

REGULAR MEETING OF CITY COUNCIL REVISED AGENDA

Monday, May 11, 2015

4:30 p.m.

Council Chambers

Civic Centre

Pages

1. ADOPTION OF MINUTES

16 - 34

Mover Councillor F. Fata
Seconder Councillor S. Myers

Resolved that the Minutes of the Regular Council Meeting of 2015 04 27 be approved.

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

3. DECLARATION OF PECUNIARY INTEREST

4. APPROVE AGENDA AS PRESENTED

Mover Councillor F. Fata
Seconder Councillor T. Sheehan

Resolved that the Agenda for 2015 05 11 City Council Meeting as presented be approved.

5. PROCLAMATIONS/DELEGATIONS

5.1 Falun Dafa Day – May 13

Kerry Foster

5.2 Community Living Awareness Month

Chris Dunn and Jason Pratt – Community Living Algoma

5.3 Hearing and Speech Month

Dale Gagnon – Exalted Ruler – Fraternal Order of Elks Lodge 341

5.4 Store Your Stuff

Brian Gallagher will be in attendance regarding Agenda item 6.6

5.5 Smart Grid Update

Glenn Martin, CEO – Energizing Co.

5.6 Veterans' Monument

35 - 42

Clyde Healey, Veterans' Commemorative Monument

5.6.1 Additional correspondence

43 - 43

Derek Walz, President, Rotary Club of Sault Ste. Marie

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

Mover Councillor M. Bruni
Seconder Councillor S. Myers

Resolved that all the items listed under date 2015 05 11 – Part One – Consent Agenda be approved as recommended.

6.1 Correspondence

6.1.1 Korah Collegiate Relay for Life Committee

44 - 44

A request for an exemption from the Noise By-law is attached for the consideration of Council.

The relevant By-law 2015-88 is listed under item 11 of the Agenda and will be read with all by-laws under that item.

6.1.2 Reggie's Place Tavern

45 - 45

Correspondence requesting permission for private property liquor licence extension is attached for the consideration of Council.

Mover Councillor M. Bruni
Seconder Councillor T. Sheehan

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

Reggie's Place Tavern – 458 Queen Street East

- June 5, 2015 – 4:00 p.m. to 11:00 p.m.

6.1.3 Portuguese Canadian Association

46 - 46

Correspondence requesting permission for private property liquor licence extension is attached for the consideration of Council.

Mover Councillor M. Bruni
Seconder Councillor S. Myers

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

Portuguese Canadian Association of Sault Ste. Marie – 5 Cornwall Street

- July 11, 2015 from 12:00 noon to 10:00 p.m.

6.2 2015 Under 17 World Hockey Challenge 47 - 50

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

Mover Councillor M. Bruni
Seconder Councillor S. Myers

Resolved that the report of the City Clerk dated 2015 05 11 concerning the 2015 World Under-17 Hockey Challenge be received and that Council approve funding this event to a maximum of \$25,000, with funding from the Conferences and Major Special Events fund and any other appropriate source.

6.3 Tender for Asphalt (2015WA09T) 51 - 53

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

Mover Councillor F. Fata
Seconder Councillor T. Sheehan

Resolved that the report of the Manager of Purchasing dated 2015 05 11 be received and the recommendation that the tender submitted by Palmer Construction for the supply of asphalt for the 2015 construction season commencing June 1, 2015 at the tendered pricing (H.S.T. extra) be approved.

6.4 Tender for Ready-Mix Concrete (2015WA08T) 54 - 56

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

Mover Councillor M. Bruni
Seconder Councillor T. Sheehan

Resolved that the report of the Manager of Purchasing dated 2015 05 11 be received and the recommendation that the tender submitted by Fisher Wavy Inc. for the supply and delivery of Ready-Mix Concrete for the 2015 Construction Season commencing June 1, 2015 at the tendered pricing (H.S.T. extra) be approved.

6.5 Registration of Tax Arrears Certificate(s) and Sale 57 - 59

A report of the City Tax Collector is attached for the consideration of Council.

Mover Councillor F. Fata
Seconder Councillor S. Myers

Resolved that the report of the City Tax Collector dated 2015 05 11 concerning Registration of Tax Arrears Certificate(s) and Sale be received and the recommendation to commence Tax Sale Proceedings in accordance with the *Municipal Act, 2001* be approved.

6.6 Store Your Stuff – 2196 Queen St E 60 - 63

A report of the City Tax Collector is attached for the consideration of Council.

Mover Councillor M. Bruni
Seconder Councillor T. Sheehan

Resolved that the report of City Tax Collector dated 2015 05 11 regarding Store Your Stuff – 2196 Queen Street East be received as information.

6.7 Queenstown Board of Management (O/A The Downtown Association) 2014 Audit Report and 2015 Budget Estimates 64 - 77

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

Mover Councillor M. Bruni
Seconder Councillor S. Myers

Resolved that the report of the Commissioner of Finance and Treasurer dated 2015 05 11 concerning Queenstown Board of Management (O/A The Downtown Association) Audited Financial Statements for the year 2014 as prepared by KPMG LLP Chartered Accountants be received and the recommendation that the Downtown Association Budget Estimates for the year 2015 be approved.

6.8 Municipal Day Care – Service Agreement with the District of Sault Ste. Marie Social Services Administration Board (DSSMSSAB) 78 - 79

A report of the Commissioner of Community Services is attached for the consideration of Council.

The relevant By-law 2015-87 is listed under item 11 of the Agenda and will be read with all by-laws under that item.

6.9 Strathclair Park – Lighting for Slo-pitch Field A 80 - 82

A report of the Commissioner of Community Services is attached for the consideration of Council.

Mover Councillor M. Bruni
Seconder Councillor S. Myers

Resolved that the report of the Commissioner of Community Services dated

2015 05 11 concerning Strathclair Park – Lighting for Slo-pitch Field A be received and that the recommendation to put the project on hold and have staff research funding from the seniors levels of government be approved.

6.10 City–Prince Bridge Replacements – Engineering Agreement 83 - 84

A report of the Director of Engineering is attached for the consideration of Council.

Mover Councillor F. Fata
Seconder Councillor S. Myers

Resolved that the report of the Director of Engineering Services dated 2015 05 11 concerning the engineering fee estimate for the City–Prince bridges be received and that the fee estimate be revised to \$431,000.

6.11 Port of Algoma – Extension of Master Consultant Letter of Engagement 85 - 91

A report of the Commissioner of Engineering is attached for the consideration of Council.

Mover Councillor M. Bruni
Seconder Councillor S. Myers

Resolved that the report of the Commissioner of Engineering dated 2015 05 11 be accepted and that the request for an extension to 2015 06 08 of the Letter of Engagement between the City and KPMG/AECOM be approved.

6.12 Development Charges Study for City of Sault Ste. Marie 92 - 96

A report of the Commissioner of Engineering is attached for the consideration of Council.

Mover Councillor M. Bruni
Seconder Councillor S. Myers

Resolved that the report of the Commissioner of Engineering dated 2015 05 11 concerning Development Charges Study for City of Sault Ste. Marie be received and the recommendation to increase the budget for the Development Charges Study by Watson & Associates by \$14,564 (to come from the 2015 capital works budget and the PUC) be approved.

6.13 Seawall Repair – 711-719 Bay Street – Geotechnical Study 97 - 98

A report of the Director of Engineering is attached for the consideration of Council.

The relevant By-law 2015-90 is listed under item 11 of the Agenda and will be read with all by-laws under that item.

6.14 Fort Creek Aqueduct Phase II – Contract 2015-4E 99 - 102

A report of the Design and Construction Engineer is attached for the consideration of Council.

The relevant By-laws 2015-95 and 2015-96 are listed under item 11 of the Agenda and will be read with all by-laws under that item.

6.15 Second Line Widening Phase 3 – Contract 2015-5E 103 - 107

A report of the Design and Construction Engineer is attached for the consideration of Council.

The relevant By-law 2015-91 is listed under item 11 of the Agenda and will be read with all by-laws under that item.

6.16 Elementa Group Inc. – Third Amending Agreement 108 - 110

A report of the Land Development and Environmental Engineer is attached for the consideration of Council.

The relevant By-law 2015-92 is listed under item 11 of the Agenda and will be read with all by-laws under that item.

6.17 235 Kingsford Road – Demolition and Yard Clean-up 111 - 120

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

Mover Councillor M. Bruni
Seconder Councillor T. Sheehan

Resolved that the report of the Chief Building Official dated 2015 05 11 be received and that the recommendation to demolish and clean-up the structure, accessory buildings and yard at 235 Kingsford Road at an approximate cost of \$54,000 be approved.

6.18 Turnaround Agreement and Land Transfers between the City and TVM Sault Inc. (Former Sault Area Hospitals Site) 121 - 125

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

Mover Councillor F. Fata
Seconder Councillor S. Myers

Resolved that the report of the Assistant City Solicitor dated 2015 05 11 concerning Turnaround Agreement between the City and TVM Sault Inc. be received and City Council approve the Turnaround Agreement between the City and TVM Sault Inc. ("TVM") for a snow plough turnaround and storage, and further that City Council authorize:

1. the Transfer of Part 2, Plan 1R13068 from TVM to the City;
2. the Transfer of a Sanitary Sewer Easement from TVM to the City over Part 4, Plan 1R13068;
3. the Transfer of Parts 2 and 3, Plan 1R13002, and Parts 7 through 14 inclusive, Plan 1R10494 from TVM to the City; and
4. the Transfer of an Access Easement from the City to the Sault Ste. Marie Region Conservation Authority over Parts 2 and 3, Plan 1R13002,

and all costs related thereto to facilitate the redevelopment plans for the TVM lands.

By-law 2015-93 authorizing the execution of the Turnaround Agreement appears elsewhere on the Agenda and is recommended for approval.

By-law 2015-94 authorizing the above transfers also appears on the Agenda and is recommended for approval.

6.19 Property Declared Surplus – Rome Street 126 - 128

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

The relevant By-law 2015-85 is listed under item 11 of the Agenda and will be read with all by-laws under that item.

6.20 Agreement to Share a Water Well – 35 & 43 Alagash Drive 129 - 131

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

The relevant By-law 2015-89 is listed under item 11 of the Agenda and will be read with all by-laws under that item.

6.21	Permission to Purchase One (1) 40 Foot Low-Floor Bus	132 - 133
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A report of the Manager of Transit and Parking is attached for the consideration on Council.

Mover Councillor F. Fata
 Seconder Councillor T. Sheehan

Resolved that the report of the Manager of Transit and Parking dated 2015 05 11 concerning Permission to Purchase One 40 Foot Low-Floor Bus be received and that staff be authorized to proceed with the purchase and delivery of one (1) 40 foot low-floor bus from the Nova Bus Corporation.

6.22 Public Works New Equipment Needs 2015 134 - 140

A report of the Manager of Equipment and Building Maintenance is attached for the consideration of Council.

Mover Councillor M. Bruni
 Seconder Councillor S. Myers

Resolved that the report of the Manager of Equipment and Building Maintenance dated 2015 05 11 concerning Public Works New Equipment Needs 2015 be received and approved; further that staff be authorized to prepare specifications to solicit bids for the various pieces listed; and further that each bid will be awarded in accordance with the City's

procurement policies and procedures.

6.23	Synthetic Ice	141 - 142
	A report of Councillor Steve Butland is attached for the information of Council.	
7.	REPORTS OF CITY DEPARTMENTS, BOARDS AND COMMITTEES	143 - 146
7.1	ADMINISTRATION	
7.1.1	Appointments to Boards and Committees	
7.1.1.1	Sault Ste. Marie Economic Development Corporation	
	One member of Council to be appointed	
7.1.1.2	Spending Review Committee	
	Two members of Council to be appointed	
7.2	COMMUNITY SERVICES DEPARTMENT	
7.3	ENGINEERING	
7.4	FIRE	
7.5	LEGAL	
7.6	PLANNING	
7.6.1	A-10-15-Z – 9 Poplar Avenue	147 - 181
	A report of the Planning Division is attached for the consideration of Council.	
	Mover Councillor F. Fata Seconder Councillor T. Sheehan	
	That the report of the Planning Division dated 2015 05 11 be accepted and that the application to rezone the subject property from “R2” (Single Detached Residential Zone) to “R3.S” (Low Density Residential Zone with a Special Exception) to permit parking in the required front yard, be postponed to the 2015 06 08 Council meeting.	
7.6.1.1	<i>Additional correspondence</i>	182 - 183
	Jody and Joan Curran Ken and Gaele Overman	
7.6.2	A-11-15-Z – 207 Northern Avenue East	184 - 193
	A report of the Planning Division is attached for the consideration of Council.	

Mover Councillor M. Bruni
Seconder Councillor S. Myers

Resolved that the report of the Planning Division dated 2015 05 11 concerning A-11-15-Z – 207 Northern Avenue East be accepted and that Council rezone the subject property, from C4.S-14 (General Commercial Zone, with a special exception) to C4.S (General Commercial Zone, with a special exception) subject to the following:

1. That Special Exception 14 be amended, removing the references to a “furniture store and custom workshop for interior decorating”, and loading spaces, and replacing with the following:
 - a. That the entire building may be used for office purposes.
 - b. That the total parking required for the office uses be reduced to 36 spaces
2. That the existing Site Plan Agreement be updated prior to the issuance of an occupancy permit for the office uses

and that the Legal Department be directed to prepare the necessary by-laws to effect this approval.

7.7 PUBLIC WORKS AND TRANSPORTATION

7.8 BOARDS AND COMMITTEES

7.8.1 PUC

7.8.1.1 Borrowing for Water Utility 194 - 221

A report of the President and CEO, PUC Services Inc. is attached for the information of Council.

The relevant By-law 2015-97 listed under item 11 of the Agenda and will be read with all by-laws under that item.

7.8.1.2 LED Streetlighting 222 - 228

A report of the President and CEO, PUC Services Inc. is attached for the information of Council.

Mover Councillor F. Fata
Seconder Councillor S. Myers

Whereas PUC Services Inc. (PUC) owns the street lights and associated infrastructure (the Street Lights) within the municipal boundaries of Sault Ste. Marie; and

Whereas PUC has historically operated, maintained, constructed and replaced the Street Lights since 1917; and

Whereas the Corporation of the City of Sault Ste. Marie (the City) has always been and continues to be responsible for payment of all costs associated with

operating, maintaining, constructing and replacing the Street Lights by way of municipal taxes as a municipal service; and

Whereas there are approximately 9,000 existing Street Lights in Sault Ste. Marie, all of which are of the high pressure sodium (HPS) type; and

Whereas conversion of all the HPS lights to new, energy efficient LED lights would reduce overall costs for energy and maintenance by approximately 40% annually which will offset the cost of conversion; and

Whereas PUC in conjunction with MHPM Consultants have performed a thorough business case analysis and determined that conversion of all the HPS lights to LED lights over two years, 2015 and 2016, is financially sound; and

Whereas the Independent Electricity System Operator (IESO) has committed to provide an energy conservation incentive of approximately \$1,080,000 after all the HPS lights are replaced by LED lights; and

Whereas PUC must borrow potentially up to \$10,000,000 to cover the cost of the conversion work; and

Whereas the City will be required to provide loan security, in the form of either a Loan Guarantee or a Services Agreement, as may be required by the lender;

RESOLVED that PUC is authorized to proceed to secure the required financing and to carry out the conversion work and that staff are authorized to provide a Loan Guarantee or to negotiate a suitable Services Agreement, as the case may be, in accordance with the requirements of the lender.

7.8.1.3 PUC Inc. and PUC Services Inc. Shareholders Meeting 229 - 244

The PUC Inc. and PUC Services Inc. Annual Report to Shareholders and financial statements are attached for the consideration of the shareholder.

Mover Councillor M. Bruni
Seconder Councillor T. Sheehan

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.

7.8.1.4 2014 Financial Statements 245 - 294

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

8.1 Support for #YouTheSoo Youth Empowerment Event

Mover Councillor J. Krmpotich
Seconder Councillor P. Christian

Whereas the first-ever #youthesoo youth empowerment event will be taking

place at the Essar Centre on May 14, 2015; and

Whereas more than 5,000 youth from across Northeastern Ontario are expected to attend this event; and

Whereas organizing an event of this scale requires the outlay of significant financial and in-kind resources; and

Whereas the Outside Agencies and Grants to Others section of the City budget includes a Youth Fund that is allocated \$27,500 annually for Council to use at its discretion to support beneficial youth initiatives within the community; and

Whereas the #youthesoo event is such an initiative;

Now Therefore Be It Resolved that Council authorize the allocation of \$9,000 from the Youth Fund to support the #youthesoo event, and that these monies be used to offset the facility rental and set-up costs of the Essar Centre that would otherwise be incurred by the organizers.

8.2 Northern Community Centre

Mover Councillor M. Shoemaker

Seconder Councillor J. Krmpotich

Whereas the proposed 2015 municipal budget included requests for funding of \$656,000 for the Northern Community Centre for items that were carved out of the initial construction proposal; and

Whereas Council was of the belief that such a significant amount of spending should not be allocated to the Northern Community Centre without a timeframe in place for the completion of Phase 3 of the Northern Community Centre; and

Whereas Phase 3 of the Northern Community Centre would see a new ice surface built onto the existing facility to replace the aging McMeeken Centre; and

Whereas the ice surface at the McMeeken Centre is booked at 90% capacity from October to March; and

Whereas Council's wishes to establish a timeframe for the completion of Phase 3 of the Northern Community Centre before costly upgrades are required to the McMeeken Centre; and

Whereas the Northern Ontario Heritage Fund Corporation has recently announced up to \$1 million in support for recreational sports tourism facilities;

Now Therefore Be It Resolved that staff investigate and report back to Council with potential timeframes for the completion of Phase 3 of the Northern Community Centre, as well as estimated costs for the construction of Phase 3;

Be It Further Resolved that staff examine the various provincial and federal government funding programs that exist and determine if the completion of Phase 3 of the Northern Community Centre would fit the criteria for those programs.

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 F. Fata
Seconder Councillor S. Myers

Resolved that all By-laws under item 11 of the Agenda under date 2015 05 11 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 2015-85 (Property) Rome Street Surplus 295 - 296

A report from the Assistant City Solicitor is on the Agenda.

Mover Councillor F. Fata
Seconder Councillor S. Myers

Resolved that By-law 2015-85 being a by-law to declare the City owned property legally described as Part of PIN 31578-0007 (LT) Part of Parts 3 to 5 1R8760; Sault Ste. Marie being part of 25 Rome Street as surplus to the City's needs and to authorize the disposition of the said property be passed in open Council this 11th day of May, 2015.

11.1.2 By-law 2015-87 (Service Agreement – Municipal Day Care Centres) 297 - 327

A report from the Commissioner of Community Services is on the Agenda.

Mover Councillor F. Fata
Seconder Councillor S. Myers

Resolved that By-law 2015-87 being a by-law to authorize the execution of a Service Agreement between the City and The District of Sault Ste. Marie Social Services Administration Board (DSSMSSAB) for the provision of day care services at the three (3) municipally operated day care centres – Jessie Irving Centre, Maycourt Centre and Holy Family-Best Start Centre be passed in open Council this 11th day of May, 2015.

11.1.3 By-law 2015-88 (Noise Exemption) 328 - 328

Mover Councillor F. Fata
Seconder Councillor S. Myers

Resolved that By-law 2015-88 being a by-law to amend By-law 80-200 dealing with the exemption from the noise control by-law to accommodate a fundraising event held by the Korah Relay for Life team from 7:00 p.m. on June 5, 2015 to 7:00 a.m. on June 6, 2015 at Korah Collegiate and Vocational School be passed in open Council this 11th day of May, 2015.

- 11.1.4 By-law 2015-89 (Agreement) Frank Palumbo 329 - 332**
- A report from the Chief Building Official is on the Agenda.
- Mover Councillor F. Fata
Seconder Councillor S. Myers
- Resolved that By-law 2015-89 being a by-law to authorize the execution of an agreement between the City and Frank Palumbo per Part 7 Div. B A-7.1.5.4 (1) of the Ontario Building Code for a shared water well at 35 and 43 Alagash Drive be passed in open Council this 11th day of May, 2015.
- 11.1.5 By-law 2015-90 (Agreement) Tulloch Engineering Inc. 333 - 343**
- A report from the Director of Engineering Services is on the Agenda.
- Mover Councillor F. Fata
Seconder Councillor S. Myers
- Resolved that By-law 2015-90 being a by-law to authorize the execution of a Memorandum of Agreement between the City and Tulloch Engineering Inc. for a pre-design geotechnical study for \$16,600 plus tax using funds from the 2015 miscellaneous construction budget be passed in open Council this 11th day of May, 2015.
- 11.1.6 By-law 2015-91 (Agreement) Second Line Widening PH 3 344 - 347**
- A report from the Design & Construction Engineer is on the Agenda.
- Mover Councillor F. Fata
Seconder Councillor S. Myers
- Resolved that By-law 2015-91 being a by-law to authorize execution of a contract between the City and Palmer Construction Group Inc. for the Second Line Widening – Phase 3 (Contract 2015-5E) be passed in open Council this 11th day of May, 2015.
- 11.1.7 By-law 2015-92 (Agreement) Elementa Waste Supply and Reformation 348 - 350**
- A report from the Land Development and Environmental Engineer is on the Agenda.
- Mover Councillor F. Fata
Seconder Councillor S. Myers
- Resolved that By-law 2015-92 being a by-law to authorize the execution of the Waste Supply and Reformation Third Amending Agreement between the City and Elementa Algoma LP be passed in open Council this 11th day of May, 2015.
- 11.1.8 By-law 2015-93 (Agreement) TVM Snow Plough Turnaround 351 - 354**
- A report from the Assistant City Solicitor is on the Agenda.

Mover Councillor F. Fata
Seconder Councillor S. Myers

Resolved that By-law 2015-93 being a by-law to authorize the execution of an agreement between the City and TVM Sault Inc. for a snow plough turnaround and storage located at the former Sault Area Hospitals Site be passed in open Council this 11th day of May, 2015.

11.1.9 By-law 2015-94 (Property) TVM 355 - 358

A report from the Assistant City Solicitor is on the Agenda.

Mover Councillor F. Fata
Seconder Councillor S. Myers

Resolved that By-law 2015-94 being a by-law to authorize various transfers from TVM Sault Inc. to the City and the transfer of an Access Easement from the City to the Sault Ste. Marie Region Conservation Authority be passed in open Council this 11th day of May, 2015.

11.1.10 By-law 2015-95 (Agreement) Fort Creek Aqueduct PH II 359 - 361

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

Mover Councillor F. Fata
Seconder Councillor S. Myers

Resolved that By-law 2015-95 being a by-law to authorize execution of a contract between the City and Jobst Construction for the Fort Creek Aqueduct – John Street Bypass project (Contract 2015-4E) be passed in open Council this 11th day of May, 2015.

11.1.11 By-law 2015-96 (Temporary Street Closing) John Street 362 - 362

Mover Councillor F. Fata
Seconder Councillor S. Myers

Resolved that By-law 2015-96 being a by-law to permit the temporary closing of John Street from Queen Street West to Central Park Boulevard from May 12, 2015 until October 31, 2015 to facilitate the Fort Creek Aqueduct Improvements be passed in open Council this 11th day of May, 2015.

11.1.12 By-law 2015-97 (PUC) Borrowing 363 - 364

Mover Councillor F. Fata
Seconder Councillor S. Myers

Resolved that By-law 2015-97 being a by-law to authorize the Public Utilities Commission of the City of Sault Ste. Marie to borrow approximately eight million dollars (\$8,000,000) in the name of The Corporation of the City of Sault Ste. Marie be passed in open Council this 11th day of May, 2015.

11.1.12.1 Amended By-law 365 - 365

11.1.13 By-law 2015-98 (Zoning) 366 - 368

A report from the Engineering and Planning Department is on the Agenda.

Mover Councillor F. Fata
Seconder Councillor S. Myers

Resolved that By-law 2015-98 being a by-law to amend Sault Ste. Marie Zoning By-laws 2005-150 and 2005-151 concerning lands located at 207 Northern Avenue East (1188004 Ontario Inc.) be passed in open Council this 11th day of May, 2015.

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

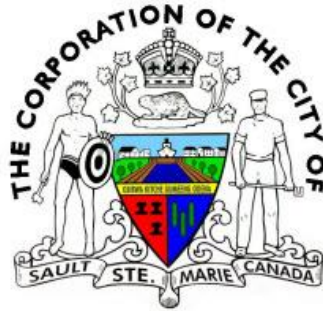
Mover Councillor M. Bruni
Seconder Councillor S. Myers

Resolved that this Council proceed into closed session to consider advice that is subject to solicitor-client privilege; further be it resolved that should the said closed session be adjourned, Council may reconvene in closed session to continue to discuss the same matter without the need for a further authorizing resolution. (*Acquisition and disposition of property – section 239(2)(f)*).

14. ADJOURNMENT

Mover Councillor F. Fata
Seconder Councillor S. Myers

Resolved that this Council now adjourn.



REGULAR MEETING OF CITY COUNCIL MINUTES

Monday, April 27, 2015

4:30 p.m.

Council Chambers

Civic Centre

Present: Mayor C. Provenzano, Councillor S. Butland, Councillor P. Christian, Councillor S. Myers, Councillor T. Sheehan, Councillor J. Hupponen, Councillor M. Shoemaker, Councillor L. Turco, Councillor R. Niro, Councillor M. Bruni, Councillor F. Fata

Absent: Councillor J. Krmpotich, Councillor R. Romano

Officials: J. Fratesi, N. Apostle, J. Dolcetti, B. Freiburger, L. Girardi, N. Kenny, M. Nadeau, P. Niro, M. White, P. Tonazzo, M. Figliola, R. Tyczinski, F. Coccimiglio, S. Schell

1. ADOPTION OF MINUTES

Moved by: Councillor L. Turco

Seconded by: Councillor J. Hupponen

Resolved that the Minutes of the Regular Council Meeting of 2015 04 13 be approved.

Carried

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

3. DECLARATION OF PECUNIARY INTEREST

Councillor R. Niro – April 13, 2015 Council Meeting – John Rhodes Community Centre – Request for Proposals to Operate the Restaurant Space (6.13)

Employer has a service agreement with current tenant

3.1 Councillor L. Turco – Accessible Taxis

Spouse employed by Police Services.

3.2 Councillor L. Turco – Memorandum of Understanding – Fire Investigation

Spouse employed by Police Services.

3.3 Councillor M. Shoemaker – Reconstruction of Upton Road (Queen Street to Wellington Street) – Contract 2015-1E

Tender being awarded to client of law firm.

3.4 Mayor C. Provenzano – Brian Gallagher (Store Your Stuff)

Correspondent is a client of law firm.

3.5 Councillor M. Shoemaker – Accessible Taxis

By-law amendment affects client of law firm.

3.6 Councillor L. Turco – By-law 2015-72 (Taxis)

Spouse employed by Police Services.

3.7 Councillor M. Shoemaker – By-law 2015-72 (Taxis)

By-law amendment affects client of law firm.

3.8 Councillor M. Shoemaker – By-law 2015-75 (Agreement) Contract 2015-1E Avery Construction Limited

Tender being awarded to client of law firm.

3.9 Councillor L. Turco – By-law 2015-69 (Agreement) Fire Services Procedural

Spouse employed by Police Services.

4. APPROVE AGENDA AS PRESENTED

Moved by: Councillor R. Niro

Seconded by: Councillor M. Shoemaker

Resolved that the Agenda and Addendums 1 and 2 for 2015 04 27 City Council Meeting as presented be approved.

Carried

5. PROCLAMATIONS/DELEGATIONS

5.1 Order of the Sons of Italy – G. Verdi Lodge

Josie Cumbo, President, Fernando Forcucci, Immediate Past President, Carmine Felice, Second Vice President and Tina Destro, Secretary – Order Sons of Italy were in attendance.

5.2 Celebration of Light

Amber Scornaiencki – Northern Ontario Families of Children with Cancer (NOFCC) was in attendance.

5.3 United Way – Action for Community Change Report

Allan Hackett, Volunteer Facilitator – Action for Community Challenge was in attendance.

5.4 Parental Mental Health Day

Michelle Roberts, Co-ordinator of the You Are Not Alone project for Postpartum Mood Disorders Wellness and Awareness was in attendance.

5.5 Multiple Sclerosis Awareness Month

Sherri Duke – Chair, Sault Multiple Sclerosis Society of Canada was in attendance.

5.6 Emergency Preparedness Week

Lauren Perry – Emergency Management Co-ordinator was in attendance.

5.7 Cultural Diversity Week

Danny Krmpotich – Local Immigration Program Co-ordinator and Karol Raines – Executive Director Sault Community Career Centre were in attendance.

5.8 Day of Mourning

Michelle McLeve Kennedy was in attendance on behalf of the Sault Ste. Marie Labour Council.

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

Moved by: Councillor R. Niro

Seconded by: Councillor J. Hupponen

Resolved that all the items listed under date 2015 04 27 – Part One – Consent Agenda be approved as recommended, save and except 6.9, 6.10 and 6.21.

Carried

6.1 Correspondence

6.1.1 Brian Gallagher (Store Your Stuff)

Mayor C. Provenzano declared a conflict on this item. (Correspondent is a client of law firm.)

Moved by: Councillor L. Turco

Seconded by: Councillor M. Shoemaker

Resolved that the request from Brian Gallagher (Store Your Stuff) be received and that appropriate City staff be requested to review and report back to Council.

Carried

6.1.2 Algoma Public Health

Correspondence regarding KPMG forensic review was received by Council.

6.2 Council Travel

Moved by: Councillor R. Niro

Seconded by: Councillor J. Hupponen

Resolved that Councillor L. Turco be authorized to travel to Sudbury to the Federation of Northern Ontario Municipalities (FONOM) General Meeting in Sudbury for 3 days in May at a cost to the City of approximately \$1,100.

Carried

6.3 Change to Bank Signing Authorities

The report of the Commissioner of Finance and Treasurer was received by Council.

Moved by: Councillor L. Turco

Seconded by: Councillor J. Hupponen

Resolved that the report of the Commissioner of Finance and Treasurer dated 2015 04 27 concerning bank signing authorities be received; and

Further Be It Resolved that any two of the Mayor, the Commissioner of Finance and Treasurer, the Manager of Audits and Capital Planning, and the Chief Administrative Officer be and are

hereby authorized to sign cheques and other legal documents on behalf of The Corporation of the City of Sault Ste. Marie for any amount including amounts over five thousand dollars (\$5,000.00) and that cheques five thousand dollars (5,000.00) and under may be signed by the Mayor and the Commissioner of Finance and Treasurer with a cheque signing machine or other mechanical means.

Carried

6.4 2015 Capital from Current Budget

The report of the Commissioner of Finance and Treasurer was received by Council.

Moved by: Councillor L. Turco

Seconded by: Councillor M. Shoemaker

Resolved that the report of the Commissioner of Finance and Treasurer dated 2015 04 27 concerning a revised 2015 Capital from Current program be received as information.

Carried

6.5 RFP for Professional Collection Services – POA (2015LP01P)

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

Moved by: Councillor R. Niro

Seconded by: Councillor M. Shoemaker

Resolved that the report of the Manager of Purchasing dated 2015 04 27 be received and that the proposal submitted by EOS Canada Inc. to provide Professional Collection Services as required by the POA Division of the Legal Department, be approved. The contract will commence May 1, 2015 and continue for a period of two (2) years allowing for further one (1) year extensions by mutual agreement.

Carried

6.6 Tender for Line Painting – City of Sault Ste. Marie – Traffic Division (2015WA02T)

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

Moved by: Councillor R. Niro

Seconded by: Councillor J. Hupponen

Resolved that the report of the Manager of Purchasing dated 2015 04 27 be received and that the tender submitted by 2228977 Ontario Inc. (o/a R & N Maintenance) to provide line painting services for City streets, as required by the Traffic Division of PWT, at their low tendered price of \$103,726.00 plus H.S.T., be approved.

Carried

6.7 Property Tax Appeals

The report of the Tax Collector was received by Council.

Moved by: Councillor L. Turco

Seconded by: Councillor M. Shoemaker

Resolved that the report of the City Tax Collector dated 2015 04 27 concerning Property Tax Appeals be received and the recommendation that the tax records be amended pursuant to Section 357 of the *Municipal Act* be approved.

Carried

6.8 Request for Financial Assistance for National/International Sports Competitions – Canadian Age Group Swimming Championships – Paige Banton

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

Moved by: Councillor R. Niro

Seconded by: Councillor M. Shoemaker

Resolved that the report of the Manager of Recreation and Culture dated 2015 04 27 concerning Paige Banton be received and that the recommendation of the Parks and Recreation Advisory Committee that City Council approve a \$200 financial assistance grant for her to attend the 2015 Canadian Age Group Swimming Championships to be held in Quebec City, Quebec from July 29 to August 3, 2015, be approved.

Carried

6.11 Vacancy Review Policy

The report of the Commissioner of Human Resources was received by Council.

Moved by: Councillor R. Niro

Seconded by: Councillor J. Hupponen

Resolved that the report of the Commissioner of Human Resources dated 2015 04 27 be received as information.

Carried

6.12 Heritage Property Tax Rebate Program

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

The relevant By-law 2015-70 is listed under item 11 of the Minutes.

6.13 Reconstruction of McMeeken and Elizabeth (Churchill Boulevard to Queen Street) – Contract 2015-3E

The report of the Design and Construction Engineer was received by Council.
The relevant By-laws 2015-73 and 2015-74 are listed under item 11 of the Minutes.

6.14 CTV Sponsorship Agreement

The report of the Environmental Initiatives Co-ordinator was received by Council.
The relevant By-law 2015-77 is listed under item 11 of the Minutes.

6.15 Biosolids Management Plan – Notice of Completion

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

Moved by: Councillor L. Turco

Seconded by: Councillor J. Hupponen

Resolved that the report of the Land Development and Environmental Engineer dated 2015 04 27 concerning the Biosolids Management Plan Notice of Completion be received and that the Notice of Completion be issued.

Carried

6.16 Miscellaneous Flood Prone Areas – Ontario Avenue/ Summit Avenue, Bianchi Estates, Morrison Avenue, and 925 Peoples Road

The report of the Engineering Intern was received by Council.

Moved by: Councillor R. Niro

Seconded by: Councillor M. Shoemaker

Resolved that the report of the Engineering Intern dated 2015 04 27 concerning Miscellaneous Flood Prone Areas be received, and that a contract be prepared for work to remediate the flood prone areas.

Carried

6.17 Wastewater Facility Designated Substance Surveys

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

Moved by: Councillor L. Turco

Seconded by: Councillor J. Hupponen

Resolved that the report of the Land Development and Environmental Engineer concerning the Wastewater Facility Designated Substance Survey be received and that a Request for Proposal be issued and associated \$150,000 budget be funded from the 2015 sanitary sewer surcharge budget.

Carried

6.18 Reconstruction of Upton Road (Queen Street to Wellington Street) – Contract 2015-1E

Councillor M. Shoemaker declared a conflict on this item. (Tender being awarded to client of law firm.)

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

The relevant By-laws 2015-75 and 2015-76 are listed under item 11 of the Minutes.

6.19 Resurfacing of City Streets – 2015

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

Moved by: Councillor R. Niro

Seconded by: Councillor J. Hupponen

Resolved that the report of the Director of Engineering Services dated 2015 04 27 concerning the 2015 road resurfacing program be received, and that the program be approved with funding from the 2015 miscellaneous construction budget, miscellaneous construction carry-over reserves, the 2015 capital construction program, and a portion of the 2014 City budget surplus.

Carried

6.20 Memorandum of Understanding – Fire Investigation

Councillor L. Turco declared a conflict on this item. (Spouse employed by Police Services.)

The report of the Assistant Fire Chief, Inspection Division was received by Council.

The relevant By-law 2015-69 is listed under item 11 of the Minutes.

6.22 Requested Easement to PUC – Part 186 Huron Street

The report of the City Solicitor was received by Council.

The relevant By-law 2015-78 is listed under item 11 of the Minutes.

6.23 Acquisition of Property – A Portion of 1105 Goulais Avenue

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

The relevant By-law 2015-79 is listed under item 11 of the Minutes.

6.24 Staff Travel

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

Moved by: Councillor R. Niro

Seconded by: Councillor J. Hupponen

Resolved that the report of the Chief Administrative Officer dated 2015 04 27 concerning Staff Travel be approved as requested.

Carried

6.25 Memorandum of Settlement 2015 – 2019 – CUPE Local 3 CSD

The report of the Commissioner of Human Resources was received by Council.

Moved by: Councillor R. Niro

Seconded by: Councillor J. Hupponen

Resolved that the report of the Commissioner of Human Resources dated 2015 04 27 concerning Memorandum of Settlement 2015 – 2019 – CUPE Local 3 CSD be approved and that City Council ratify the Memorandum of Settlement.

Carried

6.26 Memorandum of Settlement 2015 – 2019 – CUPE Local 3 Public Works and Transportation

The report of the Commissioner of Human Resources was received by Council.

Moved by: Councillor L. Turco

Seconded by: Councillor M. Shoemaker

Resolved that the report of the Commissioner of Human Resources dated 2015 04 27 concerning Memorandum of Settlement 2015 – 2019 – CUPE Local 3 Public Works and Transportation be approved and that City Council ratify the Memorandum of Settlement.

Carried

6.27 Memorandum of Settlement 2015 – 2019 – CUPE Local 67 Civic Centre Group

The report of the Commissioner of Human Resources was received by Council.

Moved by: Councillor R. Niro

Seconded by: Councillor J. Hupponen

Resolved that the report of the Commissioner of Human Resources dated 2015 04 27 concerning Memorandum of Settlement 2015 – 2019 – CUPE Local 67 Civic Centre Group approved and that City Council ratify the Memorandum of Settlement.

Carried

6.9 Procedure By-law Amendments

The report of the City Clerk was received by Council.

The relevant By-law 2015-86 is listed under item 11 of the Minutes.

6.10 Appointments to PUC Inc. and PUC Services Inc.

The report of the City Clerk (and Supplementary Report) were received by Council.

Moved by: Councillor R. Niro

Seconded by: Councillor M. Shoemaker

Resolved that the report of the City Clerk dated 2015 04 27 concerning Appointments to PUC Inc. and PUC Services Inc. be received as information.

Carried

The following members of Council were recommended for appointment to the Board of Directors of PUC Inc.:

Mayor C. Provenzano
Councillor P. Christian
Councillor M. Shoemaker

The following individuals were nominated to the Board of Directors of PUC Inc.:

Cecilia Bruno
Doug Lawson
James Greco
Jim Boniferno
Jim Harmar
Rob Reid
Bob Kates
Terry Rainone
Pat Mick
Bruno Barban
Suzanne Farrell
William Lindsay
Anthony Rossi
Larry Guerriero

Following a simultaneous recorded vote, the following individuals were recommended for appointment to the Board of Directors of PUC Inc.:

Cecilia Bruno
Jim Boniferno
Rob Reid

Bob Kates
Pat Mick

Following a second, third and fourth simultaneous recorded vote, **William Lindsay** was also recommended for appointment to the Board of Directors of PUC Inc.

Following a fifth simultaneous recorded vote, **James Greco** was also recommended for appointment to the Board of Directors of PUC Inc.

Moved by: Councillor R. Niro

Seconded by: Councillor F. Fata

Resolved that Mayor Provenzano, Councillors P. Christian and M. Shoemaker and the following citizens: Cecilia Bruno, Jim Boniferro, James Greco, Robert Kates, William Lindsay, Pat Mick and Rob Reid be recommended for appointment to the PUC Inc. Board of Directors (and PUC Services Inc. Board of Directors) which will be considered by City Council acting as the sole shareholder at the upcoming Annual Meeting of PUC Inc. and PUC Services Inc.

Carried

6.21 Accessible Taxis

Councillor L. Turco declared a conflict on this item. (Spouse employed by Police Services.)

Councillor M. Shoemaker declared a conflict on this item. (By-law amendment affects client of law firm.)

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

The relevant By-law 2015-72 is listed under item 11 of the Minutes.

7. REPORTS OF CITY DEPARTMENTS, BOARDS AND COMMITTEES

7.1 ADMINISTRATION

7.2 COMMUNITY SERVICES DEPARTMENT

7.3 ENGINEERING

7.4 FIRE

7.5 LEGAL

7.6 PLANNING

7.6.1 A-9-15-Z – 297 McNabb Street

The report of the Planner was received by Council.

Moved by: Councillor R. Niro

Seconded by: Councillor M. Shoemaker

Resolved that the Report of the Planner dated 2015 04 27 be accepted as information and that Council postpone this application to a later date.

Carried

7.6.2 A-7-15-Z(2) – 104 Rankin Road

The report of the Planner was received by Council.

Moved by: Councillor L. Turco

Seconded by: Councillor J. Hupponen

Resolved that the Report of the Planner dated 2015 04 27 be accepted as information, and that Council postpone this application to a later date.

Carried

7.7 PUBLIC WORKS AND TRANSPORTATION

7.8 BOARDS AND COMMITTEES

7.8.1 2017 Brier

The report of the Executive Director, Tourism SSM was received by Council.

Moved by: Councillor L. Turco

Seconded by: Councillor J. Hupponen

Resolved that the report of the Executive Director, Tourism SSM concerning 2017 Brier Bid be received; and the recommendation that the City of Sault Ste. Marie confirm a contribution of \$150,000 toward the event budget of the 2017 Tim Hortons Brier; and that should this event be awarded to Sault Ste. Marie the contribution be funded from the Economic Diversification Fund or such source as Council deems appropriate.

Carried

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

8.1 Spending Review of City Operations and Grants to Outside Agencies

Moved by: Councillor M. Shoemaker

Seconded by: Councillor S. Myers

Whereas Sault Ste. Marie City Council recently passed the 2015 municipal budget; and
Whereas Council elected to utilize approximately \$2 million of surplus money and redundant reserve funds as revenue to decrease the tax levy; and

Whereas these actions when combined with expected decreases in provincial grant formulas will likely result in a \$3 million gap facing the City of Sault Ste. Marie when it begins preparations for the 2016 budget; and

Whereas Council is aware of the need to decrease this gap as much as possible in order to minimize tax increases in 2016 and future years; and

Whereas it is understood that the whole of Council must exercise leadership and must take responsibility for providing direction to staff in order to accomplish the aforementioned objective;

Now Therefore Be It Resolved that a subcommittee of council be struck, with the Mayor and two councillors as voting members and with the following staff as resources:

The Interim CAO/CAO

The Commissioner of Finance and Treasurer

The Manager of Audits and Capital Planning

And that said subcommittee, by evaluating the City budgeting process and the past experiences of comparable municipalities, shall identify appropriate methods by which a Council-led spending review of City operations and grants to outside agencies could be undertaken and report back to Council with findings and recommendations.

Carried

8.2 Four-laning Highway 17

Moved by: Councillor T. Sheehan

Seconded by: Councillor S. Myers

Whereas Sault Ste. Marie MPP David Oraziotti has been championing the creation of four lanes/twinning of the Trans-Canada Highway in Ontario; and

Whereas a 1949 agreement between the federal and provincial governments called on an equal funding partnership between the two levels of government to develop a national link through the province; and

Whereas a four lane highway has a number of advantages including but not limited to increased safety and economic advantages; and

Now Therefore Be It Resolved that City Council requests that the Federal Government enter into an agreement with the Provincial Government with an aim at creating four lanes/twinning of the Trans-Canada Highway in Ontario; and

Further that City Council requests the assistance of MPP David David Oraziottii, MP Bryan Hayes, the Association of Municipalities of Ontario, the Federation of Northern Ontario Municipalities, the Algoma District Municipal Association and any other group or individual in achieving this goal.

Carried

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

10. ADOPTION OF REPORT OF THE COMMITTEE OF THE WHOLE

11. CONSIDERATION AND PASSING OF BY- LAWS

Moved by: Councillor L. Turco

Seconded by: Councillor M. Shoemaker

Resolved that all By-laws under item 11 of the Agenda under date 2015 04 27 be approved, save and except 2015-72, 86.

Carried

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

Moved by: Councillor L. Turco

Seconded by: Councillor J. Hupponen

Resolved that By-law 2015-86 being a by-law to amend Council procedure By-law 2013-100 be passed in open Council this 27th day of April, 2015.

Carried

11.1.1 By-law 2015-65 (Agreement) Steelton Seniors Centre

Moved by: Councillor L. Turco

Seconded by: Councillor J. Hupponen

Resolved that By-law 2015-65 being a by-law to authorize the execution of an Agreement between the City and 1372055 Ontario Limited O/A Pro North Roofing for the partial roof replacement and building improvements at the Steelton Seniors Centre (235 Wellington Street West) be passed in open Council this 27th day of April, 2015.

Carried

11.1.2 By-law 2015-69 (Agreement) Fire Services Procedural

Councillor L. Turco declared a conflict on this item. (Spouse employed by Police Services.)

Moved by: Councillor L. Turco

Seconded by: Councillor J. Hupponen

Resolved that By-law 2015-69 being a by-law to authorize the execution of a Procedural Agreement concerning Fire Investigations between the Sault Ste. Marie Police Service, Her Majesty the Queen in Right of Ontario as represented by the Ministry of Community Safety and Correctional Services operating through the Office of the Fire Marshal & Emergency Management and Sault Ste. Marie Fire Services be passed in open Council this 27th day of April, 2015.

Carried

11.1.3 By-law 2015-70 (Taxes) Property Tax Rates

Moved by: Councillor L. Turco

Seconded by: Councillor J. Hupponen

Resolved that By-law 2015-70 being a by-law to provide for the adoption of property tax rates for 2015 be passed in open Council this 27th day of April, 2015.

Carried

11.1.4 By-Law 2015-71 (Appointment)

Moved by: Councillor L. Turco

Seconded by: Councillor J. Hupponen

Resolved that By-law 2015-71 being a by-law to appoint Nuala Kenny as interim Chief Administrative Officer (CAO) until such time as a permanent CAO is selected and in place be passed in open Council this 27th day of April, 2015.

Carried

11.1.6 By-law 2015-73 (Agreement) Contract 2015-3E Ellwood Robinson Ltd.

Moved by: Councillor L. Turco

Seconded by: Councillor J. Hupponen

Resolved that By-law 2015-73 being a by-law to authorize the execution of a contract between the City and Ellwood Robinson Ltd. for the reconstruction of McMeeken and Elizabeth Street from Churchill Boulevard to Queen Street (Contract 2015-3E) be passed in open Council this 27th day of April, 2015.

Carried

11.1.7 By-law 2015-74 (Temporary Street Closing) McMeeken and Elizabeth Streets

Moved by: Councillor L. Turco

Seconded by: Councillor J. Hupponen

By-law 2015-74 being a by-law to permit the temporary closing of McMeeken and Elizabeth Streets from Churchill Boulevard to Queen Street from May 1, 2015 until October 31, 2015 to facilitate the reconstruction of McMeeken and Elizabeth Streets be passed in open Council this 27th day of April, 2015.

Carried

11.1.8 By-law 2015-75 (Agreement) Contract 2015-1E Avery Construction Limited

Councillor M. Shoemaker declared a conflict on this item. (Tender being awarded to client of law firm.)

Moved by: Councillor L. Turco

Seconded by: Councillor J. Hupponen

Resolved that By-law 2015-75 being a by-law to authorize the execution of a contract between the City and Avery Construction Limited for the reconstruction of Upton Road (Contract 2015-1E) be passed in open Council this 27th day of April, 2015.

Carried

11.1.9 By-law 2015-76 (Temporary Street Closing) Upton Road

Moved by: Councillor L. Turco

Seconded by: Councillor J. Hupponen

Resolved that By-law 2015-76 being a by-law to permit the temporary closing of Upton Road from Queen Street to Wellington Street from May 1, 2015 until October 31, 2015 to facilitate the reconstruction of Upton Road be passed in open Council this 27th day of April, 2015.

Carried

11.1.10 By-law 2015-77 (Agreement) Sponsorship 20 Minute Sault Ste. Marie Makeover

Moved by: Councillor L. Turco

Seconded by: Councillor J. Hupponen

Resolved that By-law 2015-77 being a by-law to authorize the execution of a Sponsorship Agreement between the City and CTV Television Inc. for the promotion of the 20 Minute Sault Ste. Marie Makeover be passed in open Council this 27th day of April, 2015.

Carried

11.1.11 By-law 2015-78 (Easement) City to PUC Inc. Pt 186 Huron Street

Moved by: Councillor L. Turco

Seconded by: Councillor J. Hupponen

Resolved that By-law 2015-78 being a by-law to authorize an easement with PUC Inc. on a portion of City owned property, namely part of 186 Huron Street be passed in open Council this 27th day of April, 2015.

Carried

11.1.12 By-law 2015-79 (Property Acquisition) Naccarato Part 1105 Goulais Avenue

Moved by: Councillor L. Turco

Seconded by: Councillor J. Hupponen

Resolved that By-law 2015-79 being a by-law to authorize the City's purchase of a portion of property located at 1105 Goulais Avenue (Naccarato) to be acquired to improve the geometry of this intersection be passed in open Council this 27th day of April, 2015.

Carried

11.1.13 By-law 2015-80 (Official Plan Amendment) Mogg – 235 Old Goulais Bay Road

Moved by: Councillor L. Turco

Seconded by: Councillor J. Hupponen

Resolved that By-law 2015-80 being a by-law to adopt Amendment No. 213 to the Official Plan for the City of Sault Ste. Marie (Mogg - 235 Old Goulais Bay Road) be passed in open Council this 27th day of April, 2015.

Carried

11.1.14 By-law 2015-81 (Zoning) Mogg – 235 Old Goulais Bay Road

Moved by: Councillor L. Turco

Seconded by: Councillor J. Hupponen

By-law 2015-81 being a by-law to amend Sault Ste. Marie Zoning By-laws 2005-150 and 2005-151 concerning lands located at 235 Old Goulais Bay Road (Mogg) be passed in open Council this 27th day of April, 2015.

Carried

11.1.15 By-law 2015-82 (Taxes) Recovery Percentage

Moved by: Councillor L. Turco

Seconded by: Councillor J. Hupponen

Resolved that By-law 2015-82 being a by-law to provide for the adoption of recovery percentage for the 2015 taxation year be passed in open Council this 27th day of April, 2015.

Carried

11.1.16 By-law 2015-83 (Taxes) Taxation Transition Ratios

Moved by: Councillor L. Turco

Seconded by: Councillor J. Hupponen

Resolved that By-law 2015-83 being a by-law to provide for the adoption of taxation transition ratios be passed in open Council this 27th day of April, 2015.

Carried

11.1.17 By-law 2015-84 (Taxes) Final Tax Billing

Moved by: Councillor L. Turco

Seconded by: Councillor J. Hupponen

Resolved that By-law 2015-84 being a by-law to provide for 2015 final tax billing be passed in open Council this 27th day of April, 2015.

Carried

11.1.5 By-law 2015-72 (Taxis)

Councillor L. Turco declared a conflict on this item. (Spouse employed by Police Services.)

Councillor M. Shoemaker declared a conflict on this item. (By-law amendment affects client of law firm.)

Moved by: Councillor R. Niro

Seconded by: Councillor J. Hupponen

Resolved that By-law 2015-72 being a by-law to amend Schedule "A" to By-law 2011-161 (A by-law to regulate, licence and govern vehicles used for hire to convey passengers, including brokers, owners, and drivers of taxicabs, limousines, wheelchair accessible vehicles and hotel shuttles) be passed in open Council this 27th day of April, 2015.

Carried

11.1.18 By-law 2015-86 (Council Procedure) Amend Council Procedure

Moved by: Councillor R. Niro

Seconded by: Councillor M. Shoemaker

Resolved that By-law 2015-86 being a by-law to amend Council Procedure By-law 2013-100 be passed in open Council this 27th day of April, 2015.

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 R. Niro

Seconded by: Councillor M. Shoemaker

Resolved that this Council proceed into closed session to discuss collective bargaining; Further be it resolved that should the said closed session be adjourned, the Committee may reconvene in closed session to continue to discuss the same matter without the need for a further authorizing resolution. (*Labour relations or employee relations – section 239(2)(d)*)

Carried

14. ADJOURNMENT

Moved by: Councillor L. Turco

Seconded by: Councillor M. Shoemaker

Resolved that this Council now adjourn.

Carried

Mayor

City Clerk



Veterans Commemorative Monument

Council Handout

11 May, 2015

Introduction: The following material was originally presented to Council for its 11 August, 2014 meeting. This updated version is offered to bring all members of Council up to date on our project.

Objective: To create a memorial to those citizens who have served their country, through the Armed Services of Canada, Commonwealth and Allied Nations

Purpose: To provide a formal and lasting tribute to the citizens of our community and area who have volunteered to serve. It is only proper and fitting that a tribute to their dedication and sacrifice be erected. Over time we have appropriately recognized those who have made the ultimate sacrifice in the service of their country in all the conflicts and wars through the cairn at the corner of Gore and North Street, the memorial wall in the Essar Arena, the memorial tower of the former Memorial Gardens, the Cenotaph on Queen St, the cairn at the former Abitibi Paper Mill site and the cairn at the Sault Canal Park. We have not, however paid tribute to all those who have served and returned.

Background: The eye into the soul of a nation is its history. It is from this view that we are able to determine what the nation has stood for, how it has responded to the challenges, how it stood up to adversity, what is its value structure, - its ethos. Unless you are student of history, you will not know of the values and challenges faced by many of her citizens or of the country's response in time of need. In particular you may not be aware of the sacrifices made by the "citizen soldiers" in the defense of our nation and our ideals.

The evolution of Canada in becoming a nation and being a nation, in many respects occurred in the Sault area. Canada is not, has not been and by its very nature is not a warring nation. Yet we are a nation of individuals who will answer the call to protect our rights and those of others, from aggression, oppression and subversion. From the formation of the hamlet of Sault Ste Marie to the present day, our citizens have volunteered to defend their rights and to protection those of others.

1. The first recorded event of this Canadian character was prior to Canada becoming a nation, when volunteers from the Sault, mostly fur traders along with First Nations people and a small force of British Regulars of Britain's 10th Royal Veterans, from Fort St Joseph, captured Fort Michilimackinac in a surprise attack, without firing a shot.

2. The first official military volunteer unit from this area, known as the Sault Ste Marie Volunteer Infantry Company, was formed on January 27th, 1865, two years prior to confederation, to protect against the expected raids of the Fenian. It was these volunteers who patrolled the St Mary's River for Fenian agitators from Marquette, Michigan who had threatened Sault Ste. Marie, a village of 304. The Militia patrolled the 60 mile stretch of shoreline between Gros Cap and Bruce Mines until the threat passed.

3. The first pathways across this nation were the river systems. This same system was taken by the Wolseley Expedition as it passed through the Sault to quell the Manitoba crises and eventually restore peace and good order.

4. Sault volunteers heard the call of the Empire for soldiers to fight in the two South Africa "Boer Wars".

5. The world fell into conflict in 1914, volunteers by the hundreds signed up for 5 battalions' worth of soldiers to fight in the First World War.

6. The local militia was called up for the protection of the now undefended border with the US, as the Second World War expanded. The defense of the vital industry, shipping channel and lock had to be protected. The local reserves were later sent to the Pacific coast to defend against a possible Japanese invasion, which never materialized.

7. The Korean "police action" was supported by local volunteers,

8. Most recently the deployment of yet again volunteers for the War in Afghanistan.

9. In addition, we have Canadian Armed Forces members and Reservists that have served in Peacekeeping/Peacemaking operations around the world, Canada has had more peacekeeping mission than any other nation in the world.

The citizens of Sault Ste Marie and local area have answered the call to duty, with honour and distinction. The Canadian Ideal has been defended by men and women, settlers and aboriginal peoples, probably in greater numbers than by many much larger cities and towns across this country, than Sault Ste. Marie.

Site Selection: The actual site of such a tribute is as important as the tribute itself. It should be situated in a setting where the citizens have the time and space to note the contributions as well as the tranquility to reflect on them. It should be as close as possible to the area of the city that overlooks the location where the majority of these events/actions occurred. The area should not interfere with those monuments that pay tribute to the men and women who made the ultimate sacrifice for their nation. The area should be such that commemorative services and ceremonies may be conducted to attract the largest gathering of Veterans and

more importantly the citizens. The site should fall within an area of the city that is already recognized for its historical landmarks and historical events. It should be where the citizens and visitors will see it and note its significance. Such an area is Roswell Park. We appreciate that this site has other users throughout the year. We have reached out to them to ensure there will be no conflict in the use of the Park.

Inclusiveness: The tribute shall acknowledge all women and men who have honourably served their country. The standard definition of veteran shall be used so as to be all inclusive, which includes the military and the RCMP. The military service of individuals is divided into the three service elements within the Canadian Forces the Navy, Army and Air Force. Within these elements, recognition of certain sub-elements will also be contained, i.e. the Merchant Navy. The three services will be individually recognized within the structure by symbols and words and can be further amplified by a series of appropriate placards of local historical military facts/events/people along the board walk. Members of Municipal Police Services who have served in an “Operational Area” may also participate. In keeping with the duality of our Nation, all wording will be bilingual.

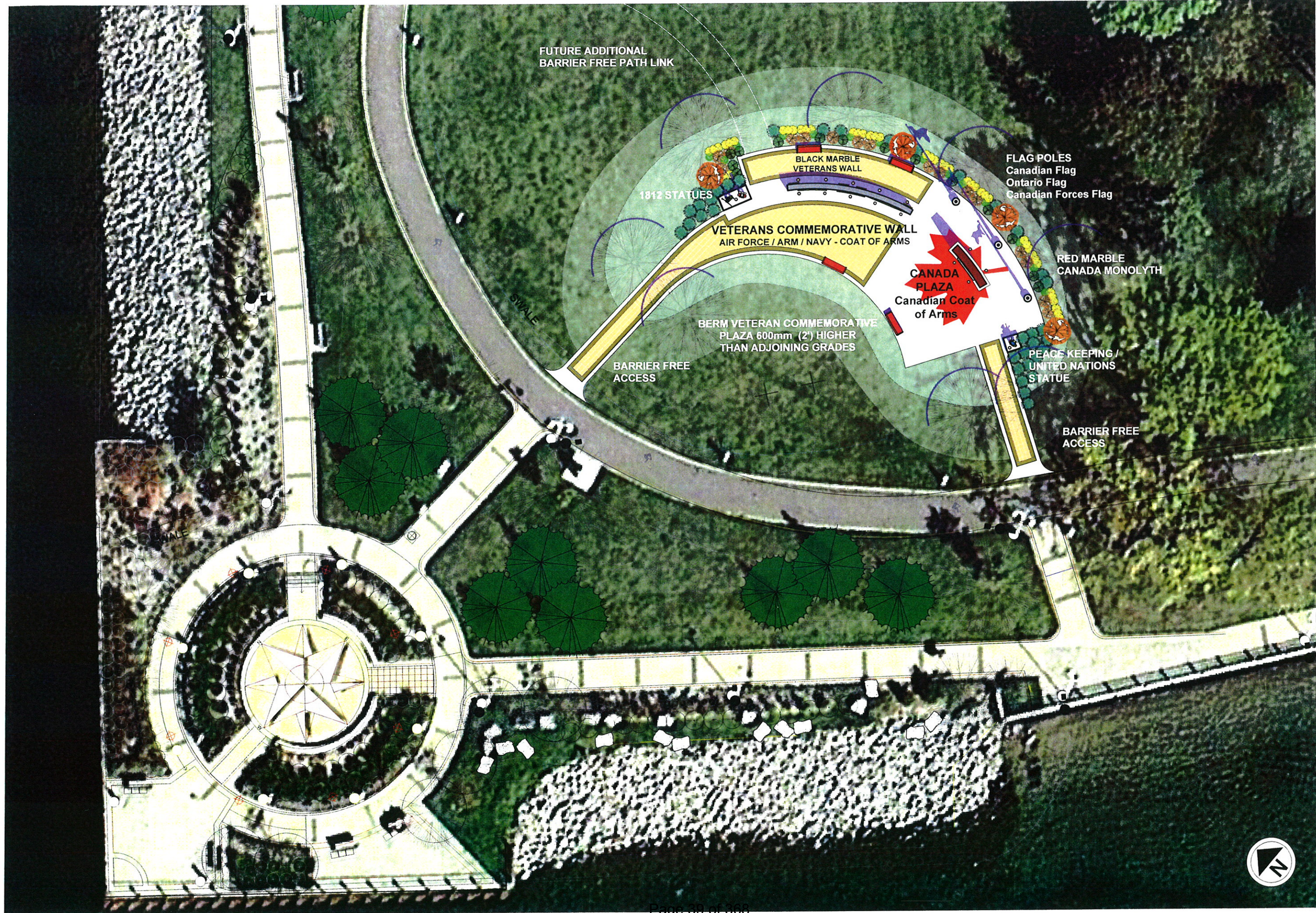
Funding: “They Gave Twice” is the theme of the memorial. Those citizens, who volunteered their time and efforts for our collective security, will be contributing to a significant portion of the total costs of this tribute. The veterans will be recognized through their purchase of a granite marker. Those honourably discharged, deceased or currently serving in the Canadian Armed Forces, RCMP, Police Services or their families may purchase a granite marker and thus they give twice.

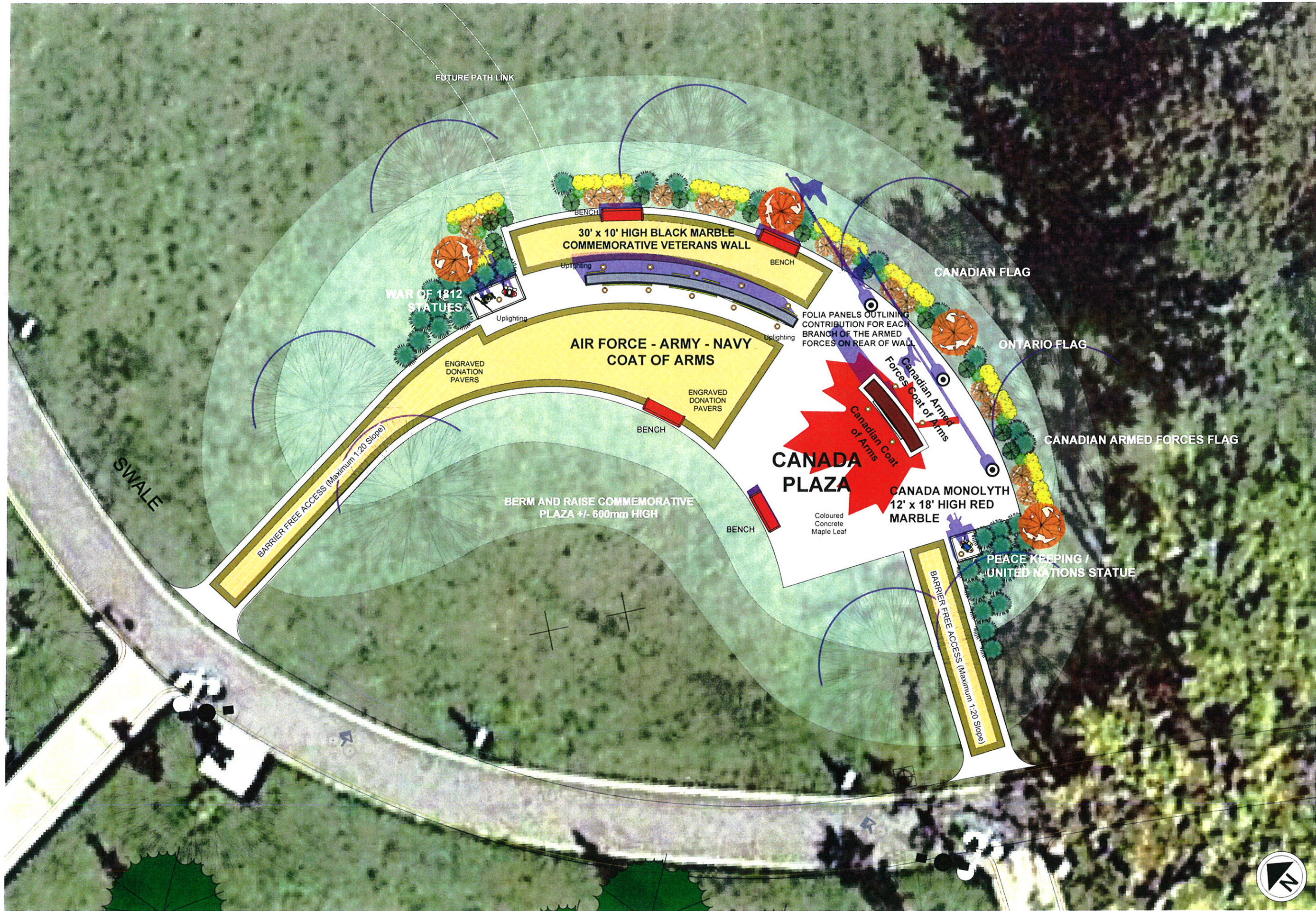
In addition, the tribute will be funded through an application for federal and provincial funds that are earmarked for this purpose, along with general donations and corporate donations. All contributions will be acknowledged within the memorial complex.

Concept of Operations: A focused and distinct memorial will be designed, crafted and erected in a setting allowing for reflection and thanks. The quality of the monument will leave the viewer with the vision of a work of art, aptly suited to such a setting and purpose. A fourth element will be the erection of the Canada Coat of Arms, on loan by Canada Post to complement the monument. The fifth and final element will be a series of plaques that outline individual historical military events that have occurred in the Sault area. We will ensure there is no duplication of plaques that already exist within our community.

Attachment: site plans











RE: Veterans Memorial in John Rowswell Park

An open letter to Mayor and Council;

Dear Mayor Provenzano:

I am writing you to address the issue of Rotary's view on Mr. Healey's project on the waterfront. Let me start by giving you and Council a brief overview of Rotary and the Rotary Club of Sault Ste. Marie.

Rotary International is comprised of more than 31,000 clubs and approximately 1.5 million members worldwide. Our Club is one of 62 clubs in our district which stretches from Wawa in the North, to the southern end of Michigan. We are local professionals and business leaders who work hard every year to make our club number one in the district in fund raising dollars. Almost all the money raised by our Club is donated back to our community. Rotary's motto is "Service above Self". Rotaryfest is the most successful fundraiser event we host. (we host 11 events annually). It began in 1923 by having a festival and raffle to raise money to buy the city nurse a car. Our biggest benefactor has been the Algoma Children's Rehabilitation Centre, but we also supported the Soup Kitchen, St. Vincent Place, Pauline's Place, Big Brothers Big Sisters, Sault Search and Rescue, Art Gallery of Algoma, YMCA, all High Schools in the Sault and area, SAH, Algoma University and Sault College. In the past ten years we have put millions of dollars back into our community.

In regards to Mr. Healey's proposal;

Our Board of Directors have had much discussion over this issue. Our Club is part of a non political organization and many of our members support Mr. Healy's project. We have decided not to oppose this worthy cause as it benefits our community. Although, while the Rotary Club only uses Roswell Park once a year, we are concerned about the loss of green space in the park, (something that seems disappearing in the downtown core). We are concerned, as should Council, that perhaps this venture can open the door to further proposals from other individuals or organizations to place other permanent structure in the park.

I am available for any concerns or questions you may.

Yours in Rotary,

Derek Walz
President of the Rotary Club of Sault Ste. Marie





CELEBRATE

REMEMBER

FIGHT BACK

CÉLÉBRER

RENDRE HOMMAGE

LUTTER

May 4, 2015

Dear Mr. Christian:

On behalf of our Korah Relay for Life team we would like to request that City Council would give us permission to host an all-night "Relay For Life" fundraiser at Korah Collegiate and Vocational School on the night of June 5th 2015 from 7 pm until 7 am the morning of June 6th 2015. We will be handing out notification flyers to the nearby residents around the school property, notifying them about this event and warning them of the noise level for the evening. The money from the event will be donated to the Canadian Cancer Society which will help them find a cure to this terrible problem.

Thank you for taking the time to read this letter. Your permission will be greatly appreciated on behalf of Korah Collegiate Relay For Life Committee.

Sincerely,

Korah Collegiate Relay For Life Committee

May 7 2015

Dear Mr. White

We require a letter stating there is no objection to the extension of our proposed extended licensed area. This is to occur on June 5th 2015 from 4 p.m to 11 p.m.

Thank You.

Reg Daigle



Portuguese Canadian Association
Of Sault Ste. Marie, Ontario, Canada

To:
City Clerk
Sault Ste. Marie

2015 May 8

From: Portuguese Canadian Association of Sault Ste. Marie
5 Cornwall St.
Sault Ste. Marie, On. P6C 1C4

RECEIVED CITY CLERK MAY 11 2015 NO.: <u>52857</u> DIST: _____

Re: Request for a Letter of No Objection to Proposed Temporary
Extended Licensed Area.
Barbeque/picnic- July 11, 2015 from 12:00 to 10:00 p.m.

The following is submitted as per Alcohol and Gaming Commission guidelines. The Portuguese Club holds a liquor license. Each summer, the Association holds a picnic/barbeque on Club grounds, adjacent to the main hall. In order to extend the liquor license outdoors, a Letter of No Objection from the Municipal Clerk is necessary and hereby requested. The event planned has become an annual one. The event is not open to the general public, but is for family, friends and acquaintances of Club members. The number of people expected is approx. 80. This event has proven popular and uneventful in the past. As per guidelines, the following agencies have been contacted under separate cover: Algoma Health Unit, Sault Ste. Marie Police Services, Sault Ste. Marie Fire Services and Sault Ste. Marie Building Department.

For any questions, please contact either of the undersigned.
Sincerely,

George Silva
President of the Association
705-542-3658
george.h.silva@gmail.com

John Carvalho, Vice President
705-253-8415
juc@sympatico.ca



COUNCIL REPORT

May 11, 2015

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Malcolm White, City Clerk

DEPARTMENT: City Clerk's Department

RE: 2015 World Under-17 Hockey Challenge

PURPOSE

The purpose of this report is to seek Council's approval to provide funding toward the hosting of the above event.

BACKGROUND

Sault Ste. Marie has been approached by Hockey Canada to host the 2015 World Under-17 Hockey Challenge, which will take place from October 31 to November 8, 2015.

ANALYSIS

A description of the event complete with economic impact information and a proposed budget is attached to this report.

It is anticipated that a significant portion of the requested funding will be provided through the Conferences and Major Special Events fund. The council committee which oversees this funding will meet in the near future to determine the exact amount. Should this amount be less than what is being requested a further report will be brought to Council recommending funding sources for the remainder. Due to the timeline required by Hockey Canada for a response, Council is being asked to approve the funding at this time.

Ian McMillan, Executive Director, Tourism SSM will be in attendance to answer any questions Council may have concerning the event.

IMPACT

The direct funding commitment will be \$25,000. As noted in the attached outline and proposed budget there will be direct revenue received by the City in excess of \$60,000, in addition to the overall economic impact to the community as a whole.

STRATEGIC PLAN

This item is not linked to activities in the current Strategic Plan.

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the City Clerk dated 2015 05 11 concerning the 2015 World Under-17 Hockey Challenge be received and the recommendation that Council approve funding this event to a maximum of \$25,000, with funding from the Conferences and Major Special Events fund and any other appropriate source be approved.

Respectfully submitted,



Malcolm White
City Clerk



World Under-17 Hockey Challenge
October 31 - November 8, 2015
Sault Ste. Marie, Ontario

The World Under-17 Hockey Challenge will be comprised of eight (8) teams in two (2) divisions. The teams include three (3) Canadian Teams (Red, White & Black) and five (5) international teams which in the past have included (USA, Finland, Russia, Germany, Slovakia, Sweden, & the Czech Republic). The event is comprised of two (2) pools of four (4) which compete in a single round robin format, followed by two (2) relegation games, two (2) semi-final games, and two (2) medal games. There are also four (4) exhibition games prior to the official start of the event for a total of twenty-eight (28) games. In the past the event has drawn in total attendance figures have ranged from 30,000 to 44,000. The event requires that 1,750 rooms be available over the seven nights of the event.

Tourism Sault Ste. Marie, in its 5-Year Strategic Plan (2010-2014), and then its subsequent Strategic Plan Update (2012-2015), identified Conventions and Sport Tourism as one of three key "Pillars".

The obvious objective of hosting an event with the magnitude of the World Under-17 Challenge would provide the community with increased visitation and a significant economic impact. Additionally, but successfully bidding for and hosting this event, it would also achieve a number of important objectives, including:

- Continue to raise the awareness of Sault Ste. Marie as a major sporting event host
- Position Sault Ste. Marie as a capable host for future National and International events
- Help justify the significant financial investment made by private sector in the accommodations sector over the past three years.

The Host Organizing Committee will be made up of representatives from the local business community, Soo Greyhounds Hockey Club, local minor hockey programs and the Northern Ontario Hockey Association and the Ontario Hockey Federation. On Thursday, May 7; Tourism SSM will be conducting a "town hall meeting" with 30 plus volunteers to determine a Host Committee Chair and to recruit Chairs for the five department committees. The 2015 World Under-17 Championship host organizing committee is charged with delivering a financially-sound event that provides a long-lasting and positive experience for the participants. Sault Ste. Marie has a legacy of providing just that. From the 2013 TELUS National Midget AAA Cup, the 2009 All-Ontario Bantam AAA Championships, to the 2003 Air Canada Cup, the community rallies around hockey events. By giving Sault Ste. Marie the opportunity to host the 2015 World Under-17 Hockey Championships, the local organizing committee will:

- Ensure sponsorship, ticket sales and other revenue generators to deliver a financially-sound event
- Continue the Sault's solid reputation for hosting world-class events, particularly on the hockey front
- If Sault Ste. Marie hosts the 2015 World Under-17 Championships, we will assure that participants and their families will experience a first-class tournament in a warm and welcoming community. Not only do we want the executive committee and parents of the athletes to experience a first-class event, we want every player to walk away feeling equally fulfilled.

The Economic Impact is based off the assessment that was completed when Sydney, Nova Scotia hosted this same event. The spending of spectators at the event, in combination with the expenditures made by the event organizers in producing the 2014 World U-17 Hockey Challenge reached \$1.8 million, generating a net economic activity (GDP) of \$1.9 million in the Province of Nova Scotia, of which \$992,000 occurred in Sydney. These expenditures supported \$1.1 million in wages and salaries in the Province and an estimated 38 jobs, of which 27 jobs and \$630,000 in wages and salaries were in Sydney. The total economic activity (industry output) generated by the event was \$3.8 million in the Province, with \$2.6 million occurring in Sydney.

The total tax revenues supported by the 2014 World U-17 Hockey Challenge reached \$668,000. Of this total, \$300,000 was attributable to the federal government while provincial tax revenues reached \$294,000 and municipal taxes were \$74,000, of which \$51,000 was in Sydney.

Event Budget for 2015 World U-17 Hockey Challenge

Suggested

Revenue	
Ticketing	\$ 159,000.00
Other	
Hockey Canada	\$50,000
FedNor	\$ 100,000.00
Celebrate Ontario	\$ -
NOHFC	\$ 100,000.00
TSSM	\$ 25,000.00
City of SSM	\$ 25,000.00
OHF	\$ 10,000.00
CHL	\$ 5,000.00
Sport Canada	\$ 25,000.00
NOHA	\$ 2,000.00
Program Sales	\$ 5,000.00
Sponsorship	\$ 50,000.00
50 / 50 / Merch / Other	\$ 20,000.00
TOTAL REVENUES	\$ 576,000.00

Total Expenses	
Accommodations	\$ 132,210.00
Competition	
Opening & Closing Ceremony	\$ 5,200.00
Facility Set Up	\$ 16,000.00
Ice Rental	\$ 45,000.00
On-Ice Officials	\$ 5,600.00
Off-Ice Staffing	\$ 5,880.00
Medical	\$ 2,500.00
Team Service	\$ 8,000.00
Meals	\$ 215,700.00
Travel & Transportation	\$ 52,600.00
Ticketing & Sales Servicing	\$ 50,000.00
Other	\$ 37,500.00
TOTAL EXPENSES	\$ 576,190.00



COUNCIL REPORT

May 11, 2015

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Tim Gowans, Manager of Purchasing

DEPARTMENT: Finance Department

RE: Tender for Asphalt (2015WA09T)

PURPOSE

Attached hereto for your information and consideration is a summary of the tenders received for the supply of Asphalt required during the 2015 Construction Season.

BACKGROUND

The tender was publicly advertised and tender documents forwarded to all firms on our bidders list. A public opening of the tenders was held April 22, 2015 with Councillor Lou Turco representing City Council.

ANALYSIS

The tenders received have been thoroughly evaluated and reviewed with Mr. Larry Girardi, Commissioner of Public Works and Transportation, and the low tendered prices, meeting specifications, have been identified on the attached summary.

IMPACT

Funding for the purchase of this material will be drawn from various Public Works Street Maintenance accounts as set in the budget.

STRATEGIC PLAN

Purchase of Asphalt is not an activity listed in the Corporate Strategic Plan.

RECOMMENDATION

Resolved that the report of the Manager of Purchasing dated 2015 05 11 be received and the recommendation that the tender submitted by Palmer Construction for the supply of Asphalt for the 2015 Construction Season commencing June 1, 2015, at the tendered pricing, H.S.T. extra, be approved.

Respectfully submitted,



Tim Gowans
Manager of Purchasing

Recommended for approval,



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

TG:nt

attachment

FINANCE DEPARTMENT
PURCHASING DIVISION

BUDGET: \$750,000.00 - TO BE DRAWN FROM VARIOUS PUBLIC WORKS STREET MAINTENANCE ACCOUNTS

RECEIVED: April 22, 2015
FILE: #2015WA09T

SUMMARY OF TENDERS
ASPHALT

Firm Prices for One Year Period (H.S.T. extra) - June 1, 2015 to May 31, 2016

<u>Description</u>	<u>Ellwood Robinson</u> <u>Sault Ste. Marie, ON</u>		<u>Palmer Construction</u> <u>Sault Ste. Marie, ON</u>		<u>Superior Slag</u> <u>Sault Ste. Marie, ON</u>	
HL2 Asphalt	\$123.60	Per Tonne	\$119.40	Per Tonne	\$128.50	Per Tonne
HL3 Asphalt	\$120.30	Per Tonne	\$117.40	Per Tonne	\$127.60	Per Tonne
HL3A Asphalt	\$121.50	Per Tonne	\$117.40	Per Tonne	\$129.90	Per Tonne
HL4 Asphalt	\$117.30	Per Tonne	\$113.40	Per Tonne	\$128.60	Per Tonne
HL8 Asphalt	\$115.30	Per Tonne	\$110.40	Per Tonne	\$127.95	Per Tonne

Note: The low tendered prices, meeting specifications, are boxed above.

Expenditures in 2014 were approximately \$772,000 including the non-rebatable portion of the H.S.T.

It is my recommendation that the low tendered prices submitted by Palmer Construction Inc. be accepted.

Tim Gowans
Manager of Purchasing



COUNCIL REPORT

May 11, 2015

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Tim Gowans, Manager of Purchasing

DEPARTMENT: Finance Department

RE: Tender for Ready-Mix Concrete (2015WA08T)

PURPOSE

Attached hereto for your information and consideration is a summary of the tenders received for the supply of Ready-Mix Concrete required during the 2015 Construction Season.

BACKGROUND

The tender was publicly advertised and tender documents forwarded to all firms on our bidders list. A public opening of the tenders was held April 22, 2015 with Councillor Lou Turco representing City Council.

ANALYSIS

The tenders received have been thoroughly evaluated and reviewed with Mr. Larry Girardi, Commissioner of Public Works and Transportation, and the low tendered prices, meeting specifications, have been identified on the attached summary.

IMPACT

Funding for the purchase of this material will be drawn from various Public Works Street Maintenance accounts as set in the budget.

STRATEGIC PLAN

Purchase of Ready-Mix Concrete is not an activity listed in the Corporate Strategic Plan.

RECOMMENDATION

Resolved that the report of the Manager of Purchasing dated 2015 05 11 be received and the recommendation that the tender submitted by Fisher Wavy Inc. for the supply and delivery of Ready-Mix Concrete for the 2015 Construction Season commencing June 1, 2015, at the tendered pricing, H.S.T. extra, be approved.

Respectfully submitted,



Tim Gowans
Manager of Purchasing

Recommended for approval,



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

TG:nt

FINANCE DEPARTMENT
PURCHASING DIVISION
BUDGET: \$180,000.00 - TO BE DRAWN FROM VARIOUS PUBLIC WORKS STREET MAINTENANCE ACCOUNTS

RECEIVED: April 22, 2015
FILE: #2015WA08T

SUMMARY OF TENDERS
READY-MIX CONCRETE

Firm Prices for One Year Period (H.S.T. extra) - June 1, 2015 to May 31, 2016

<u>Description</u>	<u>2014</u> <u>QUANTITY</u>	<u>Caswell Concrete</u> <u>Sault Ste. Marie, ON</u>		<u>Fisher Wavy Inc.</u> <u>Sault Ste. Marie, ON</u>		<u>Lafarge</u> <u>Sault Ste. Marie, ON</u>	
		<u>Unit Price</u>	<u>Total Price</u>	<u>Unit Price</u>	<u>Total Price</u>	<u>Unit Price</u>	<u>Total Price</u>
25Mpa Ready-Mix Concrete (CSA 23.1)	18.50	\$205.00	\$ 3,792.50	\$205.00	\$ 3,792.50	\$202.00	\$3,737.00
32Mpa Ready-Mix Concrete (CSA 23.1)	772.00	\$210.00	\$ 162,120.00	\$204.00	\$ 157,488.00	\$205.75	\$158,839.00
Underload Charge - Loads under 2.0 cu.m.	40.00	\$110.00	\$ 4,400.00	\$110.00	\$ 4,400.00	\$115.00	\$4,600.00
Underload Charge - Loads greater than 2.0 cu.m. but less than 3.0 cu.m.	83.00	\$	-	\$	-	\$115.00	\$9,545.00
Additional cost for heating	172.50	\$28.00	\$ 4,830.00	\$30.00	\$ 5,175.00	\$30.00	\$5,175.00
Additional cost for use of truck with conveyor	19.00	\$165.00	\$ 6,600.00	\$170.00	\$ 6,800.00	\$175.00	\$3,325.00
Total:			\$ 181,742.50		\$ 177,655.50		\$ 185,221.00

Remarks:

Underload charge
less than 2.0 cu.m.

Underload charge
less than 2.0 cu.m.

Underload charge
less than 3.0 cu.m.

Note: The low tendered prices, meeting specifications, are boxed above.

The above quantities represent a projection of anticipated usage based on actual invoicing for the 2014 season (total cost of \$180,782.24 including the non-rebatable portion of the H.S.T.)

It is my recommendation that the low tendered prices submitted by Fisher Wavy Inc. be accepted.

Tim Gowans
Manager of Purchasing



COUNCIL REPORT

May 11, 2015

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Peter Liepa, City Tax Collector

DEPARTMENT: Finance Department

RE: Registration of Tax Arrears Certificate(s) and Sale

PURPOSE

City Council approval is required to proceed with the registration of tax arrears certificates and sale in accordance with the Municipal Act, 2001.

BACKGROUND

Attached is a listing of properties recommended for the registration of tax arrears certificates and sale.

The steps in the tax sale process are as follows:

- 1) City Council endorses resolution for City Tax Collector to proceed.
- 2) City Tax Collector mails "Farm Mediation Service" notice to property owner, allowing assessed farmers a 15-day appeal forum.
- 3) Registration of Tax Arrears Certificate on Title.
- 4) First Notice to owners and any other person(s) who may have an interest in the property within 60 days of registration.
- 5) Final Notice to owners and any other person(s) who may have an interest in the property within 280 days of registration.
- 6) Redemption period expires 365 days from the date of registration.
- 7) Begin advertising in the Ontario Gazette and Sault Star following the 365-day redemption period.
- 8) City Tax Collector conducts Tax Sale.
- 9) Preparation of Documentation and Registration of Tax Deeds for properties sold at Tax Sale.

ANALYSIS

Not applicable.

IMPACT

Not applicable.

STRATEGIC PLAN

Not applicable

RECOMMENDATION

It is therefore recommended that Council take the following action:

That the report of the City Tax Collector dated 2015 05 11 be received and the recommendation to commence Tax Sale Proceedings in accordance with the Municipal Act, 2001 be approved.

Respectfully submitted,



Peter A. Liepa
City Tax Collector

Recommended for approval,



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

attachment

CITY OF SAULT STE. MARIE - MUNICIPALITY 57-61
LIST OF LANDS LIABLE TO BE SOLD FOR TAX ARREARS AS OF 2014 12 31
IN ACCORDANCE WITH THE MUNICIPAL ACT, 2001
PROPERTIES REGISTERED FOR TAX SALE 2015

PARCEL NUMBER	ROLL NUMBER/ TAX CLASS	PROPERTY DESCRIPTION	TOTAL TAXES OUTSTANDING
1	010-030-008-05 RT 414,500	105 Gravelle St. Plan H446 BLK A PT RP 1R9699 Part 2 Part 10 69.75 FR .45A	25,815.67
2	020-019-001-00 MT 178,000	113 Forest Ave. Plan H403 Lot 66 Lot 67 Lane Part 114.00 FR .27A	17,655.62
3	020-024-022-00 RT 102,000	36 Campbell Ave. Plan 56840 Lot 97 50.00 FR	6,099.31
4	020-029-080-00 RT 83,000	115 Gladstone Ave. Plan 285 BLK 12 Lot 4 66.00 FR	4,679.31
5	020-037-085-00 RT 69,500	131 Grosvenor Ave. Plan 737 Lot 12 33.00 FR	3,439.88
6	030-005-068-00 RT 63,500 XT 456,450 XU 60,286	186 Black Rd. Con 4 Park Lot 1EPT 367.81 FR 4.01 A	66,584.87
7	030-035-061-00 RT 46,750	358 McNabb St. Plan 20146 Lots 4 and 5 Pt Lane 66.00 FR	8,402.55
8	030-056-038-05 Cct 381,000	72 Northern Ave. E. Plan H732 Lot 94PT RCP RP 1R7452 Parts 2 To 7 105.00 FR 1.22A	61,591.31
9	040-001-111-00 RT 10,150	171 Second Line E. Plan H424 Lot 177PT 169.18 FR .45A	532.91
10	040-023-158-00 RT 30,300	13 Abbott St. St Mary's Registry Plan 1219 Lot 35 29.33 FR	6,111.66
11	040-026-038-00 RT 118,000	201 John St. Plan 12983 Lot 71 NPT to Lot 73NPT 35.33 FR	6,508.41
12	040-028-022-00 RT 44,000	228 Cathcart St. Plan 727 Lot 165PT 25.00 FR	2,718.26
13	040-028-082-00 RT 117,500	263 Brown St. Plan 5149 Lot 21 39.00 FR	6,161.90
14	040-040-004-00 RT 71,500	565 Cathcart St. St. Mary's Town Plot Lot 8PT S/S Cathcart St. 27.50 FR	4,052.09
15	050-008-011-00 RT 78,000	220 Wallace Terr. Plan 1749 Lot 151 42.00 FR	4,292.68
16	050-019-001-00 RT 6,000	0000 Wellington St. W. Plan 1M535 Block 30 Section 36 NW1/4 PT RP 1R7628 Part 30 31 60.47 FR .67A	577.44
17	050-041-088-00 RT 324,000	119 Cabot Cres. Plan H669 Lot 76 56.60FR	19,148.26
18	060-004-035-00 CT 38,000 RT 27750	95 Goulais Ave. Plan 1598 Lot 38 40.00 FR	7,106.17
19	060-004-036-00 RT 27,750	91 Goulais Ave. Plan 1598 Lot 39 40.00 FR	2,075.31
20	060-029-029-00 RT 174,000	386 Borden Ave Plan 7882 Lot 191 Lot 192 CLSD Lane PT RP 1R9075 Part 3 72.00FR .18 A	8,416.09



COUNCIL REPORT

May 11, 2015

TO: Mayor Christian Provenzano and Members of City Council
AUTHOR: Peter Liepa, City Tax Collector
DEPARTMENT: Finance Department
RE: Store Your Stuff - 2196 Queen St E

PURPOSE

This report is in response to correspondence received from Mr. Brian Gallagher owner of Store Your Stuff that had appeared on the April 27th City Council agenda.

BACKGROUND

Mr. Gallagher submitted correspondence requesting an adjustment to his property taxes for vacancies within his self-storage facility.

ANALYSIS

Pursuant to Section 364 of the Municipal Act, each Municipality shall provide for a Vacancy Rebate program as set out by the Ministry of Finance under Regulation 325/01. There are no provisions made under Section 364 for an appeal to council. The right to appeal rests with the Assessment Review Board.

Over the last few years there have been a number of Assessment Review Board decisions regarding self-storage units, which have proved to be in favour of the municipality. The most recent being Armel Corp. v. City of Guelph (City) [2014] O.A.R.B.D. No. 546.

In the case of the City of Ottawa that Mr. Gallagher refers to, that decision has been appealed to the Divisional Court by the City of Ottawa and no rebates have been processed as a result of that decision.

Also, none of the other self-storage facilities in our community have applied for a Vacancy Rebate and as a result of the decision from the City of Guelph, self-storage units will continue to be ineligible under O.Reg.325/01. However, since

Mr. Gallagher has filed a Vacancy Rebate application with the municipality, he does have the right to appeal to the Assessment Review Board.

IMPACT

No Impact.

STRATEGIC PLAN

No Impact.

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of City Tax Collector dated 2015 05 11 regarding Store Your Stuff-2196 Queen St E be received as information.

Respectfully submitted,



Peter A. Liepa
City Tax Collector

Recommended for approval,



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

attachment

STORE *Your* STUFF

Joseph M. (Joe) Fratesi, B.A.L.L.B.

April 15, 2015

Chief Administrative Officer
City of Sault Ste. Marie
99 Foster Drive
Sault Ste. Marie, ON
P6A 5X6

Mr. Fratesi,

My name is Brian Gallagher; local resident and business owner of "JBG Holdings and Investments Inc." (O/A "Store Your Stuff") self-storage facility located at 2196 Queen Street East. The business has been open to serve local residents' needs since approximately September 2014. We strive to provide the most secure storage in the area, while maintaining the best customer service experience for our clients.

I am reaching out today to request an adjustment to our property tax rate to reflect our vacancies as a new, growing business.

1. Property Value Assessment (MPAC)

Our business (which occupies approximately 31,000 sq/ft), was assessed a value by MPAC of \$1,067,555. This valuation is completely contingent on full occupancy of our facility and does not align with comparable businesses in our city.

- "Store It Yourself" 661 John Street
- 35,721 sq/ft
- 2014 MPAC assessment of \$730,000

Due to these discrepancies, we have submitted a formal request for reconsideration of our MPAC assessment (this outcome will likely affect the city tax rate).

2. Storage Unit Vacancy

Unlike similar businesses (office rental, apartment rental), we have been informed that storage unit vacancies are not eligible for tax rebate consideration. Based on a similar instance in Ottawa where a vacancy rebate *was* applied, we have submitted a vacancy tax rebate request to the city.

3. Taxes Paid to Date and Upcoming Taxes

- Summary of Taxes Paid to Date since MPAC Revised Assessment (September 5, 2014)
 - November 27, 2014 - \$6,689.41
 - December 30, 2014 - \$6,689.41
 - March 5, 2015 - \$11,252.90
 - Total Paid to Date - \$24,631.72
- Upcoming Taxes to be Paid
 - May 5, 2015 - \$11,252.90

4. Actual Generated Income

Though, we are growing at a steady pace, the actual gross income generated from September 1, 2014 to today's date (April 15, 2015) was \$71,074.24 (before operating costs). This means we are currently applying 34.65% of our gross income to civic property tax.

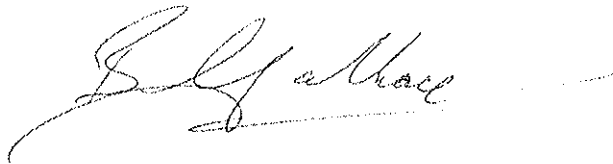
Conclusion

Businesses such as ours (unit rental) cannot exceed the square footage rental return of 90%-95% occupancy. Therefore, we are unable to continue revenue growth beyond our capacity.

Due to the growth period required for our business, we believe a graduated tax structure for new businesses is imperative for the success and allure of new business development to the City of Sault Ste. Marie. With that in mind, and for the reason outlaid in sections 1-4, I would like to formally request adjustments be made to my commercial land taxes.

My business provides an important service to the residents of our community. Let's work together to create a feasible business landscape for local entrepreneurs and business people!

Thank you for your consideration,



-Brian Gallagher
Owner/Operator
JBG Holdings and Investments Inc
705-253-8700
storeyourstuff.ca@gmail.com



COUNCIL REPORT

May 11, 2015

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: William Freiburger, Commissioner of Finance and Treasurer

DEPARTMENT: Finance Department

RE: Queenstown Board of Management (O/A The Downtown Association) 2014 Audit Report and 2015 Budget Estimates

PURPOSE

In accordance with Sections 204 – 215 of The Municipal Act, attached is a copy of the Queenstown Board of Management (O/A The Downtown Association) Audited Financial Statements for the year 2014 as prepared by KPMG LLP Chartered Accountants, together with a copy of the Downtown Association Budget Estimates for the year 2015 for your approval.

BACKGROUND

Not applicable.

ANALYSIS

Not applicable.

IMPACT

The 2015 budget estimates of the Downtown Association are not a part of the City budget estimates and the levy is charged directly against the properties within the Downtown (Queenstown) area.

STRATEGIC PLAN

Not applicable.

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the Commissioner of Finance and Treasurer dated 2015 05 11 concerning Queenstown Board of Management (O/A The Downtown Association) Audited Financial Statements for the year 2014, as prepared by KPMG LLP Chartered Accountants be received and the recommendation that the Downtown Association Budget Estimates for the year 2015 be approved.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'W. Freiburger', with a stylized, cursive script.

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

WF/kl

attachments

REVENUE	<u>Budget 2015</u>
Assessments	185,000.00
Adjustments	(25,000.00)
Associate Membership	600.00
Grants	-
Interest Income	500.00
Vendors Fees / Patios	2,500.00
Total Income	163,600.00
EXPENDITURES	
Salaries & Benefits	
Payroll	\$81,750
Subtotal	81,750.00
Office Expenses:	
Rent	19,500.00
Office cleaning/maintenance	1,360.00
Supplies	600.00
Equipment Repairs & Maintenance	400.00
Internet/Telephone	3,900.00
Insurance	3,300.00
Postage & Courier	75.00
Membership/Publications	800.00
Office furniture & Equipment	500.00
Subtotal	30,435.00
Marketing & Communication	
Advertising	12,000.00
Downtown Times	3,300.00
Greyhounds Lucky Seat Promotion	5,500.00
Subtotal	20,800.00
Events and Activities	
Shadows of the Mind	1,000.00
Downtown Street Party	6,000.00
Moonlight Magic	2,000.00
Greyhounds Season Opener	2,000.00
Greyhounds Playoff Party	2,000.00
New Initiatives	2,000.00
Subtotal	15,000.00
Meetings & Seminars:	
Board Meetings	1,000.00
AGM	500.00
Conferences/Meetings staff/training	3,500.00
Subtotal	5,000.00
Professional Fees:	
Accounting	3,000.00
Bookkeeping	1,700.00
Subtotal	4,700.00
On Street Costs:	
Street Unity/Beautification	4,500.00
Sound System	500.00
Subtotal	5,000.00
Other Expenses:	
Workers Compensation	600.00
Bank Service Charges	100.00
Subtotal	700.00
Total Expenses	163,385.00
Net Income	215.00

Financial Statements of

**BOARD OF MANAGEMENT OF QUEENSTOWN,
THE SAULT STE. MARIE CENTRAL BUSINESS
DISTRICT IMPROVEMENT AREA**

Year ended December 31, 2014



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

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

INDEPENDENT AUDITORS' REPORT

To the Members of the Board of Management of Queenstown, The Sault Ste. Marie Central Business District Improvement Area and Members of Council, Inhabitants and Ratepayers of The Corporation of the City of Sault Ste. Marie

We have audited the accompanying financial statements of the Board of Management of Queenstown, The Sault Ste. Marie Central Business District Improvement Area, which comprise the statement of financial position as at December 31, 2014, and the statements of financial operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Board of Management of Queenstown, The Sault Ste. Marie Central Business District Improvement Area as at December 31, 2014, 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

March 10, 2015
Sault Ste. Marie, Canada

BOARD OF MANAGEMENT OF QUEENSTOWN, THE SAULT STE. MARIE CENTRAL BUSINESS DISTRICT IMPROVEMENT AREA

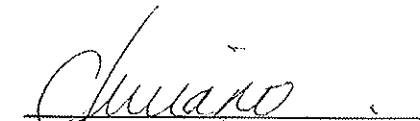
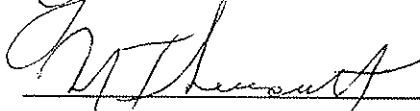
Statement of Financial Position

December 31, 2014, with comparative information for 2013

	2014	2013
Financial assets:		
Cash	\$ 80,619	\$ 80,335
Term deposit	26,647	26,431
Accounts receivable	7,048	5,188
Total financial assets	114,314	111,954
Financial liabilities:		
Accounts payable and accrued liabilities	10,323	8,743
Total financial liabilities	10,323	8,743
Net financial assets	103,991	103,211
Non-financial assets:		
Tangible capital assets (note 2)	476	1,705
Commitment (note 5)		
Accumulated surplus (note 4)	\$ 104,467	\$ 104,916

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

On behalf of the Board:

 Director
 Director

BOARD OF MANAGEMENT OF QUEENSTOWN, THE SAULT STE. MARIE CENTRAL BUSINESS DISTRICT IMPROVEMENT AREA

Statement of Financial Operations and Accumulated Surplus

Year ended December 31, 2014, with comparative information for 2013

	Budget (note 3)	2014	2013
Revenues:			
Assessments	\$ 185,000	\$ 185,000	\$ 185,000
Donations	-	20,000	-
Membership fees	400	1,674	840
Interest	500	216	215
Total revenues	185,900	206,890	186,055
Expenses:			
Wages and benefits	85,600	78,194	82,031
Promotion and marketing	20,800	33,638	30,921
Events and activities	13,525	24,792	-
Assessments written-off and rebates	26,000	19,366	19,321
Rent	19,500	19,050	19,050
Office	3,175	7,384	4,343
On street costs	6,400	6,218	2,845
Meetings and seminars	5,800	6,028	8,365
Professional fees	4,700	4,890	5,111
Insurance	3,300	3,216	3,221
Telephone and internet	2,000	2,900	3,422
Amortization of tangible capital assets	1,417	1,417	1,450
Miscellaneous	100	246	142
Total expenses	192,317	207,339	180,222
Annual surplus (deficit)	(6,417)	(449)	5,833
Accumulated surplus, beginning of year	104,916	104,916	99,083
Accumulated surplus, end of year	\$ 98,499	\$ 104,467	\$ 104,916

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

BOARD OF MANAGEMENT OF QUEENSTOWN, THE SAULT STE. MARIE CENTRAL BUSINESS DISTRICT IMPROVEMENT AREA

Statement of Changes in Net Financial Assets

Year ended December 31, 2014, with comparative information for 2013

	Budget (note 3)	2014	2013
Annual surplus (deficit)	\$ (6,417)	\$ (449)	\$ 5,833
Acquisition of tangible capital assets	-	(188)	-
Amortization of tangible capital assets	1,417	1,417	1,450
Change in net financial assets	(5,000)	780	7,283
Net financial assets, beginning of year	103,211	103,211	95,928
Net financial assets, end of year	\$ 98,211	\$ 103,991	\$ 103,211

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

BOARD OF MANAGEMENT OF QUEENSTOWN, THE SAULT STE. MARIE CENTRAL BUSINESS DISTRICT IMPROVEMENT AREA

Statement of Cash Flows

Year ended December 31, 2014, with comparative information for 2013

	2014	2013
Cash provided by (used in):		
Operations:		
Annual surplus (deficit)	\$ (449)	\$ 5,833
Item not involving cash:		
Amortization of capital assets	1,417	1,450
	968	7,283
Change in non-cash assets and liabilities:		
Increase in term deposit	(216)	(216)
(Increase) decrease in accounts receivable	(1,860)	504
Increase in accounts payable and accrued liabilities	1,580	1,560
Increase (decrease) in payable to City of Sault Ste Marie	-	(1,207)
	472	7,924
Capital:		
Purchase of tangible capital assets	(188)	-
Increase in cash	284	7,924
Cash, beginning of year	80,335	72,411
Cash, end of year	\$ 80,619	\$ 80,335

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

BOARD OF MANAGEMENT OF QUEENSTOWN, THE SAULT STE. MARIE CENTRAL BUSINESS DISTRICT IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2014

The Board of Management of Queenstown, The Sault Ste. Marie Central Business District Improvement Area (the "Board") was established on September 28, 1976 to foster and enhance commercial interests in the downtown business improvement area of Sault Ste. Marie, Ontario.

1. Significant accounting policies:

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

(a) 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.

(b) 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 is amortized on the following annual rates and methods:

Asset	Method used	Rate
Furniture and equipment	Declining-balance	20%
Computer equipment	Declining-balance	30%
Leasehold improvements	Straight-line	10 years

(c) Reserves:

Certain amounts, as approved by the Board, are set aside in reserves for future operating and capital purposes. Transfers to and/or from the reserves are recorded as an adjustment to the respective reserve when approved.

BOARD OF MANAGEMENT OF QUEENSTOWN, THE SAULT STE. MARIE CENTRAL BUSINESS DISTRICT IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2014

1. Significant accounting policies (continued):

(d) Revenue recognition:

Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

Assessments are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(e) 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 dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

2. Tangible capital assets:

Cost	Balance at December 31, 2013	Additions	Disposals	Balance at December 31, 2014
Furniture and equipment	\$ 2,426	\$ 66	\$ —	\$ 2,492
Computer equipment	7,606	122	—	7,728
Leasehold improvements	12,581	—	—	12,581
Total	\$ 22,613	\$ 188	\$ —	\$ 22,801

Accumulated amortization	Balance at December 31, 2013	Disposals	Amortization expense	Balance at December 31, 2014
Furniture and equipment	\$ 2,426	\$ —	\$ 6	\$ 2,432
Computer equipment	7,159	—	153	7,312
Leasehold improvements	11,323	—	1,258	12,581
Total	\$ 20,908	\$ —	\$ 1,417	\$ 22,325

Net book value	\$ 1,705			\$ 476
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BOARD OF MANAGEMENT OF QUEENSTOWN, THE SAULT STE. MARIE CENTRAL BUSINESS DISTRICT IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2014

3. Budget figures:

The operating budget approved by the Board for 2014 was prepared for the purpose of establishing the estimated revenues and expenses for fiscal 2014. The budget established does not include a budget for the amortization of tangible capital assets. The Board also does not budget activity within reserves.

The budget figures presented in the Statement of Operations and the Statement of Changes in Net Financial Assets have been restated to be comparable with the Public Sector Accounting Standards. A reconciliation of the Board approved budget and the budget presented in these financial statements is presented below:

Adopted budget:	
Budget annual surplus for the year	\$ -
Adjustments to adopted budget:	
Transfers from reserves funds	(5,000)
Amortization of tangible capital assets	(1,417)
Restated budgeted annual deficit	\$ (6,417)

4. Accumulated surplus:

Accumulated surplus is comprised of:

	2014	2013
Invested in tangible capital assets	\$ 476	\$ 1,705
Operating fund surplus	68,991	68,211
Reserves set aside by the Board		
Downtown Community Improvement Plan (note 5)	35,000	35,000
	\$ 104,467	\$ 104,916

BOARD OF MANAGEMENT OF QUEENSTOWN, THE SAULT STE. MARIE CENTRAL BUSINESS DISTRICT IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2014

5. Commitment:

The Board has committed to contribute \$35,000 towards the Downtown Community Improvement Plan by the City of Sault Ste Marie, which is being proposed through funding applications with FedNor and the Northern Ontario Heritage Fund Corporation. Payment of the committed amount will be dependent on the successful funding approval of the project by FedNor and the Northern Ontario Heritage Fund Corporation.

The board leases its premises with a minimum annual lease payment of \$18,720 plus applicable taxes. The lease expires January 31, 2020.

6. Segmented reporting:

The Chartered Professional Accountants of Canada Public Sector Accounting Handbook Section PS2700 – Segmented Disclosures establishes standards on defining and disclosing segments in a government's financial statements. Government organizations that apply these standards are encouraged to provide the disclosures established by this section when their operations are diverse enough to warrant such disclosures. The Board has only one identifiable segment, considered to be fostering and enhancing commercial interests in the downtown business improvement area of Sault Ste. Marie, Ontario as presented in these financial statements.



COUNCIL REPORT

May 11, 2015

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Nicholas J. Apostle, Commissioner of Community Services

DEPARTMENT: Community Services Department

RE: Municipal Day Care – Service Agreement with the District of Sault Ste. Marie Social Services Administration Board (DSSMSSAB)

PURPOSE

The purpose of this report is to advise Council that the City, as a day care provider, is required to enter into an agreement with the District of Sault Ste. Marie Social Services Advisory Board (DSSMSSAB) for the provision of day care services at the three (3) municipally operated day care centres – Jessie Irving Centre, Maycourt Centre, and Holy Family-Best Start Centre.

BACKGROUND

The DSSMSSAB requires all licensed day care providers to sign an agreement for the provision of day care services.

The City provides day care services at the three (3) municipally operated day care centres – Jessie Irving Centre, Maycourt Centre, and Holy Family-Best Start Centre.

ANALYSIS

The Legal Department and Community Services Department have reviewed the agreement and recommend it be approved.

Some of the highlights of the agreement are:

1. The term is for three years, expiring December 31, 2017.
2. The agreement can be terminated by either party upon giving sixty (60) days' notice.

IMPACT

This section does not apply to this matter.

STRATEGIC PLAN

This matter is not specifically referenced in the Corporate Strategic Plan.

RECOMMENDATION

It is therefore recommended that Council take the following action:

That the report of the Commissioner of Community Services concerning the service agreement with the District of Sault Ste. Marie Social Services Administration Board for the provision of day care services at the three (3) municipally operated day cares centres – Jessie Irving Centre, Maycourt Centre, and Holy Family - Best Start Centre be received and that the recommendation to authorize the signing of the agreement, be approved.

By-law 2015-87 appears elsewhere on the Agenda and is recommended for approval.

Respectfully submitted,



Nicholas J. Apostle
Commissioner Community Services

cc: Legal Department



COUNCIL REPORT

May 11, 2015

TO: Mayor Christian Provenzano and Members of City Council
AUTHOR: Nicholas J. Apostle, Commissioner of Community Services
DEPARTMENT: Community Services Department
RE: Strathclair Park - Lighting for Slo-pitch Field A

PURPOSE

The purpose of this report is to update Council on this project.

BACKGROUND

This project was initiated in order to deal with two issues concerning slo-pitch. The first issue is the growing enrolment in adult slo-pitch. Over the past seven to ten years slo-pitch numbers have been increasing. There are not enough fields at the Strathclair complex to accommodate the program and therefore the league has been using other facilities for their games, specifically the North Street and the Elliot Park complexes. It is very difficult to find volunteers and umpires to run the slo-pitch program at multiple facilities. Having a lighted field at the Strathclair complex would allow the league to accommodate all of the games at one complex without increasing the number of volunteers or umpires. The second issue is the hosting of major tournaments. Having at least one field that has lights increases the opportunities available to host major slo-pitch tournaments.

In April 2009, Council approved \$90,000. for this project. The amount was based upon preliminary information.

In May 2009, a consulting engineer was engaged to review the project. As a result of their more detailed review the estimated cost for the project was revised to \$250,000.

At the 2014 budget meeting, Council approved a further \$100,000. towards this project.

The Sault Ste. Marie Slo-pitch League has contributed \$20,000. towards the project. In addition, Mr. Albert Williams, on behalf of the hockey tournament he helps organize and run, has contributed a further \$10,000.

A summary of funding for this project is as follows:

2009 allocation from 5% subdivider reserve	\$ 55,000.
2009 capital from current allocation	\$ 35,000.
Strathclair concession profits in reserve	\$ 40,000.
User group contribution	\$ 20,000.
Contribution from A. Williams	\$ 10,000.
<u>Additional allocation in 2014</u>	<u>\$100,000.</u>
<u>Total</u>	<u>\$260,000.</u>

The PUC requires electrical wires, in projects such as this one, to be in a concrete duct bank. The existing electrical wires that run from Second Line to the existing site transformer were thought to be in the required concrete duct bank; however, just prior to the tenders being released the consultant was informed that in fact there was no concrete duct bank, resulting in this requirement being added to the project scope.

Furthermore, it was determined that parking lot lighting should be included in the project scope as there presently isn't any in place. Current programming (soccer in the summer and snowmobile staging area users in the winter) sees the users leaving the facility in the dark.

Subsequently, the tenders were structured to include the concrete duct bank and a "separate price" item for the addition of parking lot lighting. Adding the parking lot lighting as a "separate price" item allowed for it to be easily removed from the project cost if the tenders came in over budget.

The project was tendered in conjunction with the consultant and the City Purchasing Division. Tenders closed on April 15, 2015.

ANALYSIS

There were five bids submitted. The low tender for the entire project (field lighting and parking lot lighting) was \$458,900., which is approximately \$200,000. over budget. The cost to complete the field lighting only is \$344,400. which is \$84,400. over budget.

The cost to the project of the concrete duct bank is estimated, by the consultant, to be approximately \$75,000. If this component had not been required, then the low tender would have been very close to the budget.

There are four approaches that can be taken with this project:

1. Stop the project and return all funding
2. Put the project on hold and seek additional funding from senior levels of government
3. Undertake only the field lighting
4. Complete the entire project

The lighting project is **not** a necessity for the slo-pitch program; however it would position the program for continued growth while contributing to sports tourism in the community.

Staff recommends putting the project on hold and researching funding opportunities from senior levels of government.

IMPACT

A review of the possible reserve accounts that could be used to further fund this project was undertaken with the Finance Department. The only reserve account that is appropriate for this project is the 5% Subdividers Reserve Fund. Presently this reserve account has just over \$100,000. Between \$40,000. and \$60,000. is added annually to this reserve.

STRATEGIC PLAN

This matter is specifically referenced in the Corporate Strategic Plan under Strategic Direction 3: Enhancing Quality of Life Objective 3A – Recreational/Cultural Infrastructure.

RECOMMENDATION

It is therefore recommended that Council take the following action:

That the report of the Commissioner of Community Services concerning Strathclair Park – Lighting for Slo-pitch Field A be received, and that the recommendation to put the project on hold and have staff research funding from the seniors levels of government, be approved.

Respectfully submitted,



Nicholas J. Apostle
Commissioner Community Services

Copy to: S. Schell, Commissioner of Finance



COUNCIL REPORT

May 11, 2015

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Don Elliott. P. Eng., Director of Engineering Services

DEPARTMENT: Engineering and Planning Department

RE: City-Prince Bridge Replacements – Engineering Agreement

PURPOSE

The purpose of this report is to obtain Council approval to increase the fee limit in the engineering agreement for the reconstruction of the four single lane bridges the City shares with Prince.

BACKGROUND

Council is aware of the replacement of the four single lane bridges the City shares equally with Prince Township. Two bridges are located on Base Line and two are on Town Line, and all are within close proximity to each other. The project was phased over two years, as one bridge on each road had to remain open to provide access to the few properties located in between each pair of bridges. One bridge on each of Town Line and Base Line were replaced in 2014, and the other two are scheduled to be replaced in 2015.

After a joint funding application to the provincial Municipal Infrastructure Investment Initiative (MIII) fund, the City and Prince were fortunate recipients of a grant of \$3,492,000 representing 90% of the \$3.88M cost. The project is proceeding well and is anticipated to be completed in the fall of 2015.

ANALYSIS

The engineering fee estimate in the original agreement with Tulloch Engineering approved at the 2014 01 20 meeting was \$321,000. This fee needs to be increased to ensure proper field inspection is provided for a longer than anticipated contractor's schedule, and for unforeseen additional environmental activities including bird exclusion netting and de-fishing, and for construction materials testing that the City assigned to this consultant.

IMPACT

The additional estimated fees of \$100,000 bring the total fee estimate in the agreement to \$421,000. The Engineering Division recommends this, as it is well within typical range of professional fees for a project of this scope. While the engineering fees are being increased, the estimated cost for completion is still below the \$3.88M project budget, so there is no additional impact to the budget. Further, 90% of the project is grant funded, leaving 5% for each municipality so the additional cost to the City is \$5,000.

STRATEGIC PLAN

Repairs to bridges are linked to Objective 1A, Transportation Network Improvements under the Developing Solid Infrastructure strategic direction.

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the Director of Engineering Services dated 2015 05 11 concerning the engineering fee estimate for the City-Prince bridges be received, and that the fee estimate be revised to \$431,000, be approved.

Respectfully submitted,



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

Recommended for approval



Jerry Dolcetti, RPP
Commissioner of Engineering & Planning



COUNCIL REPORT

May 11, 2015

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Jerry Dolcetti, RPP, Commissioner

DEPARTMENT: Engineering and Planning Department

RE: Port of Algoma – Extension of Master Consultant Letter of Engagement

PURPOSE

The purpose of this report is to ask for Council's approval to extend the Letter of Engagement (attached) between the City and the Master Consultant (KPMG/AECOM) for the Port of Algoma project.

BACKGROUND

On February 9, 2015 Council passed a resolution approving the hiring of KPMG and AECOM to carry out Phase 1 and Phase 2 of the Port of Algoma project. A Letter of Engagement between the City and the Master Consultant was approved by Council on March 9, 2015. This allowed the consultants to begin their assignment while providing time for a formalized agreement to be prepared.

Our Legal Department has worked with the Master Consultant in developing the agreement with the intent to have it ready for Council approval by April 13, 2015.

ANALYSIS

There are still some items in the agreement that require further clarification, but we anticipate it will be finalized by the end of May 2015. In the interim, we are requesting that the Letter of Engagement be extended to accommodate the completion of the agreement.

IMPACT

All funding contributions for this project have previously been approved.

STRATEGIC PLAN

This report is directly linked to Developing Solid Infrastructure, and Strategic Direction – Transportation Network Improvements

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the Commissioner of Engineering dated 2015 05 11 be accepted and further, that the request for an extension to June 8, 2015 of the Letter of Engagement between the City and KPMG/AECOM, be approved.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'J. Dolcetti', with a stylized flourish extending to the right.

Jerry Dolcetti, RPP
Commissioner

Attach.



March 9, 2015

KPMG LLP
Suite 4600, 333 Bay Street
Toronto, ON M5H 2S5
Attention: Mr. Paul Lan

AECOM Miami-Dade Office
800 Douglas Entrance, North Tower, 2nd Floor
Coral Gables, FL 31134 USA
Attention: Ken Parkinson

**LETTER OF ENGAGEMENT
MASTER CONSULTANT SERVICES FOR PORT OF ALGOMA**

Dear Mr. Lan and Mr. Parkinson:

As you are aware, on November 14, 2014, The Corporation of the City of Sault Ste. Marie ("City") sent out a Request for Proposals for the Port of Algoma – Master Consultant selection (the "Project"). The consulting team of KPMG/AECOM submitted the successful bid at the total fee of \$4,330,243.00.

On February 9, 2015, City Council approved the consulting team of KPMG/AECOM to be retained in carrying out the Project, subject to the following conditions, namely that:

1. Phase 1 can proceed for an upset limit of \$3,176,945.00, having a completion target date of October 2015; and
2. Phase 2 can proceed only if the results in Phase 1 indicate a successful 'go forward' action and funding for Phase 3 (implementation/construction) of the expended harbour is available from the various partners to this project, including the senior levels of government, the private sector and others.

The City intends to retain the consulting team KPMG/AECOM for the Project. The City and KPMG/AECOM acknowledge and agree to formalize this relationship and project scope by way of a Consulting Agreement between the City and KPMG and a Consulting Agreement between the City and AECOM, each reflecting the respective roles and deliverables of KPMG and AECOM. The Consulting Agreement between the City and KPMG will be in a form similar to previous consulting agreements between the City and KPMG. The Consulting Agreement between the City and AECOM will be in a form similar to previous consulting agreements between the City and AECOM.

In the meantime, given that time is of the essence, the City and the consulting team KPMG/AECOM acknowledge and agree to the following terms and conditions for the provision of the Project by the consulting team KPMG/AECOM:

1. The City and KPMG/AECOM acknowledge and agree that the main components of the Project shall include:
 - a Traffic Study and demand forecasting;
 - Infrastructure Planning/Project Scoping/ Stakeholder Consultation; Environmental Assessment and First Nation Aboriginal Consultation;
 - Financial Analysis - funding for implementation/construction;
 - Engineering Procurement Construction (EPC) Contractor Procurement; and
 - Overall Project management.
2. The City and KPMG/AECOM further acknowledge and agree that the deliverables, expenses and schedule for the Project shall proceed in accordance with the Letter of Paul Lan dated February 6, 2015 and Tables 1 to 5, attached as Schedule "A" to this Letter of Engagement.
3. It is understood that KPMG will provide overall project management assistance to the City, including the tracking of KPMG's and AECOM's progress and fees and expenses. KPMG will review AECOM's invoices and prepare a consolidated monthly package containing both invoices from KPMG and AECOM to facilitate review by the City. The parties hereto acknowledge and agree that the actual expenses associated with the deliverables may be greater than or less than the amounts associated with same as set out in Schedule "A" attached hereto. To this end, the parties acknowledge and agree as follows:
 - (a) For each and every deliverable, if the expenses associated with completing same is less than the amount provided for the applicable deliverable as set out in Schedule "A", the invoice submitted by KPMG and AECOM to the City and the amount payable by the City to KPMG and AECOM shall only be the actual cost for completing the deliverable, and not the higher cost.
 - (b) For each and every deliverable, if the expenses associated with completing same is greater than the amount provided for the applicable deliverable as set out in Schedule "A", the invoice submitted by KPMG and AECOM to the City shall again be the actual cost for completing the deliverable, subject to Section 3(c) below.
 - (c) Notwithstanding Section 3(b) herein, the parties hereto acknowledge and agree that the maximum amount payable by the City to KPMG/AECOM for the completion of all deliverables as set out in

Schedule "A", including the completion of same within the time schedule set out in Schedule "A", shall be the maximum aggregate amount of \$3,176,945.00. To this end, KPMG/AECOM hereby covenants and agrees to complete all deliverables as set out in Schedule "A", including the completion of same within the time schedule set out in Schedule "A", within the total aggregate amount of \$3,176,945.00. KPMG/AECOM hereby covenants and agrees that in the event that the total costs for completion of all deliverables as set out in Schedule "A", including the completion of same within the time schedule set out in Schedule "A", exceeds \$3,176,945.00, KPMG/AECOM shall be solely responsible and liable to pay same. To further clarify, the parties hereto acknowledge and agree that the City shall in no way be responsible or liable for any expenses associated with the completion of all deliverables as set out in Schedule "A", including the completion of same within the time schedule set out in Schedule "A", that exceed \$3,176.945.00.

4. The City and KPMG/AECOM acknowledge and agree that overall times are extremely aggressive with Phase 1 to be completed by October 2015 and Phase 2 by March 2016.
5. The City and KPMG/AECOM acknowledge and agree that Phase 1 shall proceed now for an upset limit of \$3,176,945.00, having a completion target date of October 2015.
6. The City and KPMG/AECOM acknowledge and agree that Phase 2 shall only proceed if the results in Phase 1 indicate a successful 'go forward' action and funding for Phase 3 (implementation/construction) of the expanded harbour is available from the various partners to this project, including the senior levels of government, the private sector and others. Applications to Building Canada will be a top priority.
7. KPMG/AECOM shall, at its sole cost, liability and expense assume full responsibility for all components of the Project.
8. KPMG and AECOM each agree to, subject to an aggregate amount not to exceed Two Million (\$2,000,000.00 CDN) Dollars for each of KPMG and AECOM, defend, indemnify and save harmless the City and their respective Councillors, 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, work place safety and insurance compensation, and occupational health and safety matters) made or brought against or suffered by or imposed upon all or any of them by reason of any act, error, default, failure, fault, neglect, negligence, omission or wrong doing respectively of KPMG and AECOM, its directors, officers, employees, consultants, contractors, subcontractors, agents or

other persons for which it is responsible in law or any of arising out of or connected with the Project.

9. KPMG/AECOM shall cause the City to be added as an Additional Insured to its commercial general liability insurance policies, insuring all claims for damage to property, personal injury or death or any other losses or damages, both direct or indirect, including such other costs and expenses, howsoever and whatsoever incurred, suffered or sustained in relation to or in connection with the Project in an amount not less than Ten Million (\$10,000,000.00) Dollars. Proof of said insurance shall be filed with the City's Legal Department.
10. KPMG/AECOM shall not assign, transfer or make any other disposition of this Letter of Engagement or of the rights conferred thereby, without the prior written consent of the City.
11. The parties intend to sign a Consulting Agreement within thirty (30) days following this Letter of Engagement. This Letter of Engagement shall automatically expire and be deemed terminated effective upon the date of the occurrence of any one of the following events or conditions, whichever shall first occur;
 - (a) The execution of a Consulting Agreement between the parties;
 - (b) The inability of the parties hereto to execute a Consulting Agreement;
 - (c) The failure of a Party to cure a material breach of this Letter of Engagement within fifteen (15) days following receipt of notice from the other Party
 - (d) The mutual agreement of the Parties to terminate this Letter of Engagement; or
 - (e) The 14th, day of April, 2015, unless such term is extended by mutual agreement .

The parties however acknowledge and agree that Sections 7 and 8 of this Letter of Engagement shall survive the termination of the Letter of Engagement. Notwithstanding anything to the contrary set out herein, the parties further acknowledge and agree that the City reserves the right to terminate this Letter of Engagement at any time, provided that the City provides KPMG/AECOM with prior written notice at least thirty (30) days prior to such proposed termination date, or as a result of the City's determination that additional expenditures on the Project are not warranted.

12. This Letter of Engagement may be modified only by written instrument signed by both parties.

13. The provisions of this Letter of Engagement shall be binding upon, and enure to the benefit of the parties and their respective successors and (where applicable) permitted assigns.
14. This Letter of Engagement 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.

In witness whereof, the parties hereto have affixed their hands and seals.

THE CORPORATION OF THE CITY OF
SAULT STE. MARIE



MAYOR – CHRISTIAN PROVENZANO



CITY CLERK – MALCOLM WHITE
We have the authority to bind the City.

KPMG LLP



Paul Lan, Partner
I have authority to bind KPMG LLP

AECOM CANADA LTD.



Bill Hjelholt, Senior Vice President
I have authority to bind
AECOM Canada Ltd.



COUNCIL REPORT

May 11, 2015

TO: Mayor Christian Provenzano and Members of City Council
AUTHOR: Jerry Dolcetti, RPP, Commissioner
DEPARTMENT: Engineering and Planning Department
RE: Development Charges Study for City of Sault Ste. Marie

PURPOSE

The purpose of this report is to request Council approval to finalize the Development Charges Study and to increase the budget by \$14,564 to allow for completion. This will bring the total expenditure for the study from \$29,360 to \$43,924 plus HST.

BACKGROUND

Watson and Associates Economists Ltd. were retained through the tendering process and a formal agreement was executed on November 19, 2012. Actual start-up was January 9, 2013.

During the course of the study, the timelines for completion were extended due to delays in obtaining required levels of information from various agencies and departments. A further delay surfaced with the approaching 2014 election and it was decided that given the importance of this study, recommendations and actions to follow should be decided by the new Council. The Consultant was agreeable to delaying the completion of the study.

ANALYSIS

Attached is correspondence from the Consultant dated April 27, 2015 providing a revised work plan, timelines and associated costs to finalize the study.

Much of the additional costs to complete the study results in having to redo the 10-year forecast of anticipated development levels of services growth, statistics and capital needs, etc. from 2016 to 2026. PUC is prepared to cover one third of the entire project cost to reflect the effort by the Consultant in carrying out the study as it relates to PUC Services. Meetings with stakeholders, development industry, Council and the public will be required at this stage and timelines

projected will be two to three months with anticipated development charges bylaw implementation for late summer and early fall 2015.

IMPACT

The identified funds of \$14,564 (+HST) will be funded through the capital works budget for 2015 and PUC, who have agreed to participate in this study.

STRATEGIC PLAN

Establishing a process for the implementation of development charges under the Development Charges Act is within the corporate values of financial responsibility.

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the Commissioner of Engineering dated 2015 05 11 be received, and that the recommendation to increase the budget for the Development Charges Study by Watson & Associates by \$14,564 to come from the 2015 capital works budget and the PUC, be approved.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'J. Dolcetti', with a stylized flourish at the end.

Jerry Dolcetti, RPP
Commissioner
Engineering & Planning Department

Attach.

MEMORANDUM

To:	Jerry Dolcetti	Fax	☐
From:	Andrew Grunda	Courier	☐
Date:	April 27, 2015	Mail	☐
Re:	Sault Ste Marie Development Charges Study	e-mail	☒

In 2013, the City of Sault Ste Marie retained Watson & Associates Economists Ltd. to prepare a DC Background Study and By-Law. A draft DC Background Study was prepared in early 2014, at which time the City elected to postpone the process. The City would like to continue the process of completing the DC Background Study and By-Law for Council consideration. The following proposal summarizes the requirements to complete the update of the City of Sault Ste Marie's DC Background Study and implementation of a DC By-Law.

The *Development Charges Act* (DCA) requires municipalities intending on passing a DC by-law to prepare a DC Background Study. The Study must include a forecast of anticipated development for a period of at least 10 years. This forecast will form the basis for measuring the increase in need for service relative to growth. The City's draft DC Background Study assumed a forecast period commencing early 2014 to early 2024. With the passage of time the growth forecast would have to be updated to provide a start population, dwelling and employment estimate of early 2016 (i.e. anticipated date of implementation). The forecast would have to be extended to early 2026, requiring update of development assumptions.

The DCA requires that the increase in the level of service for future growth be measured relative to the historic average level of service provided over the 10 years preceding the preparation of the DC Background Study. As such the level of service measurement would have to be updated to reflect the period 2006-2015. This will require revision to the quantitative inventory measures (e.g. number of vehicles, square footage of facilities, etc.) to reflect annual changes in 2014 and 2015. Moreover the replacement values per item (i.e. qualitative measures) would also require updating.

To measure the increase in service demands, we would propose to provide department representatives with templates to complete the background information update (i.e. level of service calculations, growth statistics and capital needs). Watson would then update the calculations for submission and review by the City.

C:\Watson\Dolcetti-April 27.docx

 **Planning for growth**

SERVICES

- | | | | |
|--|--|---|---|
| ▪ Demographics, Pupil Forecasting, Industrial/Commercial Forecasts | ▪ Development/Education Development Charge Policy | ▪ Financial Analysis of Municipal Restructuring Options | ▪ Fiscal Impact of Development |
| ▪ Land Needs and Market Studies | ▪ Long Range Financial Planning for Municipalities | ▪ Municipal Management Improvement | ▪ OMB Hearings – Financial, Market, Demographic |
| ▪ School Board Planning and Financing | ▪ Servicing Cost Sharing | ▪ Tax Policy Analysis | ▪ Waste Management Rate Setting, Valuation and Planning |

Upon completion of the updated calculations, the draft DC Background Study would be updated and presented to Council in a workshop session for their consideration. We would anticipate that the results of the draft DC Background Study would also be presented to a development industry stakeholder group prior to commencing the DC public meeting process to receive their input on the proposal. The Council and development industry stakeholder meeting could be arranged to occur on consecutive days to minimize travel costs. Upon completion of the consultation sessions with Council and the development industry stakeholders, the DC Background Study would be finalized and the statutory public process (e.g. notice of public meeting, public meeting, passage, etc.) undertaken.

Our initial budget for undertaking the DC Background Study and By-Law process totalled \$29,360 (exclusive of HST). At the time the Study was postponed \$29,343.60 had been invoiced for an outstanding balance of \$16.40 (plus HST). It is noted that approximately 1/3 of the efforts provided under the Study relate to PUC services. The following table summarizes our anticipated budget to complete this assignment. Our additional budget estimate totals \$14,564 (excluding HST) for a total remaining project budget of \$14,580, with carry-over from the previous study. The estimate assumes:

- one workshop meeting with Council to review the draft study and one meeting with the development industry stakeholder groups to review the draft study (to be held on the same or consecutive days); and
- one statutory DC public meeting.

Detailed Estimate for Each Major Study Component		Andrew Grunda, Principal, Project Manager	Erik Karvinen, Senior Project Coordinator	Sean-Michael Stephen, Analyst	Total Resources
Hourly Rates		\$ 260	\$ 185	\$ 120	
D.C. Background Study					
1. Data Collection		2.0	4.0	4.0	10.0
2. Growth Projection Update		2.0	4.0	-	6.0
3. Update D.C. Calculation and Rules		4.0	-	4.0	8.0
4. Update of Long Term Capital/Operating		-	-	2.0	2.0
5. Update Draft D.C. Background Study		4.0	2.0	5.0	11.0
6. Workshop with Council		4.0	-	2.0	6.0
7. Development Stakeholder Group Meeting		4.0	-	4.0	8.0
8. Finalize DC Background Study		4.0	-	4.0	8.0
9. Public Meeting		4.0	-	2.0	6.0
10. By-law Passage		2.0	-	2.0	4.0
11. Implementation Process		2.0	-	-	2.0
D.C. Background Study Subtotal	Hours	32.0	10.0	29.0	71.0
	Fees	\$ 8,320	\$ 1,850	\$ 3,480	\$ 13,650
Remaining Budget for 2013 Project					\$ (16)
Total Fees to Complete Project					\$ 13,634
Disbursements (travel, telephone, courier, reports)					\$ 930
Total Budget (excl. HST)					\$ 14,564

The work plan would be completed by Andrew Grunda (Principal) at Watson, with assistance for Sean-Michael Stephen (Analyst) on model development and survey research and Erik Karvinen (Senior Project Coordinator) to undertake the update to the growth forecast projections.

We would anticipate being able to complete the updated draft background study, stakeholder consultation (i.e. Council and development industry) and the statutory public meeting process over a 2-3 month period. This would provide for DC by-law implementation for late summer/early fall 2015.

We trust this memo sufficiently address your needs, however if you wish to discuss the details of this proposal further please feel free to contact me at your earliest convenience.



COUNCIL REPORT

May 11, 2015

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Don Elliott, P. Eng., Director of Engineering Services

DEPARTMENT: Engineering and Planning Department

RE: Seawall Repair – 711-719 Bay Street – Geotechnical Study

PURPOSE

The purpose of this report is to obtain Council approval to retain professional services to complete a geotechnical study in preparation for replacement of the existing seawall at the high-rise condominiums at 711/719 Bay Street.

BACKGROUND

The condition of this seawall has been the subject of several reports to Council over the last several years. The wall has failed significantly, and repeated efforts to patch the resulting holes that form behind it have been only marginally successful. The structural engineering firm retained to review and supervise repairs has determined that the wall can be replaced with a sloped revetment. Accordingly, replacement of the wall with a sloped revetment was included in the five year capital works plan approved by Council at the 2014 06 09 meeting. The project is scheduled for the year 2017.

The City owns sufficient waterfront property to construct both the revetment, and a waterfront walkway at the top of the slope in the future, if desired.

ANALYSIS

In order to refine the design and ensure there are no potential ramifications for the condominium foundations, it is recommended the geotechnical study be completed this year. In accordance with the City's current procurement practices, it is recommended that the consultant previously engaged, Tulloch Engineering, be retained to complete this work.

IMPACT

The cost estimate for the geotechnical work, including the drill rig and material and environmental test lab costs is \$16,600, plus tax. An allowance of \$25,000 was approved in the 2015 miscellaneous construction budget for this work.

STRATEGIC PLAN

Repairs of this nature are linked to Objective 1A, Environmental Leadership under the Developing Solid Infrastructure strategic direction.

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the Director of Engineering Services dated 2015 05 11 concerning the seawall at 711/719 Bay Street be received, and that Tulloch Engineering be retained to complete a pre-design geotechnical study for \$16,600 plus tax, using funds from the 2015 miscellaneous construction budget, be approved. By-Law 2015-90 authorizing execution of an engineering agreement can be found elsewhere on this evening's agenda and is recommended for approval.

Respectfully submitted,



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

Recommended for approval



Jerry Dolcetti, RPP
Commissioner of Engineering & Planning



COUNCIL REPORT

May 11, 2015

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Carl Rumiel, P. Eng., Design & Construction Engineer

DEPARTMENT: Engineering and Planning Department

RE: Fort Creek Aqueduct Phase II – Contract 2015-4E

PURPOSE

The purpose of this report is to obtain approval to award Contract 2015-4E. The project is the next phase in improvements to the Fort Creek Aqueduct which includes a diversion aqueduct from Queen Street through Esposito Park to John Street.

BACKGROUND

Tenders received for Contract 2015-4E were opened at a public meeting Thursday, April 30, 2015 in the Thompson Room of the Civic Centre. Present at the opening was Councilor Marchy Bruni as well as City staff and contractor representatives.

ANALYSIS

A total of three (3) tenders were received. All tenders submitted were found to be complete and are summarized on the attached report from STEM Engineering. The low tender of **\$2,381,326.77** (excluding HST) was received from Jobst Construction Limited. This is below the consultant's pre-tender estimate of \$2,426,000.

IMPACT

When recoverable HST and an allowance for engineering are added, the City's cost to complete this project is projected to be **\$2,674,994**.

At this point in time, when we compare the entire 2015 Construction Program, we are tracking over budget by \$865,000. However, the Finance Department has confirmed that this can be covered by unallocated funds. Further, our projects all carry healthy contingency allowances built into the contracts that often are not spent. We will continue to monitor the 2015 Construction Program to ensure that we come in on, or near budget.

STRATEGIC PLAN

The reconstruction of aqueducts is related to Objective 1A, Environmental Leadership under the Developing Solid Infrastructure strategic direction.

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the Design & Construction Engineer dated 2015 05 11 concerning the Fort Creek Aqueduct Improvements be received and the recommendation that Contract 2015-4E be awarded to Jobst Construction Limited, be approved.

By-law **2015-95** authorizing execution of Contract 2015-4E and By-law **2015-96** authorizing the road closure of John Street from Queen Street West to Central Park Boulevard from May 12, 2015 until October 31, 2015 appear elsewhere on the Agenda and are recommended for approval.

Respectfully submitted,



Carl Rumiel, P. Eng.
Design & Construction Engineer

Recommended for approval



Jerry Dolcetti, RPP
Commissioner

Attach.

May 1, 2015

Project No. 13210

Corporation of the City of Sault Ste. Marie
P.O. Box 580
Sault Ste. Marie, Ontario
P6A 5N2

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

Subject: Fort Creek Aqueduct John Street By-Pass Contract 2015-4E

On Thursday May 2, 2013 tenders were received for the **Fort Creek Aqueduct John Street By-Pass**. Present at the opening were:

The City of Sault Ste. Marie– Carl Rumiel,
David Salewski,
Kim Vaudry
Councilor Marchi Bruni, who opened the Tenders,

STEM Engineering Group – Dan Bertolo
Andrew Barnebey.

Bidders Representatives - Shane Corbett (Belanger)
Paul Jobst (Jobst Construction)
Joe Nelles (Avery).
Adam Pinder (Construction Association)
Alan Walls (Double SS)

A total of three bids were received and following are the total tender prices as called out at the opening:

R. M. Belanger Ltd.	\$ \$4,420,973.40
Avery Construction.....	\$ \$2,429,805.92
Jobst Construction.....	\$ \$2,381,279.24

The tenders have been checked for correctness and inclusion of all required submissions. Minor mathematical errors were identified and corrected in the tenders. The changes did not affect the bid results.

We have previous experience working with Jobst and feel confident that ,with his choice of sub-contractors (Avery-earthworks, sewers, waterworks, Ontario Concrete-form and place concrete, and Ellwood Robinson-curb, sidewalk, asphalt) ,he will complete the work in a satisfactory manner in the time allotted.

Accordingly, we recommend Jobst Construction be awarded the contract (corrected value \$2,381,326.77).

Please contact me if you have any questions or concerns.



Dan Bertolo
Senior Technologist

Attachments



COUNCIL REPORT

May 11, 2015

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Carl Rumiel, P. Eng., Design & Construction Engineer

DEPARTMENT: Engineering and Planning Department

RE: Second Line Widening Phase 3 – Contract 2015-5E

PURPOSE

The purpose of this report is to obtain approval to award Contract 2015-5E. The project includes the widening of Second Line from Black Road to approximately 550m east of Black Road.

BACKGROUND

The City has secured \$2,435,343 in the Formula Based and Application Based portions of the Ontario Community Infrastructure Fund (OCIF) to be used in the final phase of the widening of Second Line in the summer of 2015.

Tenders received for Contract 2015-5E were opened at a public meeting Thursday, April 21, 2015 in the Steelton Room of the Civic Centre. Present at the opening was Councilor Steve Butland as well as City staff and contractor representatives.

ANALYSIS

A total of four (4) tenders were received. All tenders submitted were found to be complete and are summarized on the attached report from Kresin Engineering. The low tender of **\$3,126,106.23** (including HST) was received from Palmer Construction Group Inc. This is above the consultant's pre-tender estimate of \$2,517,716.28.

IMPACT

When recoverable HST is removed and an allowance for engineering and PUC lighting costs are added, the City's cost to complete this project is projected to be **\$3,420,627**

At this point in time, when we compare the entire 2015 Construction Program, we are tracking over budget by \$865,000. However, the Finance Department has

confirmed that this can be covered by unallocated funds. Further, our projects all carry healthy contingency allowances built into the contracts that often are not spent. We will continue to monitor the 2015 Construction Program to ensure that we come in on, or near budget.

STRATEGIC PLAN

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

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the Design & Construction Engineer dated 2015 05 11 concerning the Second Line Widening Phase 3 be received and the recommendation that Contract 2015-5E be awarded to Palmer Construction Group Inc., be approved.

By-law **2015-91** authorizing execution of Contract 2015-5E the Second Line Widening Phase 3 appears elsewhere on the Agenda and is recommended for approval.

Respectfully submitted,



Carl Rumiel, P.Eng.
Design and Construction Engineer

Attach.

Recommended for approval



Jerry Dolcetti, RPP
Commissioner
Engineering and Planning

April 27, 2015
Ref. No. 1461.05

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



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

Re: **City Contract No. 2015-5E**
 Second Line Widening – Phase 3

Dear Mr. Rumiel:

We have reviewed the tenders received at the Sault Ste. Marie Clerk's Office on April 23, 2015 for the above-noted Contract and present herein our Tender Report and Recommendations.

Introduction

The tendered work generally consists of supplying all materials, labour and equipment necessary to widen and reconstruct approximately 550 metres of Second Line East (Highway 17) in Sault Ste. Marie on the west side of Black Road. The work includes road construction, sidewalk, trail, street lighting and related appurtenances.

The contract was publicly advertised in The Sault Star on Saturday, April 4, 2015. Tender documents were made available to contractors who provided the required refundable deposit of \$50.00 commencing Tuesday, April 7, 2015. There were a total of seven (7) plan takers. Documents were also provided to both the Sault Ste. Marie Construction Association and the Sudbury Construction Association.

During the tender period, various inquiries from plan takers were received regarding the technical specifications and drawings. A total of two (2) Addenda were issued to provide clarification on issues as they arose throughout the tender period.

Summary of Tenders

Four (4) bids were received at the City Clerk's Office prior to the tender closing deadline of 3:00 p.m. on Thursday, April 23, 2015. The tenders were publicly opened at 3:15 p.m. on the same day in the Civic Centre's Steelton Room. At the time of the opening, the tender values were read publicly and bids were reviewed to ensure the submissions were in general compliance with the tender documents including the required tender deposit (ie. \$200,000.00 certified cheque) and an agreement to bond. All tender deposits were retained by the City for return to the bidders at a later date.

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

	Contractor	Total Tender Value
1.	Palmer Construction Group Inc.	\$3,126,106.23
2.	Avery Construction Ltd.	\$3,281,426.83
3.	Ellwood Robinson Limited	\$3,419,861.38
4.	R.M. Bélanger Limited	\$3,477,046.73

Following the tender opening, the submissions were brought to KEC's office for a detailed review including checking for any mathematical errors that would result in a change to the tender prices. The original copies of each Tender Submission are enclosed with this Tender Report.

Tender Review

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

1. The tenders submitted were properly executed with the bidder's signature, witnessed and/or sealed.
2. The submissions were checked for mathematical errors. One minor error was discovered in Avery Construction Ltd.'s submission resulting in a minor adjustment to the total value, however the overall ranking was not affected. The following is an updated table of tender values.

	Contractor	Total Tender Value
1.	Palmer Construction Group Inc.	\$3,126,106.23
2.	Avery Construction Ltd.	\$3,279,053.83
3.	Ellwood Robinson Limited	\$3,419,861.38
4.	R.M. Bélanger Limited	\$3,477,046.73

3. The tender documents called for submission of Statements 'A' to 'E' which outline the tenderers' work experience, staff, available construction equipment, proposed sub-contractors and a Statement of Canadian Content. All bidders complied.
4. The tenderers were required to submit an Agreement to Bond certifying the Contractor can obtain the required Performance and Labour and Material Payment bonds. All tenderers complied.
5. All tenderers were required to acknowledge receipt of Addenda. All bidders acknowledged receipt of the two (2) addenda issued.
6. All tenderers included the required \$200,000.00 certified cheque bid deposit.

Pre-Tender Estimate

The Engineer's pre-tender estimate for this contract was \$2,517,716.28 including HST; approximately 80% of the low tender amount.

The pre-tender estimate is based on recent bid prices for similar work in Sault Ste. Marie. Many factors can affect the accuracy of the Engineer's estimate such as market conditions, variations in the location of the project, availability of other work and bidder's perceived risk in implementing the work. Although the tender value of the low bid was approximately 24% above the Engineer's pre-tender estimate, it was within approximately 5% of the second low bid. All prices received were within 12% of the low tender amount.

Discussion

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

Based on the information provided and KEC's experience with these contractors, we are satisfied that the two low bidders have the necessary experience and background with similar projects to complete the proposed work. With respect to the low tenderer, Palmer Construction Group Inc., they have successfully completed many similar contracts in the past within the City of Sault Ste. Marie.

Due to the relatively small difference between the tender prices received, it is our conclusion that the low tender amount from Palmer Construction is reasonable for the proposed work.

Recommendations

Based on our review of the tenders submitted and specifically the low tender submitted by Palmer Construction Group Inc., we believe the prices quoted are reasonable for the proposed work under Contract 2015-5E. Furthermore, based on our knowledge of their related experience, it is our opinion that the contractor is capable of carrying out and completing the work under this contract.

We recommend that the tender submitted by Palmer Construction Group Inc. in the amount of \$3,126,106.23 (excluding HST) be accepted for award.

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

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

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

Thank you.

Yours very truly,
Kresin Engineering Corporation

Michael Kresin, P. Eng.
Consulting Engineer

Encls.
MK/eg
1461 mk tender report.docx



COUNCIL REPORT

May 11, 2015

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Catherine Taddo, P. Eng., Land Development and Environmental Engineer

DEPARTMENT: Engineering and Planning Department

RE: Elementa Group Inc. Third Amending Agreement

PURPOSE

The purpose of the report is to advise Council of a request from Elementa Group Inc. for a Waste Supply and Reformation Third Amending Agreement.

BACKGROUND

The following information summarizes the approval dates and changes to the Waste Supply and Reformation Agreement:

- **October 26, 2009** - Council approved a Waste Supply and Reformation Agreement with Elementa Group Inc;
- **July 15, 2013** - Council approved an amending Agreement concerning:
 - Modification to the commencement date for waste supply from April 1, 2011 to January 1, 2016;
 - Inclusion of the clause related to the commencement date of construction, for the spring of 2014, and no later than September 1, 2014;
 - Inclusion of the date of completion of the first full year of production of December 31, 2017
 - A CPI adjustment clause for the tipping fee, and;
 - A modification to the tipping fee for residue waste to 50% if it meets required standards.
- **January 20, 2014** - Council approved an amending Agreement concerning:
 - Modification to the commencement date for waste supply from January 1, 2016 to July 1, 2016;

- Modification to the required construction commencement dates from the spring of 2014 and no later than September 1 2014, to the fall of 2014 and no later than March 1, 2015, and;
- Modification of the date of completion of the first full year of production from December 31, 2017 to July 31, 2018.

ANALYSIS

Elementa Group Inc. has requested that the City move ahead with an additional amendment to the Waste Supply and Reformation Agreement to provide them with a timeline that is flexible and attainable based on current project financing. A summary of the proposed changes is as follows:

- **Commencement Date for Waste Supply**

The commencement date for waste supply shall be changed from July 1, 2016 to July 1, 2017. The waste supply term is ten (10) years from the commencement date of waste supply which results in an amended ten (10) year term ending on July 1, 2027, from the current date of July 1, 2026.

- **Construction of Elementa Facility**

The current agreement states that the facility construction shall commence in the fall of 2014 and no later than March 1, 2015. The proposed change states that construction shall commence in the fall of 2015, and no later than May 1, 2016.

- **First Full Year of Production**

The required date of completion of the first full year of production shall be changed from July 31, 2018 to December 31, 2018.

IMPACT

The impact to the budget is an additional six month delay in tipping fees paid to Elementa. The tipping fee would be adjusted by the CPI rate as per the July 15, 2013 amending Agreement.

STRATEGIC PLAN

The Elementa Group Inc. Waste Supply and Reformation Amending Agreement is not linked to the Strategic Plan.

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the Land Development and Environmental Engineer dated 2015 05 11 concerning the Third Elementa Group Inc. Amending Agreement, be received.

Elementa Waste Supply and Reformation Third Amending Agreement

2015 05 11

Page 3

By-law 2015-92 authorizing execution of the Waste Supply and Reformation Third Amending Agreement has been placed on the Agenda for your consideration.

Respectfully submitted,



Catherine Taddo, P. Eng.
Land Development and
Environmental Engineer

Recommended for approval



Jerry Dolcetti, RPP
Commissioner
Engineering and Planning Department



COUNCIL REPORT

May 11, 2015

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Freddie Pozzebon, CBO, Building Division

DEPARTMENT: Engineering and Planning Department

RE: 235 Kingsford Road – Demolition and Yard Clean-up

PURPOSE

The purpose of this report is to request Council's approval to demolish a vacant, single family dwelling at 235 Kingsford Road at an approximate cost of \$36,000. An additional expenditure is required to clean up the garbage, debris and dilapidated accessory buildings at an approximate cost of \$18,000.

BACKGROUND

Over the past several years the Building Division's attempts to enforce compliance on the owner of the above mentioned property has been met with minimum compliance. Most recently, a cost of \$4,273 was added to taxes for the clean-up of the rear yard in June of 2014. Currently, the condition of the front yard has not met the intent of the Local Yard By-Law 2012-10, and Orders to Comply were issued. The date of compliance has now passed.

An Order to Remedy under Municipal Property Standards By-law was issued June 19, 2014 on the vacant single family dwelling which was affected by the elements and suffered structural damage to the foundation and deterioration of the exterior envelop. The owner has had ample time to repair the structure under a Property Standards Appeal Committee decision to extend the Order to Remedy until November 30th 2014. Subsequently, the owner has been charged on this Order and is due for a court appearance on May 12, 2015.

ANALYSIS

The Building Division has inspected the property periodically for progress and after an inspection at the site on April 28, 2015, determined that the situation has worsened. The foundation work remains incomplete and additional damage occurred to the other portions of the foundation during the winter months. Furthermore the entire property continues to be encumbered by rubbish and debris. Although an Order to Comply under By-Law 2012 -10 Local Yard By-law

has been issued and an inspection scheduled for May 12, 2015 will be carried out, our office is of the opinion that the owner will not meet the compliance date. The property owner has in the past and again currently, only taken very minimal steps to resolve these matters. The condition of the structure and property has caused a negative impact to the adjoining neighbouring property by its state of neglect and accumulation of debris. It is prudent for the City to proceed with the removal of this unsafe structure, along with the necessary steps to clean up the property.

The attachment provides pictures of the areas that are encumbered by debris and require clean-up.

IMPACT

Any cost associated with the demolition and clean-up will be recovered through the property taxes of the subject property. Due to the unusually high estimated cost of the work, the City may be faced with future difficulties in full recovery of costs.

The estimated cost of demolition takes into consideration that the structure is filled with garbage and debris including the yard, which in itself, presents a health and safety risk for the contractor and the general public at large.

STRATEGIC PLAN

This is not an applicable Strategic Plan direction, but rather an enforcement issue related to the Ontario Building Code Act and our Local Yard By-Law 2012-10.

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the Chief Building Official dated 2015 05 11 be received, and the recommendation to obtain quotes for demolition and clean-up of the structure, accessory buildings and yard located at 235 Kingsford Road at an approximate cost of \$54,000, be approved.

Respectfully submitted,

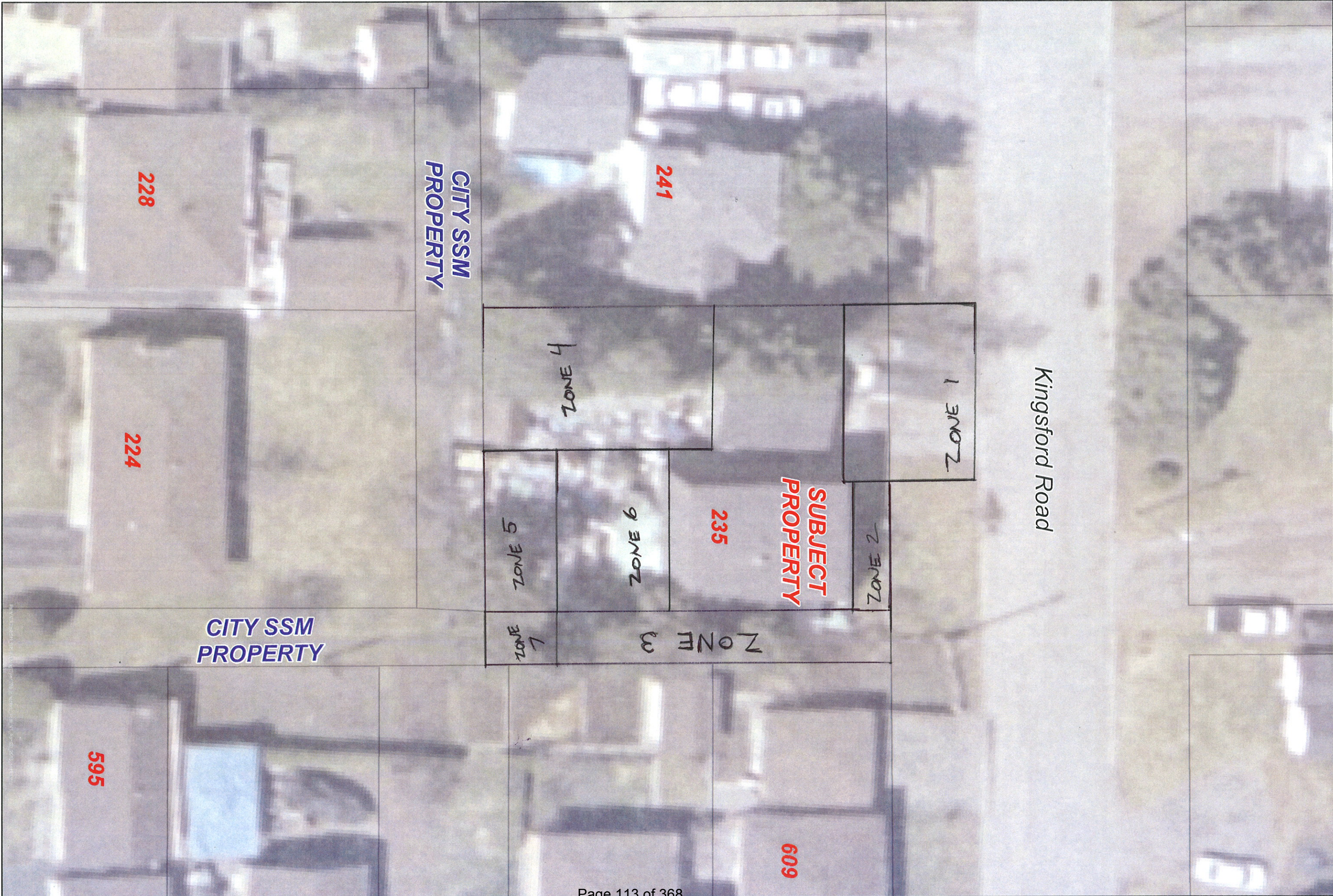


Freddie Pozzebon
Chief Building Official

Recommended for approval,



Jerry Dolcetti, RPP
Commissioner



Kingsford Road

1 ENOZ

2 ENOZ

**SUBJECT
PROPERTY**

235

9 ENOZ

5 ENOZ

4 ENOZ

ZONE B

7 ENOZ

**CITY SSM
PROPERTY**

241

228

224

**CITY SSM
PROPERTY**

595

609



235 KINGSFORD ROAD

Notes:

The Corporation of the City of Saillie, Maine
Engineering & Planning Department
Planning Division
April 28, 2015

This map is for general reference only.
For official mapping, see the
Engineering and Planning Department
Orthophoto: Spring, 2012 25cm

Projection Details:
NAD 1983 UTM Zone 16N
GCS North American 1983

Parcel Fabric

0 1.25 2.5 5 Meters
1:250







04/28/2015







04/28/2015



04/28/2015



COUNCIL REPORT

May 11, 2015

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Melanie Borowicz-Sibenik, Assistant City Solicitor

DEPARTMENT: Legal Department

RE: Turnaround Agreement and Land Transfers between the City and TVM Sault Inc. (Former Sault Area Hospitals Site)

PURPOSE

The purpose of this report is to seek Council's approval of:

- (a) A Turnaround Agreement between the City and TVM Sault Inc. ("TVM") for a snow plough turnaround and storage;
- (b) The Transfer of Part 2, Plan 1R13068 from TVM to the City;
- (c) The Transfer of a Sanitary Sewer Easement from TVM to the City over Part 4, Plan 1R13068;
- (d) The Transfer of Additional Lands from TVM to the City, specifically Parts 2 and 3, Plan 1R13002, and Parts 7 through 14 inclusive, Plan 1R10494 (collectively the "Additional Lands"); and
- (e) The Transfer of an Access Easement from the City to the Sault Ste. Marie Region Conservation Authority ("SSMRCA") for access over Parts 2 and 3, Plan 1R13002.

BACKGROUND

TVM has commenced the redevelopment of the lands formerly known as the Sault Area Hospitals site, specifically 941 and 969 Queen Street East (the "TVM Lands"). At a Development Application Review Team ("DART") meeting between relevant City Staff and TVM, the matters before Council were discussed as necessary for the redevelopment plans of the TVM Lands. The purpose for each Agreement/Transfer is set out herein.

Regarding the Turnaround Agreement, the City's Public Works and Transportation Department ("PWT") identified the need for a City turnaround as set out on the Plan attached as Schedule "A" to this Report, until such time as TVM completes its later Phases of development of the TVM Lands. The Turnaround Agreement facilitates the required snow plough turnaround and

storage until such time as the City determines the Agreement is no longer required.

Regarding the Transfer of Part 2, Plan 1R13068, a City Bus Shelter is presently located on TVM's Lands. There is no easement/agreement for same. TVM is prepared to transfer this land for the nominal sum of One Dollar. Regarding the Transfer of Part 4, Plan 1R13068, the City's PWT Department identified the need for a Sanitary Sewer Easement. This Transfer facilitates same.

On September 29, 2014, City Council approved an Acquisition of Parkland Agreement between the City and TVM, wherein TVM made a one-time parkland donation representing all parkland that it would be required to donate to the City as part of any and all severance applications for the entire redevelopment of the TVM Lands. In completing this Transfer, TVM has now also offered to transfer the Additional Lands to the City for the nominal sum of One Dollar. Attached as Schedule "B" to this Report is a copy of a Plan which identifies the "Additional Lands". This offer was circulated to relevant City Staff who all recommended accepting this offer. The Additional Lands are comprised of:

- (a) lands that form part of the Hub Trail over which the City has an easement, namely Parts 2 and 3, Plan 1R13002; and
- (b) lands abutting the Hub Trail, which TVM no longer requires given their redevelopment plans, and which makes better sense to be transferred to the City, namely Parts 7 through 14 inclusive, Plan 1R10494.

Finally, the Sault Ste. Marie Region Conservation Authority ("SSMRCA") presently has a "Right of Way for Access" Easement over the entire TVM Lands, to access SSMRCA owned waterfront property. This easement in its present form will cause unnecessary complications when each portion of the TVM units are sold. SSMRCA has therefore agreed to relinquish its easement over the entirety of the TVM Lands provided that the City gives the SSMRCA an Access Easement over Parts 2 and 3, Plan 1R13002. This Access Easement would be consistent with the present use of the property, namely the Hub Trail and facilitate SSMRCA's access to its property on the waterfront.

ANALYSIS

The Agreement/Transfers referenced above will facilitate the redevelopment of the TVM Lands and are recommended by City Staff. The Transfers further assist in tidying up the lands in this redevelopment for the benefit of the City, the SSMRCA and TVM.

IMPACT

The Transfers would proceed with nominal consideration.

STRATEGIC PLAN

Not applicable.

RECOMMENDATION

It is therefore recommended that Council take the following action:

That City Council approve the Turnaround Agreement between the City and TVM Sault Inc. ("TVM") for a snow plough turnaround and storage, and further that City Council authorize:

- (a) the Transfer of Part 2, Plan 1R13068 from TVM to the City;
- (b) the Transfer of a Sanitary Sewer Easement from TVM to the City over Part 4, Plan 1R13068;
- (c) the Transfer of Parts 2 and 3, Plan 1R13002, and Parts 7 through 14 inclusive, Plan 1R10494 from TVM to the City; and
- (d) the Transfer of an Access Easement from the City to the Sault Ste. Marie Region Conservation Authority over Parts 2 and 3, Plan 1R13002,

and all costs related thereto to facilitate the redevelopment plans for the TVM Lands.

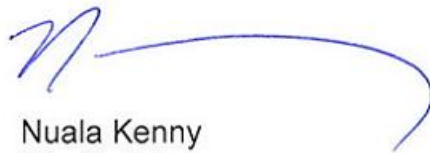
By-law 2015-93 authorizing the execution of the Turnaround Agreement appears elsewhere on the agenda and is recommended for approval. Further, By-law 2015-94 authorizing the above transfers also appears on the agenda and is recommended for approval.

Respectfully submitted,



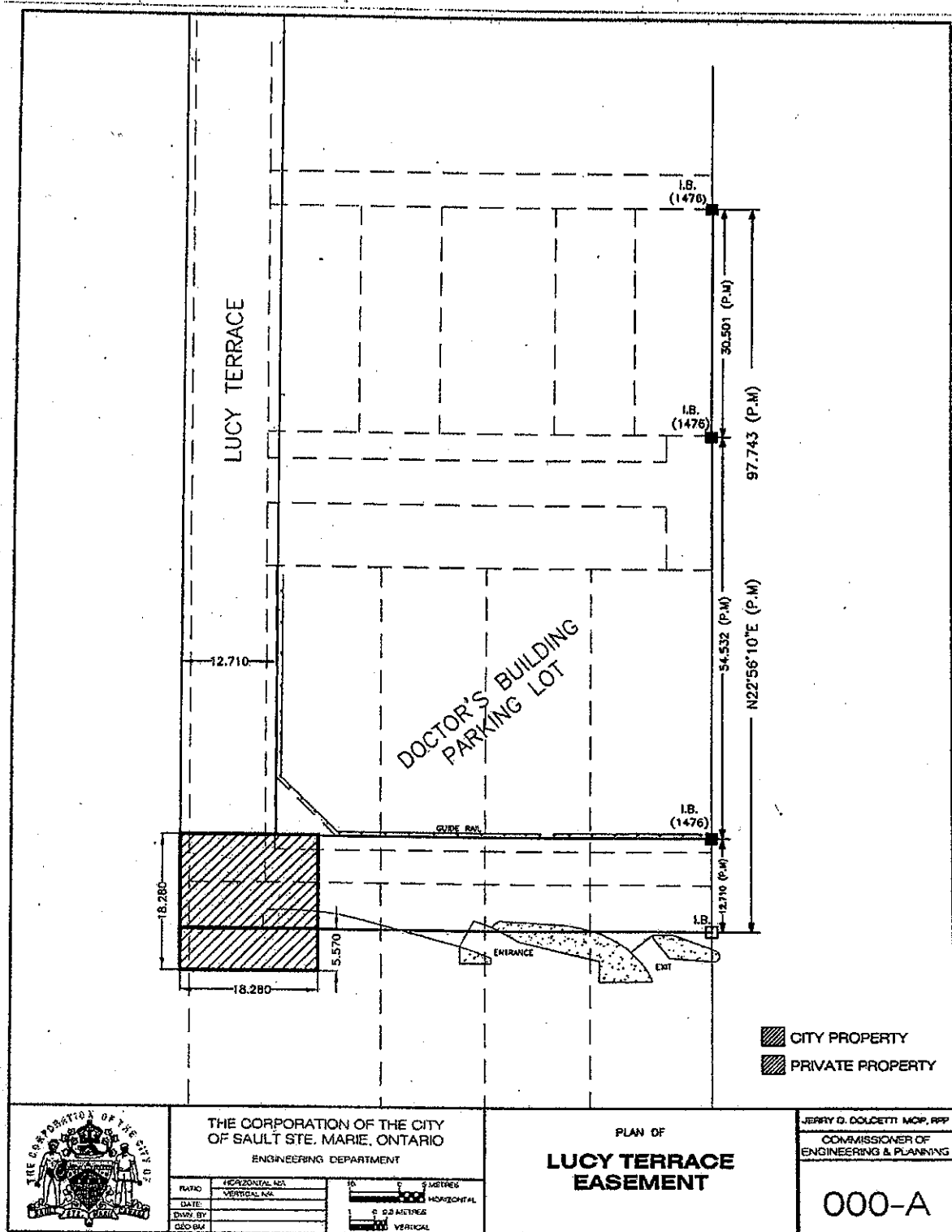
Melanie Borowicz-Sibenik
Assistant City Solicitor

Recommended for approval,

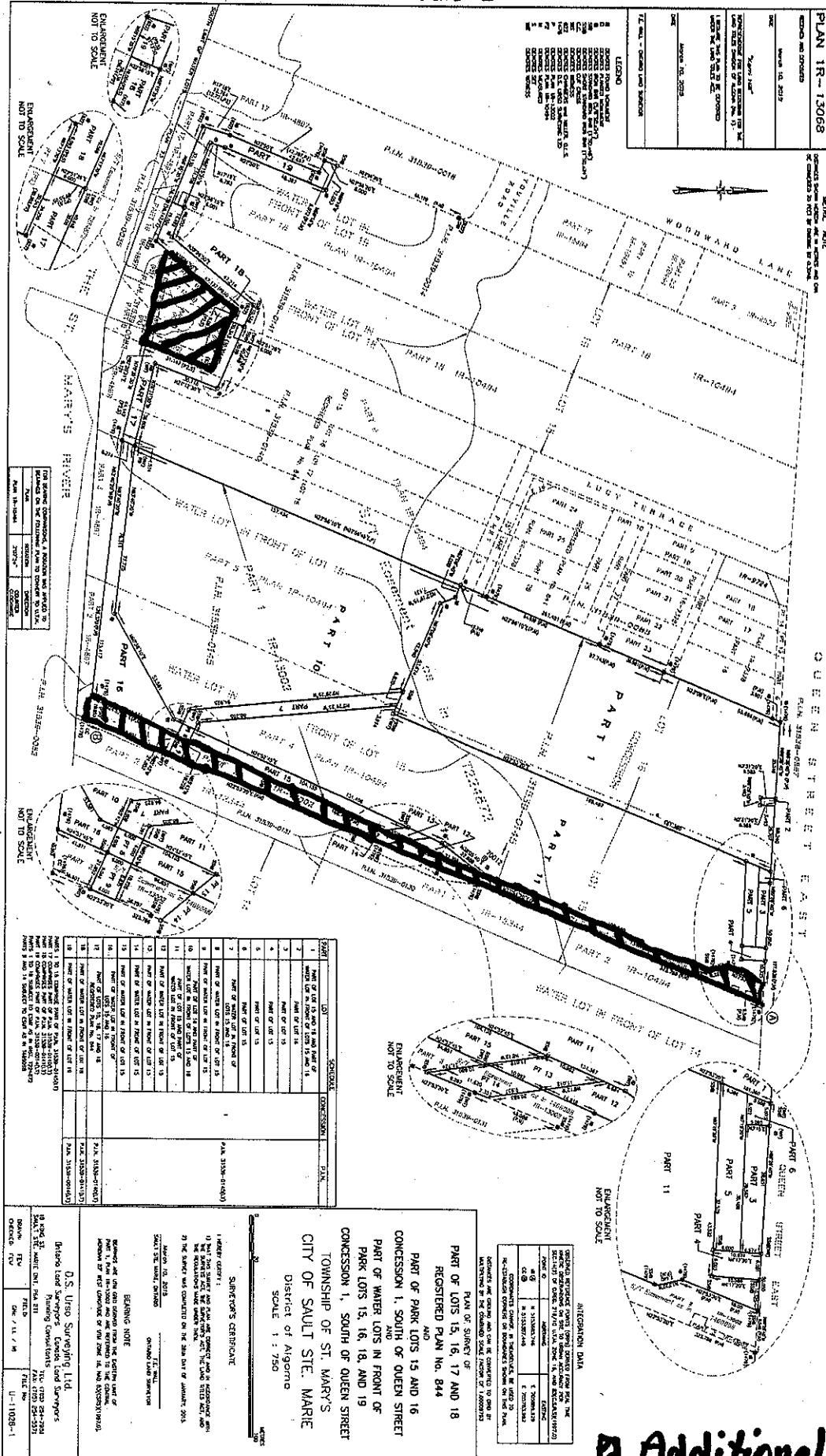


Nuala Kenny
City Solicitor

MBS/da



Schedule "B"





COUNCIL REPORT

May 11, 2015

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Melanie Borowicz-Sibenik, Assistant City Solicitor

DEPARTMENT: Legal Department

RE: Property Declared Surplus Rome Street

PURPOSE

The Purpose of this report is to recommend to Council that the property described as Part of PIN 31578-0007 (LT) Part of Parts 3 to 5 1R8760; SAULT STE. MARIE, as shown on the schedule attached, being Part of 25 Rome Street, be declared as surplus and be offered for sale by the City in accordance with the City's new policy for the disposition of land.

ATTACHMENT

Attached as Schedule "A" is a drawing of the property, with the property shown as "Subject Property".

BACKGROUND

The City was contacted in November 2013 by a local business owner with a request to purchase the Subject Property. The request was circulated to various City departments for comment.

All departments, including Engineering and Planning, Department of Public Works and Transportation and the Sault Ste. Marie Region Conservation Authority advised that they had no issues in declaring the Subject Property surplus and made available for sale. The comments from the Building and Planning Departments indicated that this property is zoned Traditional Commercial (C1) and they would like the Subject Property to be maintained as such.

ANALYSIS

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

IMPACT

If the City decides to dispose of the Subject Property it would be consistent with the City's plan to dispose of surplus property. There would also be a tax benefit to the City.

STRATEGIC PLAN

Not applicable.

RECOMMENDATION

It is therefore recommended that Council take the following action:

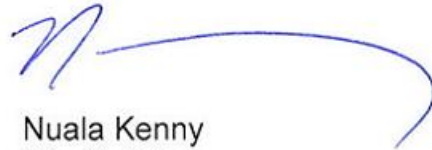
Resolved that By-law 2015-85 being a by-law to declared the City owned property described as Part of PIN 31578-0007 (LT) Part of Parts 3 to 5 1R8760; SAULT STE. MARIE as surplus to the City's needs and to authorize the disposition of the said property and notice of same to be placed in the Sault Star, be passed in open Council this 11th day of May, 2015.

Respectfully submitted,



Melanie Borowicz-Sibenik
Assistant City Solicitor
MBS/da

Recommended for approval,



Nuala Kenny
City Solicitor



COUNCIL REPORT

May 11, 2015

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Freddie Pozzebon, Chief Building Official

DEPARTMENT: Engineering and Planning Department

RE: Agreement to Share a Water Well at 35 & 43 Alagash Drive

PURPOSE

The purpose of this report is to request Council's approval regarding an agreement for 2 properties to share an existing water well. The well is located at 43 Alagash Drive and is to be shared with the property at 35 Alagash Drive, as per condition of the Committee of Adjustment Decision A6/15- (2-3)-312-30181-R1.

BACKGROUND

This agreement permits sharing water from a common well located on 43 Alagash Drive. This well provides water to three separate buildings on 35 and 43 Alagash as shown on the attached drawings. This sharing is permitted and outlined in the Ontario Building Code Sentence 7.1.5.4(1) "Separate Services" and its corresponding appendix, site plan attached.

ANALYSIS

The Building Division currently has a Building application to convert an existing building to a seasonal cottage. As indicated in the background, the owner is permitted to share a water supply, provided an agreement is registered on title. This ensures that any future sale of properties will require the existing owner to provide a separate new water well to 35 Alagash Drive. As described in the Ontario Building Code, such agreements are required to be entered into between the owners of properties and municipalities.

IMPACT

There will be no financial impact to the City. Any costs associated with the registration on title will be the responsibility of the owner.

STRATEGIC PLAN

This is not an applicable Strategic Plan direction, but rather a requirement of the Ontario Building Code Act.

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the Chief Building Official dated 2015 05 11 be received, and the recommendation that the City enters into an agreement as per Part 7 Div. B A-7.1.5.4. (1) of the Ontario Building Code, be approved.

By-Law 2015-89 authorizing the agreement can be found elsewhere on the Agenda and is recommended for approval.

Respectfully submitted,



Freddie Pozzebon
Chief Building Official

Recommended for approval

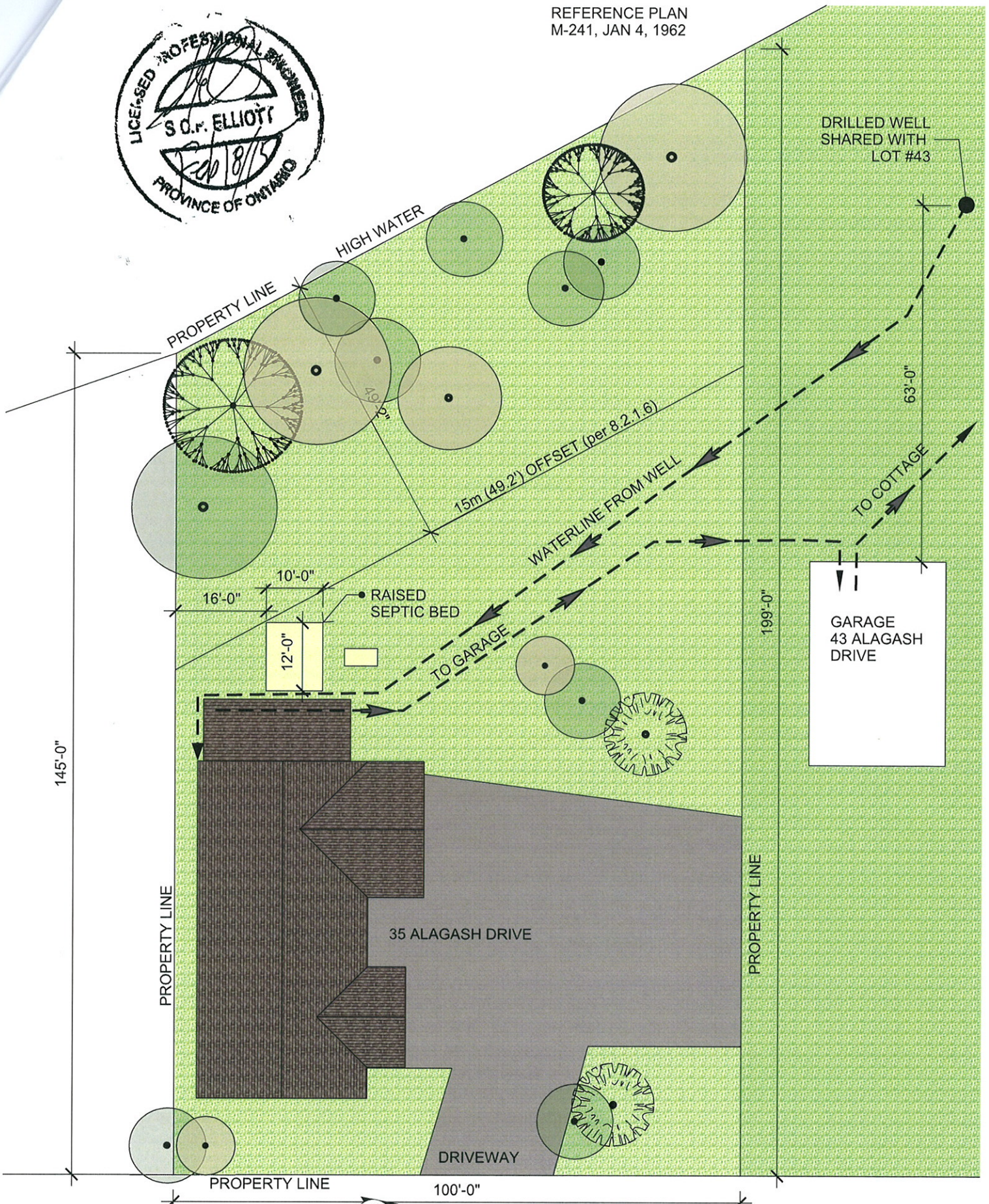


Jerry Dolcetti, RPP
Commissioner

Attach.



REFERENCE PLAN
M-241, JAN 4, 1962



2 **SITE PLAN**
35 ALAGASH DRIVE



COUNCIL REPORT

May 11, 2015

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Don Scott, Manager of Transit and Parking

DEPARTMENT: Public Works and Transportation Department

RE: Permission to Purchase One (1) 40 Foot Low-Floor Bus

PURPOSE

The purpose of this report is to request your approval to purchase one (1), 40 foot low-floor bus from the Nova Bus Corporation.

BACKGROUND

In 2011, the Transit Services Division of the City of Sault Ste. Marie searched bus manufacturers for a heavy duty low-floor bus that we could purchase on an ongoing basis to ensure continuity in parts, maintenance and technical support service from the manufacturer. In addition, we were looking for the most suitable bus to operate in our four season climate.

In Canada there are basically two products to choose from - the New Flyer Bus or the Nova Bus. The Nova Bus was our choice as it is built with a stainless steel frame which is essentially corrosion resistant from winter salting on our roads. In addition, the Nova Bus is considered an 18 year bus, which means it would not need to be refurbished at the 12 year mark. The New Flyer Bus did not provide for either of the noted advantages and the Nova Bus was then selected as our bus of choice to build the fleet.

At their meetings on August 15, 2011, April 11, 2012 and April 22, 2013, the Council of the day approved the purchase of a total of six Nova Buses.

ANALYSIS

The six existing Nova Buses we have in our fleet have proven to be very dependable and popular with our customers, mechanics and operators. We feel we are operating the best bus on the market and are providing the constituents with the best value for their tax dollar.

IMPACT

Total cost for the bus will not exceed \$475,000. Funding for the bus would see \$230,000 from capital from current and \$245,000 from the Transit reserve.

STRATEGIC PLAN

The recommendation to purchase the 40 foot bus is highlighted in the Strategic Plan under the section “Strategic Direction 1: Developing Solid Infrastructure.”

RECOMMENDATION

It is therefore recommended that Council take the following action:

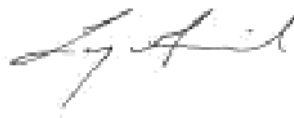
It is recommended that Council approve staff to proceed with the purchase and delivery of one (1) 40 foot low-floor bus from the Nova Bus Corporation.

Respectfully submitted,



Don Scott
Manager of Transit and Parking

Recommended for approval



Larry Girardi
Commissioner of Public Works and
Transportation



COUNCIL REPORT

May 11, 2015

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Mike Blanchard, Manager of Equipment/Buildings Mtce.

DEPARTMENT: Public Works and Transportation Department

RE: Public Works New Equipment Needs 2015

PURPOSE

We request approval at this time to prepare specifications to solicit bids for the various pieces of equipment listed in the attachment to this report.

BACKGROUND

On an annual basis, the Public Works Department brings to Council, a proposed list of equipment, purchases and trade-ins for the upcoming year as part of our fleet management program. This year's list is attached, as well as a detailed budget estimate for each piece of equipment and the procedure used by Public Works and Transportation in equipment selection and replacement.

ANALYSIS

This spring, the Public Works Divisional Managers compiled a list of equipment needs and replacement for 2015. The Manager of Equipment and Buildings compiled the lists of equipment, and established a budget figure within existing available reserves. The 2015 budget figure for the required equipment from the Public Works Equipment Reserve is \$1,384,800.00. The budget figure for the required equipment from the Landfill Tipping Fee Reserve is \$35,000.00 and the budget figure from the Cemetery Reserve is \$189,500.00.

IMPACT

These capital purchases will be coming from the Public Works Equipment Reserve, Landfill Tipping Fee Reserve and Cemetery Reserves for a total estimated budget of \$1,914,300.00.

STRATEGIC PLAN

This initiative is in keeping with the Strategic Plan, Objective 1C – Property Management and Development for the PWT Equipment Program Review.

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the Manager of Equipment and Building Maintenance be approved; furthermore that staff be authorized to prepare specifications to solicit bids for the various pieces listed and furthermore that each bid will be awarded in accordance with the City's Procurement Policies and Procedures.

Respectfully submitted,



Mike Blanchard
Manager of Equipment and
Building Maintenance

Recommended for approval



Larry Girardi
Commissioner

Proposed New Equipment for 2015 - Final

Public Works

Item	Quantity	Proposed New Equipment	Trade In
1	2	Plow Truck c/w Contractor Box	#242 2000 Freightliner Plow Truck, #241 2000 Freightliner Plow Truck
2	1	Trackless Style Sidewalk Machine c/w blowers, sweeper, plow & sander	#630 - 2003 TRACKLESS VEHICLE, with Snowblowers
3	1	4000 Gallon Street Flusher Water Tank	NEW
4	1	Signalier Lift	#37 2004 Signalier Lift
5	1	Carpenters Service Truck	#12 Ford 3/4 Ton with Service Body
6	1	Side Loader Garbage Packer	NEW
7	5	Half Ton Pickups	#19 2001 Chev, #10 2000 Chev, #15 2001 Chev, #16 2001 Chev, #143 1994 Chev
8	1	Mechanic Shop Parts Cleaner	NEW

Parks

Item	Quantity	Proposed New Equipment	Trade In
9	2	Farm Tractor Backblade	#1497 2007 Farm King Backblade
10	1	3/4 ton 4x4 with Snow Plow	#26 2002 Ford F250 with Plow
11	1	Service Truck	#11 2000 3/4 Ton with Service Body
12	1	PUC Vermeer Chipper	NEW

Operations Hired Equipment

Item	Quantity	Proposed New Equipment	Trade In
13	4	Front End Loader Lease	#455, #456, #457, #458 Case 621 Loaders
14	3	Municipal Grader Lease	#594, #595 2010 Volvo Graders

Landfill Reserve

Item	Quantity	Proposed New Equipment	Trade In
15	1	Various Repairs Unit #404 2009 Caterpillar Landfill Compactor	N/A

Cemeteries Reserves

Item	Quantity	Proposed New Equipment	Trade In
16	1	Backhoe	#480 2000 JCB Backhoe/Loader
17	1	Walk Behind Trimmer-Mower	#2269, 1994 Trimmer-Mower
18	1	Riding Mower	#646 1998 Kubota Riding Mower
19	1	6 man crew cab 3/4 ton pickup	#109 2001 Ford Econoline Van

City of Sault Ste. Marie Public Works and Transportation Detailed Description of Equipment - 2015			
Prepared By: Mike Blanchard			Date: May 11, 2015
Item	Description Detail: Two (2) Plow Trucks with Contractor Dump Boxes	Status	
1	Plow Trucks are used to clear snow, wing back snow banks and perform winter snow removal. In the summer months, the wing and plow are removed and the truck is used as a dump truck for summer roadway and sewer construction projects. Replacement Detail: #241 & #242 2000 Freightliner Plow Truck These units have been in our fleet for 15 years. Plow Trucks are used extensively during the winter months and are subject to corrosion. It is not considered cost effective to continue to repair this plow truck considering its use, corrosion due to winter operations.	Replacement	
Item	Description Detail: One (1) Municipal Sidewalk Tractor	Status	
2	This piece of machinery is a key piece used by the Public Works Department for sidewalk snow removal and sweeping sand removal. It is also used by the Parks Department for flailing and mower operations in the summer months. This machine will also be utilized for maintaining the new Hub Trail system. Replacement Detail: #630 2003 Trackless Vehicle Because of the age of the unit and the harsh work it completes, it is not considered cost effective to continue to repair this unit. We will also trade in a number of sidewalk snowblowers that have maintenance issues.	Replacement	
Item	Description Detail: One (1) 4000 Gallon Street Flusher Water Tank	Status	
3	This piece of equipment is to be mounted on a chassis to contain water and is critical for City street flushing operations. It is also used to keep dust down during sweeping operations using pressured water and at the City Landfill to keep dust down during dry summer conditions. It will be mounted on a previous garbage packer chassis.	New	
Item	Description Detail: One (1) Signaller Lift	Status	
4	This is an aerial device that Electricians and the Sign Shop require to complete repairs to road signs and traffic lights in a safe elevated manner. Replacement Detail: #37 2004 Signaller Lift This piece of equipment is an aerial device that must be in safe mechanical condition. Because of the age and use of the vehicle it is not considered cost effective to continue to repair it.	Replacement	

Item	Description Detail: One (1) Carpenters Service Truck	Status
5	This truck is a service truck used by the Carpenter Staff to perform work throughout the City Departments. It has a service body to hold necessary carpentry tools, an air compressor and inverter for power. Replacement Detail: #37 2004 Signalier Lift Because of the age of the unit, it is not considered cost effective to continue to repair this unit.	Replacement
6	Description Detail: One (1) Side Loader Garbage Packer This truck is used for refuse pickup. This includes leaf and yard waste. It is equipped with a side loader option to load refuse from a container. This is an essential part of the landfill refuse program.	New
7	Description Detail: Five (5) Half Ton Pick Up Trucks These units are used by various construction crews to transport workers and tools to worksites throughout the city. They are also used for towing trailers with equipment. Purchased units will be used where available. Replacement Detail: #19 2000 Chev, #10 2000 Chev, Units #15 2001 Chev, #16 2001 Chev, #143 1994 Chev These units have suffered corrosion damage over the years and are no longer cost effective to continue to repair. The units are 14 to 15 years old. Three of the units have been removed from the road because they are unsafe.	Replacement
8	Description Detail: Mechanic Shop Parts Cleaner This unit is a self contained parts cleaner used in the repair process of equipment at Public Works to efficiently and safely clean parts. It will be an environmentally friendly machine.	Replacement
9	Description Detail: Two (2) Farm Tractor Backblade This unit is used to maintain various parks throughout the city. It is a farm tractor implement used to level sports areas, clear snow, prepare ice rinks and spread aggregate. Replacement Detail: #1497 Farm King Backblade This unit has required a number of repairs to the hydraulics and pins and bushings. It is not considered cost effective to continue to repair this unit.	Replacement

Item	Description Detail: One (1) 3/4 ton 4x4 with Snow Plow	Status
10	This unit is used by various construction crews to transport workers and tools to worksites throughout the city. They are also used for towing trailers with equipment. This unit is also used in the winter months to plow parks parking lots and ice rinks. Purchased units will be used where available. Replacement Detail: #26 2002 Ford F250 with Plow This unit has suffered extensive corrosion to the cab and chassis. It is not considered cost effective to continue to repair.	Replacement
Item	Description Detail: One (1) Service Truck	Status
11	This truck is a service truck used by the Parks Maintenance Staff to perform work throughout the City Parks. It has a service body to hold necessary carpentry tools, an air compressor and inverter for power. Replacement Detail: #11 2000 Ford 3/4 ton with Service Body Because of the age of the unit, it is not considered cost effective to continue to repair this unit.	Replacement
Item	Description Detail: One (1) Vermeer Wood Chipper	Status
12	This unit has been purchased from the PUC to aid in chipping of downed trees due to storms and regular tree maintenance.	New
Item	Description Detail: Four (4) Leased Front End Loaders	Status
13	These Loaders are essential as they are used throughout the City for Winter Operations of clearing snow in alleys and bus stops. Leasing of equipment gives the stability of new equipment on a regular basis while allowing for Capital Equipment funds to be used for the purchase of other essential equipment. Funding from Operations Hired Equipment Cost Centre. Replacement Detail: #455, #456, #457, #458 Leased Case 621 Front End Loaders The five year lease on these loaders has expired as of April 15, 2015.	Replacement
Item	Description Detail: Three (3) Leased Municipal Graders	Status
14	These Graders are essential as they are used throughout the City for Winter Operations of clearing snow and cutting roadway ice. Leasing of equipment gives the stability of new equipment on a regular basis while allowing for Capital Equipment funds to be used for the purchase of other essential equipment. Funding from Operations Hired Equipment Cost Centre. Replacement Detail: #594, #595 Leased 2010 Volvo Graders The five year lease on two of these graders has expired as of April 15, 2015. The third grader is required due to expansion of Winter Operations.	Replacement

Item	Description Detail: One (1) Various Repairs to Landfill Compactor	Status
15	This unit has has spiked wheels that break up refuse and packs it in the landfill to extend the life of the landfill. These repairs are necessary due to regular wear and to keep this essential million dollar machine in operation. Funds to come from the Landfill Tipping fees.	New
Item	Description Detail: One (1) Cemetery Backhoe	Status
16	This backhoe is essential to perform maintenance in and around the cemetery. It is also used to excavate gravesites. Funds from the Cemetery Reserves. Replacement Detail: #480 2000 JCB Backhoe/Loader Due to the condition and age of this unit it is not considered cost effective to continue to repair.	Replacement
Item	Description Detail: One (1) Walk Behind Trimmer/Mower	Status
17	This unit is used for Cemetery grass maintenance. Replacement Detail: #2269 1994 Trimmer/Mower Due to the condition and age of this unit it is not considered cost effective to continue to repair.	Replacement
Item	Description Detail: One (1) Riding Mower	Status
18	This unit is a diesel engine rotary mower used for Cemetery grass maintenance. Replacement Detail: #646 1998 Kubota Riding Mower Due to the condition and age of this unit it is not considered cost effective to continue to repair.	Replacement
Item	Description Detail: One (1) 6 Man Crew Cab 3/4 ton Pickup	Status
19	This unit is used by students and Cemetery workers tow grass trailers and transport workers and tools to the job site. Replacement Detail: #106 2001 Ford Econoline Van Due to the condition and age of this unit it is not considered cost effective to continue to repair. This unit originally came from OW and is used in the Parks Department.	Replacement

Synthetic Ice Pilot Project

Mayor Provenzano and City Council,

A successful trial period was held from March 11 – 21, 2015, with over 300 evaluations being received, collated and summarized. There were more participants who did not complete a formal written evaluation. My personal thanks to Justus Veldman for his financing of the pilot and to various staff who were instrumental in erecting, cleaning, supervising and dismantling of the surface and boards. Roz Staple of Smart Rink was present for the 10 days to assist in the mechanics of the process.

Participants ranged in ages 3 to 70 plus with approximately 75% being youth and adults with about 25% from the teenage group.

60% of the respondents rated the synthetic ice as favourable and should be pursued in some fashion. 25% of respondents were in a “maybe” category and 15% were quite negative and suggested no follow up. One of the positives of the pilot was that both erection and dismantling of the rink were completed within 5 – 6 hours each.

A few generalizations from the cross section of participants were as follows:

1. Needed time to adjust to the surface
2. Skates needed to be sharp
3. Excellent for young people to learn to skate
4. Skate blades were “hot” after use
5. Excellent for training – young hockey players were positive and felt the ice provided “conditioning” aspect to further their hockey pursuits
6. Another advantage beyond the extension of the season was the fact that the synthetic ice surface can be flooded and employed as a natural ice rink and after thaws skating can continue on the synthetic surface

A sampling of comments are likely the most valuable in the final evaluation. Here are a few pertinent comments from a positive and negative perspective:

Awesome, cool x 5, so much fun, could never replace real ice, good alternative for real, would be nice to skate in July, seemed hazardous, has potential, I’ll wear my shorts next time, good location would be the oval x 3, I like real ice better, perhaps a small facility would be appropriate, good idea for year round use, private investor could make money, great for kids, waste of money in the north.

As always cost considerations must be determined; and this can only be determined after a “go-forward” is accepted.

Various alternatives could be considered at the discretions of Council. Some could be: replace one outdoor facility with synthetic ice, consider the Art Jennings Oval as a

location, consider a smaller surface to accommodate younger skaters, approach private developer as to interest in pursuing the initiative, none of the above.

Any questions, feedback from City Council would be appreciated. Thanks for the opportunity and support in completing the project.

Respectfully submitted,

Councillor Steve Butland



COUNCIL REPORT

May 11, 2015

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Malcolm White, City Clerk

DEPARTMENT: City Clerk's Department

RE: 2015 World Under-17 Hockey Challenge

PURPOSE

The purpose of this report is to seek Council's approval to provide funding toward the hosting of the above event.

BACKGROUND

Sault Ste. Marie has been approached by Hockey Canada to host the 2015 World Under-17 Hockey Challenge, which will take place from October 31 to November 8, 2015.

ANALYSIS

A description of the event complete with economic impact information and a proposed budget is attached to this report.

It is anticipated that a significant portion of the requested funding will be provided through the Conferences and Major Special Events fund. The council committee which oversees this funding will meet in the near future to determine the exact amount. Should this amount be less than what is being requested a further report will be brought to Council recommending funding sources for the remainder. Due to the timeline required by Hockey Canada for a response, Council is being asked to approve the funding at this time.

Ian McMillan, Executive Director, Tourism SSM will be in attendance to answer any questions Council may have concerning the event.

IMPACT

The direct funding commitment will be \$25,000. As noted in the attached outline and proposed budget there will be direct revenue received by the City in excess of \$60,000, in addition to the overall economic impact to the community as a whole.

STRATEGIC PLAN

This item is not linked to activities in the current Strategic Plan.

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the City Clerk dated 2015 05 11 concerning the 2015 World Under-17 Hockey Challenge be received and the recommendation that Council approve funding this event to a maximum of \$25,000, with funding from the Conferences and Major Special Events fund and any other appropriate source be approved.

Respectfully submitted,



Malcolm White
City Clerk



World Under-17 Hockey Challenge
October 31 - November 8, 2015
Sault Ste. Marie, Ontario

The World Under-17 Hockey Challenge will be comprised of eight (8) teams in two (2) divisions. The teams include three (3) Canadian Teams (Red, White & Black) and five (5) international teams which in the past have included (USA, Finland, Russia, Germany, Slovakia, Sweden, & the Czech Republic). The event is comprised of two (2) pools of four (4) which compete in a single round robin format, followed by two (2) relegation games, two (2) semi-final games, and two (2) medal games. There are also four (4) exhibition games prior to the official start of the event for a total of twenty-eight (28) games. In the past the event has drawn in total attendance figures have ranged from 30,000 to 44,000. The event requires that 1,750 rooms be available over the seven nights of the event.

Tourism Sault Ste. Marie, in its 5-Year Strategic Plan (2010-2014), and then its subsequent Strategic Plan Update (2012-2015), identified Conventions and Sport Tourism as one of three key "Pillars".

The obvious objective of hosting an event with the magnitude of the World Under-17 Challenge would provide the community with increased visitation and a significant economic impact. Additionally, but successfully bidding for and hosting this event, it would also achieve a number of important objectives, including:

- Continue to raise the awareness of Sault Ste. Marie as a major sporting event host
- Position Sault Ste. Marie as a capable host for future National and International events
- Help justify the significant financial investment made by private sector in the accommodations sector over the past three years.

The Host Organizing Committee will be made up of representatives from the local business community, Soo Greyhounds Hockey Club, local minor hockey programs and the Northern Ontario Hockey Association and the Ontario Hockey Federation. On Thursday, May 7; Tourism SSM will be conducting a "town hall meeting" with 30 plus volunteers to determine a Host Committee Chair and to recruit Chairs for the five department committees. The 2015 World Under-17 Championship host organizing committee is charged with delivering a financially-sound event that provides a long-lasting and positive experience for the participants. Sault Ste. Marie has a legacy of providing just that. From the 2013 TELUS National Midget AAA Cup, the 2009 All-Ontario Bantam AAA Championships, to the 2003 Air Canada Cup, the community rallies around hockey events. By giving Sault Ste. Marie the opportunity to host the 2015 World Under-17 Hockey Championships, the local organizing committee will:

- Ensure sponsorship, ticket sales and other revenue generators to deliver a financially-sound event
- Continue the Sault's solid reputation for hosting world-class events, particularly on the hockey front
- If Sault Ste. Marie hosts the 2015 World Under-17 Championships, we will assure that participants and their families will experience a first-class tournament in a warm and welcoming community. Not only do we want the executive committee and parents of the athletes to experience a first-class event, we want every player to walk away feeling equally fulfilled.

The Economic Impact is based off the assessment that was completed when Sydney, Nova Scotia hosted this same event. The spending of spectators at the event, in combination with the expenditures made by the event organizers in producing the 2014 World U-17 Hockey Challenge reached \$1.8 million, generating a net economic activity (GDP) of \$1.9 million in the Province of Nova Scotia, of which \$992,000 occurred in Sydney. These expenditures supported \$1.1 million in wages and salaries in the Province and an estimated 38 jobs, of which 27 jobs and \$630,000 in wages and salaries were in Sydney. The total economic activity (industry output) generated by the event was \$3.8 million in the Province, with \$2.6 million occurring in Sydney.

The total tax revenues supported by the 2014 World U-17 Hockey Challenge reached \$668,000. Of this total, \$300,000 was attributable to the federal government while provincial tax revenues reached \$294,000 and municipal taxes were \$74,000, of which \$51,000 was in Sydney.

Event Budget for 2015 World U-17 Hockey Challenge

Suggested

Revenue	
Ticketing	\$ 159,000.00
Other	
Hockey Canada	\$50,000
FedNor	\$ 100,000.00
Celebrate Ontario	\$ -
NOHFC	\$ 100,000.00
TSSM	\$ 25,000.00
City of SSM	\$ 25,000.00
OHF	\$ 10,000.00
CHL	\$ 5,000.00
Sport Canada	\$ 25,000.00
NOHA	\$ 2,000.00
Program Sales	\$ 5,000.00
Sponsorship	\$ 50,000.00
50 / 50 / Merch / Other	\$ 20,000.00
TOTAL REVENUES	\$ 576,000.00

Total Expenses	
Accommodations	\$ 132,210.00
Competition	
Opening & Closing Ceremony	\$ 5,200.00
Facility Set Up	\$ 16,000.00
Ice Rental	\$ 45,000.00
On-Ice Officials	\$ 5,600.00
Off-Ice Staffing	\$ 5,880.00
Medical	\$ 2,500.00
Team Service	\$ 8,000.00
Meals	\$ 215,700.00
Travel & Transportation	\$ 52,600.00
Ticketing & Sales Servicing	\$ 50,000.00
Other	\$ 37,500.00
TOTAL EXPENSES	\$ 576,190.00



COUNCIL REPORT

May 11, 2015

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Stephen Turco, MCIP, RPP, Planner

DEPARTMENT: Engineering and Planning Department

RE: A-10-15-Z – 9 Poplar Avenue

PURPOSE

To rezone the subject property in order to permit a three (3) unit townhouse apartment.

PROPOSED CHANGE

The applicant, Spina Brothers Inc. is seeking a rezoning from “R2” (Single Detached Residential Zone) to “R3.S” (Low Density Residential Zone with a Special Exception) to permit parking in the required front yard.

Subject Property:

- Location – Located at the southwest intersection of Poplar Avenue and Borron Avenue, civic no. 9 Poplar Avenue.
- Size – Frontage 36.6m (120’); Depth 38.1m (125’), Area 0.14ha (0.35 acres)
- Present Use – Vacant Residential Land
- Owner – Spina Brothers Inc.

BACKGROUND

The subject property is a large parcel that formerly contained an older residential dwelling unit. The applicants recently purchased this property and are requesting to build a 3 unit townhouse on the property. The surrounding neighbourhood is characterized by a mix of estate residential and single-detached dwellings.

On the evening of April 29, 2015, the applicants hosted a public information session at City Hall. The session was well attended by a large constituent of neighbours.

ANALYSIS

Conformity with the Official Plan

The property is designated Residential on Schedule “C” of the City of Sault Ste. Marie Official Plan. The applicants request is still a residential use, and therefore an Official Plan Amendment is not required.

It should be noted that the subject property is within 250m of a known archeological site. For this reason, an archeological assessment will be required prior to Council’s approval.

Comments

To facilitate the applicant’s request, an amendment to Zoning By-law 2005-150 is required. The property is currently zoned R2, Single Detached Residential zone. To permit a townhouse (i.e. multiple attached dwelling), the property must be rezoned to R3, Low Density Residential. In addition, the applicants are proposing to accommodate the required parking for one of the units in the required front yard. For this reason, a special exception to the by-law is required. It should be noted that multiple attached dwellings are subject to site plan control, meaning the technical elements of the development will be assessed by staff and will be incorporated into a formal agreement between the developer and the City.

Staff assessed this application in terms of two key policy matters. The first is the issue of density. The applicants’ proposal would be an increase in the general density of the area, and would be the only instance of a townhouse type development in the immediate neighbourhood.

The second issue is one of compatibility with the character of the area. The area surrounding the subject property is one of Sault Ste. Marie’s significant traditional neighbourhoods, characterized by a mix of heritage type estate and cottage bungalow homes. Many of the homes in the area are older and quite unique in terms of architectural aesthetics. The area also contains a large quantity of mature trees, which adds to the cultural value of the neighbourhood.

City staff reviewed this application to both the 2014 Provincial Policy Statement (PPS), as well as the policies of the City of Sault Ste. Marie’s Official Plan. The 2014 Provincial Policy Statement is a general land use guideline for all municipalities in Ontario, and all land use decisions must be consistent with the policy directions contained within this document.

The PPS outlines that Settlement areas (i.e. urban areas within municipalities) shall be the focus of growth and development and that a mix of land use patterns and densities should be encouraged. In addition, the PPS encourages intensification within settlement areas, encouraging municipalities to identify and promote intensification opportunities. This concept is generally referred to as

infill development, where development occurs in areas or sites that may be under-utilized or can accommodate a higher form of density.

The City of Sault Ste. Marie's Official Plan also encourages infill development, particularly in residential areas where the use is compatible and there is adequate infrastructure to support the development.

The concept of infill development is prioritized by both Provincial and municipal policies because it encourages growth and development while utilizing existing services and infrastructure (as opposed to development that would encroach into rural areas and require the extension of municipal infrastructure and services).

The PPS and the Official Plan also encourages the development of a mix of housing types and densities to meet the projected requirements of current and future residents within the community. From a policy perspective, the City encourages the introduction of higher densities within residential areas to accommodate housing choices within an area or neighbourhood, and to encourage the concept of "aging in place". This concept allows long-time residents from an area, or residents that require an alternative type of housing, to transition into a different form of housing while remaining in their current neighbourhood.

The applicant's proposal is consistent with the intensification and housing mix policy goals of the PPS and the City of Sault Ste. Marie's Official Plan. Although the proposal would be the only townhouse type development in the area, it would provide an alternative housing choice within the neighbourhood, and encourages development within an existing built up area.

Another important land use consideration is the issue of how the proposed development fits within the character of the area. As indicated earlier in this report, the neighbourhood in question is unique in terms of the types of houses, as well as the mature vegetation found throughout the area. In reviewing development proposals within areas with unique attributes, it is important to ensure that these developments will contribute to the overall sense of place.

These considerations are entrenched in the PPS and the City's Official plan. The PPS identifies both the economic and social value of sense of place, and encourages municipalities to promote "well-designed built form and cultural planning, and by conserving features that help define character." The City of Sault Ste. Marie Official Plan also recognizes the importance of character, specifically heritage resources, including "buildings, structures...groups of distinctive structures in a specific area, districts or landscapes..."

The Official Plan also supports the concept that new development should be designed to integrate with the existing urban fabric, and that "development or

redevelopment should replicate and/or respond to existing colour, texture, scale and massing in order to harmonize with the existing streetscape rhythm and the relationship of uses”.

Staff is content that the proposal is consistent with the intensification and housing mix policy goals outlined in both the PPS and the Official Plan, however, the issue of “fit” has not been adequately addressed by the applicants. Understanding that the developers’ proposal will be a positive development opportunity, it is staff’s opinion that additional discussion needs to occur on the overall character of the development (i.e. architectural features, building materials, colour choices, landscape strategy, etc.). While staff supports the applicants proposal in principle, at this time, it is recommended that the application be deferred.

Consultation

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

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

Engineering Division has commented that prior to development, a servicing plan showing proposed sanitary and storm water services be provided. In addition, a lot grading and drainage plan must be completed. As indicated earlier, if approved, the development will be subject to Site Plan Control, and the items raised by the Engineering Division will be addressed as part of that review.

With respect to neighbour comments, a public information session was held on Wednesday, April 29, 2015. This meeting was organized by the applicants and was well attended by a number of surrounding neighbours. At that meeting, a number of concerns were raised about the proposal. Much of the concern was focused on three issues: first, permitting a 3 unit townhouse where there was once one dwelling; second, the fact that the units were intended to be rental units; and third, the character of the area, and how this development would fit in.

Although much of the discussion did revolve around the issue of “renters versus owners”, the neighbours were also concerned about how this development will contribute to the character of the area, which is a valid land use concern. Correspondence from the immediately abutting neighbour is attached, with the concern being that the proposal is “so out of character for the area”. This neighbour is not in favour of the proposed 3 unit townhouse and has asked that this application be deferred in order to obtain additional information about “existing buildings, parking, mature tree coverage, as well as the architectural

features of the development, the materials intended to be used, the setbacks, specifics about the amount of parking proposed, etc.”

Since the open house meeting, 12 additional letters of objection have been received. One letter of support was also received from a neighbour in the area.

IMPACT

Approval of this application will not have a negative impact on municipal finances. The creation of a 3 unit townhouse may provide a positive assessment impact for the municipality.

STRATEGIC PLAN

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

SUMMARY

The applicant, Spina Brothers Inc. is seeking a rezoning from “R2” (Single Detached Residential Zone) to “R3.S” (Low Density Residential Zone with a Special Exception). To permit a townhouse (i.e. multiple attached dwelling), the property must be rezoned to R3, Low Density Residential. In addition, the applicants are proposing to accommodate the required parking for one of the units in the required front yard. For this reason, a special exception to the by-law is required.

Staff has assessed this application in terms of two key policy matters: density, and compatibility with the character of the area. Although staff is content that the proposal is consistent with the intensification and housing mix policy goals outlined in both the PPS and the Official Plan, the issue of “fit” has not been adequately addressed by the applicant.

While staff supports the applicants proposal in principle, at this time, it is recommended that the application be deferred to allow staff, the applicants and the neighbours to discuss details of the development such as architectural elements, building materials, colours, landscaping, and parking options. It is recommended that prior to Council's decision; the applicants prepare architectural renderings, elevation and landscape plans demonstrating the above noted elements.

In addition, the property is within close proximity of a known archeological site. Prior to Council making a decision on this application, it is recommended that an archeological assessment be completed.

RECOMMENDATION

It is therefore recommended that Council take the following action:

That the report of the Planning Division, dated May 11, 2015, be accepted, and that the application to rezone the subject property from "R2" (Single Detached Residential Zone) to "R3.S" (Low Density Residential Zone with a Special Exception) to permit parking in the required front yard, be deferred to the June 8th, 2015 Council Meeting.

Respectfully submitted,



Stephen Turco, MCIP, RPP
Planner

Recommended for approval,



Donald B. McConnell, MCIP, RPP
Planning Director

Recommended for approval,



Jerry Dolcetti, RPP
Commissioner Engineering & Planning

ST:ps

Attachment(s)

Steve Turco

From: krisha Berg <krishaberg2@hotmail.com>
Sent: Tuesday, May 05, 2015 11:07 AM
To: Mayor Provenzano; Frank Fata; Joe Krmpotich; Judy Hupponen; Lou Turco; Marchy Bruni; Matthew Shoemaker; Paul Christian; Rick Niro; Ross Romano; Steve Butland; Susan Myers; Terry Sheehan; Malcolm White; Steve Turco
Subject: 9 Poplar St./ Application No: A-10-15-Z - expression of opposition

As residents of 6 Summit Ave., we are strongly against the rezoning of 9 Poplar St. and strongly against 3 townhouses being built on that site.

I attended a general information meeting on April 29th, 2015 and found not enough information was provided by the developers on the proposed site. There was no detailed information re: elevations, set backs, parking allowances, sidewalks, traffic, water impact issues, etc.

The neighborhood again met on May 3rd, 2015 to discuss concerns. This subdivision was registered in approximately 1901, and has always been a single dwelling, residential neighborhood with character and history. It is my understanding, that the city doesn't have heritage or tree by-laws. We want the city to enact by-laws related to heritage planning issues and trees so that it is clear what the planning values are for the city.

I am asking for council for a deferral of 2 months so that we can look at retaining counsel, obtaining an architectural report and retaining a planner to assist in our presentation to council. We would like to ensure you have the complete picture to make the best decision for the city, as this application can set a precedent.

I plan to attend the council meeting on May 11th, 2015 and will speak against the application if the matter is not deferred.

There is a place for townhouses but not in this neighborhood.

Krisha Berg
6 Summit Ave.

Steve Turco

From: David Frech <davidfrech10@gmail.com>
Sent: Tuesday, May 05, 2015 10:34 AM
To: Mayor Provenzano; Frank Fata; Joe Krmpotich; Judy Hupponen; Lou Turco; Marchy Bruni; Matthew Shoemaker; Paul Christian; Rick Niro; Ross Romano; Steve Butland; Susan Myers; Terry Sheehan; Malcolm White; Steve Turco
Subject: Application No.: A-10-15-Z - expression of opposition

Dear Mayor and Council Members:

I reside at 33 Poplar Avenue, Sault Ste. Marie, Ontario, very close to the site of the proposed application for townhouses. I was unable to attend the meeting at City Hall on April 29 due to work commitments and may not be able to attend the upcoming meeting on May 11 due to logistics. However, this letter serves as my formal opposition to the proposed application noted above.

I have resided in this neighborhood my entire life. It is characterized by historic residences and a variety of very respectable single-dwelling homes of many ages. I strongly oppose the application for town-houses and the requested rezoning.

At this point, I respectfully ask that Council grant a 2 month deferral so homeowners can address retaining counsel, an architectural report and a planner. This request has the purpose of ensuring that you have a complete picture so the best decision for the city and the neighborhood can be made in this regard.

Thank you for your time and consideration.

Respectfully submitted,

David Frech

Steve Turco

From: Hailie Grant <swimfan_334@hotmail.com>
Sent: Tuesday, May 05, 2015 9:40 AM
To: Mayor Provenzano; Frank Fata; Joe Krmpotich; Judy Hupponen; Lou Turco; Marchy Bruni; Matthew Shoemaker; Paul Christian; Rick Niro; Ross Romano; Steve Butland; Susan Myers; Terry Sheehan; Malcolm White; Steve Turco
Subject: May 11, 2015 Council meeting, Re: 9 Poplar Ave - A-10-15-Z

Dear Members of Council,

We are sending this email to request a two-month deferral of the application for the rezoning of 9 Poplar Ave, A-10-15-Z.

We believe that care and consideration needs to be taken to protect the heritage and character of the neighbourhood. This area consists of large estate homes and quaint single-family homes, and we believe that any construction on the property of 9 Poplar Ave should blend, and add to the existing charm of our neighbourhood. To develop a three unit townhouse on a small lot, amongst an entire neighbourhood of single-family homes would significantly retract from the heritage and value of the properties in this area.

Again, we are requesting a deferral of the application for the rezoning of 9 Poplar Ave, so that we may fully understand the plans for this property, and obtain legal council if necessary.

Kind Regards,

Ryan Fiacconi & Hailie Grant

Pat Schinners

From: Peter Tonazzo
Sent: Tuesday, May 05, 2015 9:39 AM
To: Pat Schinners
Subject: FW: Rezoning application A-10-15-Z

From: PHYLLIS ROBERTSON [pmrobertson@shaw.ca]

Sent: Tuesday, May 5, 2015 6:04 AM

To: Mayor Provenzano; Frank Fata; Joe Krmpotich; Judy Hupponen; Lou Turco; Marchy Bruni; Matthew Shoemaker; Paul Christian; Rick Niro; Ross Romano; Steve Butland; Susan Myers; Terry Sheehan; Malcolm White; Steve Turco; PHYLLIS ROBERTSON

Subject: Rezoning application A-10-15-Z

Dear Sir or Madam:

I am requesting a two month deferral of this application for rezoning. I am strongly opposed to this proposal.

I live at 37 Poplar Avenue, and have for the past 10 years.

We, as a neighbourhood group, met on Wednesday, April 29, 2015 at City Hall with the developers and the City Planner, and learned some of the details of the development being proposed. The developers were not able to provide us with many of the details that would allow us to fully understand the serious implications of having this type of housing in our neighbourhood.

We had a neighbourhood meeting on Sunday, May 3, 2015 and confirmed the commitment of the neighbourhood to oppose this proposal. We plan to attend the council meeting on May 11 and speak against the application if the matter is not deferred; however, we are not yet prepared to address this matter as is required, due to the limited time afforded us (two weeks).

We need the deferral as we are looking into retaining counsel, obtaining an architectural report, and retaining a planner to assist in our council presentation. We also want to see more information about exactly what this the developers intended for this structure to look like – drawings, clear expectations around trees and architectural drawings to see that the building will conform with the character of the neighbourhood.

As you may know, the Summit/Poplar area holds considerable attraction as one of the heritage and green areas of the city and we think it is vital that the character of this unique area be maintained to the greatest degree possible. I have owned two houses in this neighbourhood, and bought here because of the character of the neighbourhood and because it was a cluster of single family dwellings. The developers have advised that the development is proposed to look like their development at 616 Lake Street and we do not believe that this type of construction is appropriate or consistent with the neighbourhood (poor architectural values and too much parking space). As well, there is no guarantee that the renters of the proposed development will maintain the properties as those in the area do.

We are concerned that the city is being developed too rapidly on “in-filling” values without appropriate and careful consideration of how this impacts the integrity of the architecture and green space of the more unique neighbourhoods. We believe very careful planning is required, and that all issues need to be considered. Increasing the density of the area is not, we feel, in the best interest of the neighbourhood.

There are, I have been told, many areas in the City that are appropriately zoned for this type of development.

We are seeking deferral in order to prepare our case so that we have a complete picture of the proposed development, and so that City Council is in a position to make the best decision for the city.

Thank you,

Phyllis Robertson

Pat Schinners

From: Peter Tonazzo
Sent: Tuesday, May 05, 2015 9:38 AM
To: Pat Schinners
Subject: FW: Application No.: A-10-15-Z - expression of opposition

-----Original Message-----

From: Steve Turco
Sent: Tuesday, May 05, 2015 9:30 AM
To: Peter Tonazzo
Subject: FW: Application No.: A-10-15-Z - expression of opposition

From: Kan Seto [kando@soonet.ca]
Sent: Tuesday, May 5, 2015 2:57 AM
To: Mayor Provenzano; Frank Fata; Joe Krmpotich; Judy Hupponen; Lou Turco; Marchy Bruni; Matthew Shoemaker; Paul Christian; Rick Niro; Ross Romano; Steve Butland; Susan Myers; Terry Sheehan
Cc: Malcolm White; Steve Turco
Subject: Application No.: A-10-15-Z - expression of opposition

Dear Mayor and Council members:

I live on 18 Summit very near the site of the rezoning application. I attended the meeting at city hall on April 29, 2015 with the developers and at the meeting in the neighbourhood on May 3, 2015 and felt a strong opposition by the neighbours to this rezoning application.

My main concern about this rezoning application is that if passed, it sets a precedent where a historic neighbourhood will be turned into many multiple dwellings. Although current neighbours wish to retain the current flavour of the neighbourhood, future owners of many large lots in this area can apply for future rezoning for commercial gain and future council will not be able to deny the applications.

At this point I think it prudent that council grant a deferral for 2 months so that we can look at retaining counsel, obtaining an architectural report and retaining a planner to assist in our presentation to council. Council also needs this deferral to ensure that you have the complete picture to make the best decision for the city.

I am attending the May 11 council meeting and if a deferral is not granted, I am prepared to speak against the application.

Sincerely,

Kan Seto, 18 Summit Ave.,

Pat Schinners

From: Peter Tonazzo
Sent: Tuesday, May 05, 2015 9:35 AM
To: Pat Schinners
Subject: FW: Application No.: A-10-15-Z - Expression of Opposition

-----Original Message-----

From: Steve Turco
Sent: Tuesday, May 05, 2015 9:25 AM
To: Peter Tonazzo
Subject: FW: Application No.: A-10-15-Z - Expression of Opposition

From: Tanya Joncas [tanyajoncas@hotmail.com]
Sent: Monday, May 4, 2015 11:37 PM
To: Mayor Provenzano; Frank Fata; Joe Krmpotich; Judy Hupponen; Lou Turco; Marchy Bruni; Matthew Shoemaker; Paul Christian; Rick Niro; Ross Romano; Steve Butland; Susan Myers; Terry Sheehan
Cc: Steve Turco; Malcolm White
Subject: Application No.: A-10-15-Z - Expression of Opposition

May 4th, 2015

We are writing to express our opposition to the application No A-10-15-Z, to rezone the area located at 9 Poplar Avenue in order for a three bedroom townhouse to be built.

I request that the any decision on this application be deferred for two months as the area residents have not been provided adequate time to prepare a complete response to this application.

On Wednesday, April 29, 2015 a meeting was held at the Civic Centre with the developer, however, I had a meeting elsewhere to attend. The notice given for this meeting was not sufficient enough that I could reschedule my former commitment. I have heard from neighbours who were able to attend, and the overwhelming majority reported that there was a significant lack of information provided by the developers and that many of the questions posed by concerened area residents remained unanswered.

On a personal level, we bought our current home just over five years ago solely because of the surrounding character of the residential homes and property. I know with complete certainty that we would not have bought this particular property if there had been a townhouse sitting directly behind our backyard, as will be the case if this application moves forward. We adored the quaint, well treed area, single family homes, and for the last five years we have been happy here.

I request that the any decision on Application No A-10-15-Z, 9 Poplar Avenue, be deferred for two months.

Marvin and Tanya Joncas

16 Bellevue Avenue

Sault Ste. Marie ON

P6B 2V6

Pat Schinners

From: Peter Tonazzo
Sent: Tuesday, May 05, 2015 9:38 AM
To: Pat Schinners
Subject: FW: Application No.: A-10-15-Z - expression of opposition

-----Original Message-----

From: Steve Turco
Sent: Tuesday, May 05, 2015 9:28 AM
To: Peter Tonazzo
Subject: FW: Application No.: A-10-15-Z - expression of opposition

The neighbour commented on our lack of policies regarding heritage areas.

From: Leigh Colpitts [lghcolpitts@gmail.com]
Sent: Monday, May 4, 2015 9:09 PM
To: Mayor Provenzano; Frank Fata; Joe Krmpotich; Judy Hupponen; Lou Turco; Marchy Bruni; Matthew Shoemaker; Paul Christian; Rick Niro; Ross Romano; Steve Butland; Susan Myers; Terry Sheehan
Cc: Malcolm White; Steve Turco
Subject: Application No.: A-10-15-Z - expression of opposition

To: The Mayor, Council, and City Clerk of the City of Sault Ste. Marie

I am writing to express my opposition to Application No A-10-15-Z, 9 Poplar Avenue, to rezone the property to permit a three unit townhouse and the required parking in the front yard.

I request that the any decision on this application be deferred for two months.

I and my neighbours have not been provided with sufficient time to prepare a fulsome response to this Application. I am required to travel for my work and two weeks notice is not a reasonable length of time to develop a response.

On Wednesday, April 29, 2015 a meeting was held at the Civic Centre with the developer, however, I was out of town on business and was not able to attend. Many of my neighbours did attend and the vast majority reported their disappointment in the lack of information available from the developers at the meeting. No architectural drawings were available and many of the questions posed by my neighbours at the meeting were not addressed by the developer.

I did attend a neighbourhood meeting on Sunday, May 3, 2015. At the meeting, it was very clear that the residents of this area, including me, are strongly opposed to the rezoning the subject property to permit a three unit townhouse apartment and the required parking in the front yard.

I and my neighbours will be attending the May 11, 2015 council meeting where we will be speaking against this application, if the matter is not deferred.

Further, I am very disappointed to learn that the City of Sault Ste. Marie has not enacted any by-laws which protect the character and heritage of unique neighbourhoods. The geographic location of Sault Ste. Marie provides the City with many inherent comparative advantages which support a high quality of life. By protecting the unique character of neighbours, the City can leverage its inherent advantages and position the City as a provincially preferred location for

people and businesses. By not protecting the unique character and heritage of neighbourhoods, the City is jeopardizing the quality of life and prosperity of future generations.

I request that the any decision on Application No A-10-15-Z, 9 Poplar Avenue, be deferred for two months.

Leigh Colpitts
41 Poplar Avenue

Pat Schinners

From: Peter Tonazzo
Sent: Tuesday, May 05, 2015 9:35 AM
To: Pat Schinners
Subject: FW: Rezoning Application No A-10-15-Z

-----Original Message-----

From: Steve Turco
Sent: Tuesday, May 05, 2015 9:23 AM
To: Peter Tonazzo
Subject: FW: Rezoning Application No A-10-15-Z

From: Alexa Smith [smith_alexa@hotmail.com]
Sent: Monday, May 4, 2015 7:22 PM
To: Mayor Provenzano
Cc: Steve Butland; Susan Myers; Terry Sheehan; Judy Hupponen; Matthew Shoemaker; Rick Niro; Lou Turco; Frank Fata; Marchy Bruni; Joe Krmpotich; Ross Romano; Malcolm White; Steve Turco
Subject: Rezoning Application No A-10-15-Z

Dear Sir,

Less than two weeks ago, my parents received a Notice of Application and Public Meeting RE: Application No A-10-15-Z, 9 Poplar Avenue, to rezone the subject property in order to permit a three unit townhouse apartment with parking in the required front yard. On April 29th, there was an information meeting held at the Plummer Room, at City Hall. Insufficient information about the proposed buildings was produced. I strongly oppose and request a deferral of this application.

This property sits on the corner of Poplar and Borron amidst single family dwellings. It is a quiet, residential neighbourhood where I grew up. Rezoning for a row of townhouses and parking in this area would permit the building of a structure which is completely different from the buildings in this area. It would not fit in with neighbourhood. This expansion would also result in additional traffic generated by the rezoning.

I think that the rezoning should be turned down. At the very least, a deferral should be approved to give residents time to prepare their case.

Alexa Smith
36 Poplar Avenue

Pat Schinners

From: Peter Tonazzo
Sent: Tuesday, May 05, 2015 9:35 AM
To: Pat Schinners
Subject: FW: Rezoning Application No A-10-15-Z

-----Original Message-----

From: Steve Turco
Sent: Tuesday, May 05, 2015 9:22 AM
To: Peter Tonazzo
Subject: FW: Rezoning Application No A-10-15-Z

From: Kinsey Smith [kinseysmith@outlook.com]
Sent: Monday, May 4, 2015 4:50 PM
To: Mayor Provenzano
Cc: Steve Butland; Susan Myers; Terry Sheehan; Judy Hupponen; Matthew Shoemaker; Rick Niro; Lou Turco; Frank Fata; Marchy Bruni; Joe Krmpotich; Ross Romano; Malcolm White; Steve Turco
Subject: Rezoning Application No A-10-15-Z

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I think that the rezoning should be turned down. At the very least a deferral should be approved to give residents time to prepare their case.

Kinsey Smith
36 Poplar Avenue

Pat Schinners

From: Peter Tonazzo
Sent: Tuesday, May 05, 2015 9:38 AM
To: Pat Schinners
Subject: FW: Rezoning Application No A-10-15-Z

-----Original Message-----

From: Steve Turco
Sent: Tuesday, May 05, 2015 9:21 AM
To: Peter Tonazzo
Subject: FW: Rezoning Application No A-10-15-Z

From: Peter [ps.smith@shaw.ca]
Sent: Monday, May 4, 2015 4:24 PM
To: Mayor Provenzano
Cc: Steve Butland; Susan Myers; Terry Sheehan; Judy Hupponen; Matthew Shoemaker; Rick Niro; Lou Turco; Frank Fata; Marchy Bruni; Joe Krmpotich; Ross Romano; Malcolm White; Steve Turco
Subject: Rezoning Application No A-10-15-Z

Dear Sir,

Less than two weeks ago, we received a Notice of Application and Public Meeting RE: Application No A-10-15-Z, 9 Poplar Avenue, to rezone the subject property in order to permit a three unit townhouse apartment with parking in the required front yard. On April 29, there was an information meeting held at the Plummer Room, at City Hall. Insufficient information about the proposed buildings was produced. I strongly oppose and request a deferral of this application.

On Wednesday, April 29, 2015 many residents of this area met with the developers at City Hall to hear about their vision for the property. They provided us with very little detail regarding the proposed development, including architectural drawings with clear expectations concerning retention of trees, and insurance that the buildings will be consistent with the character of the neighbourhood. There are many unanswered questions about restrictions on appropriate set-backs, green space, parking, flood control, and architectural design to fit in with the neighbourhood.

We had another meeting on Sunday, May 3, 2015 where the commitment of the neighbourhood citizens to oppose this construction was confirmed. We plan to attend the council meeting on May 11 and speak against the application if the matter is not deferred. However, the speed in which this proposal has come about, has left us with insufficient time to properly prepare. We seek the deferral to give us time to retain counsel, obtain an architectural report, and retain a planner to assist in our council presentation.

This property sits on the corner of Poplar and Borron amidst single family dwellings. It is a quiet, residential neighbourhood which holds considerable attraction as one of the heritage and green areas of the city. Rezoning for a row of townhouses and parking in this area would permit the building of a structure which is completely different from the development surrounding it, and contrary to the established land use pattern. It would be detrimental to visual harmony and would impact on property values in the area. This expansion would also result in additional traffic generated by the rezoning.

Prior to moving forward with any development in heritage areas, we believe it is important for the city to enact by-laws related to heritage planning issues and the retention of mature trees, so that it is clear what the planning values are for the city and specific unusual areas within the city. We are concerned that the city is being developed too rapidly on "in-filling" values without appropriate and careful consideration of how this impacts the integrity of the architecture and green space of the more unique neighbourhoods.

The developers provided no definite plans, only advising that the multi-family dwelling is proposed to look like their development at 616 Lake Street. We do not believe that this type of construction is appropriate or consistent with the neighbourhood (poor architectural values and too much parking space). According to the CMHC Rental Market Report released in the Spring of 2014, the Sault already has a growing vacancy rate. There is no relevant public or economic need for rezoning this property from single family to multi-family.

We think it is vital that the character of this unique area be maintained to the greatest degree possible. We believe very careful planning is required and that all issues need to be considered. We request a deferral because we need to prepare our case in order to present a complete picture to city council, placing them in a position to make the best decision for the city. We are prepared to speak against the application if there is no deferral.

Peter S. Smith
36 Poplar Avenue

Pat Schinners

From: Peter Tonazzo
Sent: Tuesday, May 05, 2015 9:38 AM
To: Pat Schinners
Subject: FW: Rezoning Application No A-10-15-Z

From: Jacqueline Fairbrother [tiddlesmith@hotmail.com]

Sent: Monday, May 4, 2015 3:02 PM

To: Mayor Provenzano

Cc: Steve Butland; Susan Myers; Terry Sheehan; Judy Hupponen; Matthew Shoemaker; Rick Niro; Lou Turco; Frank Fata; Marchy Bruni; Joe Krmpotich; Ross Romano; Malcolm White; Steve Turco

Subject: Rezoning Application No A-10-15-Z

Dear Sir,

Less than two weeks ago, we received a Notice of Application and Public Meeting RE: Application No A-10-15-Z, 9 Poplar Avenue, to rezone the subject property in order to permit a three unit townhouse apartment with parking in the required front yard. On April 29, there was an information meeting held at the Plummer Room, at City Hall. Insufficient information about the proposed buildings was produced. I strongly oppose and request a deferral of this application.

On Wednesday, April 29, 2015 many residents of this area met with the developers at City Hall to hear about their vision for the property. They provided us with very little detail regarding the proposed development, including architectural drawings with clear expectations concerning retention of trees, and insurance that the buildings will be consistent with the character of the neighbourhood. There are many unanswered questions about restrictions on appropriate set-backs, green space, parking, flood control, and architectural design to fit in with the neighbourhood.

We had another meeting on Sunday, May 3, 2015 where the commitment of the neighbourhood citizens to oppose this construction was confirmed. We plan to attend the council meeting on May 11 and speak against the application if the matter is not deferred. However, the speed in which this proposal has come about, has left us with insufficient time to properly prepare. We seek the deferral to give us time to retain counsel, obtain an architectural report, and retain a planner to assist in our council presentation.

This property sits on the corner of Poplar and Borron amidst single family dwellings. It is a quiet, residential neighbourhood which holds considerable attraction as one of the heritage and green areas of the city. Rezoning for a row of townhouses and parking in this area would permit the building of a structure which is completely different from the development surrounding it, and contrary to the established land use pattern. It would be detrimental to visual harmony and would impact on property values in the area. This expansion would also result in additional traffic generated by the rezoning.

Prior to moving forward with any development in heritage areas, we believe it is important for the city to enact by-laws related to heritage planning issues and the retention of mature trees, so that it is clear what the planning values are for the city and specific unusual areas within the city. We are concerned that the city is being developed too rapidly on "in-filling" values without appropriate and careful consideration of how this impacts the integrity of the architecture and green space of the more unique neighbourhoods.

The developers provided no definite plans, only advising that the multi-family dwelling is proposed to look like their development at 616 Lake Street. We do not believe that this type of construction is appropriate or consistent with the neighbourhood (poor architectural values and too much parking space). According to the CMHC Rental Market Report

released in the Spring of 2014, the Sault already has a growing vacancy rate. There is no relevant public or economic need for rezoning this property from single family to multi-family.

We think it is vital that the character of this unique area be maintained to the greatest degree possible. We believe very careful planning is required and that all issues need to be considered. We request a deferral because we need to prepare our case in order to present a complete picture to city council, placing them in a position to make the best decision for the city. We are prepared to speak against the application if there is no deferral.

Jacqueline Fairbrother
36 Poplar Avenue

Steve Turco

From: Lynda Belsito <lyndabelsito@hotmail.com>
Sent: Monday, May 04, 2015 12:14 PM
To: Mayor Provenzano
Cc: Steve Butland; Paul Christian; Susan Myers; Terry Sheehan; Judy Hupponen; Matthew Shoemaker; Rick Niro; Lou Turco; Frank Fata; Marchy Bruni; Joe Krmpotich; Ross Romano; Malcolm White; Steve Turco
Subject: May 11, 2015 council meeting- 9 Poplar-A-10-15-Z

Dear Mayor and Councilors,

I am requesting a two month deferral of this application for rezoning 9 Poplar-A-10-15-Z. I am opposed to this proposal.

I do not wish you to allow anything to threaten the asset that the City of Sault Ste Marie has in this heritage neighbourhood.

Once something as precious as our past and our heritage in Sault Ste Marie is gone it cannot be reclaimed. It may seem like a small thing to allow this but be assured it impacts the future of Sault Ste Marie 's historical life. Do not erode what we have . This neighbourhood has always been a point of pride even to those who do not live here. As a teenager I knew and loved "The top of the Hill" as a place of beauty. I did not live here then. Please see fit to defer this proposal so we, the citizens of Sault Ste Marie and residents of the neighbourhood can move to protect it.

We met on Wednesday, April 29,2015 at City Hall with the developers and learned details of the development being proposed. We had a neighbourhood meeting on Sunday,May 3, 2015 and confirmed the commitment of the neighbourhood to oppose this proposal. We plan to attend the council meeting on May 11 2015 and speak against the application if the matter is not deferred however we are not yet prepared to address this matter in the manner required.

we need the deferral as we are looking into retaining counsel, obtaining an architectural report and retaining a planner to assist in our council presentation. We also want more information about exactly what this building is intended to look like - drawings, clear expectations around trees and architectural drawings to see that the building will be consistent with the character of type neighbourhood. As you know, the Summit/Poplar area holds considerable attraction as one of the heritage and green areas of the city and we think it is vital that the character of this unique area be maintained to the greatest degree possible. The developers have advised that the development is proposed to look like their development at 616 Lake Street and we do not believe that this type of construction is appropriate or consistent with the neighbourhood [poor architectural values and too much parking space.]

Prior to moving forward with any development in heritage areas, we believe it is important for the city to enact by-laws related to heritage planning issues and trees so that it is clear what the planning values are for the city and specific unusual areas within the city. we are concerned that the city is being developed too rapidly on "filling - in" values without appropriate and careful consideration of how this impacts the integrity of the architecture and green space of the more unique neighbourhoods. We believe very careful planning is required and that all issues need to be considered.

We are seeking deferral because we need to prepare our case to have a complete picture and so that city council is in a position to make the best decision for the city.

Thank you,

Lynda Belsito
17 Bellevue Ave.

Steve Turco

From: Jennifer Mealey <JMealey@algotomacas.org>
Sent: Sunday, May 03, 2015 7:09 PM
To: Mayor Provenzano; Steve Butland; Paul Christian; Susan Myers; Terry Sheehan; Judy Hupponen; Matthew Shoemaker; Rick Niro; Lou Turco; Frank Fata; Marchy Bruni; Joe Krmpotich; Ross Romano; Malcolm White; Steve Turco
Subject: May 11, 2015 council meeting - 9 Poplar - A-10-15-Z

Hello,

I am requesting a two month deferral of this application for rezoning. I am opposed to this proposal.

We met on Wednesday, April 29, 2015 at city hall with the developers and learned the details of the development being proposed. We had a neighbourhood meeting on Sunday, May 3, 2015 and confirmed the commitment of the neighbourhood to oppose this proposal. We plan to attend the council meeting on May 11 and speak against the application if the matter is not deferred however we are not yet prepared to address this matter in the manner required.

We need the deferral as we are looking into retaining counsel, obtaining an architectural report, and retaining a planner to assist in our council presentation. We also want to see more information about exactly what this building is intended to look like – drawings, clear expectations around trees and architectural drawings to see that the building will be consistent with the character of the neighbourhood. As you may know, the Summit/Poplar area holds considerable attraction as one of the heritage and green areas of the city and we think it is vital that the character of this unique area be maintained to the greatest degree possible. The developers have advised that the development is proposed to look like their development at 616 Lake Street and we do not believe that this type of construction is appropriate or consistent with the neighbourhood (poor architectural values and too much parking space).

Prior to moving forward with any development in heritage areas, we believe it is important for the city to enact by-laws related to heritage planning issues and trees so that it is clear what the planning values are for the city and specific unusual areas within the city. We are concerned that the city is being developed too rapidly on “in-filling” values without appropriate and careful consideration of how this impacts the integrity of the architecture and green space of the more unique neighbourhoods. We believe very careful planning is required and that all issues need to be considered.

We are seeking deferral because we need to prepare our case to have a complete picture and so that city council is in a position to make the best decision for the city.

Thank you,

Jennifer Mealey
12 Summit Avenue

Steve Turco

From: Jennifer Mealey <JMealey@algoniacas.org>
Sent: Friday, May 01, 2015 6:08 PM
To: Malcolm White
Cc: Steve Turco
Subject: FW: 9 Poplar - A-10-15-Z

Hello Malcolm,

RE: REQUEST FOR DEFERRAL AND NOTIFICATION OF OPPOSITION

Further to our discussion by telephone today, I confirm that I am requesting a deferral of the council meeting set for May 11, 2015. Based on the information currently available, I am opposed to this proposal.

We had a neighbourhood meeting at city hall on Wednesday April 29, 2015 and learned about the proposal from the developers. The developers advised that the development would be similar to their property on Lake Street. We went by to see the Lake Street development after the meeting and the development has the appearance of a motor hotel with a parking lot, few observable and small trees and a general lack of observable green space. The Spina Lake Street development is, however, situated in a high density area (near the corner of McNabb and Lake) with co-op housing, an apartment building, semi-detached and row housing all located in the immediate vicinity. Given it is already high density, that development does not appear to be inconsistent with the neighbourhood and seems to be a sensible planning decision in keeping with the value of "in-filling".

The Summit area, by contrast, is one of the few older neighbourhoods left in Sault Ste. Marie with strong architectural values, many large estate style lots, much green space and a significant percentage of land having fully mature trees. It is a neighbourhood which holds value for the city as a beautiful residential area with some real charm and historical integrity. It is an area that holds much attraction for those moving to the city and wanting a historic and/or architecturally designed home.

Given the character of the neighbourhood, I believe that the type of development being proposed is inconsistent with the long established existing homes. Careful consideration and gathering of information is required in the interest of preserving one of the few heritage areas in the city. To proceed with development in this particular area without careful planning and attention to architectural values, maintaining existing mature tree coverage etc, would be short-sighted.

I do not believe this property should be re-zoned to permit townhouses, given the character of the neighbourhood and the type of construction being proposed.

I believe that, in any event, all stake holders (which would include anyone interested in ensuring that beautiful areas of the city maintain their beauty) need more information and specifics about the existing buildings, parking, mature tree coverage, as well as the architectural features of the development, the materials intended to be used, the setbacks, specifics about the amount of parking proposed, and generally very clear information about the restrictions that would be proposed to be imposed in regard to the building and parking.

Jennifer Mealey
12 Summit Avenue

Work telephone: 705-949-0162 .156
Fax: 705-541-9616

Steve Turco

From: Jennifer Mealey <JMealey@algotomacas.org>
Sent: Thursday, April 30, 2015 1:12 PM
To: Steve Turco
Subject: FW: 9 Poplar - A-10-15-Z

Hi Steve,

Further to the meeting last night, I confirm that one of the issues for me is that we are in an area with a lot of green space and mature trees. I am concerned about the amount of pavement and building being proposed on this lot that is so out of character for the area and totally different from what was there before with George's home. I looked at the Spina construction on Lake Street and there is a huge amount of pavement there, it looks like a parking lot. There is almost no separation between home and parking. That development is near the corner, which is busy anyway and there is a huge amount of multi-unit construction there. The trees planted there seem to be more like shrubs or dwarf/ornamental trees. That kind of look is going to stick out like a sore thumb in our area and I suggest that there needs to be a much stronger commitment to green space.

I need to get a copy of the necessary documents to deal with this, including the application, your planning report, other department reports and comments, a printout of what R1 and R2 allow for set-backs, green space, etc.. Can you please put together a package of all the relevant documents and I will come and pick it up. I can come by later today.

There are issues that we need information from you about such as:

- a) The size of the parking in square feet and the percentage of the lot that will be designated for parking, building vs green space (and a comparison to the previous dwelling, parking, green space on this lot);
- b) The sizes and locations of the existing homes, garages and driveways in the area;
- c) The numbers, sizes, species of the mature trees in the area and on the subject property;
- d) The lot drainage issues, specific information about how will this be managed and I am concerned that this be planned for and addressed prior to approval being granted, especially given the extensive surface area of the property that is proposed to be covered by impermeable surfaces should the application be approved;
- e) The storm water issues (please note that there has been a cave in on Poplar Street in the spring in recent years, and there is currently a pylon on the street due to this, we are not sure what this is related to and require information).

We are requesting that the date this matter is addressed at council be delayed to allow for information to be provided and gathered and further, so that we can provide an appropriate presentation at the council meeting. We are considering retaining someone to assist with this matter and if we do, then that would also take some time.

Thank you,

Jennifer Mealey
12 Summit Avenue

Work telephone: 705-949-0162 x156
Fax: 705-541-9616

Steve Turco

From: Rhonda Hurley <rhondahurley@hotmail.com>
Sent: Monday, April 27, 2015 6:02 PM
To: Steve Turco
Subject: 3unit Townhouse on Poplar

Hi there. We saw the sketch that was left in our mailbox. We also drove by the other property on McNabb and Lake. It all sounds fine to us. We have no issues.

Rhonda Hurley
Gavin Forsyth
30 Bellevue Ave
705-575-9342

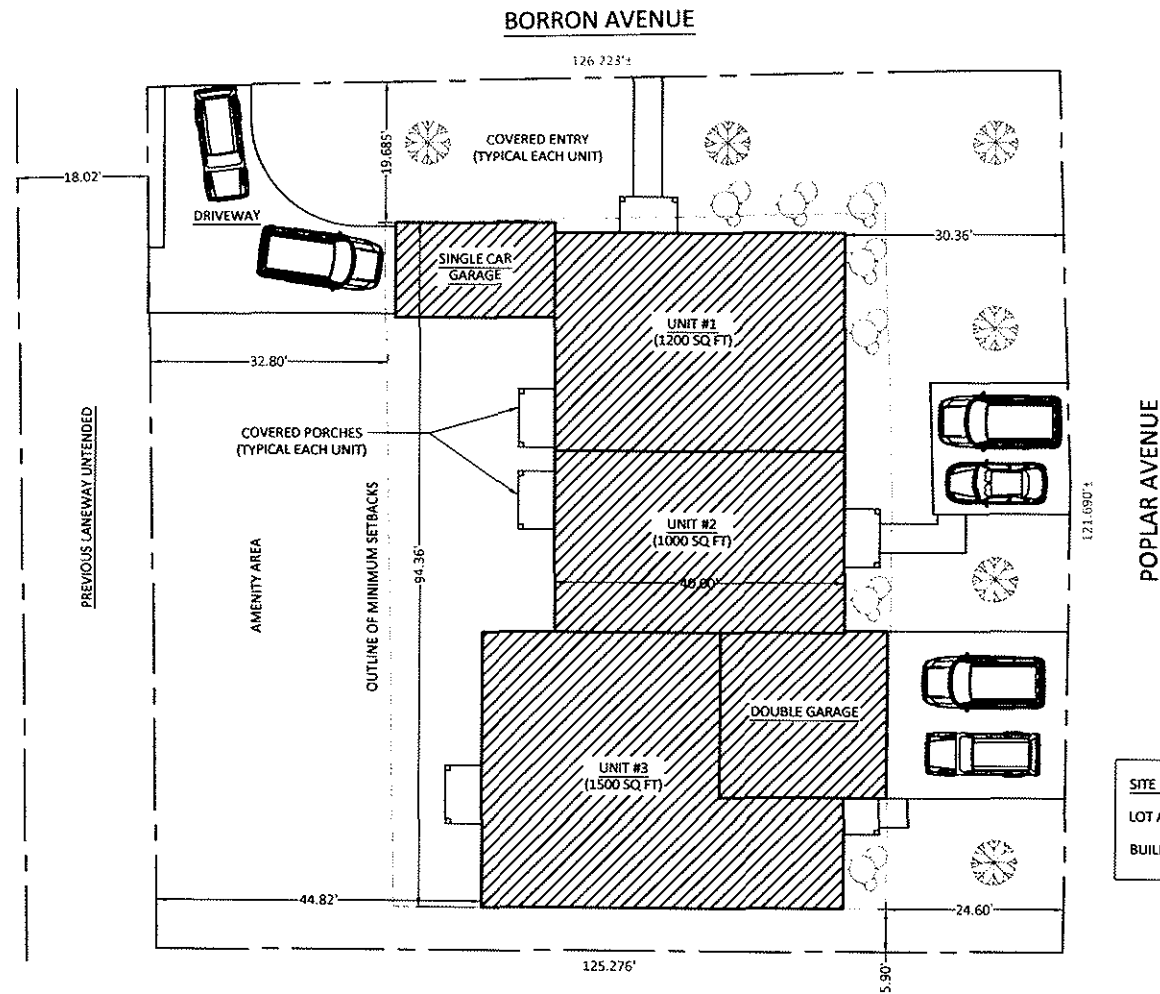
Sent from my BlackBerry 10 smartphone on the Rogers network.

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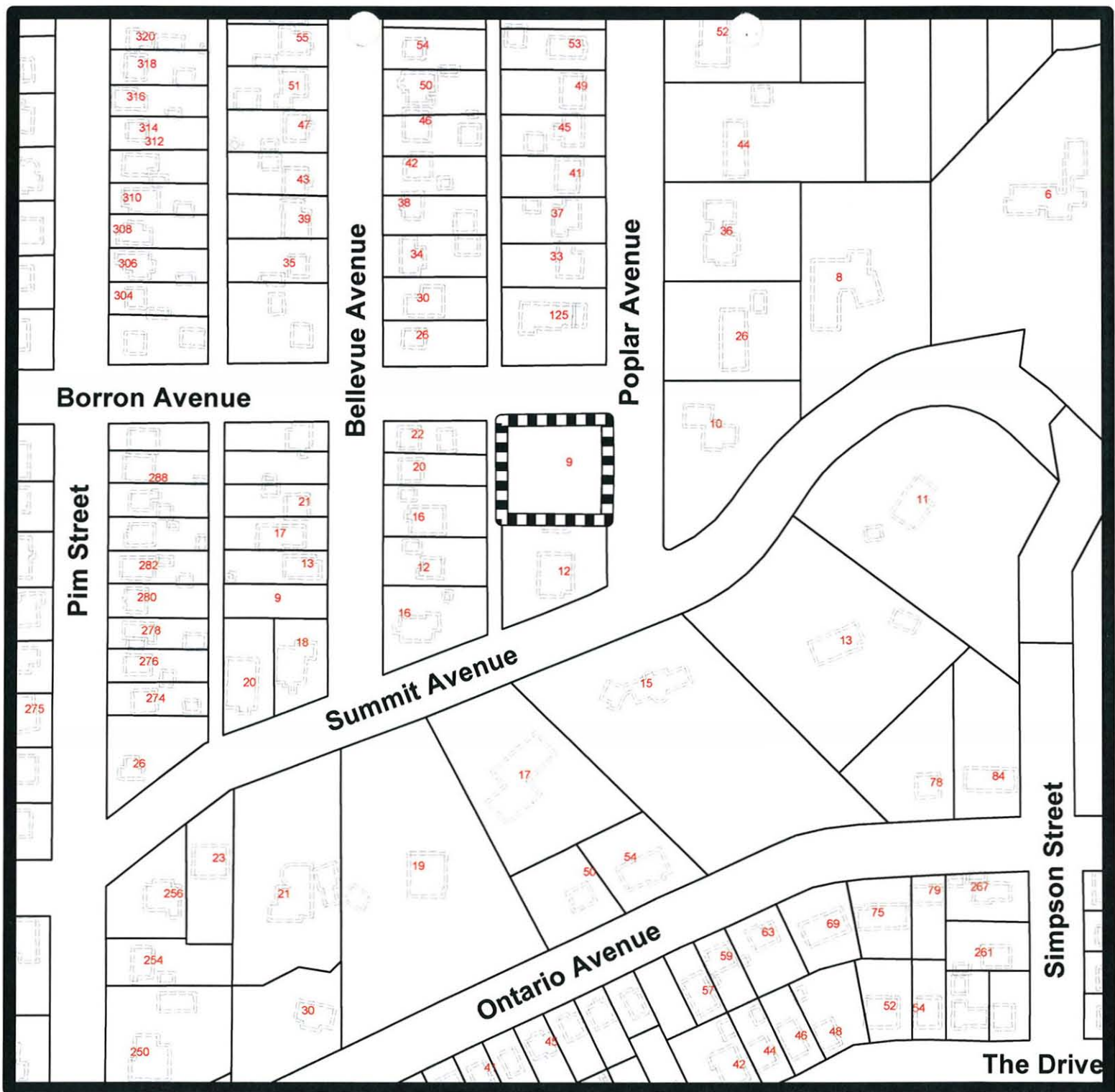


NOTE:
THIS IS NOT A LEGAL BINDING SURVEY, THIS PLAN IS TO OUTLINE PROPERTY AND BUILDING MEASUREMENTS ONLY. IT IS NOT A LEGAL DOCUMENT. A TIE IN SURVEY WOULD FINALIZE EXACT BUILDING LOCATION AND DIMENSIONS.

SITE PLAN- CIVIC #9 POPLAR AVE
SCALE: 1" = 20'-0"

SITE DATA:
LOT AREA = 15,183 SQ. FT
BUILDING AREA = 4,526 SQ. FT

CAIRNS ENGINEERING INC	
145 INDUSTRIAL COURT, SUITE 3 SAULT STE. MARIE, ONTARIO P6B 5Z9 PHONE: 705-254-7640 FAX: 705-254-2555	
NOT TO SCALE. THE PROPERTY IS SHOWN FOR INFORMATION ONLY. THE PROPERTY IS NOT TO BE USED FOR ANY OTHER PURPOSE.	
PROJECT TITLE: 3 UNIT TOWNHOUSE- CIVIC #9 POPLAR AVE	ADDRESS: 9 POPLAR AVENUE SAULT STE. MARIE, ON
DRAWING TITLE: SITE PLAN- CIVIC #9 POPLAR AVE	CHECKED BY: A. CAIRNS
PROJECT No: 2015-016	DRAWN BY: P. DEGLERCK / A.H.
DRAWING No: SP1	DATE: MAR 24, 2015
SCALE: AS SHOWN	REVISION No:



SUBJECT PROPERTY MAP

9 POPLAR AVENUE

Planning Application:A-10-15-Z

Legend



SUBJECT PROPERTY = 9 Poplar Avenue



METRIC SCALE
1 : 2000

ROLL NUMBER
020-022-084-00

MAP NUMBERS
19 & 1-17

MAIL LABELS ID
A-10-15-Z



2012 ORTHO PHOTO

9 POPLAR AVENUE

Planning Application:A-10-15-Z

Legend



SUBJECT PROPERTY = 9 Poplar Avenue

Page 178 of 368

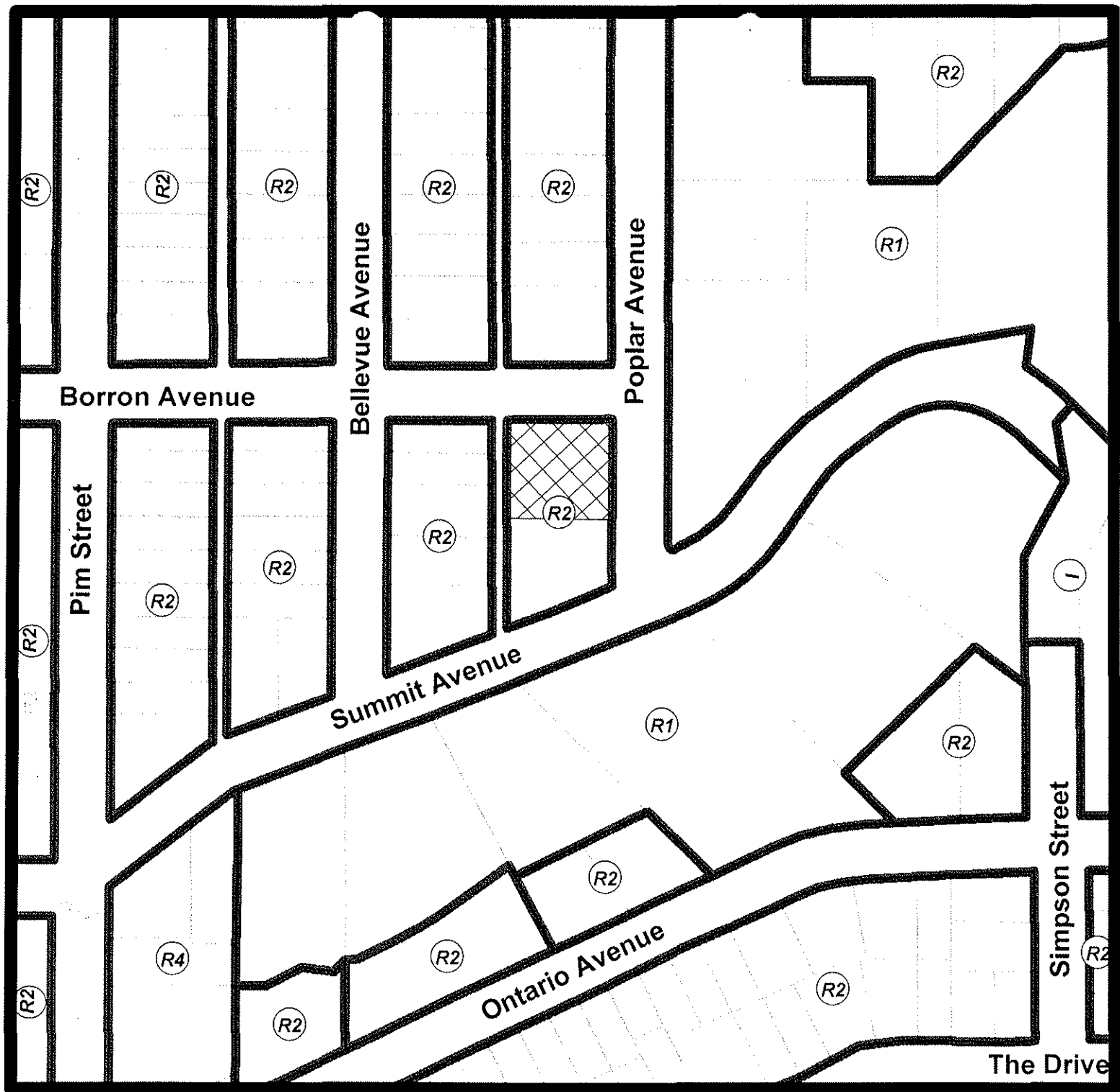


METRIC SCALE
1 : 2000

ROLL NUMBER
020-022-084-00

MAP NUMBERS
19 & 1-17

MAIL LABELS ID
A-10-15-Z



EXISTING ZONING MAP

9 POPLAR AVENUE

Planning Application: A-10-15-Z

ROLL NUMBER
020-022-084-00



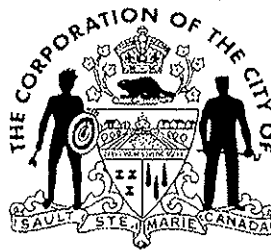
METRIC SCALE
1 : 2000

MAP NUMBERS
19 & 1-17

- | | | | |
|--|---------------------------------------|---|--------------------------------------|
|  | SUBJECT PROPERTY = 9 Poplar Avenue |  | R4 - Medium Density Residential Zone |
|  | R1 - Estate Residential Zone |  | I - Institutional Zone |
|  | R2 - Single Detached Residential Zone | | |

Jerry D. Dolcetti, RPP
Commissioner

Daniel Perri, EIT
Engineering Intern



ENGINEERING & PLANNING
DEPARTMENT

Engineering & Construction Division

2015 04 27

Our File: A-10-15-Z

MEMO TO: Donald B. McConnell, MCIP, RPP
Planning Director

RE: **A-10-15-Z – 9 POPLAR AVENUE**
REQUEST FOR AN AMENDMENT TO THE ZONING BY-LAW

The Engineering and Construction Division has reviewed the above noted application and provides the following:

- A servicing plan showing proposed sanitary and storm services is required;
- Individual sanitary laterals are required for each unit;
- If the existing services on Poplar Avenue are to be used, the condition must be verified by the Applicant's Consulting Engineer to the satisfaction of the Commissioner of Engineering & Planning or his designate. Depending on the location and condition of the existing services, new services may be required. If new services are required, a mill and overlay fee may be applicable for road restoration purposes. Patches for each service connection will not be acceptable;
- A lateral permit will be required for any new laterals;
- A lot grading and drainage plan must be completed by a Lot Grading Professional, to ensure that drainage is dealt with appropriately. Lot Grading Professionals must be a Professional Engineer (civil), Architect, or Ontario Land Surveyor, experienced in lot grading design.

F:\ENGINEERING DATA\REZONING\Poplar Avenue - Civic 9- A-10-15-Z 2015 04 27.docx

The Corporation of the City of Sault Ste. Marie
P.O. Box 580 ~ 99 Foster Drive ~ Sault Ste. Marie, ON P6A 5N1
Telephone: (705) 759-5385 ~ Fax: (705) 541-7165
www.cityssm.on.ca ~ d.perri@cityssm.on.ca

- It is recommended that the property be subject to Site Plan Control to ensure servicing and drainage is addressed to the satisfaction of the Commissioner or Engineering & Planning or his designate.

Yours truly,

A handwritten signature in black ink, appearing to read "D. Perri". The signature is fluid and cursive, with a large initial "D" and a trailing flourish.

Daniel Perri, EIT
Engineering Intern

c: Jerry Dolcetti, Commissioner, Engineering & Planning
Susan Hamilton Beach, P. Eng., Deputy Commissioner, PWT
Pat Schinners, Planning

Subject: FW: Deferral Request

From: John Curran [mailto:jdcurran@shaw.ca]
Sent: Monday, May 11, 2015 9:03 AM
To: Steve Turco
Subject: Fwd: Deferral Request

Steve,

On looking at your report I realize that I didn't include you in the emails I sent out a week ago and therefore my email didn't make it into your report. I would appreciate it if you would make copies and have them distributed for the Council meeting. I sent a separate email to City Clerk Malcolm White earlier to say that I have been selected as the spokesperson for the meeting and will be speaking tonight. Thank you.

Jody Curran

From: John Curran <jdcurran@shaw.ca>
Subject: Deferral Request
Date: May 3, 2015 at 7:54:43 PM EDT
To: mayor.provenzano@cityssm.on.ca, s.butland@cityssm.on.ca, p.christian@cityssm.on.ca, s.myers@cityssm.on.ca, t.sheehan@cityssm.on.ca, j.hupponen@cityssm.on.ca, m.shoemaker@cityssm.on.ca, r.niro@cityssm.on.ca, l.turco@cityssm.on.ca, f.fata@cityssm.on.ca, m.bruni@cityssm.on.ca, j.krmpotich@cityssm.on.ca, r.romano@cityssm.on.ca, m.white@cityssm.on.ca

Mr. Mayor and Members of Council,

We are writing about the rezoning application No: A-10-15-Z that proposes a rezoning from "R2" (Single Detached Residential Zone) to "R3" (Low Density Residential Zone with a Special Exception to Permit Parking in the Required Front Yard) scheduled to come before Council Monday, May 11, 2015. This property is located at 9 Poplar Ave. and close to the corner of Poplar/Borron and Summit in one of the most beautiful park-like residential areas in Sault Ste. Marie. (A city planner described this area as the closest thing that the Sault has to a heritage residential area in Sault Ste. Marie.)

The residents received notice of this proposed rezoning about a week ago, and asked for a meeting with the developer to get more information, which happened Wednesday April 29, 2015. The residents of the neighbourhood have since had a meeting and have decided that many issues need researching and developing, to address the concerns that we have about the drastic change of direction that this development will have on our neighbourhood.

We find that the subdivision was registered in 1901, 11 years before Sault Ste. Marie became a city. In other words, our subdivision pre-dates zoning bylaws and creates difficulties in determining how and when various lot regulations were put in place. Not only are there legal issues but there are also others issues such as land use, traffic, compatibility and infrastructure.

We are in the process of hiring a lawyer who has said she needs at least 30 days to prepare for a presentation to council. Also being recommended, because of the uniqueness of the area, is expert evidence from an architect and a planner. Both need time to research and report.

Therefore we are asking that you vote for a deferral when the rezoning application no: A-10-15-Z application is presented to Council May 11, 2015.

Sincerely

Jody and Joan Curran

11 May 2015

Mr. Steve Turco

Planner

City of Sault Ste. Marie

Dear Mr. Turco,

We are writing this to stated our opposition to Application A-10-15-Z by Spina Brothers Inc. seeking rezoning from R2 to R3.S. We are residents at 52 Poplar Avenue for 16 years and want this area to remain as is, single detached residential. While the lot in question is large, it is no larger than other properties on the street, including our own, which is single detached. We would appreciate your consideration of our opposition to this. We also have been requested by Mrs. J. Summers of 49 Poplar Avenue (who is 98 and asked us to respond on her behalf) stating the same opposition to this rezoning application.

Yours sincerely,

Ken & Gaele Overman



COUNCIL REPORT

May 11, 2015

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Stephen Turco, MCIP, RPP, Planner

DEPARTMENT: Engineering and Planning Department

RE: A-11-15-Z – 207 Northern Avenue East

PURPOSE

To rezone the subject property so that the entire building can be used for office purposes.

PROPOSED CHANGE

The applicant, 1188004 Ontario Inc. is seeking a rezoning from “C4.S-14” (General Commercial Zone, with a special exception) to “C4.S” (General Commercial Zone with a Special Exception) to allow the entire building to be used for office uses.

Subject Property:

- Location – Located on the south side of Northern Avenue, located approximately 30 meters east of Reid Street, civic number 207 Northern Avenue
- Approximate Size – Irregular shape, frontage 60m (196’); depth 44m (144’); area 0.22ha (0.56acres)
- Present Use – Vacant Building (former Pileria’s Interiors)
- Owner – 1188004 Ontario Inc.

BACKGROUND

The subject property is located on the east side of Northern Avenue, across the street from the former Alexander Henry High School. The building formerly housed Pileria’s Interiors, which has since moved to 115 Northern Avenue. The building has been used historically as a furniture retailer. The property is flag shaped, having a larger depth on the east side of the property.

The applicant’s proposal is to convert the entire building to office uses, and intends to expand the existing parking lot on the east side of the building to

accommodate the increased parking demands of the proposed use. One intended occupant will be a local accounting firm, which will occupy approximately half of the building.

ANALYSIS

Conformity with the Official Plan

The subject property is designated Commercial on Schedule 'C' of the City of Sault Ste. Marie Official Plan. The proposed use is a commercial use, and as such, an Official Plan amendment is not required.

Comments

The applicant's request is to allow the entire building to be used for office uses. The property is currently zoned C4.S.14, General Commercial zone with a special exception. The General Commercial zone permits office uses, however, limits the total amount of office space to 300m² (3,229 square feet). The total amount of office that would be created, should Council approve the request, would be approximately 1,168m² (12,572 square feet).

In reviewing this application, the request must be assessed in relation to the policies of the City of Sault Ste. Marie Official Plan. The Official Plan intends for the Downtown area to be "maintained as the primary administrative, business and cultural centre of the community"...and that the "Construction of major office buildings outside of the Downtown area shall be discouraged and new office buildings shall be encouraged to locate in the Downtown core".

The intent of the above noted policy applies to the construction of "new" office buildings. This application would create a significant amount of office space; however, the proposal is the re-use of an existing commercial building. And while applicant's proposal could be considered a "major office building" in terms of the size of office space, the commercial policies of the Official Plan also encourages that the main emphasis of commercial development "shall be to maximize the use of existing commercial space". In addition, the Goals outlined in Part VI, Physical Development – Built Environment, outlines that the City should "encourage the reuse, rehabilitation and redevelopment of the existing built environment".

The building and site are well suited for office uses, and this proposal would be an appropriate reuse of an existing vacant commercial building. As indicated earlier, the building has historically been used as a furniture store; however, the building is not well suited for a large number of commercial uses typically permitted in a General Commercial zone (e.g. car wash facilities, fuel sales, motor vehicle rental, motor vehicles sales and parts dealers, repair and maintenance, etc.). Even its re-use for retail would be difficult, given that the building is two storeys. For these reasons, staff is supportive of the proposed rezoning and recommends that the applicants request be approved.

The special exception zoning was applicable when the building was used as a furniture store and is a holdover from the previous by-law, when the property had a different underlying zone (Special exception No. 14 is attached to this report). As part of the current application, it is recommended that Council amend the existing special exception by-law, removing all references to the furniture store and custom workshop (as they would be permitted in the current C4 zoning). As well, there is no need to reduce the loading zone because for the size of the building (and use), only 1 loading space is required. Also, the loading space to be provided will be located in the parking lot aisle, which is permitted in the Zoning by-law. Therefore, a special exception to permit a loading space in the front yard is not required.

As part of this application, it is recommended that current special exception be amended to remove the non-applicable provisions and include the provision that the entire building may be used for office purposes.

With respect to parking, the applicant only has to provide the difference between what parking is required for office uses and what parking currently exists on the site. The site currently has 21 spaces. To accommodate the proposed office uses, another 17 spaces would be required, for a total of 38 parking spaces. The plan submitted shows 36 spaces provided. Staff is of the opinion that this reduction is minor and recommends that a reduction in the total required parking form a condition of Council's approval.

It should also be noted that there is an existing Site Plan Control agreement, which dates back to the 1980's. This Site Plan agreement should be updated to reflect the expanded parking for the new use. The agreement should be updated prior to the issuance of an occupancy permit for the new use.

Consultation

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

- See attached letters – None
- No objections/comments – PWT, Engineering, Building, EDC, Municipal Heritage Committee, PUC Services, Conservation Authority

As of the time of writing, no letters of objection have been received.

IMPACT

There is no negative financial impact associated with the approval of this application. The re-use of this building may provide a positive assessment impact for the municipality.

STRATEGIC PLAN

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

SUMMARY

The applicant is seeking a rezoning from "C4.S-14" (General Commercial Zone, with a special exception) to "C4.S" (General Commercial Zone with a Special Exception) to allow the entire building to be used for office uses.

The applicant's proposal is to convert the entire building to office uses, and intends to expand the existing parking lot on the east side of the building to accommodate the increased parking demands of the proposed use. One intended occupant will be a local accounting firm, which will occupy approximately half of the building.

The C4, General Commercial zone, permits office uses, however, limits the total amount of office space to 300m² (3,229 square feet). The total amount of office that would be created, should Council approve the request, would be approximately 1,168m² (12,572 square feet). The building and site are well suited for office uses, and this proposal would be an appropriate reuse of an existing vacant commercial building.

As part of this application, it is recommended that current special exception be amended to remove the non-applicable provisions and include the provision that the entire building may be used for office purposes. In addition, a reduction in the total required parking is recommended.

RECOMMENDATION

It is therefore recommended that Council take the following action:

That the report of the Planning Division, dated May 11, 2015, be accepted and that Council rezone the subject property, from C4.S-14 (General Commercial Zone, with a special exception) to C4.S (General Commercial Zone, with a special exception), subject to the following:

1. That Special Exception 14 be amended, removing the references to a "furniture store and custom workshop for interior decorating", and loading spaces, and replacing with the following:
 - a. That the entire building may be used for office purposes.
 - b. That the total parking required for the office uses be reduced to 36 spaces
2. That the existing Site Plan Agreement be updated, prior to the issuance of an occupancy permit for the office uses.

Respectfully submitted,



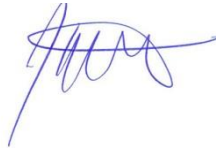
Stephen Turco, MCIP, RPP
Planner

Recommended for approval,



Donald B. McConnell, MCIP, RPP
Planning Director

Recommended for approval,



Jerry Dolcetti, RPP
Commissioner Engineering & Planning

ST:ps
Attachment(s)



■ SITE PLAN (EXISTING)
NORTH



NORTH / WEST ELEVATION (EXISTING)



NORTH / EAST ELEVATION (EXISTING)



WEST ELEVATION (EXISTING)

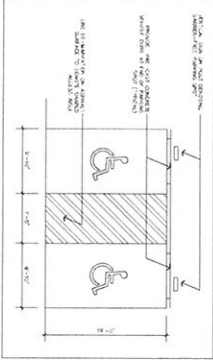


NORTH ELEVATION (EXISTING)

GENERAL EXISTING & PROGRAMMATIC REQUIREMENTS

EXISTING BUILDING

- Estimating 2nd floor wood framed (steel joist) construction
- Building Area = 6,000 sq ft
 - 1st Floor = +1,800 sq ft
 - 1st Flr + 2nd Flr = 12,000 sq ft
- ESTIMATING OCCUPANCY = Group D (University)
- PURPOSE/OCCUPANCY = Group D (University / general services)
- $\frac{1}{\text{Floor Area}}$ (Ratio) Occupant Load = 12
 - 1st Floor = +1,800 sq ft
 - 2nd Floor = +1,670 sq ft +4,510 sq ft
 - $\frac{\text{Total Flr}}{\text{Area}}$ (Average) Occupant Load = 12
 - 1st Floor = +1,800 sq ft
 - 2nd Floor = +1,400 sq ft +3,200 sq ft
 - $\frac{\text{Total Flr}}{\text{Area}}$ (Average) Occupant Load = 9
 - 1st Floor = +1,800 sq ft
 - Estimated (Design) Occupant Load = 0

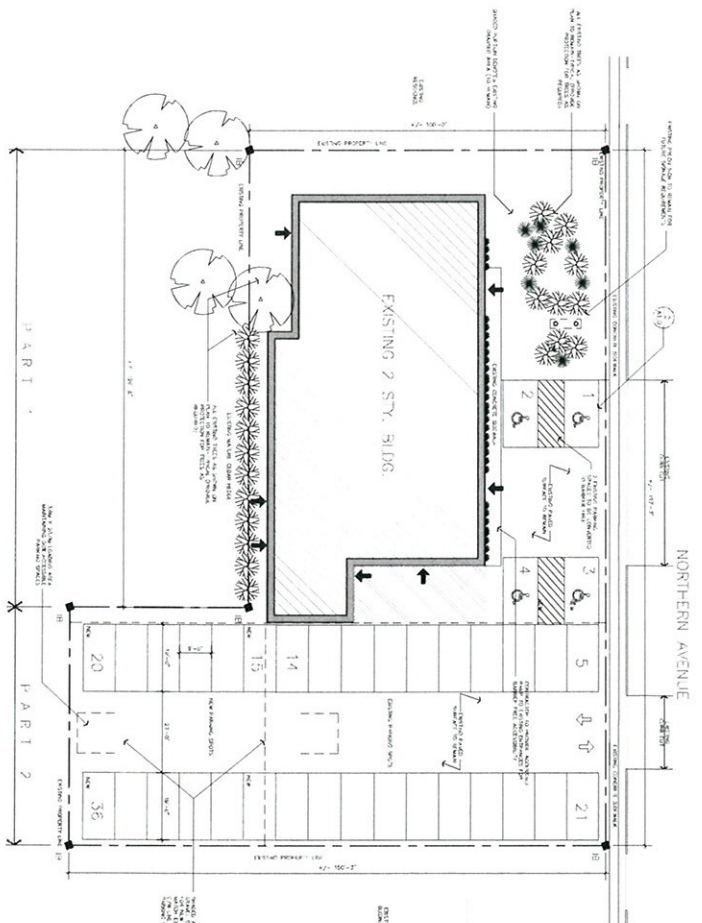


2 BARRIER FREE PARKING LAYOUT

1 SITE PLAN

GENERAL SITE PLAN NOTES:

- 1 ALL SITE SURVEY & INFORMATION AS PROVIDED BY - 0 5 UNSD SURVEYING LTD 22 / 03 / 2006 (REF. PLAN H-732)
- 2 ALL EXISTING LANDSCAPE PLANTING TO REMAIN UNDISTURBED
- 3 EXISTING GRAVEL PARKING AREA TO BE PAVED (AS INDICATED BY OWNER) TO MATCH EXISTING PAVED PARKING LOT AREA



SCHEDULE		
PART	DESCRIPTION	PROPERTY ID NUMBER
1	OWN ADDRESS 7307 NORTHVIEW AVENUE	PLAN H - 566
2	OWN ADDRESS 7100 NORTHVIEW AVENUE (VACANT LOT - EXISTING CURB)	PART OF PLAN H - 566 0.04 ac (0.30 Acres) 0.03 ac (0.23 Acres)

ZONING:	
PERMITS:	
1 & 2	
PROPOSED:	
	C4 - GENERAL COMMERCIAL (GROUP F - MERCANTILE)
	(GROUP D - BUSINESS / PERSONAL SERVICES)
PARKING:	

PARTIS	LISTING	CD - GENERAL COMMERCIAL	GROUP C - WAREHOUSE
1 & 2			
22	PROFESSIONAL, ADDITIONAL	(GROUP D - BUSINESS / PERSONAL SERVICES)	
14	(AS PER 5.41 ZONING BY-LAW see below)		
36	= 24 STAFF SPACES + 12 PERSON SPACES		
2	BALESTRIERI, DANIELA SPACES (AS PER 5.5.2 ZONING BY-LAW see below)		

When a new use commences in an existing building, the new use must also supply the difference parking for the new use, as well as the difference parking for the old use, and the required parking for the new use, as outlined in Section 5.7. These spaces are in addition to the actual number of spaces that existed on the day of the passing of the zoning ordinance. The number of spaces that were not received in Section 5.5, which during the process of rezoning, Section 5.5, which during the process of rezoning, parking space requirements, shall be applied to the number of new parking spaces supplied

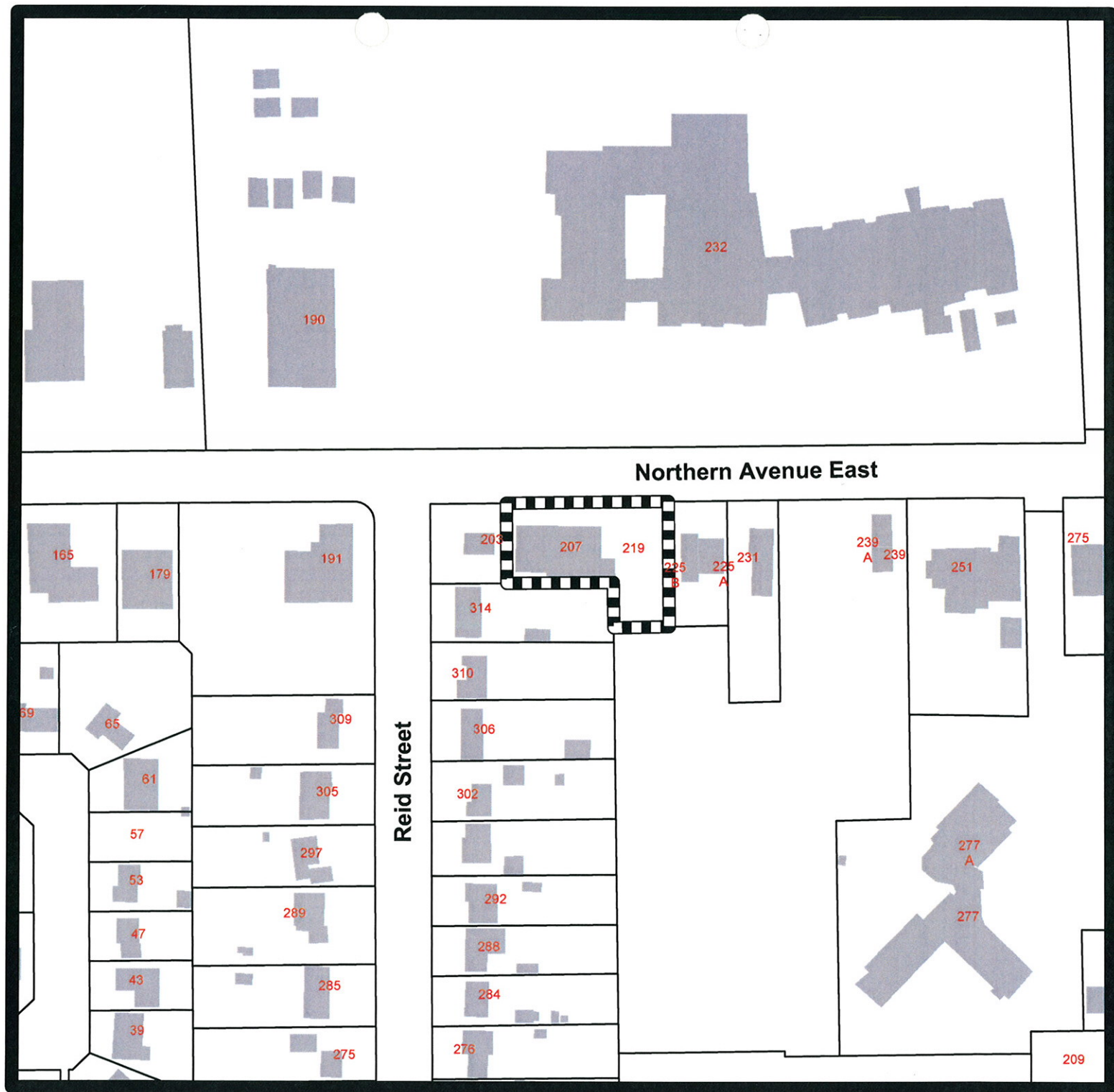
Ontario Building Code Data Matrix - Part 11 - Allowances for Existing Building		OBC Reference
11.1.3 11.1.3.1 11.1.3.2 11.1.3.3 11.1.3.4 11.1.3.5 11.1.3.6 11.1.3.7 11.1.3.8 11.1.3.9 11.1.3.10 11.1.3.11 11.1.3.12 11.1.3.13 11.1.3.14 11.1.3.15 11.1.3.16 11.1.3.17 11.1.3.18 11.1.3.19 11.1.3.20 11.1.3.21 11.1.3.22 11.1.3.23 11.1.3.24 11.1.3.25 11.1.3.26 11.1.3.27 11.1.3.28 11.1.3.29 11.1.3.30 11.1.3.31 11.1.3.32 11.1.3.33 11.1.3.34 11.1.3.35 11.1.3.36 11.1.3.37 11.1.3.38 11.1.3.39 11.1.3.40 11.1.3.41 11.1.3.42 11.1.3.43 11.1.3.44 11.1.3.45 11.1.3.46 11.1.3.47 11.1.3.48 11.1.3.49 11.1.3.50 11.1.3.51 11.1.3.52 11.1.3.53 11.1.3.54 11.1.3.55 11.1.3.56 11.1.3.57 11.1.3.58 11.1.3.59 11.1.3.60 11.1.3.61 11.1.3.62 11.1.3.63 11.1.3.64 11.1.3.65 11.1.3.66 11.1.3.67 11.1.3.68 11.1.3.69 11.1.3.70 11.1.3.71 11.1.3.72 11.1.3.73 11.1.3.74 11.1.3.75 11.1.3.76 11.1.3.77 11.1.3.78 11.1.3.79 11.1.3.80 11.1.3.81 11.1.3.82 11.1.3.83 11.1.3.84 11.1.3.85 11.1.3.86 11.1.3.87 11.1.3.88 11.1.3.89 11.1.3.90 11.1.3.91 11.1.3.92 11.1.3.93 11.1.3.94 11.1.3.95 11.1.3.96 11.1.3.97 11.1.3.98 11.1.3.99 11.2 11.3 11.4 11.5 11.6 11.7 11.8 11.9 11.10 11.11 11.12 11.13 11.14 11.15 11.16 11.17 11.18 11.19 11.20 11.21 11.22 11.23 11.24 11.25 11.26 11.27 11.28 11.29 11.30 11.31 11.32 11.33 11.34 11.35 11.36 11.37 11.38 11.39 11.40 11.41 11.42 11.43 11.44 11.45 11.46 11.47 11.48 11.49 11.50 11.51 11.52 11.53 11.54 11.55 11.56 11.57 11.58 11.59 11.60 11.61 11.62 11.63 11.64 11.65 11.66 11.67 11.68 11.69 11.70 11.71 11.72 11.73 11.74 11.75 11.76 11.77 11.78 11.79 11.80 11.81 11.82 11.83 11.84 11.85 11.86 11.87 11.88 11.89 11.90 11.91 11.92 11.93 11.94 11.95 11.96 11.97 11.98 11.99 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100	11.1.3.1 11.1.3.2 11.1.3.3 11.1.3.4 11.1.3.5 11.1.3.6 11.1.3.7 11.1.3.8 11.1.3.9 11.1.3.10 11.1.3.11 11.1.3.12 11.1.3.13 11.1.3.14 11.1.3.15 11.1.3.16 11.1.3.17 11.1.3.18 11.1.3.19 11.1.3.20 11.1.3.21 11.1.3.22 11.1.3.23 11.1.3.24 11.1.3.25 11.1.3.26 11.1.3.27 11.1.3.28 11.1.3.29 11.1.3.30 11.1.3.31 11.1.3.32 11.1.3.33 11.1.3.34 11.1.3.35 11.1.3.36 11.1.3.37 11.1.3.38 11.1.3.39 11.1.3.40 11.1.3.41 11.1.3.42 11.1.3.43 11.1.3.44 11.1.3.45 11.1.3.46 11.1.3.47 11.1.3.48 11.1.3.49 11.1.3.50 11.1.3.51 11.1.3.52 11.1.3.53 11.1.3.54 11.1.3.55 11.1.3.56 11.1.3.57 11.1.3.58 11.1.3.59 11.1.3.60 11.1.3.61 11.1.3.62 11.1.3.63 11.1.3.64 11.1.3.65 11.1.3.66 11.1.3.67 11.1.3.68 11.1.3.69 11.1.3.70 11.1.3.71 11.1.3.72 11.1.3.73 11.1.3.74 11.1.3.75 11.1.3.76 11.1.3.77 11.1.3.78 11.1.3.79 11.1.3.80 11.1.3.81 11.1.3.82 11.1.3.83 11.1.3.84 11.1.3.85 11.1.3.86 11.1.3.87 11.1.3.88 11.1.3.89 11.1.3.90 11.1.3.91 11.1.3.92 11.1.3.93 11.1.3.94 11.1.3.95 11.1.3.96 11.1.3.97 11.1.3.98 11.1.3.99 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100	

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NEW OFFICE RENOVATIONS
207 NORTHERN AVENUE
(FORMER PILERIA'S INTERIORS)
SAULT STE. MARIE, ONTARIO



MGP
ARCHITECTS
ENGINEER
INC.



SUBJECT PROPERTY MAP

207 NORTHERN AVENUE EAST

Planning Application: A-11-15-Z



METRIC SCALE
1 : 2000

ROLL NUMBER
030-053-062-00

MAIL LABEL ID
A-11-15-Z

MAP NUMBERS
60 & 1-60

Legend



Subject Property = 207 Northern Avenue East



2012 ORTHO PHOTO

207 NORTHERN AVENUE EAST

Planning Application: A-11-15-Z



METRIC SCALE
1 : 2000

ROLL NUMBER
030-053-062-00

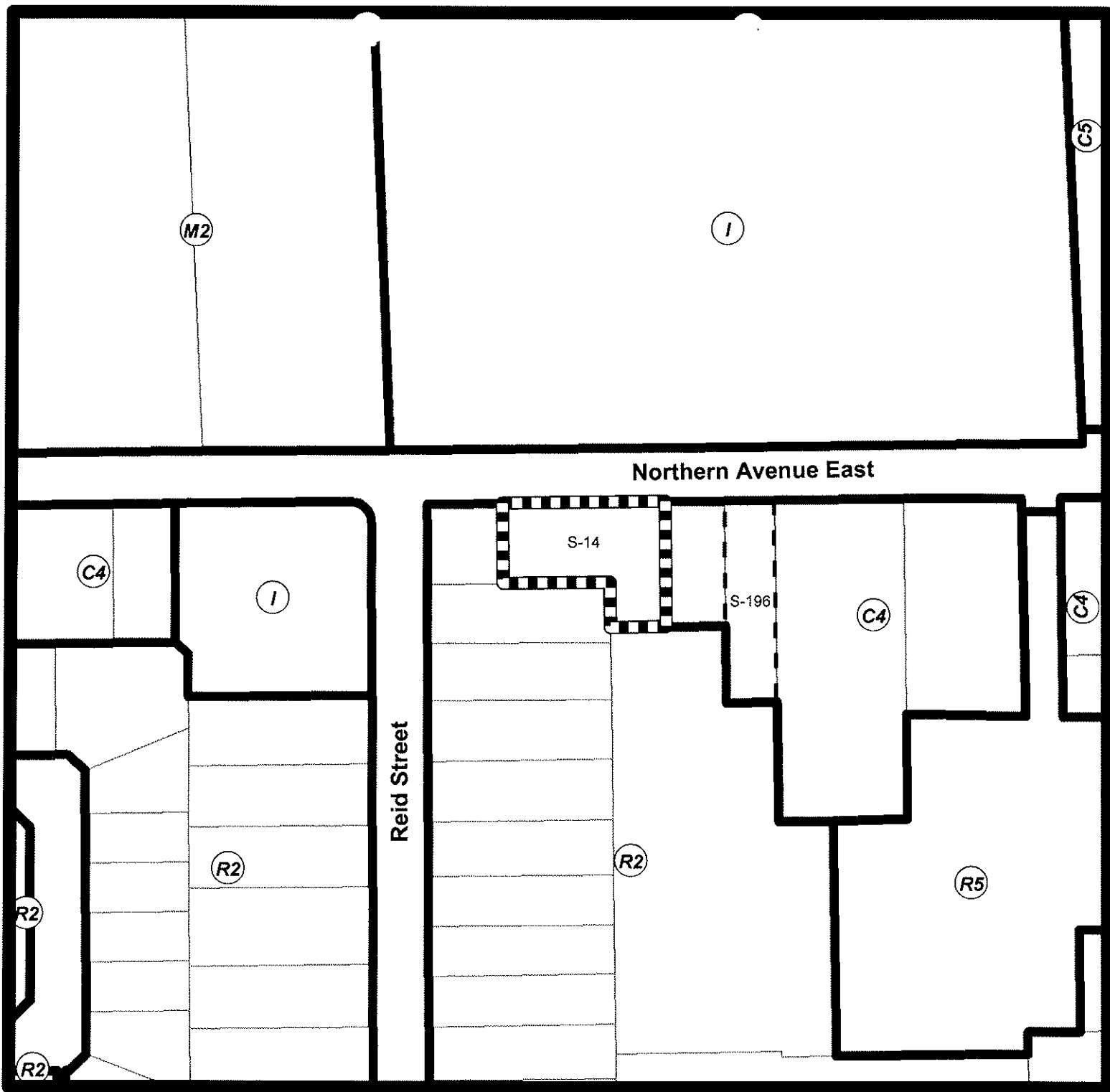
MAIL LABEL ID
A-11-15-Z

MAP NUMBERS
60 & 1-60

Legend



Subject Property = 207 Northern Avenue East



EXISTING ZONING MAP

207 NORTHERN AVENUE EAST

Planning Application: A-11-15-Z



METRIC SCALE
1 : 2000

ROLL NUMBER
030-053-062-00

MAIL LABEL ID
A-11-15-Z

MAP NUMBERS
60 & 1-60



Subject Property = 207 Northern Avenue East



S-# = SPECIAL EXCEPTION ZONING



R2 - Single Detached Residential Zone; R2hp



R5 - High Density Residential Zone



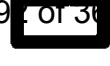
C4 - General Commercial Zone



C5



M2

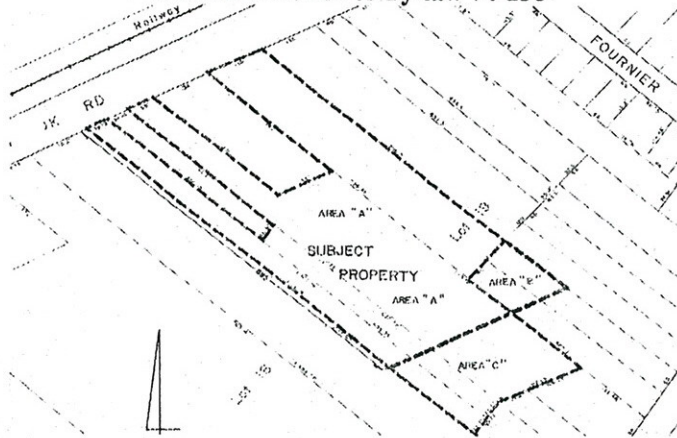


I - Institutional Zone

13 (269) ROAD TRANSPORTATION AND WAREHOUSING – 1419 TRUNK ROAD

1. The purposes for which the lands described as part of Lots 18 and 19 River Range, Rankin Location, situate on the south side of Trunk Road, approximately 131.1m west of Fournier Rd, shown in heavy outline and marked AREA A on the map attached as a schedule to this By-law, and the buildings and structures situated on the said lands marked AREA A were used on October 21 1968, the day of the passing of Zoning By-law 4500, and which uses are prohibited by By-law 4500 are permitted by this by-law to be extended to the land outlined and marked AREA B on the said map; and
2. The buildings and structures situated on the lands marked AREA A are permitted by this by-law to be extended or enlarged, subject to the following conditions and regulations:
 - a. The land, buildings and structures may be used only for the purposes in use on October 21, 1968, namely, road transportation and warehousing, including any accessory uses;
 - b. None of the buildings or structures shall be enlarged or extended into AREA B; and
 - c. Area C may be used only in accordance with Section 8.5, Rural Area Zone (RA), By-law 2005-150.

Schedule No. 269 to By-law 74-238

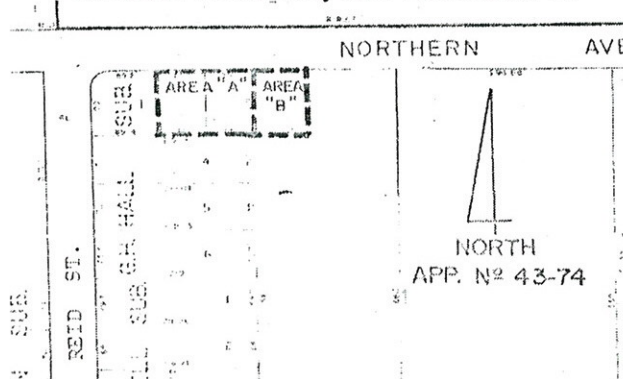


14 (270) RETAIL FURNITURE STORE AND CUSTOM WORKSHOP FOR INTERIOR DECORATING – 219 NORTHERN AVENUE

Notwithstanding the provisions of By-law 2005-150 the lands described as Lots 2 and 3 in the George Hall Subdivision, Plan No. H-586 and part of Lot 23, Registrar's Compiled Plan No. H-732, Civic Nos. 207, 211 and 219 Northern Avenue East and are shown outlined and marked "subject property" attached as schedule 270 hereto, may be used for the purposes of a retail furniture store and custom workshop for interior decorating, subject to the following special provisions:

1. The loading space requirement of Section 6 of By-law 2005-150 is reduced to one space; and
2. The loading space may be located within the front yard.

Schedule No. 173 to By-laws 74-244 & 86-76



MEMORANDUM

DATE: May 5, 2015
TO: Mayor Christian Provenzano and Members of City Council, City of Sault Ste. Marie
c.c. Nualla Kenny, Acting C.A.O., City of Sault Ste. Marie
FROM: Dominic Parrella, President & C.E.O., PUC Services Inc.
SUBJECT: Approval of Borrowing for the Water Utility

In accordance with the provisions of the Municipal Act, the Public Utilities Commission of the City of Sault Ste. Marie (the Commission) is a municipal service board. As such, it does not have the authority to borrow money on its own. Where the Commission needs to borrow money, the Corporation of the City of Sault Ste. Marie (the City) must provide authorization for the Commission to do so.

Current water rates do not provide enough revenue to cover annual infrastructure spending requirements. Note that the Financial Plan required under provincial regulation and submitted to the ministry in 2012 is designed to continuously grow capital spending to the required levels by 2021.

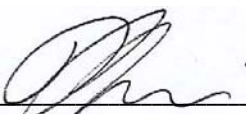
Borrowing of up to \$8 million is required in 2015 in order to provide for:

- Ongoing infrastructure renewal programs;
- The 2015 capital works budget; and
- Stage 1 of the Water Quality Improvement Project (new additional work prompted by regulatory changes).

It is noted that borrowing for the water utility has been done in the past to cover large infrastructure expenditures. Borrowing was last done in 1993 for the Zone 2 Reservoir and transmission mains.

It is further noted that this borrowing will be absorbed within the prior identified rate increases as laid out in the 2012 Financial Plan.

Council is therefore requested to provide approval for the Commission to borrow up to \$8 million to fund infrastructure renewal, 2015 capital works and water quality improvement upgrades.



Dominic Parrella, P.Eng.
President & C.E.O.

Public Utilities Commission of the City of Sault Ste. Marie

Financial Plan for Water Supply
Services

Prepared Pursuant to Ontario
Regulation 453/07
Financial Plan # 216-301

February 9, 2012

kpmg.ca

ADVISORY SERVICES

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Appendices

Appendix A – Water supply services financial forecast

I Introduction

1.1 Provincial reporting requirements

Pursuant to Section 31(1) of the Safe Drinking Water Act, 2002 (the "SDWA"), Provincial licences are required for the operation of municipal drinking water systems in Ontario. In obtaining this licence, the Sault Ste. Marie Public Utilities Commission (the "PUC") is required to meet five conditions under Section 44(1) of the SDWA, including the preparation of a financial plan for the water system. The form and content of financial plans for municipal water systems are prescribed under Ontario Regulation 453/07 (the "Regulation"). Under the terms of the Regulation, the PUC is required to prepare a financial plan that:

- i. Is approved through a resolution of the Commissioners that indicates that the drinking water system is financially viable
- ii. Extends over a minimum of six years and includes a statement that the financial impacts of the drinking water system have been considered
- iii. For each year of the financial plan, includes details of the proposed or projected financial operations of the system itemized by:
 - Total revenues, further broken down into water rates, user charges and other revenues
 - Total expenses, further broken down into amortization expenses, interest expenses and other expenses
 - Annual surplus or deficit
 - Accumulated surplus or deficit
- iv. Includes details of the proposed or projected financial position of the system, itemized by:
 - Total financial assets
 - Total liabilities
 - Net debt
 - Non-financial assets
 - Changes in tangible capital assets
- v. Details the proposed or projected gross cash receipts and cash payments itemized by:
 - Operating transactions
 - Capital transactions
 - Investing transactions
 - Financing transactions
 - Changes in cash and cash equivalents during the year
 - Cash and cash equivalents at the beginning and end of year

The disclosure requirements prescribed in the Regulation are consistent with the financial statement requirements as outlined in the Public Sector Accounting Handbook of the Canadian Institute of Chartered Accountants, which comprise:

- A statement of operating results

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- A statement of financial position
- A statement of cash flows
- A statement of changes in net financial assets

The Regulation requires a six year financial plan for water. However the financial plan for the PUC water supply has been prepared over a ten year period.

In connection with its financial plan, the PUC is also required to ensure an appropriate level of public communication by:

- Making the financial plans available, on request, to members of the public at no charge;
- Making the financial plans available to members of the public at no charge through the internet (if the municipality maintains a website); and,
- Providing notice as deemed appropriate to advise the public of the availability of the financial plans.

1.2 Financial plan methodology

In order to assist municipalities with the preparation of financial plans required under the SDWA, the Ministry of the Environment released a document entitled Toward Financially Sustainable Drinking-Water Systems (the "Ministry Document") that outlines suggested principles of financial sustainability for water systems as well as possible approaches to implementing these principles.

1.2.1 Sustainability principles

As outlined in the Ministry Document, financial sustainability for water systems is intended to ensure that residents enjoy safe drinking water that is provided on a reliable basis over the long-term in a manner that maintains environmental protection. The attainment of financial sustainability, which the Ministry Document recognizes does not necessarily need to occur immediately but rather can involve a transition, can be supported by the adoption of the following nine principles that can be used to inform financial plans:

1. Ongoing public engagement and transparency can build support for, and confidence in, financial plans and the system(s) to which they relate.
2. An integrated approach to planning among water, wastewater and storm water systems is desirable given the inherent relationship among these services.
3. Revenues collected for the provision of water supply services should ultimately be used to meet the needs of those services.
4. Life-cycle planning with mid-course corrections is preferable to planning over the short-term, or not planning at all.
5. An asset management plan is a key input to the development of a financial plan.
6. A sustainable level of revenue allows for reliable service that meets or exceeds environmental protection standards, while providing sufficient resources for future rehabilitation and replacement needs.
7. Ensuring users pay for the services they are provided leads to equitable outcomes and can improve conservation. In general, metering and the use of rates can help ensure users pay for services received.

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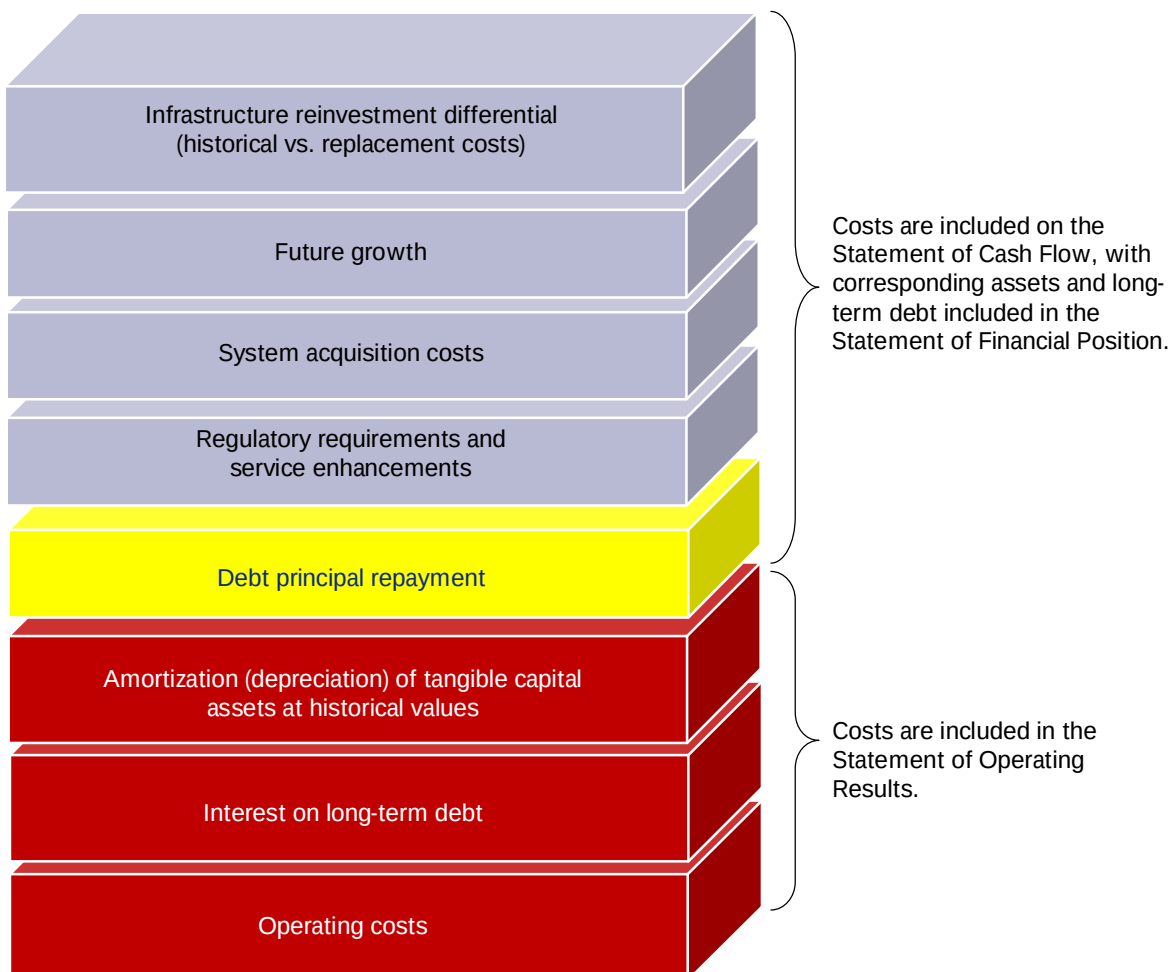
8. Financial plans are “living” documents that require continuous improvement. Comparing the accuracy of financial projections with actual results can lead to improved planning in the future.
9. Financial plans benefit from the close collaboration of various groups, including engineers, accountants, auditors, utility staff and the municipal commission.

The financial plan developed by the PUC embodies each of these principles, as further discussed in Chapter III of this report.

1.2.2 Approach to the financial plan

In developing the financial plan, the PUC has adopted the “building-block” approach outlined in the Ministry Document, which considers both the current and anticipated operating and capital funding requirements for water supply services. A graphical depiction of the building-block approach utilized in the development of the PUC’s plan is provided below.

Figure 1 – Building-block approach to developing the financial plan



1.3 Notice to reader

The financial plan outlined in this report represents a forecast of the financial performance of the PUC's water supply services under a series of assumptions that are documented within the plan. The financial plan (which has been prepared for the purposes of meeting regulatory requirements established by the Ministry) does not represent a formal, multi-year budget for water supply. The approval of operating and capital budgets for water supply is undertaken as part of the PUC's overall annual budgeting process. Accordingly, the financial performance outlined in this document is subject to change based on future decisions of the PUC with respect to operating and capital costs, rate increases, consumption changes and unforeseen revenues and expenses. It is the intention of the PUC to adjust its financial plans on an annual basis to reflect the most recent budgetary decisions made by the PUC.

The information contained in this report has been compiled from information provided by the PUC. KPMG have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of such information. Readers are cautioned that this information may not be appropriate for their purposes.

KPMG reserves the right (but will be under no obligation) to amend this report and advise accordingly in the event that, in our opinion, new material information comes to our attention that may be contrary to or different from that which is set out in this document. Comments in this report should not be interpreted to be legal advice or opinion. The contents of this report reflect our understanding of the facts derived from the examination of documents provided to us.

This report includes or makes reference to future oriented financial information. KPMG have not audited or otherwise reviewed the financial information or supporting assumptions and as such, express no opinion as to the reasonableness of the information provided.

The individuals that prepared this report did so to the best of their knowledge, acting independently and objectively. KPMG LLP's compensation is not contingent on any action or event resulting from the use of this report.

This report, including the attached appendices, must be considered in its entirety by the reader.

II Overview of the Sault Ste. Marie Drinking Water System

2.1 Infrastructure

The Sault Ste. Marie Drinking Water System (SSM DWS) serves a population of approximately 74,000 (within the Urban Service Line area) of the City of Sault Ste. Marie and Rankin Indian Reserve. Typical annual water pumpage is in the order of 13.5 million cubic meters per year and maximum peak day is in the range of 65,000 cubic meters.

Water for the greater Sault Ste. Marie area is presently obtained from two independent sources. One source of supply is from six deep wells in 4 pumping stations located at the Steelton Pump Station, Goulais Pump Station, Shannon Pump Station and Lorna Pump Station. The well at Steelton is 25 meters deep, Goulais wells are 55 meters deep, Shannon well is 102 meters deep and Lorna wells are 53 meters deep. The water pumped from the wells is disinfected and pumped directly to the distribution system.

The second source is from Lake Superior at Gros Cap. The intake structure, located in 15 meters of water is connected to the Raw Water Pumping Station by 830 meters of 1200mm diameter polyethylene pipe. The raw water from Lake Superior is pumped to the twin control tanks on Marshall Drive and then flows by gravity through a 750mm diameter concrete watermain to the Water Treatment Plant (filtration plant).

The difference in elevation between the pumping station at Gros Cap and the control tanks at Marshall Drive is 40 meters, while the difference in elevation between the control tanks and the treatment plant inlet is 20 meters. The filtration plant is of the direct filtration type incorporating chemically assisted coagulation, flocculation and dual media filtration but with no sedimentation. The plant is located on the south side of Second Line between Town Line Road and Carpin Beach Road immediately east of the Little Carp River. The plant is rated at 40,000 m³ per day but is capable of operating at higher levels for extended periods at times of high demand, subject to contact time limitations.

The complete water supply system, including the Gros Cap Pumping Station, deep wells and filtration plant, are monitored and controlled through a SCADA system from the Control Room at the Water Treatment Plant. There is a central process controller and data logging facility along with a graphic panel indicating the plant and the distribution system components.

The distribution system is divided into two pressure zones; one below the escarpment and the second above. A 27,275 m³ reservoir located on Second Line west of Highway 17 North provides balancing storage for the pressure zone (Zone 1) below the escarpment. Pressure for Zone 2, above the escarpment, is provided by a 9,000 m³ reservoir located on Peoples Road at Coronation Drive.

Sizes of mains vary from 900 mm diameter down to 50 mm diameter to provide a total length of approximately 470 km of distribution mains. Approximate breakdown of major pipe materials includes 51% cast iron, 26% ductile iron, 14 % PVC and 9% concrete pressure pipe.

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The table below summarizes the production assets.

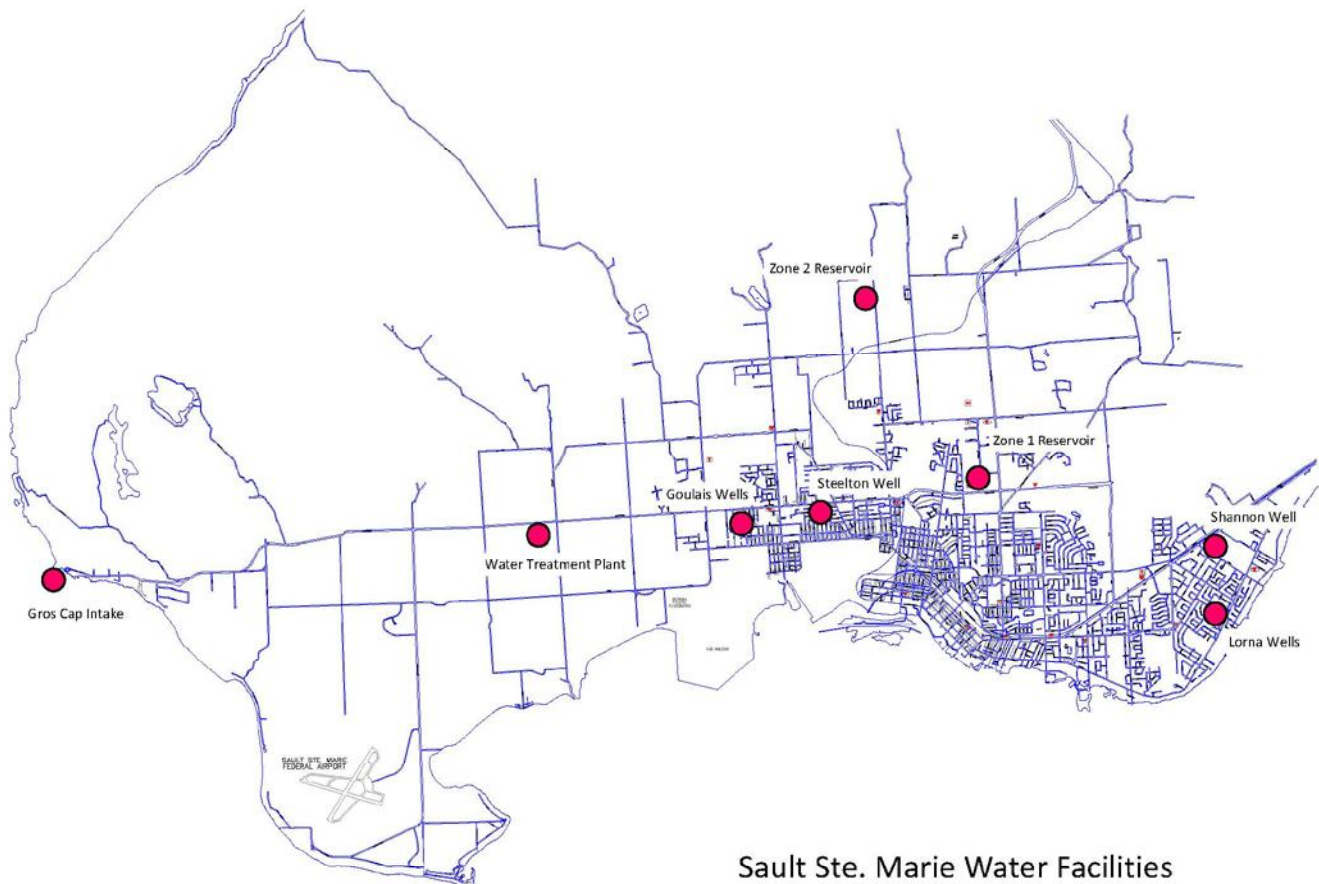
Production Assets	Associated Assets	Rated Capacity (m ³ /d)	Flow (m ³ /d)	
			Avg.*	Max.*
Water Treatment Plant	- Gros Cap Intake - Gros Cap Pump Station - Marshall Drive Tanks	40,000	18,000	32,628
Goulais Pump Station	- Well #1 - Well #2	10,013	5,028	5,340
Steelton Pump Station	Steelton Well	8,208	4,436	6,214
Shannon Pump Station	Shannon Well	7,000	5,012	5,442
Lorna Pump Station	- Well #1 - Well #2	14,558	5,041	5,435

* 2008 flow data

The table below summarizes the reservoirs and booster stations.

Reservoirs and Booster Stations	
WTP Reservoir	15,000 m ³
Zone 1 Reservoir	27,275 m ³
Zone 2 Reservoir	9,000 m ³
Zone 2 Booster	
Coronation Drive Booster	
Crimson Ridge Booster	

Figure 2 - Municipal water facilities



Sault Ste. Marie Water Facilities

2.2 Water rates

One of the most critical factors in shaping water use is the price. Are we giving the correct price signals that encourage consumers to use the water prudently?

The first objective is to recover the full cost of service. Rates have increased significantly over the past ten years and will continue to increase primarily to cover the cost of replacing the aging distribution system. The second objective is to encourage consumers to conserve water use. The third objective is to not unfairly shift the cost of supply from one group of customers to another.

The PUC rate structure contains a basic monthly charge and a three tiered block of rates. The monthly charge applies regardless of the amount of water used, reflecting the fact that a portion of the cost to operate the system is fixed. In fact, the majority of costs are fixed. Figure 3 indicates the variable and fixed components of the PUC's water rates.

The block structure provides a significant incentive primarily to the residential and small commercial consumer to keep their consumption below 15 m³/month. Water consumption above that level is significantly more expensive. The rate decrease in the third block is for very large water consumers, recognizing that simply being a large user does not mean they are using water inefficiently. Large water consumers should not have to carry an unreasonable cost burden that may affect their competitive position. The rate for the third block is still significantly above that of the first block. The rate structure provides a clear incentive to reduce consumption to all but the lowest water users.

Figure 3–water rates

Year	Water Rate			
	Variable 1 st Block 15m3 (per m ³)	Variable 2 nd Block 250m3 (per m ³)	Variable Balance Block (per m ³)	Fixed (monthly)
2007	\$ 0.294	\$0.821	\$0.621	\$11.94
2008	\$ 0.306	\$0.854	\$0.646	\$12.78
2009	\$ 0.310	\$0.863	\$0.653	\$13.55
2010	\$ 0.341	\$0.950	\$0.719	\$14.91
2011	\$ 0.372	\$1.093	\$0.791	\$16.41
2012	\$ 0.410	\$1.203	\$0.871	\$18.06

On an annual basis, a residential customer with a monthly consumption of 17 cubic meters (representing the average monthly consumption for residential customers in 2010) would pay \$319.44 for water supply in 2012 compared to \$215.90 in 2007, representing an average annual increase of 8.18% (see Figure 4).

Figure 4– Annual water costs for typical residential customers (17 cubic meters consumption)

Year	Water Costs			Annual Increase
	Variable	Fixed	Total	
2007	\$72.62	\$143.28	\$215.90	
2008	\$75.58	\$153.36	\$228.94	6.04%
2009	\$76.51	\$162.60	\$239.11	4.45%
2010	\$84.18	\$178.92	\$263.10	10.03%
2011	\$93.19	\$196.92	\$290.11	10.27%
2012	\$102.72	\$216.72	\$319.44	10.11%

2.3 Sustainable capital asset management

In order to ensure long term viability of the water supply on a full user pay basis, the PUC reviewed its capital asset management practices to ensure its funding for capital expenditures would be gradually increased to approximately 1.5% of the estimated replacement value of water assets. This level of funding was considered necessary to support the continuous replacement and rehabilitation of the PUC's water infrastructure at the end of its useful life (overall system average of approximately 70 years)¹.

Funding increases commenced in 2002 based on an estimated replacement value of \$450 million for water distribution assets only. Annual capital funding increased from approximately \$1.7 million in 2001 to almost \$5.0 million in 2012 with the intent to continue increasing rates and capital expenditure levels into the future.

With the completion of the implementation of tangible capital asset accounting in 2009, the PUC has estimated the replacement value of its water infrastructure to be in the order of \$580 million, which would require \$12 million in annual capital funding under a sustainable model as compared to the 2012 budgeted capital funding of \$5.0 million. This level of capital funding will provide for the replacement of current infrastructure and the traditional level of additions, extension and system reliability improvements.

¹ In determining the level of capital funding required to achieve sustainability, the financial plan considers a number of factors, including the replacement value and useful lives of the PUC's water assets, the potential impacts of growth and regulatory changes on capital investment requirements, the traditional practice of funding some infrastructure-related operating costs through capital envelopes and the potential for grant revenues to offset some portion of capital expenditures. After consideration of these items, the calculated financial requirement for sustainability in the financial plan is 1.5% of the replacement value of tangible capital assets.

III Key Financial Plan Assumptions

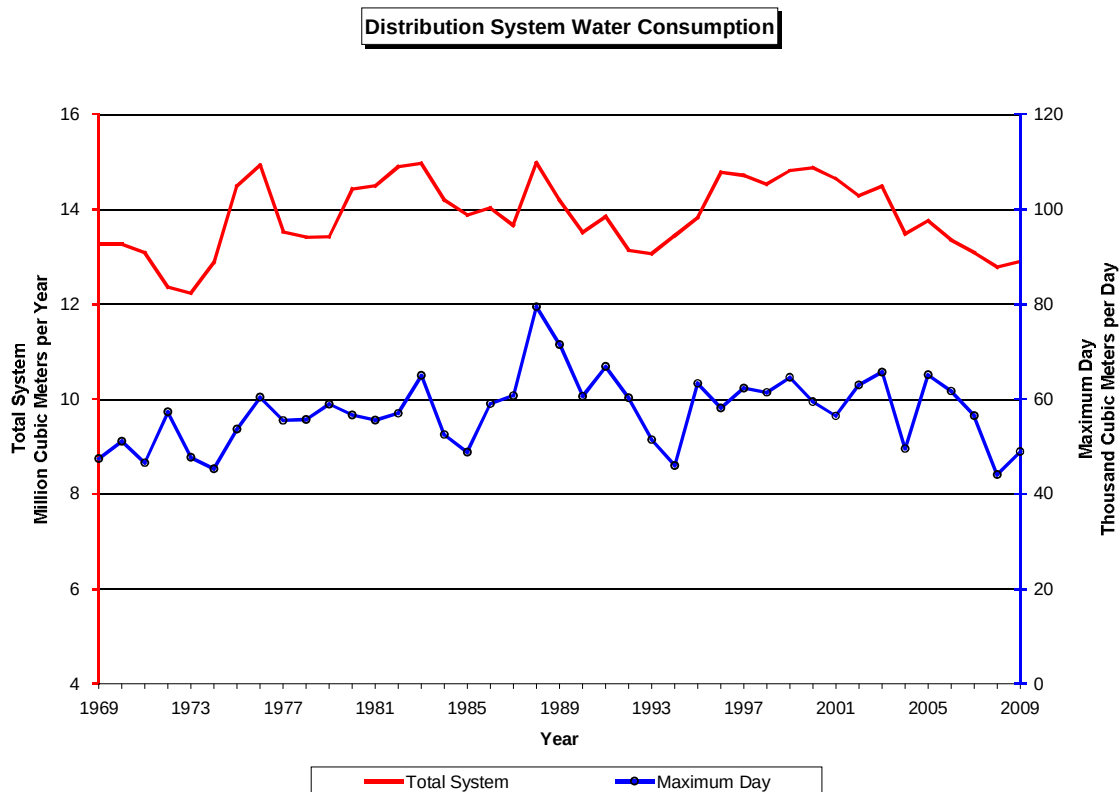
The preparation of a 10-year financial plan for water supply necessarily requires the use of assumptions concerning future events. This chapter highlights the key assumptions that have formed the basis of the forecasted financial performance of the PUC's water supply.

3.1 Water consumption

Figure 5 provides a summary of annual total system consumption and peak day demand since 1969. The highest annual and peak day water consumption occurred in 1988. That year annual consumption was 14.98 million m³ and the peak day was 79,482 m³/D. However the 1988 numbers are not representative of true consumer demand as there was extensive hydrant testing done that year combined with significant watermain breaks resulting in the unusually high numbers.

Annual consumption is influenced primarily by population and the type of industry in the community. Peak day consumption is most heavily influenced by summer weather conditions. Historically, total system consumption has fluctuated between 12 and 15 million m³ annually and peak day has been in the range of 65,000 m³/D.

Figure 5– Distribution system water consumption



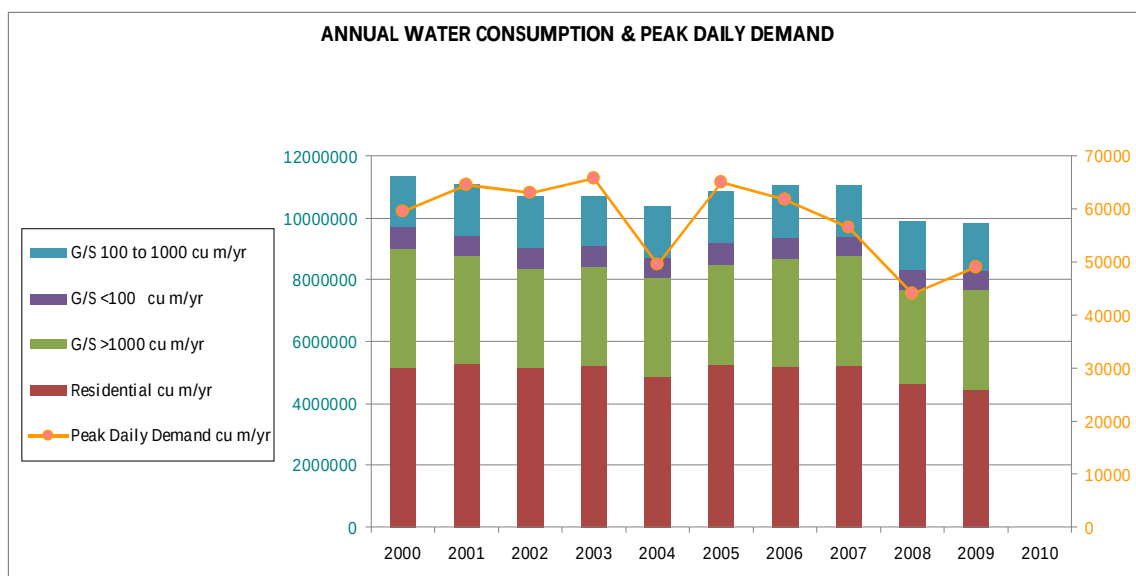
The most recent 10 years are of greatest relevance for trends in water consumption. The population served has stabilized and has begun to grow again. Many water conserving fixtures

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and appliances, such as low flush toilets and low water use washers, have been available for a number of years and are gaining market share.

The water consumption chart of Figure 6 shows annual consumption of the four customer billing groups for the period 2000 to 2009. Approximately half of water use is by residential consumers. The next largest consumer group is commercial/industrial activities whose monthly consumption exceeds 1,000 m³/month, followed by those with monthly consumption between 100 m³ and 1,000 m³ and lastly by commercial customers consuming less than 100 m³/month. During the past ten years annual consumption has fluctuated by 18%; peak day consumption, however, has fluctuated by 48%. The relatively hot summer of 2003 generated the highest peak consumption of 65,727 m³/D and the cool wet summer of 2008 saw the lowest peak of 44,044 m³/D.

Figure 6– Annual water consumption and peak daily demand



Consumption during winter months gives an indication of what the internal residential and commercial water use is. The table below indicates that average internal use per customer per winter month has declined in every category over the past 10 years. The biggest factor for the residential sector is likely due to a decrease in the number of residents per household.

Customer Category	2000	2009
Residential	18 m ³	15 m ³
>1,000 m ³ /month	6,162 m ³	4,447 m ³
100-1,000 m ³ /month	310 m ³	272 m ³
<100 m ³ /month	29 m ³	25 m ³

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The average monthly customer consumption over the months of June, July and August for the four customer categories in 2000 and 2009 is contained in the following table.

Customer Category	2000	2009
Residential	24 m ³	19 m ³
>1,000 m ³ /month	6995 m ³	5910 m ³
100-1,000 m ³ /month	352 m ³	301 m ³
<100 m ³ /month	31 m ³	27 m ³

Although the highest peak day demand in the ten year period occurred in 2003 the highest residential monthly consumption occurred in July 2005 at 29.82 m³. The highest monthly consumption for the greater than 1,000 m³/month customer category was in May 2000 at 6,971m³. For the 100 – 1,000 m³/month customer category a monthly high of 396 m³ occurred in August 2001. The highest monthly consumption for the less than 100 m³/month customer category was recorded in 2005 at 32 m³.

The difference between the winter and summer average residential customer use in 2000 was 33%. The difference between winter and summer use in the other customer categories ranged from 6.9% to 13.6% in that same year. In 2005 the difference between winter and summer average residential use was 71.1%. For the other categories the variation in the year of highest summer consumption with the winter average ranged from 21% to 33%. Every customer type is influenced by summer weather conditions but none more so than the residential customer.

Records over the past ten years indicate a slight decline in overall consumption. Water use is highly variable depending on summer weather and the greatest amount of variation is by the residential consumer.

PUC conservation strategy

The trend over the past ten years has been a decrease in per capita consumption reflecting the impact of higher water rates, the replacement of older appliances with more water efficient models and the installation of low flush toilets in new homes.

Nevertheless the PUC water supply is still vulnerable to periods of drought and hot weather when there is a loss in diversity in consumption due to the perceived need for lawn watering.

In 2011 the PUC passed a by-law to implement restrictions during the summer months when water capacity is being stressed. PUC's water conservation strategy is aimed at delaying the need for additional capacity where possible by promoting prudent use of water.

Losses and unaccounted for

Nearly all PUC customers are metered. In addition, PUC monitors the distribution system continuously for leaks that would otherwise go undetected. Also, meters are used on hydrants that are used for bulk water loading where city and contractor trucks fill up with water. These measures will reduce the amount of water that is lost or unaccounted for.

The decrease in water consumption likely reflects a combination of factors, including:

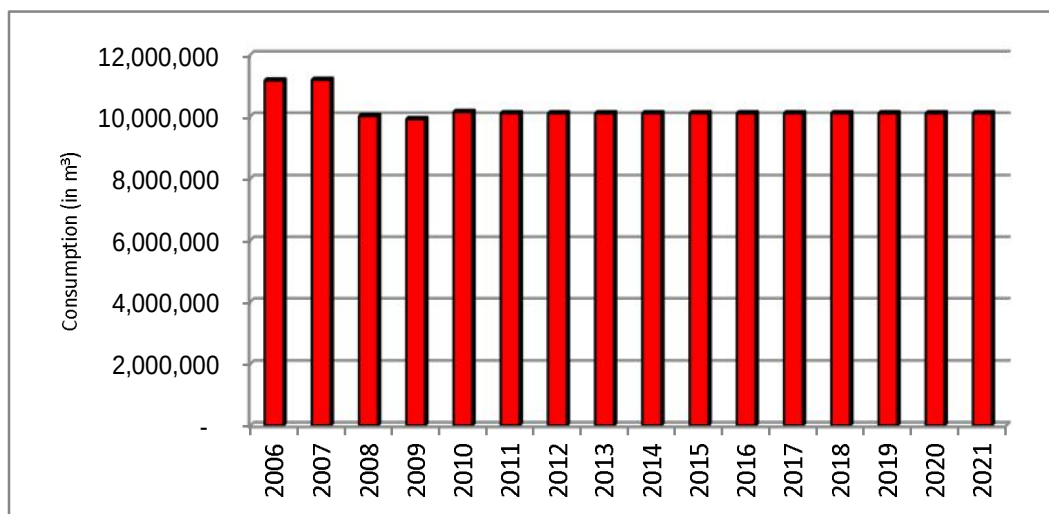
- price elasticity (i.e. reduced consumption in response to higher water rates)
- continued focus on conservation, including the increased use of water saving technologies (e.g. low flow showerheads, low flush toilets)

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- increased levels of rainfall during summer months, which would reduce water demand associated with lawn watering

The 2011 budget and financial plan assume that this historical declining trend in water consumption will continue during the projection period, although at a decreasing rate as opportunities for conservation are fully realized and the PUC increases the level of its meter inspection and enforcement activities. The projected water consumption levels considered in the financial plan are calculated on a twelve-month basis with consideration given to the historical trend in decreasing consumption (see Figure 7). Overall, the financial plan considers a decrease in consumption from 2012 to 2021 from existing customers coupled with an increased customer base. This is expected to net out to consistent consumption levels over the forecasted period.

Figure 7 – Forecasted annual water consumption levels (2006 to 2021)



3.2 Capital funding

The financial plan phases in increases to capital funding over a ten year planning period to a level sufficient to provide for:

- Sustainable reinvestment in the PUC's water infrastructure
- Anticipated growth in the PUC's water system
- A provision for future capital needs arising from regulatory changes or unavoidable service level enhancements

Overall, funding for infrastructure requirements should increase from the 2011 budgeted level of \$4.3 million to \$12.9 million in 2021, at which point capital expenditures will approximate 1.5% of the projected replacement value of the PUC's water assets (see Figure 8). This increase will reduce its replacement cycle (i.e. the number of years required to fully replace its infrastructure) from the current 137 years to 66 years.

Figure 8 – Projected replacement value of water infrastructure and annual capital funding (in millions)

Year	Replacement Value of Capital Assets	Forecasted Capital Funding	Funding Percentage	Replacement Cycle (in years)
2011	\$592	\$4.3	0.7%	137
2012	\$603	\$4.9	0.8%	124
2013	\$616	\$6.0	1.0%	103
2014	\$634	\$6.1	1.0%	104
2015	\$653	\$6.8	1.0%	96
2016	\$673	\$7.4	1.1%	91
2017	\$706	\$10.7	1.5%	66
2018	\$742	\$11.0	1.5%	68
2019	\$779	\$11.3	1.4%	69
2020	\$818	\$12.6	1.5%	65
2021	\$858	\$12.9	1.5%	66

The replacement values of the water assets at December 31, 2010 are inflated annually by 2% in 2011, 2012 and 2013, 3% in 2014 to 2016 and 5% in 2017 to 2021, consistent with the inflation assumptions made on operating costs.

The significant increase in capital spending required to achieve sustainability reflects in large part the current infrastructure deficit facing the PUC and the magnitude of change required to close the gap between infrastructure requirements and available funding.

3.3 Capital expenditures

Recently the PUC has begun the process of developing a master plan for water supply that will identify and quantify infrastructure requirements over the mid to long term. Until such time as the master plan is completed, the quantification of forecasted capital investments based on specific projects for the ten year projection period is speculative and possibly subject to material fluctuation. Future updates of the financial plan will reflect projected capital expenditures identified upon completion of the master plan for water supply, as well as master plan updates thereafter.

The financial plan assumes that all funds for capital projects raised through user fees will be expended by the PUC in the year that they are collected. Based on this assumption, the financial plan does not consider an accumulation of capital funding in reserves or reserve funds, although in reality reserves will be accumulated as projects are prefunded under the PUC's pay-as-you-go strategy.

3.4 Lead pipe replacement

The PUC has included approximately \$100,000 annually as part of the capital spending for the replacement of lead service pipes for residential customers.

3.5 Operating cost increases

Planned operating costs are based on the 2011 budget with provisions for future inflationary increases. Additional costs associated with new requirements; including source water protection for water supply has been included in the financial plan. In 2013, it is anticipated that the PUC will move its operations to a new facility and additional costs have been factored in commencing in 2013.

ABCD

A summary of the inflation rates used in the financial plan is included as Figure 9. Generally, inflation is expected to be 2 to 5% per annum for water costs as illustrated below.

Figure 9 – Projected annual inflation rates for operating costs

Year	Inflation
2012	2%
2013 to 2016	3%
2017 to 2021	5%

3.6 Contingencies

In addition to the key assumptions noted above, there are a number of other variables that have not been reflected in the financial plan. In the event that these variables materialize, whether in whole or in part, the potential exists for significant impacts (either positive or negative) on the projected financial plan.

Contingencies that were identified but not incorporated into the financial plan due to uncertainty as to quantum or probability of occurrence include:

- The acquisition of private water systems currently in operation.
- Potential operating savings resulting from the projected increase in capital spending. For example, the frequency and cost of repairing water main breaks may decrease as capital funding increases and reduces the overall age of the water main system.
- Potential operating savings related to on-going process reviews and technology enhancements.
- Senior government grant revenues for operating and/or capital purposes above the level of grant revenue noted in the financial plan.
- Unforeseen capital expenditure projects such as water extensions and development of cost sharing initiatives that exceed the financial resources identified in this plan.
- New Ministry regulations that would have a significant impact on operating costs in excess of cost increases provided for in the financial plan.

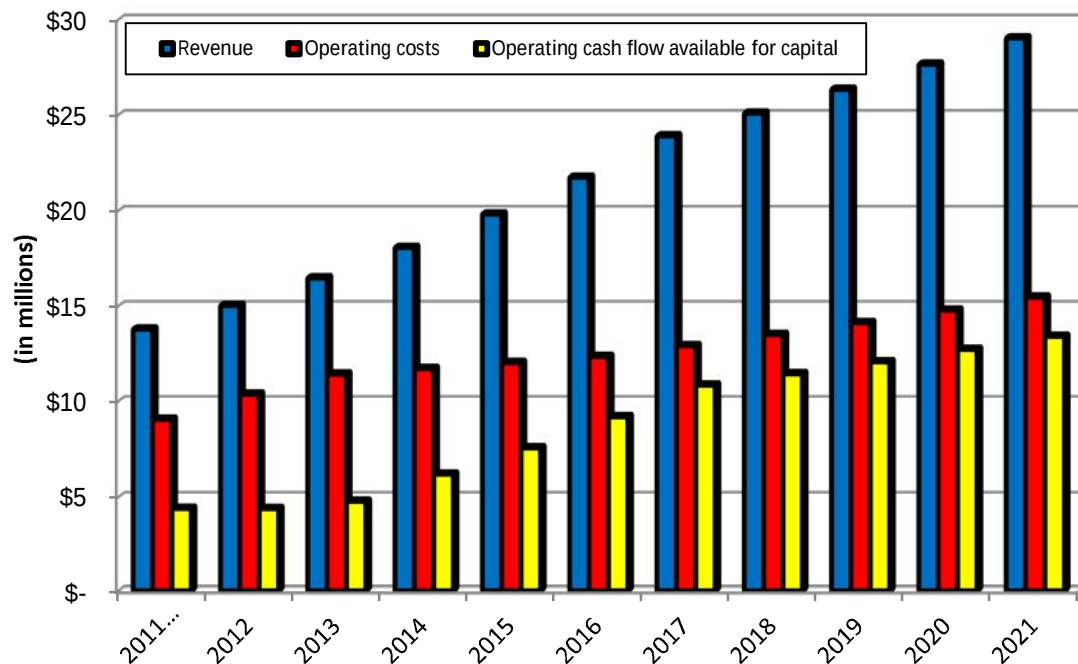
IV Financial Plan Highlights

Included as Appendix A is the consolidated financial plan for water supply, which provides a financial forecast of water supply from 2012 to 2021, based on the proposed 2011 budget. The financial plan is comprised of:

- A Statement of Projected Operating Results
- A Statement of Projected Financial Position
- A Statement of Cash Flow
- A Statement of Changes in Net Financial Assets
- Explanatory notes outlining key assumptions

As noted in the financial plan, total revenues are projected to increase from the budgeted level of \$13.8 million in 2011 to \$29 million in 2021, providing \$13.4 million in operating cash flows to support debt servicing obligations and infrastructure renewal (see Figure 10). The level of revenue projected at the end of the forecast period is considered sufficient to attain sustainability of the water supply.

Figure 10 – Projected revenues, operating costs (excluding amortization) and operating cash flow available for capital



4.1 Projected water rates

In order to moderate increases in water rates, the financial model reflects a transitional approach to items such as capital reinvestment whereby changes are phased in over time. However, other factors such as consumption decreases and operating cost elements have not been phased in but rather projected based on the anticipated timing of their occurrence. The projected water rate increases, as indicated in Figure 11 have been smoothed over a number of years to reach the funding level necessary to replace capital assets at the target rate.

As indicated in the Introduction, the financial plan (which has been prepared for the purposes of meeting regulatory requirements established by the Ministry) does not represent a formal, multi-year budget for water services. The approval of operating and capital budgets for water services is undertaken as part of the PUC's overall annual budgeting process. Accordingly, the financial performance outlined in this document is subject to change based on future decisions of the PUC with respect to operating and capital costs, rate increases, consumption changes and unforeseen revenues and expenses. It is the intention of the PUC to update the financial plan on a regular basis to reflect budgetary decisions made by the PUC.

Figure 11 summarizes the actual variable and fixed water rates for 2011 and as budgeted for 2012, as well as the projected rates for 2013 to 2021. These rates reflect the anticipated total cost of water services, other revenue sources and projected consumption levels, as well as the continuation of the PUC's past policy of escalating fixed and variable water rates by the same percentage increase.

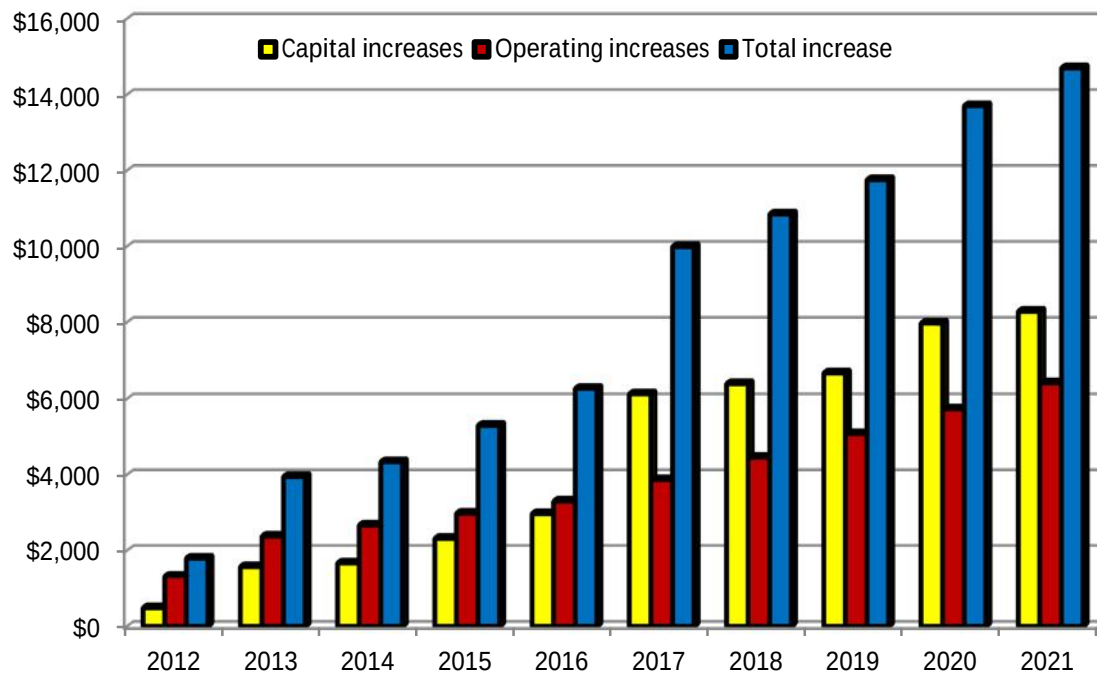
Figure 11 – Residential projected water rates

Year	Water Rates		Average Residential Cost (Annual)	Percentage Increase from Prior Year
	Variable (per m ³)	Fixed (monthly)		
2011 actual	\$0.46	\$16.41	\$290.11	
2012 (budget)	\$0.50	\$18.06	\$319.44	10%
2013	\$0.55	\$20.03	\$352.23	10%
2014	\$0.60	\$22.03	\$387.45	10%
2015	\$0.66	\$24.24	\$426.20	10%
2016	\$0.73	\$26.66	\$468.82	10%
2017	\$0.80	\$29.33	\$515.70	10%
2018	\$0.84	\$30.79	\$541.48	5%
2019	\$0.89	\$32.33	\$568.56	5%
2020	\$0.93	\$33.95	\$596.99	5%
2021	\$0.98	\$35.65	\$626.83	5%
Average annual increase				8%

The annual increases in water user fees are forecasted to increase over the projection period with the phase-in of capital expenditures to the level required to achieve sustainability. The major components of the annual water user fee increases are presented in Figure 12 and reflect the following:

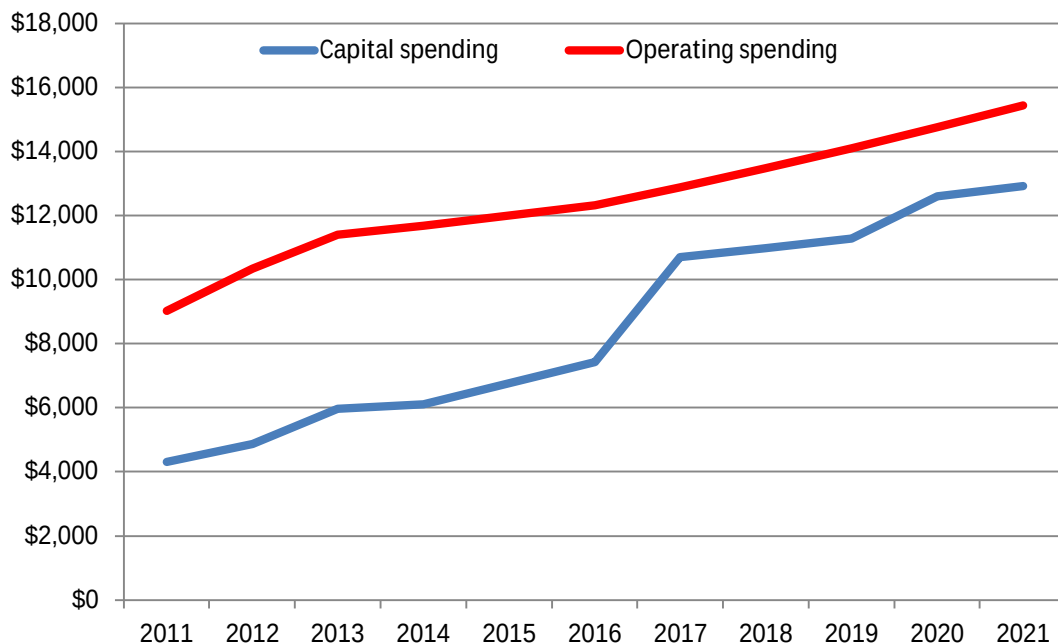
- Increases in water operating costs in 2013 due to the PUC move to a new facility
- Increasing levels of infrastructure reinvestment over the projection period

Figure 12 – Annual increases in cumulative expenditures component (in thousands)



As summarized in Figure 13, the total amount of capital expenditures (excluding debt servicing) is projected to increase from \$5.0 million in 2012 to \$12.9 million in 2021, an average annual increase of 12.2%. Additionally, operating costs are projected to increase from \$9 million in 2012 to \$15.4 million in 2021, an average annual increase of 5.6%, including new building expenditures commencing in 2013.

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



4.2 Comparison to other municipalities

In the past, the PUC has undertaken a comparison of its water rates against other Ontario municipalities for the purposes of assessing the reasonableness of proposed rate increases. While the preparation of financial plans for water services would appear to afford the opportunity for a detailed comparison of the PUC's operations from a financial perspective, the ability to undertake this type of analysis is limited by a number of factors:

- Municipalities are in different stages with respect to their financial plans, with the timing for completion depending on their specific licensing situation. As a result, certain municipalities have not yet been required to commence work on their financial plans.
- The Ministry disclosure requirements are relatively high level and as such, municipalities are not required to provide detailed information concerning water rates, consumption levels or operating cost categories.
- Certain municipalities have limited their financial plans to the six year minimum established by the Ministry as opposed to the 10 year projection period adopted by the PUC. As such, projected rate information beyond 2015 is not available for all municipalities.
- The financial plans for municipalities with high rates of population growth do not form reasonable comparisons given significant increases in consumption and capital investment, both of which impact on revenues, rates and operating costs.

In light of these factors, the comparison of the PUC's financial plan is limited to:

- Municipalities that have relatively low rates of projected population increases
- An analysis of the projected increase in water user fee revenue from 2010 to 2015, representing the minimum planning time frame required by the Ministry. An analysis of water user fee revenue, as opposed to water rates, was undertaken as municipalities are not required to disclose projected water rates.

As noted in Figure 14, the PUC is projecting an average annual increase in total water user fee revenue of 11.9% from 2010 to 2015, compared to other municipalities which are forecasting increases of 6.7% to 9.9%.

Figure 14 – Comparison of water user fee revenue increases as outlined in financial plans (thousands of dollars)

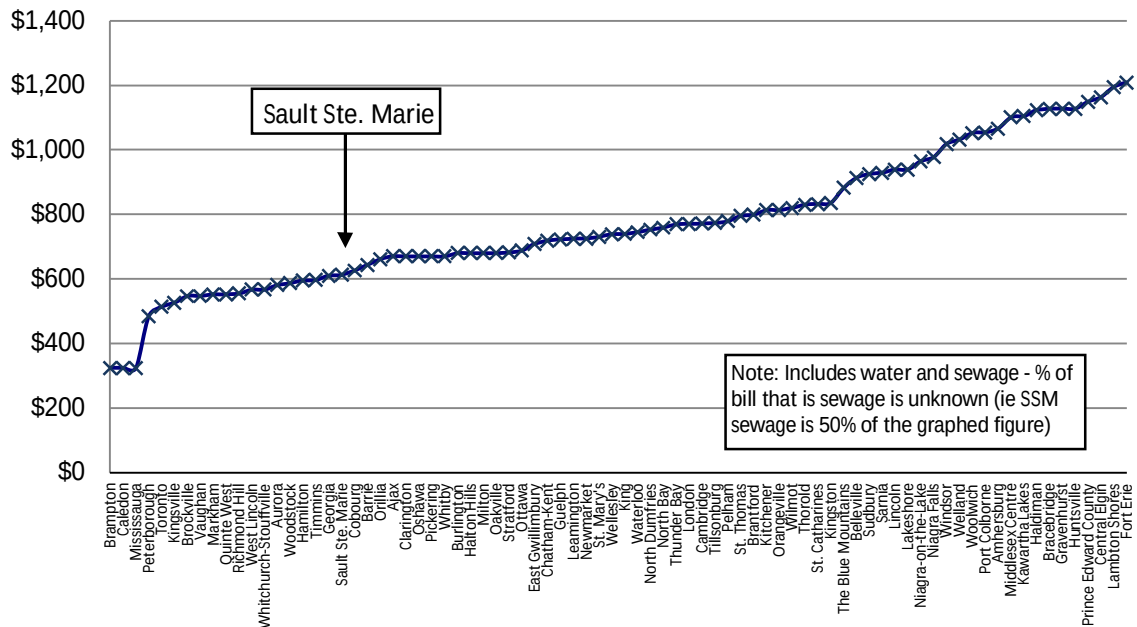
Community	Projected User Fee Revenue		2010-2015 Change		
	2010	2015	Amount	Total	Annual*
Kingston	\$16,102	\$24,058	\$7,956	49.41%	9.9%
Thunder Bay	\$20,910	\$29,430	\$8,520	40.75%	8.1%
Guelph	\$17,363	\$24,138	\$6,775	39.02%	7.8%
Ottawa	\$117,188	\$160,561	\$43,373	37.01%	7.4%
London	\$55,451	\$74,463	\$19,012	34.29%	6.9%
Greater Sudbury	\$24,495	\$32,691	\$8,196	33.46%	6.7%
Sault Ste. Marie	\$11,318	\$18,056	\$6,737	59.53%	11.9%

* The annual change is a simple average calculated by dividing the total increase percentage by the number of years. For Sault Ste. Marie, the annual user fee revenue increase on a year over year basis is 10%.

ABCD

The PUC is a low cost provider of water services when compared to other service providers in the Province of Ontario. As noted in figure 15, the average cost to a household in Sault Ste. Marie for water and wastewater services is approximately \$614 per annum which places Sault Ste. Marie in the bottom quartile for costs. The average cost for 2010 was \$775 per year and the median cost was \$740 per year.

Figure 15 – 2010 Actual water and wastewater costs (per annum based on 250 m³ of consumption)



4.3 Congruence with sustainability principles

At the onset of the financial plan, the nine sustainability principles developed by the Ministry were outlined. Figure 16 provides an indication as to the degree of congruence between the PUC's financial plan and the guidance provided by the Ministry.

Figure 16 – Congruence with suggested sustainability principles

Principle	How Addressed	Conclusion
1. Public engagement and transparency	- Financial plan was presented at a public PUC meeting and will be presented to the members of council of the City of Sault Ste. Marie as an information item - Public access to financial plan will be provided consistent with the Regulation	Achieved
2. Integrated approach to planning	Financial plan for capital expenditures is integrated with the City of Sault Ste. Marie planned capital projects for road reconstruction that includes replacement of sanitary and storm sewers.	Achieved
3. Revenues should be used to meet water needs	Financial model is full user pay	Achieved
4. Life cycle planning with mid-course corrections is preferable	Planning is a long-term forecast based on the useful life of infrastructure assets	Achieved
5. Asset management plan is a key input	The PUC has initiated asset management planning with consideration given to the useful life of assets	Achieved
6. Sustainable level of revenue considers operating and capital requirements	Revenue is sufficient to fund all operating costs as well as ongoing capital asset replacement, growth and regulatory changes	Achieved
7. Users pay for services they receive	No subsidization of water services by non-users	Achieved
8. Financial plans are living documents	PUC intends to regularly update the financial plan	Achieved
9. Financial plans benefit from close collaboration	Preparation included involvement from infrastructure and finance groups, as well as external advisors	Achieved

APPENDIX A

Financial Plan Water Supply Services

PUBLIC UTILITIES COMMISSION OF THE CITY OF SAULT STE. MARIE

Water Operations

Statement A

Statement of Projected Operating Results

For the Years Ending December 31

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
							Projected				
Revenues											
Residential	7,218,678	7,866,232	8,652,855	9,518,141	10,469,955	11,516,951	12,668,646	13,302,078	13,967,182	14,665,541	15,398,818
General	5,206,799	5,699,237	6,269,161	6,896,077	7,585,685	8,344,254	9,178,679	9,637,613	10,119,494	10,625,469	11,156,742
Hydrant	717,000	793,000	872,300	959,530	1,055,483	1,161,031	1,277,134	1,340,991	1,408,041	1,478,443	1,552,365
Other revenues	546,291	503,965	514,004	529,364	545,185	561,480	589,454	618,827	649,669	682,052	716,155
Developer contributions	70,000	140,000	142,800	145,656	150,026	154,527	159,163	167,121	175,477	184,251	193,464
Total revenues	13,758,768	15,002,434	16,451,120	18,048,768	19,806,334	21,738,243	23,873,076	25,066,630	26,319,863	27,635,756	29,017,544
Expenses:											
Operating expenses	6,755,159	7,211,076	7,355,298	7,575,957	7,803,236	8,037,333	8,439,200	8,861,160	9,304,218	9,769,429	10,257,900
General and administration expenses	2,270,886	3,132,311	4,046,761	4,117,641	4,201,698	4,288,716	4,451,521	4,620,142	4,797,928	4,985,336	5,182,830
Interest on long-term debt	285,000	150,000	150,000	150,000	125,000	100,000	-	-	-	-	-
Amortization of tangible capital assets	1,800,000	1,800,000	1,856,000	1,931,680	2,019,630	2,120,219	2,326,230	2,542,542	2,769,669	3,028,152	3,148,152
Total expenses	11,111,045	12,293,387	13,408,059	13,775,278	14,149,564	14,546,268	15,216,951	16,023,844	16,871,815	17,782,917	18,588,882
Gain on sale of building	-	-	1,500,000	-	-	-	-	-	-	-	-
Annual surplus (deficit)	2,647,723	2,709,047	4,543,061	4,273,490	5,656,770	7,191,975	8,656,125	9,042,786	9,448,048	9,852,839	10,428,662
Accumulated surplus (deficit), beginning of year	68,246,061	70,893,784	73,602,831	78,145,892	82,419,382	88,076,152	95,268,127	103,924,252	112,967,038	122,415,086	132,267,925
Accumulated surplus (deficit), end of year	70,893,784	73,602,831	78,145,892	82,419,382	88,076,152	95,268,127	103,924,252	112,967,038	122,415,086	132,267,925	142,696,587

PUBLIC UTILITIES COMMISSION OF THE CITY OF SAULT STE. MARIE

Water Operations

Statement B

Statement of Projected Financial Position

As at December 31

	Projected										
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Financial Assets											
Cash	\$ 713,349	\$ 210,446	\$ 497,318	\$ 59,864	\$ 314,213	\$ 41,694	\$ 163,191	\$ 594,618	\$ 1,350,739	\$ 1,447,054	\$ 1,899,958
Accounts receivable	1,861,821	1,861,821	1,861,821	1,861,821	1,861,821	1,861,821	1,861,821	1,861,821	1,861,821	1,861,821	1,861,821
Unbilled service revenue	553,558	553,558	553,558	553,558	553,558	553,558	553,558	553,558	553,558	553,558	553,558
Local improvement receivable	121,503	121,503	121,503	-	-	-	-	-	-	-	-
Total financial assets	3,250,231	2,747,328	3,034,200	2,475,243	2,729,592	2,457,073	2,578,570	3,009,997	3,766,118	3,862,433	4,315,337
Financial Liabilities											
Line of credit	3,000,000	3,000,000	3,000,000	2,500,000	2,000,000	-	-	-	-	-	-
Accounts payable and accrued liabilities	2,056,270	2,056,270	2,056,270	2,056,270	2,056,270	2,056,270	2,056,270	2,056,270	2,056,270	2,056,270	2,056,270
Total financial liabilities	5,056,270	5,056,270	5,056,270	4,556,270	4,056,270	2,056,270	2,056,270	2,056,270	2,056,270	2,056,270	2,056,270
Net financial assets	(1,806,039)	(2,308,942)	(2,022,070)	(2,081,027)	(1,326,678)	400,803	522,300	953,727	1,709,848	1,806,163	2,259,067
Non-Financial Assets											
Inventory	244,900	244,900	244,900	244,900	244,900	244,900	244,900	244,900	244,900	244,900	244,900
Tangible capital assets	72,454,923	75,666,873	79,923,062	84,255,509	89,157,930	94,622,424	103,157,052	111,768,411	120,460,338	130,216,862	140,192,620
Total non-financial assets	72,699,823	75,911,773	80,167,962	84,500,409	89,402,830	94,867,324	103,401,952	112,013,311	120,705,238	130,461,762	140,437,520
Accumulated surplus (deficit)	\$ 70,893,784	\$ 73,602,831	\$ 78,145,892	\$ 82,419,382	\$ 88,076,152	\$ 95,268,127	\$ 103,924,252	\$ 112,967,038	\$ 122,415,086	\$ 132,267,925	\$ 142,696,587
	-	-	-	-	-	-	-	-	-	-	-

PUBLIC UTILITIES COMMISSION OF THE CITY OF SAULT STE. MARIE
Water Operations

Statement C

Statement of Projected Cash Flows
For the Years Ending December 31

	2011	2012	2013	2014	2015	Projected 2016	2017	2018	2019	2020	2021
Cash provided by (used in) operating activities:											
Annual surplus (deficit)	\$ 2,647,723	\$ 2,709,047	\$ 4,543,061	\$ 4,273,490	\$ 5,656,770	\$ 7,191,975	\$ 8,656,125	\$ 9,042,786	\$ 9,448,048	\$ 9,852,839	\$ 10,428,662
Items not involving cash:											
Amortization of tangible capital assets	1,800,000	1,800,000	1,856,000	1,931,680	2,019,630	2,120,219	2,326,230	2,542,542	2,769,669	3,028,152	3,148,152
Developers contribution	(70,000)	(140,000)	(142,800)	(145,656)	(150,026)	(154,527)	(159,163)	(167,121)	(175,477)	(184,251)	(193,464)
Gain on sale of building	-	-	(1,500,000)	-	-	-	-	-	-	-	-
Changes in working capital	-	-	-	121,503	-	-	-	-	-	-	-
Net change in cash from operating activities	4,377,723	4,369,047	4,756,261	6,181,017	7,526,374	9,157,667	10,823,192	11,418,207	12,042,240	12,696,740	13,383,350
Cash provided by (used in) financing activities:											
Debt financing obtained	-	-	-	-	-	-	-	-	-	-	-
Principal repayments on net long-term liabilities	(1,000,000)	-	-	(500,000)	(500,000)	(2,000,000)	-	-	-	-	-
Net change in cash from financing activities	(1,000,000)	-	-	(500,000)	(500,000)	(2,000,000)	-	-	-	-	-
Capital activities:											
Cash used to acquire tangible capital assets	(4,323,633)	(4,871,950)	(5,969,389)	(6,118,471)	(6,772,025)	(7,430,186)	(10,701,695)	(10,986,780)	(11,286,119)	(12,600,425)	(12,930,446)
Proceeds from disposal of tangible capital assets	-	-	1,500,000	-	-	-	-	-	-	-	-
Net change in cash from capital activities	(4,323,633)	(4,871,950)	(4,469,389)	(6,118,471)	(6,772,025)	(7,430,186)	(10,701,695)	(10,986,780)	(11,286,119)	(12,600,425)	(12,930,446)
Net change in cash	(945,910)	(502,903)	286,872	(437,454)	254,349	(272,519)	121,497	431,427	756,121	96,315	452,904
Cash and cash equivalents, beginning of year	1,659,259	713,349	210,446	497,318	59,864	314,213	41,694	163,191	594,618	1,350,739	1,447,054
Cash and cash equivalents, end of year	\$ 713,349	\$ 210,446	\$ 497,318	\$ 59,864	\$ 314,213	\$ 41,694	\$ 163,191	\$ 594,618	\$ 1,350,739	\$ 1,447,054	\$ 1,899,958

PUBLIC UTILITIES COMMISSION OF THE CITY OF SAULT STE. MARIE
Water Operations

Statement D

Statement of Projected Changes in Net Financial Assets
For the Years Ending December 31

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
	----- Projected -----										
Annual surplus (deficit)	\$ 2,647,723	\$ 2,709,047	\$ 4,543,061	\$ 4,273,490	\$ 5,656,770	\$ 7,191,975	\$ 8,656,125	\$ 9,042,786	\$ 9,448,048	\$ 9,852,839	\$ 10,428,662
Acquisition of tangible capital assets	(4,393,633)	(5,011,950)	(6,112,189)	(6,264,127)	(6,922,051)	(7,584,713)	(10,860,858)	(11,153,901)	(11,461,596)	(12,784,676)	(13,123,910)
Amortization of tangible capital assets	1,800,000	1,800,000	1,856,000	1,931,680	2,019,630	2,120,219	2,326,230	2,542,542	2,769,669	3,028,152	3,148,152
Loss on disposal of tangible capital assets	-	-	-	-	-	-	-	-	-	-	-
	54,090	(502,903)	286,872	(58,957)	754,349	1,727,481	121,497	431,427	756,121	96,315	452,904
Change in inventory	-	-	-	-	-	-	-	-	-	-	-
Change in net financial assets	54,090	(502,903)	286,872	(58,957)	754,349	1,727,481	121,497	431,427	756,121	96,315	452,904
Net financial assets (net debt), beginning of year	(1,860,129)	(1,806,039)	(2,308,942)	(2,022,070)	(2,081,027)	(1,326,678)	400,803	522,300	953,727	1,709,848	1,806,163
Net financial assets (net debt), end of year	\$ (1,806,039)	\$ (2,308,942)	\$ (2,022,070)	\$ (2,081,027)	\$ (1,326,678)	\$ 400,803	\$ 522,300	\$ 953,727	\$ 1,709,848	\$ 1,806,163	\$ 2,259,067



MEMORANDUM

DATE: May 4, 2015
TO: Mayor Christian Provenzano and Members of City Council, City of Sault Ste. Marie
c.c. Nualla Kenny, Acting CAO, City of Sault Ste. Marie
FROM: Dominic Parrella, President & CEO, PUC Services Inc.
SUBJECT: Conversion of City Street Lights to LED Fixtures

This report is provided in response to City Council's resolution regarding LED street lights passed at the regular meeting of February 9, 2015. A copy of the resolution is attached for reference.

A Little History

The provision of street lighting in any city is a municipal responsibility that is funded through taxes paid by the citizens of that city. In Sault Ste. Marie, the street lighting infrastructure has historically been owned and operated by the PUC. When the PUC was restructured in 1999 in response to the Province's Electricity Act, the joint City/PUC restructuring committee deemed it in the best interests of both parties to continue with the PUC owning the infrastructure and the City continuing to pay all the associated costs. The latter issue, paying the associated costs, can only be accomplished through municipal taxes as there is no other mechanism for the PUC to recover those costs from the citizens of Sault Ste. Marie.

There are approximately 9,000 street lights in Sault Ste. Marie, which are all of the High Pressure Sodium (HPS) type. HPS has been the standard in the province since the early 1990's when the province implemented an incentive program, through Ontario Hydro at that time, to convert the then standard Mercury Vapour (MV) lights to more energy efficient HPS lights. At that time, the PUC converted approximately 3,500 MV lights to HPS over a period of four years to reduce the energy costs by approximately 32%. The incentive paid by Ontario Hydro was 25% of the total conversion costs.

PUC Services Inc. started investigating the potential conversion to LED lights in 2009. At that time LED lights were relatively new in the market place, and they were very expensive. Today the technology is relatively well established and the cost of the fixtures has come down significantly.

Initially PUC Services investigated several different manufacturers' products and narrowed down the field to four preferred manufacturers at that time. In December 2011 PUC Services undertook a pilot study to field test these four makes of lights. The objective was to assess their performance in our weather conditions and to verify the overall energy savings that could be obtained through actual field installations. LED street lights were installed on the Pine Street extension between Northern Avenue and Second Line East.

The pilot study confirmed the products tested were suitable for local conditions and that the overall energy savings was 32%, lower than the theoretical value provided by the manufacturer but still significant. Energy savings can vary with fixture components and the wattage of the fixture.

Suppliers of LED street lights will cite “potential” energy savings as high as 50-60%. These numbers appear to be overly optimistic compared to our actual field test results.

PUC Services started discussing conversion to LED with City staff in late 2009. There have been a number of meetings held with City staff since then and the latest held in May 2014 resulted in a request to PUC Services to assess the overall long term impact on all costs associated with the street lighting infrastructure. That is, from a life-cycle asset management perspective, what is the long term projection for annual costs related to capital, operating and maintenance costs? The only way to answer this question is to carry out a detailed Asset Management Plan. PUC Services initiated the process to develop such a plan in mid-2014 and had hoped to have it completed later this year. Moving ahead with the conversion project this year will delay development of the Plan to future years.

In late 2014 PUC Services was approved for funding under an incentive program offered by the Ontario Power Authority (OPA), now the Independent Electricity System Operator (IESO). The incentive is a fixed amount per light. While it amounts to approximately \$1million, it represents only 10% to 13% of the total conversion cost.

While the overall OPA incentive would be maximized if all 9,000 lights were replaced by end of 2015, this objective is likely not achievable. However, converting the lights over two years, 2015 and 2016, is achievable and will still benefit from the OPA incentive. The overall impact to the amount of the OPA incentive is negligible.

Pros and Cons of Conversion to LED

As mentioned above, LED technology has advanced to the point where it is now quite mature and reliable while the cost of the fixtures has been consistently decreasing. Today the business case for conversion to LED is quite clear and it is time to move ahead with the actual conversion.

One of the potential drawbacks to conversion is the difference in light colour and pattern compared to the existing HPS fixtures. LED lights provide white light that is comparable to daylight while the HPS fixtures provide a yellow light. The LED white light is better for illuminating objects on the roadway and provides better rendition than the HPS lights.

Also the resulting lighting pattern on the ground is potentially more “banded” than that of the HPS lights. Replacing HPS fixtures with LED fixtures will provide the opportunity to revisit designs and improve lighting where practical. These fundamental differences in light colour and pattern will be noticed by people and will result in both positive and negative public reaction to the new lights.

One important benefit of the LED lights is that they focus most of their light downward onto the roadway and the light pattern has a sharp “cut-off” such that there is controlled spill-over onto adjacent properties. This results in better control over “light pollution” upwards into the night sky or outwards onto driveways or into windows of adjacent homes. Some people will view this as an improvement while others will see it as a loss of benefit for their property security.

Cost/Benefit Analysis

Actual numbers will vary depending on actual conversion costs (i.e. potential range of contractor and vendor prices from competitive bidding) and actual quantity of lights converted. It is estimated the total project costs could range from a low of \$7.5 million to a possible high of \$10 million.

Therefore, based on the uncertainty of numbers at this time, any cost/benefit analysis must incorporate a range of costs and benefits.

The table below summarizes the anticipated cost benefits associated with converting all the HPS lights to LED. The costs shown are based on forecasted costs in 2015 for the current HPS lights, compared to forecasted costs for LED lights, only for the first year following conversion, as if all lights are converted in the same year. The cost of borrowing required to pay for the work is excluded.

	2015 Costs (existing HPS)	Anticipated 2015 Annual Savings for LED	Net Annual Costs (after LED savings)
Annual Energy Costs	\$1,623,000	\$523,000 - \$723,000	\$900,000 - \$1,100,000
Annual O&M Costs	\$380,000	\$85,000 - \$135,000	\$245,000 - \$295,000
Totals	\$2,003,000	\$608,000 - \$858,000	\$1,145,000 - \$1,395,000

In regards to the summary above, the following comments are noted:

- The cost of conversion, which is the annual loan payment, is not included.
- Energy costs are comprised of fixed and variable (volumetric) charges such that any particular percentage of energy savings for LED over HPS does not translate into an equal percentage of total bill savings. For example, the pilot project results confirmed an overall 32% energy savings which equated to only 25% savings on the overall bill.
- We have used an overall energy savings impact to the bill of 36% reduction based on improvements in technology since the pilot study.
- The energy rates which are determined by the Ontario Energy Board (OEB) are expected to continue to escalate. Accordingly the tabulated energy benefits are forecasted to be representative for 2015 only. The estimated energy costs and savings are premised on an increase of 5% for energy in 2015 compared to 2014.
- Other than the energy costs, current O&M costs include all aspects of operating and maintaining the entire street lighting infrastructure at today's levels. Conversion to LED will only impact O&M specific to the street light heads, i.e. the luminaires as they are normally called. There is relatively little existing O&M cost specific to the luminaires as our practice has been to replace lamps as they fail. The O&M savings indicated in the table above is based on not having to do anything to the new LED luminaires other than cleaning the lenses twice over the 20-year life of the analysis.
- The long term O&M costs will continue to climb as the aging infrastructure continues to require more attention.
- Capital costs for replacement of the infrastructure (poles, wiring and brackets etc.) are not included in the table above.
- Energy costs contain a large range of possibilities that are dependent on many variables including the luminaire itself and dimming capabilities, all directly related to the project capital cost and therefore require detailed analysis.

PUC Services considered several alternative methods to carry out the conversion of the existing HPS luminaires to LED lights. The options considered include the following:

1. Incremental Replacement Program

This option would provide for incremental funding of \$500,000/year (2015 dollars) to replace the fixtures over time as they fail. This would require approximately 16-20 years to achieve replacement of all HPS lights.

2. Energy Service Company (ESCO) – design/build/finance/maintain

In this model, the ESCO would provide the funding to carry out the project and recover their costs, fees, and profit margin through the annual energy savings.

3. Self-Finance

In this model the City would provide the needed working capital to carry out the project.

4. Loan Finance

Under this option, PUC Services would secure the funds required to carry out the project (probably through Infrastructure Ontario).

Detailed cost analyses were conducted on all four options that included “net present value” (NPV) analysis which takes into account the impacts of inflation and time-value of money over the 20-year useful life of the LED lights. Based on these detailed analyses, the two most feasible options are the following:

- Option A; PUC Services issues a contract for the design, supply and installation of LED lights to replace all 9,000 HPS luminaires over two years, 2015 and 2016. PUC Services funds the conversion through a 10-year loan, most likely from Infrastructure Ontario. In this scenario, PUC Services puts up the full cost of capital to fund the work and the City benefits from the full reduction in annual energy and O&M costs right from year-one.
- Option B; PUC Services contracts with an ESCO for a turn-key solution. The ESCO supplies and installs the LED lights to convert all the HPS lights over the same two-year period. The ESCO puts up most of the capital required to do the project but retains most of the energy and O&M savings for the first 10 years of the 20-year project life in order to pay for the work and earn a profit.

As noted above, due to the potential variation of vendor/contractor prices and actual field quantities, the NPV analyses included a range of high and low potential costs.

The following table summarizes the NPV comparison for the two most feasible options only. In order to simplify the discussion and presentation, we have included only the “most likely” scenario in each option rather than carrying high/low ranges of numbers for each.

Annual capital related costs for components other than the luminaires themselves have not been included and the numbers are based on the energy and O&M savings noted above, which are specific to the luminaires only.

	Time Frame	Loan Financed	ESCO
Average Annual Cost of Conversion	Yrs 1 – 10	\$875,223	\$1,161,358
	Yrs 11 - 20	0	0
Average Annual Savings on Energy & Maintenance Costs	Yrs 1 – 10	\$914,101	\$914,101
	Yrs 11 - 20	\$1,188,808	\$1,188,808
Average Annual NPV for Overall Net Savings	Yrs 1 – 10	\$31,022	\$29,617
	Yrs 11 - 20	\$807,310	\$807,310
Overall NPV (20 years)		\$8,383,321	\$5,708,198
Simple Payback Period		9.4 years	12.8 years

The NPV analysis demonstrates that the loan financing option provides the greatest net present value and shortest payback period, and is therefore, the preferred option. The table below provides the complete NPV summary for the loan financing option.

Year	Loan Payments	Total Savings (Energy & Mtce)	Overall Net (Cost) or Savings	Cumulative Net Present Value
1	(\$875,223)	\$848,066	(\$27,156)	(\$26,494)
2	(\$875,223)	\$873,029	(\$2,193)	(\$28,582)
3	(\$875,223)	\$898,469	\$23,246	(\$6,995)
4	(\$875,223)	\$924,373	\$49,151	\$37,533
5	(\$875,223)	\$950,727	\$75,504	\$104,267
6	(\$875,223)	\$977,512	\$102,289	\$192,471
7	(\$875,223)	\$487,799	(\$387,423)	(\$133,455)
8	(\$875,223)	\$1,032,291	\$157,069	(\$4,541)
9	(\$875,223)	\$1,060,235	\$185,012	\$143,603
10	(\$875,223)	\$1,088,508	\$213,286	\$310,222
11		\$1,117,077	\$1,117,077	\$1,161,596
12		\$1,145,901	\$1,145,901	\$2,013,638
13		\$1,174,939	\$1,174,939	\$2,865,962
14		\$610,375	\$610,375	\$3,297,942
15		\$1,233,454	\$1,233,454	\$4,149,599
16		\$1,262,818	\$1,262,818	\$5,000,265
17		\$1,292,169	\$1,292,169	\$5,849,472
18		\$1,321,434	\$1,321,434	\$6,696,730
19		\$1,350,533	\$1,350,533	\$7,541,526
20		\$1,379,380	\$1,379,380	\$8,383,322

The NPV analysis presented above is based on the following assumptions :

- NPV Discount Rate = 2.5%
- 10 year term with loan interest = 2.43%
- Loan amount \$8.77million (excluding IESO incentive)
- IESO Incentive \$1.08million
- Cleaning of lamps in year 7 and 14
- 20 year life of the LED luminaires
- Cost of Electricity increase 5% per year
- Energy Savings conservatively estimated at 40% overall.

Recommendation

Based on the analysis conducted by PUC Services, option A is recommended, namely that the project should be funded by way of a loan acquired by PUC Services and carried out over two years, 2015 and 2016.

Required Action of City Council

In accordance with requirements of the Shareholder Agreement, and assuming City Council wishes to move ahead with conversion to LED street lights, PUC Services requires Council to provide shareholder approval for PUC Services to borrow up to \$10 million to cover the cost of the conversion project.

Furthermore, since all costs associated with the provision of street lighting in Sault Ste. Marie are paid by the City through municipal taxes, the loan provider will require some form of assurance that the City will pay the financing costs over the 10-year term of the loan. This assurance may be in the form of a formal "Services Agreement" that ensures the costs of the conversion will be paid over the 10-year term of the loan, or they may require a formal Loan Guarantee.

In order for the work to proceed, City Council needs to approve the provision of loan security, in the form of either a Services Agreement or a Loan Guarantee, as may be required by the lender.

Dominic Parrella, P. Eng.
President & CEO
PUC Services Inc.

Attachments: City Council Agenda Item 8.3, Meeting of February 9, 2015

February 9, 2015 Council Meeting - Agenda Item 8.3

Agenda Item: LED Streetlights

Description: A copy of a City of Barrie Council report dated January 26, 2015 is attached for the information of Council.

Minutes:

Resolution(s): :

Resolution: Whereas 95 Ontario cities have committed to LED street light conversion and another 30 – 40 are in various stages of implementing the conversion; and

Whereas City costs of energy and maintenance have risen by over \$700,000 this past year; and

Whereas there seemingly are considerable savings in energy consumption and a 50 – 70% reduction in maintenance costs; and

Whereas there is presently in place from Independent Electrical Systems Operators (IESO) an incentive to assist in financing the implementation;

Now Therefore Be It Resolved that the President and CEO of PUC Inc. be requested to attend the meeting of Council on February 23, 2015 with plans of implementation for conversion or provide reasons for not proceeding.

Moved By: Councillor S. Butland

Seconded
By: Councillor P. Christian

Vote Type: Majority

Result: Carried



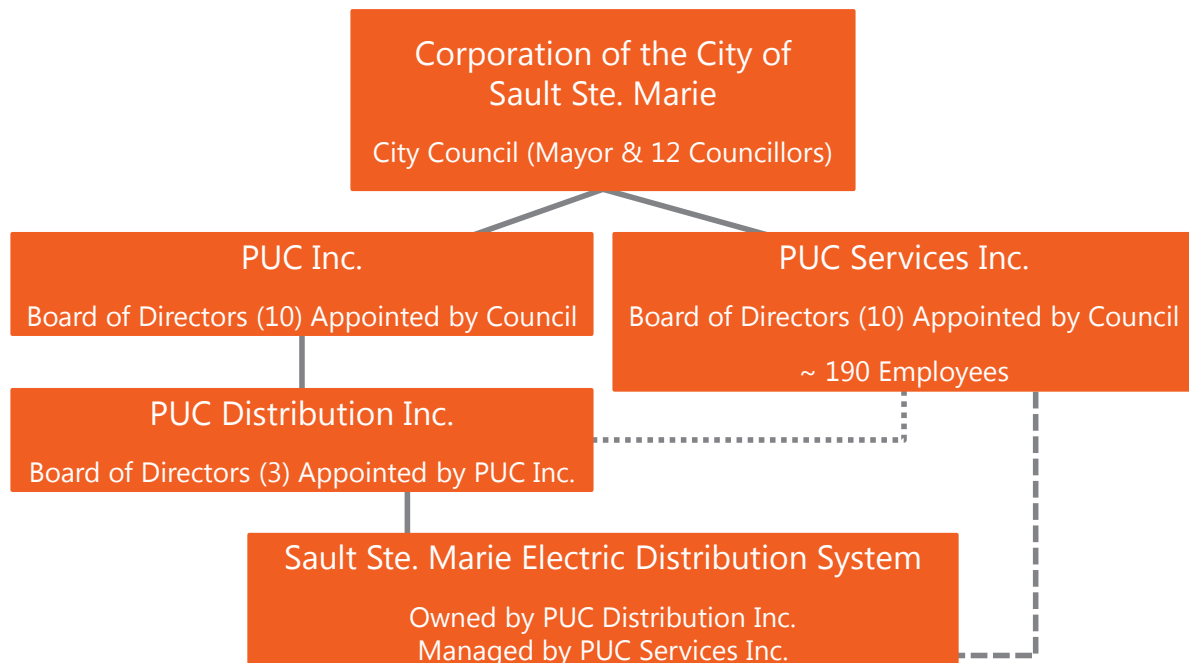
2014 Annual Report To Shareholder

PUC Inc. • PUC Distribution Inc. • PUC Services Inc.

City of Sault Ste. Marie – Council Meeting – May 11, 2015

1

Corporate Structure



Interest & Dividends

$$\begin{aligned} & \text{\textbf{\$2,545,000}} \quad (\text{Payments in 2014}) \\ + & \text{\textbf{\$32,040,000}} \quad (\text{Total payments 2001 to 2013}) \\ = & \text{\textbf{\$34,585,000}} \quad (\text{Total paid to the City since 2001}) \end{aligned}$$



Income Statement

PUC Services	2014	2013
Revenue	\$16,278,200	\$17,116,500
Expenses	\$16,711,800	\$18,067,000
Earnings Before PILS	\$(433,600)	\$(950,500)
Net Income	\$(333,500)	\$(829,100)
Paid to PUC Inc.		
Interest on Long-Term Debt	\$(532,000)	\$(532,000)



'External' Service Contracts

PUC Holds 17 Service Contracts (beyond Sault Ste. Marie municipal facilities)

Electric Services Contracts	
Espanola Customer Service	Espanola Management Services
Water Treatment Services Contracts	
Town of Blind River	Algoma District School Board
Town of Echo Bay	Huron Superior Catholic School Brd
Town of Desbarats	S.S.M. Airport
Town of Richards Landing	Pointe Des Chenes Camp Grounds
Pronto East Subdivision	Prince Township Community Center
Town of Serpent River	Goulais Recreational Center
Northland Trailer Park	Gordon Lake Community Hall
Algoma District Services Administration Board	



May 11, 2015 - City Council Meeting

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Income Statement

PUC Inc. & PUC Distribution Inc.	2014	2013
Energy Revenue	\$87,008,200	\$85,654,000
Cost of Energy	\$70,473,100	\$68,769,100
Gross Margin	\$16,535,100	\$16,884,900
Other Revenue	\$4,791,700,	\$5,504,600
Expenses	\$20,101,700	\$20,150,100
Earnings Before PILS	\$1,225,100	\$2,239,400
Net Income	\$1,408,600	\$2,252,300

Paid To Shareholder (City of Sault Ste. Marie)		
Interest on Long-Term Debt	\$1,935,000	\$1,935,000
Cash Dividend	\$610,000	\$610,000
Total Interest and Cash Paid	\$2,545,000	\$2,545,000



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2014 Forecast

two-thousand and fourteen results

Bell Aliant FTTP Project – Not Completed

Bell Aliant terminated the project mid-2014.

Achieve 4th Year CDM Target

The PUC through its Conservation and Demand Management (CDM) Program set targets for both demand and energy reduction in accordance with provincial requirements.

2014 Targets **2.1** MW **5.2** GWh

2014 Results **0.7** MW **4.1** GWh

4-year Program Achievement **55.9** % **100.3** %



May 11, 2015 - City Council Meeting

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2014 Forecast

two-thousand and fourteen results

System Reliability Target – Reached and Exceeded

The PUC set a corporate target to keep the frequency of outages and their duration within the established 3 year average. For 2014 the PUC reduced electrical outage durations and frequencies by more than 50% of the prior 3 year average.

1.19
Duration

1.21
Frequency

Overall **IMPROVEMENT** of:

52%

55%

when compared to the last 3 years.



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2014 Forecast

two-thousand and fourteen results

3 Year Infrastructure Renewal Project – Exceeded Targets

3 years ago the PUC made a commitment to Council to enact an aggressive and targeted infrastructure revitalization campaign aimed at improving system reliability. From 2012-2014 the PUC committed to replacing a total of **1,200** suspected defective switches and **3,000** failure-prone porcelain insulators.

Project Results

1,375

Switches Replaced

3,302

Porcelain Insulators Replaced

This targeted infrastructure renewal project resulted in an overall improvement in switch and insulator reliability. Since 2010/2011 there has been a:

76%

Reduction in Frequency of Outages

75%

Reduction in Duration of Outages



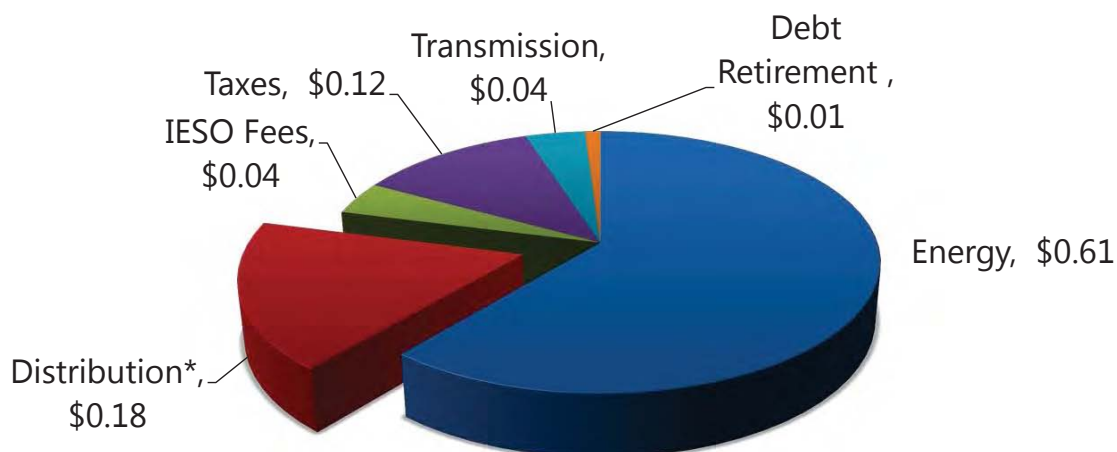
May 11, 2015 - City Council Meeting

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Average Electric Bill-2014

800 kWh Residential Bill For Sault Ste. Marie

Where Your Dollar Went In 2014



*PUC Distribution retains only 18¢ for every dollar charged on the electric bill; other provincial agencies absorb the remaining 82¢



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Provincial Comparison

2014 Residential - 800 kWh Monthly Electric Bill

Rank	Utility	Average Bill
1/82	E.L.K Energy Inc.	\$110.42
4/82	PUC Distribution	\$113.34
6/82	Thunder Bay	\$120.11
24/82	Greater Sudbury	\$125.58
36/82	North Bay	\$128.23
80/82	Algoma Power	\$150.71
82/82	Hydro One Medium Density	\$157.09

Data Published by Ontario Energy Board

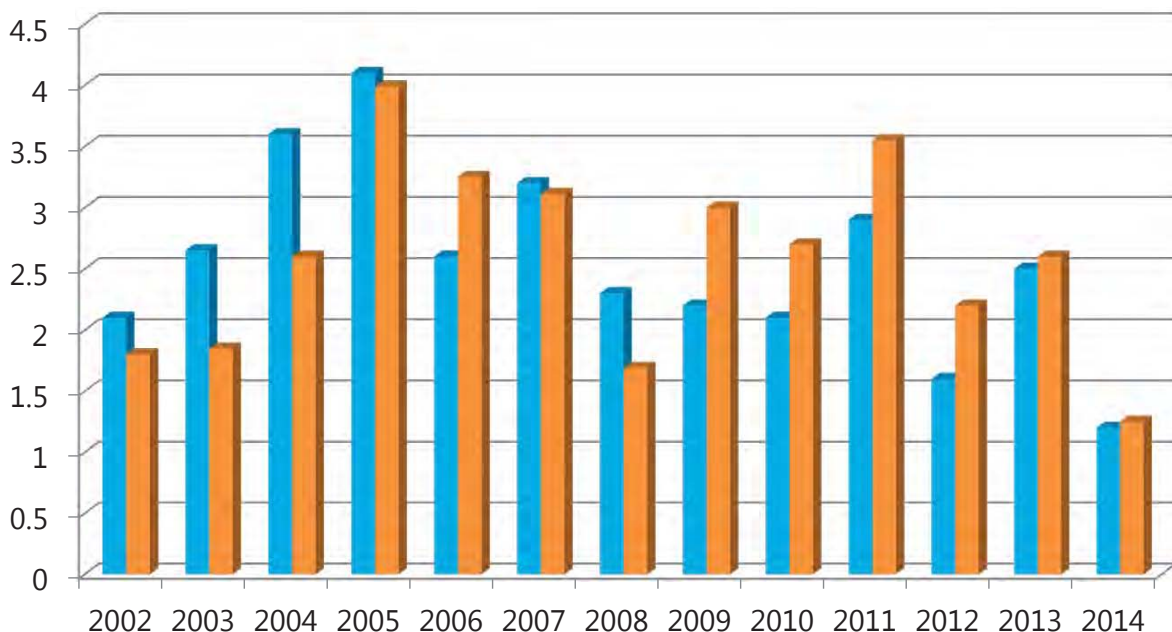


May 11, 2015 - City Council Meeting

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Electric System Reliability

Outage Duration ■ Outage Frequency ■



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Electric System Reliability

*2013 - Provincial Comparison

Utility	SAIFI*	SAIDI*
E.L.K Energy Inc.	.47 Events	74 Minutes
PUC Distribution	3.35 Events	159 Minutes
Thunder Bay	2.14 Events	62 Minutes
Greater Sudbury	1.23 Events	89 Minutes
North Bay	3.07 Events	189 Minutes
Algoma Power	8.15 Events	16.73 Hours
Hydro One Medium Density	4.63 Events	27.42 Hours

SAIDI

The average number of hours that power to a customer was interrupted

SAIFI

The average number of times that power to a customer was interrupted



*2014 Reliability Statistics are not released by the OEB until Q3 2015

May 11, 2015 - City Council Meeting

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Electric System Reliability

Outage Duration & Frequency for PUC - 2014

72
Minutes

The average number of minutes that power to a customer was interrupted in 2014

SAIDI = 1.19

1.21
Events

The average number of times that power to a customer was interrupted in 2014

SAIFI = 1.21

"We are pleased to report that the investments we have made in the electrical distribution system has had a real impact, our community hasn't seen this level of reliability in over 15 years."

- Dominic Parrella
President & CEO
PUC Services Inc.



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Highlights For 2014

PUC Services Inc.

371 Days lost-time accident free up to July 3rd – Followed by 178 days to December 28th

Extended management contract with Espanola Regional Hydro

Renewed 5-year water services contract with Blind River

Delivered the "Caution and Chance" electrical awareness program to **26** area elementary schools – approx. **1,784** students



CustomerFirst Inc.

PUC understands that collaboration is the future of the electricity industry in Ontario. We believe that collaborating with other utilities has the greatest potential to benefit our customers.

CustomerFirst Inc. is just that, it is a collaboration of 6 like-minded small to medium sized electric utilities, geographically diverse and representing over 160,400 customers across Ontario.

We are committed to increasing efficiency and customer service.

**First Milestone Achieved:
Submitted joint CDM plan April 23, 2015**



Outlook For 2015

PUC Services Inc.

Begin conversion of the City's approx. 9,000 HPS street lights to LED lights

Develop and implement new 6-year energy conservation and demand management (CDM) plan

Keep electric system reliability numbers (SAIDI and SAIFI) below the prior 3 year average



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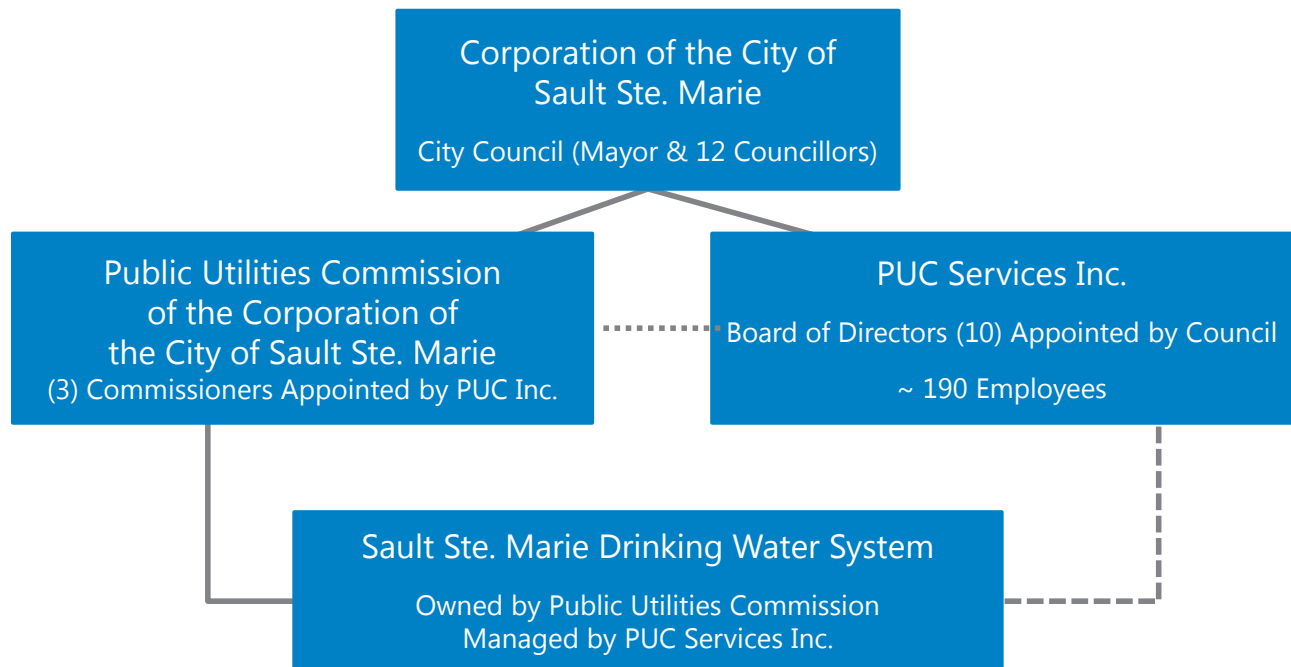


2014 Annual Report to City Council

The Public Utilities Commission of the City Of Sault Ste. Marie

Water Utility

Current Structure



May 11, 2015 - City Council Meeting

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2014 Forecast

two-thousand and fourteen results

Water Quality Improvement Project – Stage 1 Completed

- Lorna Wells were removed from day-to-day use
- Completed implementation of new advanced treatment methods
 - pH stabilization and corrosion control

Backflow Prevention Programme – Not Completed

Program was deferred as resources were reallocated to competing projects

Projected Capital Expenditures for 2014 – \$4.8 Million

In 2014 the PUC spent \$6.0 million on capital expenditures



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Revenues & Expenditures

Public Utilities Commission	2014	2013
Service Revenue	\$16,745,600	\$15,515,900
Other Revenue	\$1,074,800	\$808,900
Total Revenue	\$17,820,400	\$16,324,800
OM&A	\$14,545,900	\$12,276,900
Interest On Long-Term Debt	\$112,200	\$112,000
Amortization Of Tangible Assets	\$2,173,900	\$2,067,900
Total Expenses	\$16,832,000	\$14,456,800
Annual Surplus	\$988,400	\$1,868,000
Construction of Water Works	(\$6,040,900)	(\$4,064,800)
Amortization Of Tangible Assets	\$2,173,900	\$2,067,900
Change in Cash Position	(\$2,878,600)	(\$128,900)

Provincial Comparison

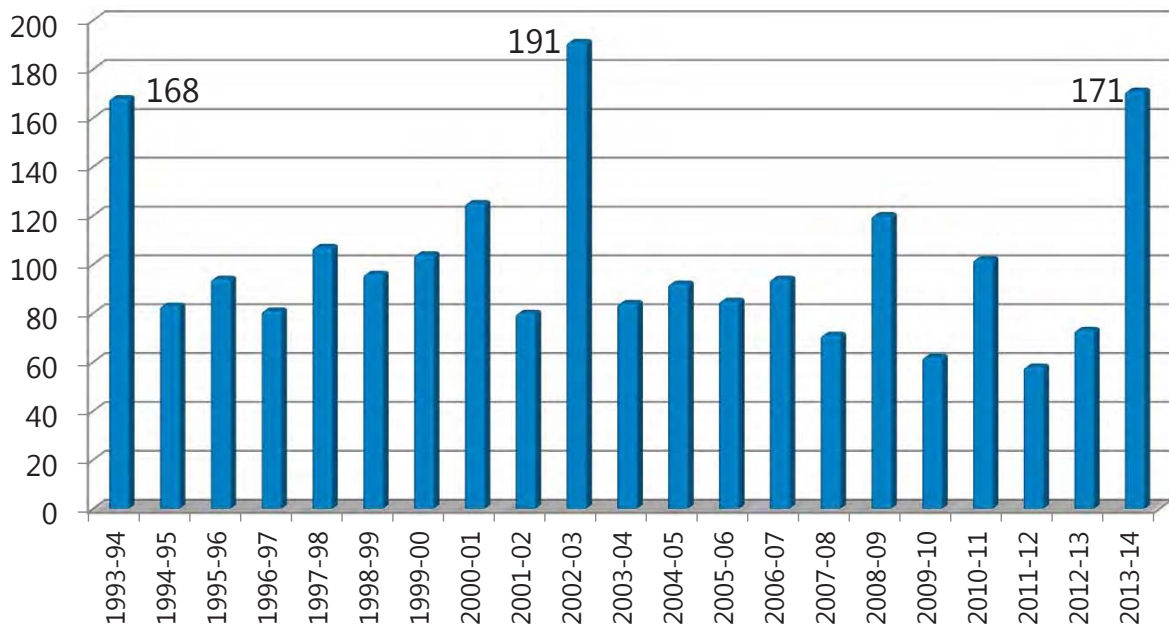
2014 Residential – 200 m3 **Annual** Water & Sewage Bill

Rank	Utility	Average Annual Bill
1/93	Brampton	\$354
40/93	Sault Ste. Marie	\$763
54/93	North Bay	\$892
63/93	Thunder Bay	\$938
65/93	Greater Sudbury	\$960
93/93	Prince Edward County	\$1,520

% of bill that is sewage is unknown (i.e. SSM sewage is 50% of the bill)

Data Published by BMA Management Consultants

Watermain Break Summary



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Outlook For 2015

Water Utility

Water Quality Improvement Project:

- Monitor and assess customer satisfaction with water quality
- Determine if Stage 2 is required (UV + Chloramine)

Achieve Capital Expenditures:

\$ 8.7 Million

Continue with Financial Plan Implementation:

- Financial Plan submitted to Ministry in 2012
- Plan needs to be updated to reflect WQIP and recognize two consecutive difficult winters (O&M ~\$1 million over budget for 2014)



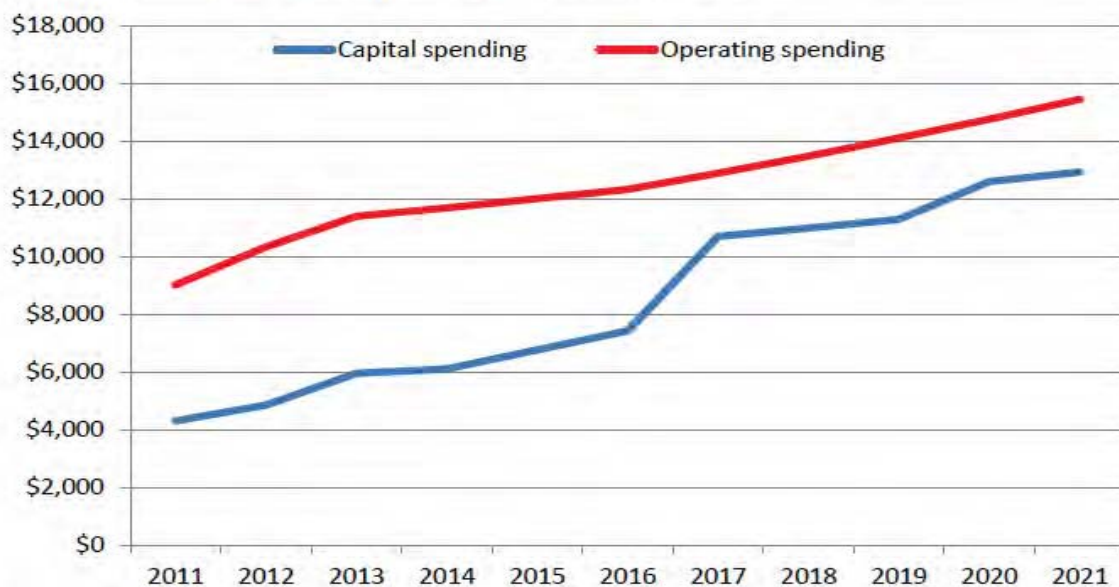
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Water Supply Financial Plan

Long Term Sustainability

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



Shareholder Resolutions

**Acceptance of
2014 Audited
Financial
Statements for
PUC Inc. and
PUC Services
Inc.**

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

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



**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, 2014, 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.

Election of Directors

BE IT RESOLVED THAT the following persons, a majority of whom are resident Canadians, are hereby elected directors of the corporation, to hold office until the close of the next annual meeting of the shareholder or until their successors have been duly elected or appointed, subject to the provisions of the Corporation's by-laws and the Ontario Business Corporations Act:

James Boniferro
James D. Greco
Patricia Mick
Matthew Shoemaker

Cecilia Bruno
Robert Kates
Christian Provenzano

Paul Christian
William Lindsey
Robert Reid

The undersigned being the sole Shareholder of the Corporation hereby signs the foregoing resolution pursuant to the provisions of the Ontario Business Corporations Act this **11th day of May, 2015**

The Corporation of the City of Sault Ste. Marie

Per: _____
Christian Provenzano, Mayor

Per: _____
Malcolm White, 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, 2014, 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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The Corporation of the City of Sault Ste. Marie

Per: _____
Christian Provenzano, Mayor

Per: _____
Malcolm White, City Clerk

RESOLUTION OF THE SHAREHOLDER OF PUC SERVICES INC.

Borrowing for Conversion to LED Street Lights

Background

1. The Shareholder Agreement between PUC Services Inc. (the "Corporation") and its sole shareholder, the Corporation of the City of Sault Ste. Marie (the "City"), requires the Corporation to obtain shareholder approval in order to borrow money in excess of \$5,000,000.00 for any single capital project.
2. The Board of Directors of the Corporation, at its meeting of April 15, 2015 did approve conversion of all existing HPS streetlights to LED streetlights within the city limits, and the borrowing of up to \$10,000,000.00 in order to perform the work.
3. The Corporation owns the street lights and associated infrastructure (the Street Lights) while the City has always been and continues to be responsible for payment of all costs associated with operating, maintaining, constructing and replacing the Street Lights by way of municipal taxes as a municipal service.
4. The lender will require the City to provide loan security in the form of either a Services Agreement or a Loan Guarantee which will be determined only through the course of the loan negotiations.

Resolution

BE IT RESOLVED THAT the Corporation is authorized to borrow up to \$10, 000,000.00 in order to carry out the conversion work and that City staff are authorized to provide a Loan Guarantee or to negotiate a suitable Services Agreement, as the case may be, in accordance with the requirements of the lender.

The undersigned being the sole Shareholder of the Corporation hereby signs the foregoing resolution pursuant to the provisions of the Ontario Business Corporations Act this **11th day of May, 2015**

The Corporation of the City of Sault Ste. Marie

Per: _____
Christian Provenzano, Mayor

Per: _____
Malcolm White, City Clerk

Financial Statements of

PUC SERVICES INC.

Year ended December 31, 2014



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

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

INDEPENDENT AUDITORS' REPORT

To the Shareholder of PUC Services Inc.

We have audited the accompanying financial statements of PUC Services Inc. which comprise the balance sheet as at December 31, 2014, the statements of operations, comprehensive loss and deficit and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of PUC Services Inc. as at December 31, 2014, and its results of operations and its cash flows for the year then ended in accordance with the basis of accounting in Note 1 to the financial statements.



Basis of Accounting and Restriction on Use

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

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

April 15, 2015
Sault Ste. Marie, Canada

PUC SERVICES INC.

Balance Sheet

December 31, 2014, with comparative information for 2013

	2014	2013
Assets		
Current assets:		
Cash	\$ 10,339,458	\$ 6,837,931
Accounts receivable	3,228,381	2,431,483
Receivable from related entity (note 8):		
PUC Distribution Inc.	1,945,721	8,054,961
Inventories	345,588	287,222
Prepaid expenses	39,571	229,879
Payment in lieu of taxes recoverable	7,260	67,352
	<u>15,905,979</u>	<u>17,908,828</u>
Future taxes (note 6)	852,000	752,000
Property, plant and equipment (note 2)	27,943,755	27,548,486
Less accumulated amortization	<u>20,074,777</u>	<u>18,900,903</u>
	7,868,978	8,647,583
	<u>\$ 24,626,957</u>	<u>\$ 27,308,411</u>

	2014	2013
Liabilities and Shareholder's Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 2,927,544	\$ 2,804,980
Payable to related entities (note 8):		
PUC Inc.	8,376,447	5,780,439
PUC Telecom Inc.	-	4,018,369
Public Utilities Commission of the City of Sault Ste. Marie	774,359	1,670,033
Current portion of long-term debt (note 3)	69,494	53,333
	12,147,844	14,327,154
Long-term debt (note 3)	9,571,811	9,641,306
Employee future benefit obligation (note 5)	1,564,885	1,663,996
	23,284,540	25,632,456
Shareholder's equity:		
Share capital:		
Authorized:		
Unlimited special shares, non-voting, non-cumulative, redeemable at \$10,000 per share		
10,000 Common shares		
Issued and outstanding:		
105 Special shares	1,050,000	1,050,000
4,000 Common shares	893,300	893,300
Deficit	(600,883)	(267,345)
	1,342,417	1,675,955
Contingent liabilities (note 4)		
	\$ 24,626,957	\$ 27,308,411

See accompanying notes to financial statements.

On behalf of the Board:



Director



Director

PUC SERVICES INC.

Statement of Operations, Comprehensive Loss and Deficit

Year ended December 31, 2014, with comparative information for 2013

	2014	2013
Revenue:		
Management fees (note 8)	\$ 10,033,591	\$ 10,520,186
Contract service	4,907,393	4,663,753
Streetlights	421,767	602,634
Miscellaneous	749,810	1,138,196
Generation	165,651	191,698
	16,278,212	17,116,467
Expenses:		
Contract service	4,396,273	4,368,371
Administrative and general	4,155,202	3,759,297
Facilities	2,931,984	4,156,571
Amortization of property, plant and equipment	1,922,925	1,924,783
Billing and collecting	1,160,974	1,017,667
Customer service	801,048	706,803
Interest on long-term debt	589,979	549,255
Streetlights	396,157	351,431
Other operations and maintenance	346,005	216,649
New business development	11,203	15,101
Impairment of property, plant and equipment	-	1,001,092
	16,711,750	18,067,020
Loss before provision for payment in lieu of taxes	(433,538)	(950,553)
Provision for payment in lieu of taxes (note 6):		
Current	-	120,767
Future (recovery)	(100,000)	(242,200)
	(100,000)	(121,433)
Loss and comprehensive loss	(333,538)	(829,120)
Retained earnings (deficit), beginning of year	(267,345)	561,775
Deficit, end of year	\$ (600,883)	\$ (267,345)

See accompanying notes to financial statements.

PUC SERVICES INC.

Statement of Cash Flows

Year ended December 31, 2014, with comparative information for 2013

	2014	2013
Cash provided by (used in):		
Operations:		
Net loss and comprehensive loss	\$ (333,538)	\$ (829,120)
Items not involving cash:		
Amortization of property, plant and equipment	1,922,925	1,924,783
Impairment of property, plant and equipment	12,973	1,001,092
Future payment in lieu of taxes	(100,000)	(242,200)
	1,502,360	1,854,555
Change in non-cash operating working capital:		
Increase in accounts receivable	(796,898)	(524,635)
Decrease (increase) in balances with related entities	3,791,205	(6,031,331)
Decrease in payment in lieu of taxes recoverable	60,092	383,006
Increase in inventories	(58,366)	(16,403)
Decrease in prepaid expenses	190,308	154,279
Increase in accounts payable and accrued liabilities	122,564	271,925
Increase (decrease) in employee future benefit obligation	(99,111)	18,352
	4,712,154	(3,890,252)
Financing activities:		
Principal payments on long-term debt	(53,334)	(13,332)
Proceeds from long-term debt	-	1,397,971
Contributions relating to property, plant and equipment	522,574	987,416
	469,240	2,372,055
Investment activities:		
Proceeds from disposal of property, plant and equipment	19,721	-
Purchases of property, plant and equipment	(1,699,588)	(2,616,970)
	(1,679,867)	(2,616,970)
Increase (decrease) in cash	3,501,527	(4,135,167)
Cash, beginning of year	6,837,931	10,973,098
Cash, end of year	\$ 10,339,458	\$ 6,837,931

See accompanying notes to financial statements.

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2014

PUC Services Inc. (the "Company") is incorporated under the Ontario Business Corporations Act. The Company provides management, operations and maintenance services related to water, waste water and electrical services to its related entities and other organizations.

1. Significant accounting policies:

(a) Basis of presentation:

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

(b) Inventory:

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

(c) Property, plant and equipment:

Property, plant and equipment are recorded at cost. Certain assets may be acquired or constructed with financial assistance in the form of contributions from developers or customers. Such contributions are offset against the related asset cost. Amortization is provided on a straight-line basis at the following annual rates:

Asset	Rate
Buildings	2 to 4%
Plant and equipment	2 1/2 to 25%

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

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2014

1. Significant accounting policies (continued):

(d) Asset retirement obligations:

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

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

(e) Employee future benefits:

The Company accrues its obligations under employee post employment benefit plans and the related costs. The cost of retirement benefits earned by employees is actuarially determined using the projected benefit method pro rated on service and management's best estimate of future benefit costs and retirement ages of the employees. The excess of the net actuarial gain (loss) over 10% of the benefit obligation is amortized over the average remaining service period of active employees of the plan, as are the past service costs and transitional assets and liabilities. Past service costs from plan amendments are amortized on a straight-line basis over the average remaining service period of employees active at the date of the amendment. In the event that the benefit plan gives rise to both curtailment and settlement of obligations, the curtailment is accounted for prior to the settlement.

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2014

1. Significant accounting policies (continued):

(f) Pension agreements:

The Company makes contributions to the Ontario Municipal Employees Retirement System (OMERS). The plan is a multi-employer defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Contributions made to OMERS in 2014 amounted to \$1,581,118 (2013 - \$1,405,840).

(g) Payment in lieu of taxes:

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

The Company uses the asset and liability method of accounting for income taxes.

(h) Financial instruments:

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

The Company has classified its financial instruments as follows:

Cash	Held-for-trading
Accounts receivable	Loans and receivables
Receivable from related entity	Loans and receivables
Accounts payable and accrued liabilities	Other liabilities
Customer deposits	Other liabilities
Payable to related entities	Other liabilities
Long-term debt	Other liabilities

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2014

1. Significant accounting policies (continued):

(h) Financial instruments (continued):

Comprehensive earnings:

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

(i) Use of estimates:

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reported periods. Significant items subject to such estimates and assumptions include the carrying amount of property, plant and equipment; valuation allowances for accounts receivable and future income taxes and obligations related to employee future benefits. Actual results could differ from these estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

2. Property, plant and equipment:

			2014	2013
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 70,369	\$ -	\$ 70,369	\$ 70,369
Buildings	1,666,669	923,139	743,530	748,784
Plant and equipment	26,170,382	19,151,638	7,018,744	7,803,063
Construction in progress	36,335	-	36,335	25,367
	\$ 27,943,755	\$ 20,074,777	\$ 7,868,978	\$ 8,647,583

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2014

3. Long-term debt:

	2014	2013
Note payable to PUC Inc. , unsecured, bears interest at 7.62% per annum and is payable one year after demand	\$ 6,990,000	\$ 6,990,000
Note payable to PUC Inc., unsecured and without interest and is payable one year after demand	1,320,000	1,320,000
Note payable to Infrastructure Ontario, unsecured, payable \$4,444 monthly plus interest at 4.26% maturing September 18, 2028	733,333	786,667
Note payable to Federation of Canadian Municipalities (GMF), unsecured, payable semi-annually on April 30 and October 30 at \$16,161 plus interest at 4.21% maturing October 30, 2033. Principal payments to commence October 30, 2015.	597,972	597,972
	9,641,305	9,694,639
Current portion of long-term debt	69,494	53,333
	\$ 9,571,811	\$ 9,641,306

Principal due within each of the next five years on the long-term debt is as follows

2015	\$ 69,494
2016	85,656
2017	85,656
2018	85,656
2019	85,656
	\$ 412,118

4. Contingent liabilities:

The Company is involved in certain legal matters and litigation, the outcomes of which are not presently determinable. The effects, if any, from such contingencies will be accounted for in the year in which the matters are resolved.

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2014

5. Employee future benefit obligation:

The Company pays certain post-retirement benefits on behalf of its retired employees through its defined benefit plan.

The most recent valuation of the post-retirement benefits on behalf of its retired employees was completed as at January 1, 2014, being the measurement date.

Total cash payments for post-retirement benefits consist of \$85,354 (2013 - \$55,692) to retired employees.

The main actuarial assumptions employed for the valuations are as follows:

	2014	2013
Discount rate	3.9 %	4.75 %
Medical costs	7.0 %	7.0 %
Future general inflation levels	2.0 %	2.0 %

Medical costs are expected to increase by 6.7% per year in 2014 and gradually graded down by approximately 0.30% annually thereafter.

The annual (income) expense for the post-retirement benefits for retired employees is as follows:

	2014	2013
Current service cost	\$ 74,870	\$ 89,281
Interest cost	77,159	66,786
Past service cost	15,667	15,667
Actuarial gain	(181,453)	(97,690)
	\$ (13,757)	74,044

The continuity of accrued benefit obligation employee future benefits is as follows:

	2014	2013
Accrued benefit obligation, beginning of year	\$ 1,663,996	1,645,644
(Income) expense for the year	(13,757)	74,044
Benefits paid for the year	(85,354)	(55,692)
Accrued benefit obligation, end of year	\$ 1,564,885	1,663,996

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2014

6. Future taxes:

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

	2014	2013
Loss before provisions for payment in lieu of taxes	\$ (433,537)	\$ (950,533)
Tax at statutory rate of 26.5% (2013 - 26.5%)	\$ (114,887)	\$ (251,897)
Prior year under accrual	-	120,767
Other	14,887	9,697
	\$ (100,000)	\$ (121,433)

The tax effects of temporary differences that give rise to significant portions of the future payment in lieu of taxes are presented below utilizing the substantively enacted Federal and Ontario combined future rate of 26.5% (2013 - 25%).

	2014	2013
Future payment in lieu of tax assets:		
Non-capital loss carryforward	\$ 173,000	\$ 154,000
Property, plant and equipment - differences in net book value and unamortized capital cost	264,000	157,000
Employee future benefits not deducted for tax purposes	415,000	441,000
	\$ 852,000	\$ 752,000

At December 31, 2014, the Company has the following amounts available to reduce future years' income for tax purposes

Non-capital losses carried forward for tax purposes expiring:

2030	\$ 76,484	\$ 76,484
2031	\$ 504,671	\$ 504,671

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2014

7. Capital disclosures:

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

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

	2014	2013
Notes payable	\$ 8,310,000	\$ 8,310,000
Special shares	1,050,000	1,050,000
Common shares	893,300	893,300
Retained earnings	(600,882)	(267,345)
	<u>\$ 9,652,418</u>	<u>\$ 9,985,955</u>

The Company is subject to a shareholder's agreement which has restrictive covenants typically associated with such an agreement. At December 31, 2014, the Company is in compliance with all of the restrictive covenants and restrictions.

8. Related party transactions:

The following entities are related parties to the Company:

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

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

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

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

The Company has agreements which expire November 30, 2017 with the Utility, and with its other related entities, to manage, control, administer and operate the business of these entities. The Company charged the following management fees to the related parties:

	2014	2013
PUC Distribution Inc.	\$ 4,818,382	\$ 5,902,657
Public Utilities Commission of the City of Sault Ste. Marie	5,204,006	4,602,428
PUC Inc.	11,203	15,101

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2014

8. Related party transactions (continued):

The Company pays interest on payable balances at the Ontario Energy Board Deemed Rate on the average payable balance for the month. Interest was paid to (received from) PUC Inc., PUC Distribution, PUC Telecom, and the Public Utilities Commission of \$253,795, (\$237,053), \$Nil, and \$(4,667) (2013 - \$118,239, (\$94,644), \$91,846, and \$10,877 respectively).

The Company paid interest on its long-term debt to PUC Inc. of \$532,638 (2013 - \$532,638).

New business development costs of \$11,203 (2013 - \$15,101) were charged to PUC Inc.

Occupancy fees of \$Nil (2013 - \$132,627) were paid to the Utility on behalf of all the related companies.

The Company provides streetlight services and waste water services to the City of Sault Ste. Marie ("City"). The amount charged to the City for streetlight maintenance is \$421,766 (2013 - \$602,634) and waste water services is \$3,348,647 (2013 - \$3,122,725).

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

9. Fair value of financial assets and financial liabilities:

a) Financial instruments:

The fair value of cash, accounts receivable, accounts payable and accrued liabilities and related party balances approximate their carrying value due to the relatively short periods to maturity of these items.

It was not practicable to estimate the fair value of the long-term debt due to the nature of the relationship.

b) Credit risk and concentration of credit risk:

Financial assets held by the Company expose it to credit risk. As at December 31, 2014, there were no significant concentrations of credit risk with respect to any class of financial assets.

10. Comparative information:

Certain 2013 comparative information have been reclassified to conform with the financial presentation adopted per the current year.

Financial Statements of

PUC DISTRIBUTION INC.

Year ended December 31, 2014



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INDEPENDENT AUDITORS' REPORT

To the Shareholder of PUC Distribution Inc.

We have audited the accompanying financial statements of PUC Distribution Inc., which comprise the balance sheet as at December 31, 2014 and the statements of earnings and comprehensive earnings and retained earnings and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of PUC Distribution Inc. as at December 31, 2014, and its results of operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Professional Accountants, Licensed Public Accountants

April 15, 2015
Sault Ste. Marie, Canada

PUC DISTRIBUTION INC.

Balance Sheet

December 31, 2014, with comparative information for 2013

	2014	2013
Assets		
Current assets:		
Cash	\$ 4,118,664	\$ 314,787
Accounts receivable	7,544,347	7,886,094
Unbilled revenue	10,004,921	11,572,951
Payment in lieu of taxes recoverable	497,819	343,139
Inventories	1,614,472	1,675,485
Prepaid expenses and deposits	62,200	66,520
Current portion of regulatory assets (note 3)	28,521	771,711
	23,870,944	22,630,687
Property, plant and equipment (note 2)	140,656,186	134,063,688
Less accumulated amortization	56,092,472	52,595,690
	84,563,714	81,467,998
Regulatory assets (note 3)	1,482,115	50,924
Future taxes (note 7)	1,403,460	1,940,000
	\$ 111,320,233	\$ 106,089,609

	2014	2013
Liabilities and Shareholder's Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 10,791,840	\$ 10,702,293
Customer deposits	854,761	712,536
Deferred revenue	563,782	1,227,075
Payable to PUC Services Inc. (note 5)	1,945,721	8,054,961
Current portion of long-term debt (note 4)	15,752,049	720,470
Current portion of regulatory liabilities (note 3)	1,153,830	3,053,420
	<u>31,061,983</u>	<u>24,470,755</u>
Regulatory liabilities (note 3)	1,482,458	3,238,482
Long-term debt (note 4)	51,165,560	51,917,609
	<u>83,710,001</u>	<u>79,626,846</u>
Shareholder's equity:		
Share capital:		
Authorized:		
Unlimited special shares, non-voting, non-cumulative, redeemable at \$10,000 per share		
10,000 Common shares		
Issued and outstanding:		
8,612 Common shares	20,062,107	20,062,107
Retained earnings	7,548,125	6,400,656
	<u>27,610,232</u>	<u>26,462,763</u>
Contingent liability (note 6)		
	<u>\$ 111,320,233</u>	<u>\$ 106,089,609</u>

See accompanying notes to financial statements.

On behalf of the Board:

 Director
 Director

PUC DISTRIBUTION INC.

Statement of Earnings, Comprehensive Earnings and Retained Earnings

Year ended December 31, 2014, with comparative information for 2013

	2014	2013
Revenue:		
Distribution	16,386,768	16,735,058
Energy charges	70,473,134	68,769,142
Other related charges	148,327	149,806
Other	3,995,623	4,832,457
	91,003,852	90,486,463
Cost of power	70,473,134	68,769,142
Gross profit	20,530,718	21,717,321
Investment income	7,555	41,984
	20,538,273	21,759,305
Expenses:		
Distribution and transmission	5,773,407	5,992,121
Amortization of property, plant and equipment	3,657,061	3,538,651
Administration	3,332,931	4,438,267
Interest on long-term debt	2,756,657	2,184,394
Community relations	2,516,075	1,882,536
Billing and collecting	1,373,301	1,274,108
Other interest	259,935	191,706
	19,669,367	19,501,783
Earnings before the undernoted	868,906	2,257,522
Loss on sale of equipment	-	(110,632)
Earnings before provision for payment in lieu of taxes	868,906	2,146,890
Current income taxes (recovery) (note 7)	(278,563)	35,925
Net earnings and comprehensive earnings	1,147,469	2,110,965
Retained earnings, beginning of year	6,400,656	4,289,691
Retained earnings, end of year	\$ 7,548,125	\$ 6,400,656

See accompanying notes to financial statements.

PUC DISTRIBUTION INC.

Statement of Cash Flows

Year ended December 31, 2014, with comparative information for 2013

	2014	2013
Cash flows from operating activities:		
Net earnings and comprehensive earnings	\$ 1,147,469	\$ 2,110,965
Items not involving cash:		
Amortization of property, plant and equipment	3,657,061	3,538,651
Loss on sale of equipment	-	110,632
	4,804,530	5,760,248
Change in non-cash operating working capital:		
Decrease (increase) in accounts receivable	341,747	(1,392,977)
Decrease (increase) in unbilled revenue	1,568,030	(2,339,540)
Increase (decrease) payment in lieu of taxes recoverable	(154,680)	118,345
Decrease (increase) in inventories	61,013	(400,633)
Decrease (increase) in prepaid expenses and deposits	4,320	(2,594)
Increase (decrease) in accounts payable and accrued liabilities	89,546	(637,565)
Increase (decrease) in customer deposits	142,225	(19,046)
Increase (decrease) in deferred revenue	(663,293)	461,585
	6,193,438	1,547,823
Cash flows from financing activities:		
Increase in long-term debt	15,000,000	3,709,069
Repayment of long-term debt	(720,470)	(75,960)
Decrease regulatory liabilities	(3,119,074)	(1,092,660)
Contributions in aid of construction	1,045,731	1,376,260
	12,206,187	3,916,709
Cash flows from investing activities:		
Increase in regulatory assets	(688,001)	(822,635)
Loss from sale of equipment	-	1,440,693
Increase (decrease) in payable to PUC Services	(6,109,240)	5,491,605
Purchase of property, plant and equipment	(7,798,507)	(11,797,525)
	(14,595,748)	(5,687,862)
Increase (decrease) in cash	3,803,877	(223,330)
Cash, beginning of year	314,787	538,117
Cash, end of year	\$ 4,118,664	\$ 314,787
Supplemental cash flow information:		
Cash paid during the year for:		
Interest	\$ 2,756,657	\$ 2,184,394
Payments in lieu of taxes	199,278	398,555

See accompanying notes to financial statements.

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2014

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

1. Significant accounting policies:

(a) Basis of presentation:

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

(b) Regulation:

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

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

i) Regulatory assets and liabilities:

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

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2014

1. Significant accounting policies (continued):

(b) Regulation (continued):

ii) Payment in lieu of taxes:

As a municipally owned utility, the Company is exempt from taxes under the Income Tax Act (Canada) ("ITA") and the Ontario Corporations Tax Act ("OCTA").

Pursuant to the Electricity Act ("EA"), 1998, the Company is required to make payments in lieu of taxes under the ITA and OCTA and remit such amounts to the Ontario Electricity Financial Corporation ("OEFC"). These payments are calculated in accordance with the rules for computing income and taxable capital and other relevant amounts contained in the ITA and the OCTA as modified by the Electricity Act, 1998, and related regulations.

The Company applies the asset and liability method of accounting for payments in lieu of income taxes. Under the asset and liability method, future tax assets and liabilities are recognized, to the extent such are determined likely to be realized, 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 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.

Future income taxes recoverable have been recorded in the accounts and a corresponding regulatory liability has been set up as future income taxes are recovered through future rate increases/decreases.

(c) Inventories:

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

(d) Revenue recognition:

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

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2014

1. Significant accounting policies (continued):

(e) Financial instruments:

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

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

The Company has classified its financial instruments as follows:

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

Comprehensive earnings:

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

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2014

1. Significant accounting policies (continued):

(f) Property, plant and equipment:

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

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

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

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

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

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

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2014

1. Significant accounting policies (continued):

(g) Asset retirement obligations:

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

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

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2014

1. Significant accounting policies (continued):

(h) Customer deposits:

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

(i) Measurement of uncertainty:

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

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

(j) Adoption of new accounting standards:

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

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2014

1. Significant accounting policies (continued):

(j) Adoption of new accounting standards (continued):

- ii) The International Accounting Standards Board ("IASB") issued IFRS 14 Regulatory Deferral Accounts in January 2014. This standard provides specific guidance on accounting for the effects of rate regulation and permits first-time adopters of IFRS to continue using previous GAAP to account for regulatory deferral account balances while the IASB completes its comprehensive project in this area. Adoption of this standard is optional for entities eligible to use it. Deferral account balances and movements in the balances will be required to be presented as separate line items on the face of the financial statements distinguished from assets, liabilities, income and expenses that are recognized in accordance with other IFRSs. Extensive disclosures will be required to enable users of the financial statements to understand the features and nature of and risks associated with rate regulation and the effect of rate regulation on the Company's financial position, performance and cash flows.

2. Property, plant and equipment:

			2014	2013
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 852,393	\$ -	\$ 852,393	\$ 845,595
Building	26,327,087	1,731,553	24,595,534	24,878,626
Machinery and equipment	29,570,082	14,092,945	15,477,137	14,176,817
Transmission and distribution	83,906,624	40,267,974	43,638,650	41,560,172
Construction in progress	-	-	-	6,788
	\$ 140,656,186	\$ 56,092,472	\$ 84,563,714	\$ 81,467,998

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2014

3. Regulatory assets and liabilities:

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

	2014	2013
Regulatory assets consist of the following:		
Current portion of regulatory assets		
Stranded Meters	\$ 4,015	\$ 717,645
LRAMVA	24,506	54,066
	<u>\$ 28,521</u>	<u>\$ 771,711</u>
Long-term portion of regulatory assets		
Settlement Variances	\$ 1,415,937	\$ -
Smart Meter Entity (SME) Charges	23,889	23,891
LRAMVA	12,253	27,033
Regulatory asset recovery account - Phase 6	30,036	-
Total long-term regulatory assets	<u>\$ 1,482,115</u>	<u>\$ 50,924</u>
Current portion of regulatory liabilities:		
Settlement Variances	\$ -	\$ (1,352,526)
Regulatory asset recovery account - Phase 4	-	(19,736)
Regulatory asset recovery account - Phase 6	-	(1,608,282)
Regulatory asset recovery account - Phase 7	(1,080,955)	-
CGAAP Accounting Changes	(72,875)	(72,876)
	<u>\$ (1,153,830)</u>	<u>\$ (3,053,420)</u>
Long-term portion of regulatory liabilities		
Settlement Variances	\$ -	\$ (1,113,278)
Future Taxes	(1,380,000)	(1,940,000)
Regulatory asset recovery account - Phase 4	-	(9,868)
Regulatory asset recovery account - Phase 5	(29,584)	(29,586)
CGAAP Accounting Changes	(72,874)	(145,750)
Total long-term regulatory liabilities	<u>\$ (1,482,458)</u>	<u>\$ (3,238,482)</u>

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2014

3. Regulatory assets and liabilities (continued):

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

(a) Regulatory liability recovery account - Phase 4:

Through a 2011 rate application, the OEB approved the disposition of regulatory liability Group 1 accounts of \$1,020,945 to be returned to customers over a one year period. The balance at December 31, 2014 was \$Nil (2013 - \$29,603). Carrying charges, which amounted to \$8,644 at December 31, 2014 (2013 - \$7,231) are calculated monthly on the opening balance of the variance account using specific interest rates as outlined by the OEB.

(b) Regulatory liability recovery account - Phase 5:

Through a 2012 rate application, the OEB approved the disposition of regulatory liability accounts of \$851,587 to be returned to customers over a one year period. The balance at December 31, 2014 was \$29,584 (2013 - \$29,586). Carrying charges, which amounted to \$8,860 at December 31, 2014 (2013 - \$8,510) are calculated monthly on the opening balance of the variance account using specific interest rates as outlined by the OEB.

(c) Regulatory asset recovery account - Phase 6:

Through a 2013 rate application, the OEB approved the disposition of regulatory liability accounts of \$2,638,187 to be returned to customers over a one year period. The balance at December 31, 2014 was \$30,036 (2013 - (\$1,608,283)). Carrying charges, which amounted to \$16,836 at December 31, 2014 (2013 - (\$12,998)) are calculated monthly on the opening balance of the variance account using specific interest rates as outlined by the OEB.

(d) Regulatory liability recovery account - Phase 7:

Through a 2014 rate application, the OEB approved the disposition of regulatory liability accounts of \$2,058,392 to be returned to customers over a one year period. The balance at December 31, 2014 was \$1,080,954 (2013 - \$Nil). Carrying charges, which amounted to \$16,314 at December 31, 2014 (2013 - \$Nil) are calculated monthly on the opening balance of the variance account using specific interest rates as outlined by the OEB.

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2014

3. Regulatory assets and liabilities (continued):

(e) Canadian GAAP accounting changes:

The Board has approved a new variance account for distributors to record the financial differences arising as a result of the election to make accounting changes under Canadian GAAP in 2012 (or to make these changes as mandated by the Board in 2013, if applicable). The accounting changes include changes to depreciation rates and capitalization policies while still under Canadian GAAP in 2012. The Company has elected to make both of the aforementioned accounting changes in 2012, resulting in \$145,750 at December 31, 2014 (2013 - \$218,626) being recorded in regulatory liabilities.

(f) Settlement variances:

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

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

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

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

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

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

The balance of \$1,415,937 at December 31, 2014 (2013 - (\$2,465,804)) is deferred in a regulatory asset (liability) account.

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2014

3. Regulatory assets and liabilities (continued):

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

For Conservation and Demand Management (CDM) programs delivered within the 2011-2014 period, the OEB established a LRAMVA to capture the variance between the OEB approved CDM forecast and the actual results. The total received for CDM losses is \$36,758 at December 31, 2014 (2013 - \$81,098).

(h) Stranded Meters Variance Account

Through a 2013 rate application, the OEB approved the disposition of the Company's stranded meters resulting from the deployment of Smart Meters for an amount of \$1,349,557. The balance at December 31, 2014 was \$4,015 (2013 - \$717,645). Carrying charges, which amounts to \$9,498 at December 31, 2014 (2013 - \$6,758) are calculated monthly on the opening balance of the variance account using specific interest rates as outlined by the OEB.

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

In its role as the SME, the IESO is managing the development of the meter data management/repository (MDM/R) to collect, manage, store and retrieve information related to the metering of customers' use of electricity in Ontario. Effective May 1, 2013, the SME charge is levied and collected by licensed distributors (LDC's) from customers at \$0.79 per month until October 31, 2018. The LDC's will incur SME charges monthly from the IESO. A variance account will be used to track the difference between SME revenues and expenses. The balance at December 31, 2014 was \$23,889 (2013 - \$23,891) are calculated monthly on the opening balance of the variance account using specific interest rates as outlined by the OEB.

(j) Regulatory future income tax asset and liability:

Future income taxes are recognized on temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. The Company has recognized regulatory assets and liabilities which correspond to future taxes that flow through the rate-making process. In the absence of rate regulated accounting, the Company's provision for PILs would have been recognized using the liability method and there would not be regulatory accounts set up for taxes to be recovered through future rates. As a result, the provision for PILs would have been higher by approximately \$560,000 (2013 - \$360,000) including the impact of a change in substantively enacted tax rates.

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2014

3. Regulatory assets and liabilities (continued):

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

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

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

4. Long-term debt:

	2014	2013
Note payable to parent company, PUC Inc.	\$ 26,534,040	\$ 26,534,040
Ontario Infrastructure and Lands Corporation loan payable #1	4,747,620	5,000,000
Ontario Infrastructure and Lands Corporation loan payable #2	20,635,949	21,104,039
Ontario Infrastructure and Lands Corporation loan payable #3	15,000,000	-
	66,917,609	52,638,079
Current portion of long-term debt	15,752,049	720,470
	\$ 51,165,560	\$ 51,917,609

Principal repayments are due as follows:

2015	\$ 15,752,049
2016	785,022
2017	819,453
2018	855,405
2019	892,946
	\$ 19,104,875

The unsecured 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 2014 was 6.1% (2013 - 6.1%).

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2014

4. Long-term debt (continued):

The loan payable #1 to Ontario Infrastructure and Lands Corporation ("OILC"), for the Smart Meter deployment project, secured by a second ranking general security agreement, bears interest payable monthly at an interest rate of 3.82% and repayable by blended semi - annual principal and interest payments of \$220,496, maturing July 17, 2028.

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

The loan payable #3 to Ontario Infrastructure and Lands Corporation was for the construction of electric distribution infrastructure, secured by a fourth ranking general security agreement. The construction loan is expected to be converted to long term debt in 2015, repayable over 25 years by a blended monthly principal and interest payment at an interest rate to be determined. The loan is secured by a guarantee and assignment of shares from the company's shareholder, PUC Inc. and a general security agreement. The floating interest rate is determined by OILC based on OILC's cost of funds plus OILC's prevailing spread assigned to the borrower's sector for program delivery costs and risks. The average interest rate for 2014 was 1.84%.

5. Related party transactions:

The following entities are related parties of the Company:

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

The Company has a management, operation and maintenance agreement with PUC Services Inc., which has been extended to November 30, 2017, under which Services manages, controls, administers and operates the business of the Company. Management fees were charged by Services in the amount of \$4,818,382 (2013 - \$5,902,657) for an allocation of joint administrative and other expenses.

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 \$237,053 (2013 - \$94,644) was paid during the year.

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2014

5. Related party transactions (continued):

The Company provides electricity to the City which is the shareholder of the parent corporation, PUC Inc. Electrical energy is sold to the City at the same prices and terms as other electricity customers. The amount charged to the City for electricity consumed by streetlights is \$1,679,625 (2013 - \$1,544,632) and for other electricity consumption is \$3,804,361 (2013 - \$3,847,668).

Occupancy fees were charged by the Utility in the amount of \$Nil (2013 - \$98,651)

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.

6. Contingent liability:

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

7. Income taxes:

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

Current taxes	2014	2013
Earnings before provision for payment in lieu of taxes	\$ 868,906	\$ 2,146,890
Tax at statutory rate of 26.5% (2013 - 26.5%)	\$ 230,260	\$ 568,926
Tax effect on disposition of assets	-	29,317
Amortization timing differences	(535,379)	(526,432)
Other	1,078	405
Prior year over provision	25,478	(19,491)
Provincial small business rate	-	(16,800)
	\$ (278,563)	\$ 35,925

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2014

7. Income taxes (continued):

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

Future taxes	2014	2013
Property, plant and equipment - differences in net book value and unamortized capital cost	\$ 1,380,000	\$ 1,940,000
Other corporate minimum tax credit	23,460	-
	\$ 1,403,460	\$ 1,940,000

8. Capital disclosures:

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

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

	2014	2013
Note payable to PUC Inc. - 6.1%	\$ 26,534,040	\$ 26,534,040
Common shares	20,062,107	20,062,107
Retained earnings	7,548,125	6,400,656
	\$ 54,144,272	\$ 52,996,803

The Company is subject to a shareholder's agreement which has restrictive covenants typically associated with such an agreement. At December 31, 2014, the Company is in compliance with all of the covenants and restrictions.

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

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2014

9. Credit risk and financial instruments:

(a) Financial instruments:

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

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

(b) Credit risk and concentrations of credit risk:

Financial assets held by the Company expose it to credit risk. As at December 31, 2014, there were no significant concentrations of credit risk with respect to any class of financial assets.

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

(c) Interest rate risk:

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

Non-Consolidated Financial Statements of

PUC INC.

Year ended December 31, 2014



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INDEPENDENT AUDITORS' REPORT

To the Shareholder of PUC Inc.

We have audited the accompanying non-consolidated financial statements of PUC Inc., which comprise the non-consolidated balance sheet as at December 31, 2014, the non-consolidated statements of earnings, comprehensive earnings and retained earnings and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information. The non-consolidated financial statements have been prepared by management using the basis of accounting in Note 1 to the non-consolidated financial statements.

Management's Responsibility for the Non-Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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



Opinion

In our opinion, the non-consolidated financial statements present fairly, in all material respects, the non-consolidated financial position of PUC Inc. as at December 31, 2014, and its non-consolidated results of operations and its non-consolidated cash flows for the year then ended in accordance with the basis of accounting in Note 1 to the non-consolidated financial statements.

Basis of Accounting and Restriction on Use

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

A handwritten signature in black ink that reads 'KPMG LLP' with a long horizontal flourish underneath.

Chartered Professional Accountants, Licensed Public Accountants

April 15, 2015

Sault Ste. Marie, Canada

PUC INC.

Non-Consolidated Balance Sheet

December 31, 2014, with comparative figures for 2013

	2014	2013
Assets		
Current assets:		
Accounts receivable	\$ 660	\$ -
Receivable from subsidiary, PUC Services Inc. (note 7)	8,376,447	5,782,123
Payment in lieu of taxes recoverable	120,580	-
Investments (note 3)	5,331	-
	8,503,018	5,782,123
Notes receivable from related company (note 2)	8,310,000	8,310,000
Investments in and notes receivable with subsidiaries, at cost (note 4)	46,596,146	48,696,570
	\$ 63,409,164	\$ 62,788,693
Liabilities and Shareholder's Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 2,307	\$ 1,095,758
Payment in lieu of taxes payable	-	116
	2,307	1,095,874
Long-term debt (note 5)	31,720,000	31,720,000
	31,722,307	32,815,874
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	2,448,609	734,571
	31,686,857	29,972,819
Contingency (note 8)		
	\$ 63,409,164	\$ 62,788,693

See accompanying notes to non-consolidated financial statements.

On behalf of the Board:



Director



Director

PUC INC.

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

Year ended December 31, 2014, with comparative figures for 2013

	2014	2013
Revenue:		
Interest (note 7)	\$ 2,151,214	\$ 2,295,232
Miscellaneous	257,038	118,239
	2,408,252	2,413,471
Expenses:		
Interest on long-term debt	1,934,920	1,934,920
Administrative	104,232	206,754
Business development	12,923	15,101
	2,052,075	2,156,775
Earnings before payment in lieu of taxes	356,177	256,696
Current income taxes (note 6)	95,000	37,433
Net earnings and comprehensive earnings	261,177	219,263
Retained earnings, beginning of year	734,571	1,125,388
Dividends on common shares	(610,080)	(610,080)
Amalgamation of related company (note 11)	2,062,941	-
Retained earnings, end of year	\$ 2,448,609	\$ 734,571

See accompanying notes to non-consolidated financial statements.

PUC INC.

Non-Consolidated Statement of Cash Flows

Year ended December 31, 2014, with comparative figures for 2013

	2014	2013
Cash provided by (used in):		
Operations:		
Net earnings and comprehensive earnings	\$ 261,177	\$ 219,263
Change in non-cash operating working capital:		
Increase in investments	(5,331)	-
Decrease in accounts receivable	2,681	124
Decrease (increase) in payment in lieu of taxes recoverable	(120,580)	458,706
Decrease in accounts payable and accrued liabilities	(1,093,451)	(30,226)
Increase (decrease) in payment in lieu of taxes payable	(116)	116
Net increase in assets from amalgamation of related company (note 11)	2,062,941	-
Other	(3,341)	-
	1,103,980	647,983
Financing activities:		
Dividends on common shares	(610,080)	(610,080)
Investment activities:		
Investments in and notes receivable with subsidiaries, at cost	2,100,424	-
Receivable from subsidiary, PUC Services Inc.	(2,594,324)	(37,903)
	(493,900)	(37,903)
Cash position, beginning and end of year	\$ -	\$ -
Supplemental cash flow information:		
Cash paid during the year for interest	\$ 1,934,920	\$ 1,934,920
Cash received during the year for interest	2,151,214	2,295,232

See accompanying notes to non-consolidated financial statements.

PUC INC.

Notes to Non-Consolidated Financial Statements

Year ended December 31, 2014

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

1. Significant accounting policies:

(a) Basis of presentation:

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

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

(b) Payment in lieu of taxes:

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

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

PUC INC.

Notes to Non-Consolidated Financial Statements

Year ended December 31, 2014

1. Significant accounting policies (continued):

(c) Revenue recognition:

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

(d) Investment in subsidiaries:

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

(e) Use of estimates:

The preparation of the non-consolidated 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 revenues and expenses during the year. Significant items subject to such estimates and assumptions include the valuation of accounts receivable. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

2. Notes receivable from related company:

	\$	2014	2013
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
	\$	8,310,000	\$ 8,310,000

3. Investments:

On January 9, 2015, the Company purchased 1 Class A share and 33,058 Class B shares of Customer First Inc, an incorporated entity in Ontario, representing 21% equity interest. The investment is carried at cost.

PUC INC.

Notes to Non-Consolidated Financial Statements

Year ended December 31, 2014

4. Investment in and notes receivable with subsidiaries:

	2014		2013	
	Notes receivable	Common shares	Total	Total
PUC Distribution Inc.	\$ 26,534,040	\$ 20,062,106	\$ 46,596,146	\$ 46,596,146
PUC Telecom Inc.	-	-	-	2,100,424
	\$ 26,534,040	\$ 20,062,106	\$ 46,596,146	\$ 48,696,570

The note receivable from PUC Distribution Inc. bears interest at 6.1%, is unsecured and is repayable on the year after demand. In 2014, the Company received interest income on this note receivable from PUC Distribution in the amount of \$1,618,575 (2013 - \$1,618,575).

5. Long-term debt:

	2014	2013
Note payable to shareholder, The Corporation of the City of Sault Ste. Marie with 6.1% (2013 - 6.1%) interest payable quarterly and principal payable one year after demand	\$ 6,720,000	\$ 6,720,000
Note payable to shareholder, The Corporation of the City of Sault Ste. Marie with interest payable quarterly at rates periodically negotiated and principal payable one year after demand, rate for 2014 was 6.1% (2013 - 6.1%)	25,000,000	25,000,000
	\$ 31,720,000	\$ 31,720,000

PUC INC.

Notes to Non-Consolidated Financial Statements

Year ended December 31, 2014

6. Income taxes:

Income tax expense differs from the amount that would be computed by applying the federal and provincial statutory tax rates of 26.50% (2013 - 26.50%) to earnings before income taxes. The reasons for the differences and related tax effects are as follows:

	2014	2013
Earnings before payment in lieu of taxes	\$ 356,177	\$ 256,696
Tax at applicable tax rate	\$ 94,387	\$ 68,024
Provincial small business rate	-	(18,023)
Prior year over provision	-	(12,775)
Other	613	207
Income tax expense	\$ 95,000	\$ 37,433

7. 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 Corporation of the City of Sault Ste. Marie.

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

The Company receives interest income on its receivable balance from Services at the Ontario Energy Board Deemed Rate on its average monthly balance. Interest of \$253,795 (2013 - \$118,239) was received during the year. The Company receives interest income on its notes receivable from Services. Interest of \$532,638 (2013 - \$676,656) was received during the year.

PUC INC.

Notes to Non-Consolidated Financial Statements

Year ended December 31, 2014

7. Related party transactions (continued):

The Company receives interest income on its note receivable balance from Distribution which bears interest at a rate of 6.1% (2013 - 6.1%). Interest of \$1,618,575 (2013 - \$1,618,575) was received during the year. The note is unsecured and is repayable one year after demand. There has been no demand on the the note at December 31, 2014.

The Company has purchased services relating to business development costs from Services in the amount of \$11,203 (2013 - \$15,101).

The Company incurred interest of \$1,934,920 (2013 - \$1,934,920) payable to its shareholder. The Company paid a dividend of \$610,080 (2013 - \$610,080) to its shareholder.

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

8. 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.

9. Fair value of financial instruments:

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

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

PUC INC.

Notes to Non-Consolidated Financial Statements

Year ended December 31, 2014

10. 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.

	2014	2013
Note payable to shareholder - 6.1% (2013 - 6.1%)	\$ 6,720,000	\$ 6,720,000
Note payable to shareholder - 6.1% (2013 - 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	2,536,531	734,572
	<u>\$ 63,494,779</u>	<u>\$ 61,692,820</u>

The Company is subject to a shareholder's agreement which has restrictive covenants typically associated with such an agreement. At December 31, 2014, the Company is in compliance with all of the restrictive covenants and restrictions.

11. Amalgamation of related company:

Pursuant to a resolution of the Board of Directors of PUC Inc., the related company, PUC Telecom Inc. was amalgamated with PUC Inc. on January 1, 2014. Upon amalgamation all remaining assets and liabilities were assumed by PUC Inc.

The net assets of PUC Telecom Inc. received were as follows:

Accounts receivable	\$ 1,652
Receivable from related company	4,018,379
Payment in lieu of taxes recoverable	148,820
Accounts payable	(5,487)
Note payable	(1,890,000)
Common Shares	(210,423)
	<u>\$ 2,062,941</u>

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW NO. 2015-85

PROPERTY: (MAP 15) A by-law to declare the City owned property legally described as Part of PIN 31578-0007 (LT) Part of Parts 3 to 5 1R8760; SAULT STE. MARIE being part of 25 Rome Street 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 a part of this by-law.

4. **EFFECTIVE DATE**

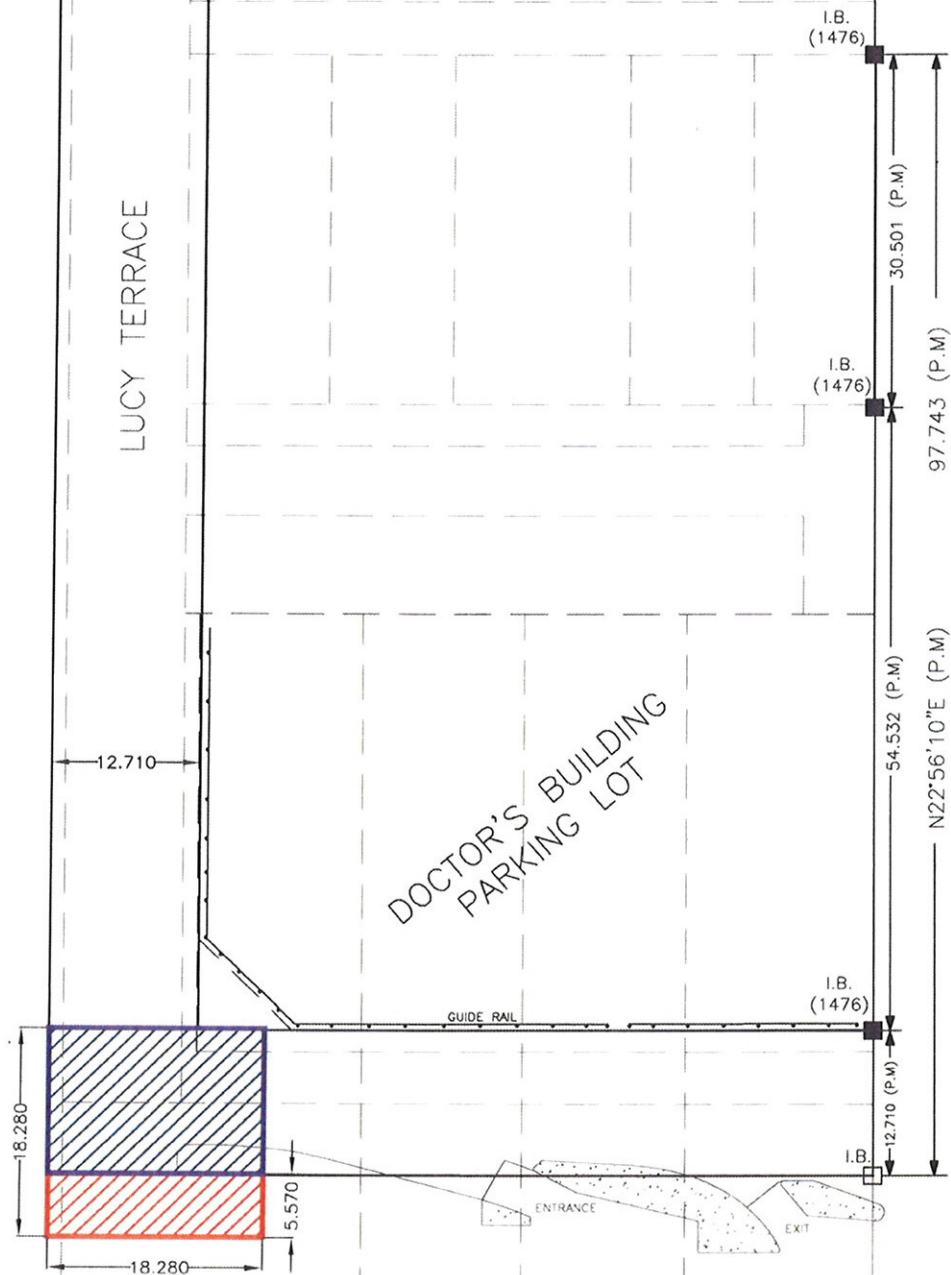
This by-law takes effect on the day of its final passing.

PASSED in open Council this 11th day of May, 2015.

MAYOR – CHRISTIAN PROVENZANO

DEPUTY CITY CLERK – RACHEL TYCZINSKI

Schedule "A"



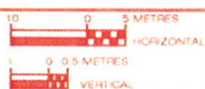
 CITY PROPERTY
 PRIVATE PROPERTY



THE CORPORATION OF THE CITY
OF SAULT STE MARIE, ONTARIO

ENGINEERING DEPARTMENT

RATIO	HORIZONTAL N/A
	VERTICAL N/A
DATE	
DWN BY	
QEO BM	



PLAN OF LUCY TERRACE EASEMENT

JERRY D. DOLCETTI MCIP, RPP
 COMMISSIONER OF
ENGINEERING & PLANNING

000-A

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2015-87

AGREEMENT: (S3.1(2)) A by-law to authorize the execution of a Service Agreement between the City and The District of Sault Ste. Marie Social Services Administration Board (DSSMSSAB) for the provision of day care services at the three (3) municipally operated day care centres – Jessie Irving Centre, Maycourt Centre and Holy Family-Best Start Centre.

THE COUNCIL of The Corporation of the City of Sault Ste. Marie, pursuant to section 9 of the *Municipal Act, 2001*, S.O. 2001, c. 25, **ENACTS** as follows:

1. **EXECUTION OF DOCUMENT**

The Mayor and City Clerk are hereby authorized for and in the name of the Corporation to execute and affix the seal of the Corporation to a Service Agreement dated May 11, 2015 between the City and The District of Sault Ste. Marie Social Services Administration Board (DSSMSSAB) for the provision of day care services at the three (3) municipally operated day care centres – Jessie Irving Centre, Maycourt Centre and Holy Family-Best Start Centre.

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 11th day of May, 2015.

MAYOR – CHRISTIAN PROVENZANO

DEPUTY CITY CLERK – RACHEL TYCZINSKI

Schedule "A"

SERVICE AGREEMENT

This Agreement made in Triplicate

B E T W E E N:

**THE DISTRICT OF SAULT STE. MARIE
SOCIAL SERVICES ADMINISTRATION BOARD
(DSSMSSAB)**

-and -

**THE CORPORATION OF THE CITY OF SAULT STE MARIE
(The Service Provider)**

WHEREAS pursuant to section 2.2 of the *Day Nurseries Act*, and Ontario Regulation 137/99, the DSSMSSAB has been designated as the delivery agent for the geographic area of "the District of Sault Ste. Marie";

AND WHEREAS the Minister of Education may enter into agreements with municipalities, delivery agents or other persons respecting delivery of child care services;

AND WHEREAS subsection 3(3) of the *Day Nurseries Act* provides that a delivery agent may enter into an agreement with the operator of a day nursery for the provision of day nursery services for such children as is agreed upon, and the delivery agent may make expenditures as are necessary for the purpose;

AND WHEREAS the Service Provider has agreed to provide day nursery services prescribed in Regulation 262;

NOW THEREFORE THE PARTIES hereto agree as follows:

Definitions

1. In this Agreement,

- (a) "Agreement" means the recitals, the agreement and the Schedules attached hereto
- (b) "DSSMSSAB" means the staff of DSSMSSAB authorized to exercise the rights and perform the duties of DSSMSSAB under this Agreement whether employed directly by DSSMSSAB or the City.
- (c) "Service Provider", for purposes of this agreement means: Corporation of the City of Sault Ste. Marie.

2. Service

- (a) The Service Provider agrees to provide services in accordance with the attached Agreement and Schedule(s) and in accordance with the policies, guidelines and requirements of DSSMSSAB as communicated to it.
- (b) For greater certainty the provisions of the Agreement in no way relieve the Service Provider of its obligations and responsibilities under the Day Nurseries Act.

3. Term

This Agreement will be in force from January 1, 2015 until December 31, 2017 unless it is superseded or replaced by a subsequent Agreement or it is earlier terminated in accordance with Section 16. In the event that the parties have not entered into an extension or new agreement by the date of expiry of the term, unless terminated in accordance with Section 16 this Agreement will remain in effect on a month by month basis.

4. Consideration

- (a) DSSMSSAB will pay to the Service Provider, for allowable expenditures incurred pursuant to this Agreement, an amount not to exceed the amount stipulated in Schedule A. The amounts, times and manner of such payments will be made in accordance with Schedule A.
- (b) The parties agree that an approved budget will be negotiated on or before the start of the applicable fiscal year while this Agreement is in force. In the event the budget is not re-negotiated by that time, payments will continue to be made in accordance with the approved budget for the immediately preceding fiscal year until such time as the budget is re-negotiated or this Agreement is terminated.
- (c) The Service Provider may transfer funds between DSSMSSAB budget lines only with the written approval of DSSMSSAB.
- (d) It is agreed and understood that DSSMSSAB may withhold payments if the Service Provider is in breach of its obligations under this Agreement.
- (e) If Service targets are not achieved to the level indicated in the Budget and Service Data Schedule, DSSMSSAB in its discretion may assess an amount against the Service Provider reflective of the underachieved targets, which the Service Provider shall refund within 30 days. If the Service Provider fails to refund the assessment by its due date, DSSMSSAB may reduce one or more subsequent payments to the Service Provider by that amount until reimbursed in full.

5. Representation and Warranties of the Service Provider

The Service Provider represents and warrants to the DSSMSSAB (and acknowledges that the DSSMSSAB is relying thereon) that:

- (a) the Service Provider holds and will maintain a clear license issued under the Day Nurseries Act during the term of this Agreement and any extension thereof;
- (b) this Agreement constitutes a valid and binding obligation of the Service Provider in accordance with the terms of this Agreement;

- (c) the Service Provider's facilities are suitable for providing the services and programs under the Agreement and otherwise are in compliance with all legislation affecting such matters, including but not limited to protection of privacy legislation;
- (d) the Service Provider shall employ competent employees and volunteers of good character and shall maintain documentation of all staff qualifications;
- (e) the Service Provider, if holding itself out as a corporation, is a corporation duly incorporated under the laws of Ontario or Canada and is in compliance with all requirements imposed by such laws;
- (f) the Service Provider has all necessary power, authority and capacity to enter into this Agreement and to perform its obligations under this agreement; and
- (g) the execution and delivery of the Agreement and the consummation of the transactions contemplated under it have been duly authorized by all necessary action on the part of the Service Provider.

6. DSSMSSAB Access and Consultation

- (a) The Service Provider will permit DSSMSSAB staff to enter at reasonable times any premises used by the Service Provider in connection with the provision of services pursuant to this Agreement and under its control in order to observe and evaluate the services and inspect all records relating to the services provided pursuant to this Agreement.
- (b) The Service Provider agrees that the staff providing services pursuant to this Agreement will, upon reasonable request, be available for consultation with DSSMSSAB.

7. Reports

- (a) The Service Provider will maintain service records respecting each site where service is being provided and prepare and submit at such intervals as indicated in the Schedule G, specific reports respecting the services being provided pursuant to this Agreement, acceptable to DSSMSSAB which shall include program data such as statistics on target achievements and such other information as DSSMSSAB requires.
- (b) The Service Provider will also prepare and submit to DSSMSSAB, annually, or at any time upon reasonable request, comprehensive reports acceptable to DSSMSSAB respecting the services being provided.

8. Financial Records and Reports

- (a) The Service Provider will maintain financial records and books of account respecting services provided pursuant to this Agreement for each site where service is being provided and will allow DSSMSSAB staff or such other persons appointed by DSSMSSAB to inspect and audit such books and records at all reasonable times both during the term of this Agreement and subsequent to its expiration or termination, including the right to remove and reproduce any and all books and records as DSSMSSAB may deem appropriate.
- (b) The Service Provider will, unless DSSMSSAB indicates otherwise, submit to DSSMSSAB an audited financial statement and reconciliation report with respect to the services provided pursuant to this Agreement within four (4) months of the Service Provider's financial year end.

- (c) The Service Provider will retain the records and books of account referred to in clause 8(a) for a period of seven (7) years.
- (d) The Service Provider will prepare and submit annually or at any time upon reasonable request a financial report in such form and containing such information as DSSMSSAB may require.
- (e) The Service Provider will adhere to any additional financial reporting requirement specified in the attached Schedules.
- (f) The Service Provider will comply with DSSMSSAB's policies on the treatment of revenues and expenditures which will be issued from time to time.

9. Service Records

In the event the Service Provider ceases operation, it is agreed that the Service Provider will not dispose of any records related to the services provided for under this Agreement without the prior consent of DSSMSSAB, which may be given subject to such conditions as DSSMSSAB deems advisable.

10. Centralized Waitlist

- (a) The Service Provider agrees to participate in the DSSMSSAB centralized waitlist and accept families into their program as per the waitlist guidelines that have been identified. No child, whether full fee or subsidized, shall be accepted into a program unless their parent or guardian has previously completed the centralized waitlist online application and is the next available party prepared to accept an offer.
- (b) Any proposed internal waitlist policies of the Service Provider shall be submitted to the DSSMSSAB for prior approval.
- (c) With respect to the administration of the centralized waitlist for the service area of the DSSMSSAB, the Service Provider agrees to implement, follow, adhere to and comply with all written policies, guidelines, procedures and directives established by the DSSMSSAB from time to time.

11. Confidentiality

The Service Provider, its directors, officers, employees, agents and volunteers will hold confidential and will not disclose or release to any person other than DSSMSSAB staff at any time during or following the Term of this Agreement, except where required by law, any information or document that tends to identify any individual in receipt of services without obtaining the written consent of the individual or the individual's parent or guardian prior to the release or disclosure of such information or document. The Service Provider shall strictly comply with all applicable federal and/or provincial privacy legislation governing its operations. The Service Provider acknowledges and agrees that, except for purpose of performing its obligations under this agreement, it shall not release or use any confidential information, except as required by law, unless the DSSMSSAB has specifically authorized such release or use.

12. Conflict of Interest

- (a) The Service Provider, any of its sub-contractors and any of their respective advisors, partners, directors, officers, employees, agents and volunteers shall not engage in any activity or provide any services to DSSMSSAB or any other party where such activity or the provision of such services creates a conflict of interest (actually or potentially in the sole opinion of DSSMSSAB) with the provision of services pursuant to the Agreement or its relationship with the DSSMDSSAB.
- (b) The Service Provider shall disclose to DSSMSSAB without delay any actual or potential situation that may be reasonably interpreted as either a conflict of interest or a potential conflict of interest.
- (c) A breach of this section by the Service Provider shall entitle DSSMSSAB to terminate the Agreement, in addition to any other remedies that DSSMSSAB has in the Agreement, in law or in equity.

13. Indemnification

The Service Provider will, both during and following the term of this Agreement, indemnify and save harmless the DSSMSSAB from all costs, losses, damages, judgements, claims, demands, suits, actions, complaints or other proceedings in any manner based upon, occasioned by or attributable to anything done or omitted to be done by the Service Provider, its directors, officers, employees, agents or volunteers in connection with services provided, purported to be provided or required to be provided by the Service Provider pursuant to this Agreement.

14. Insurance

The Service Provider will obtain and maintain in full force and effect during the term of this Agreement, general liability insurance acceptable to DSSMSSAB in an amount of not less than five million dollars (\$5,000,000.00) per occurrence in respect of the services provided pursuant to this Agreement.

The insurance policy shall,

- (a) include as an additional insured The District of Sault Ste. Marie Social Services Administration Board in respect of and during the provision of services by the Service Provider pursuant to this Agreement; and
- (b) contain a cross-liability clause endorsement.

The Service Provider will submit to DSSMSSAB, upon request, proof of insurance, satisfactory to DSSMSSAB.

15. Notice of Default – Suspension or Termination for Cause

- (a) In the event that the Service Provider fails to observe or comply with any of the terms of the Agreement, in whole or in part, the DSSMSSAB, in addition to any other remedies that it may have, shall be entitled to serve a written notice of default on the Service Provider at its address for service specifying the nature of the default.
- (b) If the default is deemed, in the sole discretion of the DSSMDSSAB, to constitute grounds for immediate suspension or termination of this agreement then the notice of default shall include notice of such suspension or termination and such suspension or termination shall be effective on the date of delivery of notice of default. The decision to either suspend or terminate for any default shall be in the sole discretion of the DSSMSSAB.

- (c) If the DSSMSSAB, in its sole discretion, deems a default by the Service Provider to be capable of being remedied without immediate suspension or termination of the Agreement, then the notice of default shall stipulate the date not less than 10 days from the date of notice by which such default shall be cured, failing which the agreement may be suspended or terminated. In the event that the Service Provider fails to remedy such default within the time stipulated in the notice, the DSSMSSAB shall be entitled to suspend or terminate the Agreement

16. Termination without Cause

Either party may terminate this Agreement upon sixty (60) days' notice to the other party. If the Agreement is terminated in part, all obligations with respect to the provision of all other services continue in full force and effect.

17. Consequences of Termination

- (a) Upon termination of this Agreement, whether pursuant to section 15 or section 16, a full accounting of all Funds received by the Service Provider and services provided up to the date of termination shall take place. The Service Provider shall be compensated for continued services up to the date of termination and such payment shall be made by within thirty (30) days of the date of reconciliation. If the accounting determines that the Service Provider has been overpaid it shall reimburse any overpayment of funds to the DSSMSSAB within thirty (30) days of receipt of the accounting.
- (b) Upon termination the Service Provider shall forthwith deliver all materials, signage and equipment owned by the DSSMDSSAB and co-operate in the orderly transfer of operations.
- (c) Notwithstanding the termination of this agreement or any extension thereof the provisions of sections 7, 8, 9, 11, 12, 17 and 22 shall continue to be binding upon the parties

18. Compliance with Laws

The Service Provider agrees that the Service Provider and 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, including but not limited to the *Human Rights Code* R.S.O. 1990 c. H.19 (as amended).

19. Freedom of Information

Any information collected by DSSMSSAB pursuant to this Agreement is subject to the rights and safeguards provided for in the "*Municipal Freedom of Information and Protection of Privacy Act*" R.S.O. 1990, Chapter M.56 as amended.

20. Use of Funds

The Service Provider shall use the funds provided by the DSSMSSAB pursuant to this Agreement only for the specific purpose for which the funds are provided.

21. General Operating Grants

If the Service Provider is eligible to receive a child care General Operating Grant, the Service Provider agrees to comply with all of the conditions and requirements set out in both the Ministry of Education "Guidelines and Procedures" and DSSMSSAB policies.

22. Disposition of Equipment

The Service Provider will not sell, change the use or otherwise dispose of any item, furnishing or equipment purchased with DSSMSSAB funds pursuant to this Agreement (the "funded assets") without the prior written consent of DSSMSSAB, which may be given on a case by case basis subject to such conditions as DSSMSSAB deems advisable. DSSMSSAB reserves the right to require the return of funded assets in the event of suspension, expiry or other termination of this agreement.

23. Amendments

This Agreement may be amended by written addendum or by substitution of the Schedules, duly signed by the parties to this Agreement.

24. Non-Assignment

The Service Provider will not assign this Agreement, or any part thereof, without the prior written approval of DSSMSSAB, which approval may be withheld by DSSMSSAB in its sole discretion or given subject to such conditions as DSSMSSAB may impose. For the purpose of this Section 24, assignment, in the case of an incorporated Service Provider, shall be deemed to include any transfer of a controlling interest in the corporation.

25. Schedules / Entire Agreement

All the terms of the Schedules are incorporated into this Agreement except where they are inconsistent with this Agreement. This Agreement and the attached Schedules embody the entire Agreement and supersede any other understanding or agreement, collateral, oral or otherwise, existing between the parties at the date of execution and relating to the subject matter of this Agreement.

26. Recognition and Awareness of Public Support

The Service Provider shall acknowledge the DSSMSSAB's contribution of funding with respect to the provision of services under the Agreement. The Service Provider shall post on its premises any signage provided by the DSSMSSAB with respect to the program. The DSSMSSAB reserves the right to waive this requirement.

27. Notice

- (a) Notice shall be deemed to have been sufficiently given to the other party if given in writing and delivered by personal delivery or postage-prepaid registered mail.

To the DSSMSSAB

District of Sault Ste. Marie Social Services Administration Board

Address: 180 Brock Street, 2nd Floor
Sault Ste. Marie, ON P6A 3B7

Attention: Carla Fairbrother, Manager
Community Child Care Services

To the Service Provider

Corporation of the City of Sault Ste. Marie

Address: 99 Foster Drive
Sault Ste. Marie, ON
P6A 5X6

Attention: Nick Apostle, Commissioner of Community Services
Susan Parr, Acting Manager of Municipal Childcare Centres

- (b) Where notice is given by registered mail, it shall be deemed to have been received on the third business day after date of mailing. Where notice is given personally it shall be deemed to have been received on the date of delivery.
- (c) Each party shall provide to the other written notice of any change in address, telephone or facsimile number, the proof of which lies upon the party making the change.

28. Non-Performance

The failure of either party at any time to require performance by the other party of any provision of this Agreement shall in no way affect its right thereafter to enforce such provision. The waiver of a breach of any provision by either party shall not be taken or be held to be a waiver of any further breach of the same provision or of a breach of any other provision.

29. Governing Law

This contract shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

30. Succession

This Agreement shall be binding upon and endure to the benefit of both the Service Provider, its successors and assigns as provided in the Agreement and the DSSMSSAB, its successors and assigns.

IN WITNESS WHEREOF this Agreement has been signed by an authorized DSSMSSAB official on behalf of DSSMSSAB and the Service Provider by its proper signing officers.

Signed, sealed and delivered

on the 11th day of May, 2015

**District of Sault Ste. Marie Social
Services Administration Board**

For DSSMSSAB

Name

Title

For the Service Provider

Mayor - Christian Provenzano

Name

Title

(Seal)

For the Service Provider

Deputy City Clerk - Rachel Tyczinski

Name

Title

SCHEDULE "A"
BUDGET AND SERVICE DATA SCHEDULE
Page 1 of 2

NAME OF SERVICE PROVIDER: City of Sault Ste. Marie, Municipal Day Nurseries
The Corporation of the City of Sault Ste. Marie

2014 Calendar Year Allocation*

ALLOCATION SUMMARY	ALLOCATION			SUBSIDIZED SPACES (In FDE's)
Fee Subsidy**	\$ 950,790.96			44
General Operating Grant	\$ 114,740.22			7
TOTAL	\$ 1,065,531.18			51

*To assist in the transition to reduced funding levels, the DSSMSSAB;

- set subsidized FDE target to 2015 service requirements
- maintained full level of historical funding (January to March)
- reduced allocation by 13% (April to December) and will not implement full funding reduction until January 2015.

**Fee subsidy will be cash flowed on a monthly basis; however, this will be reconciled annually once compared with actual level of service.

The time, amount and manner of the payments to be made pursuant to this schedule shall be determined by the Manager, acting reasonably.

SCHEDULE "A"
BUDGET AND SERVICE DATA SCHEDULE
Page 2 of 2

NAME OF SERVICE PROVIDER: City of Sault Ste. Marie, Municipal Day Nurseries
The Corporation of the City of Sault Ste. Marie

2015 Calendar Year Allocation

ALLOCATION SUMMARY	ALLOCATION	MONTHLY PAYMENT	MUNICIPAL PER DIEM	SUBSIDIZED SPACES (In FDE's)
Fee Subsidy**	\$ 642,817.00	\$ 53,568.08	\$ 55.98	44
General Operating Grant	\$ 213,150.00	\$ 17,762.50		7
TOTAL	\$ 855,967.00	\$ 71,330.58		51

**Fee subsidy will be cash flowed on a monthly basis; however, this will be reconciled annually once compared with actual level of service.

The time, amount and manner of the payments to be made pursuant to this schedule shall be determined by the Manager, acting reasonably.

SERVICE AGREEMENT SCHEDULE "B"

ORGANIZATION NAME: The Corporation of the City of Sault Ste. Marie

SERVICE NAME: Fee Subsidy

SERVICE OVERVIEW

Funding for child care services will be negotiated with Service Providers who demonstrate a commitment to provide high quality, developmentally appropriate, inclusive, evidence based licensed Child Care and Early Years programs to children and families in the District of Sault Ste. Marie.

PURCHASE OF SERVICE FOR CHILD CARE FEE SUBSIDIES

A fee subsidy is financial assistance provided towards the cost of day nursery services, private-home day care services, and extended-day programs, including non-instructional days. Fee Subsidy funding is conditional upon all reporting requirements being met.

1. The Service Provider shall operate a non-provisional licensed Day Nursery or Private Home Day Care Agency for the purpose of providing child care for children at every site where child care is provided.
2. Fee subsidies may be provided to children whose parents are:
 - Eligible for income support under the *Ontario Disability Support Program Act, 1997, S.O. 1997, c. 25, Sched. B ("Ontario Disability Support Program Act, 1997")*;
 - Eligible for income assistance under the *Ontario Works Act, 1997, S.O. 1997, c. 25, Sched. A ("Ontario Works Act, 1997")*, and is employed or participating the employment assistance activities under Ontario Works or both; or
 - Eligible for assistance on the basis of their adjusted income as prescribed by O. Reg. 262 made under the *Day Nurseries Act*.
3. Fee subsidies may be provided for children under 10 years of age, or for children up to 12 years of age in special circumstances. Parents of children with special needs may be eligible for fee subsidies for children with special needs under 18 years of age.
4. The Service Provider shall be entitled to DSSMSSAB Fee Subsidy payment based on the per diem outlined in Schedule A for each Subsidized Child enrolled at the day nursery at which the Service Provider provides services pursuant to this Agreement, less the fees if any, payable by the Parent of a child in receipt of such service, while such parent is a Person in Need.

5. The DSSMSSAB may change the rates for child care fee subsidy from time to time giving written notice of the change to the Service Provider.
6. For the purposes of paragraph 4 above, the fees payable by a Parent shall be determined by the staff of the DSSMSSAB in accordance with the Day Nurseries Act and **the Service Provider shall not charge any surcharge, administrative fee or other levy to a Parent over and above the aforesaid approved fees** without the prior written approval of the DSSMSSAB.
7. The Service Provider shall maintain an attendance register detailing the hours of attendance on a daily basis of each child. The attendance register shall contain sufficient data to ensure its validity for year-end reconciliation purposes.
8. Under the Ontario Child Care Management system automated billing process, attendance reports are distributed/available to Service Providers on the first working day of the calendar month subsequent to the month in which the services were provided. The Service Provider must verify all accounts and records of type and hours of care as well as immediately notify the Case Manager of any changes to an approved schedule and return signed attendance reports to the DSSMSSAB within 10 business days after the report is received. If the Service Provider fails to submit the records by the date above, the DSSMSSAB may withhold any payments to the Service Provider until such time as the records are provided.
9. For the purposes of this Agreement, enrolment shall be deemed to commence upon the first day of attendance of any Subsidized Child as identified by the DSSMSSAB and shall terminate upon the last day of attendance of such child provided that proper notice of withdrawal has been given.
10. The Service Provider shall require the parent to provide ten (10) days written notice of withdrawal from services of a Subsidized Child. Where the attendance of the Subsidized Child was terminated without sufficient notice, the child shall be deemed enrolled up to a maximum of ten (10) days after his/her last day of attendance, provided that any deposit paid by the Parent of Subsidized Child to the Service Provider shall be deducted from or credited to the amount owing for this period and provided that the Service Provider does not fill the vacant space left by such child.
11. The DSSMSSAB may at any time alter the number of children eligible for enrolment on a subsidized basis upon oral and/or written notice given by the Child Care Manager and any such notice shall be effective as of the date specified in the notice or the date the notice is given, whichever is the later.
12. The DSSMSSAB shall be entitled, upon notifying the Eligible Parent, to remove a Subsidized Child from any Day Nursery at which the Service Provider provides services pursuant to the Agreement, at any time if, in the opinion of the Commissioner / Manager, the health and safety of the Subsidized Child would be at risk if they remained in the day nursery.

13. The Service Provider must provide a mix of full time and part time (part day/full day and/or part week/full week) child care spaces to meet the needs of the families enrolled.
14. It is the Service Providers responsibility to get in touch with parents in the event of any unexplained absences from the program to determine the reason for absence. It is recommended that this occur following the first unexplained absent day or as per program policy whichever is less. The Service Provider shall also contact the DSSMSSAB on the fifth morning of each 5-day period to inform of any subsidized child who has been absent for five consecutive scheduled days without sufficient reason for being absent as determined by the DSSMSSAB. (Please also refer to Absence Policy in DSSMSSAB Provider Operating Manual)
15. The DSSMSSAB may in its sole discretion reduce proportionally the amount of the per diem payable to the Service Provider where the absenteeism of a subsidized child exceeds the maximum number of approved paid days away as determined by the Child Care Manager.
16. The Service Provider shall collect the Parental Contribution from the Eligible parent and retain against the final reconciliation of total fee subsidy allocation.
17. The Service Provider shall submit any changes to Market/Full Fee rates charged to families enrolled in child care program 30 days prior to implementation of rate change.
18. The DSSMSSAB will reconcile use of funds annually. Any identified surplus or unspent funds must be returned to the DSSMSSAB or deducted from future allocations after final yearly reconciliation. DSSMSSAB reserves the right to approve any identified surplus for specific purposes. In the event of a service closure, funds will be prorated and any surplus funds are to be refunded to the DSSMSSAB.
19. The DSSMSSAB may reduce or terminate payment when financial and/or service targets are not met.

It is recommended that any policies and procedures related to enrollment/participation of children be implemented consistently with full fee paying and subsidized families.

SERVICE AGREEMENT SCHEDULE "C"

ORGANIZATION NAME: The Corporation of the City of Sault Ste. Marie

SERVICE NAME: Child Care General Operating Grant

SERVICE OVERVIEW

Funding for child care services will be negotiated with Service Providers who demonstrate a commitment to provide high quality, developmentally appropriate, inclusive, evidence based licensed Child Care and Early Years programs to children and families in the District of Sault Ste. Marie.

PURCHASE OF SERVICE FOR CHILD CARE GENERAL OPERATING GRANT

The purpose of the General Operating funding is to support the costs of operating licensed child care programs in order to reduce wait time and fees for services, stabilize service levels, and where funds allow, improve access to high quality affordable early learning and child care services for children and their families. As with Fee Subsidy Funding, the General Operating Grant is conditional upon all reporting requirements remaining current.

1. The Service Provider shall operate a non-provisional licensed Day Nursery or Private Home Day Care Agency for the purpose of providing child care for children at every site where child care is provided.
2. Funding will be provided to the Service Provider, including licensed day nurseries and private-home day care agencies, to support the cost of providing licensed child care services.
3. Service providers must demonstrate that they meet the minimum wage and mandatory benefits requirements without the operating funding in order to qualify for this funding.
4. Upon written approval of the DSSMSSAB Children's Services Manager, General Operating funding may be used for ongoing costs including: staff wages and benefits, lease and occupancy costs, utilities, administration, transportation for children, resources, nutrition, supplies, maintenance, etc.
5. Service providers will be required to submit an annual budget submission to the DSSMSSAB.
6. In 2014, the wage rate per FTE funded through the operating funding cannot exceed the per FTE wage rate that was paid by the service provider in 2011.
7. Operating funding may not be used toward capital debt costs, with exceptions approved by the DSSMSSAB and outlined in the Ontario Child Care Service Management and Funding Guideline.

8. Service providers are strongly encouraged to use the operating funding allocations to support a stable ongoing operating and wage base, rather than allocating as lump sums or bonuses.
9. Service providers are required to report any significant reduction in service levels and/or staffing, that is not of a temporary nature, to the DSSMSSAB. Permanent reduction of staffing and/or service levels will result in a proportional recalculation of the amount of operating funding approved by the DSSMSSAB.
10. The DSSMSSAB will reconcile use of funds annually. Any identified surplus or unspent funds must be returned to the DSSMSSAB or deducted from future allocations after final yearly reconciliation. DSSMSSAB reserves the right to approve any identified surplus for specific purposes. In the event of a service closure, funds will be prorated and any surplus funds are to be refunded to the DSSMSSAB.

The Corporation of the City of Sault Ste. Marie

99 Foster Drive
Sault Ste. Marie, ON
P6A 5X6

Not Applicable to this agreement:

SCHEDULE(S)

- "D" Pay Equity**
- "E" Special Needs Resourcing**
- "F" Family Resource Centre**

SERVICE AGREEMENT SCHEDULE "D"

ORGANIZATION NAME:

SERVICE NAME: Pay Equity

SERVICE OVERVIEW

Funding for child care services will be negotiated with Service Providers who demonstrate a commitment to provide high quality, developmentally appropriate, inclusive, evidence based licensed Child Care and Early Years programs to children and families in the District of Sault Ste. Marie.

PAY EQUITY

The government reached a negotiated Memorandum of Settlement (MOS) with five unions in the spring of 2013 regarding the funding for proxy pay equity. The Memorandum of Settlement covers the period between January 1, 1999 and December 31, 2005. Although the MOS has ended, existing pay equity base funding under the MOS will continue to be made available to Child Care Operators.

Method of Evaluation:

The Service Provider is required to provide a year-end reconciliation that shows the actual pay equity expenditures under the MOS.

SERVICE AGREEMENT SCHEDULE "E"

ORGANIZATION NAME:

SERVICE NAME: Special Needs Resourcing Expense

SERVICE OVERVIEW

Funding for child care services will be negotiated with Service Providers who demonstrate a commitment to provide high quality, developmentally appropriate, inclusive, evidence based licensed Child Care and Early Years programs to children and families in the District of Sault Ste. Marie.

PURCHASE OF SERVICE FOR SPECIAL NEEDS RESOURCING

Special Needs Resourcing (SNR) funding is to be used to support the inclusion of children with special needs in regulated child care settings at no additional cost to parents/guardians.

1. Services and supports purchased through SNR funding are for children with special needs up to 2 years of age primarily in licensed child care centres and regulated private home day care.
2. The Service Provider shall ensure that Special Needs Resourcing services are provided in accordance with the Day Nurseries Act and the Ministry of Education Business Practise Guidelines as well as any other requirements of the DSSMSSAB.
3. Services and supports purchased through SNR funding shall be provided only in licensed child care centres and in regulated private-home day care programs unless otherwise determined by the DSSMSSAB.
4. All Service Providers and regulated Child Care programs involved in the provision of SNR services must comply with legislative and regulatory requirements for obtaining parental consent for service and information exchange for any purpose (e.g. referrals).
5. It is recommended that a resource teacher/consultant working in regulated child care settings have the following qualifications:
 - a) holds a diploma in early childhood education (ECE) from an Ontario College of Applied Arts and Technology or an academic qualification that a Director (under the DNA) consider equivalent to an ECE diploma;
 - b) has completed a post-secondary program of studies approved by a Director that is both theoretical and practical and that relates to supporting children with special needs;
 - c) is a registered member of the College of Early Childhood Educators; and,
 - d) holds a current standard certificate in first-aid and CPR.

6. SNR supports must be provided in licensed child care settings. Resource teachers/consultants cannot provide services within a family's personal home (excluding private-home child care locations).
7. Resource teachers/consultants typically provide a wide range of services and supports for children with special needs and their families. These supports may include providing child care staff with program adaptation strategies, developing individual program plans, conducting developmental screens, providing referrals to community agencies, providing information and resources for parents and obtaining specialized equipment as required.
8. Each child receiving ongoing SNR supports will have a current plan of care that reflects an assessment of needs and preferences.
9. The Service Provider shall provide SNR programs to children with special needs in accordance with Ministry Legislation, as amended from time to time and where applicable, any other program requirement of the DSSMSSAB.
10. SNR-funded resource teachers/consultants and supplemental staff may not be counted toward the required ratio of employees to children in regulated child care programs.
11. The Service Provider shall ensure that SNR services are available in French to Francophone organizations, as well as Francophone parents/guardians and their children.
12. The DSSMSSAB shall pay to the Service Provider an amount for the provision of Special Needs Resourcing programs which amount shall be determined based on available funding and through the DSSMSSAB's analysis process of the Service Provider's budget and shall be based on service targets.
13. Notwithstanding other articles of this Agreement, the Commissioner, acting under the direction of the DSSMSSAB may change the payment amount set out in Schedule "A" from time to time by giving written notice of the change to the Service Provider.
14. The Service Provider is responsible for reporting accurate service data and financial targets (see attached Schedule E-Targets) to the DSSMSSAB within a specified time frame determined by the Child Care Manager. Failure to submit this information within the specified time frame may result in the withholding of any subsequent payments.
15. The DSSMSSAB will reconcile use of funds annually. If the Service Provider's year-end report identifies a surplus the surplus may be deducted from future Special Needs Resourcing payments.
16. In the event of a service closure, surplus funds are to be refunded to the DSSMSSAB.
17. The DSSMSSAB may reduce or terminate payment when financial and service targets are not met.

PLANNING AND COLLABORATION

The DSSMSSAB will collaborate in the planning and provision of services and supports with SNR service providers, child care operators, parents/guardians, schools/school board personnel, and other professionals. The DSSMSSAB will also engage other community service programs and agencies through the Best Start Network in the planning of SNR services and supports. Cross-disciplinary collaboration helps to improve SNR services, promotes seamlessness between services for children and their families, supports transitions between support settings and minimizes potential barriers to service delivery.

SERVICE AGREEMENT SCHEDULE "F"

ORGANIZATION NAME:

SERVICE NAME: Best Start Hub / Child and Family Resource Centre

Service Objectives:

In the DSSMSSAB catchment area, Prince Township Best Start Hub will promote children's optimal growth and readiness to learn in healthy, safe, and supportive communities, so they may reach their fullest potential in accordance with the objectives of Best Start.

Prince Township Best Start Hub will plan and manage the operation within provincial legislation, regulations, standards, policies and guidelines. Services will be provided in accordance with the following documents:

- Early Learning for Every Child Today (2006)
- Ontario Early Years Policy Framework (2013)
- Think, Feel, Act (2013)
- How Learning Happens (2014)

Prince Township Best Start Hub must provide the delivery of and or provide access to core services, including a wide range of early learning and care services for children and parents, such as but not limited to:

- Child Supervision
- Early Literacy
- Interactive structured programs for parents/caregivers and children
- Unstructured, informal interactive programs for parents/caregivers and child
- Child focused early learning programs such as stories, music, movement and creative art which promote literacy, gross and fine motor skills development and problem-solving skills
- Pre-natal and post natal resources and information

Prince Township Best Start Hub must provide programs and services which support parents and caregivers in their learning and gaining of knowledge regarding child development through a range of educational opportunities that are sensitive to a wide range of adult learning styles. For those families whose circumstances make it difficult to participate, Prince Township Best Start Hub will utilize innovative ways to connect with these families and where necessary, provide mobile services to meet community and family needs.

Prince Township Best Start Hub must promote and/or provide evidence-based primary prevention activities on behalf of the children's service system in order to minimize the need for specialized services.

Prince Township Best Start Hub will inform and increase public awareness regarding services available in the community for children and families and how these services can be accessed. Prince Township Best Start Hub will facilitate access to and/or provide self-help material.

Prince Township Best Start Hub must provide the linkages for children and their families to community services and supports. Where children require more specialized services, Prince Township Best Start Hub will link the child/family to specialized services utilizing the local access mechanism or directly to other services not part of the local access mechanism ensuring that the transition is seamless. When appropriate, Prince Township Best Start Hub will initiate service registration and obtain consents.

Prince Township Best Start Hub will coordinate system related services between schools, child care and other community services – (i.e. HBHC, Pre-School Speech and Language).

Prince Township Best Start Hub will work with the Sault Ste. Marie Data Analysis Coordinator to ensure community information is up to as well as to capture relevant statistical information through the Digital Sign in Process.

Prince Township Best Start Hub must provide universal screening. In collaboration with other service providers, universal screening is available to children and families at the Hub or other appropriate locations, utilizing provincially approved screening tools (i.e. Nipissing District Development Screen [NDDS] and the Rourke Baby Record).

Based on screening results and with appropriate consents, Prince Township Best Start Hub will initiate registration, and/or refer to specialized services through the local access mechanism or other services not provided by the access mechanism, as described above.

Prince Township Best Start Hub will provide access to and/or deliver public education. Prince Township Best Start Hub will promote and distribute educational material on child development and parenting for parents, caregivers and the community.

Prince Township Best Start Hub will tailor services to provide for unique community needs, such as supports for children with special needs or programming for specific populations.

Prince Township Best Start Hub must develop formal protocols and official linkages with external agencies that provide early years services to children and families, schools, access mechanisms and other community based services required to achieve the objectives of the program.

Services will be:

Reflective and responsive to individual, family and community strengths and needs;

Accountable to the individual, family and community;

Sensitive to the social, linguistic and cultural diversity of families and communities, including Francophone and Aboriginal communities;

Staffed by individuals with the appropriate range of skills and abilities necessary to respond effectively to the needs of adults, children and their families; and

Provided based on the individual's assessed needs, preferences and available within individual, agency, community and contracted DSSMSSAB resources.

Governance, Accountability and Service System Requirements: The agency will deliver the programs and services in accordance with the requirements as outlined in:

The legal, financial and service target data portions of the service contract;

Any service/program specific guidelines provided; and

In keeping with best practices for the delivery of services.

Prince Township Best Start Hub is accountable to the Ministry of Education through their funding agreement with DSSMSSAB

Prince Township Best Start Hub is expected to establish parent advisory committee for the centre and seek their input and advice on a regular basis.

Service Description:

Prince Township Best Start Hub is a non-profit early learning facility. The general public is able to access the drop-in service. Prince Township Best Start Hub also provides a range of support services such as information, public education, consultation and supports and services to individuals, including parents, with respect to the care they give to children.

Method of Evaluation:

Prince Township Best Start Hub will provide the DSSMSSAB with mandatory quarterly Year to Date Service Data Summary Actuals and Analysis reports.

Prince Township Best Start Hub will provide the DSSMSSAB with mandatory qualitative/narrative reports as required.

Prince Township Best Start Hub will provide information for planning and evaluation purposes to the DSSMSSAB and the Best Start Network as required to identify gaps in service.

A variety of collection methods and tools will be used, such as parent satisfaction surveys, program evaluations etc.

Prince Township Best Start Hub must comply with Serious Occurrence Reporting requirements and the requirements of the Physical Restraint Policy.

Prince Township Best Start Hub must comply with the Ministry's criminal reference check policy.

Service Location:

3042 Second Line West
R.R. #6 Prince
Sault Ste. Marie, Ontario P6A 6K4

These services will be offered to residents that reside within the boundaries of the Sault Ste. Marie Social Services Administration Board.

SCHEDULE G SERVICE DESCRIPTION SCHEDULE OVERVIEW

CHILD CARE OPERATOR NAME: The Corporation of the City of Sault Ste. Marie

Service Overview

Funding for child care services will be negotiated with Service Providers who demonstrate a commitment to provide high quality, developmentally appropriate, inclusive, evidence based licensed Child Care and Early Years programs to children and families in the District of Sault Ste. Marie.

Service Principles

(Based on "Early Learning for Every Child Today – Framework for Ontario Early Childhood Settings" December, 2006)

1. Early child development sets the foundation for lifelong learning, behavior and health.
2. Partnerships with families and communities strengthen the ability of early childhood settings to meet the needs of young children.
3. Respect for diversity, equity and inclusion are prerequisites for honouring children's rights, optimal development and learning.
4. A planned curriculum supports early learning.
5. Play is a means to early learning that capitalizes on children's natural curiosity and exuberance.
6. Knowledgeable, responsive early childhood professionals are essential.

Service Objectives

The overriding objectives of early learning and care are to:

- foster high quality early learning experiences and positive, healthy child development;
- support children being cared for in a safe, nurturing environment;
- provide flexible hours of care to accommodate needs of families;
- support the inclusion of children with special or social needs;
- enable parents to work, or undertake training or education leading to employment;
- provide linkages for families to other social services; and
- encourage parents to take part in the decision making process through regularly scheduled parent meetings, annual general meetings and through participation on the Board of Directors.

Service Location

The District of Sault Ste. Marie Social Services Administration Board and the above named operator will maintain open communication and work together to provide families with children aged 0-12 in the Sault Ste. Marie Service Area, regardless of socio-economic background, culture, or language, access to high quality and inclusive child care/early years services that will ensure children are given a healthy start in life.

The delivery of core services will be guided by the Service Principles and Service Objectives identified above. The DSSMSSAB is accountable to the Ministry of Education for the purchase of services that are being delivered by the above named operator. The following responsibilities are in addition to those outlined in the attached legal agreement.

The DSSMSSAB Agrees to:

- provide funding in accordance with General Operating Grant Policy and Fee Subsidy Guidelines outlined in Schedules B and C;
- provide up to two Professional Development opportunities to Early Childhood Educators and/or not-for-profit Child Care Boards of Directors in the Community in partnership with the Community Quality Assurance Committee;
- provide funding to Algoma District Supervisor's Group when available to ensure opportunities for Supervisors and Managers in Sault Ste. Marie to participate in Networking meetings and system wide planning; and
- develop and implement a system wide Quality Assurance Program in partnership with the Quality Assurance committee members and provide support to those programs that identify ways they would like to enhance the quality of their programs.

The Service Provider Agrees to:

- provide child care services in accordance with the attached signed Service Contract;
- maintain at all times the minimum number of Board members identified in their By-Laws in order to ensure continuity of service;
- forward copies of all Board meeting minutes, including Annual Report and Annual General Meeting minutes within 60 days of occurrence; for all larger organizations offering multiple programming, portions of minutes related to child care services should be identified and forwarded
- participate in Board Governance training opportunities if not otherwise available;
- participate in any quality assurance program/service evaluation undertaken by the DSSMSSAB;

- work positively and collaborate with local Special Needs Resourcing Organization(s) and/or Service Providers;
- ensure staff participate in a minimum of two professional development opportunities including the annual professional development day offered by the DSSMSSAB and the community Quality Assurance committee each year; and
- ensure Supervisor participates in Algoma Child Care Supervisors meetings.

Reporting/Documentation Requirements

Annual Reporting

Prior to the signing of any agreement and annually thereafter and as determined by the DSSMSSAB the Service Provider must provide the following documentation:

- all certificates of insurance referred to in this Service Agreement;
- Articles of Incorporation or Letters Patent;
- list of current directors and their mailing/email addresses;
- list of all Signing Officers of the Corporation;
- Annual Financial Statements or other evidence of financial viability for 2 years preceding any agreement where available; these shall be submitted within 4 months of financial year end;
- verification of each current license issued under the Day Nurseries Act for each site;
- a list of the Provider's Market/Full Fee Rates for the upcoming year; (Where the Service Provider is a Corporation the Market/Full Fee Rates shall be those established by its Board of Directors. Please attach motion approving same.)
- written policy with respect to the provision of early learning and child care services to children identified as having special needs;
- written statement with respect to the participation of the program in early learning and child development community planning networks and professional associations; and
- written statement with respect to the meaningful participation in a Quality Assurance and Improvement Program.

The Service Provider shall provide within 10 business days any changes to the information set out above.

Annual Budget

Each Service Provider will submit an annual Budget for the new year to the DSSMSSAB by January 31st of the budget year. The budget will contain details on Operating costs as well as all sources and amounts of revenue. In order to ensure funding accountability a maximum of 10% of your allocation may be spent on administration. This will not include the Supervisor's salary. Please note:

- A supervisor who has 5 full time staff can spend half the time on administrative duties.
- A supervisor with more than 7 full time staff will have full time administrative duties.
- A full time administrator's salary will only be allowed for a centre with an operating capacity of 90 children or more.

Full time salaries will be prorated for a centre with lower capacity and compared with actual administrative salaries paid.

Reports (Service Provider to maintain and provide if requested):

- service records for each service and program provided by the Service Provider as part of this Agreement;
- up to date financial records and books of account respecting all funds received by the Service Provider from the DSSMSSAB as part of this agreement and maintained in accordance with generally accepted accounting principles;
- financial statements and reconciliation reports with respect to the services and programs provided as part of this agreement;
- quarterly reports on enrollment of all children served including full fee; (template provided by DSSMSSAB) and
- any other report that the Ministry or the DSSMSSAB may reasonably request.

The Service Provider shall ensure that all reports referred to above are in such form and contain such content as are reasonably required by the DSSMSSAB.

IN WITNESS WHEREOF this Service Description Overview has been signed by an authorized DSSMSSAB official on behalf of DSSMSSAB and the Service Provider by its proper signing officers.

Signed, sealed and delivered

on the 11th day of May, 2015

**District of Sault Ste. Marie Social
Services Administration Board**

For DSSMSSAB

Name

Title

For the Service Provider

Mayor - Christian Provenzano

Name

Title

For the Service Provider

Deputy City Clerk - Rachel Tyczinski

Name

Title

(Seal)

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2015-88

REGULATIONS: (R1.1) A by-law to amend By-law 80-200 dealing with the exemption from the noise control by-law to accommodate a fundraising event held by the Korah Relay for Life team from 7:00 p.m. on June 5, 2015 to 7:00 a.m. on June 6, 2015 at Korah Collegiate and Vocational School.

The Council of the Corporation of the City of Sault Ste. Marie, pursuant to Section 129 of the *Municipal Act, 2001* S.O. 2001 c. 25 **ENACTS** as follows:

1. **EXEMPTION FROM NOISE CONTROL BY-LAW**

Despite the provisions of By-law 80-200 the noise associated with the fundraising event held by the Korah Relay for Life team from 7:00 p.m. on June 5, 2015 to 7:00 a.m. on June 6, 2015 at Korah Collegiate and Vocational School is deemed not to be in violation of By-law 80-200.

2. **EFFECTIVE DATE**

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

PASSED in open Council this 11th day of May, 2015.

MAYOR – CHRISTIAN PROVENZANO

DEPUTY CITY CLERK – RACHEL TYCZINSKI

Iz Staff\Bylaws\2015\2015-88 Noise Exemption Korah Collegiate

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2015-89

AGREEMENT: (B1) A by-law to authorize the execution of an agreement between the City and Frank Palumbo per Part 7 Div. B A-7.1.5.4 (1) of the Ontario Building Code for a shared water well at 35 and 43 Alagash Drive.

THE COUNCIL of The Corporation of the City of Sault Ste. Marie, pursuant to section 9 of the *Municipal Act, 2001*, S.O. 2001, c. 25, **ENACTS** as follows:

1. **EXECUTION OF DOCUMENT**

The Mayor and City Clerk are hereby authorized for and in the name of the Corporation to execute and affix the seal of the Corporation to an agreement dated March 17, 2015 between the City and Frank Palumbo, a copy of which is attached as Schedule "A" hereto. This agreement is per Part 7 Div. B A-7.1.5.4 (1) of the Ontario Building Code for a shared water well at 35 and 43 Alagash Drive.

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 11th day of May, 2015.

MAYOR - CHRISTIAN PROVENZANO

DEPUTY CITY CLERK - RACHEL TYCZINSKI

THIS AGREEMENT dated the 17th day of March, 2015,

BETWEEN:

FRANK PALUMBO,
of the City of Sault Ste. Marie, in the District of Algoma
(hereinafter referred to as "Palumbo")

OF THE FIRST PART

AND

THE CORPORATION OF THE CITY OF SAULT STE. MARIE,
(hereinafter referred to as "the City")

OF THE SECOND PART

WHEREAS Palumbo is the owner of abutting lands and premises situate at civic numbers 35 and 43 Alagash Drive in the City of Sault Ste. Marie, said lands and premises bearing the following legal descriptions:

1. **35 Alagash Drive –**
PARCEL 5489 SEC AWS; LOT 22 PL M241 PARKE TOWNSHIP LT72895,
BEING PIN 31614-0027 (LT), (hereinafter referred to as "35 Alagash Drive");
2. **43 Alagash Drive –**
PARCEL 4558 SEC AWS; LOT 23 PL M241, PARKE TOWNSHIP LT51343,
BEING PIN 31614-0040 (LT), (hereinafter referred to as "43 Alagash Drive").

AND WHEREAS a water well (hereinafter referred to as "the well") is located on the lands and premises at 43 Alagash Drive, in the City of Sault Ste. Marie which services the lands and premises located at both 35 Alagash Drive and 43 Alagash Drive, in the City of Sault Ste. Marie;

AND WHEREAS the well presently at 43 Alagash Drive is for the benefit of Palumbo, common owner of both 35 Alagash Drive and 43 Alagash Drive;

AND WHEREAS the City wishes assurance that in the event that Palumbo ceases to have common ownership of the lands and premises located at 35 Alagash Drive and 43 Alagash Drive, that a new water well will be installed to serve the lands and premises at 35 Alagash Drive, if those lands and premises continue in their present use;

NOW WITNESSETH THAT IN THE CONSIDERATION of the sum of One Dollar (\$1.00) and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

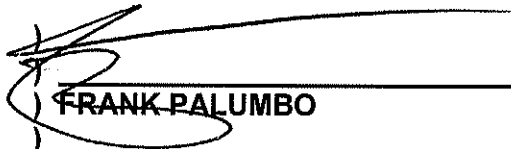
1. The parties hereto acknowledge and agree that the above recitals are true, correct and complete in every respect;
2. Palumbo will solely maintain, operate and be responsible for the condition of the well situate at 43 Alagash Drive.
3. (1) Palumbo agrees that in the event that he no longer has common ownership of the lands and premises at 35 Alagash Drive and 43 Alagash Drive in the City of Sault Ste. Marie, that he shall either;
 - (a) cause a new water well to be drilled on the lands located at 35 Alagash Drive before any transfer of the lands to any new purchaser; or
 - (b) require the prospective purchaser of the lands at 35 Alagash Drive to install a new water well previous to any transfer of the said lands.
4. Palumbo further agrees that in the event that he sells 43 Alagash Drive, and retains 35 Alagash Drive, then he will install a water well to serve the lands and premises at 35 Alagash Drive.
5. In the event that the lands and premises at 35 Alagash Drive revert to the use as a garage/storage premises, then Palumbo shall have no obligation to install a well at 35 Alagash Drive and the provisions of Section 3 and 4 of this Agreement shall not apply. Provided

however, that in the change of the use of premises at 35 Alagash Drive from its current use, any connection to the water well at 43 Alagash Drive shall be disconnected at that time.

6. This Agreement shall enure to the benefit of and be binding upon the respective heirs, executors, administrators and assigns and transferees of each other respective parties.

IN WITNESS WHEREOF the parties have hereunto set their hands and seals the date and year first above written.

SIGNED, SEALED AND DELIVERED
In the presence of



FRANK PALUMBO

)
)
) **THE CORPORATION OF THE**
) **CITY OF SAULT STE. MARIE**
) **PER:**

) _____
) **I have authority to bind the City.**

) **Mayor - Christian Provenzano**

)

I have authority to bind the City
Deputy City Clerk - Rachel Tyczinski

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2015-90

AGREEMENT: (E2.3) A by-law to authorize the execution of a Memorandum of Agreement between the City and Tulloch Engineering Inc. for a pre-design geotechnical study for \$16,600 plus tax using funds from the 2015 miscellaneous construction budget.

THE COUNCIL of The Corporation of the City of Sault Ste. Marie, pursuant to section 9 of the *Municipal Act, 2001*, S.O. 2001, c. 25, **ENACTS** as follows:

1. **EXECUTION OF DOCUMENT**

The Mayor and City Clerk are hereby authorized for and in the name of the Corporation to execute and affix the seal of the Corporation to an agreement dated May 11, 2015 between the City and Tulloch Engineering Inc. , for a pre-design geotechnical study for \$16,600 plus tax using funds from the 2015 miscellaneous construction budget.

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 11th day of May, 2015.

MAYOR - CHRISTIAN PROVENZANO

DEPUTY CITY CLERK - RACHEL TYCZINSKI

**M.E.A./C.E.O.
CLIENT/CONSULTANT AGREEMENT
FOR
MUNICIPAL WORKS
2006**

AGREEMENT CONTENTS

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**AGREEMENT
FOR
PROFESSIONAL CONSULTING SERVICES**

MEMORANDUM OF AGREEMENT dated the 11th day of May

A. D. 2015

-BETWEEN-

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

Hereinafter called the 'Client'

THE PARTY OF THE FIRST PART

-AND-

TULLOCH ENGINEERING INC.

Hereinafter called the 'Consultant'

THE PARTY OF THE SECOND PART

WHEREAS the Client intends to provide geotechnical engineering and investigation services in connection with the analysis of the stability of an existing retaining wall located at 711/719 Bay Street Sault Ste. Marie.

hereinafter called the 'Project' and has requested the Consultant to furnish professional services in connection therewith;

NOW THEREFORE WITNESSETH that in consideration of the covenants contained herein, the Client and the Consultant mutually agree as follows:

Client/Consultant Agreement for 711/719 Bay Street Geotechnical Investigation

ARTICLE 1 - GENERAL CONDITIONS

1.01 Retainer

The Client hereby retains the services of the Consultant in connection with the Project and the Consultant hereby agrees to provide the services described herein under the general direction and control of the Client.

In this Agreement the word Consultant shall mean professionals and other specialists engaged by the Client directly and whose names are party to this Agreement.

1.02 Services

The services to be provided by the Consultant and by the Client for the Project are set forth in Article 2 and such services as changed, altered or added to under Section 1.08 are hereinafter called the 'Services'.

1.03 Compensation

The Client shall pay the Consultant in accordance with the provisions set forth in Article 3. For purposes of this agreement, the basis of payment shall be as specified in Article 3.2.1.

1.04 Staff and Methods

The Consultant shall perform the services under this agreement with that degree of care, skill and diligence normally provided in the performance of such services as contemplated by the agreement at the time such services are rendered and as required by the Professional Engineers Act (RSO 1990, Chapter P. 28) and regulations therein. The Consultant shall employ only competent staff who will be under the supervision of a senior member of the Consultant's staff.

1.05 Drawings and Documents

Subject to Section 3.2.2 of Article 3, drawings and documents or copies thereof required for the Project shall be exchanged between the parties on a reciprocal basis. Documents prepared by the Consultant for the Client, including record drawings, may be used by the Client, for the Project herein described. In accordance with Article 1.06, the client indemnifies the Consultant for unauthorized use of the documents and deliverables.

1.06 Intellectual Property

All concepts, products or processes produced by or resulting from the Services rendered by the Consultant in connection with the Project, or which are otherwise developed or first reduced to practice by the Consultant in the performance of his Services, and which are patentable, capable of trademark or otherwise, shall be considered as Intellectual Property and remain the property of the Consultant.

The Client shall have permanent non-exclusive royalty-free license to use any concept, product or process, which is patentable, capable of trademark or otherwise produced by or resulting from the Services rendered by the Consultant in connection with the Project and for no other purpose or project.

1.07 Records and Audit

- (a) In order to provide data for the calculation of fees on a time basis, the Consultant shall keep a detailed record of the hours worked by staff employed for the Project.
- (b) The Client may inspect timesheets and record of expenses and disbursements of the Consultant during regular office hours with respect to any item which the Client is required to pay on a time scale or disbursement basis as a result of this Agreement.
- (c) The Consultant, when requested by the Client, shall provide copies of receipts with respect to any disbursement for which the Consultant claims payment under this Agreement.

1.08 Changes and Alterations and Additional Services

With the consent of the Consultant the Client may in writing at any time after the execution of the Agreement or the commencement of the Services delete, extend, increase, vary or otherwise alter the Services forming the subject of the Agreement, and if such action by the Client necessitates additional staff or services, the Consultant shall be paid in accordance with Section 3.2.1 for such additional staff employed directly thereon, together with such expenses and disbursements as allowed under Section 3.2.2. In the event that the client delays the project then the consultant shall have the right to renegotiate the agreement.

1.09 Suspension or Termination

Either party may at any time by notice in writing to the other party, suspend or terminate the Services or any portion thereof at any stage of the project. Upon receipt of such written notice, the Consultant shall perform no further Services other than those reasonably necessary to close out his Services. In such an event, the Consultant shall be entitled to payment in accordance with Section 3.2. for any of the Consultant's staff employed directly thereon together with such expenses and disbursements allowed under Section 3.2.

If the Consultant 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 Consultant to the date of such termination.

1.10 Indemnification

The Consultant shall indemnify and save harmless the Client from and against all claims, actions, losses, expenses, costs or damages of every nature and kind whatsoever which the Client, his employees, officers or agents may suffer, to the extent the Consultant is legally liable as a result of the negligent acts of the Consultant, his employees, officers or agents in the performance of this Agreement.

The Client agrees to hold harmless, indemnify and defend the Consultant from and against any and all claim, losses, damages, liability and costs of defense arising out of or in any way connected with the presence, discharge, release or escape of contaminants of any kind, excluding only such liability as may arise out of the negligent acts of the Consultant in the performance of consulting services to the Client within this project.

1.11 Insurance

The Client will accept the insurance coverage amount specified in this clause section (a) as the aggregate limit of liability of the Consultant and its employees for the Client's damages.

a) Comprehensive General Liability and Automobile Insurance

The Insurance Coverage shall be \$1,000,000.⁰⁰ per occurrence and in the aggregate for general liability and \$1,000,000.⁰⁰ for automobile insurance. When requested the Consultant 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 \$1,000,000.⁰⁰ per claim and in the aggregate. When requested, the Consultant shall provide to the Client proof of Professional Liability Insurance carried by the Consultant, and in accordance with the Professional Engineers Act (RSO 1990, Chapter P. 28) and regulations therein.

c) Change in Coverage

If the Client requests to have the amount of coverage increased or to obtain other special insurance for this Project then the Consultant shall endeavour forthwith to obtain such increased or special insurance at the Client's expense as a disbursement allowed under Section 3.2.

It is understood and agreed that the coverage provided by these policies will not be changed or amended in any way nor cancelled by the Consultant until thirty (30) days after written notice of such change or cancellations has been personally delivered to the Client.

1.12 Contracting for Construction

Neither the Consultant nor any person, firm or corporation associated or affiliated with or subsidiary to the Consultant shall tender for the construction of the Project, or have an interest either directly or indirectly in the construction of the Project.

1.13 Assignment

Neither party may assign this Agreement without the prior consent in writing of the other.

1.14 Previous Agreements

This Agreement supersedes all previous agreements, arrangements or understandings between the parties whether written or oral in connection with or incidental to the Project.

1.15 Approval by Other Authorities

Unless otherwise provided in this Agreement, where the work of the Consultant is subject to the approval or review of an authority, department of government, or agency other than the Client, such applications for approval or review shall be the responsibility of the Consultant, but shall be submitted through the offices of the Client and unless authorized by the Client in writing, such applications for approval or review shall not be obtained by direct contact by the Consultant with such other authority, department of government or agency.

1.16 Principals and Executives

The use of Principals and Executives on a time basis by the Consultant, will be in accordance with Section 1.23.1 (c).

1.17 Sub-Consultants

The Consultant may engage others as sub-consultants for specialized services provided that prior approval is obtained, in writing, from the Client and may add a mark-up of not more than 5% of the cost of such services to cover office administration costs when claiming reimbursement from the Client plus the cost of the additional insurance incurred by the Consultant for the specialized services.

1.18 Inspection

The client, or persons authorized by the Client, shall have the right, at all reasonable times, to inspect or otherwise review the Services performed, or being performed, under the Project and the premises where they are being performed.

1.19 Publication

The Consultant agrees to obtain the consent in writing of the Client before publishing or issuing any information regarding the Project.

1.20 Confidential Data

The Consultant shall not divulge any specific information identified as confidential, communicated to or acquired by 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 Consultant by a third party without obligation of confidentiality which is independently developed by the Consultant without access to the Client's information, or which is required to be disclosed by law or by court order. No such information shall be used by the Consultant on any other project without the approval in writing of the client.

1.21 Dispute Resolution

- (a) If requested in writing by either the Client or the Consultant, the Client and the Consultant shall attempt to resolve any dispute between them arising out of or in connection with this Agreement by entering into structured non-binding negotiations with the assistance of a mediator on a without prejudice basis. The mediator shall be appointed by agreement of the parties. If a dispute cannot be settled within a period of ninety (90) calendar days with the mediator, the dispute shall be referred to and finally resolved by arbitration under the rules of the province having jurisdiction or by an arbitrator appointed by the agreement of the parties.
- (b) No person shall be appointed to act as mediator or arbitrator who is in any way interested, financially or otherwise, in the conduct of the work on the Project or in the business or other affairs of either the Client or the Consultant.
- (c) The award of the arbitrator, including an award for costs if applicable, shall be final and binding upon the parties.
- (d) The provisions of The Arbitration's Act, R.S.O., 1991, Chapter 17, as amended shall apply.

1.22 Time

The Consultant shall perform the Services expeditiously to meet the requirements of the Client and shall complete any portion or portions of the Services in such order as the Client may require. .

The Client shall give due consideration to all designs, drawings, plans, specifications, reports, tenders, proposals and other information submitted by the Consultant, and shall make any decisions which he is required to make in connection therewith within a reasonable time so as not to delay the work of the Consultant.

1.23 Estimates, Schedules and Staff List

1.23.1 Preparation of Estimate of Fees, Schedule of Progress and Staff List

When requested by the Client, and where payment is calculated on a time basis, the Consultant shall provide, for approval by the Client:

- (a) An estimate of the total fees to be paid for the Services.
- (b) A Schedule showing an estimate of the portion of the Services to be completed in each month and an estimate of the portion of the fee which will be payable for each such month.
- (c) A Staff list showing the number, classifications and hourly rate ranges for staff, Principals and Executives, for which the Consultant will seek payment on a time basis. The Consultant shall relate such information to the particular type of work that such staff is to perform, while employed on the Project. Such list shall designate the member of the Consultant's staff who is to be the liaison person between the Consultant and the Client.

1.23.2 Subsequent Changes in the Estimate of Fees, Schedule of Progress and Staff List

The Consultant will require prior written approval, from the Client for any of the following changes:

- (a) Any increase in the estimated fees beyond those approved under Subsection 1.23.1 (a).
- (b) Any change in the schedule at progress which results in a longer period than provided in Subsection 1.23.1 (b).
- (c) Any change in the number, classification and hourly rate ranges of the staff provided under Subsection 1.23.1 (c).

1.23.3 Monthly Reporting of Progress

When requested by the Client, the Consultant shall provide the Client with a written report showing the portion of the Services completed in the preceding month.

ARTICLE 2 - SERVICES

2.01 Services to be provided by Consultant

Phase 1 – Desktop review

- i. Review of existing geotechnical reports.
- ii. Review of Ontario geological base maps.
- iii. Review of existing foundation drawings for adjacent buildings (if any).
- iv. Review of existing retaining wall design drawings (if any).

Phase 2 – Site Investigation

- i. Conduct field drilling exploration.
- ii. Advance a minimum of two (2) test holes to bedrock.
- iii. Installation of one (1) piezometer to measure ground water level
- iv. Field Sampling as recommended in the Canadian Foundation Engineering Manual for Testing Materials. Sampling shall be carried out at 0.75 metre intervals initially and increased to 1.5m intervals below the 4.5m depth.
- v. Field Testing as recommended in the Canadian Foundation Engineering Manual, including in-situ field vane, standard penetration, and dynamic cone penetration.

Phase 3 – Laboratory Services

- i. Conduct soils classification testing.
- ii. Conduct strength testing as required.

Phase 4 – Report and Recommendations

- i. Presentation of factual data.
- ii. Presentation of recommendations with respect to the stability of the existing retaining wall and potential effects to nearby structures should failure occur.

Deliverables shall include two (2) hardcopy original reports and one (1) .pdf electronic copy of the report, signed and sealed by a Professional Engineer licensed to practice in Ontario.

2.02 Services to be provided by Client

Phase 1 – Desktop review

- i. Provide existing as-built drawings of the retaining wall if available.
- ii. Provide copies of existing geotechnical studies immediate to the area.

Phase 2 – Site Investigation

- i. Co-ordinate access to the work site with adjacent property owners.
- ii. Provide notification to adjacent property owners.
- iii. Provide site restoration services including sodding of disturbed areas.

ARTICLE 3 - FEES AND DISBURSEMENTS

3.1 Definitions

For the purpose of this Agreement, the following definitions shall apply:

(a) Cost of the Work:

- (i) The "Cost of the Work" shall mean the total cost of the Project including all materials, equipment, sales taxes, labour and contractor's overhead and profit, necessary to complete the work for which the Consultant prepares designs, drawings or specifications, for which he is responsible. Where sales taxes are not included in the cost of the work, the fee shall be adjusted upwards by the factor equivalent to the sales taxes. The adjusted fee may be computed to the nearest one-tenth of one percent (1/10%).
- (ii) Wherever the client furnishes labour or other service which is incorporated in the work, the current price of labour or other service when the work was executed shall be used to compute the Cost of the Work.
- (iii) Whenever used materials or equipment is furnished by or on behalf of the Client, the fair market value of such materials or equipment, as though it was purchased new, shall be used to compute the Cost of the Work.
- (iv) In computing the Cost of the Work, no deductions shall be made on account of any penalties or damages claimed by the Client from any contractor or on account of any other sum withheld from any contractor.
- (v) The Cost of the Work shall not include any fees and disbursements due to the Consultant, the Client's engineering and office expenses, or cost of land.

(b) Site:

Site includes the actual work site and other locations where the checking of materials, equipment and workmanship is carried out.

3.2 Basis of Payment

3.2.1 Lump-Sum Fee / Negotiated Fee

3.2.1.1 Lump-Sum Fee Basis

- (a) Fees for the scope of work covered under this Agreement will be on a Lump-Sum Fee Basis, inclusive for labour and reimbursable expenses.
- (b) Monthly progress invoices will be based on the percentage of project completed or milestone achieved. Invoices for fees are due upon presentation. Accounts unpaid after 30 days are subject to monthly interest charges at a rate of 12% per annum. The Consultant reserves the right, without penalty, to discontinue services in the event of non-payment.
- (c) If the project is abandoned or delayed for any reason beyond the Consultant's control, the Client shall pay a fee for services rendered to that date, plus the termination expenses reasonably incurred by the Consultant in winding down the project.
- (d) HST will be added to the Lump-Sum Fee.
- (e) The Lump-Sum Fee for this assignment is \$16,600.⁰⁰

3.2.2 Reimbursable Expenses

In addition to the fee, the Consultant shall be reimbursed at cost plus an administrative charge of 5%, plus the cost of additional insurance incurred by the Consultant, for all expenses properly incurred by him in connection with the project, including but not limited to: vehicle use charges, travelling and living expenses, long distance telephone charges, facsimile transmission charges, printing and reproductions, progress photography, advertising for tenders, special delivery and express charges, overtime premium costs, and the cost of providing and maintaining site offices, supplies and equipment, chemical and physical tests.

3.2.2.1 Information Technology and Reprographic (ITR) costs incurred by the Consultant shall be reimbursed at a standard charge rate of \$65 per labour hour expended. The assessment shall include all information technology resources required for purposes of providing the services contemplated under this agreement, including: computer equipment/systems, computer software, computer supplies, networking (local and wide area), and labour associated with computer management, administration and support. Computer systems include all types of computers, such as: general purpose microcomputers, PC-CADD microcomputers, graphic design workstations, and notebooks. The ITR charge shall also include all regular in-house convenience copying and printing. Cost for reproducing specifications and drawing set shall not be included in this rate.

3.2.2.2 Telecommunication costs (COM) other than video-conferencing incurred by the Consultant shall be reimbursed at a standard charge rate of \$65 per labour hour expended. The assessment shall include in-house costs for use of telephone/telecommunication services (including maintenance and support) and facsimile transmissions.

3.3 Payment

3.3.1 Lump Sum Fee/Negotiated Fee

(a) Compensation

The Client will compensate the Consultant 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.

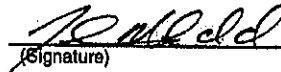
SIGNED, SEALED AND DELIVERED

In the presence of:

) _____
) _____
) _____

Tulloch Engineering Inc.

The signatory shall have the authority to bind the corporation or company for purposes of this agreement


(Signature)

John McDonald, P.Eng.
(Name)

Project Manager
(Title)

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

The signatory shall have the authority to bind the municipality or its agency for purposes of this agreement

MAYOR CHRISTIAN PROVENZANO

~~CLERK/MAYOR WHITE~~

Deputy City Clerk - Rachel Tyczinski

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2015-91

AGREEMENT: (E2.2) A by-law to authorize execution of a contract between the City and Palmer Construction Group Inc. for the Second Line Widening – Phase 3. (Contract 2015-5E)

THE COUNCIL of The Corporation of the City of Sault Ste. Marie, pursuant to section 9 of the *Municipal Act, 2001*, S.O. 2001, c. 25, **ENACTS** as follows:

1. **EXECUTION OF DOCUMENT**

The Mayor and the City Clerk are hereby authorized for and in the name of the Corporation to execute and affix the seal of the Corporation to a contract in the form of Schedule "A" attached hereto, dated May 11, 2015 and made between the City and Palmer Construction Group Inc. (Contract 2015-5E)

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 11th day of May, 2015.

MAYOR - CHRISTIAN PROVENZANO

DEPUTY CITY CLERK – RACHEL TYCZINSKI

CORPORATION OF THE CITY OF SAULT STE. MARIE

CONTRACT NO. 2015-5E

FORM OF AGREEMENT

This Agreement made (in triplicate) this 11th day of May in the year 2015 by and between

Palmer Construction Group Inc. hereinafter called the "Contractor"

AND

The Corporation of the City of Sault Ste. Marie, Ontario hereinafter called the "Corporation".

WITNESSETH: That the Contractor and the Corporation undertake and agree as follows:

1. The Contractor will provide all the materials and all the works shown and described in the contract documents entitled:

**SECOND LINE WIDENING – PHASE 3
CONTRACT NO. 2015-5E**

which have been signed in triplicate by both parties and which were prepared under the supervision of Kresin Engineering Corporation.

2. The Contractor will do and fulfil everything indicated by the Agreement, the General Conditions, the Specifications, the Special Provisions, Instructions to Tenderers, Form of Tender, Addenda, if any, and the Drawings.
3. The Contractor will complete all the work under the supervision and direction and to the entire satisfaction of the Owner within the period of time specified.
4. The Corporation shall pay to the Contractor the contract price as set forth in the Form of Tender in accordance with the provisions as set forth in the General Conditions and the Special Provisions. The quantities contained in the Form of Tender are approximate only and the final payment shall be made for the actual quantities that are incorporated in or made necessary by the work covered by the contract.

5. The Corporation shall pay the Contractor for work that is ordered in writing by the Engineer and that cannot be classified as coming under any of the contract units and for which no unit price, lump sum, or other basis can be agreed upon, on a time and material basis as set out in the General Conditions.
6. The Contractor shall indemnify and save harmless the Corporation, its officers, employees and agents, from all loss, damages, costs, charges and expenses of every nature and kind whatsoever which may be made or brought against the Corporation, its officers, employees and agents, by reason or in consequence of the execution and performance or maintenance of the work by the Contractor, its employees, agents or officers.
7. All communications in writing between the Corporation, the Contractor and the Engineer shall be deemed to have been received by the Addressee if delivered to the individual, a member of the firm or an officer of the Corporation for whom they are intended or if sent by post or by telegram addressed as follows:

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

The Contractor: Palmer Construction Group Inc.
 845 Old Goulais Bay Road
 Sault Ste. Marie, ON
 P6A 0B5

The Engineer: Kresin Engineering Corporation
 536 Fourth Line East
 Sault Ste. Marie, ON
 P6A 6J8

IN WITNESS WHEREOF the parties hereto have executed this Agreement by the day and year first above written.

Signed, Sealed and Delivered
in the presence of

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

Mayor – Christian Provenzano

(seal)

~~City Clerk – Malcolm White~~

Deputy City Clerk - Rachel Tyczinski

PALMER CONSTRUCTION GROUP INC.

Signing Officer

(seal)

Witness

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2015-92

AGREEMENT: (AG-54) A by-law to authorize the execution of the Waste Supply and Reformation Third Amending Agreement between the City and Elementa Algoma LP.

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 Deputy City Clerk are hereby authorized for and in the name of the Corporation to execute and affix the seal of the Corporation to the Waste Supply and Reformation Third Amending Agreement dated May 11, 2015 between the City and Elementa Algoma LP attached as Schedule "A" hereto.

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 11th day of May, 2015.

MAYOR – CHRISTIAN PROVENZANO

DEPUTY CITY CLERK – RACHEL TYCZINSKI

Schedule "A"

WASTE SUPPLY AND REFORMATION THIRD AMENDING AGREEMENT

This Waste Supply and Reformation Third Amending Agreement is made effective as of the 11th day of May, 2015 (this "2015 Amending Agreement")

BETWEEN:

**THE CORPORATION OF THE CITY OF SAULT STE.
MARIE, (the "City")**

— and —

ELEMENTA ALGOMA LP ("Elementa")

WHEREAS the City and Elementa Group Inc. entered into the Waste Supply and Reformation Agreement dated October 26, 2009, as amended July 15, 2013 (collectively the "Waste Agreement");

AND WHEREAS Section 21.13 of the Waste Agreement permits the amendment of the Waste Agreement by written document signed by the parties hereto;

AND WHEREAS the City and Elementa Group Inc. subsequently entered in a "Waste Supply and Reformation Second Amending Agreement" dated January 20, 2014 (the "Amending Agreement") which made certain amendments to the Waste Agreement and confirmed that the balance of the terms and conditions of the Waste Agreement shall continue in full force and effect unamended;

AND WHEREAS on January 20, 2014, the City, Elementa Group Inc. and Elementa Algoma LP entered into an Assignment and Novation Agreement where, among other matters, Elementa Group Inc. assigned to Elementa Algoma LP, with the consent of the City, all rights, title and interest in and to and benefits under the Waste Agreement to Elementa Algoma LP, and where Elementa Algoma LP further agreed to assume, perform and discharge the specified obligations and liabilities of Elementa Group Inc. as set out in the Waste Agreement;

AND WHEREAS the Parties wish to make certain further amendments to the Waste Agreement and Amending Agreement in accordance with the provisions set forth below.

NOW THEREFORE, THIS 2015 AMENDING AGREEMENT WITNESSETH that in consideration of the premises and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Unless otherwise defined herein, capitalized terms used in this 2015 Amending Agreement have the meaning given to them in the Waste Agreement.
2. Sections 1 through 5 inclusive of the Amending Agreement are hereby deleted and shall no longer have any force or effect. For the sake of clarity, the parties hereto acknowledge and agree that this 2015 Amending Agreement shall refer to the Waste Agreement in setting out the amendments agreed to by the parties.
3. The definition of "Commencement Date for Waste Supply" in Section 1.1 of the Waste Agreement is hereby amended by deleting the date "January 1, 2016" and replacing it with "July 1, 2017".
4. Section 7.1(e) of the Waste Agreement is hereby amended by deleting the reference to "Spring of 2014" and replacing it with "Fall of 2015", and to replace "September 1, 2014" with "May 1, 2016".
5. Section 14.1(i) of the Waste Agreement is amended by deleting the date "December 31, 2017" and replacing it with "December 31, 2018".

6. Section 14.1(j) of the Waste Agreement is amended by deleting the date "September 1, 2014" and replacing it with "May 1, 2016".
7. The Parties hereby confirm that except as amended by this 2015 Amending Agreement, the terms and conditions of the Waste Agreement shall continue in full force and effect, unamended.
8. This 2015 Amending Agreement may be executed in counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute one and the same instrument.
9. This 2015 Amending Agreement is governed by the laws of the Province of Ontario and the laws of Canada applicable therein.

IN WITNESS WHEREOF, the Parties have executed this 2015 Amending Agreement effective as of the date first above written.

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

Per: _____

Name: Christian Provenzano
Title: Mayor

Per: _____

Name: Rachel Tyczinski
Title: Deputy City Clerk

We have authority to bind the Corporation.

ELEMENTA ALGOMA LP

Per: _____

Name: Jayson Zwierschke
Title: Chief Executive Officer

I have authority to bind Elementa
Algoma LP

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2015-93

AGREEMENT: (PR1.67) A by-law to authorize the execution of an agreement between the City and TVM Sault Inc. for a snow plough turnaround and storage located at the former Sault Area Hospitals 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 an agreement dated between the City and TVM Sault Inc., a copy of which is attached as Schedule "A" hereto. This agreement is for a snow plough turnaround and storage located at the former Sault Area Hospitals 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 11th day of May, 2015.

MAYOR - CHRISTIAN PROVENZANO

CITY CLERK - MALCOLM WHITE

PR1.67(4)

**TURNAROUND AGREEMENT
SAULT STE. MARIE, ONTARIO**

THIS AGREEMENT made this day of April, 2015

BETWEEN:

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

(the "City")
OF THE FIRST PART

AND

TVM SAULT INC.

("TVM")
OF THE SECOND PART

WHEREAS TVM Sault Inc. is the registered owner of the lands and premises described as Part of PIN 31539-0140 (LT) being Part Lot 15, Plan 844, Sault Ste. Marie, specifically a section of lands of approximately 18,280 metres by 5,570 metres as shown on Schedule "A" to this Agreement and identified as "Private Property" ("Subject Property");

AND WHEREAS the City desires to enter into a snow plough turnaround and storage Agreement with TVM;

NOW THEREFORE in consideration of the rents, covenants and agreements herein contained and hereby assumed, the parties for themselves and their respective successors and assigns do hereby covenant and agree with one another as follows:

1. TVM grants the City permission to use the Subject Property as a snow plough turnaround and for storage by the City.
2. This Agreement shall be in force commencing October 1, 2015 and ending on June 30, 2016 and annually thereafter (the "Term") unless cancelled in writing by the City prior to September 1 in any succeeding year.
3. The City agrees to save harmless TVM from and against all claims, demands, losses, costs, damages, actions, suits, or other proceedings, by whomsoever made, sustained, brought or prosecuted in any manner, based upon, occasioned by or attributable to any injury or damage arising or resulting from any act or omission of the City, its servants or agents in using or occupying the Subject Property during the Term.
4. The City will ensure that the Subject Property and surrounding area is left in good, clean condition and free of winter refuse at the end of each winter season during the Term.

5. TVM agrees not to erect any building or structure on the Subject Property, and further agrees to remove any chattel from the Subject Property prior to September 30, 2015 and every year thereafter during the Term, which would impede or otherwise prevent the City from using the Subject Property as described herein.
6. TVM agrees and acknowledges that this Agreement shall bind TVM's heirs, personal representatives, successors and assigns.
7. TVM consents to the registration of this Agreement on title to PIN 31539-0140 (LT), namely PT LTS 15, 16, 17 & 18 PL 844 ST. MARY'S BEING PTS 6, 7, 8, 9 & 10 1R10494; S/T AN EASEMENT OVER PTS 6, 7 & 9 1R10494 AS IN T224872; S/T AN EASEMENT IN GROSS OVER PTS 7 & 9 1R10494 AS IN T469097; CITY OF SAULT STE. MARIE, which includes the Subject Property. TVM shall execute any documentation necessary to effect same. The City shall pay all costs associated with such registration.
8. This Agreement may only be modified by written instrument signed by all parties hereto.
9. This Agreement constitutes the entire agreement of the parties and supercedes all prior representations, proposals, discussions and communications, whether oral or in writing.
10. No party shall assign, transfer or make any other disposition of this Agreement or of the rights conferred thereby, without the prior express written consent of the other parties herein.

IN WITNESS WHEREOF the parties hereto have signed this Agreement this 11 day of ~~April, 2015~~ MAY, 2015.

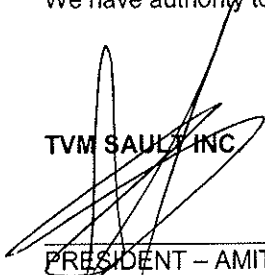
THE CORPORATION OF THE CITY OF SAULT STE. MARIE

MAYOR – CHRISTIAN PROVENZANO

~~CITY CLERK - MALCOLM WHITE~~

Deputy City Clerk - Rachel Tyczinski

We have authority to bind the Corporation.


TVM SAULT INC

PRESIDENT – AMIT SOFER

I have the authority to bind the Corporation

Schedule "A"



 CITY PROPERTY

 PRIVATE PROPERTY



PLAN OF
**LUCY TERRACE
EASEMENT**

JERRY G. DOLGEN MOP 216

000-A

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2015-94

PROPERTY: (PR1.67) A by-law to authorize various transfers from TVM Sault Inc. to the City and the transfer of an Access Easement from the City to the Sault Ste. Marie Region Conservation Authority.

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. **CONDITION OF TRANSFERS**

The Council of the Corporation of the City of Sault Ste. Marie hereby authorizes the Mayor and City Clerk to sign any documents required to provide for the following transfers:

- a) the Transfer of Part 2, Plan 1R13068 from TVM to the City;
 - b) the Transfer of a Sanitary Sewer Easement from TVM to the City over Part 4, Plan 1R13068;
 - c) the Transfer of Parts 2 and 3, Plan 1R13002, and Parts 7 through 14 inclusive, Plan 1R10494 from TVM to the City; and
 - d) the Transfer of an Access Easement from the City to the Sault Ste. Marie Region Conservation Authority over Parts 2 and 3, Plan 1R13002,
- and all costs related thereto to facilitate the redevelopment plans for the TVM Lands.

2. **SCHEDULES "A", "B" AND "C"**

Schedules "A", "B" and "C" hereto form part of this by-law.

3. **EFFECTIVE DATE**

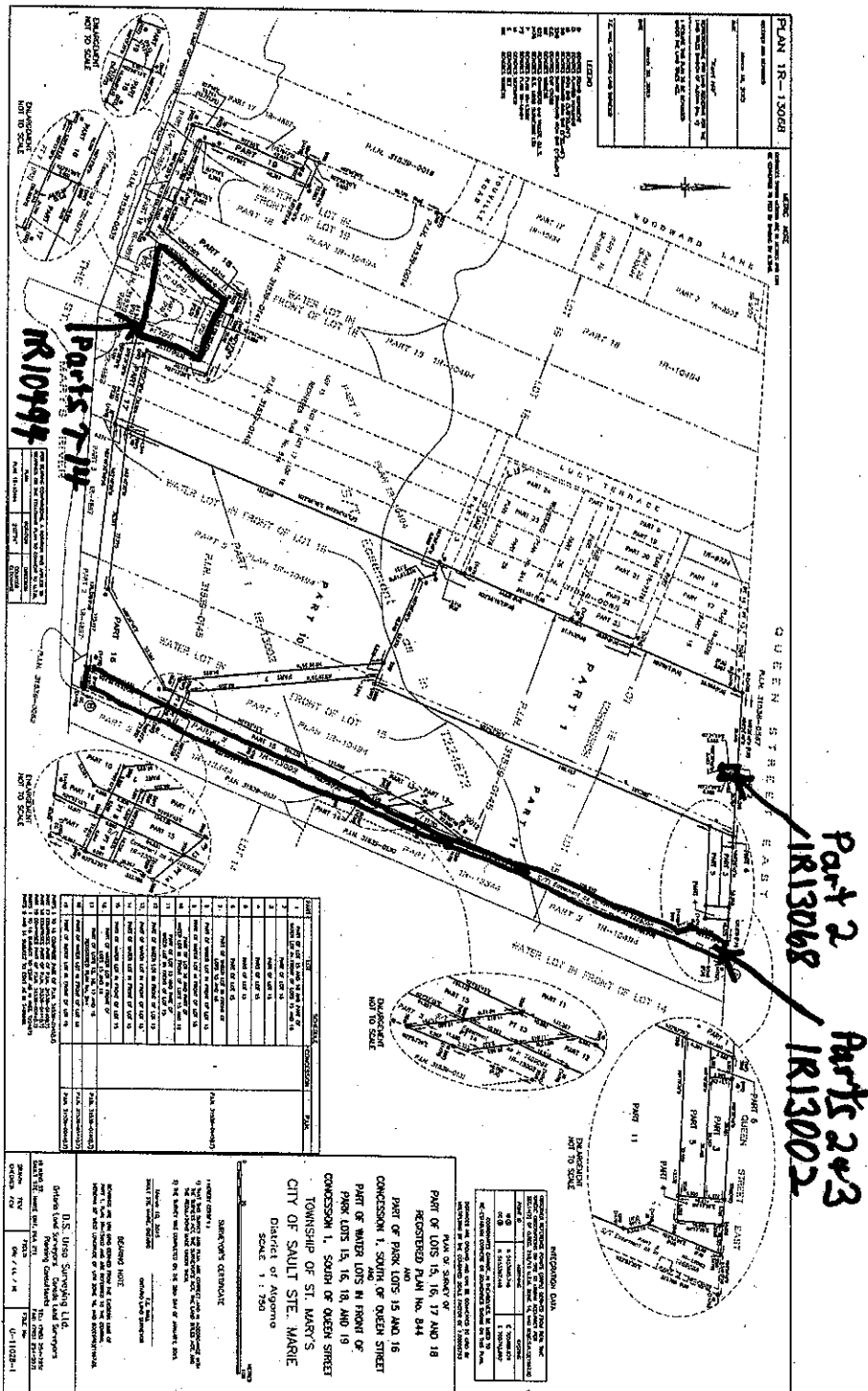
This by-law takes effect on the day of its final passing.

PASSED in open Council this 11th day of May, 2015.

MAYOR – CHRISTIAN PROVENZANO

DEPUTY CITY CLERK – RACHEL TYCZINSKI

PURCHASER: THE CORPORATION OF THE CITY OF SAULT STE. MARIE
VENDOR: TVM SAULT INC.
PROPERTY: Part 2, Plan 1R13068; Parts 2 and 3, 1R13002, Parts 7 through 14
inclusive, Plan 1R10494
CONSIDERATION: \$1.00



THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2015-95

AGREEMENT: (E2.2) A by-law to authorize execution of a contract between the City and Jobst Construction for the Fort Creek Aqueduct – John Street Bypass project. (Contract 2015-4E)

THE COUNCIL of The Corporation of the City of Sault Ste. Marie, pursuant to section 9 of the *Municipal Act, 2001*, S.O. 2001, c. 25, **ENACTS** as follows:

1. **EXECUTION OF DOCUMENT**

The Mayor and the City Clerk are hereby authorized for and in the name of the Corporation to execute and affix the seal of the Corporation to a contract in the form of Schedule "A" attached hereto, dated May 11, 2015 and made between the City and Jobst Construction for the Fort Creek Aqueduct – John Street Bypass project. (Contract 2015-4E)

2. **SCHEDULE "A"**

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

3. **EFFECTIVE DATE**

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

PASSED in open Council this 11th day of May, 2015.

MAYOR - CHRISTIAN PROVENZANO

DEPUTY CITY CLERK – RACHEL TYCZINSKI

CORPORATION OF THE CITY OF SAULT STE. MARIE

CONTRACT 2015-4E

FORM OF AGREEMENT

This Agreement made (in triplicate) this 11TH day of MAY in the year **2015** by and between
Jobst Construction hereinafter called the "Contractor"

AND

The Municipal Corporation of the City of Sault Ste. Marie, Ontario hereinafter called the "Corporation".

WITNESSETH: That the Contractor and the Corporation undertake and agree as follows:

1. The Contractor will provide all the materials and all the works shown and described in the contract documents entitled:

FORT CREEK AQUADUCT – JOHN STREET BYPASS

CONTRACT 2015-4E

which have been signed in triplicate by both parties and which were prepared under the supervision of Jerry D. Dolcetti, RPP, Commissioner of Engineering & Planning, acting as and herein entitled, the Engineer.

2. The Contractor will do and fulfill everything indicated by the Agreement, the General Conditions, the Specifications, the Special Provisions and the Drawings and Addenda #1 and 2.
3. The Contractor will complete all the work to the entire satisfaction of the Engineer within the period of time specified.
4. The Corporation shall pay to the Contractor the contract price as set forth in the Form of Tender in accordance with the provisions as set forth in the General Conditions and the Special Provisions. The quantities contained in the Form of Tender are approximate only and the final payment shall be made for the actual quantities that are incorporated in or made necessary by the work covered by the contract.
5. The Corporation shall pay the Contractor for work that is ordered in writing by the Engineer and that cannot be classified as coming under any of the contract units and for which no unit price, lump sum, or other basis can be agreed upon, on a time and material basis as set out in the General Conditions.
6. The Contractor shall indemnify and save harmless the Corporation, its officers, employees and agents, from all loss, damages, costs, charges and expenses of every nature and kind whatsoever which may be made or brought against the Corporation, its officers, employees and agents, by reason or in consequence of the execution and performance or maintenance of the work by the Contractor, its employees, agents or officers.

7. All communications in writing between the Corporation, the Contractor and the Consultant shall be deemed to have been received by the Addressee if delivered to the individual, a member of the firm or an officer of the Corporation for whom they are intended or if sent by post or by facsimile addressed as follows:

THE CORPORATION: The Corporation of the City of Sault Ste. Marie
P.O. Box 580
99 Foster Drive
Sault Ste. Marie, Ontario
P6A 5N1

THE CONTRACTOR: Jobst Construction Ltd.
1130 Airport Road
Sault Ste. Marie, Ontario
P6A 5K6

THE CONSULTANT: STEM Engineering Group
875 Queen Street East, Suite 2
Sault Ste. Marie, Ontario
P6A 2B3

IN WITNESS WHEREOF the parties hereto have executed this Agreement by the day and year first above written.

Signed, Sealed and Delivered
in the presence of

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

MAYOR – CHRISTIAN PROVENZANO

(seal)

~~CITY CLERK - MALCOLM WHITE~~

Deputy City Clerk - Rachel Tyczinski

THE CONTRACTOR

COMPANY NAME

(seal)

SIGNATURE

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2015-96

TEMPORARY STREET CLOSING: (S4.1) A by-law to permit the temporary closing of John Street from Queen Street West to Central Park Boulevard from May 12, 2015 until October 31, 2015 to facilitate the Fort Creek Aqueduct Improvements.

THE COUNCIL of the Corporation of the City of Sault Ste. Marie pursuant to Section 10 of the *Municipal Act, 2001*, S.O. 2001, c. 25 and amendments thereto **ENACTS** as follows:

1. **TEMPORARY STREET CLOSING OF QUEEN STREET EAST**

The Council of the Corporation of the City of Sault Ste. Marie hereby authorizes the closing to vehicular traffic of John Street from Queen Street West to Central Park Boulevard from May 12, 2015 until October 31, 2015 to facilitate the Fort Creek Aqueduct Improvements.

2. **EFFECTIVE DATE**

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

PASSED in open Council this 11th day of May, 2015.

MAYOR – CHRISTIAN PROVENZANO

DEPUTY CITY CLERK – RACHEL TYCZINSKI

da LEGAL\STAFF\BYLAWS\1. 2015\2015-96 TEMPORARY STREET CLOSING JOHN ST.DOC

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW NO. 2015-97

PUC: (P4) A By-law to authorize the Public Utilities Commission of the City of Sault Ste. Marie to borrow approximately eight million dollars (\$8,000,000) in the name of The Corporation of the City of Sault Ste. Marie.

THE COUNCIL of The Corporation of the City of Sault Ste. Marie, pursuant to Section 10 of the *Municipal Act, 2001*, S.O. 2001, c. 25, **ENACTS** as follows:

WHEREAS the Public Utilities Commission of the City of Sault Ste. Marie is deemed to be a municipal service board pursuant to Section 195 of the *Municipal Act, 2001*,

AND WHEREAS Subsection 23.4(1) of the *Municipal Act, 2001*, S.O. 2001, c. 25 provides that where a municipality has delegated a power or duty to a municipal service board, the municipality may provide that any existing by-law or resolution of the municipality that relates to the delegated power or duty be deemed to be a by-law or resolution of the municipal service board,

AND WHEREAS the Public Utilities Commission of the City of Sault Ste. Marie is seeking to borrow an amount of approximately eight million dollars (\$8,000,000),

AND WHEREAS the Public Utilities Commission of the City of Sault Ste. Marie will be issuing the debt in its name through the Ontario Infrastructure and Lands Corporation,

NOW THEREFORE The Corporation of the City of Sault Ste. Marie enacts as follows:

The Treasurer of the Public Utilities Commission of the City of Sault Ste. Marie together with any person designated as a Commission signing authority are hereby authorized on behalf of the Commission to borrow a sum or sums in the aggregate \$8,000,000 with interest as negotiated.

PASSED in open Council this 11th day of May, 2015.

MAYOR – CHRISTIAN PROVENZANO

DEPUTY CITY CLERK – RACHEL TYCZINSKI

wl legal\Staff\BYLAWS\1. 2015\2015-97 PUC Borrowing by-law

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW NO. 2015-97

PUC: (P4) A By-law to authorize the Public Utilities Commission of the City of Sault Ste. Marie to borrow approximately eight million dollars (\$8,000,000).

THE COUNCIL of The Corporation of the City of Sault Ste. Marie, pursuant to Section 10 of the *Municipal Act, 2001*, S.O. 2001, c. 25, **ENACTS** as follows:

WHEREAS the Public Utilities Commission of the City of Sault Ste. Marie is deemed to be a municipal service board pursuant to Section 195 of the *Municipal Act, 2001*,

AND WHEREAS Subsection 23.4(1) of the *Municipal Act, 2001*, S.O. 2001, c. 25 provides that where a municipality has delegated a power or duty to a municipal service board, the municipality may provide that any existing by-law or resolution of the municipality that relates to the delegated power or duty be deemed to be a by-law or resolution of the municipal service board,

AND WHEREAS the Public Utilities Commission of the City of Sault Ste. Marie is seeking to borrow an amount of approximately eight million dollars (\$8,000,000),

AND WHEREAS the Public Utilities Commission of the City of Sault Ste. Marie will be issuing the debt in its name through the Ontario Infrastructure and Lands Corporation,

NOW THEREFORE The Corporation of the City of Sault Ste. Marie enacts as follows:

The Treasurer of the Public Utilities Commission of the City of Sault Ste. Marie together with any person designated as a Commission signing authority are hereby authorized on behalf of the Commission to borrow a sum or sums in the aggregate eight million dollars (\$8,000,000) with interest as negotiated.

PASSED in open Council this 11th day of May, 2015.

MAYOR – CHRISTIAN PROVENZANO

DEPUTY CITY CLERK – RACHEL TYCZINSKI

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW NO. 2015-98

ZONING: A by-law to amend Sault Ste. Marie Zoning By-laws 2005-150 and 2005-151 concerning lands located at 207 Northern Avenue East (1188004 Ontario Inc.).

THE COUNCIL of The Corporation of the City of Sault Ste. Marie, pursuant to section 34 of the *Planning Act*, R.S.O. 1990, c. P.13 and amendments thereto, **ENACTS** as follows:

1. **207 NORTHERN AVENUE EAST; LOCATED ON THE SOUTH SIDE OF NORTHERN AVENUE EAST, APPROXIMATELY 30M EAST OF REID STREET**

The zone designation on the lands described in section 2 of this by-law, which lands are shown on Map 1-60 of Schedule “A” to By-law 2005-150, is changed from C4.S (General Commercial) Zone with a “Special Exception” to C4.S (General Commercial) zone with an amended “Special Exception”.

2. **BY-LAW 2005-151 AMENDED**

Section 2 of By-law 2005-151 is amended by repealing section 2(14) and adding the following subsection 2(14) and heading as follows:

“2(14) 207 Northern Avenue East

Despite the provisions of By-law 2005-150, the zone designation on the lands located on the south side of Northern Avenue East, approximately 30 metres east of Reid Street and having civic no. 207 Northern Avenue East and outlined and marked “Subject Property” on the map attached as Schedule 14 hereto is changed from C4.S (General Commercial) zone with a “Special Exception” to C4.S (General Commercial) zone with an amended “Special Exception”, subject to the following special conditions:

1. That the entire building may be used for office purposes; and
2. That the total parking required for the office uses be reduced to 36 spaces.”

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.

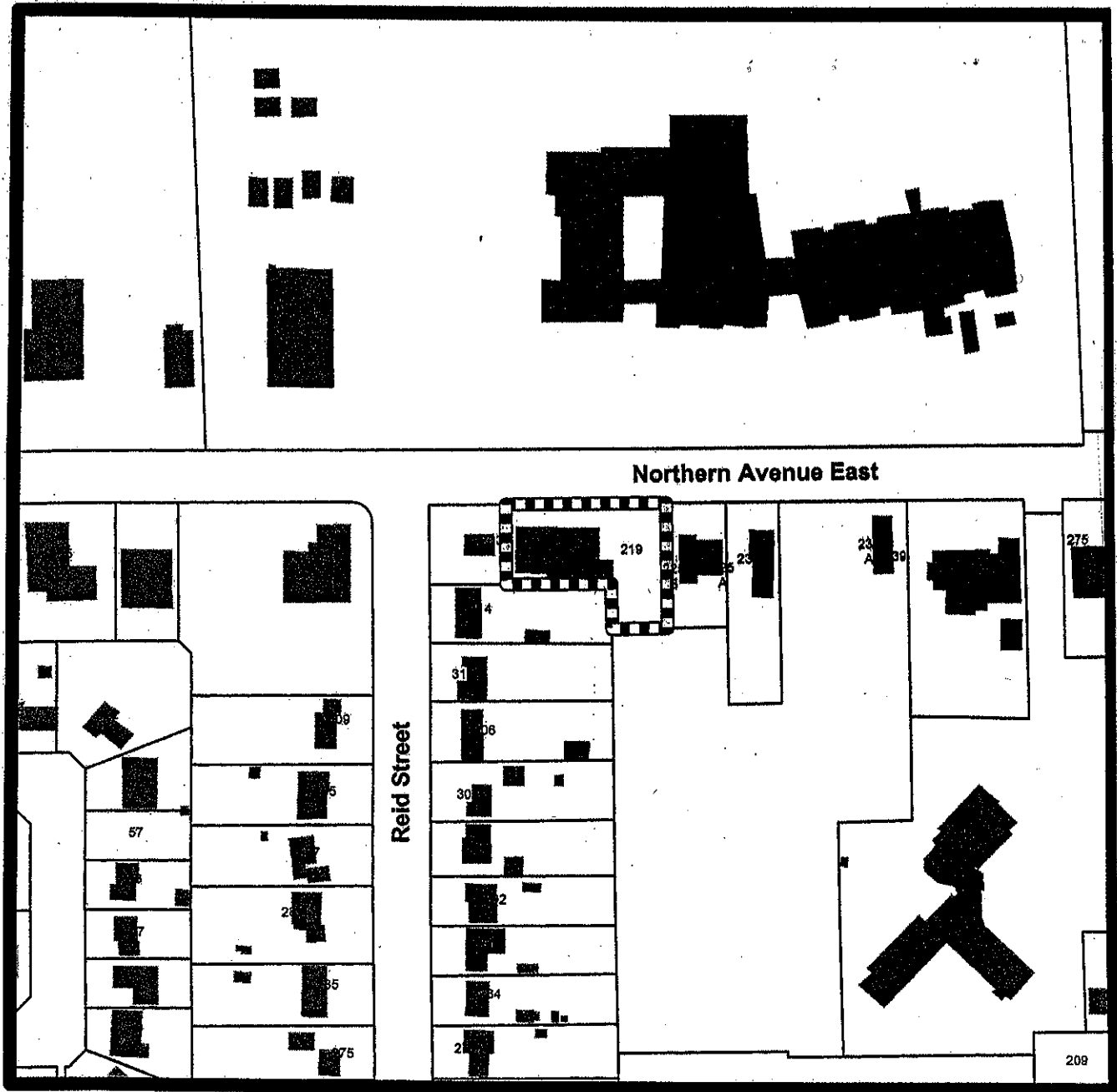
PASSED in Open Council this 11th day of May, 2015.

MAYOR – CHRISTIAN PROVENZANO

DEPUTY CITY CLERK – RACHEL TYCZINSKI

Iz/Staff/Legal/Zoning/2015/2015-98 207 Northern Avenue\By-law 2015-98 Z

SCHEDULE "A" TO BY-LAW 2015-98
AND SCHEDULE 14 TO BY-LAW 2005-151



SUBJECT PROPERTY MAP
207 NORTHERN AVENUE EAST
Planning Application: A-11-15-Z

Legend



Subject Property = 207 Northern Avenue East



METRIC SCALE
1 : 2000

ROLL NUMBER
030-053-062-00

MAIL LABEL ID
A-11-15-Z

MAP NUMBERS
60 & 1-60