerr Drive. CIPP is used to rehabilitate existing watermains by lining the walls of the current pipe with a hardened synthetic fiber tube. This construction process took approximately 3 months to complete.

DELIVERING ESSENTIAL SERVICES SAFELY AND EFFECTIVELY

Safety has always been the top priority for PUC. This was the case before the pandemic, during the pandemic and it will continue after the pandemic. In 2020, PUC not only had to protect its employees, its customers and the community from the regular work-related risks of its industry, but PUC also needed to protect them from COVID-19. Shortly after the pandemic started,

ADAPTING OUR WORKPLACE AND PROTECTING EMPLOYEES

COVID-19 Employee Guide
This plan provides information on safety protocols being implemented at PUC Services.

These instructions aim to help employees stay safe and healthy in a working environment that has changed significantly because of the COVID-19 pandemic.

All employees must review and sign-off on this document acknowledging all expectations and rules upon return to work.

PUC implemented a new policy requiring all staff to fill out a daily self health assessment. This continues to be accomplished on a new innovative app called Beekeeper. Every morning, PUC staff take full accountability of their health and safety by answering an attestation that is sent to their managers. In 2020, not a single PUC employee tested positive for COVID-19.

PUC's commitment to safety throughout the pandemic was further demonstrated as it created and continually updated an employee "Workplace Transformation Guide". During the unprecedented times, the company wanted to ensure the employees had confidence that the workplace continued to be safe and all necessary precautions were in place to remain healthy and secure. This comprehensive document provided guidance on expected conduct, established protocols and the information needed to navigate the workplace in an environment that

had changed significantly because of the COVID-19 pandemic. The employee guide was shared beyond PUC and received praise from other utilities throughout the province, as well as many local businesses who were looking for guidance.

PUC continued to promote the importance of maintaining high standards for health and safety by providing a wide range of mandatory courses to employees.



The programs offered, which address safe practices both in the workplace and at home, included: Public Safety, Craning and Hoisting, Mental Health First Aid, Confined Space, Defensive Driving, First Aid/CPR, Line and Cable Testing, Fire Extinguishing Training, SCBA & Fit Testing and Spill Response Training.

PUC is also proud of its track record when it comes to the safety of its contractors. This year PUC placed an increased focus on the contractors that it employs. PUC also improved its screening process before contractors perform any work for the company.



ESA AWARD

PUC was proud to be recognized by the Electrical Safety Authority (ESA) for its efforts to keep its employees and the community safe during the pandemic. PUC was presented with the “Worker Safety” award from the ESA in 2020.

Once the pandemic arrived in March, PUC employees did everything they could to keep all of their colleagues and their families safe. Very early on, PUC created a mask sewing committee. At that time, it was nearly impossible to acquire face masks

for PUC employees to wear. PUC staff and many of their family members stepped up and volunteered their free time to sew masks with three different, protective layers. The masks were then given to every employee and their families. Everyday we have employees working out in the community and they are often in situations where they are required to work in close proximity to one another. Sewing these masks also allowed PUC to donate a supply of N95 masks to the Sault Area Hospital and health care workers in our community.

PUC was proud to be recognized by the Electrical Safety Authority (ESA) for its efforts to keep its employees and the community safe during the pandemic. PUC was presented with the “Worker Safety” award from the ESA in 2020.



Congratulations to

WORKER SAFETY AWARD WINNER

Public Utilities
Commission
(PUC) Services Inc.
Sault Ste Marie

PUC

2020 ONTARIO ELECTRICAL SAFETY AWARDS

Electrical Safety Authority



OUR PEOPLE

HUMAN RESOURCES UTILIZED PLANNING AND FLEXIBILITY TO HELP STAFF ADAPT TO PANDEMIC

When the province was first placed into a lockdown and schools and businesses shut their doors in March 2020, PUC was deemed an essential service. Some might have said that meant it was “business as usual” but for PUC that could not be further from the truth.

“I think at first it was just really getting your mind around what’s happening and then immediately start taking measures to protect people,” said Jennifer Edgar, Director of Human Resources for PUC.

“What can we do immediately to keep our staff safe and ensure we can continue to carry on our operations. Those were our top two priorities,” she added.

Fortunately, PUC had policies in place that helped make the transition more seamless although flexibility and adaptability were paramount.

“It is truly something that you know you have policies for, but its one of those things you may never in your entire career, or in your lifetime, experience. Particularly something to this degree, that impacts the entire globe,” she said.

Immediately, staff that could work from home, were sent home. Employees that had to come into the office were given tight restrictions and guidelines to follow. Ongoing communication with staff was essential as everyone coped with this very fluid period.



“At first, when the pandemic hit, we held an all-staff call everyday. We were learning about what was happening in the environment, we were learning about the impacts to our workplace. We needed to communicate that often. We eventually reduced the frequency to three days a week and ultimately once a week,” said Edgar.

Setting up employees so they were able to work from home had its own set of challenges. Equipment had to be delivered to their homes and work hours were changed. With schools and daycares closed, many staff were now juggling two full-time day jobs, being a parent and an employee.

“For people with young children, it was really challenging and we, as an organization, understood that and were flexible,” said Edgar. “We gave staff the flexibility to do their work at different times of the day so they could take care of their families.” The feedback from the employees was fantastic.

Virtual health care for the employees was made available by the company. Staff were now able to access a doctor online.

As circumstances evolved throughout 2020, PUC adapted and updated its protocols to address the new challenges.

“I think getting to a place where everybody is accepting, that this is our reality and understanding the consequences if they don’t follow the protocols was necessary,” said Edgar.

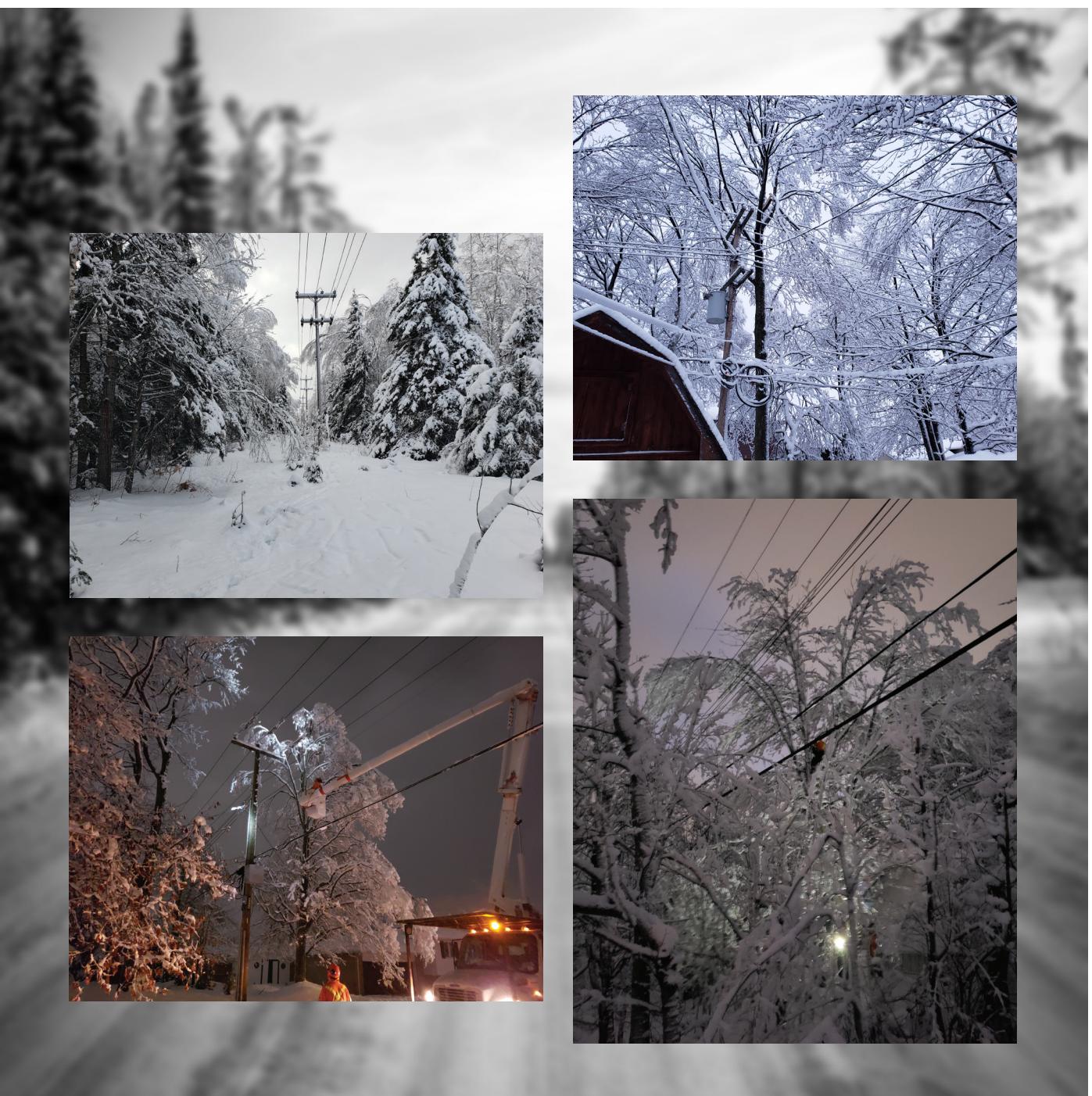
Communities rely on PUC for essential utilities and employees realized how imperative it was to embrace these new health and safety measures to protect themselves, their colleagues and the public.

PUC STAFF WORK TIRELESSLY TO RETURN POWER AFTER DEVASTATING ICE STORM

The city encountered one of its worst winter ice storms in decades on New Year's Eve, resulting in PUC staff working around the clock in the first days of 2020 to restore power to customers.

Heavy snow, ice, high winds and blistery cold temperatures rocked the Sault, resulting in fallen trees contacting powerlines and causing wide-spread outages that impacted more than 7,000 customers. PUC staff worked around the

clock for numerous days to restore power to all of its customers. "In my thirty-year career in the electrical distribution industry, this was the worst ice storm I've ever dealt with," says Claudio Stefano, Chief Operating Officer for PUC Services. "I am so proud of all the hard work and long hours our staff endured to restore power to our community. The dedication and teamwork our employees showed during this very difficult time was a wonderful sight to see."

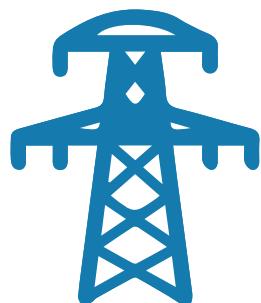


PUC DISTRIBUTION

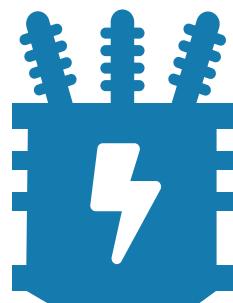
BY THE NUMBERS



33,381 RESIDENTIAL AND BUSINESS CUSTOMERS



2 TRANSMISSION STATIONS



14 DISTRIBUTION STATIONS



740 KM OF LOCAL DISTRIBUTION LINE



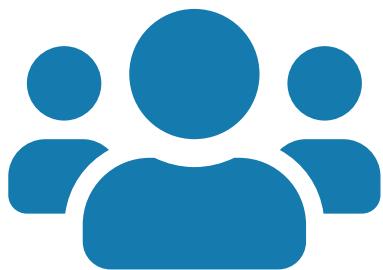
12,800 DISTRIBUTION POLES



342 KM² SERVICE TERRITORY

PUC UTILITIES COMMISSION

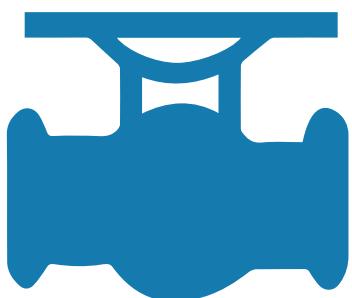
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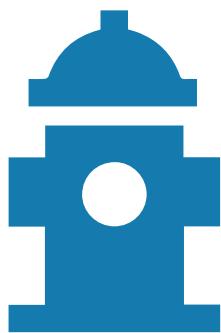
**26,271 RESIDENTIAL AND
BUSINESS CUSTOMERS**



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**



**10.236 MILLION CUBIC
METRES PUMPED
PER YEAR**

PUC GROUP OF COMPANIES

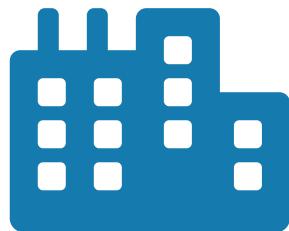
BY THE NUMBERS

100+

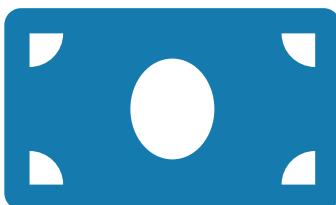
YEARS OF SERVICE



EMPLOYS 220 PEOPLE



SERVES 40 MUNICIPALITIES
AND ALL 127 FIRST NATION
COMMUNITIES IN ONTARIO



TOTAL ANNUAL
REVENUE OF
APPROXIMATELY
\$169.5 MILLION

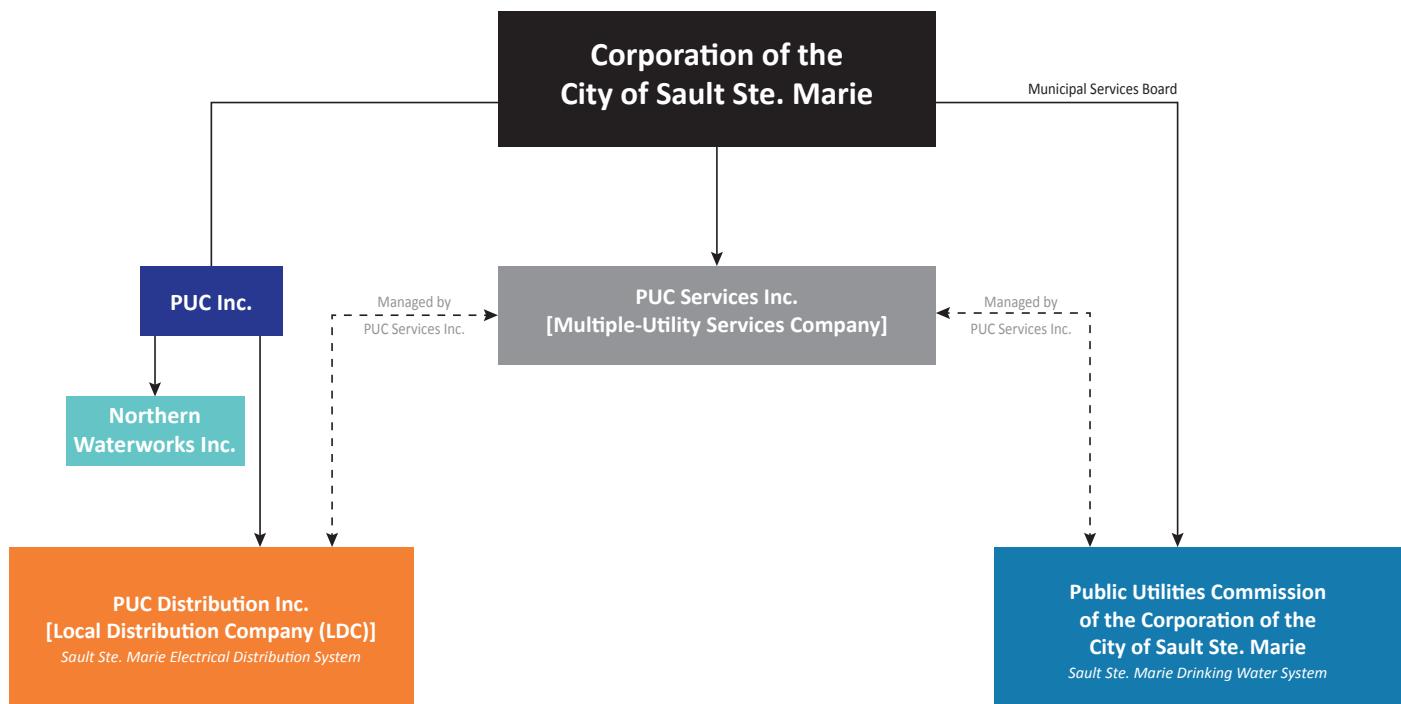


IN 2020, **\$19 MILLION**
RE-INVESTED IN
COMMUNITIES WE SERVE

ABOUT PUC

CORPORATE STRUCTURE

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 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.



PUC LOGO EXPLAINED

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

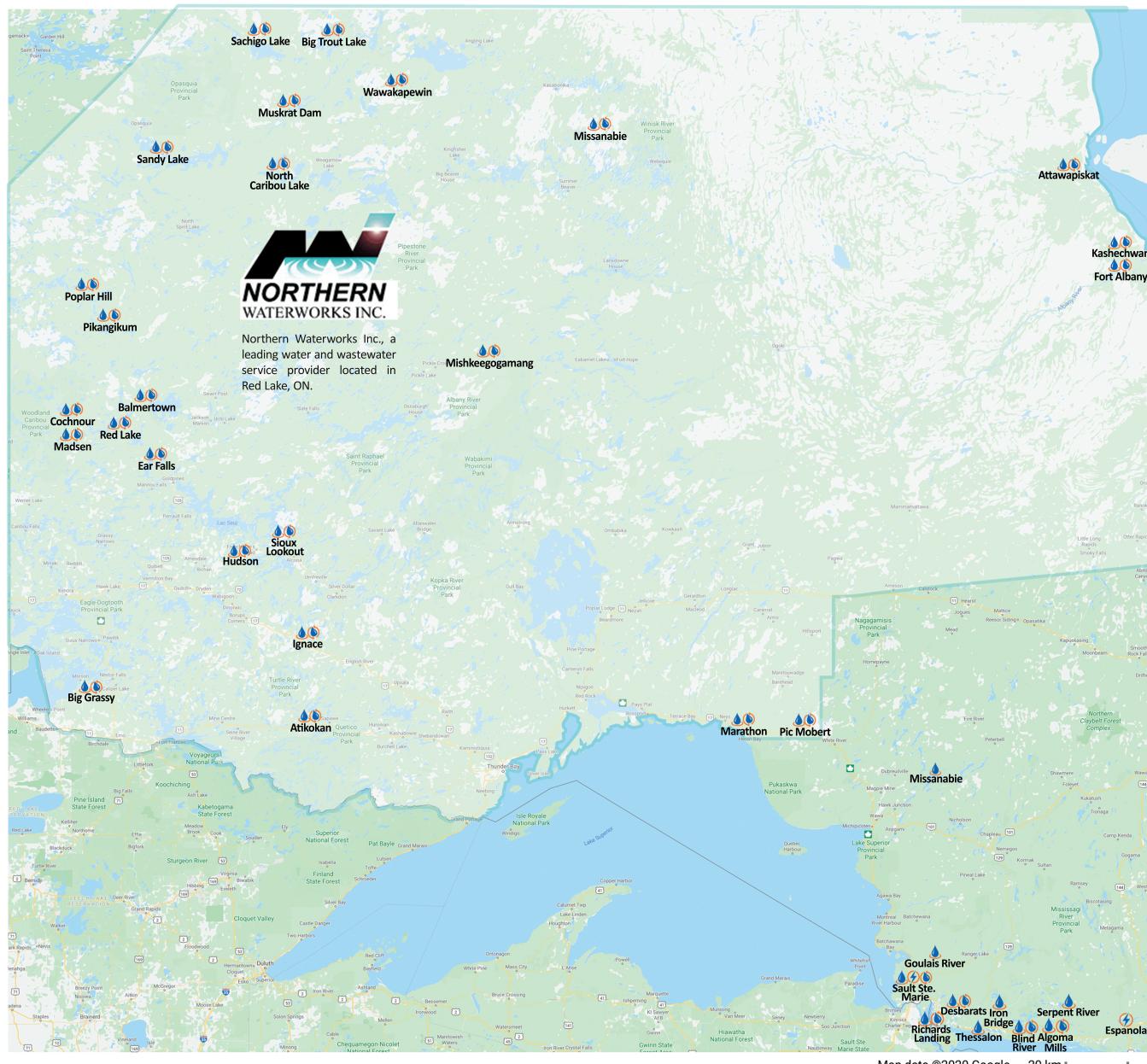


The water mark represents the water and wastewater services PUC Services Inc. provides.

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)



Water

Wastewater

Electricity



PUC INC.

Non-Consolidated Statement of Financial Position

As at December 31, 2020, with comparative information for 2019

	2020	2019
Assets		
Current assets:		
Accounts receivable	\$ 942,415	\$ 1,152,395
Receivable from PUC Services Inc.	2,520,244	2,180,876
Payment in lieu of taxes recoverable	16,764	22,258
Total current assets	<u>3,479,423</u>	<u>3,355,529</u>
Non-current assets:		
Notes receivable from related company	8,310,000	8,310,000
Investments in subsidiaries and associates	<u>50,801,477</u>	<u>50,801,477</u>
Total non-current assets	<u>59,111,477</u>	<u>59,111,477</u>
Total Assets	<u>\$ 62,590,900</u>	<u>\$ 62,467,006</u>
Liabilities and Shareholder's Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 610,084	\$ 810,526
Long-term debt	<u>31,720,000</u>	<u>31,720,000</u>
Total liabilities	<u>32,330,084</u>	<u>32,530,526</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>1,022,568</u>	<u>698,232</u>
	<u>30,260,816</u>	<u>29,936,480</u>
Commitments		
Total Liabilities and Shareholder's Equity	<u>\$ 62,590,900</u>	<u>\$ 62,467,006</u>

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

PUC INC.

Non-Consolidated Statement Comprehensive Income

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Revenue:		
Interest	\$ 2,255,698	\$ 2,244,299
<u>Dividend income</u>	<u>940,164</u>	<u>1,245,126</u>
	3,195,862	3,489,425
Expenses:		
Interest on long-term debt	1,934,920	1,934,920
Administrative	100,329	80,654
<u>Business development</u>	<u>227,773</u>	<u>264,047</u>
	2,263,022	2,279,621
Income before payment in lieu of taxes	932,840	1,209,804
Payment in lieu of taxes		
Current (recovery)	(1,576)	(8,054)
Net income, being total comprehensive income for the year	\$ 934,416	1,217,858



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

PUC SERVICES INC.

Statement of Financial Position

As at December 31, 2020, with comparative information for 2019

	2020	2019
Assets		
Current assets:		
Cash	\$ 2,557,793	\$ 3,166,749
Accounts receivable	5,299,586	7,594,050
Due from related party	11,183,645	9,305,879
Inventories	384,678	397,326
Prepaid expenses	93,264	69,990
Payment in lieu of taxes recoverable	176,778	-
Total current assets	19,695,744	20,533,994
Non-current assets:		
Deferred taxes	278,000	430,000
Property, plant and equipment	17,571,082	17,194,358
Intangible assets	803,326	447,070
Total non-current assets	18,652,408	18,071,428
Total assets	\$ 38,348,152	\$ 38,605,422
Liabilities and Shareholder's Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 4,371,871	\$ 4,586,074
Dividends payable	-	200,000
Payment in lieu of taxes	-	235,871
Due to related parties	7,942,155	8,429,941
Current portion of long-term debt	85,656	85,656
Total current liabilities	12,399,682	13,537,542
Non-current liabilities:		
Long-term debt	9,057,874	9,143,530
Deferred revenue	10,820,871	10,766,518
Employee future benefit obligations	2,349,497	2,095,366
Total non-current liabilities	22,228,242	22,005,414
Total liabilities	34,627,924	35,542,956
Shareholder's equity:		
Share capital	1,943,300	1,943,300
Accumulated other comprehensive income	162,758	251,025
Retained earnings	1,614,170	868,141
Total shareholder's equity	3,720,228	3,062,466
Commitments and contingencies		
Total liabilities and shareholder's equity	\$ 38,348,152	\$ 38,605,422

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

PUC SERVICES INC.

Statement of Income and Comprehensive Income

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Revenue:		
Management fees	\$ 11,292,230	\$ 10,032,484
Contracts	5,890,479	5,609,942
Services	4,827,155	4,619,515
Other operating revenue	1,459,062	1,740,801
	23,468,926	22,002,742
Expenses:		
Contract service	8,737,137	8,021,317
Administrative	6,251,737	4,585,062
Facilities	2,060,376	2,211,990
Depreciation and amortization	2,183,329	1,902,332
Billing and collection	1,053,990	1,087,607
Customer service	931,276	1,018,113
Street lights	391,759	304,806
New business development	227,773	264,047
Other business and maintenance	69,523	122,339
	21,906,900	19,517,613
Income from operating activities	1,562,026	2,485,129
Net finance costs	502,784	454,183
Income before provision for payment in lieu of taxes	1,059,242	2,030,946
Payment in lieu of taxes:		
Current	129,389	307,625
Deferred	183,824	254,875
	313,213	562,500
Income for the year	746,029	1,468,446
Other comprehensive income (loss): items that will not be classified to profit or loss, net of income tax:		
Remeasurement of employee future benefits	(120,091)	(207,077)
Income tax on other comprehensive income	31,824	54,875
Other comprehensive loss for the year	(88,267)	(152,202)
Net income and comprehensive income for the year	\$ 657,762	\$ 1,316,244

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, 2020, with comparative information for 2019

	2020	2019
Financial assets:		
Cash	\$ 425,098	\$ 1,357,018
Accounts receivable	3,875,625	3,315,924
Unbilled service revenue	978,476	1,003,613
Receivable from related company, PUC Services Inc.	5,421,911	6,249,064
	10,701,110	11,925,619
Financial liabilities:		
Accounts payable and accrued liabilities	4,130,854	6,066,139
Loan payable	4,376,289	5,158,807
	8,507,143	11,224,946
Total net financial assets	2,193,967	700,673
Non-financial assets:		
Tangible capital assets	97,236,873	92,251,588
Inventory	335,182	315,286
	97,572,055	92,566,874
Effects of COVID-19		
Accumulated surplus	\$ 99,766,022	\$ 93,267,547



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

PUBLIC UTILITIES COMMISSION OF THE CITY OF SAULT STE. MARIE

Statement of Operations and Accumulated Surplus

Year ended December 31, 2020, with comparative information for 2019

	Budget	2020 Total	2019 Total
Revenues:			
Service revenue:			
Residential	\$ 12,336,455	\$ 12,659,411	\$ 11,536,861
General	8,406,364	7,876,008	7,746,890
<u>Hydrants</u>	1,148,125	1,533,823	1,434,937
	21,890,944	22,069,242	20,718,688
Other:			
Investment income	35,000	103,412	102,122
Non-service revenue	320,950	395,597	408,923
Developers contributions	-	93,421	337,059
	355,950	592,430	848,104
Total revenues	22,246,894	22,661,672	21,566,792
Expenditures:			
Purification and pumping	4,032,074	3,603,667	3,839,429
Transmission and distribution	4,573,954	3,645,013	4,183,343
Amortization of tangible capital assets	2,690,000	2,640,705	2,532,089
Hydrants	580,600	514,253	637,577
Billing and collection	1,216,817	1,134,564	1,230,376
Interest on long-term debt	149,348	149,402	173,333
General and administration	3,817,589	4,475,593	3,634,858
Total expenditures	17,060,382	16,163,197	16,231,005
Operating surplus	5,186,512	6,498,475	5,335,787
Accumulated operating surplus, beginning of year	93,267,547	93,267,547	87,931,760
Accumulated operating surplus, end of year	\$ 98,454,059	\$ 99,766,022	\$ 93,267,547

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

PUC DISTRIBUTION INC.

Statement of Financial Position

December 31, 2020, with comparative information for 2019

	2020	2019
Assets		
Current assets:		
Cash and cash equivalents	\$ 124,037	\$ 585,387
Accounts receivable	5,738,294	5,433,776
Unbilled revenue	12,240,212	12,098,244
Payment in lieu of taxes recoverable	8,991	-
Inventory	2,020,118	1,729,484
Prepaid expenses	67,672	65,217
Total current assets	20,199,324	19,912,108
Non-current assets:		
Property, plant and equipment	105,376,966	100,099,858
Total assets	125,576,290	120,011,966
Regulatory balances	4,570,573	3,713,593
Total assets and regulatory balances	\$ 130,146,863	\$ 123,725,559



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

PUC DISTRIBUTION INC.

Statement of Financial Position (continued)

December 31, 2020, with comparative information for 2019

	2020	2019
Liabilities and Shareholder's Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 8,419,954	\$ 10,127,802
Customer deposits	712,937	1,067,552
Payment in lieu of taxes	-	45,036
Dividends payable	610,080	900,000
Due to related parties	10,688,540	9,041,731
<u>Current portion of long-term debt</u>	<u>1,727,219</u>	<u>1,366,680</u>
Total current liabilities	22,158,730	22,548,801
Non-current liabilities:		
Deferred revenue	4,829,126	4,294,948
Deferred tax liability	1,387,000	710,000
<u>Long-term debt</u>	<u>64,079,966</u>	<u>60,006,988</u>
Total non-current liabilities	70,296,092	65,011,936
Total liabilities	92,454,822	87,560,737
Shareholder's equity:		
Share capital	20,062,107	20,062,107
Retained earnings	16,811,240	14,663,658
Total shareholder's equity	36,873,347	34,725,765
Total liabilities and shareholder's equity	129,328,169	122,286,502
Regulatory balances	818,694	1,439,057
Commitments and contingencies		
Total liabilities, regulatory balances and shareholder's equity	\$ 130,146,863	\$ 123,725,559

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

PUC DISTRIBUTION INC.

Statement of Income and Comprehensive Income

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Revenue:		
Electricity sales	\$ 85,083,387	\$ 74,373,612
Distribution revenue	19,032,237	19,071,168
Cost of electricity sold	<u>(85,555,982)</u>	<u>(76,035,021)</u>
	18,559,642	17,409,759
Other operating revenue	7,630,820	6,747,157
Net operating revenue	26,190,462	24,156,916
Expenses:		
Operations and maintenance	6,434,364	6,302,246
General and administrative	3,129,473	3,172,654
Billing and collection	1,333,216	1,354,435
Depreciation and amortization	4,153,218	4,010,672
Community relations	<u>5,307,274</u>	<u>4,680,636</u>
	20,357,545	19,520,643
Income from operating activities	5,832,917	4,636,273
Net finance costs	3,187,222	3,130,511
Income before tax and regulatory items	2,645,695	1,505,762
Income tax expense (recovery):		
Current	76,523	126,958
Deferred	<u>677,000</u>	<u>638,000</u>
	753,523	764,958
Income for the year before movements in regulatory deferral account balances	1,892,172	740,804
Net movement in regulatory deferral account balances related to income or loss	(188,490)	(1,661,409)
Income tax	(677,000)	(638,000)
	(865,490)	(2,299,409)
Net income, being total comprehensive income for the year	\$ 2,757,662	\$ 3,040,213

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



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Non-Consolidated Financial Statements of

PUC INC.

And Independent Auditors' Report thereon

Year ended December 31, 2020



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, 2020
- 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, 2020, 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.



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 single horizontal line is drawn underneath the signature.

Chartered Professional Accountants, Licensed Public Accountants

Sault Ste. Marie, Ontario

April 28, 2021

PUC INC.

Non-Consolidated Statement of Financial Position

As at December 31, 2020, with comparative information for 2019

	2020	2019
Assets		
Current assets:		
Accounts receivable	\$ 942,415	\$ 1,152,395
Receivable from PUC Services Inc. (note 9)	2,520,244	2,180,876
Payment in lieu of taxes recoverable	16,764	22,258
Total current assets	3,479,423	3,355,529
Non-current assets:		
Notes receivable from related company (note 4)	8,310,000	8,310,000
Investments in subsidiaries and associates (note 5)	50,801,477	50,801,477
Total non-current assets	59,111,477	59,111,477
Total Assets	\$ 62,590,900	\$ 62,467,006
Liabilities and Shareholder's Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 610,084	\$ 810,526
Long-term debt (note 6)	31,720,000	31,720,000
Total liabilities	32,330,084	32,530,526
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	1,022,568	698,232
	30,260,816	29,936,480
Commitments (note 7)		
Total Liabilities and Shareholder's Equity	\$ 62,590,900	\$ 62,467,006

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, 2020, with comparative information for 2019

	2020	2019
Revenue:		
Interest	\$ 2,255,698	\$ 2,244,299
<u>Dividend income</u>	<u>940,164</u>	<u>1,245,126</u>
	3,195,862	3,489,425
Expenses:		
Interest on long-term debt	1,934,920	1,934,920
Administrative	100,329	80,654
<u>Business development</u>	<u>227,773</u>	<u>264,047</u>
	2,263,022	2,279,621
Income before payment in lieu of taxes	932,840	1,209,804
Payment in lieu of taxes (note 8)		
Current (recovery)	(1,576)	(8,054)
Net income, being total comprehensive income for the year	\$ 934,416	1,217,858

See accompanying notes to non-consolidated financial statements.

PUC INC.

Non-Consolidated Statement of Changes in Shareholders' Equity

Year ended December 31, 2020, with comparative information for 2019

	Share Capital	Retained Earnings	Total
Balance, January 1, 2019	\$ 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
Net income, being total comprehensive income	-	934,416	934,416
Dividends on common shares	-	(610,080)	(610,080)
Balance, December 31, 2020	\$ 29,238,248	\$ 1,022,568	\$ 30,260,816

See accompanying notes to non-consolidated financial statements.

PUC INC.

Non-Consolidated Statement of Cash Flows

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Cash flows from operating activities:		
Net income, being total comprehensive income	\$ 934,416	\$ 1,217,858
Changes in non-cash operating working capital items:		
Accounts receivable	209,980	(1,150,420)
Payment in lieu of taxes recoverable	5,494	(17,970)
<u>Account payable and accrued liabilities</u>	<u>(200,442)</u>	<u>810,501</u>
	949,448	859,969
Cash flows from financing activities:		
Dividends on common shares	(610,080)	(810,080)
Cash flows from investing activities:		
Receivable from subsidiary, PUC Services Inc.	(339,368)	4,150,111
Investment in subsidiary, Northern Waterworks Inc.	-	(3,000,000)
Issuance of note receivable	-	(3,000,000)
Repayment of note receivable	-	2,000,000
<u>Investment in associate, 17 Trees Inc.</u>	<u>-</u>	<u>(200,000)</u>
	(339,368)	(49,889)
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	2,255,698	2,244,299

See accompanying notes to non-consolidated financial statements.

PUC INC.

Notes to Non-Consolidated Financial Statements

Year ended December 31, 2020

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, 2020 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 April 28, 2021

(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 (continued)

Year ended December 31, 2020

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 (continued)

Year ended December 31, 2020

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:

	2020	2019
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 (continued)

Year ended December 31, 2020

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 2020, the Company received interest income on this note receivable in the amount of \$1,618,575 (2019 - \$1,618,575). During the year the dividends were declared on the shares held by the company in the amount of \$610,080 (2019 - \$900,000). This amounts to \$70.84 per share (2019 - \$104.51 per share). At December 31, 2020, accounts receivable include \$610,080 (2019 - \$900,000) relating to such dividends.

The Company holds 1 Class A share and 33,058 Class B shares of Ecobility Inc. (formerly Customer First Inc.), an incorporated entity in Ontario, representing 21% equity interest. The investment is carried at cost. During the year the dividends were declared on the Class B shares held by the company in the amount of \$230,084 (2019 - \$345,126). This amounts to \$6.96 per share (2019 - \$10.44 per share). At December 31, 2020, accounts receivable include \$230,084 (2019 - \$230,084) relating to such dividends.

The Company holds 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 2020, the Company received interest income on this note receivable from Northern Waterworks Inc. in the amount of \$61,000 (2019 - \$20,333). PUC Inc. has waived the right to demand repayment of any portion of the note during the next fiscal year. During the year the dividends were declared on the shares held by the company in the amount of \$100,000 (2019 - \$NIL). This amounts to \$1,000 per share (2019 - \$NIL per share). At December 31, 2020, accounts receivable include \$100,000 (2019 - \$NIL) relating to such dividends.

The Company holds 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 (continued)

Year ended December 31, 2020

5. Investment in subsidiaries and associates (continued):

	2020				
	PUC Distribution Inc.	Northern Waterworks Inc.	17 Trees Inc.	Ecobility Inc.	Total
Investments, at cost, January 1, 2020	\$ 20,062,106	\$ 3,000,000	\$ 200,000	\$ 5,331	\$ 20,067,437
Notes receivable	26,534,040	1,000,000	-	-	27,534,040
Balances at December 31, 2020	<u>\$ 46,596,146</u>	<u>\$ 4,000,000</u>	<u>\$ 200,000</u>	<u>\$ 5,331</u>	<u>\$ 50,801,477</u>

	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	<u>\$ 46,596,146</u>	<u>\$ 4,000,000</u>	<u>\$ 200,000</u>	<u>\$ 5,331</u>	<u>\$ 50,801,477</u>

PUC INC.

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2020

6. Long-term debt:

	2020	2019
Note payable to shareholder. The Corporation of the City of Sault Ste. Marie, unsecured, with 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 2020 was 6.1%	25,000,000	25,000,000
	<hr/> \$ 31,720,000	<hr/> \$ 31,720,000

7. Commitments:

The Company is the guarantor on the \$2,000,000 TD Bank loan held by its subsidiary Northern Waterworks Inc. The Company is the guarantor on the \$1,316,903 TD Bank loan held by its subsidiary 17 Trees 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% (2019 - 26.5%) to earnings before income taxes. The reasons for the differences and related tax effects are as follows:

	2020	2019
Income before payment in lieu of taxes	\$ 932,840	\$ 1,209,804
Tax at applicable tax rate	\$ 247,203	\$ 320,598
Nontaxable intercompany dividend tax affect	(249,143)	(329,958)
Other	364	1,306
<hr/> Payment in lieu of taxes - current	<hr/> \$ (1,576)	<hr/> \$ (8,054)

PUC INC.

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2020

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 \$43,348 (2019 - \$72,751) was incurred during the year. The Company receives interest income on its notes receivable from Services. Interest of \$532,638 (2019 - \$532,638) was incurred during the year. There has been no demand on the note at December 31, 2020. The Company has purchased services relating to business development costs from Services in the amount of \$227,773 (2019 - \$264,047). At December 31, 2020, receivable from PUC Services Inc. include \$2,520,244 (2019 - \$2,180,876) relating to such transactions.

The Company receives interest income on its note receivable balance from Distribution which bears interest at a rate of 6.1% (2019 - 6.1%). Interest of \$1,618,576 (2019 - \$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, 2020.

The Company receives interest income on its note receivable balance from Northern Waterworks Inc. which bears interest at a rate of 6.1% (2019 - 6.1%). Interest of \$61,000 (2019 - \$20,333) was received during the year.

The Company incurred interest of \$1,934,920 (2019 - \$1,934,920) payable to its shareholder. During the year the Company declared a dividend to its shareholder in the amount of \$610,080 (2019 - \$810,080). This amounts to \$28.20 per share (2019 - \$37.45 per share). At December 31, 2020, accounts payable and accrued liabilities include \$610,080 (2019 - \$810,080) relating to such dividends.

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

PUC INC.

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2020

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.

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.

	2020	2019
Note payable to shareholder – 6.1%	\$ 6,720,000	\$ 6,720,000
Note payable to shareholder – 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	1,022,568	698,232
	<hr/> \$ 61,980,816	<hr/> \$ 61,656,480

The Company is subject to a shareholder's agreement which has restrictive covenants typically associated with such an agreement. At December 31, 2020, the Company is in compliance with all of the restrictive covenants and restrictions.

PUC INC.

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2020

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.

Financial Statements of

PUC SERVICES INC.

And Independent Auditors' Report thereon

Year ended December 31, 2020



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, 2020
- 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, 2020, 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" above a horizontal line.

Chartered Professional Accountants, Licensed Public Accountants

Sault Ste. Marie, Ontario

April 6, 2021

PUC SERVICES INC.

Statement of Financial Position

As at December 31, 2020, with comparative information for 2019

	2020	2019
Assets		
Current assets:		
Cash	\$ 2,557,793	\$ 3,166,749
Accounts receivable (note 5)	5,299,586	7,594,050
Due from related party (note 18)	11,183,645	9,305,879
Inventories (note 6)	384,678	397,326
Prepaid expenses	93,264	69,990
Payment in lieu of taxes recoverable	176,778	-
Total current assets	19,695,744	20,533,994
Non-current assets:		
Deferred taxes (note 9)	278,000	430,000
Property, plant and equipment (note 7)	17,571,082	17,194,358
Intangible assets (note 8)	803,326	447,070
Total non-current assets	18,652,408	18,071,428
Total assets	\$ 38,348,152	\$ 38,605,422
Liabilities and Shareholder's Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 4,371,871	\$ 4,586,074
Dividends payable	-	200,000
Payment in lieu of taxes	-	235,871
Due to related parties (note 18)	7,942,155	8,429,941
Current portion of long-term debt (note 10)	85,656	85,656
Total current liabilities	12,399,682	13,537,542
Non-current liabilities:		
Long-term debt (note 10)	9,057,874	9,143,530
Deferred revenue (note 7)	10,820,871	10,766,518
Employee future benefit obligations (note 11)	2,349,497	2,095,366
Total non-current liabilities	22,228,242	22,005,414
Total liabilities	34,627,924	35,542,956
Shareholder's equity:		
Share capital (note 14)	1,943,300	1,943,300
Accumulated other comprehensive income	162,758	251,025
Retained earnings	1,614,170	868,141
Total shareholder's equity	3,720,228	3,062,466
Commitments and contingencies (note 17)		
Total liabilities and shareholder's equity	\$ 38,348,152	\$ 38,605,422

See accompanying notes to financial statements.

Approved on behalf of the Board:

Director

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Director

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PUC SERVICES INC.

Statement of Income and Comprehensive Income

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Revenue:		
Management fees	\$ 11,292,230	\$ 10,032,484
Contracts	5,890,479	5,609,942
Services	4,827,155	4,619,515
Other operating revenue (note 15)	1,459,062	1,740,801
	<hr/> 23,468,926	<hr/> 22,002,742
Expenses:		
Contract service	8,737,137	8,021,317
Administrative	6,251,737	4,585,062
Facilities	2,060,376	2,211,990
Depreciation and amortization	2,183,329	1,902,332
Billing and collection	1,053,990	1,087,607
Customer service	931,276	1,018,113
Street lights	391,759	304,806
New business development	227,773	264,047
Other business and maintenance	69,523	122,339
	<hr/> 21,906,900	<hr/> 19,517,613
Income from operating activities	1,562,026	2,485,129
Net finance costs (note 16)	502,784	454,183
Income before provision for payment in lieu of taxes	<hr/> 1,059,242	<hr/> 2,030,946
Payment in lieu of taxes (note 9):		
Current	129,389	307,625
Deferred	183,824	254,875
	<hr/> 313,213	<hr/> 562,500
Income for the year	746,029	1,468,446
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)	(120,091)	(207,077)
Income tax on other comprehensive income (note 9)	31,824	54,875
Other comprehensive loss for the year	<hr/> (88,267)	<hr/> (152,202)
Net income and comprehensive income for the year	<hr/> \$ 657,762	<hr/> \$ 1,316,244

See accompanying notes to financial statements.

PUC SERVICES INC.

Statement of Changes in Shareholders' Equity

Year ended December 31, 2020, with comparative information for 2019

	Share Capital	Acc. other Comprehensive Income (Loss)	Retained Earnings	Total
Balance, January 1, 2019	\$ 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
Net Income for the year	-	-	746,029	746,029
Remeasurement of employee future benefit obligation	-	(88,267)	-	(88,267)
Balance, December 31, 2020	\$ 1,943,300	\$ 162,758	\$ 1,614,170	\$ 3,720,228

See accompanying notes to financial statements.

PUC SERVICES INC.

Statement of Cash Flows

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Cash flows from operating activities:		
Net income and comprehensive income	\$ 657,762	\$ 1,316,244
Item not involving cash:		
Depreciation and amortization	2,183,329	1,902,332
Amortization of deferred revenue	(536,179)	(505,428)
Gain on disposal of property, plant and equipment	(20,000)	(4,390)
Net finance costs	502,784	454,183
Income tax expense	313,213	562,500
	3,100,909	3,725,441
Changes in non-cash working capital:		
Decrease (increase) in accounts receivables	2,294,464	(5,137,775)
Increase in balances with related entities	(2,295,107)	(5,561,700)
Decrease (increase) in inventories	12,648	(36,967)
Decrease (increase) in prepaid expenses	(23,274)	634,470
Increase (decrease) in accounts payable and accrued liabilities	(214,202)	1,115,447
Increase in employee future benefit obligation	222,307	244,253
Income tax paid	(542,038)	(132,964)
Net cash from operating activities	2,555,707	(5,149,795)
Cash flows from financing activities:		
Principal payments on long-term debt	(85,656)	(85,656)
Interest paid	(573,229)	(573,405)
Dividends paid	(200,000)	-
Net cash from financing activities	(858,885)	(659,061)
Cash flows from investing activities:		
Proceeds from disposal of property, plant and equipment	20,000	4,390
Purchase of property, plant and equipment	(1,799,119)	(1,507,338)
Purchase of intangible assets	(526,659)	(427,618)
	(2,305,778)	(1,930,566)
Decrease in cash	(608,956)	(7,739,422)
Cash, beginning of year	3,166,749	10,906,171
Cash, end of year	\$ 2,557,793	\$ 3,166,749

See accompanying notes to financial statements.

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2020

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 April 6, 2021.

(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) Notes 3(d), (e), 7, 8 – Property, plant and equipment and intangible assets: 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, 2020

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.

Contracts with Customers:

The Company is contracted by the City of Sault Ste. Marie to operate the water and wastewater plants. The Company is also contracted by other municipalities and entities in the Algoma District to provide services relating to water, wastewater and electrical utility management. Revenue is recognized according to the contracts 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, 2020

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, 2020

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
-------------------	-------------

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, 2020

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, 2020

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. The Company is not responsible for any other contractual obligations other than the contributions. 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.

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2020

3. Significant accounting policies (continued):

(k) Leased assets:

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.

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, 2020

3. Significant accounting policies (continued):

(I) 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.

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.

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.

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2020

4. Critical accounting estimates and judgments (continued):

Useful lives of depreciable assets:

Management reviews the useful lives of depreciable assets at each reporting date. At December 31, 2020, 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, 2020

5. Accounts receivable:

	2020	2019
Trade other	\$ 2,997,404	\$ 4,810,608
Receivables from the City	1,045,990	833,237
Contract receivables	678,880	560,847
Other receivables	577,312	1,389,358
	<hr/> <u>\$ 5,299,586</u>	<hr/> <u>\$ 7,594,050</u>

6. Inventories:

	2020	2019
Stores	\$ 111,162	\$ 99,544
Fuel	34,764	45,640
Street lights	238,752	252,142
	<hr/> <u>\$ 384,678</u>	<hr/> <u>\$ 397,326</u>

The amount of inventories consumed by the Company and recognized as an expense during 2020 was \$204,420 (2019 - \$138,870).

PUC SERVICES INC.

Notes to Consolidated Financial Statements

Year ended December 31, 2020

7. Property, plant and equipment:

(a) Cost or deemed cost:

	Land	Buildings	Plant and Equipment	Construction -in- Progress	Total
Balance, January 1, 2019	\$ 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
Additions	-	-	2,200,812	188,838	2,389,650
Disposals/retirements	-	-	(3,273,434)	-	(3,273,434)
Balance, December 31, 2020	\$ 447,169	\$ 262,704	\$ 41,199,743	\$ 191,880	\$ 42,101,496

(b) Accumulated depreciation:

	Land	Buildings	Plant and Equipment	Construction -in- Progress	Total
Balance, January 1, 2019	\$ -	\$ 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
Depreciation charges	-	5,254	2,007,672	-	2,012,926
Disposals/retirements	-	-	(3,273,434)	-	(3,273,434)
Balance, December 31, 2020	\$ -	\$ 128,894	\$ 24,401,520	\$ -	\$ 24,530,414

(c) Carrying amounts:

	Land	Buildings	Plant and Equipment	Construction -in- Progress	Total
At December 31, 2019	\$ 447,169	\$ 139,064	\$ 16,605,083	\$ 3,042	\$ 17,194,358
At December 31, 2020	447,169	133,810	16,798,223	191,880	17,571,082

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2020

7. Property, plant and equipment (continued):

(d) Security:

At December 31, 2020, properties with a carrying amount of \$17,571,082 (2019 - \$17,194,358) 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. During the year the Company received \$590,531 (2019 - \$384,539) of contributed tangible assets. The value of contributed assets at the end of the year is \$10,820,871 (2019 - \$10,766,518), comprised mainly of streetlights.

8. Intangible assets:

(a) Cost:

	Computer software
Balance at January 1, 2020	\$ 2,542,141
Additions	526,659
<u>Balance at December 31, 2020</u>	<u>\$ 3,068,800</u>
Balance at January 1, 2019	\$ 2,114,523
Additions	427,618
<u>Balance at December 31, 2019</u>	<u>\$ 2,542,141</u>

(b) Accumulated amortization:

	Computer software
Balance at January 1, 2020	\$ 2,095,071
Amortization charges in 2020	170,403
<u>Balance at December 31, 2020</u>	<u>\$ 2,265,474</u>
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>

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2020

8. Intangible assets (continued):

(c) Carrying amounts:

	Computer software
December 31, 2020	\$ 803,326
December 31, 2019	\$ 447,070

9. Payments in lieu of income taxes:

Payment in lieu of taxes ("PILs"):

	2020	2019
Current PILs:		
Expense (recovery)	\$ 129,389	\$ 306,173
Adjustment to prior period	- 1,452	307,625
	129,389	307,625
Deferred PILs:		
Origination and reversal of timing differences	152,000	200,000
Net impact of Tax on other comprehensive income (OCI)	31,824	54,875
	\$ 183,824	\$ 254,875
Payment in lieu of taxes expense	313,213	562,500
Payment in lieu of taxes expense excluding OCI	\$ 281,389	\$ 507,625

Reconciliation of effective tax rate:

	2020	2019
Earnings before payments in lieu of income taxes	\$ 1,059,242	\$ 2,030,946
Statutory rate	26.5%	26.5%
Income tax	280,699	538,201
Increase (decrease) resulting from:		
Permanent difference	-	8,048
Tax credits	-	(37,887)
Other	690	(737)
	\$ 281,389	\$ 507,625

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2020

9. Payments in lieu of income taxes (continued):

Significant components of the Company's deferred tax balances are as follows:

	2020	2019
Deferred tax assets (liabilities):		
Plant and equipment	\$ (344,000)	\$ (124,000)
Employee benefits	623,000	555,000
Apprenticeship tax credit	(1,000)	(1,000)
	<hr/> \$ 278,000	<hr/> \$ 430,000

10. Long-term debt:

	2020	2019
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	413,334	466,667
(iv) Federation of Canadian Municipalities	420,196	452,519
	<hr/> 9,143,530	<hr/> 9,229,186
Less: current portion of long-term debt	(85,656)	(85,656)
	<hr/> \$ 9,057,874	<hr/> \$ 9,143,530

- (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 (2019 - \$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 \$18,713 (2019 - \$20,911) was paid and expensed during the year.

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2020

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 \$18,479 (2019 - \$19,856) was paid and expensed during the year.

Principal payments on the long-term debt are as follows:

2021	\$ 85,656
2022	85,656
2023	85,656
2024	85,656
2025	85,656
<u>2026 - 2034</u>	<u>8,715,250</u>
	9,143,530
Less: current portion	(85,656)
<u>Long-term portion</u>	<u>\$ 9,057,874</u>

Reconciliation of movements of liabilities to cash flows arising from financing activities:

	2020	2019
Long-term debt – beginning of year	\$ 9,229,186	\$ 9,314,842
Less: cash outflows for principal repayments	(85,656)	(85,656)
<u>Long-term debt – end of year</u>	<u>\$ 9,143,530</u>	<u>\$ 9,229,186</u>

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2020

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, 2020 of \$2,349,497 was based on an actuarial valuation completed in 2018 with the exception of the discount rate which was changed from 3.10% at December 31, 2019 to 2.60% at December 31, 2020.

Changes in the present value of the defined benefit unfunded obligation and the accrued benefit liability:

	2020	2019
Defined benefit obligation, beginning of year	\$ 2,095,366	\$ 1,796,238
Current service cost	146,769	122,245
Interest cost	63,771	69,848
Benefits paid during the year	(76,500)	(100,042)
Actuarial loss recognized in other comprehensive income	120,091	207,077
Accrued benefit liability, end of year	<u>\$ 2,349,497</u>	<u>\$ 2,095,366</u>

Components of net benefit expense recognized are as follows:

	2020	2019
Current service cost	\$ 146,769	\$ 122,245
Interest cost	63,771	69,848
Net benefit expense recognized	<u>\$ 210,540</u>	<u>\$ 192,093</u>

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2020

11. Employee future benefits (continued):

The significant actuarial assumptions used in the valuation are as follows (weighted average):

	2020	2019
Accrued benefit obligation:		
Discount rate	2.60%	3.10%
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%	4.00%

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	\$ 311,500	\$ 23,800
1% decrease in health care trend rate	260,700	35,400

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 2020, the Company made employer contributions of \$1,773,388 to OMERS (2019 - \$1,666,549). The Company's net benefit expense has been charged to income.

13. Employee benefits:

	2020	2019
Salaries, wages and benefits	\$ 17,069,999	\$ 16,448,198
CPP and EI remittances	714,294	698,432
Contributions to OMERS	1,773,388	1,666,549
	<hr/> \$ 19,557,681	<hr/> \$ 18,813,179

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2020

14. Share capital:

	2020	2019
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:

	2020	2019
Streetlights	\$ 422,505	\$ 438,079
Miscellaneous	363,874	626,563
Amortization of deferred revenue	536,179	505,428
Generation revenue	136,504	170,731
<hr/> Total other income	<hr/> \$ 1,459,062	<hr/> \$ 1,740,801

16. Finance income and finance charges:

	2020	2019
Interest income	\$ 70,445	\$ 119,222
Interest expense on amounts due to related party	532,638	532,638
Interest expense on long-term debt	40,591	40,767
	<hr/> 573,229	<hr/> 573,405
Net finance costs recognized in comprehensive income	\$ 502,784	\$ 454,183

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2020

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, 2020, 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.

	2020	2019
Directors' fees	\$ 21,864	\$ 18,885
Salaries and other short-term benefits	946,948	803,936
Post-employment benefits	9,837	10,606
	<hr/> \$ 978,649	<hr/> \$ 833,427

(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 wastewater services to the City. The amount charged to the City for streetlight maintenance is \$422,505 (2019 - \$438,079) and water and wastewater services is \$3,404,540 (2019 - \$3,519,733). As part of the water services, the Company charges the City a sewage administration charge for billing, collecting, and remitting payment to the City. The amount charged to the City for the sewage administration charge is \$227,471 (2019 - \$131,180). The Company declared a dividend to the City in the amount of \$NIL (2019 - \$200,000) of which \$NIL (2019 - \$200,000) is payable at yearend. This amounts to \$NIL per share (2019 - \$50 per share). At December 31, 2020 \$304,578 (2019 - \$347,543) relating to contract revenue and \$1,045,990 (2019 - \$833,237) relating to other services is included in accounts receivable.

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2020

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:

	2020	2019
PUC Distribution Inc.	\$ 5,318,112	\$ 4,655,272
Public Utilities Commission of the City of Sault Ste. Marie	5,704,523	5,088,197
PUC Inc.	269,595	289,015
<hr/>		<hr/>
	\$ 11,292,230	\$ 10,032,484

The following summarizes the Company's related party payable and receivable balances for the year ended December 31:

	2020	2019
Amounts due to:		
Public Utilities Commission of the City of Sault Ste. Marie	\$ 5,421,911	\$ 6,249,064
PUC Inc.	2,520,244	2,180,877
<hr/>		<hr/>
	\$ 7,942,155	\$ 8,429,941
Amounts due from:		
PUC Distribution Inc.	\$ 10,688,540	\$ 9,041,732
17 Trees Inc.	495,105	264,147
<hr/>		<hr/>
	\$ 11,183,645	\$ 9,305,879

The Company charges interest on payable balances at the Ontario Energy Board Deemed Rate on the average payable balance for the month. Interest was charged to PUC Inc., and the Public Utilities Commission of the City of Sault Ste. Marie of \$43,348 and \$103,412 (2019 - \$72,751, and \$102,122 respectively). Interest was charged from PUC Distribution Inc. of \$155,336 (2019 - \$68,363).

The Company was charged interest on its long-term debt to PUC Inc. of \$532,638 (2019 - \$532,638).

New business development costs of \$227,773 (2019 - \$264,047) were charged to PUC Inc.

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

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2020

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. The Company's credit risk associated with accounts receivable is primarily related to payments from the related parties and municipal corporations. As a result of the COVID-19 pandemic, certain of the Company's related parties and municipal corporation clients have customers that experienced loss of employment, business shut-downs and other disruptions. COVID 19 relief assistance from the Government of Canada and Ontario is available for those customers. The Company has not experienced any increase collection risk in 2020 caused by the COVID 19 pandemic.

(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 COVID-19 pandemic has not placed increased liquidity pressure on the Company.

The majority of accounts payable, as reported on the statement of financial position, are due within 30 days.²⁵

(c) Capital disclosures:

The Company's definition of capital includes shareholder's equity and long-term debt. As at December 31, 2020, shareholder's equity amounts to \$3,720,228 (2019 - \$3,062,466) and long-term debt amounts to \$9,057,874 (2019 - \$9,143,530).

19. Comparative figures:

Certain comparative figures have been adjusted to conform to the current period's presentation. For the comparative statement of cash flows, \$384,539 was removed from both the acquisition of property, plant and equipment [investing activity] and contributed capital from developers [financing activity] relating to non-cash transactions that should be excluded from the respective line items.

Financial Statements of

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

Year ended December 31, 2020

PUBLIC UTILITIES COMMISSION OF THE CITY OF SAULT STE. MARIE

Financial Statements

Year ended December 31, 2020

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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, 2020
- the statement of operations and accumulated surplus for the year then ended
- the statement of changes in net financial assets 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, 2020, 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". A single horizontal line is drawn underneath the signature.

Chartered Professional Accountants, Licensed Public Accountants

Sault Ste. Marie, Ontario

April 6, 2021

PUBLIC UTILITIES COMMISSION OF THE CITY OF SAULT STE. MARIE

Statement of Financial Position

December 31, 2020, with comparative information for 2019

	2020	2019
Financial assets:		
Cash	\$ 425,098	\$ 1,357,018
Accounts receivable	3,875,625	3,315,924
Unbilled service revenue	978,476	1,003,613
<u>Receivable from related company, PUC Services Inc. (note 3)</u>	<u>5,421,911</u>	<u>6,249,064</u>
	10,701,110	11,925,619
Financial liabilities:		
Accounts payable and accrued liabilities	4,130,854	6,066,139
<u>Loan payable (note 5)</u>	<u>4,376,289</u>	<u>5,158,807</u>
	8,507,143	11,224,946
Total net financial assets	2,193,967	700,673
Non-financial assets:		
Tangible capital assets (note 7)	97,236,873	92,251,588
<u>Inventory</u>	<u>335,182</u>	<u>315,286</u>
	97,572,055	92,566,874
Effects of COVID-19 (note 9)		
Accumulated surplus (note 8)	\$ 99,766,022	\$ 93,267,547

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, 2020, with comparative information for 2019

	Budget	2020 Total	2019 Total
	(note 2)		
Revenues:			
Service revenue:			
Residential	\$ 12,336,455	\$ 12,659,411	\$ 11,536,861
General	8,406,364	7,876,008	7,746,890
Hydrants	1,148,125	1,533,823	1,434,937
	21,890,944	22,069,242	20,718,688
Other:			
Investment income	35,000	103,412	102,122
Non-service revenue	320,950	395,597	408,923
Developers contributions	-	93,421	337,059
	355,950	592,430	848,104
Total revenues	22,246,894	22,661,672	21,566,792
Expenditures: (note 6)			
Purification and pumping	4,032,074	3,603,667	3,839,429
Transmission and distribution	4,573,954	3,645,013	4,183,343
Amortization of tangible capital assets	2,690,000	2,640,705	2,532,089
Hydrants	580,600	514,253	637,577
Billing and collection	1,216,817	1,134,564	1,230,376
Interest on long-term debt	149,348	149,402	173,333
General and administration	3,817,589	4,475,593	3,634,858
Total expenditures	17,060,382	16,163,197	16,231,005
Operating surplus	5,186,512	6,498,475	5,335,787
Accumulated operating surplus, beginning of year	93,267,547	93,267,547	87,931,760
Accumulated operating surplus, end of year	\$ 98,454,059	\$ 99,766,022	\$ 93,267,547

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

Year ended December 31, 2020, with comparative information for 2019

	Budget (note 2)	2020	2019
Operating surplus	\$ 5,186,512	\$ 6,498,475	\$ 5,335,787
Acquisition of tangible capital assets	(7,720,384)	(7,625,990)	(5,637,846)
Amortization of tangible capital assets	2,690,000	2,640,705	2,532,089
	156,128	1,513,190	2,230,030
Acquisition of inventory	-	(335,182)	(315,286)
Use of inventory	-	315,286	315,146
Change in net financial assets	156,128	1,493,294	2,229,890
Net assets (debt), beginning of year	700,673	700,673	(1,529,217)
Net financial assets, end of year	\$ 856,801	\$ 2,193,967	\$ 700,673

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, 2020, with comparative information for 2019

	2020	2019
Cash provided by (used for):		
Operating activities:		
Operating surplus	\$ 6,498,475	\$ 5,335,787
Items not involving cash:		
<u>Amortization of tangible capital assets</u>	<u>2,640,705</u>	<u>2,532,089</u>
	9,139,180	7,867,876
Change in non-cash assets and liabilities:		
Increase in accounts receivable	(559,701)	(783,878)
Decrease (increase) in unbilled service revenue	25,137	(295,906)
Increase in inventory	(19,896)	(140)
Increase (decrease) in accounts payable	(1,935,285)	3,170,180
Increase in cash from operating activities	6,649,435	9,958,132
Capital activities:		
Cash used to acquire tangible capital assets	(7,625,990)	(5,637,846)
Financing activities:		
Repayment of loan payable	(782,518)	(758,587)
Receivable from PUC Services Inc.	827,153	(4,493,619)
Net change in cash for financing activities	44,635	(5,252,206)
Decrease in cash	(931,920)	(931,920)
Cash, beginning of year	1,357,018	2,288,938
Cash, end of year	<u>\$ 425,098</u>	<u>\$ 1,357,018</u>

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, 2020

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, 2020

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, 2020

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 \$103,412 (2019 – \$102,122) was received during the year.

The Commission was charged management fees and operational fees by Services in the amount of \$5,704,523 (2019 – \$5,088,197). 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, 2020, \$Nil (2019 - \$Nil) was outstanding under the facility.

5. Loan payable:

	2020	2019
Loan payable incurred by The Commission	\$ 4,376,289	\$ 5,158,807

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, 2020

5. Loan payable (continued):

Principal payments due on the loan payable for the next five fiscal years are as follows:

2021	\$ 807,205
2022	832,670
2023	858,938
2024	886,035
2025	913,987

6. Expenditures by object:

Total expenditures by object are as follows:

	2020	2019
Salaries and benefits	\$ 3,897,250	\$ 4,205,039
Materials, supplies and services	9,625,242	9,493,877
Amortization of tangible capital assets	2,640,705	2,532,089
	<hr/> \$ 16,163,197	<hr/> \$ 16,231,005

PUBLIC UTILITIES COMMISSION OF THE CITY OF SAULT STE. MARIE

Notes to the Financial Statements

Year ended December 31, 2020

7. Tangible capital assets:

Cost		Balance at December 31, 2019	Additions	Disposals / Transfers	Balance at December 31, 2020
Land	\$	827,781	532	-	828,313
Buildings and building improvements		9,267,454	288,351	-	9,555,805
Water infrastructure		140,875,932	8,259,823	-	149,135,755
Work in progress		1,061,807	78,595	(1,001,311)	139,091
Total	\$	152,032,974	8,627,301	(1,001,311)	159,658,964
Accumulated Amortization		Balance at December 31, 2019	Disposals	Amortization	Balance at December 31, 2020
Land	\$	-	-	-	-
Buildings and building improvements		4,832,006	-	157,089	4,989,095
Water infrastructure		54,949,380	-	2,483,616	57,432,996
Work in progress		-	-	-	-
Total	\$	59,781,386	-	2,640,705	62,422,091
		Net book value, December 31, 2019		Net book value, December 31, 2020	
Land	\$	827,781		828,313	
Buildings and building improvements		4,435,448		4,566,710	
Water infrastructure		85,926,552		91,702,759	
Work in progress		1,061,807		139,091	
Total	\$	92,251,588		97,236,873	

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 \$93,421 (2019 - \$337,059) comprised of water infrastructure.

PUBLIC UTILITIES COMMISSION OF THE CITY OF SAULT STE. MARIE

Notes to Financial Statements

Year ended December 31, 2020

7. Tangible capital assets (continued):

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, 2020

8. Accumulated surplus:

Accumulated surplus is comprised of:

	2020	2019
Invested in tangible capital assets	\$ 97,236,873	\$ 92,251,588
Operating fund	2,529,149	1,015,959
	<hr/> \$ 99,766,022	<hr/> \$ 93,267,547

9. Effects of COVID-19:

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant global impact with respect to financial markets. This has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. Several measures were put in place which include the implementation of travel bans, self-imposed quarantine periods and social distancing. These measures have caused material disruption to individuals, businesses, and organizations resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions; however, the success of these interventions is not currently determinable.

The Commission is an essential service. At the time of approval of these financial statements, the Commission has experienced the following financial implications in relation to the COVID-19 pandemic:

- Decrease in revenue from general service customers as a result of lockdowns
- Increase in accounts receivable from customers

These factors and the continuance of further lockdowns present uncertainty over future cash flows, may cause changes to the assets or liabilities and may have an impact on future operations. An estimate of the financial effect is not practical at this time.

10. Comparative figures:

Certain 2019 comparative information has been reclassified to conform to the financial statement presentation adopted for 2020. The changes made do not have an impact on the statement of operations.

Financial Statements of

PUC DISTRIBUTION INC.

And Independent Auditors' Report thereon
Year ended December 31, 2020



KPMG LLP
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Sault Ste. Marie ON P6A 6L6
Canada
Telephone (705) 949-5811
Fax (705) 949-0911

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, 2020
- 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, 2020, 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.



Page 3

- 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, Canada

April 6, 2021

PUC DISTRIBUTION INC.

Statement of Financial Position

December 31, 2020, with comparative information for 2019

	2020	2019
Assets		
Current assets:		
Cash and cash equivalents	\$ 124,037	\$ 585,387
Accounts receivable (note 4)	5,738,294	5,433,776
Unbilled revenue	12,240,212	12,098,244
Payment in lieu of taxes recoverable	8,991	-
Inventory (note 5)	2,020,118	1,729,484
Prepaid expenses	67,672	65,217
Total current assets	<u>20,199,324</u>	<u>19,912,108</u>
Non-current assets:		
Property, plant and equipment (note 6)	105,376,966	100,099,858
Total assets	<u>125,576,290</u>	<u>120,011,966</u>
Regulatory balances (note 8)	4,570,573	3,713,593
Total assets and regulatory balances	<u>\$ 130,146,863</u>	<u>\$ 123,725,559</u>

See accompanying notes to financial statements.

PUC DISTRIBUTION INC.

Statement of Financial Position (continued)

December 31, 2020, with comparative information for 2019

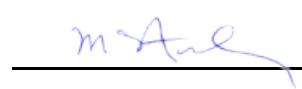
	2020	2019
Liabilities and Shareholder's Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 8,419,954	\$ 10,127,802
Customer deposits (note 11)	712,937	1,067,552
Payment in lieu of taxes	-	45,036
Dividends payable	610,080	900,000
Due to related parties	10,688,540	9,041,731
<u>Current portion of long-term debt (note 10)</u>	<u>1,727,219</u>	<u>1,366,680</u>
Total current liabilities	22,158,730	22,548,801
Non-current liabilities:		
Deferred revenue (note 9)	4,829,126	4,294,948
Deferred tax liability	1,387,000	710,000
<u>Long-term debt (note 10)</u>	<u>64,079,966</u>	<u>60,006,988</u>
Total non-current liabilities	70,296,092	65,011,936
Total liabilities	92,454,822	87,560,737
Shareholder's equity:		
Share capital (note 12)	20,062,107	20,062,107
<u>Retained earnings</u>	<u>16,811,240</u>	<u>14,663,658</u>
Total shareholder's equity	36,873,347	34,725,765
Total liabilities and shareholder's equity	129,328,169	122,286,502
Regulatory balances (note 8)	818,694	1,439,057
Commitments and contingences (note 16)		
Total liabilities, regulatory balances and shareholder's equity	\$ 130,146,863	\$ 123,725,559

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, 2020, with comparative information for 2019

	2020	2019
Revenue:		
Electricity sales (note 13)	\$ 85,083,387	\$ 74,373,612
Distribution revenue (note 13)	19,032,237	19,071,168
Cost of electricity sold	<u>(85,555,982)</u>	<u>(76,035,021)</u>
	18,559,642	17,409,759
Other operating revenue (note 14)	7,630,820	6,747,157
Net operating revenue	26,190,462	24,156,916
Expenses:		
Operations and maintenance	6,434,364	6,302,246
General and administrative	3,129,473	3,172,654
Billing and collection	1,333,216	1,354,435
Depreciation and amortization	4,153,218	4,010,672
Community relations	<u>5,307,274</u>	<u>4,680,636</u>
	20,357,545	19,520,643
Income from operating activities	5,832,917	4,636,273
Net finance costs (note 15)	3,187,222	3,130,511
Income before tax and regulatory items	2,645,695	1,505,762
Income tax expense (recovery):		
Current (note 7)	76,523	126,958
Deferred (note 7)	<u>677,000</u>	<u>638,000</u>
	753,523	764,958
Income for the year before movements in regulatory deferral account balances	1,892,172	740,804
Net movement in regulatory deferral account balances related to income or loss	(188,490)	(1,661,409)
Income tax	(677,000)	(638,000)
	(865,490)	(2,299,409)
Net income, being total comprehensive income for the year	\$ 2,757,662	\$ 3,040,213

See accompanying notes to financial statements.

PUC DISTRIBUTION INC.

Statement of Changes in Shareholder's Equity

Year ended December 31, 2020, with comparative information for 2019

	Share Capital	Retained Earnings	Total
Balance as at January 1, 2019	\$ 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
Net income and comprehensive income	-	2,757,662	2,757,662
Dividends on common shares	-	(610,080)	(610,080)
Balance at December 31, 2020	\$ 20,062,107	\$ 16,811,240	\$ 36,873,347

See accompanying notes to financial statements.

PUC DISTRIBUTION INC.

Statement of Cash Flows

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Cash provided by (used in)		
Cash flows from operating activities:		
Total comprehensive income for the year	\$ 2,757,662	\$ 3,040,213
Items not involving cash:		
Depreciation and amortization	4,153,218	4,010,672
Amortization of deferred revenue	(123,988)	(101,862)
Net finance costs	3,187,222	3,130,511
Income tax expense	753,523	764,958
	10,727,637	10,844,492
Changes in non-cash working capital:		
Accounts receivable	(304,518)	(12,646)
Unbilled revenue	(141,968)	(3,540,640)
Inventory	(290,634)	(119,056)
Prepaid expenses	(2,455)	380,463
Due to related parties	1,647,268	5,763,202
Accounts payable and accrued liabilities	(1,707,849)	1,976,290
Customer deposits	(354,615)	(31,781)
Income tax paid	(130,550)	(41,144)
Net movements in regulatory balances	(1,477,343)	(5,035,197)
	7,964,973	10,183,983
Cash flows from financing activities:		
Repayment of long-term debt	(1,366,483)	(1,312,679)
Proceeds of issuance of long-term debt	5,800,000	-
Interest paid	(3,187,681)	(3,133,430)
Dividends paid	(900,000)	-
	345,836	(4,446,109)
Cash flows from investing activities:		
Purchase of property, plant and equipment	(8,772,159)	(5,767,100)
	Change in cash and cash equivalents	(461,350) (29,226)
	Cash and cash equivalents, beginning of year	585,387 614,613
	Cash and cash equivalents, end of year	\$ 124,037 \$ 585,387

See accompanying notes to financial statements.

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2020

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 April 6, 2021.

(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. All financial information presented in Canadian dollars has been rounded to the nearest dollar.

(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) Notes 3 (d), 6 - Property, plant and equipment: estimation of useful lives
- (ii) Note 15 - Commitments and contingencies
- (iii) Note 8 - recognition of regulatory balances
- (iv) Note 3 (k) - leased assets

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2020

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.

The OEB has a decision and order in place banning utilities in Ontario from disconnecting homes for non-payment during the winter. This ban is normally in place from November 15 to April 30 each year but was extended this year to July 31, 2020.

(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.

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2020

2. Basis of presentation (continued):

(g) Rate setting (continued):

ii) Distribution revenue (continued):

The Company filed an IRM and ICM in 2019 requesting a 1.55% inflationary increase to distribution rates and a substation upgrade rate rider effective May 1, 2020. The PUC elected to defer the implementation of rates to November 1, 2020 which the OEB approved October 8, 2020.

iii) 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.

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2020

3. Significant accounting policies (continued):

(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.

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.

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2020

3. Significant accounting policies (continued):

(b) Revenue recognition (continued):

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.

c) Inventory:

Inventories consist of parts, supplies and materials held for the future capital expansion or replacement 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:

Items of property, plant and equipment ("PP&E") used in rate-regulated activities and acquired prior to January 1, 2014 are measured at deemed cost established on the transition date less accumulated depreciation. All other items of PP&E are measured at cost, or, where the item is contributed by customers, its fair value, less accumulated depreciation.

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.

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2020

3. Significant accounting policies (continued):

(d) Property, plant and equipment (continued):

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.

(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.

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2020

3. Significant accounting policies (continued):

(e) Impairment (continued):

(ii) Non-financial assets (continued):

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.

(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.

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2020

3. Significant accounting policies (continued):

(h) Regulatory deferral accounts (continued):

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.

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 2020 the rate was 2.18% for the first two quarters of the year and 0.57% 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.

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2020

3. Significant accounting policies (continued):

(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.

(k) Leased assets:

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.

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, 2020

3. Significant accounting policies (continued):

(I) 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.

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2020

3. Significant accounting policies (continued):

(m) 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, 2020, 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, 2020

3. Significant accounting policies (continued):

(m) 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:

	2020	2019
Trade receivables	\$ 5,392,292	\$ 5,104,625
Other receivables	346,002	329,151
	<hr/> \$ 5,738,294	<hr/> \$ 5,433,776

Included in the receivables balance is an allowance for doubtful accounts in the amount of \$348,864 (2019 - \$353,384)

5. Inventory:

The amount of inventories consumed by the Company and recognized as an expense during 2020 was \$272,313 (2019 - \$326,444).

	2020	2019
Stores	\$ 1,003,436	\$ 951,738
Wire and cable	695,548	499,695
Poles	321,134	278,051
	<hr/> \$ 2,020,118	<hr/> \$ 1,729,484

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2020

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, 2020	\$ 26,075,741	\$ 73,567,004	\$ 21,087,433	\$ 1,275,692	\$ 122,005,870
Additions	139,988	5,019,661	726,078	3,544,598	9,430,325

	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

(b) Accumulated depreciation:

	Land and buildings	Transmission & distribution	Plant & equipment	Construction -in- Progress	Total
Balance at January 31, 2020	\$ 4,087,214	\$ 12,335,673	\$ 5,483,125	\$ —	\$ 21,906,012
Depreciation charge	692,833	2,465,897	994,487	—	4,153,217

	Land and buildings	Transmission & distribution	Plant & equipment	Construction -in- Progress	Total
Balance at January 31, 2020	\$ 4,087,214	\$ 12,335,673	\$ 5,483,125	\$ —	\$ 21,906,012
Depreciation charge	692,833	2,465,897	994,487	—	4,153,217

	Land and buildings	Transmission & distribution	Plant & equipment	Construction -in- Progress	Total
Balance at January 31, 2020	\$ 4,087,214	\$ 12,335,673	\$ 5,483,125	\$ —	\$ 21,906,012
Depreciation charge	692,833	2,465,897	994,487	—	4,153,217

	Land and buildings	Transmission & distribution	Plant & equipment	Construction -in- Progress	Total
Balance at January 31, 2020	\$ 4,087,214	\$ 12,335,673	\$ 5,483,125	\$ —	\$ 21,906,012
Depreciation charge	692,833	2,465,897	994,487	—	4,153,217

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 \$4,829,126 (2019 - \$4,294,948), comprised of distribution infrastructure.

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2020

6. Property, plant and equipment (continued):

(c) Carrying amounts:

	Land and buildings	Transmission & distribution	Plant & equipment	Construction -in- Progress	Total
At December 31, 2020	\$ 21,435,682	63,785,095	15,335,899	4,820,290	105,376,966
At December 31, 2019	\$ 21,987,527	61,231,331	15,604,308	1,275,692	100,099,858

(d) Security:

At December 31, 2020, properties with a carrying amount of \$105,376,966 (2019 - \$100,099,858) are subject to a general security agreement.

7. Payments in lieu of income taxes:

Payment in lieu of taxes expense (recovery):

Current PILs Expense:

	2020	2019
Current payments in lieu of income tax	\$ 76,523	\$ 85,514
Adjustment to prior years	—	41,444
<u>Payment in lieu of income tax expense</u>	<u>\$ 76,523</u>	<u>\$ 126,958</u>

Deferred PILs Expense:

	2020	2019
Origination and reversal of timing differences	\$ 677,000	\$ 638,000
<u>Payment in lieu of income tax expense</u>	<u>\$ 753,523</u>	<u>\$ 764,958</u>

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2020

7. Payments in lieu of income taxes (continued):

Reconciliation of effective tax rate:

	2020	2019
Net income being total comprehensive income for the year	\$ 2,834,185	\$ 3,167,171
Statutory rate	26.5%	26.5%
Income tax	751,059	839,300
Increase (decrease) resulting from:		
Permanent difference	1,563	1,584
Adjustment to prior year's recovery	–	(76,000)
Other	901	74
	<hr/> \$ 753,523	<hr/> \$ 764,958

Significant components of the Company's deferred tax balances are as follows:

	2020	2019
Deferred tax assets (liabilities):		
Plant and equipment	\$ (2,424,000)	\$ (1,882,000)
Reserves	92,000	94,000
CMT credit	366,000	290,000
Non-capital loss carry forward	579,000	788,000
	<hr/> \$ (1,387,000)	<hr/> \$ (710,000)

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2020

8. Regulatory deferral account balance:

The following is a reconciliation of the carrying amount for each class of regulatory deferral account balances:

	January 1, 2020	Balances arising in the period	Recovery/ reversal	December 31, 2020	Remaining recovery/ reversal period (years)
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Regulatory deferral account debit balances

Settlement Variance	\$ 2,439,984	\$ (56,265)	\$ 245,703	\$ 2,629,422	<1
Deferred taxes	966,000	–	920,000	1,886,000	
LRAMVA	307,609	1,439	(253,897)	55,151	<1
Total amount related to regulatory deferral account debit balances	\$ 3,713,593	\$ (54,826)	\$ 911,805	\$ 4,570,573	

Regulatory deferral account credit balances

Deferred Taxes	\$ (256,000)	\$ –	\$ (243,000)	\$ (499,000)	
Stranded Meters	(34)	34	–	–	
Smart Meter Entity Charges	(23,822)	(276)	(59)	(24,157)	<1
Regulatory Asset Recovery Account Phase 5-9	(567,447)	(32,584)	600,031	–	<1
Regulatory Asset Recovery Account Phase 10	(591,756)	175,023	405,301	(11,432)	<1
CGAAP Accounting Changes	2	(2)	–	–	
Accelerated CCA	–	(284,105)	–	(284,105)	
Total amount related to regulatory deferral account credit balances	\$ (1,439,057)	\$ (141,910)	\$ 762,273	\$ (818,694)	

	January 1, 2019	Balances arising in the period	Recovery/ reversal	December 31, 2019	Remaining recovery/ reversal period (years)
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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)	

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2020

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, 2020	\$ 4,630,407	\$ —	\$ 4,630,407
Additions	658,166	—	658,166
Balance at December 31, 2020	\$ 5,288,573	\$ —	\$ 5,288,573
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
	Distribution assets	Construction in-Progress	Total
Accumulated depreciation			
Balance at January 1, 2020	\$ 335,459	\$ —	\$ 335,459
Depreciation	123,988	—	123,988
Balance at December 31, 2020	\$ 459,447	\$ —	\$ 459,447
Balance at January 1, 2019	\$ 233,597	\$ —	\$ 233,597
Depreciation	101,862	—	101,862
Balance at December 31, 2019	\$ 335,459	\$ —	\$ 335,459
Carrying amounts			
At December 31, 2020	\$ 4,829,126	\$ —	\$ 4,829,126
At December 31, 2019	4,294,948	—	4,294,948

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2020

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 \$658,166 (2019 - \$1,111,843). 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:

	2020	2019
Notes payable:		
(i) Ontario Infrastructure smart meter loan	\$ 3,015,290	\$ 3,331,997
(ii) Ontario Infrastructure building loan	17,331,453	17,946,697
(iii) Ontario Infrastructure distribution loan	13,126,402	13,560,934
(iv) Ontario Infrastructure construction loan	5,800,000	-
(v) Note payable to parent company, PUC Inc.	26,534,040	26,534,040
	65,807,185	61,373,668
Current portion of long-term debt	(1,727,219)	(1,366,680)
	<hr/> \$ 64,079,966	<hr/> \$ 60,006,988

- 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 \$119,245 (2019 - \$131,193) 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 \$807,576 (2019 - \$834,821) 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 \$463,697 (2019 - \$478,495) 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) Electric Distribution Infrastructure Loan with OILC: Temporary construction loan with a variable interest rate. Interest of \$33,436 was paid and expensed during the year and \$95,646 was capitalized. The construction loan was converted to long debt on January 15, 2021, at an interest rate of 2.11%, repayable over 15 years by a blended principal and interest payment of \$37,618 monthly maturing on January 15, 2036. Security is in the form of a fifth ranking general security agreement and a guarantee and assignment of shares from the company's shareholder, PUC Inc.

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2020

10. Long-term debt (continued):

- v) 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 2020 was 6.1% (2019 – 6.1%). The balance outstanding for 2019 is \$26,534,040 (2019 - \$26,534,040).

Subsequent to yearend, on February 16, 2021 the Company drew on their drawdown certificate with OILC in the amount of \$4 million to cover infrastructure upgrades that were paid using cash from Services. The amounts from the drawdown went to repay part of the balance payable to related party. The amount remains as a construction loan with a variable interest rate until it is transferred into a term loan.

Principal payments on the long-term debt are as follows:

2021	\$ 1,727,219
2022	1,820,265
2023	1,888,541
2024	1,959,526
2025	2,033,332
2026 - 2042	56,378,302
	<hr/> \$ 65,807,185

Reconciliation of movements of liabilities to cash flows arising from financing activities:

	2020	2019
Long term debt - beginning	\$ 61,373,668	\$ 62,686,347
Less: cash outflows for principal repayments	(1,366,483)	(1,312,679)
Add: cash inflow for new debt	5,800,000	–
	<hr/> \$ 65,807,185	\$ 61,373,668

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, 2020 is \$712,937 (2019 - \$1,067,552).

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2020

12. Share capital:

	2020	2019
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

13. Electricity sales:

The Corporation generates revenue primarily from the sale and distribution of electricity to its customers. In the following table, revenue from contracts with customers is disaggregated by type of customer.

	2020	2019
Electricity sales	\$ 85,083,387	\$ 74,373,612
Distribution revenue	19,032,237	19,071,168
Total revenue from contracts with customers	\$ 104,115,624	\$ 93,444,780

	2020	2019
Residential	\$ 54,222,874	\$ 44,731,622
Commercial	49,263,706	48,012,954
Street lights	629,044	700,204
	\$ 104,115,624	\$ 93,444,780

14. Other operating revenue:

Other income comprises:

	2020	2019
Conservation and demand management	\$ 4,731,173	\$ 4,031,628
Service work related to distribution operations	1,501,205	1,498,284
Pole attachment and duct rentals	828,248	791,218
Account-related charges	296,114	173,679
Other	150,092	149,986
Capital contributions from customers amortized to revenue	123,988	101,862
Gain on disposal of property, plant and equipment	-	500
Total other income	\$ 7,630,820	\$ 6,747,157

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2020

15. Finance income and expense:

	2020	2019
Interest income	\$ 459	\$ 2,919
Interest expense on long-term debt	2,946,885	3,063,085
Other interest and carrying charges	240,796	70,345
	<u>3,187,681</u>	<u>3,133,430</u>
Net finance costs recognized in profit or loss	<u>\$ 3,187,222</u>	<u>\$ 3,130,511</u>

16. 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, 2020, 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.

17. 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).

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2020

17. Related party transactions (continued):

(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:

	2020	2019
Directors' fees	\$ 12,035	\$ 9,870

(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 \$631,183 (2019 - \$635,219) and for other electricity consumption is \$3,915,844 (2019 - \$4,277,141).

(d) Transaction with PUC Inc.:

The Company declared dividends on its common shares held by PUC Inc. in the amount of \$610,080 (2019 - \$900,000). This amounts to \$70.84 per share (2019 - \$104.51 per share). Dividends payable to PUC Inc. at the end of the year amount to \$610,080 (2019 - \$900,000).

(e) 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 charged by Services in the amount of \$5,318,112 (2019 - \$4,655,272).

The Company pays interest on its payable balance to Services at the OEB prescribed short-term borrowing rate on its average monthly balance. Interest of \$155,336 (2019 – \$68,363) was paid during the year.

The payable balance to Services at December 31, 2020 amounts to \$10,688,540 (2019 - \$9,041,731).

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.

(f) Transactions with NWI:

The Company is related to NWI through common ownership group. There were no transactions with NWI during the year (2019 - \$NIL).

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2020

18. 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, 2020 is \$348,864 (2019 - \$353,384).

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, 2020, the Company holds security deposits in the amount of \$712,937 (2019 - \$1,067,552).

As a result of the COVID-19 pandemic, certain of the Corporation's customers have experienced loss of employment, business shut-downs and other disruptions. The extension of the OEB's winter disconnection ban negatively impacted the Corporation's ability to exercise the full extent of its collection tools to manage the credit risk. In response to the increased collection risk, the Corporation has increased its loss allowance for expected credit losses to adjust for the higher level of expected customer defaults on accounts receivable. The Corporation has estimated the expected credit losses using its historical loss rates and recent trends for customer collections along with current and forecasted economic conditions and data. There is a greater degree of estimation uncertainty over this loss estimate than in 2019. To support residential and small business customers struggling to pay their energy bills, the Government of Ontario provided funding for the COVID-19 Energy Assistance Program ("CEAP"). The Corporation was allocated a portion of this funding and actively participated in the program.

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2020

18. Financial instruments and risk management (continued):

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.

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 has access to a \$4,500,000 credit facility and monitors cash balances daily to ensure that a sufficient level of liquidity is on hand to meet financial commitments as they come due. The COVID-19 pandemic has placed increased liquidity pressure on the Corporation. The Corporation's currently available liquidity is expected to be sufficient to address any reasonably foreseeable impacts that the COVID-19 pandemic may have on the Corporation's cash requirements.

As at December 31, 2020, 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, 2020, shareholder's equity amounts to \$36,873,347 (2019 - \$34,725,765) and long-term debt amounts to \$65,807,185 (2019 - \$61,373,668).

THE CORPORATION OF THE CITY OF SAULT STE. MARIE
BY-LAW 2021-127

PARKING: 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 28th day of June, 2021.

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
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 TRAVESON,TERRENCE	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
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	BELLUVUE MARINA & PARK/ BONDAR MARINE & PARK/STRATHCLAIR DOG PARK&SPORTS COMPLEX/QE 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 TAAVEL,ANDRE	CITY OF SAULT STE MARIE	TRANSIT SERVICE AREA
397 LAFRAMBOISE,YVON	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
410 POYNÉR,Harold	G4S SECURE SOLUTIONS	SAULT HOSPITAL
411 MOORE,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/TENARIS/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	220917 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/TENARIS/JOHN RHODES/QE SPORTS COMPLEX/Algoma Public Health/314 Wellington Street West
484 MCLEOD,VIRGINIA	CITY OF SAULT STE MARIE	BELLUVUE MARINA & PARK/ BONDAR MARINE & PARK/STRATHCLAIR DOG PARK&SPORTS COMPLEX/QE SPORTS COMPLEX/JOHN RHODES
486 LONGO,NADIA	GT NORTH RETIREMENT	760 NORTHERN RD
487 ROUGEAU,MARISA	GT NORTH RETIREMENT	760 NORTHERN RD
488 LEFLUER,MARILYN	GT NORTH RETIREMENT	760 NORTHERN RD
489 MCQUEEN,WANDA	GT NORTH RETIREMENT	760 NORTHERN RD
490 LUXTON,JEFF	GT NORTH RETIREMENT	760 NORTHERN RD
493 BROWN,FRASER	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
518 GAY,JAMES	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
517 ROY,BRENDA	NORTH EAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JCHN RHODES/QE SPORTS COMPLEX/Algoma Public Health/314 Wellington Street West
537 GRAWBARGER,KYLE	G4S SECURE SOLUTIONS	SAULT HOSPITAL
541 DIMMA,WMILLIAM	ALGOMA CENTRAL PROP	STATION MALL/STATION 49/STATION TOWER
547 LIEPA,MATTHEW	ALGOMA CENTRAL PROP	STATION MALL/STATION 49/STATION TOWER
548 CARON,ROGER	CITY OF SAULT STE MARIE	99 FOSTER DR. (CIVIC CENTRE)
556 ARCAN, 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
566 SWEET,WILLARD	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
568 PICK,DENNY	CORPS OF COMM	SAULT AIRPORT
574 BOUCHARD,DARYL	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
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,DEBORAH	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/MCMEKEN CENTRE/NORTHERN COMMUNITY CENTRE
623 AYTON,BENJAMIN	CITY OF SAULT STE MARIE	JOHN RHODES/GFL MEMORIAL GARDENS/MCMEKEN CENTRE/NORTHERN COMMUNITY CENTRE
624 MIHALIU, JASON	CITY OF SAULT STE MARIE	JOHN RHODES/GFL MEMORIAL GARDENS/MCMEKEN CENTRE/NORTHERN COMMUNITY CENTRE
627 BAKER, WILLIAM	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/TENARIS/JOHN RHODES/QE SPORTS COMPLEX/Algoma Public Health/314 Wellington Street West
634 TIBBLES,COLLEEN	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	BELLUVUE MARINA & PARK/ BONDAR MARINE & PARK/STRATHCLAIR DOG PARK&SPORTS COMPLEX/QE SPORTS COMPLEX
644 SANTA MARIE,ROBERT	CITY OF SAULT STE MARIE	JOHN RHODES/ESSAR CENTRE/MCMEKEN CENTRE/NORTHERN COMMUNITY CENTRE
646 BOOTH,ABBY	CITY OF SAULT STE MARIE	JOHN RHODES/ESSAR CENTRE/MCMEKEN CENTRE/NORTHERN COMMUNITY CENTRE
649 GRAHAM,STEVEN	FENGATE PROPERTY	248 NORTHERN AVE
650 LANG,RICHARD	G4S SECURITY	SAULT HOSPITAL
653 BIOCCHI,CHRISTOPHER	AIRPORT	1-475 AIRPORT RD
659 MARCIL,BONNIE	STRICTLY CONFIDENTIAL INC	RJ'S MARKET
664 HAMMERSTEDT,ERIC	STRICTLY CONFIDENTIAL INC	RJ'S MARKET
665 MATTHEWS SUANNE	NORTHLAND ANIMAL HOSP	695 TRUNK RD
666 AITKEN ANDREW	G4S SECURITY	SAULT HOSPITAL
669 BOREAN RICK	CITY OF SAULT STE MARIE	BELLUVUE MARINA & PARK/ BONDAR MARINE & PARK/STRATHCLAIR DOG PARK&SPORTS COMPLEX/QE SPORTS COMPLEX
670 MCGUIRE,STEVE	REGENT PROPERTY	402/302 BAY ST/390 BAY/RIVERWALK CONDOS
671 MCGUIRE, PATRICK	REGENT PROPERTY	402/302 BAY ST/390 BAY/RIVERWALK CONDOS
674 DERASPI,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
686 ASH KEITH	CITY OF SAULT STE MARIE	PUBLIC WORKS PLLOWING 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
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
707	FINN, 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
708	POWLEY, CHAD	G4S SECURITY	SAULT AREA HOSPITAL
711	MASON, STEPHEN	Riversedge Developments	503 BAY ST
712	KOOSTACHIN, ANDREW	Ontario Finnish Resthome	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/QUEENSCENTRE/HURON ST PROPERITES/ALGOMA PUBLIC HEALTH/556 QUEEN STRATHCLAIR DOG& 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
723	ROCCA, ANTHONY	NORPRO SECURITY	DAVEY HOME/QUEENSCENTRE/HURON ST PROPERITES/ALGOMA PUBLIC HEALTH/556 QUEEN STRATHCLAIR DOG& SPORTS/QE ECOMPLEX/JOHN RHODES/726 QUEEN ST
724	ROULEAU, MICHEAL	CORPS OF COMM	SAULT AIRPORT
725	PAAT, EMMA LEE	AIRPORT	SAULT AIRPORT
727	CLARK, DYLAN	G4S SECURITY	SAULT AREA HOSPITAL
729	DOUCHAMIE, CHELSEY	G4S SECURITY	SAULT AREA HOSPITAL
731	NOTT, REGINALD	CORPS OF COMM	SAULT AIRPORT
733	GREGORCHUK, CATHERINE	REAL ESTATE STOP INC	2 QUEEN STREET WEST
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 SERVICI	68 MARCH ST, 485 QUEEN ST E (REAR)
740	VERMA, ABBIEH	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,& 536A GOULAIUS AVE
743	MILNE, GEORGE	CROATIAN VILLAGE	80 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	751/769 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, ARYANNA	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/QUEENSCENTRE/HURON ST PROPERITES/ALGOMA PUBLIC HEALTH/556 QUEEN STRATHCLAIR DOG& SPORTS/QE ECOMPLEX/JOHN RHODES/726 QUEEN ST
756	MCCOY, ROBERT	NORPRO SECURITY	DAVEY HOME/QUEENSCENTRE/HURON ST PROPERITES/ALGOMA PUBLIC HEALTH/556 QUEEN STRATHCLAIR DOG& SPORTS/QE ECOMPLEX/JOHN RHODES/726 QUEEN ST
757	WERTH, KARL	KC SECURITY	CONTRACTED CLIENTS ON PRIVATE PROPERTY
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 Strathtown Park James Elliot Park Roberta Bondar Park&Marina Pointe Des Chenes PWL 556 Queen St E AUSIB& HSCDSB- All Locations Notre Dame Du Sault Bushplane Museum 116 Industrial Park Cres. Public Libraries NCC, YMCA Haldimand Coop 60 Pm St 331
764	PARDY, NATHAN	KC SECURITY	Korah Rd & 149A Trunk Rd/275 Second Line W Bellevue Park&Marina Strathtown Park James Elliot Park Roberta Bondar Park&Marina Pointe Des Chenes PWL 556 Queen St E, ADSBA HSCDSB- All Locations Notre Dame Du Sault Bushplane Museum 116 Industrial Park Cres. Public Libraries NCC, YMCA Haldimand Coop 60 Pm St 331
765	LAPRADE, DANIEL	KC SECURITY	Korah Rd & 149A Trunk Rd/275 Second Line w
766	PALARO, DONALD	CITY OF SAULT STE MARIE	JOHN RHODES/GFL MEMORIAL GARDENS/MCMEEKEN CENTRE/NORTHERN COMMUNITY CENTRE
767	JOHNSON, DREW	CITY OF SAULT STE MARIE	ROBERTA BONDAR PARK & BELLEVUE MARINA
768	TULLOCH, 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
769	WEST, NADINE	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
770	BHARDWAJ, RISHABH	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
771	JANKAR, PAVAN	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
772	SINGH, ARSHPREET	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
773	VERMA, PUNEET	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
774	GILL, HARPREET	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
775	KUMAR, ANKUR	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
776	FRANCE, ADAM	NEPTUNE SECURITY	SAULT STE. MARIE AIRPORT
777	LONG, CHRISTYNE	NEPTUNE SECURITY	SAULT STE. MARIE AIRPORT
778	SEWELL, CAROLYN	NEPTUNE SECURITY	SAULT STE. MARIE AIRPORT
779	BONIN, THOMAS	NEPTUNE SECURITY	SAULT STE. MARIE AIRPORT
780	SINGH, GURPREET	NEPTUNE SECURITY	SAULT STE. MARIE AIRPORT
781	PATEL, JANKI	NEPTUNE SECURITY	SAULT STE. MARIE AIRPORT
782	PATEL, PARAS	NEPTUNE SECURITY	SAULT STE. MARIE AIRPORT
783	THOROLD, EDWARD	NEPTUNE SECURITY	SAULT STE. MARIE AIRPORT
784	MORIN, KEVIN	KC SECURITY	CONTRACTED CLIENTS ON PRIVATE PROPERTY
785	SULLIVAN, KASSANDRA	G4S SECURITY	SAULT AREA HOSPITAL
786	DUDGEON, JAMIE	KC SECURITY	CONTRACTED CLIENTS ON PRIVATE PROPERTY
787	HINZ, MIKAELA	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

THE CORPORATION OF THE CITY OF SAULT STE. MARIE
BY-LAW NO. 2021-129

PROPERTY: A by-law to declare the City owned property legally described as PIN 31514-0095 (LT) PT SEC 32 TARENTORUS PT 1 1R10348 E OF PT 1 & 2 1R10668; T/W AS EASEMENT AS IN T176382; SAULT STE. MARIE being civic 69 Old Garden River Road, as surplus to the City's needs and to authorize the disposition of the said property.

THE COUNCIL of The Corporation of the City of Sault Ste. Marie, pursuant to the *Municipal Act, 2001*, S.O. 2001, c. 25, **ENACTS** as follows:

1. LANDS DECLARED SURPLUS

The lands more particularly described in Schedule "A" to this by-law are surplus to the requirements of the municipality.

2. SALE AUTHORIZED

The Corporation of the City of Sault Ste. Marie shall sell the lands more particularly described in Schedule "A" hereto.

3. SCHEDULE "A"

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

4. EFFECTIVE DATE

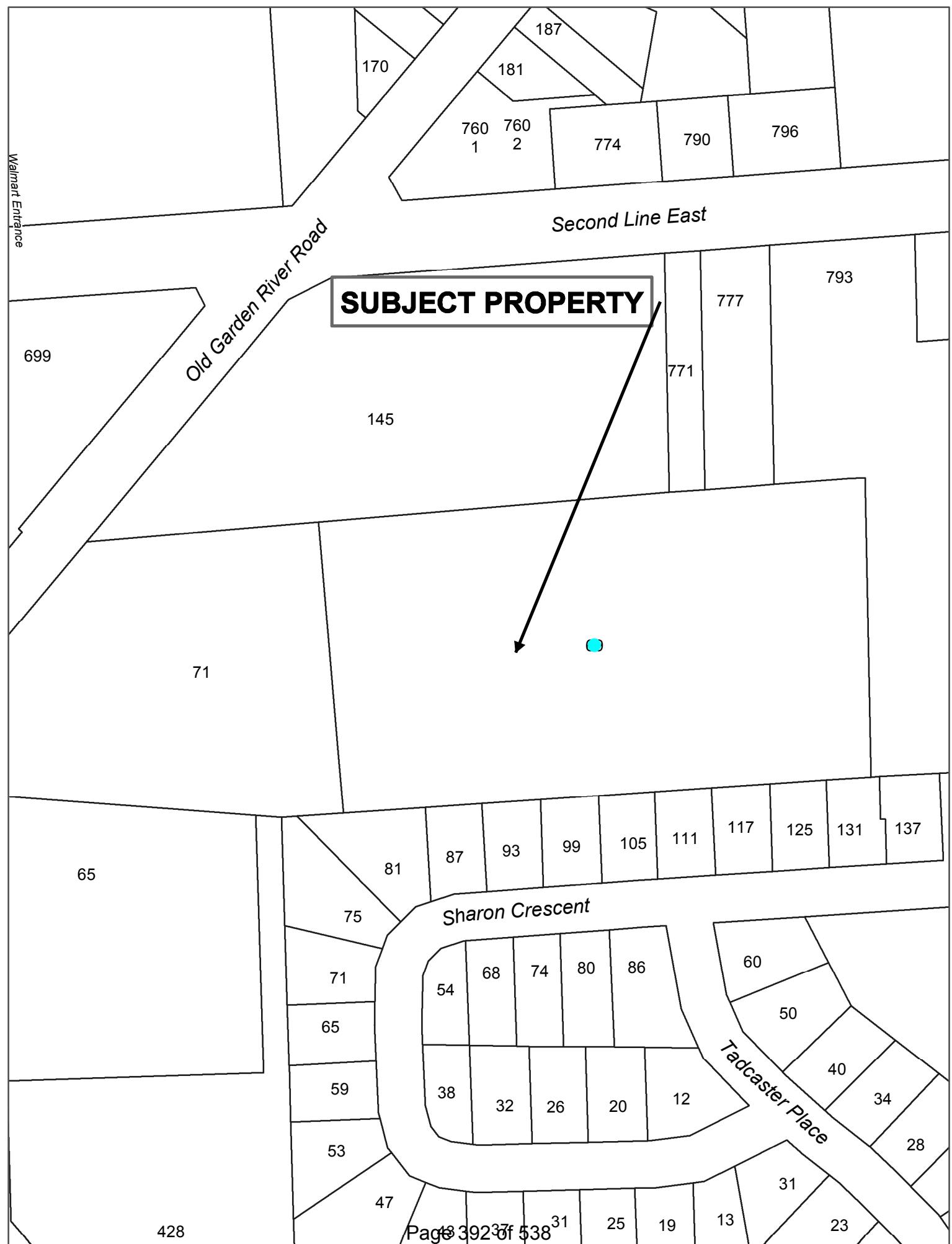
This by-law takes effect on the day of its final passing.

PASSED in open Council this 28th day of June, 2021.

MAYOR – CHRISTIAN PROVENZANO

CITY CLERK – RACHEL TYCZINSKI

Schedule "A"



THE CORPORATION OF THE CITY OF SAULT STE. MARIE
BY-LAW 2021-130

AGREEMENT: A by-law to authorize the execution of the Assignment and Assumption of Contract Agreement between the City and Tulloch Engineering Inc. to provide structural engineering services in support of repairs to the Pim Street Pump Station.

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 Assignment and Assumption of Contract Agreement dated April 30, 2021 between the City and Tulloch Engineering Inc., a copy of which is attached as Schedule "A" hereto. This Assignment and Assumption of Contract Agreement is to provide structural engineering services in support of repairs to the Pim Street Pump Station.

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 28th day of June, 2021.

MAYOR - CHRISTIAN PROVENZANO

CITY CLERK - RACHEL TYCZINSKI

ASSIGNMENT AND ASSUMPTION OF CONTRACT

This ASSIGNMENT AND ASSUMPTION OF CONTRACT AGREEMENT (this "Agreement") is made effective as of April 30, 2021 (the "Effective Date") between The Corporation of the City of Sault Ste. Marie ("Client") and TULLOCH ENGINEERING INC., a Province of Ontario corporation ("Tulloch").

RECITALS

WHEREAS, Client is presently party to a contract between themselves and STEM Engineering Group Incorporated dated November 25, 2020 (the "Contract"), pursuant to which Client had engaged STEM Engineering Group Incorporated ("STEM") to provide structural engineering services in support of repairs to the Pim Street Pump Station located in Sault Ste. Marie, Ontario.

AND WHEREAS, a true and complete copy of the Contract and all Exhibits thereto is attached to this Agreement as [Exhibit A](#) hereto and by this reference made an integral part of this Agreement for all purposes.

AND WHEREAS, capitalized terms used in this Agreement and not otherwise defined herein shall have the same meaning ascribed to those terms in the Contract.

AND WHEREAS, Client acknowledges that, as of the Effective Date, STEM has assigned all of its interest in the Contract to Tulloch, and Tulloch has agreed to assume the Contract, from and after the Effective Date.

AND WHEREAS, accordingly, Client and Tulloch are executing and entering into this Agreement in order to evidence the assumption of the Contract as of the Effective Date.

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Assignment**. Client hereby acknowledges that Tulloch has assumed all the obligations of the Contract from STEM.
2. **Assumption**. Tulloch hereby assumes from STEM and agrees to perform, fulfill and comply with all covenants and obligations to be performed, fulfilled or complied under the Contract arising from and after the Effective Date of this Agreement.
3. **Miscellaneous**.
 - (a) **Authority**. Each party to this Agreement represents and warrants to the other parties to this Agreement that it is authorized to enter into this Agreement and/or to execute the applicable assignment, assumption and/or consent provisions set forth herein and performs its respective obligations hereunder without the consent or approval of any other person or party, and that the person signing this Agreement on its respective behalf is authorized to sign on behalf of such party.

(b) Successor and Assigns; Interpretation. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and permitted assigns.

(c) Further Assurances. Each of the parties hereto shall execute and deliver such additional documents, instruments, conveyances and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated hereby and thereby.

4. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original copy, and all of which together will constitute one and the same instrument. A signed copy of this Agreement delivered by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

5. Entire Agreement; Amendments and Modifications. This Agreement, together with any other documents incorporated herein by reference and all related exhibits and schedules, represents the entire understanding and agreement between Client and Tulloch with respect to the subject matter hereof, and this Agreement may only be amended, modified or supplemented by an agreement in writing signed by each party hereto. The agreement in writing shall then be binding on the parties thereto.

6. Severability. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

7. Governing Law. This Agreement is governed by and construed in accordance with the laws of the province Ontario, and the federal laws of Canada applicable in that province.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, Client and Tulloch have duly executed this Agreement as of the date first above written.

CLIENT:

The Corporation of the City of Sault
Ste. Marie

By: _____

Name: Christian Provenzano
Title: Mayor

CLIENT:

The Corporation of the City of Sault Ste.
Marie

By: _____

Name: Rachel Tyczinski
Title: City Clerk

TULLOCH ENGINEERING INC., a
Province of Ontario corporation

By: _____


Name: Larry Jackson
Title: General Manager

EXHIBIT A
COPY OF CONTRACT

EXHIBIT A

M.E.A. / C.E.O.
CLIENT / ENGINEER AGREEMENT
FOR
Professional Consulting Services
2020

AGREEMENT CONTENTS

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**AGREEMENT
FOR
PROFESSIONAL CONSULTING SERVICES**

Dated the 25th day of November A. D. 2020

-BETWEEN-

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

Hereinafter called the 'Client'

THE PARTY OF THE FIRST PART

-AND-

STEM ENGINEERING GROUP INCORPORATED

Hereinafter called the 'Engineer'

THE PARTY OF THE SECOND PART

WHEREAS the Client intends to design engineering details for repairs of the Overflow Tank, Wet Well #1 and Wet Well #2 of the Pim Street Pump Station. Repairs include: East wall repair of the Overflow Tank, roof slab repair of Wet Well #1, pipe support replacement and access ladder replacement of both Wet Wells #1 and #2. The purpose of the repairs is to maintain the structural integrity and function of the Pump Station.

Hereinafter called the 'Project' and has requested the Engineer to furnish professional services in connection therewith.

NOW THEREFORE WITNESSETH that in consideration of the covenants contained herein, the Client and the Engineer mutually agree as follows:

DEFINITIONS

- a) 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.
- b) Services – The services to be provided by the Consultant and by the Client for the Project are set forth in Article 2 and such services as changed, altered or added to under Section 1.7 are hereinafter called the ‘Services’.
- c) RFP – N/A
- d) Addenda – an item of additional material, typically omissions, added
- e) 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 in connection with the Project and the Engineer hereby agrees to provide the services described in Schedule 'A' (The Services) for the Project.

The Engineer will abide and follow the further directions and instructions provided by the Client from time to time as may be provided by the Client.

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 services under this agreement with the degree of care, skill and diligence expected of a reasonably prudent and competent Engineer and shall perform the services in accordance with the provisions of the Professional Engineer's Act, RSO 1990, C. P.28 and the regulations passed thereunder.

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 prepared by the Engineer for the Client may be used by the Client, for the Project herein described, including "record" drawings. The Client has ownership of the drawings and the client indemnifies the Engineer for unauthorized use of the documents and deliverables.

1.5 **Intellectual Property**

All concepts, products or processes produced by or resulting from the 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 Services, and which are patentable, capable of trademark or otherwise, shall be and remain the property of the Engineer.

The Client shall have permanent non-exclusive royalty-free license to use any concept, product or process, which is patentable, capable of trademark or otherwise produced by or resulting from the Services rendered by the Engineer in connection with the Project and 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.

1.7 **Changes and Alterations and Additional Services**

The Client may in writing at any time after the execution of the Agreement or the commencement of the Services delete, extend, increase, vary or otherwise alter the Services forming the subject of the Agreement, and if such action by the Client necessitates additional staff or services, the 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.

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 the consultant, 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 Services or any portion thereof at any stage of the project. Upon receipt of such written notice, the Engineer shall perform no further Services other than those reasonably necessary to close out his 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.

If the Engineer is practicing as an individual and dies before his Services have been completed, this Agreement shall terminate as of the date of his death, and the Client shall pay for the Services rendered and disbursements incurred by the Engineer to the date of such termination.

1.10 **Indemnification**

The Engineer shall completely indemnify and save harmless the Client, 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 Engineer, its employees, agents or officers or as a result of the performance of this Agreement by the Engineer, its employees, agents or officers or as a consequence of the negligent actions or inactions of the Engineer , 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.

1.11 **Insurance**

The Engineer shall provide the following insurance coverage as set forth below and shall ensure that the Client is named as an additional insured under the following policies of insurance. Further the following insurance policies shall contain a waiver of subrogation in favour of the Client and shall further require that the Insurer not only be obliged to defend the Client in the event of any and all Claims but that the Insurer have the obligation to indemnify and save harmless the Client from any and all claims regardless of whether the Client is partially or wholly responsible for any such Claim(s) that may be made against Engineer and the Client. The Engineer shall provide a Certificate of Insurance with respect to this coverage to the Client before the commencement of the provision of the services under this Agreement:

- a) Comprehensive General Liability and Automobile Insurance

The Insurance Coverage shall be \$5,000,000 per occurrence.

- b) Professional Liability Insurance

The Insurance Coverage shall be in the amount of \$5,000,000 per occurrence and \$5,000,000 aggregate.

1.12 **Force Majeure**

The Client agrees that the Consultant is not responsible for damages arising directly or indirectly from any delays for causes beyond the Consultant'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 Consultant to perform its services in an orderly and efficient manner, the Consultant 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**

Neither party may assign this Agreement or any portion thereof without the prior consent in writing of the other party.

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 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 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, or which is required to be disclosed by law or 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**

- 1) Negotiation
 - a) In the event a matter of difference between the Consultant and the Client in relation to the Contract the grieved party shall send a notice in writing of dispute to the other party which contains the particulars of the matter in dispute and the relevant provisions of the Contract Documents. The responding party shall send a reply in writing to the dispute within ten (10) business days after receipt of the notice of dispute setting out particulars of this response and any relevant provisions of the Contract Documents.
 - b) The Consultant and the 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 Consultant and the Client to reach agreement within ten (10) business days of receipt of the 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 Consultant and the Client shall jointly select an impartial Mediator who shall be, preferably, properly qualified in the area of work as contemplated by this Contract. 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 Consultant and the 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 Consultant or the 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 either party unless both 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 as is arbitrable to arbitration as provided in Section 3 herein or exercise any legal rights it may have.
 - e) All meetings and proceedings shall be held in municipality of the Client 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 Consultant 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 Client and the Consultant 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 two (2) arbitrators so chosen shall select a third arbitrator acceptable to both of 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 municipality of the Client 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 parties shall share equally in the costs and expenses of the neutral arbitrator.
 - vi. Any award of the arbitration panel may, at the insistence 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 Consultant shall perform the Services expeditiously to meet the requirements of the Client and shall complete any portion or portions of the Services in such order as the Client may require.

The Client shall give due consideration to all designs, drawings, plans, specifications, reports, tenders, proposals and other information submitted by the Engineer, and shall make any decisions which he is required to make in connection therewith within a reasonable time so as not to delay the work of the Engineer.

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 Services.
- b) A Schedule showing an estimate of the portion of the Services to be completed in each month and an estimate of the portion of the fee which will be payable for each such month.
- c) A Staff list showing the number, classifications and hourly rate ranges for staff, Principals and Executives, for which the 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).

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.

ARTICLE 2 – SERVICES TO BE PROVIDED

2.01 Services provided by the Engineer will include preparation of Engineering Drawings (complete with repair details), specifications, contract administration, review and reporting. It should be noted that scaffolding access, cleaning and confined space access will all be provided by others. Refer to estimate sheets (Schedule A).

The Engineer, through the selected contractor, will have the chambers cleaned (power washed), all liquid and sludge removed (vac truck), scaffolding installed for access and confined space monitoring and rescue services provided to meet Ontario Regulations. This work will be included in the Contractors Bid documents as part of their work.

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 are 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**

3.2.1 **Not applicable**

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:

Job Classifications:

Senior Engineer \$160.00

Engineer 3 \$120.00

Designer \$95.00

Technician/Site \$85.00

Clerical \$60.00

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 **Not applicable**

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 paid by the Client to the Consultant for the Services shall not exceed the total upset limit of \$66,230.00 plus applicable taxes.
 - (i) **Not applicable**

(ii) Not applicable

- (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.

3.3 Payment

3.3.1 Fees Calculated on a Time Basis

The Engineer shall submit an invoice to the Client for all Services completed in the immediately preceding month. Interest at the annual rate of 12% percent (1% percent monthly) will be paid on the total outstanding unpaid balance commencing 30 days after the Client has received the Engineer's invoice.

3.3.2 Not applicable

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.

3.4 Fee Estimate

Our fee estimated is contained in Schedule A.

Our estimated Engineering fee for this 2020 work, under STEM project #17190.01, is \$66,230.00 (+HST).

ARTICLE 4 – FORM OF AGREEMENT

ENGINEER: STEM ENGINEERING GROUP INCORPORATED

The signatory shall have the authority to bind the corporation or company for the purposes of this agreement.

This ___ Day of _____, 20 ____

Signature	
Name	MARK COLEMAN, P. Eng.
Title	PRINCIPAL

THE CORPORATION OF 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	CHRISTIAN PROVENZANO	Name	RACHEL TYCZINSKI
Title	MAYOR	Title	CITY CLERK

ARTICLE 5 – ATTACHMENTS – N/A

SCHEDULE "A"

Estimate Sheets



875 Queen Street East, Suite 2
Sault Ste. Marie, Ontario
P6A 2B3

p.705.942.6628
f. 705.942.7515

ENGINEERING ESTIMATE

Project: Pim Street Pump Station Repairs 2020 design, 2021 work

Project No. 17190.01

Description: **Engineering and Contract Administration**

Date: September 28, 2020

THE CORPORATION OF THE CITY OF SAULT STE. MARIE
BY-LAW 2021-131

AGREEMENT: A by-law to authorize the execution of the Assignment and Assumption of Contract Agreement between the City and Tulloch Engineering Inc. to provide structural engineering services in support of repairs to the Central Avenue and Farwell Terrace secondary aqueducts.

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 Assignment and Assumption of Contract Agreement dated April 30, 2021 between the City and Tulloch Engineering Inc., a copy of which is attached as Schedule "A" hereto. This Assignment and Assumption of Contract Agreement is to provide structural engineering services in support of repairs to the Central Avenue and Farwell Terrace secondary aqueducts.

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 28th day of June, 2021.

MAYOR - CHRISTIAN PROVENZANO

CITY CLERK - RACHEL TYCZINSKI

ASSIGNMENT AND ASSUMPTION OF CONTRACT

This ASSIGNMENT AND ASSUMPTION OF CONTRACT AGREEMENT (this "Agreement") is made effective as of April 30, 2021 (the "Effective Date") between The Corporation of the City of Sault Ste. Marie ("Client") and TULLOCH ENGINEERING INC., a Province of Ontario corporation ("Tulloch").

RECITALS

WHEREAS, Client is presently party to a contract between themselves and STEM Engineering Group Incorporated dated February 22, 2021 (the "Contract"), pursuant to which Client had engaged STEM Engineering Group Incorporated ("STEM") to provide structural engineering services in support of repairs to the Central Avenue and Farwell Terrace secondary aqueducts located in Sault Ste. Marie, Ontario.

AND WHEREAS, a true and complete copy of the Contract and all Exhibits thereto is attached to this Agreement as [Exhibit A](#) hereto and by this reference made an integral part of this Agreement for all purposes.

AND WHEREAS, capitalized terms used in this Agreement and not otherwise defined herein shall have the same meaning ascribed to those terms in the Contract.

AND WHEREAS, Client acknowledges that, as of the Effective Date, STEM has assigned all of its interest in the Contract to Tulloch, and Tulloch has agreed to assume the Contract, from and after the Effective Date.

AND WHEREAS, accordingly, Client and Tulloch are executing and entering into this Agreement in order to evidence the assumption of the Contract as of the Effective Date.

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Assignment**. Client hereby acknowledges that Tulloch has assumed all the obligations of the Contract from STEM.
2. **Assumption**. Tulloch hereby assumes from STEM and agrees to perform, fulfill and comply with all covenants and obligations to be performed, fulfilled or complied under the Contract arising from and after the Effective Date of this Agreement.
3. **Miscellaneous**.
 - (a) **Authority**. Each party to this Agreement represents and warrants to the other parties to this Agreement that it is authorized to enter into this Agreement and/or to execute the applicable assignment, assumption and/or consent provisions set forth herein and performs its respective obligations hereunder without the consent or approval of any other person or party, and that the person signing this Agreement on its respective behalf is authorized to sign on behalf of such party.

(b) Successor and Assigns; Interpretation. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and permitted assigns.

(c) Further Assurances. Each of the parties hereto shall execute and deliver such additional documents, instruments, conveyances and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated hereby and thereby.

4. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original copy, and all of which together will constitute one and the same instrument. A signed copy of this Agreement delivered by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

5. Entire Agreement; Amendments and Modifications. This Agreement, together with any other documents incorporated herein by reference and all related exhibits and schedules, represents the entire understanding and agreement between Client and Tulloch with respect to the subject matter hereof, and this Agreement may only be amended, modified or supplemented by an agreement in writing signed by each party hereto. The agreement in writing shall then be binding on the parties thereto.

6. Severability. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

7. Governing Law. This Agreement is governed by and construed in accordance with the laws of the province Ontario, and the federal laws of Canada applicable in that province.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, Client and Tulloch have duly executed this Agreement as of the date first above written.

CLIENT:

The Corporation of the City of Sault
Ste. Marie

By: _____

Name: Christian Provenzano
Title: Mayor

CLIENT:

The Corporation of the City of Sault Ste.
Marie

By: _____

Name: Rachel Tyczinski
Title: City Clerk

TULLOCH ENGINEERING INC., a
Province of Ontario corporation



By: _____

Name: Larry Jackson
Title: General Manager

EXHIBIT A
COPY OF CONTRACT

M.E.A. / C.E.O.
CLIENT / ENGINEER AGREEMENT
FOR
Professional Consulting Services
2021

AGREEMENT CONTENTS

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**AGREEMENT
FOR
PROFESSIONAL CONSULTING SERVICES**

Dated the 22nd day of February A. D. 2021

-BETWEEN-

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

Hereinafter called the 'Client'

THE PARTY OF THE FIRST PART

-AND-

STEM ENGINEERING GROUP INCORPORATED

Hereinafter called the 'Engineer'

THE PARTY OF THE SECOND PART

WHEREAS the Client intends to carry out repairs to the secondary Aqueducts on both Central Avenue and Farwell Terrace and whereas these repairs will require engineering details outlining the nature and extent of the repairs. The client intends to have these repair details engineered, drafted as well as the construction work reviewed by the Engineer. This work will involve complete replacement of segments of the aqueducts which have been identified as in need of replacement so they will be able to continue to carryout their function of conveying stormwater during extreme events, and also be safe for the general public that will be utilizing the space at ground level above these aqueducts.

Hereinafter called the 'Project' and has requested the Engineer to furnish professional services in connection therewith.

NOW THEREFORE WITNESSETH that in consideration of the covenants contained herein, the Client and the Engineer mutually agree as follows:

DEFINITIONS

- a) 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.
- b) Services – The services to be provided by the Engineer and by the Client for the Project are set forth in Article 2 and such services as changed, altered or added to under Section 1.7 are hereinafter called the ‘Services’.
- c) RFP – N/A
- d) Addenda – an item of additional material, typically omissions, added
- e) 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 in connection with the Project and the Engineer hereby agrees to provide the services described in Schedule 'A' (The Services) for the Project.

The Engineer will abide and follow the further directions and instructions provided by the Client from time to time as may be provided by the Client.

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 services under this agreement with the degree of care, skill and diligence expected of a reasonably prudent and competent Engineer and shall perform the services in accordance with the provisions of the Professional Engineer's Act, RSO 1990, C. P.28 and the regulations passed thereunder.

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 prepared by the Engineer for the Client may be used by the Client, for the Project herein described, including "record" drawings. The Client has ownership of the drawings and the client indemnifies the Engineer for unauthorized use of the documents and deliverables.

1.5 **Intellectual Property**

All concepts, products or processes produced by or resulting from the 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 Services, and which are patentable, capable of trademark or otherwise, shall be and remain the property of the Engineer.

The Client shall have permanent non-exclusive royalty-free license to use any concept, product or process, which is patentable, capable of trademark or otherwise produced by or resulting from the Services rendered by the Engineer in connection with the Project and 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.

1.7 **Changes and Alterations and Additional Services**

The Client may in writing at any time after the execution of the Agreement or the commencement of the Services delete, extend, increase, vary or otherwise alter the Services forming the subject of the Agreement, and if such action by the Client necessitates additional staff or services, the 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.

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 the Engineer, 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 Services or any portion thereof at any stage of the project. Upon receipt of such written notice, the Engineer shall perform no further Services other than those reasonably necessary to close out his 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.

If the Engineer is practicing as an individual and dies before his Services have been completed, this Agreement shall terminate as of the date of his death, and the Client shall pay for the Services rendered and disbursements incurred by the Engineer to the date of such termination.

1.10 **Indemnification**

The Engineer shall completely indemnify and save harmless the Client, 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 Engineer, its employees, agents or officers or as a result of the performance of this Agreement by the Engineer, its employees, agents or officers or as a consequence of the negligent actions or inactions of the Engineer , 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.

1.11 **Insurance**

The Engineer shall provide the following insurance coverage as set forth below and shall ensure that the Client is named as an additional insured under the following policies of insurance. Further the following insurance policies shall contain a waiver of subrogation in favour of the Client and shall further require that the Insurer not only be obliged to defend the Client in the event of any and all Claims but that the Insurer have the obligation to indemnify and save harmless the Client from any and all claims regardless of whether the Client is partially or wholly responsible for any such Claim(s) that may be made against Engineer and the Client. The Engineer shall provide a Certificate of Insurance with respect to this coverage to the Client before the commencement of the provision of the services under this Agreement:

- a) Comprehensive General Liability and Automobile Insurance

The Insurance Coverage shall be \$5,000,000 per occurrence.

- b) Professional Liability Insurance

The Insurance Coverage shall be in the amount of \$5,000,000 per occurrence and \$5,000,000 aggregate.

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 engineers; 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 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**

Neither party may assign this Agreement or any portion thereof without the prior consent in writing of the other party.

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 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 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, or which is required to be disclosed by law or 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**

1) Negotiation

- a) In the event a matter of difference between the Engineer and the Client in relation to the Contract the grieved party shall send a notice in writing of dispute to the other party which contains the particulars of the matter in dispute and the relevant provisions of the Contract Documents. The responding party shall send a reply in writing to the dispute within ten (10) business days after receipt of the notice of dispute setting out particulars of this response and any relevant provisions of the Contract Documents.
- b) The Engineer and the 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 and the Client to reach agreement within ten (10) business days of receipt of the 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 and the Client shall jointly select an impartial Mediator who shall be, preferably, properly qualified in the area of work as contemplated by this Contract. 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 and the 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 or the 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 either party unless both 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 as is arbitrable to arbitration as provided in Section 3 herein or exercise any legal rights it may have.
- e) All meetings and proceedings shall be held in municipality of the Client 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 Client and the Engineer 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 two (2) arbitrators so chosen shall select a third arbitrator acceptable to both of 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 municipality of the Client 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 parties shall share equally in the costs and expenses of the neutral arbitrator.
 - vi. Any award of the arbitration panel may, at the insistence 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 Services expeditiously to meet the requirements of the Client and shall complete any portion or portions of the Services in such order as the Client may require.

The Client shall give due consideration to all designs, drawings, plans, specifications, reports, tenders, proposals and other information submitted by the Engineer, and shall make any decisions which he is required to make in connection therewith within a reasonable time so as not to delay the work of the Engineer.

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 Services.
- b) A Schedule showing an estimate of the portion of the Services to be completed in each month and an estimate of the portion of the fee which will be payable for each such month.
- c) A Staff list showing the number, classifications and hourly rate ranges for staff, Principals and Executives, for which the 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).

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.

ARTICLE 2 – SERVICES TO BE PROVIDED

2.01 Services provided by the Engineer will include preparation of Engineering Drawings, specifications, contract administration, review and reporting.

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 are 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

3.2.1 Not applicable

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:

Job Classifications:

Senior Engineer	\$160.00
Engineer 4	\$140.00
Designer	\$95.00
Clerical	\$60.00

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 Not applicable

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 Engineer in connection with the project.

3.2.5 Upset Cost Limit

- (a) The Engineer shall be paid a fee, calculated on a time basis, for the Services.
- (b) In addition to the fee, the Engineer 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 paid by the Client to the Engineer for the Services shall not exceed the total upset limit of \$95,570.00 plus applicable taxes.
 - (i) **Not applicable**
 - (ii) **Not applicable**

- (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 Engineer must request and receive the written approval of the Client before any Additional Services are carried out that are not included in Schedule A.

3.3 **Payment**

3.3.1 Fees Calculated on a Time Basis

The Engineer shall submit an invoice to the Client for all Services completed in the immediately preceding month. Interest at the annual rate of 12% percent (1% percent monthly) will be paid on the total outstanding unpaid balance commencing 30 days after the Client has received the Engineer's invoice.

3.3.2 Not applicable

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.

3.4 **Fee Estimate**

Our fee is contained in Schedule A.

Our Engineering fee for this 2021 work, under STEM Project No. 20219, is **\$95,570.00 (+HST)**.

ARTICLE 4 – FORM OF AGREEMENT

ENGINEER: STEM ENGINEERING GROUP INCORPORATED

The signatory shall have the authority to bind the corporation or company for the purposes of this agreement.

This 22nd Day of February, 2021

Signature	
Name	MARK COLEMAN, P. Eng.
Title	PRINCIPAL

THE CORPORATION OF 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 22nd Day of February, 2021

Signature		Signature	
Name	CHRISTIAN PROVENZANO	Name	RACHEL TYCZINSKI
Title	MAYOR	Title	CITY CLERK

ARTICLE 5 – ATTACHMENTS – N/A

SCHEDULE "A"

Estimate Sheets



875 Queen Street East, Suite 2
Sault Ste. Marie, Ontario
P6A 2B3

p.705.942.6628
f. 705.942.7515

ENGINEERING ESTIMATE

Project: Central/Farwell Aqueduct Repairs 2021

Project No.

20219

Description: Engineering and Contract Administration

Date:

January 15, 2021

THE CORPORATION OF THE CITY OF SAULT STE. MARIE
BY-LAW 2021-132

AGREEMENT: A by-law to authorize the approval to apply for the annual Community Museums Operating Grant (CMOG), Ministry of Culture, through Grants Ontario.

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. COMMUNITY MUSEUMS OPERATING GRANT

The Council hereby authorizes the approval to apply for the annual Community Museums Operating Grant (CMOG), Ministry of Culture, through Grants Ontario.

2. EFFECTIVE DATE

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

PASSED in open Council this 28th day of June, 2021.

MAYOR – CHRISTIAN PROVENZANO

CITY CLERK – RACHEL TYCZINSKI

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW NO. 2021-133

HERITAGE DESIGNATION: A by-law to designate to designate the Wawanosh Monument located at the northwest corner of 96 Great Northern Road and Willoughby intersection as being of architectural or historic value or interest.

WHEREAS Section 29 of the *Ontario Heritage Act*, R.S.O. 1990, c. O. 18 authorizes the Council of a municipality to enact by-laws to designate real property, including all buildings and structures thereon, to be of architectural or historic value or interest;

WHEREAS the Council of the Corporation of the City of Sault Ste. Marie has caused to be served on the owners of the lands and upon The Ontario Heritage Trust, notice of intention to so designate the property and has caused such notice of intention to be published in the Sault Star for one time;

WHEREAS no objections to the proposed designations have been served on the Clerk of the municipality; and

NOW THEREFORE the Council of the Corporation of the City of Sault Ste. Marie, pursuant to the *Ontario Heritage Act* ENACTS as follows:

1. PROPERTIES DESIGNATED

There is designated as being of architectural or historic value or interest, the monument described above and further described in Schedule "A" to this by-law.

2. HERITAGE DESIGNATION REPORT

The Corporation of the City of Sault Ste. Marie Council Report of May 10, 2021 which includes the Heritage Designation Report of the Sault Ste. Marie Municipal Heritage Committee recommending that the Wawanosh Monument be designated of significant cultural heritage value and interest pursuant to Part IV of the Ontario Heritage Act is attached as Schedule "B" to this by-law.

3. EFFECTIVE DATE

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

PASSED in Open Council this 28th day of June, 2021.

MAYOR – CHRISTIAN PROVENZANO

CITY CLERK – RACHEL TYCZINSKI

LEGAL\STAFF\COUNCIL\BY-LAWS\2021\2021-133 HERITAGE DESIGNATION - WAWANOSH MONUMENT - 96 GREAT NORTHERN RD.DOCX

SCHEDULE "A" TO BY-LAW 2021-133

WAWANOSH MONUMENT

The Wawanosh Monument is a small monument made of local sandstone dedicated to Rebecca and George Hardiman the first matron and superintendent of the Wawanosh home. The monument is located at the intersection of Great Northern Road and Willoughby Street by the Royal Canadian Legion Branch 25 and was built and dedicated in 1967 by the Women's Tarentorus Institute.



**The Corporation of the
City of Sault Ste. Marie**

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

5/10/2021

TO: Mayor Christian Provenzano and Members of City Council
AUTHOR: Virginia McLeod, Manager of Recreation and Culture
DEPARTMENT: Community Development and Enterprise Services
RE: Ontario Heritage Act – Part IV Designation of Wawanosh Monument

Purpose

The purpose of this report is to seek Council's approval to designate the Wawanosh Monument located at 96 Great Northern Road under the Ontario Heritage Act, due to its significant heritage value to the City of Sault Ste. Marie.

Background

The Sault Ste. Marie Municipal Heritage Committee (S.S.M.M.H.C.) advises City Council as to the cultural heritage value or interest of properties within the Municipality, and recommends the designation of significant properties under Part IV of the Ontario Heritage Act. This affords the property, and in particular, the designated heritage features special protection under the Act. The Sault Ste. Marie Municipal Heritage Committee is recommending to City Council the designation of the Machine Shop located at 83 Huron Street due to its significant heritage value to the City of Sault Ste. Marie.

In September of 2020, the Municipal Heritage Committee received a designation application for the Wawanosh Monument located at 96 Great Northern Road. The Municipal Heritage Committee reviewed the application at the September 9, 2020 meeting and requested additional information. Madison Bifano submitted the Heritage Designation Application. The Royal Canadian Legion of Sault Ste. Marie Branch 25 owns the property. The property owners are supportive of this application and email confirmation was received from Helen Stewart, President and Pierre Breckenridge, 1st Vice president.

The S.S.M.M.H.C. passed the following resolution at their meeting on November 4, 2020:

Moved By: D. Greenwood
Seconded By: M. Jones

May 10, 2021

Page 2.

“Resolved that the Municipal Heritage Committee, based on the designation application submitted, move forward with the intent to designate the Wawanosh Monument located at 96 Great Northern Road and proceed with the preparation of the designation report; and further that D. Greenwood and S. Meades be assigned to review and complete the designation report.”

The S.S.M.M.H.C. reviewed the final designation report at their March 3, 2021 meeting and passed the following resolution:

Moved By: Councilor M. Shoemaker

Seconded By: K. Kazmierowski

“Resolved that the Sault Ste. Marie Municipal Heritage Committee approve the designation report for the Wawanosh Monument, located on the Northeast corner of Great Northern Road and Willoughby Street and that the Monument be recommended for designation under Part IV of the Ontario Heritage Act; and further that a report be sent to City Council to request their approval to proceed with the designation.”

CARRIED

Analysis

The attached designation report provides a detailed overview of the History of the Wawanosh Home, Chief Wawanosh, description of the cultural heritage value and key heritage attributes.

Statement of Cultural Value or Interest

The monument is constructed of local sandstone, which has been considered historically significant for other heritage properties. The cultural context of the monument is more important than the monument itself. The monument commemorates the location of the former Wawanosh Indian Residential School, which was constructed by Reverend E.F. Wilson in 1879 and was named after Chief Wawanosh a prominent Chippewa chief and veteran of the War of 1812. The Wawanosh Home was the first iteration of a girl’s residential school in the area and was built to accommodate Aboriginal girls due to a lack of space for female students at Shingwauk Residential School.

The Wawanosh Home experienced difficulties with funding both prior to opening due to a lack of funds delaying construction, which began in 1877, for two years and a low enrolment after opening. The school would be moved to the site of the Shingwauk School in 1900 and the two schools were officially merged in 1935 with the construction of a new building. A report in 1883 found that 83% of girls that had attended the Wawanosh Home had died or left the Home within five years.

The residential school remained there until 1901 when the girls were moved to the Shingwauk Residential School site on Queen Street. The school The Wawanosh home was demolished in 1965.

The Wawanosh Home was part of the Residential School System, which operated in Canada from the early 1800s until 1996, and aimed to assimilate Indigenous children into Euro-Canadian culture. The Residential School System has been acknowledged as a National Historic Event by the Government of Canada.

The monument serves as a reminder of what once stood on the site, and of the legacy of the Residential School system in Sault Ste. Marie and Canada. Designating the monument as a heritage property would fall under the Truth and Reconciliation Commission's Call to Action 79, which calls for the commemoration of Residential School sites and history and working with Indigenous organizations to recognize what has happened.

Financial Implications

There is no immediate budget impact. The property owner would be eligible to apply for a Designated Property Grant in the event the monument required repairs.

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 May 10, 2021 concerning Ontario Heritage Act – Part IV Designation of Wawanosh Monument be received and that the recommendation by the Sault Ste. Marie Municipal Heritage Committee to designate the Wawanosh Monument under the Part IV of the Ontario Heritage Act be approved.

Respectfully submitted,



Virginia McLeod
Manager of Recreation and Culture
705.759-5311
v.mcleod@cityssm.on.ca

Wawanosh Monument

Designation Report



(Photo provided by Madison Bifano)

Location: Northwest corner of 96 Great Northern Road and Willoughby intersection.

Researched and Submitted by: Maddy Bifano

History of the Wawanosh Home

"While Reverend Wilson did accept girls at Shingwauk, only a few came that first year and none thereafter. In reality, there was little space for female students at this Boys' Home.

To accommodate girls, a separate residential school building was established on a 15-acre site 5 km away, just north of the village centre. It was named the Wawanosh Home for Girls. Construction of this grand two-storey stone building commenced in spring 1877 and the first ten girls arrived that fall, before work was completed. The building fund was depleted in 1878, prompting new subscriptions for funding. As the federal Government was now more involved in native affairs (following passage of the recent Indian Act of 1876), it agreed to make an annual grant to the Wawanosh Home, provided enrolment was not less than fifteen. The Home was officially opened on August 19th, 1879 with 14 girls in residence.

In his quest to expand and streamline school facilities, Reverend Wilson soon realized that the isolated Wawanosh Home with its limited enrolment should be sold off. He formulated plans in the late 1880s to move the girls to larger facilities at the main Shingwauk site on the St. Mary's River. There was little support for this school expansion program, probably due to the recession in the 1890s. Reverend Wilson resigned as Principal in March 1893, owing to ill health and frustration over not being able to consolidate the Boys and Girls Homes. This task would be achieved by others, a few years later." - *Anglican Church of Canada - Truth and Reconciliation - Shingwauk IRS* - <https://www.anglican.ca/tr/histories/shingwauk/>

"The Wawanosh School for girls was opened in 1879 at a site not far from the Shingwauk school in Sault Ste. Marie, Ontario. An 1883 study showed that eighty-three per cent of the girls who had attended the school had either died or left the Wawanosh Home in less than five years. When a new addition was built for the girls in 1900 it was discovered that there was no way to heat it. In 1900 the girl's school moved to the Shingwauk site. In 1935, the two schools were merged to create the Shingwauk Residential School, which was housed in a new building." - *National Centre for Truth and Reconciliation* - <https://memorial.nctr.ca/?p=1342>

Chief Wawanosh

Chief Wawanosh (other known names: Joshua Wawanosh, Joshua Waywaynosh) was born along the shores of Lake Superior in the 1780s¹, but moved south and settled on

¹ Jean Turnbull Elford. "Chief Wawanosh and the Treaty of 1827". *Sarnia Historical Society*

Lake Huron in the Sarnia/Walpole Island region². The name for the school was likely chosen due to the time Rev. E. F. Wilson spent in the Walpole Island area. He fought in the War of 1812, and became chief shortly after the fact. "One of the chiefs for St. Clair Regional Band was Joshua Wawanosh. Wawanosh had a remarkable and checkered career as a leader of the St. Clair Chippewas. He became a chief shortly after the war of 1812 in part because of his military service on behalf of the Crown in the war of 1812. By the mid-1820s, Crown officials and other Chippewa chiefs recognized Wawanosh as the Head Chief."³ During his time as head chief, Wawanosh maintained 4 reserves of land for his people, all in what is now Lambton County. He remained monolingual in Ojibwe his whole life, and died in 1871⁴.

Photos of Wawanosh IRS



A drawing of the Wawanosh home done by E.F. Wilson. *Shingwauk Residential Schools Centre, 2011-16/001(015)*

² Lisa Philips Valentine; Allan K. McDougall. "Wawanosh's Box". *University of Western Ontario*.

³ "The Cheppewas of Sarnia Band vs. Queen et. al" *Court of Appeal for Ontario*.

⁴ Peter S. Schmalz (1991). *The Ojibwa of Southern Ontario*. University of Toronto Press.



Photograph of the building after it was sold and repurposed by the Children's Aid Society, ca.1940. *Shingwauk Residential Schools Centre, 2010-021/001(163)*

Description of Property

The Wawanosh monument is a small monument made of local sandstone dedicated to Rebecca and George Hardeman the first matron and superintendent of the Wawanosh home. The monument is located at the intersection of Great Northern Road and Willoughby Street by the Royal Canadian Legion Branch 25 and was built and dedicated in 1967 by the Tarentorus Women's Institute.

Statement of Cultural Value or Interest

The monument is constructed of local sandstone which has been considered historically significant for other heritage properties. The cultural context of the monument is more important than the monument itself. The monument commemorates the location of the former Wawanosh Indian Residential School, which was constructed by Reverend E.F. Wilson in 1879 and was named after Chief Wawanosh a prominent Chippewa chief and veteran of the War of 1812. The Wawanosh Home was the first iteration of a girl's residential school in the area and was built to accommodate Aboriginal girls due to a lack of space for female students at Shingwauk Residential School.

The Wawanosh Home experienced difficulties with funding both prior to opening due to a lack of funds delaying construction, which began in 1877, for two years and a low enrolment after opening. The school would be moved to the site of the Shingwauk School in 1900 and the two schools were officially merged in 1935 with the construction of a new building. A report in 1883 found that 83% of girls that had attended the Wawanosh Home had died or left the Home within five years.

The residential school remained there until 1901 when the girls were moved to the Shingwauk Residential School site on Queen Street. The school The Wawanosh home was demolished in 1965.

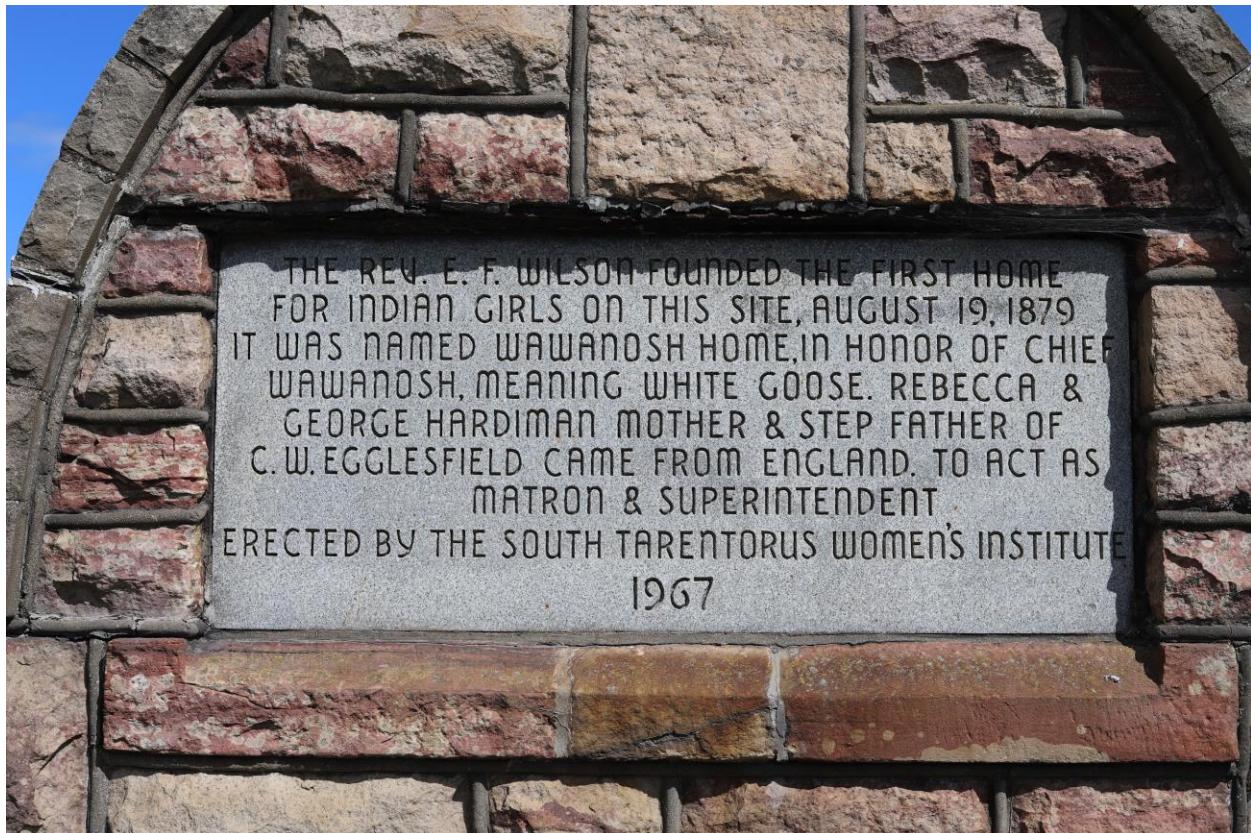
The Wawanosh Home was part of the Residential School System, which operated in Canada from the early 1800s until 1996, and aimed to assimilate Indigenous children into Euro-Canadian culture. The Residential School System has been acknowledged as a National Historic Event by the Government of Canada.

The monument serves as a reminder of what once stood on the site, and of the legacy of the Residential School system in Sault Ste. Marie and Canada. Designating the monument as a heritage property would fall under the Truth and Reconciliation Commission's Call to Action 79, which calls for the commemoration of Residential School sites and history and working with Indigenous organizations to recognize what has happened.

Description of Heritage Attributes

Key attributes that express the value of the monument as a reminder of the Residential School system and its connection to Sault Ste. Marie's history include:

- The monument serves as a reminder of what once stood on the site, and of the legacy of the Residential School system in Sault Ste. Marie and Canada.
- It is constructed of local sandstone similar to other historical monuments and plaques in Sault Ste. Marie and is designed to be aesthetically pleasing and is in fairly good condition
- The monument mentions both the first matron and superintendent of the school and the fact that the Wawanosh Home was one of the first all-girls residential schools in Canada.



THE CORPORATION OF THE CITY OF SAULT STE. MARIE
BY-LAW 2021-134

AGREEMENT: A by-law to authorize the execution of the Agreement between the City and Fire Marque Inc. for the provision of Cost Recovery Services as required by the Fire Services Department.

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 between the City and Fire Marque Inc., a copy of which is attached as Schedule "A" hereto. This Agreement is for the provision of Cost Recovery Services as required by the Fire Services Department.

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 28th day of June, 2021.

MAYOR - CHRISTIAN PROVENZANO

CITY CLERK – RACHEL TYCZINSKI

Schedule "A"

AGENCY AGREEMENT

THIS AGENCY AGREEMENT (the "Agreement") made the _____ day of _____, 2021.

BETWEEN:

FIRE MARQUE INC.
(herein after referred to as the "Agent")

- and -

THE CORPORATION OF THE CITY OF SAULT STE. MARIE
(herein after referred to as the "Municipality")

WHEREAS the Fire Department attends, when required, at Incident Sites to provide emergency services;

AND WHEREAS the costs and expenses incurred by the Fire Department as a result of attending at the Incident Sites and providing services may be recoverable through Indemnification Technology® with respect to insured perils through the Insurance Policies of the owner or tenant of the Incident Site;

AND WHEREAS the Municipality wishes to appoint the Agent, as its agent for the purpose of filing Claims on behalf of the Municipality and to recover, on their behalf, any insurance proceeds from the insurers of the affected parties which are recoverable in accordance with the terms of any policy agreement for the costs and expenses incurred by the Fire Department as a result of attending at the Incident Sites.

AND WHEREAS the Agent wishes to make the Claims and recover the recoverable proceeds of insurance on behalf of the Municipality in accordance with the terms and conditions set forth herein;

NOW THEREFORE, in consideration of the mutual terms and covenants herein contained, the Parties covenant and agree as follows:

1. DEFINITIONS

"**Agreement**" is this agreement, as may be amended;

"**Agency Fee**" is the financial compensation expressed as a percentage of the recovered Emergency Cost Recovery Proceeds in accordance with Section 6;

"**Agency Fee Taxes**" are all taxes, duties and other charges (including any GST, HST or other value added taxes) applicable to the Agency Fee;

"**Agent**" is Fire Marque Inc., or its successors and assigns;

"**Claims**" an amount requested for payment for an insured loss which falls under the terms of Insurance Policies;

"**Emergency Cost Recovery Proceeds**" are the funds recovered by the Agent as a result of filing Claims with insurers pursuant to the Insurance Policies of the owner and or tenant of an Incident Site to recover the costs and expenses incurred by the Fire Department as result of attending and providing emergency services at an Incident Site;

"Fire Department" means a group of firefighters authorized to provide fire protection services by the Municipality;

"Incident Reports" are the property statistical fire reports;

"Incident Sites" is the municipal address or property location of the incident which is attended at by the Fire Department in relation to which the Fire Department incurs costs and expenses as a result of providing their emergency services;

"Indemnification Technology®" is the intellectual property owned and employed by the Agent in making claims to recover costs and expenses of the Fire Department incurred as result of providing emergency services at an Incident Site and includes: incident reporting, data collection, and property insurance policy wording interpretation to maximize billing opportunities on behalf of the Fire Department by invoicing insurance companies for the costs of fire department attendance with respect to insured perils;

"Indemnitees" means the Agent, its directors, partners, officers, agents, and employees;

"Initial Term" is the period commencing from the date of first written above and continuing thereafter for a period of three years;

"Insurance Policies" means an insurance policy of the owner or tenant who owns or rents the property located on the Incident Site;

"Intellectual Property" is any intellectual property of the Agent, including but not limited to any software, trade names, trademarks, and copyrighted materials and any of the foregoing as it relates to Indemnification Technology®;

"Losses" means all losses, costs, expenses, interest, charges, assessments, damages, liabilities, obligations, fines and penalties, including all reasonable costs incurred investigating, defending or negotiating the settlement or resolution of any demand, lawsuit, action, or proceeding, and specifically including reasonable legal and other professional fees and expenses on a "full indemnity", "solicitor and his own client" or comparable basis, regardless of whether the foregoing arise in, under or by virtue of common law, equity or other applicable law, contract, negligence, strict liability, breach of duty or otherwise;

"Party" or **"Parties"** is the Agent and the Municipality;

"Municipality" is - The Corporation of the City of Sault Ste. Marie;

"Renewal Term" is a renewal term of two, one-year extensions;

"Term" is the Initial Term together with any subsequent Renewal Terms, until this Agreement is terminated in accordance with Section 14;

"Termination Date" is the date this Agreement terminates in accordance with Section 14; and,

"Third Party Fire Departments" is a fire department, fire brigade, persons and/or equipment that are not part of the Fire Department.

2. TERM

The term of this Agreement will begin as of the date first written above and continue for the period of the Initial Term, unless this Agreement is terminated in accordance with Section 14. The Municipality has option to renew for up to two (2) one-year extensions.

3. APPOINTMENT

The Municipality hereby appoints the Agent as its exclusive agent during the Term of this Agreement for the purpose of filing, on behalf of the Municipality, all Fire Service Insured Peril Claims with insurers and to recover from any insurers on their behalf, any proceeds of insurance which are recoverable in accordance with the terms of any Insurance Policies of an owner or the tenant at any Incident Site.

4. AGENT OBLIGATIONS

During the Term of the Agreement, the Agent agrees:

- (a) To proceed diligently to prepare and file Claims with the insurer of the incident sites on behalf of the Municipality upon receipt of the Incident Reports from the Fire Department;
- (b) To establish and maintain a noninterest bearing trust account to receive and hold any Emergency Cost Recovery Proceeds in trust on behalf of the Municipality (which proceeds may be comingled with the proceeds recovered for other municipalities and/or fire departments, for which Agent is providing similar services);
- (c) To remit on a quarterly basis or such period as agreed to between the Agent and the Municipality, the Emergency Cost Recovery Proceeds to the Municipality, less any Agency Fee, and Agency Fee Taxes deducted in accordance with Sections 6 and 7.
- (d) To deliver a statement to the Municipality providing reasonable detail in regards to the amounts being remitted for the applicable period; and
- (e) To maintain complete, detailed and adequate books and records pertaining to Claims and Emergency Cost Recovery Proceeds.

5. MUNICIPALITY'S OBLIGATIONS

During the Term of the Agreement, the Municipality agrees:

- (a) on a monthly basis or such period as agreed to between the Municipality and Agent, to provide the Agent with all the completed Incident Reports relating to its attendance at all Incident Sites during the period, setting forth in reasonable detail the services provided and the costs and expenses incurred by the Fire Department in attending such Incident Sites and providing information as to the applicable insured, the insurance company and the policy number of the Incident Site, if available;
- (b) in accordance with the Insurance Policies, ensure that the Emergency Cost Recovery Proceeds that are remitted to the Fire Department are used by the Fire Department for its own purposes, which purposes may include but not be limited to the following:
 - (i) the purchase of equipment for the Fire Department

- (ii) the provisions of training and education to the firefighters of the Fire Department; and/or
 - (iii) the purchase and/or provision of materials and equipment for fire inspection, fire prevention and public education programs;
- (c) if requested, to provide the Agent with documentation evidencing that the Fire Department is the sole beneficiary of any Emergency Cost Recovery Proceeds that have been remitted to the Municipality in accordance with Section 4; and
- (d) to the extent the Municipality or the Fire Department is paid or receives Emergency Cost Recovery Proceeds directly from the insurer under the Insurance Policy, or from the owner or tenant of an Incident Site (as a result of such owner or tenant receiving the Emergency Cost Recovery Proceeds directly from the insurer under the Insurance Policy), the Municipality agrees that it shall promptly remit payment of the Agency Fee that is payable to the Agent in relation to such Emergency Cost Recovery Proceeds (as determined in accordance with Section 6) and will provide the Agent with copies of all communications and notices received from the insurer under the Insurance Policy in relation to such Emergency Cost Recovery Proceeds for the Agent's own records.

6. AGENCY FEE

In consideration for the services provided by the Agent pursuant to this Agreement, during the Initial Term, the Agent will be entitled to a fee equal to thirty (30%) of all Emergency Cost Recovery Proceeds (the "**Agency Fee**"). The Agent will be entitled, on a monthly basis, to invoice the Municipality for the Agency Fee accrued in respect of the previous month Emergency Cost Recovery Proceeds and to deduct the Agency Fee from the Emergency Cost Recovery Proceeds. The Agent shall not be entitled to any further consideration from the Municipality or the Fire Department. The amount of the Agency Fee shall be negotiated by the Parties for any Renewal Terms.

7. TAXES

It is understood by the parties that the Agency Fee is exclusive of all taxes, duties and other charges (including any GST, HST or other value added taxes), ("**Agency Fee Taxes**"), applicable to the services provided by the Agent hereunder. The Agent shall withhold and deduct from the Emergency Cost Recovery Proceeds that are to be remitted to the Fire Department, any Agency Fee Taxes, and all such Agency Fee Taxes will be remitted to the applicable government agency, as and when required.

8. INTELLECTUAL PROPERTY

The Municipality agrees and acknowledges that any Intellectual Property of the Agent, including but not limited to any software, trade-names, trade-marks, and copyrighted materials and any of the foregoing as it relates to Indemnification Technology® are the property of the Agent, and the Municipality has no rights to this Intellectual Property as a result of this agreement or otherwise.

9. AUDIT

The Municipality has the right to audit, at its own expense, the records and accounts, during reasonable business hours and on advance written notice to the Agent; and, for up to twenty-four (24) Months from the end of the calendar year to which the records and accounts relate.

10. UNRECOVERABLE EXPENSES

No action will be undertaken by the Agent to collect any proceeds or file any Claims on behalf of the Municipality. The Fire Department will only be entitled to receive Emergency Cost Recovery Proceeds actually recovered by the Agent on behalf of the Municipality. The Municipality, at its own discretion, may elect to enforce the payment of the Emergency Cost Recovery Proceeds not recovered by the Agent through powers granted by their By-Laws or through litigation. Unless prior arrangements have been made on a specific file.

11. INCIDENTS ATTENDED TO BY OTHERS

It is acknowledged by the Parties that in certain instances, in addition to the Fire Department, other fire departments or other emergency personnel ("**Third Party Fire Departments**") may attend at an Incident Site and whose costs and expenses incurred as result of attending and providing emergency services at such Incident Site may also be recoverable under the Insurance Policies of the owner(s) or tenant(s) of such Incident Site. In such cases:

- (a) the Municipality acknowledges that the Emergency Cost Recovery Proceeds recovered in respect of such Incident Site may have to be shared with the Third Party Fire Departments, and Agent makes no representation and will not be required to take any action to determine the appropriate allocation of such Emergency Cost Recovery Proceeds between the Fire Department and the Third Party Fire Departments.
- (b) the Municipality shall negotiate an appropriate allocation of the Emergency Cost Recovery Proceeds with the Third-Party Fire Departments. If the Municipality and the Third Party Fire Departments are unable to agree to an appropriate allocation within a reasonable time, then Agent may, in its sole discretion but without obligation to do so, and on notice to Municipality, commence interpleader or a similar action or proceeding in connection with any dispute in relation to allocation of the Emergency Cost Recovery Proceeds and pay the Emergency Cost Recovery Proceeds into court, whereupon the Agent shall be released from any further obligations in respect of such Emergency Cost Recovery Proceeds.

12. LIMIT ON LIABILITY

Other than Emergency Cost Recovery Proceeds actually recovered, the Agent will not be liable to the Municipality for any costs and expenses incurred as a result of the Fire Department attending and providing emergency services at an Incident Site which it was unable to recover through the Insurance Policies of the owner or tenant of such services

13. INSURANCE & IDEMNIFICATION

The Municipality agrees to indemnify and hold harmless the Indemnitees from and against any and all Losses that may be imposed on, incurred by, or asserted against, the Indemnitees or otherwise, in connection with the performance of its duties under this Agreement or any actions or inactions taken by the Fire Department or Municipality in connection with this Agreement, including as a result of any claims: (i) from insurers as a result of inaccuracies, misrepresentations or fraud in any of the Incident Reports and other information provided to Agent for the purpose of filing Claims; and (ii) from Third Party Fire Departments claiming rights to any Emergency Cost Recovery Proceeds that have been disbursed to the Fire Department. The foregoing liability and indemnification by Municipality shall not apply where the Losses arise from the Agent's gross negligence fraud or willful misconduct.

- (a) During the Term (and any renewal thereof as applicable) of this Agreement, the Agent shall procure and maintain an errors and omissions insurance policy of not less than two million dollars (\$2,000,000.00) coverage. The deductible shall not exceed twenty-five thousand dollars (\$25,000.00).
- (b) The Agent shall carry a Commercial Blanket Bond with an amount no less than Fifty Thousand Dollars (\$50,000.00) that protects both the Agent and the Municipality with respect to any loss resulting from dishonesty, disappearance, destruction and Forgery act(s) arising from the work being performed by the Agent under this Agreement on behalf of the Municipality.
- (c) The Agent shall, at their expense obtain and keep in force during the term of the Agreement, Commercial General Liability Insurance in an amount not less than five million dollars (\$5,000,000.00) per occurrence and five million (\$5,000,000.00) in the aggregate. This policy shall contain products and completed operations coverage, Non-owned automobile coverage, and coverage for claims resulting from Technology Network risks such as data breaches, unauthorized access, theft of confidential information, invasion of privacy, intellectual property infringement such as copyright, trademarks, service marks and trade dress. The deductible shall not exceed twenty-five thousand dollars (\$25,000.00). The Municipality has the right to request, at any time confirmation of the insurance coverages and that the policy is in force.

14. TERMINATION

Notwithstanding Section 2, this Agreement will terminate with 60 days' written notice by either Party (the "**Termination Date**"), provided that if this Agreement is terminated (other than as a result of a material breach of this Agreement by the Agent), the Agent shall be entitled to continue filing all Claims and collecting Emergency Cost Recovery Proceeds, for any incidents attended to by the Fire Department at Incident Sites which occurred prior to the date of the Termination Date of this Agreement, and such filings and recoveries shall remain subject to the terms and conditions of this Agreement. The Municipality or the Fire Department shall not make claims in respect of any incidents attended to by the Fire Department which occurred prior to the Terminate Date. The covenants set forth in this Section 14 shall survive the termination of this Agreement.

15. NOTICES

All notices, communications, statements and payments which may be required or permitted under this Agreement will be in writing and sent by registered mail, courier services, or transmitted by facsimile or other electronic means which produces a physical copy. Any party may change its address by notice to the other parties.

The addresses of the parties pursuant to this Section 15 are as follows:

If to the Municipality:

Corporation of the City of Sault Ste. Marie,
c/o Sault Ste. Marie Fire Services,
72 Tancred Street,
Sault Ste. Marie, ON P6A 2W1
Phone: 705-949-3333
Fax: 705-949-2341

Attention: Peter Johnson – Fire Chief

If to the Agent:

Fire Marque Inc.
P.O. Box 2018, Thornton, ON L0L 2N0
Phone: 1-855-424-5991 or 705-424-5991
Fax: 705-424-5702

Attention: Ted K. Woods

16. SEVERABILITY

If any provision of this Agreement is determined to be illegal, invalid or unenforceable by an arbitrator or any court of competent jurisdiction from which no appeal exists or is taken, that provision will be severed from this Agreement and the remaining provisions will remain in full force and effect.

17. ARBITRATION

All disputes, controversies and disagreements with respect to this Agreement, or any matter arising under or in connection with this Agreement, shall be finally settled by arbitration. Arbitration shall be conducted as follows:

- (a) the reference shall be to a single arbitrator appointed in accordance with the *Arbitration Act*, 1991, S.O. 1991, C. 17, as amended;
- (b) the decision of the arbitrator shall be final, conclusive and binding upon all parties;
- (c) unless otherwise determined by the arbitrator, the Parties shall pay an equal portion of the fees and expenses of the arbitrator;

- (d) the *Arbitration Act*, 1991, S.O. 1991, C. 17 shall apply to and govern each such reference to arbitration; and
- (e) All arbitrations shall be conducted in Sault Ste. Marie, Ontario **or in a location suitable to both parties.**

18. GOVERNING LAW

This Agreement is governed by, interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable in the province. Subject to Section 17, each of the Parties irrevocably attorns to the exclusive jurisdiction of the Courts of Ontario.

19. WAIVER

No waiver of any provision of this Agreement constitutes a waiver of any other provision.

20. ENTIRE AGREEMENT

Except as stated herein, this Agreement constitutes the entire agreement between the Parties concerning the subject matter hereof and, during the term hereof, supersedes all prior written or verbal agreements concerning such subject matter.

21. AMENDMENTS

Amendments to this agreement shall be in writing and be executed by the Parties. If agreed in writing by both Parties to this agreement an amendment shall form a part of this Agreement.

22. ASSIGNMENT

Neither this Agreement nor any of the rights or obligations under this Agreement are assignable or transferable by a Party without the prior written consent of the other Party, provided that nothing herein shall prevent The Agent from assigning this Agreement or any of its rights or obligations to an affiliate of The Agent, provided that the Agent agrees to remain liable to the Municipality for the obligations of such transferee affiliate.

23. ENUREMENT

This Agreement shall be binding upon and enure to the benefit of the Parties and their respective successors.

24. COUNTERPARTS

This Agreement may be executed and delivered in any number of counterparts (including by facsimile or other electronic transmission) and all counterparts taken together constitute one and the same instrument.

25. LEGAL RELATIONSHIP

In this Agreement nothing gives rise to an employment relationship for the provision of services between the Municipality and Agent. The Parties expressly acknowledge that they are independent and neither an employer-employee relationship is intended or created by this Agreement.

26. COLLECTION AND DISCLOSURE OF PRIVATE INFORMATION

Any information collected by the Agent and Municipality pursuant to this Agreement is subject to, and shall be handled in accordance with, the provisions of the Municipal Freedom of Information and Protection of Privacy Act, R.S.O. 1990, c. M.56 as amended and the Freedom of Information and Protection of Privacy Act, R.S.O. 1990, c. F.31, as amended.

27. LAWS

The Municipality and Agent, its employees and representatives, if any shall at all times comply with any and all applicable federal, provincial and municipal laws, ordinances, statutes, rules, regulations and orders in respect of the performance of this Agreement.

28. CONFIDENTIALITY

The Agent shall hold confidential and not disclose or release to any person other than the Agent and Municipality at any time during or following the term of this Agreement, except where required pursuant to the provisions of the Municipal Freedom of information and Protection of Privacy Act and/or the Personal Information Protection & Electronic Documents Act (PIPEDA), any information or document that identifies any individual or the nature and extent of services received by any individual without obtaining written consent of the Municipality prior to the release or disclosure of such confidential information. The Agent shall be entitled to disclose publicly the fact that the Municipality and/or the Fire Department are clients of the Agent.

29. CONFLICT OF INTEREST

The Agent shall disclose to the Municipality without delay any actual or potential situation that may be reasonably interpreted as either a conflict of interest or a potential conflict of interest, or breach of law in relation to this Agreement. A breach of this Section by the Agent shall entitle the Municipality to terminate this Agreement in addition to any other remedies that the municipality may have in law or equity.

[Remainder of this page left intentionally blank]

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first above written.

CORPORTION OF THE CITY OF SAULT STE. MARIE

By: _____
Name: Christian Provenzano
Title: Mayor

By: _____
Name: Rachel Tyczinski
Title: City Clerk

FIRE MARQUE INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

THE CORPORATION OF THE CITY OF SAULT STE. MARIE
BY-LAW 2021-135

AGREEMENT: A by-law to authorize the execution of the Agreement between the City and Avanti Software Inc. for software services for the Avanti Cloud Migration Program.

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 May 1, 2021 between the City and Avanti Software Inc., a copy of which is attached as Schedule "A" hereto. This Agreement is for software services for the Avanti Cloud Migration Program.

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 28th day of June, 2021.

MAYOR - CHRISTIAN PROVENZANO

CITY CLERK – RACHEL TYCZINSKI



Schedule "A"

SOFTWARE AS A SERVICE SUBSCRIPTION AGREEMENT ORDER FORM

CONTRACT DATE (mm dd yyyy)	EFFECTIVE DATE (Earlier of go-live or date shown below – mm dd yyyy)	SERVICE TERM (Months)
05/18/2021	10/01/2021	60

AVANTI SOFTWARE INC.
("Provider")

Suite 900 140 – 10 Ave SE
Calgary, Alberta T2G 0R1

CLIENT LEGAL NAME (the "Client")	CLIENT ADDRESS
The Corporation of the City of Sault Ste. Marie	99 Foster Drive Sault Ste Marie, ON P6A 5X6

OTHER COMMENTS
The Corporation of the City of Sault Ste. Marie will be moving to Avanti Software's cloud solution. Avanti will provide technical services for a migration to our cloud solution at no added cost.
<p>Note:</p> <ul style="list-style-type: none">Provider will invoice agreed upon Per-Employee Per-Month (PEPM) pricing when client achieves cloud migration go-live, or October 1, 2021.Avanti will pro-rate 2021-22 invoice based on the aforementioned go-live date or October 1, 2021.The cloud migration must commence by August 1, 2021.Pricing listed in this order will expire June 30, 2021. <p>Domain Choice: www.myavanti.ca/ <u>saultstemerie</u></p>

The Software Services and the Additional Services, both defined below (collectively, the "Services"), and the Subscription Fees and the Additional Fees, both defined below (collectively, the "Fees"), shall be subject to the Agreement, defined below, which includes the following terms and conditions:

SOFTWARE SERVICES ORDER

Subject to the terms and conditions set out in the Agreement, the Client wishes to engage the Provider to provide access and use of Provider's proprietary payroll and human resource software (the "Software") with the following modules and products enabled or otherwise provided (collectively, the "Software Services"), which may be further described under Exhibit A of this Order Form, at the following monthly fees (collectively, the "Subscription Fees"):

SOFTWARE MODULES	LIST PRICE (Monthly / Auth. User)	SALES PRICE (Monthly / Auth. User)	QUANTITY (# of Compensated EEs)	EST. MONTHLY PRICE (varies based on Compensated EEs)
Avanti Human Capital Management SaaS (Payroll, Time & Attendance, Human Resources, Recruiting & Onboarding)	\$14.00	Year 1: \$5.00 Year 2: \$5.00 Year 3: \$6.00 Year 4: \$6.00 Year 5: \$7.00	1,000	Year 1: \$5,000 Year 2: \$5,000 Year 3: \$6,000 Year 4: \$6,000 Year 5: \$7,000

OTHER SOFTWARE SERVICES	LIST PRICE (Monthly Fee)	SALES PRICE (Monthly Fee)	QUANTITY	TOTAL MONTHLY PRICE
Custom Product	\$100.00	\$100.00	1.00	\$100.00

ANNUAL FEE SUMMARY	
Estimated Year 1 Annual Recurring Fees*	\$61,200
Estimated Year 1 Monthly Payments	\$5,100

*All fees are subject to any applicable harmonized, federal or provincial sales taxes.

*Annual costs may vary depending on monthly employee count

SIGNATURE PAGE

TO THE SOFTWARE AS A SERVICE SUBSCRIPTION AGREEMENT ORDER FORM

This Order Form is entered into by and between Avanti Software Inc. and the Client (as such party is identified and defined herein), as of the Effective Date first written above. By executing this Order Form, the parties hereby agree to be bound by the terms and conditions of the following (collectively, the “**Agreement**”):

- (a) this Order Form;
- (b) Exhibts A and B attached to this Order Form; and
- (c) the Software as a Service Subscription Agreement located at <https://www.avanti.ca/terms/software-as-a-service-subscription-agreement>

AVANTI SOFTWARE INC.

Signature: _____
Name: _____
Title: _____
Date: _____

CLIENT NAME: The Corporation of the City of Sault Ste. Marie

Signature: _____
Name: Christian Provenzano
Title: Mayor
Date: June 28, 2021

CLIENT NAME: The Corporation of the City of Sault Ste. Marie

Signature: _____
Name: Rachel Tyczinski
Title: City Clerk
Date: June 28, 2021

EXHIBIT A

TO THE SOFTWARE AS A SERVICE SUBSCRIPTION AGREEMENT ORDER FORM

DESCRIPTION OF SOFTWARE SERVICES

Subject to the Order Form to which this Exhibit is attached, the Provider shall provide to the Client the following, to the extent necessary for the proper delivery of the Software Services:

1. Access to the Software for Authorized Users;
2. Client Data storage for use with the Software in the Avanti Production Environment;
3. Software training as determined by the Provider;
4. One daily incremental backup and one weekly full backup of Client Data to a designated Avanti Production Environment;
5. Software updates as follows:
 - (a) Summer update to reflect CRA, Revenue Quebec and other legislative compliance changes (usually released 10 business days prior to July 1st);
 - (b) Fall update to reflect regular software enhancements (usually released in October);
 - (c) Winter update to reflect CRA, Revenue Quebec and other legislative compliance changes (usually released 10 business days prior to December 31st); and
 - (d) Additional updates and enhancements deemed necessary by Provider, from time to time.
6. Ongoing Software support for Authorized Power Users; and
7. Configuration of biometric clock to a static network IP address provided by Client.

IMPLEMENTATION OF SOFTWARE SERVICES

Implementation of Software Services shall include the following:

- Project management and planning;
- User access configuration;
- Business process discovery;
- Database build and configuration;
- Virtual and/or remote training; and
- Scenario processing and final review.

A key component of a successful implementation process is active participation of the Client throughout. The Client is expected to provide data in the form of Implementation Workbooks and to review and test data in the Software.

The implementation of Software Services is completed virtually and/or remotely and shall be completed within 12 months of the Effective Date. At Client's request and subject to additional Fees, Provider's implementation team may travel to the Client site for additional training or implementation services.

Additional Fees may also be applicable for the following:

- Multiple databases to support unique business units;
- Employee data conversion, where Provider builds scripts to populate data in the Software because the current Client payroll solution cannot provide such data;
- Employee data conversion of pay period data dating prior to the previous calendar
- Pay rules in Time & Attendance that require complex calculations beyond what is considered standard by provincial and federal statutory rules;
- Scheduling, if you have unique requirements that cannot be met within our standard functionality; and

- Workflows, other than the current standard templates provided with the Software.

EXHIBIT B

TO THE SOFTWARE AS A SERVICE SUBSCRIPTION AGREEMENT ORDER FORM

AUTOMATIC FEE ADJUSTMENTS & PAYMENT DETAILS

The Subscription Fees are fixed as outlined on the Order Form and shall be billed as described below. The Subscription Fees shall be calculated based on: (1) The number of Compensated People; (2) The number of Time Terminal Devices; (3) The number of additional Authorized Power Users; and (4) Other integration tools and custom programs.

The Subscription Fees are calculated monthly based on actual usage, however, the number of Compensated People can never be less than nine hundred (900). In addition, the Subscription Fees include 1 Authorized Power User per 50 Compensated Employees. Provider shall utilize a program to determine the accurate number of Compensated People for the purpose of determining the Subscription Fees.

All Subscription Fees are due at the end of each month, based on actual usage. The Subscription Fees shall be withdrawn ten (10) business days after the due date.

ORDER FORM AUTO-RENEWAL

The Service Term shall automatically renew for additional successive (1) year terms (each a “**Renewal Term**”), unless terminated by either party with written notice to the other party at least sixty (60) days before the expiration of the then current term (the “**Notice Period**”). At any time during the Notice Period, the Provider may provide written notice to the Client of any change in Subscription Fees applicable to the following Renewal Term, and such changes will be deemed accepted by the Client if the Client does not terminate this Order Form prior to such Renewal Term.



Version 01.01

Software as a Service Subscription Agreement

This Software as a Service Subscription Agreement (the "Agreement") outlines the terms and conditions under which AVANTI SOFTWARE INC. (the "Provider") agrees to provide the Services to the Client identified and defined in one or more Order Forms referencing this Agreement and executed by such parties (each, an "Order Form"). This Agreement incorporates each such Order Form by reference and is effective as of the effective date specified in the first Order Form (the "Effective Date").

Certain capitalized terms used herein are defined in Section 13 of this Agreement. Any capitalized terms used but not defined in this Agreement, may be defined in an Order Form, and such definitions apply hereto.

THE PROVIDER AND THE CLIENT HEREBY AGREE AS FOLLOWS:

1. SERVICES.

1.1 Services. Subject to the terms and conditions of this Agreement, and in exchange for the Fees, the Provider will provide to the Client and its Authorized Users the Services specified in the applicable Order Form.

1.2 Software Service Levels.

(a) **Service Levels.** Subject to the terms and conditions of this Agreement:

(i) Provider will use commercially reasonable efforts to make the Software available for access and use by Client and its Authorized Users at least 99.5% of the time during Business Hours as measured over the course of each calendar month during the Service Term, excluding unavailability as a result of any of the exceptions set out in Section 1.2(a)(ii) below (the "Availability Requirement"); and

(ii) the following are exceptions to the Availability Requirement, and the Software will not be considered un-available or be deemed to fail to meet the Availability Requirement, in whole or in part, as a result of: (A) any act or omission by the Client or any Authorized User that does not strictly comply with this Agreement; (B) Internet connectivity of the Client or any Authorized User; (C) Force Majeure Event; (D) failure, interruption, outage or other problem with any software, hardware, system, network, facility or other matter not supplied by Provider under this Agreement; (E) Scheduled Downtime (defined in Section 1.2(b) below); or (F) disabling, suspension or termination of the Services pursuant to Section 1.5.

(b) **Scheduled Downtime.** The Provider will use commercially reasonable efforts to schedule downtime for data backups, system maintenance and Software updates outside of Business Hours (the "Scheduled Downtime").

(c) **Software Support.** The Software Services include Provider's standard customer support services, which include the following:

(i) provided Client has paid all Subscription Fees due and owing under this Agreement, Provider will provide to Authorized Power Users access to customer support personnel on Business Days between 7:00am and 5:30pm MST; and (ii) Provider customer support personnel will be available to accept descriptions of Software problems from Authorized Power Users via email or telephone.

1.3 Service and System Control. Except as otherwise expressly provided in this Agreement, as between the parties: (a) the Client has and will retain sole control over the operation, management and maintenance of, and all access to and use of, the Client Systems, and sole responsibility for all access to, and use of, the Software and Provider Materials by any Person by or through the Client Systems or any other means controlled by the Client or any Authorized User; and (b) the Provider has and will retain sole control over the hosting, operation, provision, management and maintenance of the Software and Provider Materials, including the: (i) Provider Systems; and (ii) performance of Software maintenance, upgrades, corrections and repairs.

1.4 Changes. Provider reserves the right, in its sole discretion and at any time and from time to time, to make any changes to the Services and the Software that it deems necessary or useful to: (a) comply with applicable law; and (b) maintain or enhance: (i) the quality or delivery of Provider's Services to its clients; (ii) the competitive strength of or market for the Services; (iii) the cost efficiency or performance of the Services; or (iv) the Provider's best interests.

1.5 Suspension or Termination of Services. Provider may, directly or indirectly, suspend, terminate or otherwise deny access to or use of all or any part of the Services or Provider Materials by the Client and any Authorized User, without incurring any resulting obligation or liability, if: (a) the Provider receives a Governmental Order that expressly or by reasonable implication requires the Provider to do so; or (b) the Provider believes, in its sole discretion, that: (i) the Client or any Authorized User has failed to comply

with any material term of this Agreement, or accessed or used the Software beyond the scope of the rights granted or for a purpose not authorized under this Agreement or in any manner that does not comply with any instruction or requirement of the Provider; (ii) the Client or any Authorized User is, has been, or is likely to be involved in any fraudulent, misleading or unlawful activities; or (iii) this Agreement expires or is terminated. This Section 1.5 does not limit any of the Provider's other rights or remedies, whether at law, in equity or under this Agreement.

2. AUTHORIZATION AND USE.

2.1 Authorization. Subject to and conditional on the Client's payment of the Fees and compliance with all other terms and conditions of this Agreement, the Provider hereby authorizes the Client to access and use, during the Service Term, and solely for the Client's internal business operations by and through Authorized Users in accordance with the terms and conditions set forth in this Agreement: (a) the Services; and (b) other Provider Materials to the extent necessary for the proper delivery of the Services. This authorization is limited, revocable, non-exclusive and non-transferable. The Client may submit a user access request form to the Provider from time to time in order to make any additions or deletions to the list of Authorized Power Users. The Provider will review and approve, in its sole discretion, the user access request form submitted by the Client, and upon such approval the list of Authorized Power User(s) will be updated and the applicable individuals (as approved by the Provider) will be granted administrative access to the Software. In the event the number of Authorized Power Users exceeds the allotted number of Authorized Power Users included in the Subscription Fees (as such allotted number is set out in the applicable Order Form), the Subscription Fees will be automatically increased by the amount set out in the applicable Order Form for each additional Authorized Power User approved in accordance with this Section 2.1.

2.2 Restrictions. The Client will not, and will not permit any other Person to, access or use the Services and Provider Materials except as expressly permitted by this Agreement. Without limiting the foregoing, the Client will not, except as expressly permitted by this Agreement: (a) copy, modify or create derivative works or improvements of the Services or Provider Materials; (b) rent, lease, lend, sell, sublicense, assign, distribute, publish, transfer or otherwise make available any Services or Provider Materials to any Person; (c) reverse engineer, disassemble, decompile, decode, adapt or otherwise attempt to derive or gain access to the source code of the Services or Provider Materials or any part thereof; (d) bypass or breach any security measures used by the Services or Provider Materials; (e) input, upload, transmit or otherwise provide to or through the Services or Provider Materials any information or materials that are unlawful or injurious, or contain, transmit or activate any virus, trojan horse, worm, backdoor, malware or other malicious computer code; (f) transmit, or otherwise export any of the Services or Provider Materials or underlying information or technology; (g) damage, destroy, disrupt, disable, impair, interfere with or otherwise impede or harm in any manner the Services or Provider Materials; (h) remove, delete, alter or obscure any trade-marks, specifications, warranties or disclaimers, or any copyright, trade-mark, patent or other intellectual property or proprietary rights notices from any Services or Provider Materials; (i) access or use the Services and Provider Materials in any manner or for any purpose that infringes, misappropriates or otherwise violates any Intellectual Property Rights or other rights of any third party, or that violates any applicable laws; (j) provide any usernames, passwords or other information which would permit access to the Services or any Provider Materials to any Person who does not have authorized access from the Provider; or (k) otherwise access or use the Services or Provider Materials beyond the scope of the authorization expressly granted in this Agreement.

2.3 Client Obligations. The Client: (a) will ensure that its Authorized Users using the Services and Provider Materials comply with all of the Client's obligations under this Agreement; (b) agrees and acknowledges that the Client is responsible for the acts and omissions of its Authorized Users relating to the Agreement as though they were those of the Client; (c) will have sole responsibility for the accuracy, quality, integrity, legality, reliability, and appropriateness of all Client Data, including ensuring that it has obtained any necessary consents, and made any necessary disclosures, to enable the Provider to perform its obligations under this Agreement; (d) will use commercially reasonable efforts to prevent unauthorized access to, or use of, the Services and the Provider Materials and notify the Provider promptly of any such unauthorized access or use; (e) will set up, maintain and operate in good repair and in accordance with any service specifications all Client Systems on or through which the Services and Provider Materials are accessed or used; (f) will have sole responsibility for connectivity between the Client Systems and the internet and the security of the Client's link to the Services and Provider Materials; (g) will provide all cooperation and assistance as the Provider may reasonably request to enable the Provider to exercise its rights and perform its obligations under this Agreement; and (h) will comply with all applicable laws in accessing using the Services and Provider Materials.

3. FEES AND PAYMENT TERMS.

3.1 Fees. The Client will pay to the Provider the Fees in the amounts, at the times and according to the terms set out in the applicable Order Form. All Fees payable under this Agreement are exclusive of any and all applicable taxes, which will be paid together with the Fees.

3.2 Reimbursable Expenses. Subject to the applicable Order Form, the Client will reimburse Provider for all reasonable out-of-pocket expenses incurred by the Provider in connection with performing the Services (the "Reimbursable Expenses"), which will include, without limitation, air travel, hotel accommodations and ground transportation as invoiced, and meals based on a daily per diem. Where applicable, the then-current CRA rates will be used.

3.3 Payment. Unless otherwise expressly set out in the applicable Order Form, the Client will: (a) pay all Fees and Reimbursable Expenses in Canadian dollars via direct debit withdrawals by the Provider; (b) provide the requisite banking information in writing to the Provider to facilitate such payments; and (c) promptly provide the Provider with any updates to such information, and any further authorizations reasonably requested by the Provider to effect same.

3.4 Failure of Payment. Interest will accrue on amounts past due at a rate of twelve percent (12%) per annum. The Client will reimburse the Provider for all costs incurred by the Provider in collecting any late payments or interest, including legal fees, court costs and collection agency fees. Without limiting any other remedy available to the Provider by law or equity or under this Agreement, in the event that the Client's payment obligations are overdue and outstanding for a period of ten (10) days, the Provider may, in its sole discretion: (a) terminate this Agreement immediately upon notice to the Client; or (b) suspend its obligations to the Client relating to the Services until such time as all amounts due and owing under this Agreement are paid in full.

4. PROPRIETARY RIGHTS.

4.1 Reservation of Rights. Except for the rights and licenses expressly granted in this Agreement, all right, title and interest (including any and all Intellectual Property Rights) in and to the Services, the Provider Materials, and any modifications, enhancements, upgrades, updates or customization to the Services and the Provider Materials, are and will remain exclusively with the Provider.

4.2 Client Data. The Client hereby grants to the Provider and the Provider Personnel, during the Service Term, a non-exclusive, fully-paid and royalty-free license in and to the Client Data (including without limitation, any Personal Data contained therein) for the purpose of providing the Services in a manner consistent with the terms of this Agreement and for exercising the Provider's rights and performing its obligations hereunder. As between the Client and the Provider, the Client is and will remain the sole and exclusive owner of all right, title and interest in and to all Client Data, including all Intellectual Property Rights relating thereto, subject to the rights and permissions granted in the preceding sentence of this Section 4.2.

4.3 Derivative Data. The Client acknowledges and agrees that the Provider may, in its discretion: (a) collect aggregated anonymous information about the Provider's usage activity with respect to the Services; and (b) use, store, analyze and disclose such aggregated anonymous information to diagnose problems, improve its Services, and to conduct marketing, research and development activities; provided that such aggregated anonymous information will not include any Confidential Information of the Client or any Personal Data. All such aggregated anonymous information will be owned exclusively by the Provider and the Provider will not be restricted from using, disclosing or transferring its rights with respect to such aggregated anonymous information to third parties.

5. CONFIDENTIALITY.

5.1 Obligation. Receiving Party hereby acknowledges that the Disclosing Party's Confidential Information is an asset of considerable value, the unauthorized use or disclosure of which would be damaging. Receiving Party will, during and subsequent to the Service Term: (a) keep the Confidential Information of the Disclosing Party confidential and use such Confidential Information solely for the purposes of exercising its rights and performing its obligations under this Agreement; (b) not directly, or indirectly, without authorization from the Disclosing Party reveal, report, publish, disclose or transfer such Confidential Information to any third party; (c) utilize procedures constituting a high degree of care to maintain the security of such Confidential Information and in no event less than a reasonable standard of care under the circumstances; and (d) disclose such Confidential Information to its employees and contractors (and professional advisors who are bound by professional confidentiality obligations, such as legal counsel), solely on a need-to-know basis as reasonably required under this Agreement, provided that, any access or disclosure to the Disclosing Party's Confidential Information that is granted by the Receiving Party to its employees and contractors will first require the Receiving Party to enter into a written agreement with each such employee and contractor that contains confidentiality obligations and intellectual property ownership terms that are in content at least as protective as the provisions hereof. If a Receiving Party is required by law or court order to disclose any Confidential Information of the Disclosing Party, such Receiving Party will: (i) first notify the Disclosing Party of same in writing and without delay; and (ii) cooperate with the Disclosing Party, and use its own best efforts, to limit any such disclosure to the minimum disclosure necessary to comply with such law or court order.

5.2 Return of Confidential Information. Subject to the terms of this Agreement, Receiving Party will return or irretrievably destroy the Confidential Information of the Disclosing Party within thirty (30) days after such request from the Disclosing Party. If requested by the Disclosing Party, the Receiving Party will provide a statutory declaration certifying the return or destruction (as applicable) within five (5) days thereafter.

5.3 Injunctive Relief. Each party acknowledges and agrees that should it breach its obligations of non-disclosure under this Section 5, the other party may suffer harm which may not be adequately compensated by monetary damages. In such event, the non-breaching party may, in addition to any other remedy available in law or equity, seek specific performance and injunctive or other equitable relief without bond or proof of damages.

6. SECURITY.

6.1 Security of Client Data. The Provider will take commercially reasonable, industry standard security measures to protect Client Data, including with respect to Provider Personnel, facilities, hardware and software, storage and networks, access controls, monitoring and logging, vulnerability and breach detection, incident response and any other organizational and technical measures necessary to protect against unauthorized or accidental access, loss, alteration, disclosure or destruction of Client Data. The Client's Avanti Database will be stored exclusively in Canada unless explicitly requested or authorized by the Client. For the avoidance of doubt, certain data such as names and phone numbers may be used and stored simultaneously within Avanti Database Applications and other Avanti applications, and such data is not considered Avanti Database.

6.2 Provider Personnel. The Provider will ensure that Client Data in the Provider's possession is accessed and used only by Provider Personnel who are authorized by the Provider to do so, and in each instance only to the extent necessary for such Provider Personnel to perform work authorized by the Provider. The Provider will ensure that, on termination of the employment or engagement of any Provider Personnel, the Provider Personnel no longer have access to or use of any Client Data in the Provider's possession.

6.3 Secure Use by Client. The Client will employ commercially reasonable security procedures and other safeguards necessary to securely administer use of the Services and the Provider Materials and protect against any unauthorized access to or use of the Services and the Provider Materials.

6.4 Reporting. The Provider will, as soon as reasonably practical, report to the Client any unauthorized access to the Client Data upon discovery by the Provider, and the Provider will use diligent efforts to promptly remedy any breach of security that permitted such unauthorized access.

6.5 Personal Data. The Client will only provide Personal Data to the Provider when necessary, and, when practical to do so, will render such Personal Data anonymous before such disclosure. The Client acknowledges and agrees that it is responsible for ensuring that all Person Data contained within the Client Data is handled in accordance with applicable privacy laws.

6.6 Conflict. In the event of any conflict between this Section 6 (Security) and Section 5 (Confidentiality) of this Agreement, then this Section 6 will prevail.

7. REPRESENTATIONS AND WARRANTIES.

7.1 Mutual Representations and Warranties. Each party hereby represents and warrants to the other party that: (a) it is a business duly registered or incorporated, validly existing, and in good standing under the laws of its jurisdiction; (b) it has full right and authority to enter into, execute, and perform its obligations under this Agreement; and (c) the execution, delivery, and performance of this Agreement constitutes a legal, valid, and binding agreement of such party.

7.2 Provider Representations and Warranties. The Provider hereby represents and warrants to the Client that it will provide the Services in compliance with applicable laws and regulations and in a professional manner.

7.3 Client Representations and Warranties. The Client hereby represents and warrants to the Provider that the Client owns or otherwise has, and will have, the necessary rights and consents in and relating to the Client Data (which includes, for certainty, any Personal Data) so that, as received by the Provider and processed in accordance with this Agreement, it does not and will not infringe, misappropriate or otherwise violate any Intellectual Property Rights or any privacy or other rights of any Person or violate any applicable laws.

8. TERM AND TERMINATION.

8.1 Term. Unless terminated earlier pursuant to the terms and conditions of this Agreement, this Agreement will commence on the Effective Date and will continue for as long as an Order Form remains in effect.

8.2 Termination. Either party may terminate this Agreement immediately upon notice if the other party: (a) fails to correct a material breach of its obligations under this Agreement within thirty (30) days after receipt by such other party of written notification from the notifying party of such material breach, provided however, that a breach of the confidentiality obligations set forth in Section 5 will be grounds for immediate termination of this Agreement by written notice from the non-breaching party; or (b) files a bankruptcy petition, has a bona fide petition filed involuntarily against it, becomes insolvent, makes an assignment for the benefit of creditors, consents to the appointment of a trustee, or if bankruptcy reorganization or insolvency proceedings are instituted by or against the other party.

8.3 Effect of Termination. Upon termination or expiry of this Agreement for any reason pursuant to this Section 8: (a) all Order Forms in effect will immediately terminate; (b) all Fees that have accrued up to such date will become immediately due and payable, and Client will pay such Fees on receipt of the Provider's invoice therefor; (c) the Client will promptly return to the Provider, or at the Provider's written request destroy, all materials containing the Provider's Confidential Information; (d) the Provider may retain Client Data in its then current state and solely to the extent and for so long as required by applicable law; and (e) any provision of this Agreement that imposes an obligation after termination of this Agreement will survive the termination or expiry of this Agreement, including without limitation, Sections: 3 - 6, and 8 - 12 (inclusive). Termination or expiry of an Order Form

will not serve to terminate this Agreement.

9. INDEMNITY.

Each party (the "Indemnitor") will defend, indemnify and hold harmless the other party and their officers, directors, contractors, and employees (together, the "Indemnitees") against and from any and all third party claims, demands, actions, causes of action, damage, loss, suits, proceedings, costs, liabilities, expenses and charges (collectively, "Losses") incurred or suffered by the Indemnitees as a result of or in connection with any material non-fulfillment or breach of any warranty or covenant, or any material misrepresentation, under this Agreement by the Indemnitor. For certainty, and without limiting the foregoing, the Client will defend, indemnify and hold harmless the Provider and its officers, directors, contractors, and employees (the "Provider Parties") from any Losses incurred or suffered by the Provider Parties as a result of or in connection with the use of the Client Data to provide the Services in accordance with this Agreement. This Section will survive termination or expiry of this Agreement.

10. DISCLAIMER.

EXCEPT FOR THE EXPRESS WARRANTIES AND REPRESENTATIONS PROVIDED IN THIS AGREEMENT, THE PROVIDER HEREBY DISCLAIMS ANY AND ALL GUARANTEES, REPRESENTATIONS, CONDITIONS AND WARRANTIES REGARDING THE SERVICES AND PROVIDER MATERIALS, WHETHER IMPLIED OR STATUTORY, ORAL OR OTHERWISE, ARISING UNDER ANY LAW OR OTHERWISE, INCLUDING WITHOUT LIMITATION CONDITIONS AND WARRANTIES WITH RESPECT TO VALIDITY, ACCURACY, NON-INTERRUPTION, ERROR-FREE OPERATION, MERCHANTABILITY, QUALITY, OR FITNESS FOR A PARTICULAR PURPOSE. EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, THE SERVICES AND PROVIDER MATERIALS ARE PROVIDED "AS-IS" AND "AS AVAILABLE". THIS SECTION WILL SURVIVE THE TERMINATION OR EXPIRY OF THIS AGREEMENT AND WILL APPLY TO THE FULLEST EXTENT PERMITTED BY LAW.

11. LIMITATION OF LIABILITY.

THE PROVIDER'S MAXIMUM LIABILITY TO THE CLIENT UNDER THIS AGREEMENT IS THE AGGREGATE AMOUNT OF FEES PAID BY THE CLIENT DURING THE SIX (6) MONTH PERIOD PRECEDING ANY CLAIM.

NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, IN NO EVENT WILL THE PROVIDER HAVE ANY LIABILITY TO ANY OTHER PARTY FOR ANY INCIDENTAL, PUNITIVE, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES (INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF BUSINESS, LOSS OF PROFITS, BUSINESS INTERRUPTION, LOSS OF DATA, LOST SAVINGS, LOST OPPORTUNITY COSTS OR OTHER SIMILAR PECUNIARY LOSS), HOWEVER CAUSED AND UNDER ANY THEORY OF LIABILITY (INCLUDING NEGLIGENCE) AND WHETHER OR NOT SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGE.

THIS SECTION WILL SURVIVE THE TERMINATION OR EXPIRY OF THIS AGREEMENT AND WILL APPLY TO THE FULLEST EXTENT PERMITTED BY LAW.

12. GENERAL.

12.1 Assignment. This Agreement will not be assigned by either party, whether voluntarily or involuntarily or by operation of law, in whole or in part, to any other entity without the prior written consent of the other party. Notwithstanding the foregoing, upon written notice to the Client, the Provider may assign this Agreement to a successor in interest, upon a merger, acquisition, reorganization, change of control, or sale of all or virtually all of the assets of the Provider, and any such assignment will not require the consent of the Client. Any assignment in violation of this Section will be null and void from the beginning and will be deemed a material breach of this Agreement.

12.2 Waiver. Provider will not be deemed to have waived any of its rights under this Agreement by lapse of time or by any statement or representation other than by an authorized representative in an explicit written waiver. No waiver of a breach of this Agreement will constitute a waiver of any other breach of this Agreement.

12.3 Amendment. Notwithstanding anything to the contrary in this Agreement (including an Order Form), the Provider may amend this Agreement at any time and from time to time in its sole discretion, with or without notice to, and with or without consent of, the Client, including without limitation by amending the Fees and the features associated with the Services. Upon making any amendments to this Agreement, the Provider will post an amended version of this Agreement on its website, and the Provider may send the Client written notice thereof. Unless otherwise expressly provided by the Provider in writing, any amendments will become effective on the date of posting on the Provider's website.

12.4 Choice of Law. This Agreement will be governed by the laws of Alberta and the laws of Canada applicable therein. The provincial and federal courts located in Alberta will have exclusive jurisdiction to adjudicate any dispute arising out of or relating to this Agreement. Each party hereby consents to the exclusive jurisdiction of such courts. Notwithstanding the foregoing, the Provider will be entitled to seek injunctive or other equitable relief in any jurisdiction with a reasonable connection to the subject matter of this Agreement.

12.5 Force Majeure. If the Provider is prevented from or interfered with in any manner whatsoever, or otherwise delayed, in performing the Services or any other obligations hereunder by reason of any Force Majeure Event, then the Provider's non-

performance will not be deemed a breach of this Agreement, provided that notice is given to the Client without delay, and the Provider's obligations hereunder will be extended by such reasonable amount of time determined by the Provider in good faith.

12.6 Notices. If any notice or other communication is required or permitted to be given to a party hereunder, such notice or communication will be in writing and: (a) personally delivered; or (b) transmitted by e-mail to the address provided in the applicable Order Form. All such notices or other communications will be deemed to have been given and received upon confirmation of delivery.

12.7 Interpretation. All monetary amounts under this Agreement are in Canadian Dollars, except where expressly provided otherwise. Headings are solely for convenience.

12.8 Independent Contractors. The parties are independent contractors. Neither party will be deemed to be an employee, agent, partner, joint venturer or legal representative of the other for any purpose and neither party will have any right, power or authority to create any obligation or responsibility on behalf of the other.

12.9 Severability. In the event that any covenant, provision or restriction contained in this Agreement is found to be void or unenforceable (in whole or in part) by a court of competent jurisdiction, it will be interpreted to fulfill its intended purpose to the maximum extent permitted, and it will not affect or impair the validity or enforceability of any other covenant, provisions or restrictions contained herein, which will remain in full force and effect.

12.10 Entire Agreement. This Agreement, which includes each Order Form, constitutes the final, complete and exclusive agreement between the parties with respect to the subject matter hereof, and supersedes any prior or contemporaneous agreement. To the extent of any conflict between this Agreement and an Order Form, the Order Form will govern.

13. DEFINITIONS.

(1) "Additional Fees" means all fees payable by the Client to the Provider for Additional Services, as specified in the applicable Order Form.

(2) "Additional Services" all such additional services to be provided by the Provider to the Client, as specified in the applicable Order Form.

(3) "Authorized Power User" means each of the Authorized Users authorized by the Client to be granted administrative access to the Software, as approved by the Provider pursuant to Section 2.1.

(4) "Authorized User" means each of the individuals authorized by the Client to use the Software under Section 2.1 and the other terms and conditions of this Agreement.

(5) "Avanti Database" means data specifically stored within the following applications (collectively, the "Avanti Database Applications"): (i) Avanti Desktop; (ii) Avanti Career Connect; (iii) Avanti Self Service Portal (ASSP); and (iv) Avanti Go; solely as necessary and distinct for use of the Avanti Database Applications and no others.

(6) "Business Day" means any day other than a Saturday, Sunday or any other day on which commercial banks located in the City of Calgary are authorized or required by law to be closed for business.

(7) "Business Hours" means Monday to Friday from 8:00am to 5:00pm in the Client's local time zone.

(8) "Client Data" means information, data and other content, in any form or medium, that is collected, downloaded or otherwise received, directly or indirectly from the Client or an Authorized User by or through the Services, including without limitation Personal Data.

(9) "Client Systems" means the Client's information technology infrastructure, including computers, software, hardware, databases, electronic systems (including database management systems), networks and internet connectivity.

(10) "Confidential Information" means information that is not generally known to the public or that otherwise constitutes a trade secret under applicable law, including without limitation, technical information, know-how, technology, software applications and code, prototypes, ideas, inventions, methods, improvements, data, files, information relating to client identities and other client information; provided that, Confidential Information does not include any of the foregoing information that Receiving Party can demonstrate: (i) has entered into the public domain through no wrongful act or breach of any obligation of confidentiality by the Receiving Party; (ii) was in the lawful knowledge and possession of, or was independently developed by, the Receiving Party prior to the time it was disclosed to, or learned by, the Receiving Party hereunder as evidenced by written records; (iii) was rightfully received by Receiving Party from a third party without a breach of such third party's obligations of confidentiality; or (iv) was approved in writing for release by the Disclosing Party. Confidential Information includes such information that was disclosed by the Disclosing Party to the Receiving Party prior to the Effective Date. Without limiting the foregoing, all Provider Materials are the Confidential Information of the Provider and the terms and existence of this Agreement are the Confidential Information of each of the parties.

(11) "Disclosing Party" means the party who discloses or otherwise divulges Confidential Information to the other party.

(12) "Documentation" means any manuals, instructions or other documents or materials that the Provider provides or makes available to the Client in any form or medium and which describe the functionality, components or features of the Software, the Services or Provider Materials, including any aspect of the installation, configuration, integration, operation, use, support or maintenance thereof.

(13) "Fees" means, collectively, the Subscription Fees, the Additional Fees, and any other fees payable by the Client to the Provider under this Agreement.

(14) "Force Majeure Event" means any event beyond the Provider's reasonable control, including but not limited to, acts of God, wars, terrorism, riots, embargoes, acts of civil or military authorities, pandemics, government orders, fires, floods, accidents, or strikes, labour problems, computer, telecommunications, internet service provider or hosting facility failures or delays involving hardware, software or power systems.

(15) "Governmental Order" means any order, writ, judgment, injunction, decree, stipulation, award or determination entered by or with any federal, provincial, territorial, municipal or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of such organization or authority have the force of law), or any arbitrator, court or tribunal of competent jurisdiction.

(16) "Intellectual Property Rights" means: (i) copyrights and copyrightable works, whether registered or unregistered; (ii) trademarks, service marks, trade dress, logos, registered designs, trade and business names (including Internet domain names, corporate names and e-mail address names), whether registered or unregistered; (iii) patents, patent applications, patent disclosures and inventions (whether patentable or not); (iv) trade secrets, processes, methods, data privacy rights, know-how and rights in designs; and (v) all other forms of intellectual property or any other proprietary rights in every jurisdiction worldwide.

(17) "Person" means an individual, firm, corporation, partnership, association, limited liability company, trust or any other entity.

(18) "Personal Data" means information about an identifiable individual.

(19) "Provider Materials" means the Software, Software specifications, Documentation and Provider Systems and any and all other information, data, documents, materials, works and other content, devices, methods, processes, hardware, software and other technologies and inventions, including any deliverables, technical or functional descriptions, requirements, plans or reports, that are provided or used by Provider or any of Provider's Personnel in connection with the Services or otherwise comprise or relate to the Services or Provider Systems.

(20) "Provider Personnel" means all individuals involved in the performance of the Services as employees, agents or independent contractors of Provider or any subcontractor.

(21) "Provider Systems" means the information technology infrastructure used by or on behalf of Provider in providing the Services, including all computers, software, hardware, databases, electronic systems (including database management systems) and networks.

(22) "Receiving Party" means the party who receives or otherwise obtains Confidential Information from the Disclosing Party or from the Disclosing Party's employees, agents, representatives, consultants, clients, contractors or suppliers.

(23) "Services" means, collectively, Software Services and the Additional Services specified in the applicable Order Form.

(24) "Service Term" has the meaning set forth in the applicable Order Form.

(25) "Software" means, in addition to any meaning specified in the applicable Order Form, the Provider software application or applications that Provider provides remote access to, and use of, as part of the Software Services, and all new versions, updates, revisions, improvements and modifications of the foregoing.

(26) "Software Services" means all such software services to be provided by the Provider to the Client, as specified in the applicable Order Form.

(27) "Subscription Fees" means all fees payable by the Client to the Provider for Software Services, as specified in the applicable Order Form.

WHY AVANTI?

ADP ALTERNATIVE

SWITCH FROM CERIDIAN

UKG CANADIAN COMPETITOR

IN-HOUSE VS OUTSOURCE

PRODUCTS

PAYROLL MANAGEMENT

PEOPLE MANAGEMENT

WORKFORCE MANAGEMENT

TALENT ACQUISITION

RESOURCES

CASE STUDIES

BLOG

INCOME TAX CALCULATOR

GROSS SALARY CALCULATOR

COMPANY

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[AVANTI GO](#)

[BONUS CALCULATOR](#)

[IN-HOUSE PAYROLL SAVINGS
CALCULATOR](#)

[I'M A CLIENT](#)

[CONTACT US](#)

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[TERMS OF USE](#)

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THE CORPORATION OF THE CITY OF SAULT STE. MARIE
BY-LAW 2021-136

AGREEMENT: A by-law to authorize the execution of the Agreement between the City and Algoma District School Board for the Community Partnership Project at the former Etienne Brule School Site.

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 28, 2021 between the City and Algoma District School Board, a copy of which is attached as Schedule "A" hereto. This Agreement is for the Community Partnership Project at the former Etienne Brule School Site.

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 28th day of June, 2021.

MAYOR - CHRISTIAN PROVENZANO

CITY CLERK - RACHEL TYCZINSKI

Schedule "A"

EXTENSION AGREEMENT - LICENCE TO OCCUPY ALGOMA DISTRICT SCHOOL BOARD

THIS EXTENSION AGREEMENT made in duplicate this 28th day of June, 2021

BETWEEN:

ALGOMA DISTRICT SCHOOL BOARD

hereinafter referred to as the "ADSB"

- and -

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

hereinafter referred to as the "CITY"

WHEREAS the ADSB is the registered owner of the lands and premises municipally known as "241 Albert Street West", legally described in PIN 31511-0199(LT) (the "ADSB Lands");

AND WHEREAS the parties entered into Licence to Occupy Agreement dated July 18, 2016 ("Licence Agreement") whereby the ADSB granted the City permission to occupy a portion of the ADSB Lands to create a Playground, Orchard/Community Garden, Sugar bush, Basketball Court, and a section of the Hub Trail (the "Community Partnership") pursuant to the terms and conditions set out in the Licence Agreement appended as Schedule "A" hereto;

AND WHEREAS the term of the Licence Agreement is for a period of five (5) years commencing July 1, 2016 and ending on June 30, 2021 (the "Term"), and shall automatically renew on a yearly basis thereafter on the same terms and conditions at both parties' consent;

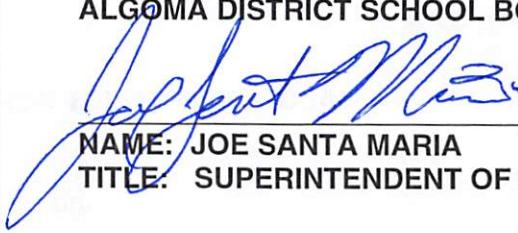
AND WHEREAS the City has requested the renewal of the Licence Agreement and the ADSB has agreed to same, subject to the terms and conditions of this Extension Agreement;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises and the terms and conditions herein contained, the receipt and sufficiency of which are hereby acknowledged by each of the parties hereto, the parties hereto agree with each other as follows:

1. The parties hereto acknowledge and agree to renew the Term of the Licence Agreement attached at Schedule "A" hereto for a period of one (1) year, commencing July 1, 2021 and ending July 1, 2022 (the "Renewal Term"). The Licence Agreement shall thereafter automatically renew on a yearly basis thereafter (the "Subsequent Renewal Terms") unless either party provides the other party with notice of its intention to terminate the Licence Agreement sixty (60) days prior to the next applicable yearly Subsequent Renewal Term.

2. All terms and conditions as set out in the original Licence Agreement apply to the Renewal Term and any Subsequent Renewal Terms.

SIGNED, SEALED AND DELIVERED

) ALGOMA DISTRICT SCHOOL BOARD


NAME: JOE SANTA MARIA
TITLE: SUPERINTENDENT OF BUSINESS

NAME:
TITLE:

We have authority to bind the Corporation

THE CORPORATION OF THE CITY
OF SAULT STE. MARIE

MAYOR – CHRISTIAN PROVENZANO

CITY CLERK – RACHEL TYCZINSKI

Schedule "A"

LICENCE TO OCCUPY ALGOMA DISTRICT SCHOOL BOARD

THIS LICENCE AGREEMENT made in duplicate this 18th day of July, 2016.

B E T W E E N:

ALGOMA DISTRICT SCHOOL BOARD

(herein referred to as the "ADSB")

- and -

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

(herein referred to as "City")

WHEREAS the ADSB is the registered owner of the lands and premises municipally known as "241 Albert Street West", legally described in PIN 31511-0199(LT) (the "ADSB Lands");

AND WHEREAS the City is the developer of the Etienne Brule School Community Partnership Project and desires to use a portion of the ADSB Lands to create a Playground, Orchard/Community Garden, Sugar bush, Basketball court, and a section of the Hub Trail (the "Community Partnership Project"), in accordance with the dimensions and at the locations as marked and identified in Schedule "A" to this Licence Agreement (the "Licenced Area");

AND WHEREAS ADSB is prepared to grant to the City the right to occupy the Licenced Area for the Community Partnership Project (the "Licenced Area"), 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 the ADSB and the mutual covenants, agreements and promises hereinafter set forth, the parties for themselves and their respective permitted assigns do hereby covenant and agree with one another as follows:

1. The ADSB grants to the City the right to occupy the Licenced Area for a period of five (5) years commencing July 1st of 2016 and ending on June 30th of 2021 (the "Term"). This Licence Agreement shall automatically renew on a yearly basis thereafter on the same terms and conditions at both parties consent (the "Renewal Term(s)").
2. The Licenced Area shall only be used for the Community Partnership Project which shall be constructed in accordance with the dimensions and at the locations as marked and identified in Schedule "A" to this Licence Agreement. The City shall not use or permit the Licenced Area to be used for any purpose other than the purpose set out herein.
3. The City acknowledges and agrees that this Licence Agreement is subject to the conditions set out in Schedule "B" attached.
4. The City shall not assign, transfer or make any other disposition of this Licence Agreement or of the rights conferred thereby, without the prior written consent of the ADSB.
5. Any notice pursuant to any of the provisions of this Licence 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 the ADSB to:

Joe Santa Maria
c/o Superintendent of Business
Algoma District School Board
c/o Superintendent of Business
644 Albert Street East,
Sault Ste. Marie, Ontario P6A 2K7

6. This Licence 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.

7. The provisions of this Licence Agreement shall be binding upon and enure to the benefit of, the parties and their respective successors and (where applicable) permitted assigns.

8. The parties hereto acknowledge and agree that the recitals and Schedules "A" and "B" appended hereto shall and do form part of this Licence Agreement.

9. This Licence Agreement shall be exclusively governed by, and construed in accordance with the laws of the Province of Ontario, and the federal laws of Canada applicable therein.

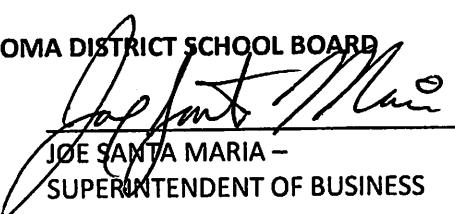
10. This Agreement may be executed by the parties hereto in separate counterparts, each of which so executed shall be deemed to be an original. Such counterparts together shall constitute one and the same instrument and, notwithstanding the date of execution, shall be deemed to bear the effective date set forth above.

11. The parties hereto agree that paragraphs 1-4 inclusive and, 6-11 inclusive of this Licence Agreement, the recitals herein, and Schedules "A" and "B" to this Licence Agreement shall survive the termination of this Licence Agreement.

IN WITNESS WHEREOF the Parties hereto have signed this Agreement this 18th day of July, 2016.

ALGOMA DISTRICT SCHOOL BOARD

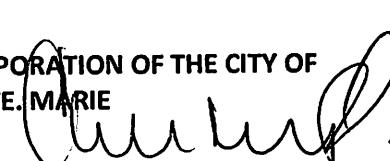
Per:


JOE SANTA MARIA –
SUPERINTENDENT OF BUSINESS

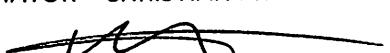
I have authority to bind the Corporation

THE CORPORATION OF THE CITY OF
SAULT STE. MARIE

Per:


MAYOR – CHRISTIAN PROVENZANO

Per:


CITY CLERK – MALCOLM WHITE

We have the authority to bind the Corporation

APPROVED BY
CITY OF SAULT STE. MARIE

BY-LAW# 2016-118

SCHEDULE "A"

Description of Licensed Space

The City is responsible for upkeep and maintenance of the space allocated as Block 'A', as described in the attached drawing, and forming part of Schedule "A", which includes;

- 1) Playground;
- 2) Orchard/Community Garden;
- 3) Sugar bush;
- 4) Basketball court; and,
- 5) The Hub Trail.

The ADSB will assume responsibility for, any, and all, upkeep and maintenance of the space allocated as Block 'B', as described in the attached drawing, and forming part of Schedule "A", which includes, but is not limited to;

- 1) The Existing Building;
- 2) Parking/Drop-Off Area;
- 3) Green House; and,
- 4) Field.

SCHEDULE "B" TO LICENCE AGREEMENT

The parties hereto acknowledge and agree that this Licence Agreement is subject to the following conditions:

1. The City shall be permitted to use the Licensed Area for the Community Partnership Project, which shall consist of a Playground, Orchard/Community Garden, Sugar bush, Basketball court, and a section of the Hub Trail, in accordance with the dimensions and at the locations as set out in Schedule "A" to this Licence Agreement.
3. At no time shall ADSB be responsible for constructing, transporting, setting up, operating, inspecting, maintaining, or otherwise dealing with the Community Partnership Project or any other matters related directly or indirectly thereto. The City shall be responsible for all costs, expenses and liabilities related to the construction, transportation, set up, operation, inspection and maintenance of the Community Partnership Project. The City shall indemnify and save harmless the ADSB from any costs, liabilities and expenses incurred by the ADSB that may result from the Community Partnership Project and any matters related directly or indirectly thereto.
4. The City confirms that the ADSB has not provided any representation, warranty or other assurance regarding the suitability of the Licensed Area, ADSB Lands or any part thereof, for use by the City. The City acknowledges that it has carried out an inspection of the ADSB 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.
5. 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 Community Partnership Project. The City acknowledges that it must apply for and receive a permit from the Sault Ste. Marie Conservation Authority ("SSMRCA") prior to constructing the Community Partnership Project. The City represents and warrants that it applied for and received the necessary permit(s) from the SSMRCA in regards to the Community Partnership Project. The City shall save harmless and fully indemnify the ADSB 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 the ADSB 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.
6. The City shall comply with all Laws, By-Laws, Rules and Regulations of any governing body respecting the Community Partnership Project and all matters related to this Licence Agreement and shall save harmless and fully indemnify the ADSB 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 the City 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.
7. The City shall indemnify and save harmless the ADSB from all costs and expenses caused to or incurred by the ADSB 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 Community Partnership Project, the intent being that the ADSB shall be at no risk or expense to which it would not have been put had the Community Partnership Project not been placed on the Licensed Area.
8. The City agrees to defend, indemnify and save harmless the ADSB and their respective councilors, officials, officers, directors, employees, consultants, agents, successors, contractors and assigns, 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 Community

Partnership Project, or any other activities related directly or indirectly to the Community Partnership Project or otherwise arising out of or connected with this Agreement.

9. If, at the sole discretion of the ADSB and/or emergency personnel, the ADSB and/or emergency personnel requires access to any portion of the Licensed Area, such that removal of any portion or the entirety of the Community Partnership Project is required, the City shall in no way restrict such access and the ADSB and/or emergency personnel shall in no way be responsible for restoring the Community Partnership Project to its condition prior to such access by the ADSB and/or emergency personnel.

10. 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 ADSB Lands. In the event that the City fails to maintain the Licensed Area in a manner satisfactory to the ADSB in the ADSB's sole discretion, the ADSB may terminate this Licence 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 ADSB Lands.

11. At the conclusion of the Term or Renewal Term(s), or upon early termination of this Licence Agreement, the City shall within thirty (30) days of same, promptly remove all materials related to the Community Partnership Project, 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 the ADSB. In the event that the required cleanup activities and restoration of the Licensed Area is not completed by the City by thirty (30) days after the conclusion of the Term or Renewal Term(s), or upon early termination of this Licence Agreement, the ADSB 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.

12. The City hereby acknowledges and agrees that it has no proprietary right, title or interest in the Licensed Area, and that same is and shall remain the property, title and right of the ADSB.

13. The City shall keep in force during the term of this Licence 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 Two Million (\$2,000,00.00) Dollars and name the ADSB as "Additional Insured" to same. Proof of said insurance shall be filed with the Legal Department of the City of Sault Ste. Marie on or before February 16, 2015, and thereafter on February 1, 2015 of every year in the Term and Renewal Term(s), if applicable.

THE CORPORATION OF THE CITY OF SAULT STE. MARIE
BY-LAW NO. 2021-137

ZONING: A by-law to amend Sault Ste. Marie Zoning By-laws 2005-150 and 2005-151 concerning lands located at 899 Second Line West (2779594 Ontario Inc. c/o Benjamin Cicchelli & David Toppan).

THE COUNCIL of The Corporation of the City of Sault Ste. Marie, pursuant to section 34 of the *Planning Act*, R.S.O. 1990, c. P.13 and amendments thereto, **ENACTS** as follows:

- 1A. **NORTHERN 26M OF THE SUBJECT PROPERTY**
899 SECOND LINE WEST; LOCATED ON THE SOUTH EAST CORNER
OF NORTH EDEN STREET AND SECOND LINE WEST; CHANGE FROM
C4 TO R2

The zone designation on the lands described in section 2 of this by-law, which lands are shown on Map 52/168 of Schedule "A" to By-law 2005-150, is changed from C4 (Commercial) zone to R2 (Single Detached Residential) zone.

- 1B. **SOUTHERN 49M OF THE SUBJECT PROPERTY**
899 SECOND LINE WEST; LOCATED ON THE SOUTH EAST CORNER
OF NORTH EDEN STREET AND SECOND LINE WEST; CHANGE FROM
R2 TO R3.S WITH A "SPECIAL EXCEPTION"

The zone designation on the lands described in section 2 of this by-law, which lands are shown on Map 52/168 of Schedule "A" to By-law 2005-150, is changed from R2 (Single Detached Residential) zone to R3.S (Low Density Residential) zone with a "Special Exception".

2. **BY-LAW 2005-151 AMENDED**

Section 2 of By-law 2005-151 is amended by adding the following subsection 2(413) and heading as follows:

- 1B. **"SOUTHERN 49M OF THE SUBJECT PROPERTY**
2(413) Second Line West

Despite the provisions of By-law 2005-150, the zone designation on the lands located at on the south east corner of North Eden Street and Second Line West and having civic no. 899 Second Line West and outlined and marked "Subject Property" on the map attached as Schedule 413 hereto is

changed from R2 (Residential) zone to R3.S (Low Density Residential) zone with the following “Special Exceptions” for a multiple-attached dwelling only:

- 1) Reduce the rear (south) yard setback from 10M to 6M;
- 2) Permit parking in an exterior side (west) yard; and,
- 3) Permit canopies to project 4M into the interior side (east) yard.”

3. **SCHEDULE “A”**

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

4. **CERTIFICATE OF CONFORMITY**

It is hereby certified that this by-law is in conformity with the Official Plan for the City of Sault Ste. Marie authorized and in force on the day of the passing of this by-law.

PASSED in Open Council this 28th day of June, 2021

MAYOR – CHRISTIAN PROVENZANO

CITY CLERK – RACHEL TYCZINSKI

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SCHEDULE "A" TO BY-LAW 2021-137 AND
SCHEDULE 413 TO BY-LAW 2005-151



Application Map Series	Legal Department Reference	 SAULT STE. MARIE Planning and Enterprise Services Community Development and Enterprise Services Department 99 Foster Drive, Sault Ste Marie, ON P6A 5X6 saultstmarie.ca 705-759-5368 planning@cityssm.on.ca
<input checked="" type="checkbox"/> Subject Property <input type="checkbox"/> Official Plan Landuse <input type="checkbox"/> Existing Zoning <input type="checkbox"/> Aerial Image <input type="checkbox"/> Official Plan Amendment	Legend	 Subject Property: 899 Second Line West  Parcel Fabric

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW NO. 2021-138

DEVELOPMENT CONTROL: A by-law to designate the lands located at 899 Second Line West an area of site plan control (2779594 Ontario Inc. c/o Benjamin Cicchelli & David Toppan).

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

1. DEVELOPMENT CONTROL AREA

The lands described on Schedule "A" attached hereto are hereby designated to be an area of site plan control pursuant to section 41 of the *Planning Act*, R.S.O. 1990, c. P. 13 and amendments thereto.

2. SITE PLAN POWERS DELEGATED

The Council hereby delegates to the Planning Director or his/her designate for the City of Sault Ste. Marie, Council's powers to enter into a site plan agreement dealing with any of the works or matters mentioned in Section 41 of the *Planning Act* as amended, for the lands shown as Subject Property on the map attached as Schedule "A" to this by-law.

3. SCHEDULE "A"

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

4. PENALTY

Any person who contravenes this by-law including the obligations pursuant to the agreement entered into under the authority of this by-law is liable upon conviction therefore to penalty provisions as contained in the *Planning Act* and the *Municipal Act, 2001*.

5. EFFECTIVE DATE

This by-law takes effect from the date of its final passing.

PASSED in open Council this 28th day of June, 2021.

MAYOR – CHRISTIAN PROVENZANO

CITY CLERK – RACHEL TYCZINSKI

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SCHEDULE "A" TO BY-LAW 2021-138



2021-138-A-12-Z-899 Second Line West MapA-13-21-Z_SubjectPropertyMap_May2021_Rev1_V1.mxd

Application Map Series	Legal Department Reference	Sault Ste. Marie Planning and Enterprise Services
<input checked="" type="checkbox"/> Subject Property <input type="checkbox"/> Official Plan Landuse <input type="checkbox"/> Existing Zoning <input type="checkbox"/> Aerial Image <input type="checkbox"/> Official Plan Amendment		 Sault Ste. Marie Planning and Enterprise Services Community Development and Enterprise Services Department 99 Foster Drive, Sault Ste Marie, ON P6A 5X6 saultstemaries.ca 705-759-5368 planning@cityssm.on.ca <small>This map is for general reference only. Orthophoto: None Projection Details: NAD 1983 UTM Zone 16N GCS North American 1983</small>
Property Information Civic Address: 899 Second Line West Roll No.: 060033066000000 Map No.: 52/168 Application No.: A-12-21-Z Date Created: May 7, 2021	Legend  Subject Property: 899 Second Line West  Parcel Fabric	

THE CORPORATION OF THE CITY OF SAULT STE. MARIE
BY-LAW 2021-139

AGREEMENT: A by-law to authorize the execution of the Agreement between the City and Her Majesty the Queen in Right of Canada as represented by the Minister of Economic Development and Official Languages for the Sault Ste. Marie Downtown Revitalization and Civic Plaza.

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 28, 2021, between the City and Her Majesty the Queen in Right of Canada as represented by the Minister of Economic Development and Official Languages, a copy of which is attached as Schedule "A" hereto. This Agreement is for the Sault Ste. Marie Downtown Revitalization and Civic Plaza.

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 28th day of June, 2021.

MAYOR – CHRISTIAN PROVENZANO

CITY CLERK – RACHEL TYCZINSKI

Schedule "A"

This Amending Agreement is made effective the 28th day of June, 2021.

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF CANADA

as represented by the Minister of Economic Development and Official Languages

(hereinafter referred to the "Minister")

– and –

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

(hereinafter referred to as the "City")

WHEREAS the Parties have a Contribution Agreement dated December 23, 2020 for the Sault Ste. Marie Downtown Revitalization and Civic Plaza, Project Number 851-512768;

AND WHEREAS there have been delays in securing the provincial funding required to launch the project;

AND WHEREAS the City requested an amendment to the Contribution Agreement of December 23, 2020;

AND WHEREAS the Minister is prepared to amend the Contribution Agreement, Amendment Number 1 IC:00764000645;

NOW THEREFORE the parties agree as follows:

1. That Clause 2.1 be deleted and replaced with "The Recipient shall ensure that the Project described in Annex 1 (the "Project") commences on or before November 30, 2020 (the "Commencement Date") and is completed on or before September 30, 2023 (the "Completion Date");
2. That Annex 1 THE PROJECT – STATEMENT OF WORK, iii) Dates: b) Completion Date – February 15, 2022 be deleted and replaced with "Annex 1 THE PROJECT – STATEMENT OF WORK, iii) Dates: b) September 30, 2023; and
3. All other terms and conditions of the Contribution agreement remain unchanged.

IN WITNESS WHEREOF, the Parties have executed this Amending Agreement effective as of the date written above.

**THE CORPORATION OF THE CITY OF
SAULT STE. MARIE**

Per:

MAYOR – CHRISTIAN PROVENZANO

CITY CLERK – RACHEL TYCZINSKI

Per:

NAME: Dimatteo, Aime
TITLE: Director General, FedNor

THE CORPORATION OF THE CITY OF SAULT STE. MARIE
BY-LAW 2021-140

AGREEMENT: A by-law to authorize the execution of the Agreement between the City and TULLOCH Engineering Inc. for the replacement of the Case Road culvert.

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 between the City and TULLOCH Engineering Inc., a copy of which is attached as Schedule "A" hereto. This Agreement is for the replacement of the Case Road culvert.

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 28th day of June, 2021.

MAYOR – CHRISTIAN PROVENZANO

CITY CLERK – RACHEL TYCZINSKI

Schedule "A"

Association of Consulting Engineering
Companies | Ontario (ACEC-Ontario) in
partnership with the
Municipal Engineers Association (MEA)

CLIENT/ENGINEER AGREEMENT
FOR
PROFESSIONAL CONSULTING SERVICES

2020
(VERSION 3.1)

Please enter the title of the project/assignment

Case Road Culvert Rehabilitation/Replacement

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AGREEMENT
FOR
PROFESSIONAL CONSULTING SERVICES

Dated the ____ day of _____ 20 ____

-BETWEEN-

The Corporation of the City of Sault Ste. Marie

Hereinafter called the 'Client'

-AND-

TULLOCH Engineering Inc.

Hereinafter called the 'Engineer'

WHEREAS the Client intends to (Description of Project)

Complete the rehabilitation/replacement of the Case Road Culvert located in Sault Ste. Marie, Ontario.

Hereinafter called the 'Project' and has requested the Engineer to furnish professional Services in connection therewith.

NOW THEREFORE WITNESSETH that in consideration of the covenants contained herein, the Client and the Engineer mutually agree as follows:

DEFINITIONS

1. Client

Client shall be the party identified herein, and shall mean a municipality within the Province of Ontario or a related municipal organization representing the interests of Ontario municipalities.

2. Engineer

Engineer shall be the party identified herein, and shall be properly qualified to provide the professional services prescribed in this Agreement.

3. Municipal Engineers Association (MEA)

MEA shall mean the association of public sector Professional Engineers engaged in performing the various functions that comprise the field of municipal engineering in Ontario

4. Association of Consulting Engineering Companies | Ontario (ACEC-Ontario) shall mean the industry association created to represent the business interests of member consulting engineering firms, working with all levels of government and other stakeholders to promote fair procurement and business practices to support its member firms as necessary.

5. Order of Precedence:

- i. Standard Agreement
- ii. Schedule A: Supplementary Conditions to the Standard Agreement
- iii. Schedule B: Addenda to the Request for Proposals (RFP)
- iv. Schedule C: Request for Proposal (RFP)
- v. Schedule D: Proposal submission document(s) from the Engineer
- vi. Schedule E: Other

ARTICLE 1 - GENERAL CONDITIONS

1.1 Retainer

The Client hereby retains the services of the Engineer in connection with the Project and the Engineer agrees to provide the services described in Article 2 (Services to be provided) for the Project under the general direction and control of the Client.

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 services under this agreement with the degree of care, skill and diligence normally provided in the performance of such services as contemplated by the agreement at the time such services are rendered and as required by the Professional Engineers Act (RSO 1990, Chapter P.28) and 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 Article 3, drawings and documents or copies thereof required for the Project shall be exchanged between the parties on a reciprocal basis. Documents prepared by the Engineer for the Client may be used by the Client, for the Project herein described, including "record" drawings. Subject to Article 1.5, the Client has ownership of the drawings and the client indemnifies the Engineer for unauthorized use of the documents and deliverables.

1.5 Intellectual Property

All concepts, products or processes produced by or resulting from the 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/her Services, and which are patentable, capable of trademark or otherwise, shall be and remain the property of the Engineer.

The Client shall have permanent non-exclusive royalty-free license to use any concept, product or process, which is patentable, capable of trademark or otherwise produced by or resulting from the Services rendered by the Engineer in connection with the Project and 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.

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 Services delete, extend, increase, vary or otherwise alter the Services forming the subject of the Agreement, and if such action by the Client necessitates additional staff or Services, the Engineer shall be paid in accordance with Section 3.2.2.1 for such additional Services and 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.

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 the Engineer, 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 Services or any portion thereof at any stage of the project. Upon receipt of such written notice, the Engineer shall perform no further Services other than those reasonably necessary to close out his/her 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.

If the Engineer is an individual and deceases before his/her Services have been completed, this Agreement shall terminate as of the date of his/her death, and the Client shall pay for the Services rendered and disbursements incurred by the Engineer to the date of such termination.

1.10 Indemnification

The Engineer shall indemnify and save harmless the Client from and against all claims, actions, losses, expenses, costs or damages of every nature and kind whatsoever which the Client, his employees, officers or agents may suffer, to the extent the Engineer is legally liable resulting from the negligent acts of the Engineer, his employees, officers or agents in the performance of this Agreement.

The Client agrees to hold harmless, indemnify and defend the Engineer from and against any and all claims, actions, losses, expenses, costs or damages of every nature including liability and costs of defense arising out of or in any way connected with the presence, discharge, release or escape of contaminants of any kind, excluding only such liability as may arise out of the negligent acts of the Engineer in the performance of his/her Services to the Client within this project.

1.11 Insurance

The Client will accept the insurance coverage amount specified in this clause section (a) or (b), or whichever is applicable to the claim or as specified in the RFP as the aggregate limit of liability of the Engineer for Clients damages.

- a) Comprehensive General Liability and Automobile Insurance

The Insurance Coverage shall be \$_____ per occurrence and in the aggregate for general liability and \$_____ for automobile insurance. When requested, the Engineer shall provide the Client with proof of Comprehensive General Liability and Automobile Insurance (Inclusive Limits) for both owned and non-owned vehicles.

b) Professional Liability Insurance

The Insurance Coverage shall be in the amount of \$_____ per claim and in the aggregate. When requested, the Engineer shall provide to the Client 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 in the RFP, 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 (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 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

Neither party may assign this Agreement or any portion thereof without the prior consent in writing of the other party.

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 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 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/her, or disclosed by the Client in the course of carrying out the Services provided for herein. These obligations of confidentiality shall not apply to information which is in the public domain, which is provided to the Engineer by a third party without obligation of confidentiality, which is independently developed by the Engineer without access to the Client's information, or which is required to be disclosed by law or 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

- 1) Negotiation
 - a) In the event a matter of difference between the Engineer and the Client in relation to the Contract the grieved party shall send a notice in writing of dispute to the other party which contains the particulars of the matter in dispute and the relevant provisions of the Contract Documents. The responding party shall send a reply in writing to the dispute within ten (10) business days after receipt of the notice of dispute setting out particulars of this response and any relevant provisions of the Contract Documents.
 - b) The Engineer and the 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 and the Client to reach agreement within ten (10) business days of receipt of the 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 and the Client shall jointly select an impartial Mediator who shall be, preferably, properly qualified in the area of work as contemplated by this Contract. 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, or as soon thereafter as is practicable, to attempt to mediate and resolve the dispute. The Engineer and the Client shall observe such reasonable procedures for conducting the mediation as the Mediator may reasonably request.
- c) If no agreement is reached upon mediation, or if either party concludes that further mediation is unlikely to result in agreement, then either the Engineer or the 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 either party unless both 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 as is arbitrable to arbitration as provided in Section 3 herein or exercise any legal rights it may have.
- e) All meetings and proceedings shall be held in the municipality of the Client 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 Client and the Engineer shall select an arbitrator within ten (10) business days of the submission of a dispute to arbitration under this Section, which arbitrator shall be neutral and independent of the parties. If the parties are unable to agree on an arbitrator, either party shall be at liberty to seek an appointment of an arbitrator upon application under the *Arbitration Act, 1991, S.O. 1991, C. 17*.
 - 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 municipality of the Client 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 parties shall share equally in the costs and expenses of the 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.*

4) Adjudication

- a) Nothing in this Agreement shall prevent the right of either the Engineer or the Client to refer to adjudication any dispute which may be adjudicated under the provisions of section 13.5 of the *Construction Act, R.S.O. 1990, c. C-30.*
- b) Any such adjudication shall be governed by the provisions of Part II.1 CONSTRUCTION DISPUTE INTERIM ADJUDICATION of the *Construction Act.*

1.22 Time

The Engineer shall perform the Services in accordance with the requirements of Article 2 and shall complete any portion or portions of the Services in such order as the Client may require.

The Client shall give due consideration to all designs, drawings, plans, specifications, reports, tenders, proposals and other information submitted by the Engineer, and shall make any decisions which he/she is required to make in connection therewith within a reasonable time so as not to delay the work of the Engineer.

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 Services.
- b) A Schedule showing an estimate of the portion of the Services to be completed in each month and an estimate of the portion of the fee which will be payable for each such month.
- c) A Staff list showing the number, classifications and hourly rate ranges for staff, Principals and Executives, for which the 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).

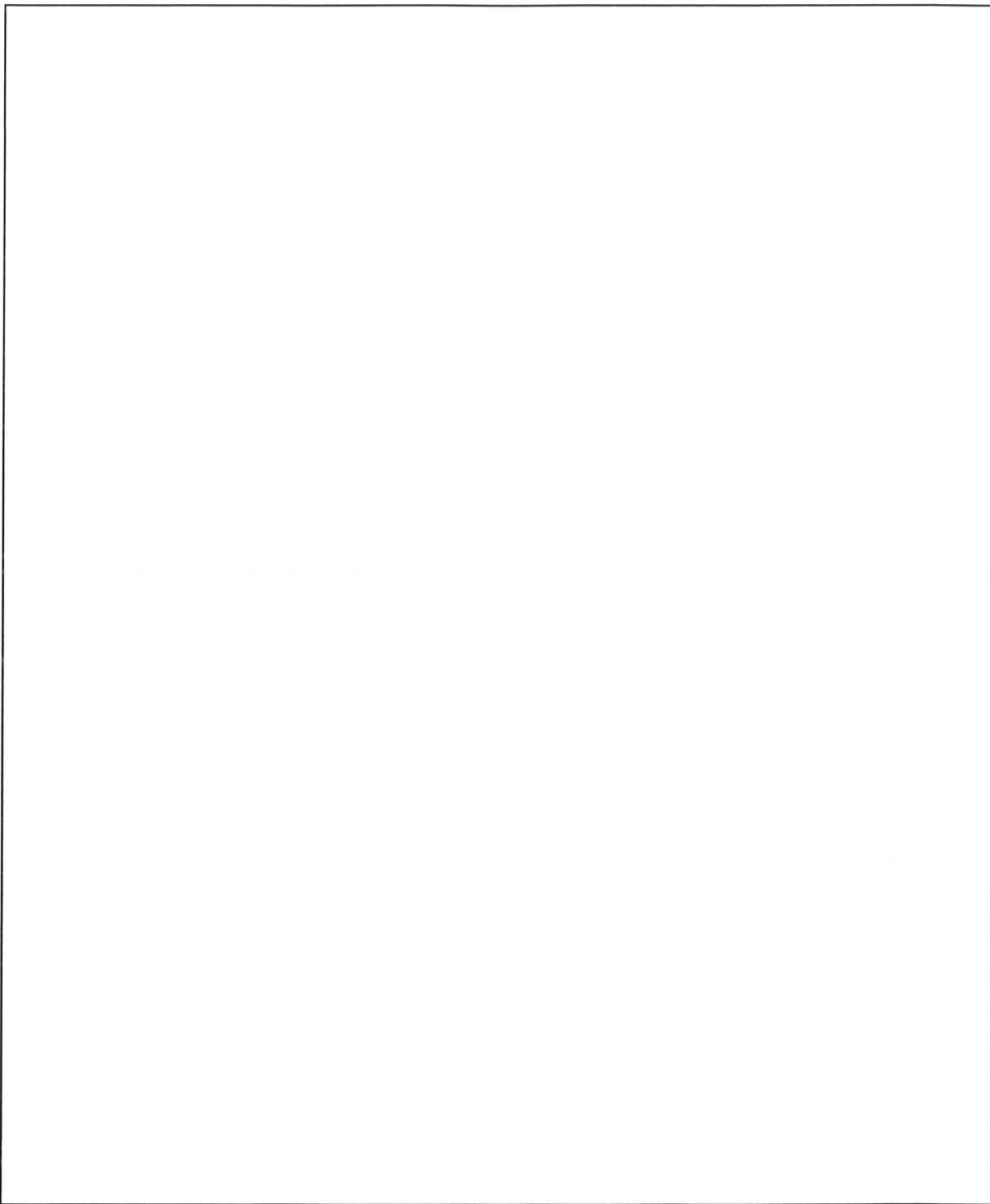
1.23.3

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

Any requirements regarding insurance, WSIB, permits, approvals, AODA, etc. to be listed here. If there are no additional conditions, then this section is to be left blank. Documentation supporting additional conditions detailed here shall be contained in Article 5.



ARTICLE 2 – SERVICES TO BE PROVIDED

- 2.1 Services to be provided by Engineer as detailed in the RFP and as provided for in the Engineer's Proposal.

The Consultant shall provide the services for the Case Road Culvert Replacement environmental assessment, preliminary and detailed design, contract document and specification preparation, assistance during tendering, construction services and such work shall include the following:

1. Assemble and review background information.
2. Meeting with the Client to review the proposed work program outlining tasks and schedule.

- 2.2 Services to be provided by Client as detailed in the RFP and as provided for in the Engineer's Proposal.

The Client shall provide the Consultant with:

1. Available Functional Studies or Predesign Investigations undertaken for the Work.
2. Access to and the use of existing plans, profiles, utility information, legal documents and correspondence relevant to the Work.
3. Base Plan of the project area showing property fabric.

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/she 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 for this agreement

Note: If you have multiple bases of payment please select "Applies" in the appropriate sections below. If one basis of payment applies, be sure it is the only option selected.

Fees Calculated on Time



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

TYPE OF SERVICE

PERCENTAGE

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

3.2.2 Fees Calculated on a Time Basis

a) 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 detailed in the Engineer's proposal.

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.

b) 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 Upset Cost Limit

- (a) The Engineer shall be paid a fee, calculated on a time basis, for the Services.
- (b) Included in the fee, the Engineer 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 Engineer for the Services shall not exceed the total upset amount of \$168,587 plus, applicable taxes made up as follows:
 - (i) \$163,279. plus, applicable taxes for Core Services as described in Schedule A; and,
 - (ii) \$5,308.00 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 Engineer 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 Engineer shall not be entitled to any payment from the Contingency Allowance unless the Engineer 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.

3.2.4 Reimbursable Expenses – Apply to 3.2.1. through 3.2.3. and shall be included in 3.2.5.

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 Engineer in connection with the project.

3.2.5 Lump Sum Basis

- a) Fees for the scope of work covered under this Agreement will be on a Lump Sum Price Basis, inclusive or labour, disbursements and reimbursable expenses.
- b) Monthly progress invoices will be based on the percentage of project completed or

milestone achieved as detailed in the RFP.

- 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.

3.3 Payment

3.3.1 Fees Calculated on a Time Basis Does Not Apply

The Engineer shall submit an invoice to the Client for all Services completed in the immediately preceding month.

3.3.2 Fees Calculated on a Percentage of Cost Basis Does Not Apply

- a) Monthly Payment

The Engineer shall submit an invoice to the Client for that part of the design of the Project completed in the immediately preceding month calculated upon the basis of the Engineer's estimate of the cost of that part of the Project, and, if the Client agrees with such estimate and that such part has been completed, the Engineer will be paid the amount of the fee so invoiced.

- b) On Award of Contract

Following the award of the contract for the construction of the Project, the Engineer shall recalculate his/her fee on the basis of the tender quantities and prices on which the contract for the construction of the Project was awarded, plus the estimated cost of materials and other services supplied by the Client and upon such recalculation, the amount paid to the Engineer shall be adjusted to equal the full amount of the recalculated fee including the repayment by the Engineer of any overpayment made to the Engineer.

- c) Delay of Award of Contract

In the event the contract for construction of the Project is not awarded within _____ months of the acceptance of the Design by the Client the final fee for design shall be determined as in paragraph (a) above, and paragraph (b) shall not apply.

Further services for the Project beyond the _____ months will be undertaken on a time basis.

- d) On Completion of the Work

Following Completion of the Work, the Engineer shall recalculate his/her fee on the basis of the actual Cost of the Work and upon such recalculation the amount paid to the Engineer shall be adjusted to equal the full amount of the recalculated fee including the repayment by the Engineer of any overpayment to the Engineer.

3.3.3 Lump Sum Does Not Apply

Based on a milestone basis as per the Engineer's proposal.

3.3.4 Invoices Generally

a) Requirements for a proper invoice

All invoices submitted by the Engineer to the Client under this Agreement shall contain the following information:

- (1) The Engineer's name and address;
- (2) The date of the invoice and the period during which invoiced Services were supplied;
- (3) Information identifying the Agreement under which Services were supplied;
- (4) A description of the services supplied;
- (5) The amount payable for the services supplied , and a statement that payment is due upon receipt;
- (6) The name, title, telephone number and mailing address of the person to whom payment is to be sent; and
- (7) The following additional information (if any):

b) Disputed invoices

If the Client intends to dispute any invoice delivered by the Engineer, in whole or in part, the Client shall within 14 calendar days of receiving the invoice, deliver to the Engineer a notice of non-payment in Form 1.1 as prescribed by the *Construction Act*.

Any undisputed portion of any invoice shall remain payable upon receipt in accordance with the terms of payment set out in section 3.3.5.

3.3.5 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, irrespective of their basis, shall be exclusive of HST, and HST will be added to each invoice.

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, and in any event no later than 28 days after receiving the proper invoice.

Interest on overdue accounts will be charged at the rate of 12 % per annum.

ARTICLE 4 – FORM OF AGREEMENT

ENGINEER: TULLOCH Engineering Inc.

The signatory shall have the authority to bind the Engineer for the purposes of this agreement.

This 18th Day of June, 2021

Signature		Digitally signed by Larry Jackson DN: cn=Larry Jackson, o=TULLOCH Engineering Inc, ou=Engineering, email=larry.jackson@tulloch.ca, c=CA Date: 2021.06.18 09:00:48 -04'00"	Signature		Digitally signed by John McDonald, P.Eng. DN: cn=John McDonald, P.Eng., o=TULLOCH Engineering, ou=PEO No. 100082267, email=john.mcdonald@tulloch.ca, c=CA Date: 2021.06.18 00:59:58 -04'00"
Name	Larry Jackson, P.Eng.		Name	John McDonald, P.Eng.	
Title	General Manager of Engineering		Title	Project Manager	

CLIENT: 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	Christian Provenzano	Name	Rachel Tyczinski
Title	Mayor	Title	City Clerk

ARTICLE 5 – SCHEDULES

Copies of Request for Proposal and Proposal Submission documents if required.

This article includes all schedules, (i.e. Request for Proposal, Proposal Submission, Certificates of Insurance, etc.) as well as any additional information required to form the Agreement, such as supplemental general conditions, etc.

The following schedules form part of:

Schedule A: Supplementary Conditions – attached OR not used

Schedule B: Addenda – attached OR not used

Schedule C: Scope of Services – RFP attached OR not used

Schedule D: Proposal from engineer – attached OR not used

Schedule E: Other

Attached
<input checked="" type="checkbox"/>
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<input checked="" type="checkbox"/>
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NOTE: Attach all appropriate schedule documents as indicated (✓).

Schedule A – Supplementary Conditions

Insurance and Indemnity provisions and considerations for use with the “Association of Consulting Engineering Companies/Ontario (ACEC-Ontario) in Partnership with the Municipal Engineers Association (MEA)” - “Client/Engineer Agreement for Professional Consulting Services 2020 (Version 3.1)”

Option A (*The following language to be used with contracts not involving any excavating, digging, drilling, core sample removal etc.:*)

Notwithstanding the Order of Precedence as set out in the M.E.A./C.E.O. CLIENT/ENGINEER AGREEMENT, the Indemnification and Insurance sections below take precedence over anything to the contrary contained in the aforesaid Agreement.

Remove sections “**1.10 Indemnification**” and “**1.11 Insurance**” in their entirety and replace with the following:

1.10 Indemnification

The Engineer shall indemnify and hold harmless the City, its officers, Council members, partners, agents and employees from and against:

- (a) all actions, claims, demands, losses, costs, damages, suits or proceedings whatsoever which may be brought against or made upon the City; and
- (b) all losses, liabilities, judgements, claims, suits, demands or expenses which the City may sustain, suffer or be put to,

provided that same results from or arises out of the Engineer’s failure to exercise reasonable care, skill or diligence or the Engineer’s 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. 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 Engineer.

1.11 Insurance

Without restricting the generality of the requirement to indemnify the City, the Engineer shall obtain, maintain, pay for and provide evidence of insurance coverage, taken out with insurance companies licensed to transact business in the Province of Ontario and acceptable to the City’s Risk Manager. Listed below are the minimum insurance requirements deemed necessary for the Contract by the City’s Insurance and Risk Manager.

Commercial General Liability Insurance

Commercial General Liability (“CGL”) insurance must include the City as an Additional Insured, with limits of not less than five million dollars (\$5,000,000.00) inclusive per occurrence for bodily and personal injury, death and damage to property including loss of use. The CGL insurance will include Cross Liability and Severability of

~~Interest Clauses, Products and Completed Operations coverage (twelve (12) months) and Standard Non-Owned Automobile liability endorsement.~~

Automobile Liability Insurance

~~Automobile Liability Insurance in respect of licensed vehicles must have limits of not less than two million dollars (\$2,000,000.00) inclusive per occurrence for bodily injury, death and damage to property. Coverage shall be in the form of a standard owner's form automobile policy providing third party liability and accident benefits insurance and covering licensed vehicles owned and/or leased or operated by or on behalf of the Engineer.~~

Professional Liability Insurance

~~Professional Liability Insurance coverage must have limits of not less than two million dollars (\$2,000,000.00) inclusive per claim, covering services or activities that are professional in nature and excluded under the CGL policy.~~

~~The City will accept in place of the above-mentioned insurance coverage, a combination of primary liability limits and umbrella insurance or excess liability limits which meet the CGL and/or Automobile Liability coverage limits noted above.~~

~~Such coverage must in all respects be satisfactory to the City's Insurance and Risk Manager and shall be maintained continuously by the Engineer from either the commencement of the Services or the signing of the Contract, whichever is earliest. The policies must be endorsed to provide the City with not less than thirty (30) days' written notice in advance of cancellation, or any change or amendment restricting coverage.~~

~~All of the above insurance must be evidenced, by the Engineer only upon Contract award, on the C.S.I.O. standard Certificate of Insurance form or if on another form, one that is satisfactory to the City.~~

Option B (*The following language to be used if the work involves any excavating, digging, drilling, core sample removal etc., and the Engineer is performing that work themselves (rather than a separate contract for those tasks):*

Notwithstanding the Order of Precedence as set out in the M.E.A./C.E.O. CLIENT/ENGINEER AGREEMENT, the Indemnification and Insurance sections below take precedence over anything to the contrary contained in the aforesaid Agreement.

Remove sections "**1.10 Indemnification**" and "**1.11 Insurance**" in their entirety and replace with the following:

1.10 Indemnification

The Engineer shall indemnify and hold harmless the City, its officers, Council members, partners, agents and employees from and against:

- (a) all actions, claims, demands, losses, costs, damages, suits or proceedings whatsoever which may be brought against or made upon the City; and

- (b) all losses, liabilities, judgements, claims, suits, demands or expenses which the City may sustain, suffer or be put to,

provided that same results from or arises out of the Engineer's failure to exercise reasonable care, skill or diligence or the Engineer's 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. 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 Engineer.

1.11 Insurance

Without restricting the generality of the requirement to indemnify the City, the Engineer shall obtain, maintain, pay for and provide evidence of insurance coverage, taken out with insurance companies licensed to transact business in the Province of Ontario and acceptable to the City's Risk Manager. Listed below are the minimum insurance requirements deemed necessary for the Contract by the City's Insurance and Risk Manager.

Commercial General Liability Insurance

Commercial General Liability ("CGL") insurance must include the City as an Additional Insured, with limits of not less than five million dollars (\$5,000,000.00) inclusive per occurrence for bodily and personal injury, death and damage to property including loss of use. The CGL insurance will include Cross Liability and Severability of Interest Clauses, Products and Completed Operations coverage (twelve (12) months) and Standard Non-Owned Automobile liability endorsement. Sudden and Accidental pollution coverage with limits of not less than two million dollars (\$2,000,000) per occurrence (can also be provided under a separate Environmental Impairment or Pollution policy).

Automobile Liability Insurance

Automobile Liability Insurance in respect of licensed vehicles must have limits of not less than two million dollars (\$2,000,000.00) inclusive per occurrence for bodily injury, death and damage to property. Coverage shall be in the form of a standard owner's form automobile policy providing third party liability and accident benefits insurance and covering licensed vehicles owned and/or leased or operated by or on behalf of the Engineer.

Professional Liability Insurance

Professional Liability Insurance coverage must have limits of not less than two million dollars (\$2,000,000.00) inclusive per claim, covering services or activities that are professional in nature and excluded under the CGL policy.

The City will accept in place of the above-mentioned insurance coverage, a combination of primary liability limits and umbrella insurance or excess liability limits which meet the CGL and/or Automobile Liability coverage limits noted above.

Such coverage must in all respects be satisfactory to the City's Insurance and Risk Manager and shall be maintained continuously by the Engineer from either the commencement of the Services or the signing of the Contract, whichever is earliest. The policies must be endorsed to provide the City with not less than thirty (30) days' written notice in advance of cancellation, or any change or amendment restricting coverage.

All of the above insurance must be evidenced, by the Engineer only upon Contract award, on the C.S.I.O. standard Certificate of Insurance form or if on another form, one that is satisfactory to the City.

Additional Insurance considerations:

~~If the work involves any technology or IT aspects, Cyber coverage may be warranted – please forward these to Legal for review.~~

If any subconsultant is to be engaged (once approved by the City as per section 1.17) they will be required to place the same insurance coverages as outlined in section 1.11



The Corporation of the City of Sault Ste. Marie
99 Foster Drive, Sault Ste. Marie, Ontario P6A 5X6
saultstemarie.ca | 705.759.2500 | info@cityssm.on.ca

Request for Proposal

City of Sault Ste. Marie

Engineering Services
Case Road Culvert Replacement

December 3, 2020

Request for Proposal
City of Sault Ste. Marie
Engineering Services – Case Road Culvert Replacement

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SECTION 1

1. INFORMATION TO PROPOSANTS

1.1. Introduction

The City of Sault Ste. Marie is requesting proposals from an established consulting firm to provide engineering services associated with proposed replacement of the Case Road culvert.

Engineering services required for this project include the design, contract administration and field inspection associated with replacement of the culvert.

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 Thursday, January 7, 2021 at 11:00 a.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.engineering@cityssm.on.ca

with this subject line:

Proposal – Electronic Submission – Engineering Services – Case Road Culvert Replacement

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 a 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 Proposal including all attachments immediately, **upon request only**, by mail, courier or hand delivery.

Request for Proposal
City of Sault Ste. Marie
Engineering Services – Case Road Culvert Replacement

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 – CASE ROAD CULVERT REPLACEMENT**”) and may be delivered by mail, courier or hand delivery to:

The City of Sault Ste. Marie
Engineering Division
Attention: Maggie McAuley
99 Foster Drive – Level 5
Sault Ste. Marie, Ontario P6A 5X6

Proposals should be limited to fifteen (15) 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 Maggie McAuley, P. Eng., Municipal Services Engineer; email m.mcauley@cityssm.on.ca; telephone 705-759-5385

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 only** to Maggie McAuley, Municipal Services Engineer; email m.mcauley@cityssm.on.ca.

General bidding process inquiries should be directed (by email preferred) to Mr. Tim Gowans; Manager of Purchasing; email t.gowans@cityssm.on.ca, or telephone 705-759-5298.

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.

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. Therefore, the successful proponents 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 and the following points will be scored:

- 1) Consulting team's expertise in culvert design and municipal road construction.
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) A fee schedule indicating the name, role and rate of pay for each individual assigned to the project. The total cost of the engineering assignment shall include work up to and including final construction. No further payment will be made above this figure unless authorized in advance by the City. The successful consultant will be required to enter into a standard MEA/CEO agreement for engineering services. These terms of reference will form part of that agreement.

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 of Sault Ste. Marie will not necessarily select the proposal with the lowest price or any other proposal.

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.

Proponents are also required to include a Letter of Introduction with the Proposal that states that the Signee is authorized to bind the Proponent to the contents of

the Proposal including pricing. The letter shall also include the following statement:

I/We confirm that the Corporation, its Officers and Directors; and Supervisory staff have not been convicted of an Offence under the Occupational Health and Safety Act, nor the Workplace Safety and Insurance Act: Yes No

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.

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. Failure to comply with the requirements of this Program will result in loss of the contract.

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: December 3, 2020
- (B) Submission of Proposal: January 7, 2021
- (C) Recommendation of Award: January 25, 2021
- (D) Signing of Agreement: January 25, 2021 (pending Council approval)
- (E) Commencement of Services: January 25, 2021
- (F) Construction Commencement: Spring 2021

The City reserves the right to alter the scheduling of items "C" to "F". Proponents are asked to designate one contact person to whom any additional information deemed to be relevant to the proposal may be communicated.

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.

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

The successful Proponent will indemnify and save harmless the City against and from all actions, causes of action, interest, claims, demands, costs, damages, expenses or loss which the City may bear, suffer, incur, become liable for, or be put to by reason of any damage to property or injury or death to persons by reason of, arising out of or in

Request for Proposal
City of Sault Ste. Marie
Engineering Services – Case Road Culvert Replacement

consequence of breach, violation of non-performance by the successful Proponent of any provision of the agreement, or by reason of or arising out of the use of the premises or in connection with the work covered by this contract, or by reason of or arising out of any act, neglect or default by the successful Proponent or any of its agents or employees or any other person or persons, in, on, or about the premises.

The Proponent further covenants that the indemnity herein contained shall extend to all claims, loss, cost and damages by reason of or arising out of improper field inspection practices in connection with this Agreement by the Proponent, its servants or agents, whether or not these have been approved by the City, its servants or agents. The rights to indemnity contained in this paragraph shall survive any termination of this agreement, anything in this agreement to the contrary notwithstanding.

SECTION 2

2. TERMS OF REFERENCE

2.1. Introduction

The City of Sault Ste. Marie is requesting proposals for engineering services associated with proposed replacement of the Case Road culvert. The culvert crosses Silver Creek and is located on Case Road approximately 330m north of Old Garden River Road as per the attached map. The culvert is a 5x3m pipe arch that has reached the end of its useful life. The proponents should note that Case Road is a dead end road and that fact should be taken into consideration during design and construction.

Engineering services required for this project include the design, approvals, contract administration and field inspection of a culvert replacement.

The successful proponent will collect and analyze information to develop recommendations, design, prepare tender documents and administer contracts for the construction of the proposed works. The detailed total station survey will be completed by a City survey crew. The proponents should consider geotechnical and hydrologic requirements, as well as dewatering and permits or approvals required for construction.

2.2. Existing Documentation

It will be up to the Proponent to request existing drawings and records from the City Engineering Division.

2.3. Municipal Class Environmental Assessment Requirements

This project is assumed to be a Schedule A Municipal Class EA.

2.4. Design of the Proposed Improvements

The successful consultant will use engineering principles to design the culvert replacement that meets current City standards.

2.5. Project Requirements

Communications - Meetings, Workshops and Public Information Centres

The minimum is expected to be:

- Two design meetings with City staff
- One public information session or public notification of residents
- Contract/tender preparation
- Contract administration
- Resident site inspection

Project Scope and Time-Frame

The project will be tendered in April of 2021 with construction completed by November 2021 pending Council approval of the capital construction plan. The successful Proponent will be able to start immediately following an agreement approval by Council in January 2021.

2.6. Project Deliverables

The project deliverables shall include:

- Preliminary design reports
- Production and distribution of public notices
- Preparation of design and construction drawings
- Approval and permit application package
- Preparation of all contract documents
- Contract administration

January 6, 2021
210001

The Corporation of the City of Sault Ste. Marie
Engineering Division
99 Foster Drive
Sault Ste. Marie, ON
P6A 5X6

Attention: **Ms. Maggie McAuley, P.Eng.,
Land Development and Environmental Engineer**

Re: **Proposal – Electronic Submission – Engineering Services
Case Road Culvert Replacement**

Dear Ms. McAuley:

TULLOCH Engineering Inc. is pleased to submit electronically our proposal for the above noted project. Our proposal outlines our understanding of the project scope, objectives and deliverables, and our proposed approach for completion of the assignment. The team we have assembled has considerable experience in culvert design and rehabilitation, bridge design and rehabilitation and most importantly innovative construction methods allowing for continuous safe passage of vehicular traffic. We are confident that we can deliver a successful project for the City of Sault Ste. Marie.

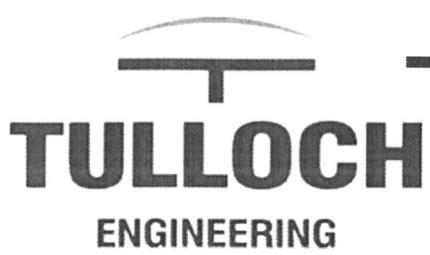
We hereby confirm that we are in receipt of all issued addendums and that the undersigned is authorized to bind TULLOCH Engineering to the contents of this proposal including pricing. We further confirm that TULLOCH Engineering, the Corporation, its Officers and Directors; and Supervisory staff have not been convicted of an Offence under the Occupational Health and Safety Act, nor the Workplace Safety and Insurance Act.

If you have any questions or require additional information, please do not hesitate to contact the undersigned.

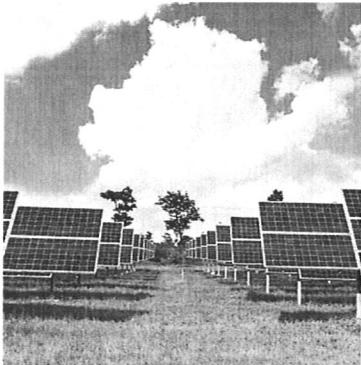
Yours truly,
TULLOCH Engineering Inc.



Larry Jackson, P.Eng.
General Manager
LJ/bt



PROPOSAL
- ELECTRONIC SUBMISSION -
ENGINEERING SERVICES
CASE ROAD CULVERT REPLACEMENT
Sault Ste. Marie, ON.



January 2021

TULLOCH Project #: 210001

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1. INTRODUCTION

1.1 Background and Scope of Work

The subject culvert located on Case Road has drawn the focus of the City of Sault Ste. Marie (City) due to concerns with the structural condition of the culvert, continuing roadway surface maintenance and distortion within the culvert barrel. As a result, the City has deemed this culvert needs replacement.

TULLOCH Engineering (TULLOCH) understands that the subject culvert is located on a dead-end road with no detour available. Accordingly, a key component of the project will entail that the design and construction be completed allowing for uninterrupted vehicular traffic access to the residential and commercial properties to the north. A culvert relining option will be investigated, however the distortion in the culvert barrel, and the resulting loss in hydraulic capacity must be considered, this option may not be viable. A discussion with the City regarding the culvert design standard would be a worthwhile exercise in this instance. We propose to plan this project in accordance with a Schedule A Municipal Class Environmental Assessment.

TULLOCH will complete preliminary and detailed design, including cost estimates, coordinate progress meetings, prepare drawings, specifications and contract documents including assisting in the tendering process. TULLOCH will also have a full-time representative for contract administration, will complete as-built drawings and a final verification inspection. Our pricing for this project includes provisions for the design of a culvert replacement and provisions to maintain traffic. Should culvert rehabilitation options be deemed feasible and the chosen course of action, we would expect our fee proposal as presented to be conservative.

1.2 Key Considerations

Based on our existing detailed knowledge of the assignment and review of existing documentation, it is our opinion that effectively dealing with the following key considerations will be critical to the success of the project:

- Innovative Solutions: Due to the fact that the Case Road Culvert is without a detour, it is imperative that the design achieves a constructable solution with uninterrupted access for vehicular traffic throughout the project.
- Design Standards: Current City hydraulic design standards for the design and construction of culverts in a natural watercourse is a headwater to culvert diameter ratio of 1, on a 1:100 year design storm flow. Recognizing the significant cost of maintaining vehicular access, and the possible option of relining the culvert, in consultation with the City, consideration to reducing the design flood flow standard is proposed.
- Robust Design: The works must be designed to last for several decades (75 years in accordance with the Canadian Highway Bridge Design Code) and to minimize maintenance requirements. The design must not only be technically correct but it must also minimize environmental impacts, maintenance requirements and life cycle costs.
- Minimize Disruption During Construction: The proposed project will require in-water works. The planning and construction of the project must incorporate all reasonable measures to minimize this disruption to the environment.

**Why Choose
TULLOCH Engineering?**



TULLOCH Engineering has the expertise and experience in innovative culvert replacement and rehabilitation techniques. Working with our clients we develop designs that are constructable, reduce costs and reduce inconvenience to the public. Our final designs provide long lasting robust solutions, which ensure the protection of public and private property that stand the test of time and nature.

Picture shown above is of a large diameter culvert relining project recently completed for Prince Township

- Ministry Approvals: TULLOCH will be proactive in the consultation with Conservation Authority, MNRF and DFO to consider their requirements in a timely manner to avoid delaying the start of construction.

The TULLOCH Engineering team is well equipped to deal with these key considerations to ensure the right solution is implemented with as little disruption as possible.

2. CONSULTANT TEAM

2.1 TULLOCH Corporate Overview



TULLOCH Engineering is a progressive consulting firm providing integrated land development, surveying and engineering services throughout Canada. The key focus of our company is to provide our clients with services for renewable energy development, environmental protection, infrastructure design, and the administration of capital construction projects.

2.2 Key Staff

TULLOCH Engineering has assembled a highly qualified and experienced technical team comprised of all local staff. Our experience and knowledge of the local site issues, watershed characteristics, geotechnical conditions, local infrastructure and our highly skilled technical abilities make us an ideal team to undertake this project.

2.3 Staff Bio's

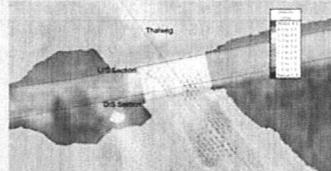
John McDonald, P.Eng. – Project Manager. John McDonald, P.Eng., will be the lead design engineer and Project Manager on this assignment and will be responsible for the day to day management of the project. John is a professional engineer with more than eighteen years of experience in all aspects of municipal infrastructure design including; erosion and scour protection, stormwater management, culvert and bridge repairs and replacements, road design, and municipal servicing. John also has extensive experience in the completion of engineering surveys, construction materials, construction project management and municipal asset management.

Ryan Dagenais, E.I.T. – Engineering Intern. Ryan Dagenais, E.I.T., is an Engineering Intern with TULLOCH Engineering, with more than 3 years of experience. Ryan has experience with stormwater management, culvert repair and hydraulic modelling. Ryan will be responsible for assisting in the initial site review, preliminary and detailed design, preparation of contract documents and contract administration.

Bill Tibble – Aquatic Ecologist. Bill Tibble, M.Sc., is TULLOCH Engineering's Environmental Department Lead. For this project, Bill will provide technical assistance in completing permitting applications to the Sault Ste. Marie Region Conservation Authority (SSMRCA), the Ontario Ministry of Natural Resources and Forestry (MNRF) and to the Department of Fisheries and Oceans (DFO). Additionally, Bill will assist with the design of the riparian shoreline area and aquatic environments.

Tom Gregory – Designer/Contract Administrator. Tom is a Contract Administrator with TULLOCH Engineering, with more than 9 years of experience performing municipal design, inspection and contract administration services for infrastructure projects within Sault Ste. Marie. Tom was recently the Contract Administrator on the Boardwalk Scour Remediation Project and the Fort Creek (Wellington St. component) Aqueduct Reconstruction Project. The projects were completed on-time and on-budget with great praise.

Hydraulic, Geomorphology and Scour Protection Expertise



TULLOCH Engineering staff has the expertise and existing knowledge to not only provide a technically accurate design but the ability to readily evaluate different design solutions, evaluate various scenarios of mitigating risks and to optimize the design of the project as a whole. This is value engineering, and **this is the TULLOCH Advantage.**

Tom's responsibilities for this project will commence with assisting in the design and preparation of contract documents to Contract Administration duties. Tom will be responsible for assisting in the administration of the contract and quality assurance.

3. RELEVANT PAST PROJECT EXPERIENCE

- Walls Road Culvert Rehabilitation and Lining, Prince Township
- St. Marys River Shoreline Stabilization near the existing Fish Hatchery, Sault Ste. Marie
- Stobie Creek Stream Enhancement, Kensington Conservatory
- Paint Lake Road Culvert Replacement, Elliot Lake
- Root River shoreline embankment and revetment construction associated with the repairs to Municipal Bridge No. 8 on Fourth Line, Sault Ste. Marie
- Root River shoreline and roadway embankment stabilization associated with repairs to Municipal Bridge No. 1 on Great Northern Road/Highway 17 N, Sault Ste. Marie
- Reconstruction of Canal Drive, Sault Ste. Marie.
- Stream Morphology and Scour Protection design in association with the Base Line and Town Line Road Bridge Replacements, Sault Ste. Marie
- Stream Morphology and Scour Protection design in association with the Beaver Creek Road Bridge Replacement, Manitoulin Island
- Stream Morphology and Scour Protection design in association with the Doe Lake Road Bridge Replacement, Katrine
- Pim Street/McNabb Street Flooding Mitigation
- Fort Creek Aqueduct Replacement – Wellington Street and John Street Laneway (On-going)

4. WORK PROGRAM

Based on the request for proposal and key project considerations identified within, we have developed a work program to satisfy the objectives of the assignment. The individual project tasks are briefly described below.

4.1 Project Initiation

The initial phase of the project includes TULLOCH Engineering immersing ourselves into the details of the project. We will attend a project initiation meeting with the City to introduce the key personnel involved, to review the proposed scope of work and schedule to ensure that it meets their objectives, and to establish a concise design criterion.

4.2 Environmental Assessment and Design

4.2.1 Initial Site Review

The initial site review is an often-overlooked important step in the project implementation. The review provides familiarity to the project staff that is drawn upon from implementation to final design. Observations, photographic evidence and field measurements taken at this stage in the project supplement data obtained during subsequent phases of the project and ultimately leads to a better understanding of site conditions and helps ensure all pertinent information is collected by field staff.

4.2.2 Review and Catalogue Project Area

The desktop, background records review will include the immediate water crossing area and the connectivity to any mapped watercourses located upstream and downstream. Resources reviewed for the

occurrence of natural heritage features will include: Natural Heritage Information Centre (NHIC), Land Information Ontario (LIO), Environment Canada Species at Risk Registry, Fisheries and Oceans Canada Aquatic Species at Risk mapping, and other available studies (e.g. wetland evaluations), maps or other materials obtained through correspondence with regulatory agencies. Existing drawings of the culvert and roadway will be required of the City as well as other utility owners.

4.2.3 Determine Drainage Areas and Watershed Conditions

Utilizing City of Sault Ste. Marie GIS elevation data, coupled with Ontario Base mapping, Ontario Flow Assessment Tools and the topographic survey per item 4.2.4, TULLOCH will determine the drainage areas and watershed conditions.

Once the drainage areas are determined, TULLOCH will be able to analyze the hydrology and hydraulics of the creek by using rain gauge data, design storms, soil group classification and other parameters. Flow hydrographs will be developed for use in the scour assessment detailed in item 4.2.8.

4.2.4 Topographic Survey

In accordance with the terms of the Request for Proposals, the topographic survey is to be completed by the City, however we have provided an allowance (Provisional fee) for a supplemental topographic survey to be completed in the event data gaps exist. Prior approval will be required from the City before initiating this task.

4.2.5 Aquatic Environment Assessment

The water crossing and adjacent lands within 120 m of the crossing will be inspected by a qualified TULLOCH professional to document the existing conditions. Habitat for fish and Species at Risk, obstructions to fish passage, flow regime and any other sensitive features will be documented. Any areas of sensitivity that may be impacted by the proposed works will be delineated.

Information collected during the Site Investigations will be sufficient to inform the design, permitting and Class EA requirements.

To support the environmental permitting requirements of the proposed project, an assessment of the existing Natural Environmental features, and an associated Impact Assessment will be completed.

Task 1: Background Records Review

The desktop background records review will include the immediate water crossing area and the connectivity to any mapped watercourses located upstream and downstream. Resources reviewed for the occurrence of natural heritage features will include: Natural Heritage Information Centre (NHIC), Land Information Ontario (LIO), Environment Canada Species at Risk Registry, Fisheries and Oceans Canada Aquatic Species at Risk mapping, and other available studies (e.g., wetland evaluations), maps or other materials obtained through correspondence with regulatory agencies.

Task 2: Site Investigation

Existing Project Knowledge



TULLOCH Engineering has extensive knowledge with similar projects such as the Pannel Mine Road Culvert Replacement project in Elliot Lake where we replaced two large diameter culverts within a causeway where there was no detour.

TULLOCH Engineering is the right choice to provide engineering services to meet the project objectives.

The water crossing and adjacent lands within 120 m of the crossing will be inspected by a qualified Tulloch professional to document the existing conditions. Habitat for fish and Species at Risk, obstructions to fish passage, flow regime and any other sensitive features will be documented. Any areas of sensitivity that may be impacted by the proposed works will be delineated.

Information collected during the Site Investigations will be sufficient to inform the design, permitting and class EA requirements.

Task 3: Reporting / Permitting

Upon completion of field Site Investigations, a Natural Environment Existing Conditions and Impact Assessment and Mitigation Report will be prepared for the crossing. The report will describe the methods and findings of the site assessment, any environmental impacts with the potential to occur as a result of the Proposed Works and the recommended mitigation measures to ensure compliance with the Fisheries Act and other applicable environmental regulations.

The assessment of impacts will be based upon the following: identifying sensitivities, evaluating significance of changes to the existing conditions, the degree to which changes can be mitigated using proven methods and reasonably incorporated into the undertakings as proposed.

Due to recent changes to the Fisheries Act, it is expected that a DFO Request for Review will be required as part of the permitting process.

4.2.6 Class EA Reporting and Permitting

Based on the information provided, TULLOCH proposes to plan the project in accordance with a Schedule A Municipal Class Environmental Assessment. Upon completion of field Site Investigations, a Natural Environment Existing Conditions and Impact Assessment Mitigation memo will be prepared for the crossing. The memo will describe the methods and findings of the site assessment, any environmental impacts with the potential to occur as a result of the Proposed Works and the recommended mitigation measures to ensure compliance with the Fisheries Act and other applicable environmental regulations.

The assessment of impacts will be based upon the following: identifying sensitivities, evaluating significance of changes to the existing conditions, the degree to which changes can be mitigated using proven methods and reasonably incorporated into the undertakings as proposed.

4.2.7 Hydraulic Analysis

TULLOCH Engineering will evaluate each replacement/rehabilitation alternative hydraulically, in addition to constructability, cost, environmental impact, impact to aquatic life and other factors identified during the design evaluation. Each alternative design will be developed in sufficient detail to allow TULLOCH Engineering to identify problems and complications associated with each alternative and we will systematically evaluate alternatives for their advantages, disadvantages, adverse impacts and possible mitigating measures. These procedures will assist in the decision-making process, to help determine which alternative best meets the project's objectives. TULLOCH Engineering will provide the necessary background information to allow the City and SSMRCA to provide input on the alternatives.

TULLOCH utilizes various top of the line software when conducting hydraulic analyses to ensure the accuracy of the results, leading to efficient designs.

4.2.8 Scour Assessment

Bridge/culvert examination begins in the office with a review of the watercourse path, slopes and geotechnical information. TULLOCH will then proceed with further evaluation including field review, scour vulnerability analysis and morphology assessment. The information gained here will be key in TULLOCH's design being robust and practical to prevent problems in the future.

The examination process is conducted by trained TULLOCH staff and involves a review of historical engineering information about the culvert, followed by a visual inspection. Information is recorded about soil conditions, the type of rock or sediment carried by the river, and the angle at which the river flows toward and away from the bridge. The area under the bridge is also thoroughly inspected for holes and other evidence of scour.

4.2.9 Geotechnical Investigation

TULLOCH will mobilize our geotechnical team to the site to complete the site investigation. Based on our understanding of the scope as well as local ground water well logs TULLOCH proposes drilling a total of two (2) boreholes advanced to 15.0m or auger refusal, whichever is less. The subsurface investigation will advance the geotechnical boreholes under TULLOCH's supervision. The boreholes will be advanced as close as practical to the culvert using a drill rig equipped with conventional geotechnical soil sampling equipment

Soil samples will be recovered with a 51 mm outside split spoon barrel in conjunction with Standard Penetration Tests (SPT). "N" values (ASTM D1586) will be measured at 0.75 m intervals within the upper 3.05 m and 1.50 m intervals thereafter. The SPT "N" values will be used to give a qualitative evaluation of the compactness condition of the soil and soil stratification. If cohesive soils are encountered, field vane measurements (ASTM D2573-72) or penetrometer tests will be performed to determine the materials' undrained shear strength properties depending on the consistency of the material. Upon completion of the borehole, the groundwater level will be recorded. The recovered soil samples will be evaluated and logged in the field by an experienced TULLOCH geotechnical technician, in accordance with the Unified Soil Classification (USCS) and the latest edition of the Canadian Foundation Engineering Manual. The soil samples will then be carefully transported to our laboratory for further visual and tactile examination by a geotechnical engineer. Details of the soil strata and groundwater elevation will be transcribed onto borehole logs.

Upon completion of the geotechnical investigation, TULLOCH will complete a geotechnical report in accordance with the latest edition of the Canadian Foundation Engineering Manual. TULLOCH will submit a draft report for client review prior to issuing the final report. The final engineering report will be signed and sealed by a licensed Professional Engineer registered in the Province of Ontario.

4.2.10 Development of the Problem Statement

TULLOCH Engineering will complete a project needs assessment which will lead to the development of a clear problem statement, identification of alternative solutions to the problems or deficiencies, and confirmation of a process to be followed to meet the requirements of the Environmental Assessment Act, tentatively following a Schedule A planning process.

4.3 Detailed Design, Specifications, Approvals and Tendering

Detailed design is the phase where the design is refined and plans, specifications and detailed estimates are created. This phase is where the full cost of the project is identified. It has been proven that detailed design and engineering is the key phase in which a project's costs are defined and set. By adhering to the following work plan, TULLOCH Engineering will mitigate project risks, and provide a robust, cost effective design.

4.3.1 *Preliminary Design*

TULLOCH will complete the preliminary design of the culvert repair works in accordance with City requirements, as applicable. Throughout this stage, we will identify and analyze alternatives, consult with the City and other affected stakeholders to develop an efficient, robust and constructible design. Key considerations in the design will be constructability and minimizing impacts to property owners and the environment.

4.3.2 *Natural Environment Impact Assessment*

TULLOCH will assess the impact of the proposed design on the environment during detailed design. We will then develop and assess measures to avoid or minimize the environmental impacts which are to be implemented in the design. Refer to sections 4.2.5 and 4.2.6.

4.3.3 *Climate Change Impact Review*

TULLOCH has extensive experience in bridge/culvert design, river and stream scour and river morphology assessments and protection. We utilize the most up to date rainfall data, 2-year to 100-year return period storm events and Regional storm data and apply a safety factor to ensure that our designs will account for the unpredictability of changing climate conditions. TULLOCH analyzes upstream and downstream capacity to anticipate and prepare for storm events.

4.3.4 *Progress Review Meeting*

Following completion of the key milestones in the design process, we will propose a review meeting with City staff. At this meeting, we will review progress to date, cost estimates for the work and receive further direction from the City for the completion of the remainder of design into tender drawings and specifications.

4.3.5 *Detailed Design Drawings and Contract Documents*

Detailed design is the phase where the design is refined and plans, specifications and estimates are created.. Over the years it has been proven that detailed design and engineering is the key phase in which a project's costs are defined and set. Detailed design is the stage at which, savings can be realized. TULLOCH Engineering will prepare the contract drawings that meet the clients requirements and in accordance with City standards. Drawings will clearly differentiate between original conditions and new construction, with all prominent features clearly labeled and design features identified by appropriate legend.

The detailed design will incorporate all aspects of the work including but not limited to; removals, underpinning, constructing a 'closed bottom' floor to the culvert if necessary, cut-off walls, armoured slopes, revetment toe design for enhanced scour protection, and the design of environmental controls and mitigation measures during construction. Roadway restoration and examination of the roadside protection systems will also be addressed.

Contract specifications will be prepared to provide instructions to contractors. Special provisions will be used to address specific construction practices, materials and methods of measurement for payment. In preparing the specifications, TULLOCH Engineering will utilize Ontario Provincial Standard Specifications as much as possible. Quantity and cost estimates will be updated throughout the detailed design phase and significant cost escalation items will be reported to the City as they arise.

4.3.6 Pre-Tender Cost Estimate

In addition to regular cost estimate updates throughout the project, a pre-tender cost estimate will be prepared by TULLOCH Engineering for the information of the City and will be based on the final items and quantities within the contract documents. TULLOCH will work with the City to ensure the project stays within budget.

4.3.7 Approvals

TULLOCH Engineering will apply for and obtain all necessary approvals required for the project potentially including but not limited to; In-water work permit from the Ontario Ministry of Natural Resources and Forestry, Sault Ste. Marie Region Conservation Authority permit under O.Reg. 176/06., and review by the Department of Fisheries and Oceans approvals branch to ensure compliance with the Fisheries Act. TULLOCH Engineering's Environmental group has the design knowledge and permitting experience to successfully mitigate environmental impacts and meet project timelines.

4.4 Services During Construction

4.4.1 Advertise Tender and Tendering

In addition to the preparation of construction specifications and contract documents, TULLOCH Engineering will administer the Tendering process on behalf of the City of Sault Ste. Marie in accordance with the City's procurement by-law. Enquiries during the tender period will be addressed by TULLOCH Engineering by addendum. TULLOCH Engineering will be present during the closing of the bid process and evaluate the bids for completeness, accuracy, experience and cost. A tender review report including recommendations will be provided to the City and TULLOCH staff will make themselves available to City Council to address any questions and concerns they may have.

4.4.2 Construction Contract Administration and Quality Assurance Inspections

TULLOCH is a recognized leader in providing contract administration and support services for the construction industry. We have built an impressive portfolio by providing construction management services for all levels of government and private industry. Our professional staff lead the industry in a variety of project delivery methodologies. TULLOCH's expertise in the area of contract management provides an assurance the contract will be administered in a fair and transparent manner in accordance with the contract documents and governing law. TULLOCH has allowed for an **16 - week construction duration** and we are committed to completing projects successfully, expeditiously, and on budget.

4.4.3 Project Close-out Documentation and Warranty Inspection

On completion of construction activities, we will provide the City with a detailed set of as-constructed plans. TULLOCH staff recognises that accurate recording of as-built data is vital for future maintenance and information purposes. After Substantial Completion of the project, TULLOCH staff will regularly review the

TULLOCH Success Story



Sault Ste. Marie experienced two major storm events in 2013. As a result of one of the storms, the bridge spanning the Root River on Fourth Line was subjected to severe river scour. The east approach to the river completely washed out and left the bridge's timber pilings exposed, abutments undermined and approach slab hanging in the air.



TULLOCH was retained to design and administer the repairs to the bridge which involved the implementation of a unique underpinning system involving placing a special type of bag liner under the bridge abutments in the water and inflating it with concrete. The river was redirected back to its original location and a stone revetment constructed to prevent this happening again in the future.





The City of Sault Ste. Marie
Proposal for Consulting Engineering Services
Case Road Culvert Replacement

constructed conditions and coordinate any 'make good' work required of the contractor. Final payment certificates will be issued in addition to ensuring the contractor's project close-out submittals are completed in accordance with the contract documents.

5. SCHEDULE AND FEE ESTIMATE

TULLOCH Engineering is committed to the delivery of the project on time and on budget. We have prepared the attached schedule in accordance with our work plan and on the assumption that in-water work will likely be restricted to July and August. TULLOCH Engineering confirms we have sufficient resources to complete the project as proposed herein.

Engineering fees corresponding to the different project tasks are provided in the attached Task-Cost Matrix. We are prepared to treat the enclosed Total Engineering Fee of \$168,587 excluding taxes, as an Upset Limit. It will not be exceeded unless authorized in writing by the City of Sault Ste. Marie.

Our pricing for this project includes provisions for the design of a culvert replacement and provisions to maintain traffic. Should culvert rehabilitation options be deemed feasible and the chosen course of action, we would expect our fee proposal as presented to be conservative.

Proposed Work Program and Schedule

City of Sault Ste. Marie

Case Road Culvert Replacement/Rehabilitation

TULLOCH

	71 Black Road, Unit 8 Sault Ste. Marie, Ontario	Project Title Client	Care Road Culvert Replacement The City of Sault Ste. Marie	Date Designed by:	January 6th, 2021 J. McDonald
		Description	Time/Task Matrix	Checked by:	I. Jackson

Task Number	Task Description	Project Manager/P/E/Eng.		EIT/Sr. Designer		Int. Designer		Jr. Designer		Biologist		OLS		Survey Crew		Administrative Assistant		Expense		TOTAL	
		HRS	\$155.00	HRS	\$105.00	HRS	\$90.00	HRS	\$80.00	HRS	\$150.00	HRS	\$140.00	HRS	\$120.00	HRS	\$100.00	HRS	\$85.00	ALLOWANCE	
Design - Initiation																					
4.1	Prepare MoA Agreement																				
	Project Kickoff Meeting																				
	Background Data Collection																				
4.2.1	Data Collection, Review Catalogue, Summarize Data and Prepare Drawing	2	\$310	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	0	1	\$65	\$2	\$377	\$1,056	
4.2.2	Initial Site Review	4	\$620	4	\$420	0	\$0	0	\$0	0	\$0	0	\$0	0	0	0	0	0	50	\$1,056	
4.2.3	Review and Catalogue Study Area	0.5	\$78	2	\$210	0	\$0	0	\$0	0	\$0	0	\$0	0	0	0	0	0	0	\$2,110	
4.2.4	Determine Drainage Areas and Watershed Characteristics	0.5	\$78	2	\$210	0	\$0	0	\$0	0	\$0	0	\$0	0	0	0	0	0	0	\$1,018	
4.2.5	Supplemental Survey *** PROVISIONAL ITEM - Excluded from Totals)	0.5	\$78	2	\$210	0	\$0	0	\$0	0	\$0	0	\$0	0	0	0	0	0	0	\$5,308	
4.2.6	Aquatic Environmental Assessment	2	\$310	30	\$1,50	20	\$1,800	0	\$0	0	\$0	0	\$0	0	0	0	0	0	0	\$380	
4.2.7	Hydrogeologic Analysis	2	\$310	8	\$840	8	\$320	0	\$0	0	\$0	0	\$0	0	0	0	0	0	0	\$2,040	
4.2.8	Scour Assessment	8	\$310	8	\$840	0	\$0	0	\$0	0	\$0	0	\$0	0	0	0	0	0	0	\$1,870	
4.2.9	Geotechnical Investigation	24	\$310	8	\$840	24	\$2,150	0	\$0	0	\$0	0	\$0	0	0	0	0	0	0	\$2,080	
4.2.10	Development of Problem Statement	0.5	\$78	4	\$420	0	\$0	0	\$0	0	\$0	0	\$0	0	0	0	0	0	0	\$1,050	
	Review Meeting																				
	Design and Approvals																				
4.3.1	Preliminary Design	24	\$310	60	\$6,300	0	\$0	0	\$0	0	\$0	0	\$0	0	0	0	0	0	0	\$10,020	
4.3.2	Natural Environment Inventory and Impact Assessment	0.5	\$78	0	\$0	8	\$720	0	\$0	0	\$0	6	\$960	0	0	0	0	0	0	\$3,50	
4.3.3	Climate Change Impact review per City of SSM SWMP	0.5	\$78	2	\$210	0	\$0	0	\$0	0	\$0	0	\$0	0	0	0	0	0	0	\$2,110	
4.3.4	Prepare Preliminary Cost Estimates	0.5	\$78	8	\$840	0	\$0	0	\$0	0	\$0	0	\$0	0	0	0	0	0	0	\$2,88	
4.3.5	Preparation of Detailed Design Drawings and Contract Documents	4	\$620	4	\$420	0	\$0	0	\$0	0	\$0	0	\$0	0	0	0	0	0	0	\$1,060	
4.3.6	Pre-Tender Cost Estimate	0.5	\$78	8	\$840	0	\$0	0	\$0	0	\$0	0	\$0	0	0	0	0	0	0	\$1,050	
4.3.7	In-Water Work Permit	0.5	\$78	4	\$420	0	\$0	0	\$0	0	\$0	0	\$0	0	0	0	0	0	0	\$1,058	
	Review Meeting																				
	TOTAL - Design		130.5	260	\$29,228	260	\$27,300	76	\$6,840	20	\$1,600	30	\$4,500	0	\$0	0	0	14	\$910	\$11,327	\$22,705
	Services During Construction																				
4.4.1	Advertisement and Prepare Tender Documents	0.5	\$78	8	\$840	0	\$0	0	\$0	0	\$0	0	\$0	0	0	0	4	\$240	\$100	\$1,278	
4.4.2	Assistance during Tendering, Tender Close and Tender Report to Council	2	\$310	8	\$840	0	\$0	0	\$0	0	\$0	0	\$0	0	0	0	0	0	50	\$1,150	
4.4.3	Construction Contract Administration and Inspection Services (Assumes 16 weeks)	8	\$310	40	\$4,200	800	\$72,000	20	\$3,000	0	\$0	0	\$0	0	0	0	0	0	50	\$8,560	
	Project Close-out (As-built Documentation)		2	\$310	26	\$2,730	24	\$2,150	0	\$0	0	\$0	0	0	0	0	0	4	\$260	\$50	\$2,390
	Warrantee Inspection		44.5	\$310	2	\$2,210	8	\$720	0	\$0	0	\$0	0	0	0	0	0	0	50	\$1,150	
	Services During Construction																1	1	\$595	\$1,700	
	TOTAL		175	344	\$27,125	344	\$26,120	908	\$81,720	20	\$1,600	50	\$7,500	0	\$0	0	0	23	\$1,495	\$13,027	\$16,587